



October 9, 2015

The Honourable Michael de Jong, Q.C.

Minister of Finance  
Room 153  
Parliament Buildings  
Victoria, BC, V8V 1X4

**Re: 2016 Budget Submission**

Dear Minister:

By 2038, it is estimated that BC's senior population will account for between 24 per cent and 27 per cent of B.C.'s population - nearly five per cent higher than the Canadian average. The number of seniors living with dementia and Alzheimer's is also increasing; while dementia currently affects 70,000 individuals in BC, this number is expected to increase to 105,000 by 2025.<sup>i</sup> BC Ministry of Health data also shows that over 60% of residents in care homes across the province have dementia.<sup>ii</sup> At the same time, it is projected that the prevalence of chronic conditions for those over 80 may increase by 58 per cent over the next 25 years.<sup>iii</sup>

In BC, the total public cost for long-term care was approximately \$1.8 billion in 2014, which amounts to 11 per cent of the provincial health budget.<sup>iv</sup> These costs are estimated to increase to \$2.7 billion by 2035.<sup>v</sup> The aging of the population will put increased pressure on the health system including utilization due, in part, to the greater prevalence of chronic diseases and mental health issues (including dementia), as well as increased number of frail seniors in both residential care and the community.

Overall, we are not prepared to meet these challenges. The health system in BC, much like the rest of Canada, is still largely acute care oriented and not optimally designed to provide care for those with ongoing care needs, such as chronically ill or frail elderly. With the health care system facing increased pressures due to an aging population, now is the time to explore new solutions to meet these challenges. Part of this will include redesigning the health system with new care models, as well as targeted investments for continuing care.

In particular, British Columbia's ageing population presents significant opportunities to enhance the province's economic strength through capitalizing on care providers' entrepreneurial spirit and enhancing the efficiency, sustainability and quality of our seniors' care system.

The BC Care Providers Association (BCCPA) has represented non-government care providers for over 30 years. We have over 130 residential care, home care, and assisted living members across the province. Our members represent over one-third of all funded long term care beds in B.C. – caring for over 25,000 seniors annually and creating more than 18,000 direct and indirect jobs across the province.

On September 30, 2015, the BCCPA released a major new strategic policy paper to improve seniors care in British Columbia. The paper, entitled *Quality, Innovation, Collaboration: Strengthening Seniors Care Delivery in BC*, outlines five key recommendations to help redesign BC's continuing care sector, calling on the Ministry of Health and Health Authorities to:

1. Better utilizing existing capacity (including vacant residential care beds, assisted living units, and home support) to reduce acute care pressures by creating a public registry to track vacant beds and alternate level of care (ALC) beds.
2. Establish a *Continuing Care Collaborative* with the Ministry of Health, health authorities, and non-government care providers to improve seniors care and strengthen the sector.
3. Include a specific target in Health Authority Performance Agreements to redirect 1% of acute care expenditures to community care services for seniors and the development of more responsive care models.
4. Establish new continuing care delivery models – including *Continuing Care Hubs* that will integrate community health services around residential care homes while taking pressure off emergency rooms and acute care hospital units.
5. Redefine existing eligibility criteria for complex care and remove restrictions relating to number of prescribed services in Assisted Living to allow seniors to remain at home longer or the most appropriate care setting.

Building on this report and other challenges facing BC's seniors such as increasing levels of acuity and dementia, we provide our recommendations for Budget 2016. In summary, the BCCPA makes the following five recommendations:

1. Continue to foster the growth of non-government operated service providers in continuing care, including better utilizing existing capacity in the sector;
2. Ensure funding matches the costs of delivering complex care;
3. Redirect Expenditures from Acute Care to Continuing Care in order to improve seniors care as well as reduce acute care pressures and allow seniors to live at home or most appropriate care setting;
4. Implementation of both the provincial End of Life and Dementia Action Plans, including funded investments in long term care for care homes to meet growing number of residents with dementia; and
5. Ensure that British Columbia receive an appropriate share of any new federal funding for seniors following the federal election, including investments for continuing care.

