PRE-BUDGET CONSULTATION SUBMISSION

Prepared by: VON Canada (Victorian Order of Nurses – Ontario Branch)

January 24, 2022

Pre-Budget Consultation 2022

RECOMMENDATIONS

In order to address the overwhelming preference of Ontarians to stay at home as they age, mitigate unnecessary infection control challenges of institutionalize environments, and enhance critical and immediate health-system capacity issues within hospitals, long-term-care and the home and community care sectors, we are recommending the following:

In the short term:

- **Immediately invest $600 million to increase home care contract rates and community support services base funding, in order to:**
  - Stabilize and expand front-line services and capacity to maintain safe care and meet rising demand.
  - Address years of severe under-funding and rising infrastructure costs including but not limited to pandemic-related measures, IT costs, clinical infrastructure, healthy work environment, increased client complexity and overall cost of living.

- **Enable providers to develop innovative models by eliminating barriers and "red tape" in regard to funding and policy with the objectives of:**
  - Moving patients out of hospital and back home with appropriate supports and wrap-around care models.
  - Reducing long-term care (LTC) wait lists and better leveraging innovative home care and community care models.
  - Scaling value-driven patient- and family-centred care models to better support frail elderly and palliative Ontarians, Ontarians with mental health and addictions challenges and other vulnerable populations to receive care in their homes in the community as the most desired and inexpensive option.

In the longer term:

- **As the system stabilizes, build capacity and investment in home and community care towards a target of 10% of total health spending to reduce dependence on hospital and long-term care.** This will position Ontario as a future-forward leader by:
  - Supporting health transformation best practices
  - Ensuring the success of integrated care delivery systems to drive population health
  - Meeting the needs and preferences of an aging population in a more affordable way

Introduction

As the province's largest home and community care provider, we understand the profound and challenging impact the last 24 months has had on frail seniors and Ontarians with complex disease. The COVID-19 pandemic has dramatically intensified the health system capacity challenges that have been evident for years. The health human resource crisis continues to worsen in hospitals and long-term-care, and because jobs in our sector pay the lowest in the entire health system, we are feeling this pressure most of all. Staff are leaving home and community care in droves for better paying jobs elsewhere.

We are at the point at which both for-profit and not-for-profit health-care agencies are being overwhelmed by the volume of home care calls they are unable to respond to, leaving thousands of vulnerable Ontario residents in limbo. These challenges greatly impact other sectors. As of January 2022, there were over 5,256[1] hospital beds designated provincial "alternate level of care" (ALC) because there is nowhere else for these patients to go.

With Long-Term Care (LTC) wait lists in Ontario at 35,308[2] and growing, and an average wait time of 147 days[3], there is no question there are significant capacity issues in both the acute system and in LTC. In addition, the pandemic has dramatically impacted surgical wait times. From March, 2020 to April, 2021, the government said 465,000 surgeries were performed, or about 200,000 fewer than in a typical year. The size of this backlog means there will be a growing number of Ontarians experiencing escalating clinical complexity, leading to unnecessary emergency department visits, hospital admissions and premature institutionalization.

Because the 2021 Ontario provincial budget didn't include additional investments in home and community care, combined with the health human resources crisis, the sector has not been able to help relieve the pressures across the system in ways that make both clinical and economic sense. And in fact, not investing in the sector is costing the system more.

The Premier's Council's first report identified a "*lack of the appropriate mix of services, beds and digital tools to be ready for the projected increase in complex care needs and capacity pressures in the short and long-term*".[4] The second Premier's Council report outlined specific recommendations regarding capacity, along with integration, efficiency and alignment and innovation.

