Ontario Pre-Budget Submission 2022

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SE Health is a national not-for-profit social enterprise that provides care and services across many areas of the health system, from home care and long-term care to education and digital solutions. For more than a century, we have led the development of community health care in Canada, supporting people to live and age at home. As one of the largest home care providers in Ontario, we are an active participant in 25 of the 50 approved Ontario Health Teams, with a strong commitment to innovative models, system transformation, population health and value-based care. Recognized as one of Canada's Most Admired Corporate Cultures, SE Health employs approximately 8,000 staff nationwide, including 6,350 in the province of Ontario.

Key contacts:

- Shirlee Sharkey, President and CEO, shirleesharkey@sehc.com
- Madonna Gallo, VP, Public Affairs, madonnagallo@sehc.com

Introduction

As the Ontario population ages, there is an urgent need to reimagine aging to meet the clear expectations of a growing number of older adults. More than 90% of Ontario's seniors prefer to stay home for as long as possible[i], with 78% preferring home health care for themselves and their loved ones[ii]. Yet given this, many older adults are prematurely placed in long-term care facilities or forced to wait in hospital due to a lack of investment in appropriate home care and community-based supports.

Numerous reports have made it clear that our current approach to aging, with its heavy reliance on costly institutional care, is not sustainable and not what the people of Ontario want. The COVID-19 pandemic has served as a wake-up call to the critical gaps in our health system, but the signals have been pointing this way for some time – and the urgency is real.

Like other jurisdictions that have effectively prepared for an aging population, the Government of Ontario has an opportunity to shift direction and do the right thing. Our recommendations are focused on creating the **social and systemic changes** that are needed to enable better aging and quality of life for all Ontarians, while reducing the significant costs and burdens that have been inappropriately placed on other areas of the health system. This approach is in line with policy directions and trends globally, and would position the province as a future-forward leader.

Ontarians have made their wishes clear – they want to stay in their own homes and communities while they age. Relancing health spending towards home and community care isn't just good social policy, it's good fiscal sense too.

2022 Pre-Budget Recommendations

Short Term

- Provide $600 million in immediate funding relief to level up antiquated contract rates in home care, as well as base funding for community support services.

- Allocate the $548 million for service volume expansion – as referenced in the 2021 Fall Economic Statement – towards bundled care and new models.

Longer Term

- Over time, as the sector stabilizes and builds capacity, continue to ramp investment in new models and enhanced home and community services, towards an initial target of 10% of total health spending.

Short Term Recommendations

- ***Provide $600 million in immediate funding relief to level up antiquated contract rates in home care, as well as base funding for community support services.***

Years of chronic underfunding and antiquated contract rates has pushed the home and community care sector to a breaking point. Without a change in the current approach and better community-based alternatives, the health system will continue to push people into more costly areas such as hospitals and long-term care.

From a risk management perspective, this is a significant crisis in the making as both the government and the health system work to grapple with the pressures of an aging population, the ongoing COVID-19 pandemic, a critical shortage of health human resources, and finite budgets. The consequences of inaction are being felt across the entire system, driving up costs and impacting access to care for Ontarians.

Consider, for example:

- Despite investing an additional $5.1 billion to support hospitals since the pandemic began and creating over 3,000 new hospital beds[iii] – the number of ALC patients languishing in hospitals with nowhere to go, soared to 5,256 in January 2022[iv], up from 1,147 in May 2019[v].

- As of February 2021, more than 40,000 people were on the waitlist for a LTC bed in Ontario, with an average wait time of 147 days[vi]. Meanwhile, research suggests that 20-30% of current LTC residents and those on the wait list could stay at home with better home care supports[vii] – an option most Ontarians would prefer[viii].

- Prior to the pandemic, home care organizations were able to, on average, respond to 96% of service requests to support patients in their own homes; today, that province-wide number has plummeted to just 56%[ix].

That's why SE Health – together with the Ontario Community Support Association and other large for-profit and not-for-profit providers – is calling for an immediate investment of $600 million to increase contract rates in home care, and base funding in community support services. This funding is needed to:

- Stabilize and expand frontline services and capacity, while maintaining safe care, meeting rising service demands, and paying staff a living wage, comparable to their peers in other areas of health care.

- Address years of chronic under-funding and escalating infrastructure costs including but not limited to pandemic-related measures; increased client complexity; clinical support; digital and

IT infrastructure; education and training; healthy work environments; inflation and the overall cost of living.

The government has been asking frontline providers to do more with less for years; however, it is no longer viable or sustainable for care organizations to continue to absorb these increased costs. There is a significant wage gap between the home care and hospital sectors – between 27% and 34% for nurses, and 20% and 30% for PSWs – and thousands of home care staff have already left to take higher paying jobs elsewhere in the system. With this minimum $600 million investment, we can stabilize our sector and grow capacity to support hospital flow, reduce ALC rates, delay or avoid institutional long-term care, and enhance the success of OHTs.

- ***Allocate the $548 million for service volume expansion – as referenced in the 2021 Fall Economic Statement – towards bundled care and new models.***

We applaud the government's commitment to expanding home and community care services, by investing an additional $548.5 million over three years to support post-acute surgical patients and those with complex health conditions. These services are important and necessary; however, more capacity will be required to achieve an increase in service delivery. Therefore, this funding for service expansion should augment the $600 million outlined above and be used to accelerate the shift away from outdated fee-for-service models, towards bundled care and other innovative approaches.

