CMA Submission:

Social Equity and Increasing Productivity

2018 Pre-budget submission to the House of Commons Standing Committee on Finance

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The Canadian Medical Association (CMA) is the national voice of Canadian physicians. Founded in 1867, the CMA's mission is empowering and caring for patients.

On behalf of its more than 85,000 members and the Canadian public, the CMA performs a wide variety of functions. Key functions include advocating for health promotion and disease/injury prevention policies and strategies, advocating for access to quality health care, facilitating change within the medical profession, and providing leadership and guidance to physicians to help them influence, manage and adapt to changes in health care delivery.

The CMA is a voluntary professional organization representing the majority of Canada's physicians and comprising 12 provincial and territorial divisions and over 60 national medical organizations.

Table of contents

A. Introduction

CMA's 2018 pre-budget brief provides key recommendations to help improve the productivity and effectiveness of the health care system for Canadians across the country. Our recommendations — directed at improving the care of Canada's growing seniors population — will not only lead to enhanced efficiencies in health care delivery but will also better support Canadian families and equip caregivers to care for their loved ones while contributing to other sectors of the economy.

B. Capital investment in residential care infrastructure improves health care delivery and reduces wait times

A major hindrance to social equity in health care delivery and a serious cause of wait times is the inappropriate placement of patients, particularly seniors, in hospitals. Investments in residential care infrastructure and continuing care will improve care for seniors while significantly reducing surgical and emergency department wait times, benefiting all patients.

Alternate level of care (ALC) beds are often used in acute care hospitals to accommodate patients — most of whom are medically stable seniors — waiting for appropriate levels of home care or access to a residential care home/facility. High rates of ALC patients in hospitals affect all patients — they contribute to hospital overcrowding, lengthy waits in emergency departments, cancelled elective surgeries, and sidelined ambulance services waiting to offload new arrivals (often referred to as code gridlock[1]). Addressing the ALC problem is an essential component of reducing wait times across the health care system in Canada.

An investment in appropriate home or residential care, which can take many forms, will alleviate inappropriate hospital admissions and facilitate timely discharges. Moreover, unnecessarily long hospital stays can leave patients vulnerable to hospital-acquired illnesses and disability such as delirium, deconditioning and falls. ALC patients with complex care needs who do not have a strong support system are more likely to wait in acute care before being placed in home care.[2]

In April 2016, ALC patients occupied 14% of hospital inpatient beds in Ontario but this percentage ranged widely among health regions, from 7% to 29%.[3] In New Brunswick, 33% of the beds in two hospitals were occupied by ALC patients, of whom 63% had been diagnosed with dementia. Equally troubling was the fact that the average length of hospital stay of all ALC patients was 380 days.[4]

Providing more cost-effective and appropriate solutions will optimize the use of health care resources — it has been estimated that it costs $842 per day for a hospital bed versus $126 per day for a long-term care bed and $42 per day for care at home.[5]

Not all seniors can be cared for in their homes, and a lack of residential care options[6] remains a problem from coast to coast to coast.[7] In 2014–2015 in Ontario, the median wait time to access long-term care was 68 days for hospital patients while it was 94 days for people waiting at home. However, wait times for long-term care varied widely across the province: 30–165 days for patients in hospitals and 47–198 days for people waiting at home.[8] The number of Canadians living with dementia is expected to rise 66% over the next 15 years.[9]

The residential care sector is facing significant change because of the rising numbers of older seniors and their increasingly complex care needs. People aged 85 years and over make up the fastest growing age group in Canada — this portion of the population grew by 127% between 1993 and 2013.[10] Statistics Canada projects, on the basis of a medium-growth scenario, that there will be over 11,100 Canadians

aged 100 years and older by 2021, 14,800 by 2026 and 20,300 by 2036.[11] The demand for residential care will increase significantly over the next several years because of the increasing numbers of frail elderly seniors requiring this service. New facilities will need to be constructed and existing facilities will need to be upgraded to comply with higher regulatory requirements and respond to the higher care needs of residents.