> ***"Addressing wait times for specialist and community care by maximizing existing assets and skills, making strategic investments in health care, designing financial incentives to promote better health outcomes for patients and populations and championing collaborative and interprofessional leadership."***
>
> The Premier's Council on Improving Healthcare and Ending Hallway Medicine Second Report, June 2019

The most pressing issue for the system at the time was the impending surge in the senior population, however the pandemic has demonstrated the fragility of our system and its capacity. Similar concerns were being raised by a wide range of patient and provider groups, **but still we were not — *are not* —sufficiently resourced to drive the necessary transformation in key areas of the system. It is now three years later, and we are a system facing an uncertain future.**

---

[1] Hospital Occupancy Data January 10, 2022 OHA

[2] Sources: Long-Term Care Utilization Report, January 2020, Ontario Ministry of Health and Long-Term Care; Ontario Long Term Care Association

[3] Wait Times for Long-Term Care Homes, Health Quality Ontario, 2020

[4] The Premier's Council on Improving Healthcare and Ending Hallway Medicine January 2019

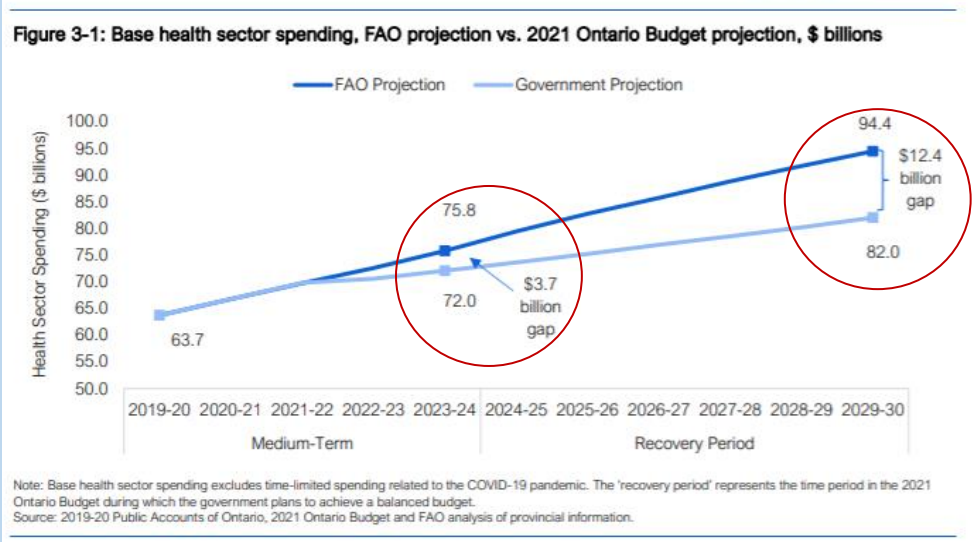
A System Funding and Capacity Crisis

In Ontario, the number of seniors aged 65 and over is projected to almost double from 2.6 million, or 17.6% of the population, in 2020 to 4.5 million, or 22.2%, by 2046[5]. And, if the pandemic has shown us anything, it has confirmed that our health system lacked, and still lacks, both surge and ongoing capacity. The pandemic has pushed our system to the brink much sooner, and much faster, than any demographic shift possibly could.

The Financial Accountability Office of Ontario's analysis of the 2021 Ontario budget and projections on base health-sector spending over a ten-year period suggests that "if the sector continues with its current program design and commitments, the FAO projects that health-sector spending will increase at an average annual growth rate of 4.4 per cent, and by 2029-30, the FAO projects health sector spending will reach **$94.4 billion."** [6]

The FAO projected a budget gap on base health-care spending of 12.4 billion over the ten-year time frame and suggested that the province's health-sector spending plan will not be achieved unless significant new program changes are introduced[7]. FAO also reported in May of 2021 that the province will not meet its goal of creating an initial allocation of 15,000 new long-term care beds by 2024, and the 30,000 new beds the province has promised to add over 10 years won't be enough to meet the demands of a growing and aging population. [8]

The FAO reviewed the ministry's programs and concluded that the province's health-sector spending plan will not be achieved unless <u>significant new program changes are introduced</u>.



The data in the chart above strongly suggests the need to invest in more economical home and community wrap-around care models in more meaningful ways to ensure we can address both system capacity and funding pressures over the next 10 years and beyond.