***Recommendation 1: Fostering the growth of non-government operated service providers in continuing care***

With less funding than their health authority counterparts, non-government care homes deliver quality care for seniors across the province. Through innovation and their entrepreneurial spirit, our members are finding creative ways to make BC the best place for seniors' care.

Innovation breeds efficiency and sustainability. As noted in the February 2012 report from the BC Ombudsperson, beds in non-government care homes can cost up to about 15% less than beds in government owned and operated homes, without compromising the quality of care.<sup>vi</sup> In 2012, the BC Ombudsperson also reported that in the Vancouver Island Health Authority "it would be typical for a publicly funded [Health Authority operated care home] with 50 residential care beds to receive approximately \$44,000 more in funding each month than a [non-government care home] with the same number of subsidized residential care beds."<sup>vii</sup> Thus, the evidence shows

that non-government operated care homes are operating efficiently and there could be cost savings in investing further in these service providers, particularly as demand for continuing care services increase.

In order to make best use of limited tax dollars dedicated to health care, we recommend the government maintain a priority on funding the residential care and home support we provide, in order to ensure BC seniors continue to have access to the best possible care. In particular, this includes that all residential care homes, including government and non-government, are funded appropriately. As outlined further in the BCCPA paper *Quality, Innovation, Collaboration* this includes better utilizing the existing capacity in the continuing care sector to reduce acute care pressures.

To better utilize existing capacity in the continuing care sector, the BCCPA recommends that the Ministry of Health work with government and non-government stakeholders to create a registry to report on ALC and vacant residential care beds across the province. This registry should be available to the public, be updated on a regular basis (i.e. at least monthly), and include both publically funded and private-pay beds to provide a complete picture of the sector.

### ***Recommendation 2: Ensure funding matches the costs of delivering complex care***

In BC, the shift to complex care delivery has resulted in a significant increase in the acuity level of seniors in residential care. Increases in funding, however, have not matched this rising acuity. Over 40 per cent of Canadian seniors are dealing with two or more select chronic conditions, such as diabetes, respiratory issues, heart disease, and depression, and many are also experiencing a decline in physical and/or cognitive functioning.<sup>viii</sup> Seniors in British Columbia are faced with similar challenges, as the Ministry of Health estimates the growth in demand for health care for frail seniors living in residential care will increase by 120% over the next 20 years.<sup>ix</sup>

Despite increasing levels of acuity and multiple chronic conditions, funding is often less than collective agreement increases, or even cost of living increases as health authorities rarely recognize inflationary pressures. In many cases new fees and excessive regulations are also placing increased burdens on residential care operators and diverting funding away from direct patient care. The BCCPA paper released in July 2014, entitled *Seniors Care for a Change*, discusses further examples of such burdensome regulations.<sup>x</sup>

Because of these deficiencies, funding shortfalls in the continuing care sector increase year after year. These funding shortfalls also come at a time when there are calls from the public and the families of those in care to provide an even higher level of service for their loved ones. While the government should be applauded for its increased investments to home care over the past few years, these investments should not come at the expense of residential care.

While our members deliver the best care possible and creatively find ways to get by with the resources available through government funding, shortfalls are ultimately to the detriment of seniors in care. Allowing care homes operate at a financial disadvantage is inefficient and unsustainable. An efficient and sustainable system requires collective agreements to be fully funded and other care costs fairly compensated.

Accordingly, we recommend that government ensure that funding matches the cost of delivering complex care. Specifically, we ask that the Ministry of Health base their funding lifts on the four key funding principles adopted by the BCCPA at its 2015 Annual General Meeting: timeliness, fiscal sustainability, equity, as well as communication and transparency.<sup>xi</sup> This may require new funding models to ensure continuing care operators receive appropriate funds and that patients receive the care they need. The BCCPA paper *BCCPA paper Quality, Innovation, Collaboration* addresses this more fully.

