

# **Shifting Care to the Home**

## **2016 Pre-Budget Submission**

**Home Care Ontario**  
**January 2016**



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The members of Home Care Ontario acknowledge and thank the government for the three-year investment in health care in the home and community in 2013 and the funding to increase PSW wages announced in 2014. The government is commended for recognizing the importance of shifting the funding paradigm to the community as a priority in order to transform the health system. As the 'voice of home care in Ontario', Home Care Ontario is pleased to offer pre-budget recommendations to support the government's agenda of "putting patients first."

Home is where Ontarians want to remain, for as long as possible. Investments by government have helped to increase the numbers of Ontarians realizing their goals to remain at home. In 2014/15, over 713,500 individuals received home care services.<sup>1</sup> Over the past decade (between 2005/06 and 2014/15), CCAC funding (which includes funding for home care and other CCAC services, such as long-term-care home placement) has increased by 73% from \$1.4 billion to \$2.5 billion.<sup>2</sup>



In shifting care to the home, the government has examined the structure and means by which home care services are delivered.

Change is proposed in order to address inequities and strengthen the home care system in Ontario. This work must be coupled with sufficient funding to support the shift to a system that is based on care at home.

Home Care Ontario offers two recommendations for the 2016 provincial budget:

- 1. Increase the funding for home care to 6% of total budget over two years.**
- 2. Establish an educational campaign and adopt strategies to support the family contribution to care.**

The Association recognizes government's efforts to pave the way for a better health care system. It is now time to truly tip the funding paradigm to support care at home.

### Discussion

As one of the least expensive forms of health care, the return on investment in home care is significant, largely because of the family contribution to care.

#### Key Facts

- A 10% increase in PSW hours (almost 3 million hours) at current rates costs \$85.5M
- A 10% increase in nursing hours (830,000 visits) costs \$65.2M
- A 10% increase in therapy hours (180,000 visits) costs \$21.6M<sup>3</sup>

<sup>1</sup> Auditor General of Ontario. (2015) p 71

<sup>2</sup> Auditor General of Ontario. (2015) p 72

<sup>3</sup> Beer, C. (2015). Extrapolation.

Home care currently costs the government considerably less than the cost of a day in hospital or long-term care. For example, caring for terminally ill patients at home is estimated to cost over 10 times less than providing care in an acute-care hospital.<sup>4</sup> Most importantly, home is where people want to be.

#### *Funding for Care*

The health care system consumes a significant proportion of the total provincial budget but funding of home care services administered by Community Care Access Centres (CCACs) still represents only 5% of the health care budget.<sup>6</sup> This is the percentage of total funding as in 2000.<sup>7</sup>

*“Ontarians want and deserve a healthcare system that helps them live independently at home where we know they want to be.”*

Dr. Eric Hoskins, Minister of Health & Long-Term Care<sup>5</sup>

While the total funding has increased year over year it has not been enough to keep pace with the aging population, the chronicity and complexity of care, and the emphasis on shifting care to the home.

#### *Key Facts*

- The annual growth rate of the senior age group (65 and over) is 3.6% and will remain at this level until 2031.<sup>8</sup>
- There has been an increase of 94 per cent more patients with higher needs than in 2008/2009.<sup>9</sup>
- Since 2008/2009, the number of patient referrals from hospital has increased 13 per cent.<sup>10</sup>
- A larger percentage of Ontario’s population will be nearing their end of life, and may also be living longer with advanced illnesses creating a greater need for the provision of palliative care.<sup>11</sup>
- 55% of Ontarians are more likely to say that they will need to rely on a public system for home or health care in their retirement years.<sup>12</sup>

The impact is a perpetual shortfall in home care, which is tasked with keeping people home longer, bring people home from hospital sooner, and helping people palliate at home to the end of their lives.

#### *Funding for People*

Investment in home care is not only required to keep pace with demand as the system increasingly shifts to the community, but also to compensate and support the clinicians who make it possible for Ontarians to remain at home. Service provider organizations (SPOs) have been harshly impacted by cost containment strategies in recent years and their staff have, in part, borne the impact.