This shift is aligned with recommendations from the Premier's Council on Improving Health Care and Ending Hallway Medicine, specifically:

- As the health system transforms, design financial incentives to promote improved health outcomes for patients, population health for communities, and increased value for taxpayers[x].

A change in the home care funding model is key to driving innovation and system transformation. For example, previous evaluations of bundled care programs have demonstrated overall improvements in key measures, such as:

- A reduction in hospital length of stay by 1.26 days, on average;
- A reduction in total costs within 30 days by $2,110 and within 90 days by $3,035; and,
- Positive patient experiences and engagement – 87% of surveyed patients reported a sense of involvement in the decision-making process[xi].

Longer Term Recommendation

- ***Over time, as the sector stabilizes and builds capacity, continue to ramp investment in new models and enhanced home and community programs, towards an initial target of 10% of total health spending.***

Continuing to institutionalize our fast-growing aging population in upgraded and new long-term care facilities is unaffordable, beyond the projected financial capacity of federal and provincial/territorial governments[xii]. Meanwhile, experience has shown that ALC numbers will only continue to grow without robust and coordinated community-based supports.

While successive governments have made incremental investments to expand home care services over the years, only 7% of total health spending currently goes toward community programs[xiii], with direct home care services accounting for a fraction of that. Based on the current transactional home care model, most care is short-term, task-based, and reactive. As a result, many Ontarians have unmet home care needs, which in turn negatively impacts health, quality of life, family caregiver burden, and workforce participation and productivity. The lack of home care investment during the COVID-19 pandemic, combined with ongoing service and capacity reductions, are setting us back even further.

There's a better way forward.

As the sector stabilizes and builds capacity over time, SE Health recommends ongoing investments in new models including long-term 'life care' services at home and other community-based alternatives, towards an initial target of 10% of total health spending.

Rebalancing the health budget will help to ensure hospital and LTC beds are there for those who need them, while enabling more older adults to remain healthy and happy at home, where they want to be, with appropriate services and wraparound supports. This is in line with policy directions and trends globally that are shifting focus and health expenditures out of facilities and into the home environment.

Furthermore, housing is another important factor for aging in place. Research shows there is currently an insufficient supply of appropriate and affordable housing for low- and middle-income seniors who require low to moderate levels of support to live independently. Almost 20% of Canadian seniors spend > 30% of their before-tax income on housing, and this increases to almost 40% for seniors who live alone[xiv]. Hence, it is also important to expand the supply and range of housing options for low- and middle-income seniors including innovative models, to further support aging in place and avoid unnecessary LTC placements.

Conclusion

We can continue to declare it is time to act now, but in fact the time to act was yesterday. Decades of chronic under-funding has left our home and community care system stretched too thin, facing too many headwinds, and at a breaking point. Yet, we can transform the system – first by stabilizing, and then by expanding and growing it to meet the needs of an aging population. Home care is too important to the health system and society at large. Failing to invest this area is no longer a socially and economically viable option.

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[iii] 2021 Ontario Budget, *Protecting People's Health*, March 2021. https://budget.ontario.ca/2021/health.html

[iv] Ontario Hospital Association, *Hospital Occupancy Data*, January 10, 2022.

[v] Premier's Council on Improving Health Care and Ending Hallway Medicine, 2nd report, *A Healthy Ontario: Building a Sustainable Health Care System*, June 2019. https://files.ontario.ca/moh-healthy-ontario-building-sustainable-health-care-en-2019-06-25.pdf

[vi] Ontario Government press release, September 2021. https://news.ontario.ca/en/release/1000842/ontario-building-new-and-improved-long-term-care-in-brampton

[vii] Bender, D; Holyoke, P; *Why some patients who do not need hospitalization cannot leave: A case study of reviews in six Canadian hospitals,* Healthcare Management Forum, 2018. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6041730/

[viii] Bring Health Home survey, June 2020. https://www.newswire.ca/news-releases/bring-health-home-initiative-launches-to-amplify-ontarians-call-for-increased-home-health-care-amidst-covid-19-841002285.html

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[x] Premier's Council on Improving Health Care and Ending Hallway Medicine, 2nd report, *A Healthy Ontario: Building a Sustainable Health Care System*, June 2019. https://files.ontario.ca/moh-healthy-ontario-building-sustainable-health-care-en-2019-06-25.pdf

[xi] Ibid.

[xii] Drummond, D; Sinclair, D, *Long-Term Care's Financial Sustainability*, Healthcare Papers, 2021. https://www.longwoods.com/content/26645/long-term-care-s-financial-sustainability

[xiii] Financial Accountability Office of Ontario, *Ministry of Health: Spending Plan Review*, May 2021. https://www.fao-on.org/en/Blog/Publications/2021-health-estimates

[xiv] *Report in Housing Needs of Seniors prepared for the Federal, Provincial, Territorial (FPT) Forum of Ministers Responsible for Seniors*, June 2019. https://www.canada.ca/en/employment-social-development/corporate/seniors/forum/report-seniors-housing-needs.html