

The Impact of Ontario's Aging Population on the Home Care Sector

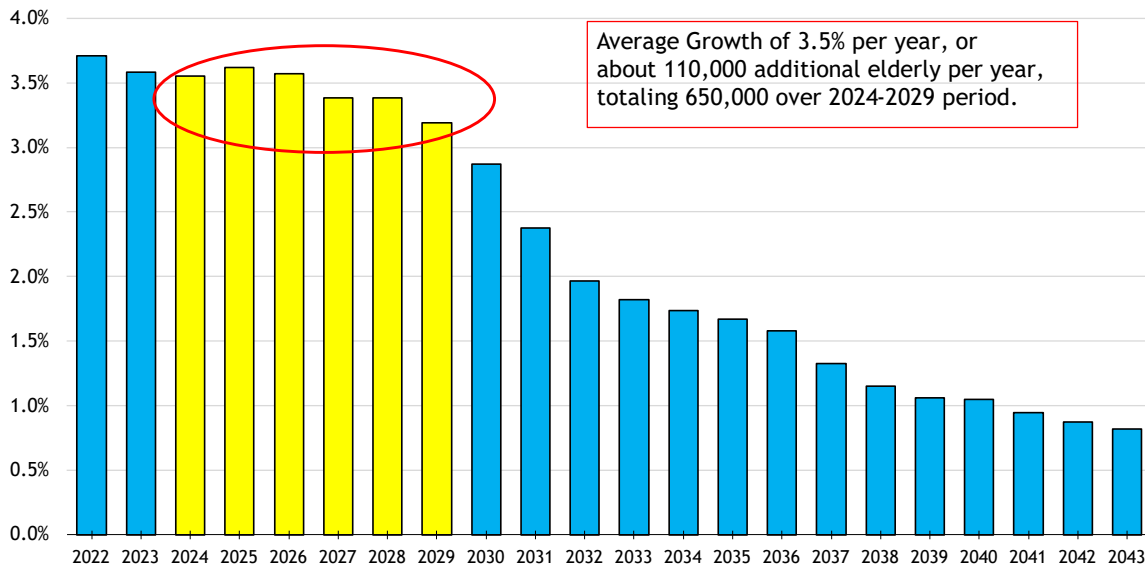
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February 2024

- Ontario's home care sector plays a crucial role in the healthcare system. It provides services to assist individuals who require medical care and/or assistance with daily activities but prefer, or need, to remain in their own homes. These services are especially relevant for those over age 65, those with disabilities, and individuals recovering from illnesses or surgeries.
- The sector offers a broad range of needed services to clients including nursing services (e.g., wound care, post-operative care), personal care and assistance (e.g., bathing, dressing, grooming), home support services (e.g., meal preparation), physiotherapy, occupational therapy, and specialized programs such as home care for chronic diseases like diabetes.
- Population growth of those over age 65, and especially over age 75, combined with high average healthcare costs puts enormous pressure on the healthcare system and provincial finances.
- Ontario's population aged 65 years and older will grow at 2.2% per year over the next 20 years. However, in the next five years the over-age-65 population growth rate will be much higher than the 20-year average, at 3.5% per year. Furthermore, the number of those 75 years of age and older, who on average require more care, will grow by an average of 4.1% per year over the next 5 to 6 years. In contrast, population growth in Ontario is expected to average 1.1% per year over the next 20 years.
- Over the next 6 years, Ontario's over-age-65 population will grow by over 650,000 persons. That is, growth of about 110,000 individuals **per year**, or a total of 23%. Similarly, by the end of 2029 there will be about 350,000, or 27%, more people aged 75+ in Ontario.

