

October 3, 2014

The Honourable Michael de Jong, Q.C.
Minister of Finance
Room 153
Parliament Buildings
Victoria, BC
V8V 1X4

Dear Minister:

Re: 2015 Budget Submission

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 or nearly five per cent higher than the Canadian average. According to the Ministry of Health, the percentage of BC seniors over 80 years old will grow from 4.4% in 2012 to 7.4% of the population by 2036. 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.

In BC, the total public cost of subsidies for long-term care was approximately \$1.7 billion in 2013, which amounts to 10 per cent of the provincial health budget. These costs are estimated to increase to \$2.7 billion by 2035. 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, including dementia.

Overall, we are not prepared to meet these challenges as 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 elderly.

British Columbia's ageing population, however, 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 private and non-profit community 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.

In July 2014, the BCCPA released a report entitled *Seniors Care for a Change*. It included five key recommendations to help improve BC's continuing care sector:

1. Strengthen client payment and collection of outstanding debts;
2. Develop a new funding model of government's role in care;
3. Implement a person-centred approach to care;
4. Reduce overlap with the investigation and inspection process; and
5. Streamline and standardize reporting and data collection.

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 2015. In summary, the BCCPA makes the following five recommendations:

- Continue to foster the growth of non-Health Authority owned-operated providers in continuing care;
- Eliminate excessive and unnecessary red tape in the continuing care sector;
- Ensure funding matches the costs of delivering complex care;
- Ensuring appropriate funding for dementia patients in the continuing care sector; and
- Ensuring continuity and capacity in end-of-life care.

Recommendation 1: Fostering the growth of non-health authority owned-operated service providers in continuing care

With less funding than their health authority counterparts, both private and non-profit 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, it identifies that on average, beds in private care homes can cost up to about 15% less than beds in public homes without compromising the quality of care. In 2011, the BC Ombudsperson also reported that in the Vancouver Island Health Authority "it would be typical for a publicly funded [Health Authority operated] facility with 50 residential care beds to receive approximately \$44,000 more in funding each month than a privately owned facility with the same number of subsidized residential care beds".¹

As noted in the BCCPA *Seniors Care for a Change* report, 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.

¹ *The Best of Care: Getting It Right for Seniors in British Columbia (Part 2)* at p. 216-17

In order to make best use of limited tax dollars dedicated to health care, we recommend the government continue its efforts to capitalize on our members' innovation and entrepreneurial spirit by maintaining 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 facilities, including public and private, are funded appropriately.

Recommendation 2: Eliminate excessive and unnecessary red tape in continuing care

To support the Honorable Bill Bennett's Core Review, our Association conducted a "core review" of the continuing care sector. In particular, as outlined in the 2014 report *Seniors Care for a Change* we outlined administrative and regulatory processes that create significant duplication and inefficiency, with a view to streamlining the system in a manner that promotes financial efficiency and moves dollars back to frontline care.

Over the last several years, our members have faced an ever increasing regulatory burden. Unfortunately, this often translates into our frontline staff having to spend more time in front of computers and filling out forms rather than caring for their residents.

As noted in *Seniors Care for a Change*, red tape and the burden of regulatory requirements in the continuing care sector can also lead to fewer providers entering the market and fewer care homes in BC. This is particularly costly to the health system as it could increase wait times and burden hospitals where care is more expensive. For example, it is estimated that 1,600 seniors are already on a waiting list for the 28,000 subsidized residential care beds in BC - a number which will likely grow with the aging population. Furthermore, an acute care bed costs about \$1,200 per day versus \$200 per day for a residential care bed.

In the report *Seniors Care for a Change* you can find a number of examples with respect to onerous regulations in the continuing care sector including in areas such as nutrition, locks on bathroom doors, private and semi-private rooms, funeral planning, nursing charts and investigation processes including the Care Aide Registry.

We welcome you to review this report further as well as discussing with us other ways in which regulations could be streamlined in order to reduce unnecessary costs and improve quality of care. In particular, we encourage the BC government to work in partnership with us to implement the efficiencies identified in *Seniors Care for a Change* as well as our forthcoming reports.

Recommendation 3: 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. Similar to BC, a large percentage of Canadian seniors (over 40%), 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.²

Despite increasing levels of acuity and multiple chronic conditions, funding is often less than collective agreement increases or cost of living increases as health authorities rarely recognize inflationary pressures. One such example of this pressure is new and increasing Medical Service Plan (MSP) fees that are placing increased fiscal burdens on residential care operators and diverting funding away from direct patient care.