### **Recommendation 3: Redirect Expenditures from Acute Care to Continuing Care**

Currently, residential care homes and home support providers across BC's health authorities are facing critical fiscal challenges in order to meet existing cost pressures while also delivering high quality care for seniors. One of the major themes of the BC Ministry of Health *Primary and Community Care* paper released earlier this year was that existing expenditures would be protected, while appropriate reallocations from acute to community care services would become part of health authority planning going forward.<sup>xii</sup> Overall, the BCCPA supports this approach and believes now is the time for this to occur.

Overall, reinvesting in continuing care makes sense, as costs are substantially lower - the cost of treating a BC senior in hospital ranges from \$825 to \$1,968 per day (average is about \$1,200), whereas the cost of residential care is approximately \$200 per day.<sup>xiii</sup> Not only will it reduce costs in emergency and acute care, it will improve the overall quality of seniors care in BC by allowing seniors to live at home longer or most appropriate care setting.

Redirecting existing funding from acute to continuing care could also help address some of the health human resource issues facing care operators particularly around the recruitment and retention of health professionals including care aides, licensed practical nurses and registered nurses. Currently, particularly in rural areas of BC, it is often difficult to recruit and retain such professionals as along with significant shortages there are high staff turnover rates. As outlined further in the *Quality, Innovation, Collaboration* redirected funding could also be used to support the integration of physicians as well as new health professions such as nurse practitioners and physician assistants into continuing care. Finally, the funding could also be used to invest and direct more labour market training efforts to encourage people to enter into the continuing care sector as a career.

To ensure that this does occur, the BCCPA suggests that, beginning in the 2016/17 fiscal year, the Performance Agreements between the Ministry of Health and the Health authorities include a specific target to reinvest expenditures from acute care to continuing care – specifically, a minimum target of 1% per year over a five-year period. Based on initial cost estimates, this would amount to \$320.8 million in new services in the home and continuing care sector.<sup>xiv</sup> To illustrate how this could improve seniors care, \$320.8 million in new funding could represent the annual operation of 4,395 new long term care beds;<sup>xv</sup> or 12,832,000 care aide hours;<sup>xvi</sup> or 8,020,000 home support hours.<sup>xvii</sup>

The BCCPA believes that re-directing funding from acute care to continuing care could also be achieved partially through a reduction of alternate level of care (ALC) beds.<sup>xviii</sup> In 2014/15, there were 407,255 reported ALC days in BC, accounting for 13% of total hospital days across the five regional health authorities.<sup>xix</sup> As many as half of these ALC days represent older adults waiting for placement in a residential care home.<sup>xx</sup>

As noted in *Quality, Innovation and Collaboration* initial estimates by the BCCPA suggest that if ALC days could be reduced by 50% by caring for patients in a residential care bed rather than a hospital bed, it could generate over \$200 million in annual cost savings.<sup>xxi</sup> These savings could be invested into continuing care or to reduce wait times for elective surgeries for seniors that are in high demand such as joint replacements or cataract surgeries.

### **Recommendation 4: Implementation of the provincial End of Life and Dementia Action Plans**

The health care needs of British Columbians are shifting as our demographics change. Currently 70,000 British Columbians are affected by dementia, and this number is expected to increase to 105,000 by 2025.<sup>xxii</sup> BC Ministry of Health data also shows that over 60% of residents in care homes across the province have dementia.<sup>xxiii</sup> These trends will challenge care providers, both government and non-government alike, to provide high quality care.

Further to this issue, while older adults requiring end-of-life services in residential care account for only 1% of the population, they currently use 21% of publically funded health care services.<sup>xxiv</sup> Growth in demand for health care services by end-of-life patients is also expected to increase by 93% by 2036.<sup>xxv</sup>

In November of 2012, the Ministry of Health released a two year Dementia Action Plan that prioritized supporting prevention and early intervention, ensuring quality person-centred dementia care, and strengthening system capacity and accountability. This included an action to increase the number and flexibility of care models, in order to provide a broader range of living environments with supportive care for those who cannot live independently. This commitment is important given that new and recently renovated care homes provide better, safer environments for all residents, but especially those affected by dementia.<sup>xxvi</sup>

In March 2013, the Ministry of Health also released an End of Life Care Action plan that included a commitment to provide equitable access to the B.C. Palliative Care Benefits Program, ensuring residents of care homes have access to the same medications they would have if in hospital, in a hospice or being cared for at home. One of the major commitments made by the BC government was also to double the number of hospice beds by 2020.