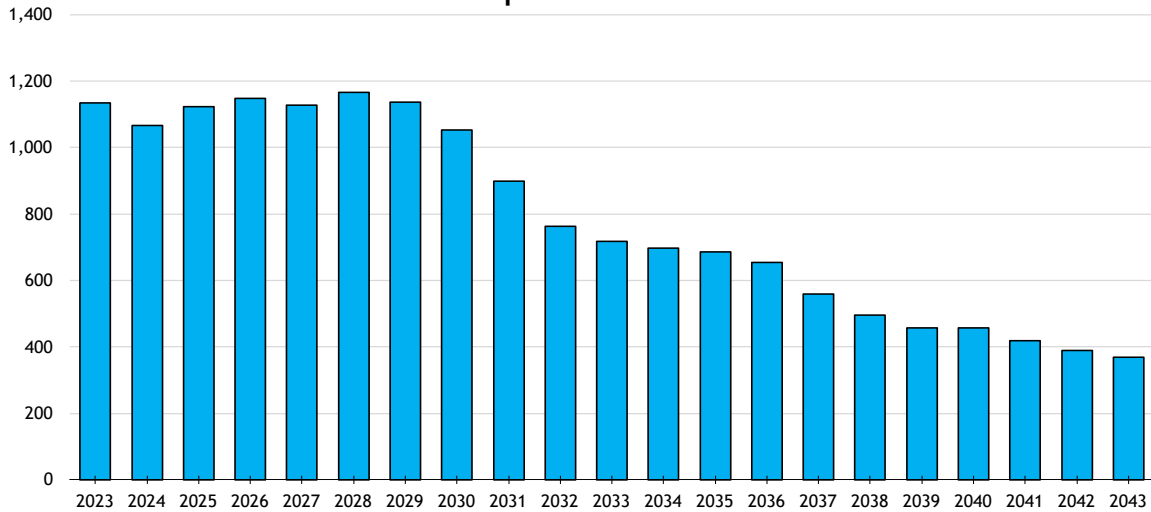
Annual % Growth in Ontario Elderly (65+) Population



- Older Ontarians, on average, utilize more healthcare resources compared to their younger counterparts. According to the Financial Accountability Office of Ontario (FAO), the average Ontarian receives healthcare services costing approximately \$4,900 annually. However, this figure increases with age. For individuals aged 65 to 69, the average annual healthcare expenditure is about \$7,500. Costs rise to roughly \$11,900 for those in the 75 to 79 age bracket and to about \$29,600 for those aged 90 and above.
- According to the FAO, despite the population increase the number of Ontarians receiving home care services has been flat in recent years at about 480,000 individuals. That is, annual nursing and personal home care service hours per Ontarian aged 65+ has been declining.¹
- Emergency departments (EDs) in Ontario, and across the country, are in crisis due to overcrowding caused by a plethora of issues. Recently, Ontario's Auditor General cited more than 200 unplanned closures of EDs. A key cause of the pressure on EDs is a growing population of over-age-65 people with complex needs.² The average cost of an ED visit is approximately \$325.³ This cost and some of the stress on Ontario's EDs can be averted by the provision of services in the patient's home.
- Estimates indicate that home care costs less than care in other settings, about \$100/day, which is less than about \$200/day and \$750/day in long-term care and hospital respectively.
- Increased home care services for the senior population will reduce other healthcare costs.

- Consider the limited case where Ontario only wants to maintain, as opposed to improve, current home care service levels given the expanding population. Then our calculations show that there needs to be a substantial increase in the training of personal support workers (PSWs), along with other care providers, in the coming years. As depicted, from 2024 to 2029, Ontario’s home care sector will need an additional 6,800 PSWs just to maintain the status quo level of service. This is above and beyond the additional PSWs needed for long-term care homes and hospitals.⁴

Additional Ontario Home Care Sector PSWs Needed to Keep Pace with Population 65+ Growth



¹ [Ontario Health Sector: Spending Plan Review \(fao-on.org\)](https://www.fao-on.org/)

² [Statement on Emergency Department Pressures at Ontario Hospitals \(newswire.ca\)](https://www.newswire.ca/)

³ https://www.allianceon.org/sites/default/files/CHC_ED_Costs_Averted_Feb_9.pdf

⁴ Kralj, B. & A. Sweetman (forthcoming 2024). “Personal Support Worker (PSW) Workforce Characteristics, Trends and Projections: Focus on the Home Care and Hospital Sectors,” AGEWELL National Innovation Hub; and, Kralj, B. & Sweetman, A. (2022) “Residential Care Sector Personal Support Worker (PSW) Work Force: Characteristics, Trends and Projections,” AGEWELL National Innovation Hub. https://agewell-nih-appta.ca/wp-content/uploads/2022/11/PSWs_ResCare_Merged.pdf