

How Not to Improve Health Care in Prince Edward Island

The purpose of this letter is to express our disappointment with Health PEI's decision to end the \$1.07 incentive Memorandum of Agreement (MOA). The \$1.07 incentive was a premium of \$1.07 per hour paid to all UPSE Health employees who committed to work full time hours over a four (4) week period/s. This agreement was negotiated as a one-year pilot project, starting on February 24, 2025, to determine whether the incentive would increase Full-Time Equivalent (FTE) hours and stabilize the workforce. The parties were then to decide, by mutual consent, whether to extend it.

Although the agreement was signed in February 2025, the Employer did not begin paying the incentive until December 2025. For a program meant to encourage members to work more hours, this delay reduced its impact. Members would be far more likely to increase their FTE if the incentive were paid soon after the extra hours were worked.

Because the \$1.07 MOA was not implemented until December 2025, it is hard to see how the Employer could properly evaluate the pilot project. At a minimum, the MOA should have been extended by nine months to allow for a full year of proper review, as outlined in the agreement. This raises concerns about good faith, and as we enter new negotiations, PEI UPSE will be cautious about future pilot projects.

In March 2026, Health PEI sent mixed messages about the program. UPSE was first told that the LPN mentorship program would not be extended, but that the \$1.07 incentive MOA would continue until the next round of negotiations. UPSE informed members that the LPN mentorship program was ending, but did not advise them of any change to the \$1.07 incentive, since it was not being discontinued at that time.

After the LPN mentorship program was cancelled, UPSE members advocated to their elected officials, and the decision was reversed by the Minister, as confirmed in the Legislative Assembly on April 21, 2026.

However, Health PEI advised UPSE this week that the \$1.07 incentive will not be extended to the next round of negotiations. Health PEI says the \$1.07 incentive was not extended because of budget concerns, yet it continues to spend more than \$40 million per year on private agency staff. If UPSE members are not encouraged to pick up shifts during the summer (which is the peak period for vacation requests) or increase their FTE, the need for agency staff will only grow, at a greater cost to taxpayers. It is also concerning that Health PEI continues to fund privatized services such as Travel RNs, Travel LPNs, and Travel RCW/PCWs.

Further to this point, Health PEI failed to communicate with UPSE members until this week that the \$1.07 incentive would not be extended. A memo was released dated April 22,

2026, informing the members that the MOA “ended effective February 28, 2026.” Members have continued to pick up to Full-Time with the understanding that they would be eligible for the incentive for the months of March and April. Unfortunately, Health PEI chose to inform staff two months after the fact that the incentive would not be effective. These actions and lack of communication show that the employer does not truly value and recognize their employees. If the Employer is going to retract a benefit, this should have been communicated to our members in a timely fashion. At the very minimum, they deserve that. UPSE received correspondence from members stating, “Staff are not happy the employer chose February 28, and staff already worked 100% in March and April. A lot of people pick up to get that extra money.”

Cost Comparison

For context, here is a cost comparison between the \$1.07 incentive and agency staffing.

UPSE represents 1,828 permanent Health PEI employees, including 1,204 full-time employees. Providing all of them with the \$1.07/hour incentive would cost about \$2,512,146 per year.

By comparison, private agency staff are much more expensive. During the 2025 budget estimates, it was confirmed in the legislative assembly during budget estimates that an agency nurse costs about three times the regular rate. At the current LPN rate of \$38.67/hour, a travel LPN costs about \$116/hour, or \$226,219.50 per year.

Health PEI reports show 32 travel LPNs in April 2025 and 45 in April 2026, with usage ranging from 32 to 45 over 12 months. At a minimum of 32 travel LPNs, this equals an annual cost of \$7,239,024.

There are also costs for travel RCWs/PCWs. The current rate for public RCWs/PCWs is \$29.47/hour, which means an estimated agency rate of \$88.41/hour. One travel RCW/PCW costs about \$172,399.50 per year. As of April 2026, there were 22 travel RCWs/PCWs, for a projected total annual cost of \$3,792,789.

It appears to be more cost-effective and in the best interest of taxpayer funds to invest in public workers by providing them with the \$2,512,146 to pick up shifts and stabilize the workforce, than paying private agency staffing costs for travel LPNs and travel RCW/PCW in the amount of \$11,031,813 per year.

This comparison shows that investing in the \$1.07 incentive would better support full-time work, improve workforce stability, reduce staffing pressure, and lower reliance on costly agency staff. Health PEI should invest more in retaining and valuing current public

employees and hire more public staff, rather than relying so heavily on expensive private agencies.

UPSE encourages members to continue advocating for fair and consistent treatment by the Employer.

Employer memo

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MEMORANDUM

TO: All Health PEI Employees Represented by UPSE
FROM: Ali Christie, Acting Director, Human Resources
DATE: April 22, 2026
SUBJECT: \$1.07/Hour Full-Time Commitment Pay Incentive – End of Trial Period

I am writing to advise you that the \$1.07/hour Full-Time Commitment Pay Incentive, established through the Memorandum of Agreement between Health PEI and UPSE signed in February 2025, has ended effective **February 28, 2026**. No further lump sum payments will be issued under this incentive.

We want to take this opportunity to sincerely thank you for your commitment over this past year. Delivering high-quality, person-centred care to every Islander depends on having dedicated, consistent people showing up every day, and that is exactly what you did. Whether your role brings you directly to the people we serve or supports the teams who do, your contribution matters and it is felt.

Full-time work in healthcare is a real commitment, and we do not take that lightly. The dedication you have shown over this past year has helped build the kind of stable, consistent workforce that Islanders deserve.

If you have any questions, please reach out to your Human Resources manager and we will do our best to get you a clear and timely answer.

Sincerely,

Ali Christie
Acting Executive Director, Human Resources