[5] https://www.ontario.ca/page/ontario-population-projections
Canada's elder care crisis: Addressing the doubling demand

[6] Source: 2019-20 Public Accounts of Ontario, 2021 Ontario Budget and FAO analysis of provincial information.

[7] Source: 2019-20 Public Accounts of Ontario, 2021 Ontario Budget and FAO analysis of provincial information.

[8] Source: 2019-20 Public Accounts of Ontario, 2021 Ontario Budget and FAO analysis of provincial information.

Ontarians want care at home

The desire to receive care in their homes and communities has been consistently expressed by a majority of Ontarians, but time and time again, many frail seniors are admitted prematurely to long-term-care. Our country has one of the highest rates of institutionalized older adult care in the western world. Assessments consider not only physical and mental decline but also social isolation and the inability to manage one's medications, prepare meals, keep house, access transportation and use technology (even phones). We know that many of these seniors could be supported at home with a combination of appropriate clinical and non-clinical services.

Indeed, home and community care services can improve the quality of life of clients and prevent unnecessary hospitalizations, emergency room visits and premature institutionalization. The benefits of home care aren't only experienced by the recipients: interviewees of a report published by the Canadian Patient Safety Institute and the Canadian Foundation for Healthcare Improvement advised that "robust home-based care options (beyond traditional home care as offered today in many parts of the country) may help alleviate pressure on both hospitals and long-term care homes during the pandemic."[9]

Denmark is often cited as a prime example of a health system that has made the right investments in home and community care. There are many similarities between the Canadian and Danish health systems: the two countries have almost the same number of per-capita hospital beds, spend about the same on health care (both per capita and as a portion of GDP).

Health spending		
	Canada	Denmark
Health-system spending, per capita (USD)	$5,370	$5,478
Health-system spending as a portion of GDP	10.8%	10.0%
Health-system spending on long-term care as a total of total health-system spending	18%	25%
Total long-term care spending as a portion of GDP	2.0%	3.6%
Long-term care spending on nursing homes	64%	51%
Long-term care spending on hospitals	15%	0%
Long-term care spending on home care	**18%**	**46%**
Long-term care workers per 100 people aged 65+	8	3.8

Unless otherwise indicated, figures taken from OECD (2021). Health at a Glance 2021: OECD Indicators. OECD Publishing, Paris, https://doi.org/10.1787/ae3016b9-en

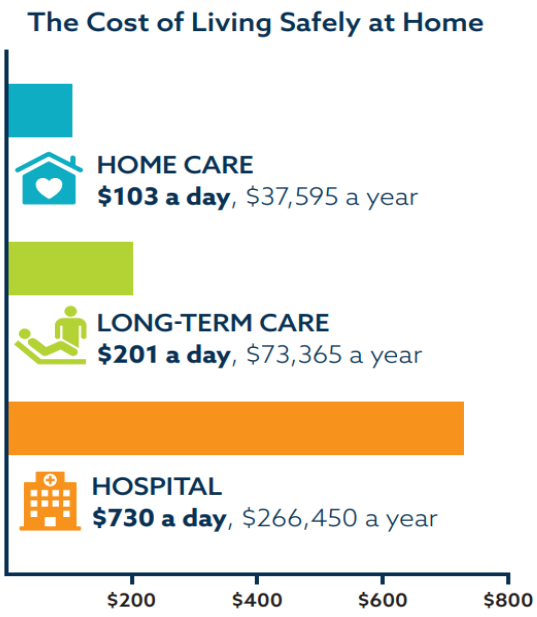
Thirty years ago, the Danish government chose to prioritize the delivery of care in the home and in the community, where seniors wanted to receive it. They went as far as putting a moratorium on building any new nursing homes, which are only a part of the country's approach to long-term care that also includes preventative measures (including preventative home visits), rehabilitation, home help, personal assistance and food services. Almost 15% of Danes over the age of 65 (13.1%) receive home help, which includes personal care like assistance bathing or toileting, practical help and support with things like cleaning or laundry and food services (what we would call community support services). According to national statistics, claimants received an average of 5.8 hours of personal care and 0.7 hours of practical help on a weekly basis (Danmarks Statistik, 2018).