Accordingly, the BCCPA recommends that the government continue to meet its end-of-life care commitments, and follow up with its promise to release a refreshed three-year Dementia Action Plan. In particular, any refreshed Dementia Action plan should include a commitment to modernize long-term care homes in the province where required to ensure that all residents, especially those with dementia, receive appropriate, high-quality care.

The BCCPA also supports exploring further the idea of dementia friendly care homes, including a specific designation that could be provided to homes that have made specific redesign changes to accommodate residents with dementia and/or where specific dementia training has been provided to staff. The BCCPA believes such a program or designation merits further consideration in partnership with relevant stakeholders including government, health authorities, and the Alzheimer's Society of BC.

***Recommendation 5: Ensure that BC receive an appropriate share of any new federal funding for seniors, including investments for continuing care***

Although health care is primarily a provincial responsibility, the federal government has an important role to play in funding as well as ensuring quality and consistency in continuing care delivery. The four major political parties have made platform promises in relation to new funding for health care and seniors. For example, the federal Liberal Party has announced if elected it would invest \$3 billion over the next four years to provide improved health care services for nearly two million people currently receiving care at home<sup>xxvii</sup> as well as investments to the infrastructure of care homes as part of a \$20 billion investment in social infrastructure over a ten-year period.<sup>xxviii</sup> The New Democratic Party has also announced that it would invest \$1.8 billion over four years to help the provinces improve care for seniors, including expanding home care for 41,000 seniors, creating 5,000 more nursing beds and improving palliative care services<sup>xxix</sup> along with \$40 million for a national Alzheimer's and dementia strategy.

New federal investments are of the utmost importance for reasons outlined earlier in this report – namely our province's aging population, meeting current fiscal challenges and the expected increases in demand for health care services. Given these significant challenges, the BCCPA advocates that the Ministry of Health ensure that the province receive an appropriate share of any new federal funding that occurs following the federal election this October. This funding should be used both to invest in continuing care immediately and to invest in future long-term care infrastructure. For example, the Canadian Medical Association (CMA) recently advocated the federal government allocate \$2.3 billion over a five-year period in the next long-term infrastructure plan for the

construction, renovation, and retrofitting of long-term care homes. As outlined in the CMA paper, long-term care homes also include assisted living units and other types of innovative residential models that ensure residents are in the care setting most appropriate to their needs.<sup>xxx</sup>

As discussed earlier, new federal funding could also be re-directed to support the recruitment and retention of health professionals including care aides, licensed practical nurses and registered nurses as well as the integration of physicians and new health professions such as nurse practitioners and physician assistants into continuing care.

## Conclusion

In summary, B.C.'s demographic shift is placing increasing demands on our health care system, particularly around the increasing prevalence of chronic conditions and the growing number of frail elderly. In this light, it will be important to rely on the entrepreneurial and innovative efforts demonstrated by our members who are providing frontline care.

A greater emphasis should be placed on finding ways to reduce excessive regulations and ensure funding matches the costs of delivering complex care particularly for patients facing chronic conditions as well as dementia. In summary, the BCCPA makes the following five recommendations:

1. Continue to foster the growth of non-government operated service providers in continuing care, including better utilizing existing capacity in the sector;
2. Ensure funding matches the costs of delivering complex care;
3. Redirect Expenditures from Acute Care to Continuing Care in order to improve seniors care as well as reduce acute care pressures and allow seniors to live at home or most appropriate care setting;
4. Implementation of both the provincial End of Life and Dementia Action Plans, including funded investments in long term care for care homes to meet growing number of residents with dementia; and
5. Ensure that British Columbia receive an appropriate share of any new federal funding for seniors following the federal election, including investments for continuing care.