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<sup>4</sup> Auditor General of Ontario. (2014) p261

<sup>5</sup> MOHLTC. (2015) p2

<sup>6</sup> Auditor General of Ontario. (2015) p72

<sup>7</sup> Canadian Home Care Association. p72

<sup>8</sup> Ministry of Finance. Ontario Population Projections

<sup>9</sup> OACCAC.

<sup>10</sup> OACCAC.

<sup>11</sup> Auditor General of Ontario. (2014) p260

<sup>12</sup> Canadian Medical Association. p13

With the exception of increases to PSW wage rates through the PSW Stabilization policy in 2014, service provider organizations have operated for six years without increases in their bill rates. There has been no increase in funding to address even the impact of consumer price index changes, which has averaged 1.5% per year over the restraint period. Providers have nevertheless had to manage new reporting and administrative requirements; support increased travel costs; and fulfill technology expectations in order to communicate with partners.

With extremely low margins in the industry<sup>13</sup> frontline staff has been affected as SPOs have been increasingly challenged to fund discretionary and non-statutory benefits. The gap in wage between other sectors has widened.

Home care service delivery by SPOs in Ontario has been sustained through creativity, flexibility and an intrinsic desire to care for the vulnerable at home, however, the lack of funding increases is seriously eroding capacity. Furthermore, the additional cost of the Ontario Retirement Pension Plan in 2017 looms as another financial challenge to financially stretched SPOs.

### *Supporting family caregivers*

Family caregivers are key to the success of Ontario's home care program and research evidence confirms that family caregivers provide the majority of care at home. While most undertake this responsibility for a loved one willingly, families need to be better informed and supported.

### *Key Facts*

- Family and friends assume an estimated 80% of care that is provided to the ill, frail and dying at home.<sup>14</sup>
- Approximately 8 million Ontarians provide care to a chronically ill, disabled or aging family member every year.<sup>15 16</sup>
- The average family caregiver spends twenty hours per week caring for a period of four years; one quarter of caregivers spends forty hours per week.<sup>17</sup>
- 150,000 Ontarians purchase an additional 20 million visits/hours of home care services annually in order to remain at home.<sup>18</sup>
- It would cost more than an additional \$9.7B per year in Ontario to reimburse families and friends as employees for their caregiving service.<sup>19</sup>

Given that the premise of government funded home care is to supplement the care provided by families, it is vital that Ontarians understand what they can expect. Providers need information to adequately prepare their patients for transitions in care. Families are entitled to understand the full range of services that are available prior to making life-altering decisions such as initiating admission to a long-term care facility. They need to be prepared for the emotional, physical, mental and financial toll that prolonged caregiving may have.

This means that notwithstanding measures already taken by government, there must be more investment in hours of home care respite for families and recognition of the contribution of

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<sup>13</sup> Accenture. p3

<sup>14</sup> Fast, J., Niehaus, L., Eales, J., & Keating, N.

<sup>15</sup> Sinha, M. (2012) Extrapolation of Canada wide data.

<sup>16</sup> Ministry of Finance. Ontario Population Projections. In 2013: total population minus those under 15 years of age was 29.1 million. 28% is 8.1 million.

<sup>17</sup> MOHLTC. (2009) p6

<sup>18</sup> Ontario Home Care Association.

<sup>19</sup> Hollander, M.L., Guiping, L., Chappelle, N.L. Extrapolation

families who purchase privately retained home care can have a significant impact on the ability to keep a family member at home.

### **Shifting the Care to Home**

Home Care Ontario makes two recommendations for the province's 2016 budget.

#### **1. Increase the funding for home care to 6% of total budget over two years.**

Using projections from Ontario's 2015 Budget<sup>20</sup>, of a total healthcare budget of \$51.7B, the investment in home care should increase to \$3.1B – an increase of \$600M over two years. This level of commitment is essential to truly shift care to the community. It will enable:

- First dollar coverage for palliative care at home.
- Improved support for patient populations with high needs, such as patients with COPD, congestive heart failure, or renal failure who would benefit from fewer trips to hospital.
- Proactive support of the elderly so they can remain at home longer without an acute event.
- Increased respite to support families who are struggling to cope.
- Improved compensation of staff so as to narrow the gap across the healthcare system and ensure that the sector continues to attract the brightest and the best.