In addition, Danes wait less than a month, on average, for a long-term care bed; it's actually against Danish law to wait longer than two months. Their prioritization of home care has also helped to grow the capacity of their actute-care sector, as their hospitals boast shorter wait times and lengths-of-stays and higher discharge rates. As further evidence of their enhanced capacity, Denmark had more COVID-19 cases per capita, but fewer deaths.

[9] Reimagining Care for Older Adults: Next Steps in COVID-19 Response in Long-Term Care and Retirement Homes. Canadian Patient Safety Institute and the Canadian Foundation for Healthcare Improvement. July 2020

Better Use of Health Care Resources

Many reports from expert panels have identified how best to address capacity issues and there are compelling models and precedents in other Canadian and international jurisdictions. The leaders in the health-care system know and understand that the solutions relate to funding and enabling up-stream pre-emptive strategies to mitigate the collapse of the public health care system, and still the home and community care sector has not been best used to mobilize the necessary crisis management solutions required to address the immediate health system challenges made measurably worse by 24 months of pandemic management and associated costs. There is an unfortunate domino effect — of increased avoidable emergency department visits, increased 30-day hospital re-admissions and increased wait times for long-term care — when a client who could be cared for at home with appropriate supports and wrap-around services has no other choice but to wait in hospital. In the same way, diverting clients whose needs could be met by home and community care creates a domino effect of increased demand for both acute and long-term care.



Waiting in ALC beds is very expensive: in 2020, the province estimated it cost **$730 per day** to support an ALC patient in hospital[10]. According to the Canadian Institute for Health Information hospital statistics ranging from 1995–1996 to 2019–2020, 16.7% of patient days, or more than 3 million days, were spent in ALC beds.[11]

This means Ontario is currently spending an estimated $3.8 million a day on ALC beds in hospitals, or an estimated $2.2 billion per annum, when these patients could be better served at home with appropriate wrap-around care. The same study estimated it would cost **$103** per day to provide care for a long-term care equivalent client at home with home and community care. This contrasts with **$201 per day** to provide comparable service in long-term care.[12] The cost is approximately the same to provide care for one Ontarian in an ALC bed or seven Ontarians in their preferred setting — at home or in the community with innovative wrap-around care models.

Greater use of community-based palliative care would save the province millions.

An Ontario study found the average health-care cost in the **last year of life was $53,661**. The total captured annual cost of **$4.7 billion** represents approximately **10% of all government-funded health care.**

[10] Bringing Long-Term Care Home, National Institute on Ageing, 2020

[11] Canadian Institute for Health Information Hospitalization and Childbirth, 1995–1996 to 2019–2020 — Supplementary Statistics data tables.

[12] Bringing Long-Term Care Home, National Institute on Ageing, 2020

Palliative care is a case in point. An Ontario study found the average health care cost in the last year of life was $53,661. The total captured annual cost of $4.7 billion represents approximately 10% of all government-funded health care[13].

Although a vast majority (70%) of Canadians would prefer to die at home,[14] we have one of the highest rates of hospitalization in the last three months of life. Sixty-one per cent of Canadians die in hospital,[15] despite community-based palliative care in end-of-life treatment being what is both wanted and required. If we shifted focus to palliative care in the community rather than acute care models at end of life, we could enhance comfort and quality of life, and limit hospital-based, invasive, costly and potentially inappropriate procedures and care.

Building capacity in home and community care

An increase in home and community care funding will not only bring much-needed stability to our sector, but also reduce pressure in other areas of the system by diverting patients from ALC beds and long-term care waiting lists. Our sector has been doing more with less for years; however, at the current contract rates, both large and small home care organizations are reaching a breaking point where it is neither viable nor sustainable to support additional service volumes. Indeed, the sector's referral acceptance rates have plummeted as front-line vacancies increase and thousands of nurses and PSWs leave home care to take higher paid jobs elsewhere in the health system.