Budget 2016 presents the opportunity to enhance the focus on residential care and home support, and ultimately, make B.C. the best place for seniors. We welcome your government's consideration of the proposed recommendations and welcome any questions you may have.

Sincerely,



Daniel Fontaine

Chief Executive Officer

cc: Select Standing Committee on Finance and Government Service

## END NOTES

- <sup>i</sup> Workforce Analysis, Health Sector Workforce Division, Ministry of Health, Dementia (age 45+ years) March 24, 2014, project 2014\_010 PHC
- <sup>ii</sup> Ministry of Health British Columbia. "Primary and Community Care in BC: A Strategic Policy Framework". Accessed at: <http://www.health.gov.bc.ca/library/publications/year/2015/primary-and-community-care-policy-paper.pdf>
- <sup>iii</sup> BC Ministry of Health. (2013, March 25). Action plan, centre for excellence, hospice funding to support end-of-life care. Vancouver: BC Ministry of Health. Retrieved from [http://www2.news.gov.bc.ca/news\\_releases\\_2009-2013/2013HLTH0057-000584.pdf](http://www2.news.gov.bc.ca/news_releases_2009-2013/2013HLTH0057-000584.pdf)
- <sup>iv</sup> Financial Statements of Vancouver Coastal Health Authority, Vancouver Island Health Authority, Interior Health Authority, Fraser Health Authority, and Northern Health Authority (year end March 31, 2015).
- <sup>v</sup> BENOIT, I., TWIST, J., & SCHILT, K. (2014, September 9). Opinion: Relieving the crunch on B.C. seniors. Vancouver Sun. Vancouver. Retrieved from [http://www.vancouversun.com/health/Opinion+Relieving+crunch+seniors/10188834/story.html?\\_lsa=d9d7-5615](http://www.vancouversun.com/health/Opinion+Relieving+crunch+seniors/10188834/story.html?_lsa=d9d7-5615)
- <sup>vi</sup> Office of the Ombudsperson. (2012). *The Best of Care: Getting it Right for Seniors in British Columbia (Part 2)* (Vol. 2). Victoria.
- <sup>vii</sup> BC Ombudsperson. *The Best of Care: Getting It Right for Seniors in British Columbia (Part 2)* at p. 216-17
- <sup>viii</sup> Health Council of Canada. Seniors in Need, Caregivers in Distress (March 2012). Accessed at: [http://www.alzheimer.ca/kw/~media/Files/on/Media%20Releases/2012/April%202012/HCC\\_HomeCare\\_2d.ashx](http://www.alzheimer.ca/kw/~media/Files/on/Media%20Releases/2012/April%202012/HCC_HomeCare_2d.ashx)
- <sup>ix</sup> BC Ministry of Health. Setting Priorities for the BC health system. February 2014. Accessed at: <http://www.health.gov.bc.ca/library/publications/year/2014/Setting-priorities-BC-Health-Feb14.pdf>
- <sup>x</sup> BCCPA. Seniors Care for a Change. July 2014. Accessed at: <http://www.bccare.ca/wp-content/uploads/Seniors-Care-for-a-Change-FC.pdf>
- <sup>xi</sup> BC Care Providers Association. (2015). Quality Innovation Collaboration: Strengthening Seniors Care Delivery in BC. Burnaby. Retrieved from <http://www.bccare.ca/wp-content/uploads/BCCPA-White-Paper-QuIC-FINAL-2015.pdf>
- <sup>xii</sup> BC Ministry of Health. (2015). Primary and Community Care in BC: A Strategic Policy Framework. Victoria. Retrieved from <http://www.health.gov.bc.ca/library/publications/year/2015/primary-and-community-care-policy-paper.pdf>
- <sup>xiii</sup> Caring for BC's Aging Population Improving Health Care for All. Canadian Centre for Policy Alternatives (CCPA). Marcy Cohen. July 2012. BC Ombudsperson, 2012, Volume 2:239. Accessed at: <http://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2012/07/CCPABC-Caring-BC-Aging-Pop.pdf>
- <sup>xiv</sup> Based on 2014/15 budget figures, which indicate that expenditures by Health Authorities for acute care is approximately \$6.4 billion.
- <sup>xv</sup> *The Best of Care: Getting It Right for Seniors in British Columbia (Part 2)* at p. 216-17. Accessed at: <https://www.bcombudsperson.ca/sites/default/files/Public%20Report%20No%20-%2047%20The%20Best%20of%20Care-%20Volume%202.pdf>
- <sup>xvi</sup> Assuming a wage of \$25 per hour, as quoted by Welcome BC: <http://www.welcomebc.ca/Work/fqr/Your-Qualifications-Intro/occupational-guides/Occupation/Health-Care-Assistant.aspx>
- <sup>xvii</sup> Assuming that each hour of subsidized home support costs the health authorities \$40, as reported in the Ombudsperson (2012) "Home Support Backgrounder." Accessed at: <https://www.bcombudsperson.ca/sites/default/files/BOC2%20-%20Health%20Sector%20Backgrounders.pdf>
- <sup>xviii</sup> ALC beds are those occupied by patients who no longer require acute care, but who continue to occupy a hospital bed because they are unable to access home and community care services.
- <sup>xix</sup> Canadian Institute for Health Information, 2015.
- <sup>xx</sup> Exploring alternative level of care (ALC) and the role of funding policies: An evolving evidence base for Canada. Canadian Health Services Research Foundation. September 2011. Accessed at: [http://www.cfhi-fcass.ca/sf-docs/default-source/commissioned-research-reports/0666-HC-Report-SUTHERLAND\\_final.pdf](http://www.cfhi-fcass.ca/sf-docs/default-source/commissioned-research-reports/0666-HC-Report-SUTHERLAND_final.pdf)
- <sup>xxi</sup> The Ombudsperson Report Best of Care reports that the average daily cost for a residential care bed is \$200, while it is over \$1,200 for a hospital bed. *The Best of Care: Getting It Right for Seniors in British Columbia (Part 2)* at p. 211
- <sup>xxii</sup> Workforce Analysis, Health Sector Workforce Division, Ministry of Health, Dementia (age 45+ years) March 24, 2014, project 2014\_010 PHC