Canada needs to step up its investment in residential care options and beds to optimize health care resource use, reduce wait times for all patients and ensure that Canadian communities are able to meet the current and emerging care needs of their older seniors.

Addressing the gap in home and residential care

According to the latest figures, there are approximately 255,000 long-term care beds in operation in Canada. The Conference Board of Canada has produced a bed forecast tied to the population growth of age cohorts that is based on a decreased bed ratio demand of 0.59% per year to reflect the shift to community-based services and supportive housing options being advanced at the provincial level.[12] On the basis of these assumptions, it has been estimated that Canada will require an average of 10,500 new beds per year over the next 19 years, for a total of 199,000 new beds by 2035. New bed demand will vary over this period, peaking in 2032 and beginning to decline thereafter. The five-year projection for beds is as follows:

Table 1: Projected shortage in long-term care beds, 2017–2021

Year	Number of additional beds required
2017	15,740*
2018	6,940
2019	6,450
2020	6,620
2021	7,140
Projected five-year shortage	42,890

*Note: the figure for additional beds required in 2017 includes 8,420 beds' worth of demand that is currently unmet, in the form of patients in alternate level of care beds in hospitals.

The Conference Board estimated the cost to construct 10,500 beds (the average number of new beds required per year from 2017 to 2035) at $3.4 billion per year and $63.7 billion in total, on the basis of a cost estimate of $320,000 per bed (all figures in 2017 dollars). These figures include both public and private spending. This forecast does not include the significant investments required to renovate and retrofit the existing stock of residential facilities.

Investing in vibrant communities

Construction of new residential care models and renovation/retrofitting of existing facilities will provide significant economic opportunities for many communities across Canada. The construction and maintenance of 10,500 new residential care beds will yield direct economic benefits that include a $1.4 billion annual average contribution to GDP supporting 14,600 jobs yearly during the capital investment

phase and a $5.3 billion annual average contribution to GDP supporting an average of 58,300 jobs annually during the facility operation phase. By comparison, nursing homes and residential care facilities employed about 412,000 people in 2016.[13] These investments would also close the significant gap between the projected residential care bed shortages and currently planned investment. When indirect economic contributions are included, the average estimated annual contribution to Canada's GDP from the construction and operation of the new beds reaches $12.4 billion, supporting an average of 130,000 jobs annually between 2017 and 2035 (in construction, care provision and other sectors).

This bed projection provides a sense of the immense challenge Canada faces in addressing the needs of a vulnerable segment of its population of older seniors. A recent report by the Canadian Institute for Health Information indicated that residential care capacity will need to double over the next 20 years (assuming no change in how care is currently provided), necessitating a transformation in how seniors care is provided in Canada across the continuum of care.[14]

Efforts to de-hospitalize the system and deal with Canada's aging population should be part of an overall national seniors strategy. Such a strategy was called for previously by the CMA, other organizations (e.g., the National Association of Federal Retirees), the Standing Senate Committee on National Finance[15] and over 50,000 Canadians.[16]

Fixing seniors care will contribute to the renewal of the entire health system and will improve the productivity of health care delivery across the country. The differing fiscal capacities of the provinces in the current economic climate will mean that improvements in seniors care will advance at an uneven pace. The federal government can provide significant pan-Canadian assistance by investing in residential care infrastructure models.

Recommendations:

1. **The CMA recommends that the federal government provide targeted funding to support the development of a pan-Canadian seniors strategy to address the needs of the aging population.**

2. **The CMA recommends that the federal government include capital investment in residential care infrastructure, including retrofit and renovation, as part of its commitment to invest in social infrastructure.**

C. Recognizing caregivers' role and lost productivity

Caregivers are the backbone of any care system. A 2012 Statistics Canada study found that 5.4 million Canadians provided care to a senior family member or friend.[17] While this care was most often received by a senior in their own residence, 62% of caregivers said the care recipients lived in a home separate from the caregiver's home. Age-related needs are the most common reason for care requirements.[18] Caregivers are of all ages; for instance, 27% of caregivers were between the ages of 15 and 29 years[17]. One study has forecast that the number of Canadians requiring care will double over the next 30 years.[19]

A Statistics Canada study found that 56% of caregivers living with the care recipient provided at least 10 hours of care a week. Approximately 22% of caregivers helping a resident in a care facility also provided at least 10 hours of care a week. The chief condition for which care was provided was dementia or Alzheimer's disease (25%).

