



**Canadian Home Care  
Association  
canadienne de soins  
et services à domicile**

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## **PRE-BUDGET CONSULTATION: 2015 BUDGET**

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Supporting Vulnerable Populations by Strengthening Home Care in Canada

**AUGUST 6, 2014**

THE CANADIAN HOME CARE ASSOCIATION  
7111 Syntex Drive, Mississauga, ON L5N 8C3

## EXECUTIVE SUMMARY

Canadians are facing a shortage of accessible and affordable home care services. This shortage is the result of the demand for home care services outpacing related funding and resources. The Federal Government has a critical role in meeting the needs of our aging and vulnerable populations with long-term chronic health issues. Without federal action, one in every six seniors<sup>1</sup> will be faced with unnecessary physical and financial challenges in accessing affordable home care.

The Canadian Home Care Association (CHCA) proposes three strategies to address this need:

1. Expand the GST/HST exemption on privately paid home care services to include individuals who are not receiving publicly funded services.
2. Create a \$300 million Home and Community Care Catalyst Fund to facilitate the transition of health care services from acute care to home and community care.
3. Dedicate \$3 million in project funding to a front-line initiative that will mobilize *A Canadian Caregiver Strategy* and support the 8 million family caregivers who contribute over \$25 billion of unpaid labour to our health care system.

## ON THE ISSUE OF HOME CARE

### INTRODUCTION

The CHCA recognizes the important role of the Federal Government and specifically the 2013 and 2014 Economic Action Plan initiatives which have stimulated significant progress in advancing the well-being of Canadian families and enabling seniors to fulfill many important and diverse roles in their communities, as family members, caregivers, volunteers, workers and consumers. Our submission outlines issues of importance facing Canadians, the important role and contribution of the Federal Government in catalyzing issue resolution, and the benefits all Canadians will realize as a result.

### OVERVIEW OF HOME CARE

Home care is an array of services for people of all ages, provided in the home and community setting, that encompasses health promotion and teaching, curative intervention, end-of-life care, rehabilitation, support and maintenance, social adaptation and integration and support for family caregivers. Recognized as an essential element of an integrated approach to health and wellness, home care benefits Canadians by: helping them maintain health, well-being and personal independence in their home and community; preventing, delaying or substituting for acute or long-term facility based care; coordinating community-based health and social services, and residential care options; and supplementing the care provided by family, friends and other community-based services.

## THE SIGNIFICANCE OF HOME CARE TO FAMILIES AND COMMUNITIES

In 2011, 1.4 million Canadians received publicly funded home care services; an increase of 55 percent from 2008<sup>ii</sup>. Across Canada, one in every six seniors (aged 65 +) received home care in 2011<sup>iii</sup>. Although the demand for home care services is growing, the percentage of public health care funding to home care has either decreased or remained static. In fact, home care funding accounts for only 4 percent of public health care expenditures<sup>iv</sup>. When publicly funded services are not available, Canadians must pay privately to ensure they receive appropriate home care services. The Conference Board of Canada estimates that private sources paid between \$1.87 billion and 1.89 billion for home and community care services in Canada<sup>v</sup>.

The contribution of family caregivers in the provision of unpaid care in the home relieves governments of substantial public costs, often at the expense of the individual's personal health and financial wellbeing. The imputed economic cost to replace family caregivers age 45 years and older, who provide care to those 65 years or older with a long-term health condition, with paid workers at market rates is estimated to be \$25 billion<sup>vi</sup>.

Canadians agree (over 86%) that seniors' care, as well as home and community care, should be key priorities for our Federal Government<sup>vii</sup>. In addition to the financial benefits of providing care in the home, these services enable frail adults with complex conditions to remain independent and engaged members of their community. The supports that home care provides family caregivers enables them to be meaningfully involved in care, gain a greater sense of purpose, and be informed and monitor the progress of their loved one, which improves the continuity of care<sup>viii</sup>.

## BALANCING INCREASED DEMAND WITH LIMITED RESOURCES

The demand for home care is outpacing available funding and resources. The demographics of the Canadian population are shifting; the population of citizens age 65 and older is expected to more than double from 5 million in 2011 to 10.4 million in 2036<sup>ix</sup>. Canadians are living longer with multiple chronic conditions and are requiring long-term care across a broader range of health care services. In fact, seniors are the largest users of home care services, accounting for over 70 percent of home care services in 2011<sup>x</sup>.