- **The wage gap between the home care and hospital sectors is currently between 27% and 34% for RNs and RPNs, and 20% and 30% for PSWs.**

In one of the most challenging health human resource crises in our lifetime, the funding and wage gap in home care makes it almost impossible to hire and retain the number of nurses and PSWs we need to address current referral volumes and reduce escalating system wait times for home care services.

[13] The Health Care Cost of Dying: A Population-Based Retrospective Cohort Study of the Last Year of Life in Ontario, Canada Authors: Dr. Peter Tanuseputro, Walter P. Wodchis, Rob Fowler,,Peter Walker,Yu Qing, Bai,Sue E Bronskill, Douglas Manuel. Published: March 26, 2015.

[14] Bringing Long-Term Care Home, National Institute on Ageing, 2020

[15] The Health Care Cost of Dying: A Population-Based Retrospective Cohort Study of the Last Year of Life in Ontario, Canada Authors: Dr. Peter Tanuseputro, Walter P. Wodchis, Rob Fowler,,Peter Walker,Yu Qing, Bai,Sue E Bronskill, Douglas Manuel. Published: March 26, 2015.

The pandemic has also significantly increased costs: to provide safe care, we must invest in new infection control practices, personal protective equipment, technology infrastructure to support remote work and virtual care, along with increased clinical and administrative support to meet evolving public health guidelines and a dramatic increase in reporting. With limited volunteers, and more work falling to over-burdened and under-paid staff, many of our respective regions are running deficits. The only sustainable way to increase service volumes in the sector is by also increasing the rate at which these services are funded. **Without a 15% increase, we fear the availability of home care services will continue to deteriorate as the sector is pushed to the brink of collapse — at a time when the demand for home and community care is rising to meet the needs of an aging population.**

With increased investment and capacity, we would work with system partners to scale value-driven client- and family-centred care models, which would further alleviate pressures on acute and long-term care. Vulnerable populations, including the frail elderly, palliative clients, and those with mental health and addiction challenges, require innovative, integrated care models, and not the further rationing of services. Investing in home and community care will help reduce avoidable emergency department visits, reduce the need for ALC beds, lower hospital readmissions and delay or mitigate the need to move into long-term care. We have the experience, expertise and desire to collaborate, however we require funding to spread and scale demonstrated programs and innovative approaches.

Conclusion

Last year (2021) Canada's largest cohort, the Baby Boomers, began turning 75. As more Baby Boomers reach the ages associated with increased care needs, we will see rapid growth in demand for home care and long-term care. According to a recent report by Deloitte commissioned by the Canadian Medical Association, by 2031 nearly twice as many older Canadian adults will require care.[16] Long-term care capacity requirements are expected to reach 606,000 patients in 2031, up from 380,000 in 2019. Demand for home care in Canada will increase from close to 1.2 million to roughly 1.8 million patients.[17]

The data supports the need to change, and the best options available are upstream, community-based strategies. We need to eliminate the barriers and take bold steps to make the changes what we all know are needed and build the system articulated in the recommendations from the Premier's Council on Improving Healthcare and Ending Hallway Medicine: a system that enables integration, innovation, efficiency and alignment — and most importantly health care capacity — for this generation and generations to come.

[16] Canada's elder care crisis: Addressing the doubling demand Canadian Medical Association Deloitte – March 2021

[17] Canada's elder care crisis: Addressing the doubling demand Canadian Medical Association Deloitte – March 2021

Victorian Order of Nurses for Canada
National Office

2315 St. Laurent Blvd, Ottawa, ON KlG 4J8
T. 613-233-5694 I Toll Free 1-888-866-2273 I Fax 613-230-4376
www.von.ca

VON is accredited with Exemplary Standing by Accreditation Canada
VON Canada Charitable Registration# 129 482 493 RR000l