#### **2. Establish an educational campaign and adopt strategies to support the family contribution to care.**

- A. Launch an educational campaign to educate all Ontarians about the limited capacity of the government funded service and the options that are available to support them as family caregivers.
  - Families must be able to have an honest conversation with the health care team in order to understand care needs, what the system can afford and alternative options. All health care providers in the system (family and specialist physicians, hospital staff, long term care, retirement homes, CHCs and public health) should be able to provide information about services that support government funded delivery, including the provision of private home care service.
- B. Support the family contribution to care by funding respite care, as outlined in recommendation one, and by encouraging the private purchase of care from reputable home care service provider organizations<sup>21</sup>, such as those registered with Home Care Ontario, to mitigate risks inherent in the underground delivery system.
  - The health care team should be knowledgeable about the limits of the public system and offer information about the purchase of care from reputable home care service provider organizations as opposed to leaving families to search on their own for care options.
- C. Introduce tax credits /exemptions for families who purchase care from approved home care service provider organizations.
  - Any reduction in tax revenue through this policy change would be offset by the avoidance of more intensive and costly publicly funded care, for instance long term care or visits to emergency, that occurs when an exhausted family can no longer cope.

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<sup>20</sup> Ministry of Finance. (2015) Table 2.19, p 281

<sup>21</sup> Defined as organizations that, for example, are established with a Canada Revenue Agency business number, have WSIB and liability protection for staff, conduct thorough reference checks, and supervise their staff.

## **Conclusion**

Home Care Ontario believes that the government's efforts to achieve health system transformation will be strengthened through increased funding for home care services at the frontline and by improved education and preparation of families whose personal contribution to home care need is vital.

## **About Home Care Ontario**

Home Care Ontario, the voice of home care in Ontario™, is a member-based organization with a mandate to promote growth and development of the home care sector through advocacy, knowledge transfer, and member service. Home Care Ontario members include those engaged in and/or supportive of home-based health care. In Ontario, service provider organizations are responsible for providing nursing care, home support services, personal care, physiotherapy, occupational therapy, social work, dietetics, speech language therapy and medical equipment and supplies in the home to individuals of all ages. An estimated 58 million hours of publicly and privately purchased home care service is provided annually across the province.

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## Appendix 1 – Home Care in Ontario

The Ontario Home Care Association, operating as Home Care Ontario, advocates for the creation of a strong, reliable and accessible home care system which fully supports Ontarians to remain independent at home for as long as possible. Home care is critical to supporting individual health needs, managing chronic illness and system sustainability. A robust system incorporating both government and privately funded home care services can give Ontarians flexibility and independence as they age; and can help them to maintain their valuable contribution to communities and families. For the overwhelming majority who prefer to spend “more nights at home”, home care service is more desirable, cost effective and health effective.

Home care was formally established in Ontario in 1970. Since establishment, the home care system has gone through a number of changes, evolving and maturing to the comprehensive program of today. In Ontario, service provider organizations (SPOs) are responsible for providing nursing care, home support services, personal care, physiotherapy, occupational therapy, social work, dietetics, speech language therapy and medical equipment and supplies in the home to individuals of all ages. SPOs are usually incorporated entities, and can be a non-profit organization, a private corporation, a municipal government or an aboriginal organization.

Ontario’s publicly funded and privately purchased home care programs are vital to sustaining the publicly insured health system by enabling early discharge of patients from hospitals, reducing hospital congestion and non-acute emergency room visits – two key health care issues that currently challenge the province’s health system capacity.

Government funded home care services are designed to complement and supplement, but not replace, the efforts of individuals to care for themselves with the assistance of family, friends and community. A fundamental component of home care is that family and/or friends will provide care to supplement the publicly funded service. Home care service providers are often contracted to deliver additional hours that supplement government funded care. This care is paid by privately-insured employment plans and/or direct private purchase.

Home care services are intensely personal and provided at a time when individuals are most vulnerable. As such, home care providers carefully recruit, educate and support their staff emphasizing a strong customer service orientation.

Home care in Ontario, both government and privately funded, is a vital component of the health care system and integral to the broader health system transformation in the province. Home Care Ontario works collaboratively with health system stakeholder to create seamless transitions within and across publicly and privately funded providers of health care. To do otherwise is to compromise health outcomes for those for who need support and want to remain at home.

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