The increasing demand for home care is occurring in tandem with the need for governments to contain health care costs and explore ways to maximize the utilization and management of costly hospital beds. A stunning 7,500 (14%) of acute care hospital beds are inappropriately used across Canada each day<sup>xi</sup>. Over a single year, the use of acute hospital beds by alternate level of care or "ALC" patients exceeds 2.4 million days<sup>xii</sup>. Home care support is important for ALC patients who are discharged home, as many of them are still vulnerable and require varying levels of assistance. If appropriate supports for patients and caregivers are not available once patients are discharged home, then patients may be at higher risk for readmission to hospital or for more extensive care in long-term facilities at an earlier stage than necessary. Family caregivers may also become overburdened and require health services themselves. This may increase the burden on the health care system and the costs of care, as well as decrease the

quality of life for seniors who may no longer be able to remain at home if their caregivers cannot manage<sup>xiii</sup>.

## RECOMMENDATIONS

The Federal Government has dedicated significant resources to invest in Canadian families and communities. The current situation of increased demand for home care and decreased funding and resources has a pronounced negative impact on families and communities, as care may be unavailable, untimely or unaffordable if it has to be paid out of pocket. There is also a financial impact on our economy with broad ramifications on the sustainability of our multi-billion dollar health care system and local employers who must accommodate family caregivers who may be required to limit their working hours or withdraw from the workforce to care for loved ones. The Federal Government has made great strides in previous Economic Actions Plans, including investing \$6 million dollars in palliative and end-of-life care, implementing caregiver tax credits, announcing the Canadian Employers for Caregivers Plan, and redefining services exempt from GST/HST for home care. The CHCA's recommendations for Budget 2015 build upon this momentum.

### RECOMMENDATION 1: EXPAND GST/HST HOME CARE EXEMPTIONS

*By excluding all home care services from HST/GST, the Federal Government will facilitate access to necessary health care in the home and community by recognizing that Canadians must purchase services privately if publicly funded services are not available. In making home care services tax exempt, home care is equated the same value as basic groceries, which are tax exempt due to their fundamental nature.*

Currently, individuals are eligible for a GST/HST exemption on home care services if the individual is receiving publicly funded home care service<sup>xiv</sup>. This is of great value to many Canadians, and saves those who are eligible approximately \$5 million a year collectively<sup>xv</sup>. The CHCA recognizes this as an important first step by Federal Government and recommends that the GST/HST exemption be expanded to be inclusive of Canadians who are not receiving publicly funded home care but are privately purchasing the necessary services to remain independent in their homes. An expansion of the GST/HST exemptions for home care services would emphasize the Federal Government's commitment to seniors and families by recognizing those who have the financial means to invest in their own health care.

### RECOMMENDATION 2: CREATE A HOME AND COMMUNITY CARE CATALYST FUND

*Create a \$300 million Home and Community Care Catalyst Fund to facilitate the transition of health care services from acute care to home and community care. This fund will provide the necessary resources to accelerate the adoption and impact of evidence-informed practices that support vulnerable Canadians to receive the right care, at the right time, in the right place.*

The health care system is grappling with a national challenge – the need to cost-effectively provide the necessary care for a growing, frail, elderly population with complex, long-term care needs. Our current health care systems are designed to address short-term, episodic care and must undergo a paradigm

shift to address long-term chronic care needs of Canadians. The national ALC challenge that represents ineffective use of costly hospital resources is an example of this challenge. In order to ensure a sustainable health care system, health leaders must have the resources to adopt innovative, evidence-informed models of care which reflect the changing needs of Canadians. To this end, the CHCA recommends that the Federal Government be a catalyzing force to stimulate rapid expansion and support integrated models of community-based care. A Home and Community Care Catalyst Fund of \$300 million would support outcome-based, front-line demonstration projects that result in measurable improvements to both care and cost effectiveness. Across Canada there are excellent examples of these projects, however their adoption and transferability are limited by lack of resources and funding. Through the Home and Community Care Catalyst Fund, it would be possible to produce permanent solutions to address issues which accompany not receiving the right care, at the right time, in the right place.

