

Home Care Ontario
2024-25 Federal
Pre-Budget Submission



January 2024

Background:

Seniors across Ontario are increasingly choosing to age and receive care at home. This means that the home care system is delivering more care than any other part of the health care system combined, yet demand continues to outpace available resources. As a result, more and more seniors and their families have begun funding their own care or supplementing the care they are already receiving. To help offset these costs, the 2022 Ontario budget introduced the new Ontario Seniors Care at Home Tax Credit (OSCAH). This is an important change as in-home care services are critical supports that help keep seniors healthy, safe at home and out of hospitals and other publicly-supported facilities. Often, just a few hours of care a week is enough to keep seniors living independently at home and prevent unnecessary illness or accidents.

The new OSCAH is a refundable personal income tax credit that is tied to the federal process for approving the medical expense tax credit. As such, tax filers would be eligible for the proposed credit if they:

- Turned 70 years of age or older in the year, or have a spouse or common-law partner who turned 70 years of age or older in the year; and,
- Are resident in Ontario at the end of the tax year.

The credit is for 25% of claimed medical expenses, up to a maximum credit of \$1,500. The credit is reduced by 5% of family net income over \$35,000 and fully phased out at \$65,000.

The Issue:

We have identified a challenge with the introduction of the OSCAH that currently stands in the way of this tax credit being broadly available to many seniors living at home and incurring significant family-funded home care expenses. The challenge is that eligible expenses for the OSCAH must also qualify for the federal medical expense tax credit which requires a disability certificate (Form T2200) in order to claim part time attendant care at home.

Family funded home care expenses are typically for services that are delivered:

1. Part-time;
2. By non-regulated personal support workers (PSWs) or their equivalents; and,
3. In peoples' private homes (including retirement homes).

Expenses eligible for this new credit must qualify for both the federal and Ontario medical expense tax credit. Because seniors must have a disability certificate (Form T2201) ¹in order to claim part-time attendant care in their homes as an eligible medical expense [Income Tax Act Section 118.2.(2) (b.1)], the vast majority of home care recipients will not be able to claim

¹ <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4065/medical-expenses.html>



family-funded home care expenses because they must first apply for and be approved for it by the Canada Revenue Agency (CRA). While many seniors living with physical and brain health issues receive home care, we understand most will not meet CRA's stringent eligibility tests for a disability certificate.

These seniors will therefore not be able to claim expenses related to the in-home care they depend on to keep them healthy, safe and living at home. This could mean some of these seniors would no longer be able to afford these necessary and critical services. The loss of access to these services would both undermine their own health and may force families to consider permanent placement in long term care. It could also put further strain on our overburdened ER's, hospitals and broader health care system.

Recommendation:

Home Care Ontario respectfully asks the federal government to **eliminate the requirement for a disability certificate to claim part-time attendant care in the home in the upcoming budget** to ensure the new OSCAH reaches as many Ontario seniors as possible who need this assistance to help them stay in their homes.

About Home Care Ontario:

Home Care Ontario is a member-based organization representing the full spectrum of home care providers in the province, including both not-for-profit and for-profit organizations. Our members are united by a singular mission to provide outstanding nursing care, home support services, personal care, physiotherapy, occupational therapy, respiratory therapy, infusion pharmacy, social work, dietetics, speech language therapy and medical equipment and supplies to people in the comfort of their homes.