The cost to employers in lost productivity because of caregiving-related absenteeism is estimated at $5.5 billion annually.[20] Caregivers also report high out-of-pocket expenses. This is especially true for those living with the care recipient: over 25% spend at least $2,000 annually on out-of-pocket expenses.[21]

Caregivers require a range of supports including education/training, peer support, respite care and financial assistance. Canadians want governments to do more to help seniors and their family caregivers.[22] The federal government's new combined Canada Caregiver Credit (CCC) is a non-refundable credit to individuals caring for dependent relatives with infirmities (including persons with disabilities). The CCC will be more accessible and will extend tax relief to more caregivers by including dependent relatives who do not live with their caregivers and by increasing the income threshold.

Notwithstanding these changes and the greater flexibility for caregivers to use Employment Insurance benefits, caregivers will require more support. The CMA recommends making the new CCC a refundable tax credit for caregivers whose tax owing is less than the total credit, resulting in a refund payment to provide further financial support for low-income families.

Recommendation:

3. **The CMA recommends that the federal government improve awareness of the new Canada Caregiver Credit and amend it to make it a refundable tax credit for caregivers.**

The federal government's commitment to provide $6 billion over 10 years to the provinces and territories for home care, including support for caregivers, is a welcomed step toward improving opportunities for seniors to remain in their homes. As with previous bilateral funding agreements, it will be important to establish clear operating principles between the parties to oversee the funding implementation including support for caregivers.

Recommendation:

4. **The CMA recommends that the federal government develop explicit operating principles for the home care funding that has been negotiated with the provinces and territories to recognize funding for caregivers and respite care as eligible areas of investment.**

The federal government's recent funding investment in home care and mental health is a recognition that Canada has under-invested in home and community-based care to date. Other countries have more supportive systems and programs in place — systems and programs that Canada should consider.

Recommendation:

5. **The CMA recommends the federal government convene an all-party parliamentary international study that includes stakeholders to examine the approaches taken to mitigate the inappropriate use of acute care for elderly persons and provide support for caregivers.**

D. Conclusion

The CMA recognizes the federal government's commitment to help Canadians be as productive as possible in their workplaces and in their communities. Implementing these recommendations as an integrated package is essential to stitching together the elements of community-based and residential care for seniors. In addition to making a meaningful contribution to meeting the future care needs of

Canada's aging population, these recommendations will mitigate the impacts of economic pressures on individuals as well as jurisdictions. The CMA would welcome the opportunity to provide further information and its rationale for each recommendation.

[1] Code gridlock: why Canada needs a national seniors strategy. Address to the Canadian Club of Ottawa by Dr. Christopher Simpson, President, Canadian Medical Association. 2014 Nov 18. https://www.cma.ca/En/Lists/Medias/Code_Gridlock_final.pdf#search=Code%20Gridlock

[2] Canadian Institute for Health Information. *Seniors and alternate level of care: building on our knowledge*. Ottawa: The Institute; 2012 Nov. Available: https://secure.cihi.ca/free_products/ALC_AIB_EN.pdf (accessed 2016 Sep 22).

[3] Cancer Care Ontario. Alternate level of care (ALC). Prepared by Access to Care for the Ontario Hospital Association (OHA) May 2016. Available:

[4] McCloskey R, Jarrett P, Stewart C, et al. Alternate level of care patients in hospitals: What does dementia have to do with this? *Can Geriatr J.* 2014 Sep 5;17(3):88–94.

[5] North East Local Health Integration Network. HOME First shifts care of seniors to HOME. LHINfo Minute, Northeastern Ontario Health Care Update. 2011. Available: www.homecareontario.ca/home-care-services/facts-figures/publiclyfundedhomecare

[6] Residential care includes long-term care homes, personal care homes, special care homes, assisted living units and other types of innovative residential models that ensure residents are in the setting most appropriate to their needs.