As a result 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. This system of having 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 funding matches the cost of delivering complex care. In addition, this may also require looking at new funding models to ensure continuing care operators receive appropriate funds and that patients receive the care they need. This is particularly important as outlined in the next section dealing with dementia.

Recommendation 4: Ensuring appropriate funding for dementia patients

As a first step to ensuring funds matches the costs of delivering complex care, we recommend that continuing care funding appropriately account for the growing population of patients with dementia. According to BC's *Dementia Action Plan*, the number of people with dementia in the province is between 60,000 and 70,000. According to the Alzheimer Society of BC this number is expected to double within the next 25 years.³

The dementia epidemic is particularly critical in the continuing care sector. A 2012 report from the Canadian Institute for Health Information (CIHI) notes that 61.5% of residential care residents are living with Dementia. In a recent survey of BCCPA members, it was identified that the average number of residents living with Alzheimer's and Dementia was 69% in Residential Care, 32% in Assisted Living, 32% in Home Care and 8% in Independent Living.

² 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

³ The Provincial Dementia Action Plan for British Columbia. *Priorities and Actions for Health System and Service Redesign*. Ministry of Health November 2012. Accessed at: <http://www.health.gov.bc.ca/library/publications/year/2012/dementia-action-plan.pdf>.

The costs of caring for a person with advanced dementia are indeed high. Dementia currently costs Canada roughly \$33 billion per year, both in direct health care expenses and in indirect costs, such as lost earnings of the patient's caregivers. These costs are expected to total \$293 billion by 2040.

As part of any new BC Dementia Plan, which we understand is to be released later in 2014, it must outline the need for investments including in the prevention and early treatment of dementia. It should also address the occupation of acute-care hospital beds by patients with dementia while awaiting placement in more appropriate long-term care settings. This only causes undue expenditures to the total health care budget, hospital overcrowding, and inefficient use of health care resources. Finally, any BC strategy must ensure that continuing care operators have the necessary fiscal support to care appropriately for dementia patients.

In the Ministry of Health document *Setting Priorities for the BC Health System (2014)* it outlines the intention to develop residential care models and province-wide quality standards appropriate to the changing care needs of residents, with particular attention to people with dementia. The BCCPA and its members hope that much like this budget submission process it will be consulted further regarding this. This includes the development of new licensed dementia housing or specialized housing for clients with various forms of dementia.

Recommendation #5: Ensuring Continuity and Capacity in End-of-Life Care

In March 2013, the BC government announced its *Provincial End-of-Life Care Action Plan for British Columbia* to improve access to end-of-life care so people can remain at home and in their community longer. This included funding to establish a centre for excellence in end-of-life care. As part of the last provincial election, the government also committed to double the number of hospice beds in the province by the year 2020.

While these commitments including to expand hospice beds are commendable, it will be important that they are met. Along with improving capacity through the building of new hospice beds, it will be important to ensure greater continuity with end-of-life and the continuing care sector. Currently, palliative care services are often inadequately integrated into residential long-term care, and staff and physicians are often unprepared to discuss end-of-life wishes and expectations with residents and their families.

A 2007 British Columbia study, for example, found that one in four deaths among residents of free-standing (not attached to a hospital) residential long-term care facilities still occurs in

hospital.⁴ A survey done in one British Columbia health region also found that less than half of all facilities had implemented medical and nursing protocols for palliative care.⁵

In summary, ensuring seniors are cared for appropriately in their end-of-life will require a commitment to build upon the existing capacity as well as improving continuity of care with residential care. It will be important to ensure that along with building the necessary infrastructure that continuing care facilities are also appropriately resourced to meet increased demands and that staff are appropriately trained as such.

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. In this light, it will be important in particular 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 recommendations:

- Continue to foster the growth of non-health authority owned-operated providers in continuing care;
- Eliminate excessive and unnecessary red tape in the continuing care sector;
- Ensure funding matches the costs of delivering complex care;
- Ensuring appropriate funding for dementia patients in the continuing care sector; and
- Ensuring continuity and capacity in end-of-life care.

Budget 2015 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

⁴ McGregor, M.J., R.B. Tate, K.M. McGrail. 2007. "Variation in Site of Death among Nursing Home Residents in British Columbia, Canada." *Journal of Palliative Medicine* 10 (5): 1128-36.

⁵ McGregor M.J., J. Baumbush, R.B. Abu-Laban, K.M. McGrail, D.Andrusiek, J. Globerman, et al. 2010a. "A Survey of Nursing Home Organizational Characteristics Associated with Hospital Transfers and Care Quality in One Large British Columbia Health Region." Unpublished paper.