### RECOMMENDATION 3: MOBILIZE A CANADIAN CAREGIVER STRATEGY

*Dedicate \$3 million in project funding to a front-line initiative that will mobilize A Canadian Caregiver Strategy and support the 8 million family caregivers who contribute over \$25 billion of unpaid labour to our health care system.*

The Federal Government has been instrumental in the advancement and development of community-integrated palliative care models across Canada. Through funding The Way Forward to develop care models and Pallium Foundation of Canada to support training in palliative care to front-line health care providers, the Federal Government has initiated two important strategies to facilitate community-based integrated palliative care. Building on this momentum, the CHCA recommends that the Federal Government establish targeted project funding to address the unique needs of family caregivers who care for someone with a life-limiting illness or condition. The \$3 million project fund will engage front-line stakeholders to identify concrete actions to advance the five priority areas identified in *A Canadian Caregiver Strategy*. This project fund will not only move key priorities from *A Canadian Caregiver Strategy* into actions, but will also serve as a future infrastructure investment in mitigating impact of our current economic and demographic challenges.

## ABOUT THE CANADIAN HOME CARE ASSOCIATION

The Canadian Home Care Association (CHCA), established in 1990, is a national not-for-profit membership association that represents stakeholders from provincial, territorial and federal governments, publicly funded health care administration bodies, home care providers and industry. The CHCA advances excellence in home care through leadership, advocacy, awareness and knowledge.

### For more information, please contact:

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## END NOTES

<sup>i</sup> Canadian Home Care Association. (2013). *Portraits of Home Care in Canada* [PDF]. Retrieved from <http://www.cdnhomecare.ca/content.php?doc=274>

<sup>ii</sup> Ibid.

<sup>iii</sup> Ibid.

<sup>iv</sup> Ibid.

<sup>v</sup> The Conference Board of Canada. (2012, May). *Home and Community Care in Canada: An Economic Footprint* [PDF]. Retrieved from <http://www.conferenceboard.ca/cashc/research/2012/homecommunitycare.aspx>

<sup>vi</sup> Hollander, J. M., Liu, G., & Chappell, N. (2009). Who cares and how much. *Healthcare Quarterly*, 12(2), 42-49.

<sup>vii</sup> Nanos. (2014, April). *Project Summary – Canadian Medical Association* (Submission 2014-476) [PDF]. Retrieved from <http://www.nanosresearch.com/library/polls/POLNAT-W14-T601.pdf>

<sup>viii</sup> American Psychological Association. (2014) Positive Aspects of Caregiving. Retrieved from: <https://www.apa.org/pi/about/publications/caregivers/faq/positive-aspects.aspx>

<sup>ix</sup> Employment and Social Development Canada. (2014, August 6). *Canadians in Context - Aging Population*. Retrieved from <http://www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=33>

<sup>x</sup> Canadian Home Care Association. (2013). *Portraits of Home Care in Canada* [PDF]. Retrieved from <http://www.cdnhomecare.ca/content.php?doc=274>

<sup>xi</sup> Canadian Health Services Research Foundation. (2011, September). *Exploring Alternative Level of Care (ALC) and the Role of Funding Policies: An Evolving Evidence Base in Canada*. Retrieved from [http://www.cfhi-fcass.ca/sf-docs/default-source/commissioned-research-reports/0666-HC-Report-SUTHERLAND\\_final.pdf?sfvrsn=0](http://www.cfhi-fcass.ca/sf-docs/default-source/commissioned-research-reports/0666-HC-Report-SUTHERLAND_final.pdf?sfvrsn=0)

<sup>xii</sup> Ibid.

<sup>xiii</sup> Health Council of Canada (2012) *Seniors in need, caregivers in distress: What are the home care priorities for seniors in Canada* [PDF]. Retrieved from [http://www.healthcouncilcanada.ca/rpt\\_det\\_gen.php?id=348](http://www.healthcouncilcanada.ca/rpt_det_gen.php?id=348)

<sup>xiv</sup> Canada Revenue Agency. (2013, September). *GI-166 Application of the GST/HST to Home Care Services* [PDF]. Retrieved from <http://www.cra-arc.gc.ca/E/pub/gi/gi-166/README.html>

<sup>xv</sup> Government of Canada. (2013). *Annex 2: Tax Measures: Supplementary Information and Notices of Ways and Means Motions*. Retrieved from <http://www.budget.gc.ca/2013/doc/plan/anx2-eng.html>