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<sup>xxiii</sup> Ministry of Health British Columbia (2015). "Primary and Community Care in BC: A Strategic Policy Framework". Accessed at: <http://www.health.gov.bc.ca/library/publications/year/2015/primary-and-community-care-policy-paper.pdf>

<sup>xxiv</sup> Ibid.

<sup>xxv</sup> Government of British Columbia: Ministry of Health. (2014). Setting Priorities for the B. C. Health System. Victoria. Retrieved from <http://www.health.gov.bc.ca/library/publications/year/2014/Setting-priorities-BC-Health-Feb14.pdf>

<sup>xxvi</sup> CNW. (2015, September 30). Seniors in Niagara Deserve Better Dementia Care and Long-Term Care Homes Modernized. CNW. Toronto. Retrieved from <http://www.newswire.ca/news-releases/seniors-in-niagara-deserve-better-dementia-care-and-long-term-care-homes-modernized-530088931.html>

<sup>xxvii</sup> Liberal Party of Canada. (2015). Investing in health and home care. Retrieved October 1, 2015, from <https://www.liberal.ca/realchange/investing-in-health-and-home-care/>

<sup>xxviii</sup> Liberal Party of Canada. (2015). Affordable housing for Canadians. Retrieved October 1, 2015, from <https://www.liberal.ca/realchange/affordable-housing-for-canadians/>

<sup>xxix</sup> New Democratic Party of Canada. (2015). Tom's Plan. Retrieved October 1, 2015, from <http://www.ndp.ca/plan>

<sup>xxx</sup> CMA Submission: The Need for Health Infrastructure in Canada. March 18, 2013. [http://www.cma.ca/multimedia/CMA/Content/Images/Inside\\_cma/Submissions/2013/Health-Infrastructure\\_en.pdf](http://www.cma.ca/multimedia/CMA/Content/Images/Inside_cma/Submissions/2013/Health-Infrastructure_en.pdf)