[7] Sponagle J. Nunavut struggles to care for elders closer to home. *CBC News* 2017 5 Jun. Available: www.cbc.ca/news/canada/north/nunavut-seniors-plan-1.4145757

[8] Health Quality Ontario. Wait times for long-term care homes. Available: www.hqontario.ca/System-Performance/Long-Term-Care-Home-Performance/Wait-Times

[9] The CMA, along with many other medical and health organizations, has been calling for a national dementia plan given the impact dementia will continue to have on health and social systems as well as on families and caregivers. Alzheimer Society of Canada. The Canadian Alzheimer's disease and dementia partnership: a collective vision for a national dementia strategy for Canada. http://www.alzheimer.ca/~/media/Files/national/Advocacy/CADDP_Strategic_Objectives_e.pdf

[10] Statistics Canada. *The Chief Public Health Officer's Report on the state of public health in Canada, 2014*: *public health in the future*. Ottawa: Statistics Canada; 2015. Available: www.phac-aspc.gc.ca/cphorsphc-respcacsp/2014/chang-eng.php (accessed 2016 Sep 19).

[11] Statistics Canada. Population projections: Canada, the provinces and territories, 2013 to 2063. *The Daily*. Ottawa: Statistics Canada; 2014 Sep 17. Available: www.statcan.gc.ca/daily-quotidien/140917/dq140917a-eng.htm (accessed 2016 Sep 19).

[12] The 0.59% decrease in bed ratio is presented as Scenario 2 in Lazurko M, Hearn B. *Canadian continuing care scenarios 1999–2041*. KPMG final project report to FPT Advisory Committee on Health Services. Ottawa; 2000.

[13]Statistics Canada CANSIM table 281-0024 (survey of employment, payroll, and hours).

[14] Canadian Institute for Health Information. *Seniors in transition: exploring pathways across the care continuum*. Ottawa. The Institute; 2017.

[15] Standing Senate Committee on National Finance, *Getting ready: For a new generation of active seniors*. First interim report. Ottawa: The Senate; June 2017. Available: https://sencanada.ca/content/sen/committee/421/NFFN/Reports/NFFN_Final19th_Aging_e.pdf

[16] Demand a Plan. www.demandaplan.ca/

[17] Turcotte M, Sawaya C. Senior care: Differences by type of housing. Insights on Canadian society. Cat. No. 75-006-X. Ottawa: Statistics Canada; 2015 Feb 25. Available: www.statcan.gc.ca/pub/75-006-x/2015001/article/14142-eng.pdf (accessed 2016 Sep 22).

[18] Maire Sinha. Portrait of caregivers, 2012. Spotlight on Canadians: results from the General Social Survey. Cat. No. 89-652-x. Ottawa: Statistics Canada; 2013 Sept. Available: www.statcan.gc.ca/pub/89-652-x/89-652-x2013001-eng.htm

[19] Fast J. Caregiving for older adults with disabilities: present costs, future challenges. Montreal: Institute for Research on Public Policy; 2015 Dec 16. Available: http://irpp.org/research-studies/study-no58/

[20] Ceridian. Double duty: the caregiving crisis in the workplace. Results and recommendations from Ceridian's Working Caregiver Survey. 2015 Nov 5. http://www.ceridian.ca/blog/2015/11/double-duty-the-caregiving-crisis-in-the-workplace/

[21] Turcotte M, Sawaya C. Senior care: Differences by type of housing. Insights on Canadian society. Cat. No. 75-006-X. Ottawa: Statistics Canada; 2015 Feb 25. Available: www.statcan.gc.ca/pub/75-006-x/2015001/article/14142-eng.pdf (accessed 2016 Sep 22)

[22] Ipsos Public Affairs, HealthCareCAN, National Health Leadership Conference. National Health Leadership Conference report. Toronto: Ipsos Public Affairs; 2016 Jun 6. Available: www.ipsos-na.com/download/pr.aspx?id=15623 (accessed 2016 Jun 6).