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Rosalie Wyonch is a Senior Policy Analyst and leads the C.D. Howe Institute's Health Policy Council and Research Initiative. Her research focuses on policy issues affecting healthcare in Canada. She also leads the Small and Medium-Sized Enterprise Working Group and researches the implications of technology and innovation on all parts of the economy and has written on the topic from an international, human capital, fiscal and tax perspective.

She has a Master of Arts in Economics and a Honours Bachelor of Arts in Mathematical Economics from the University of Waterloo. Prior to joining the C.D. Howe Institute in 2016, Rosalie worked as a Research Analyst at the Ontario Ministry of Finance in the Office of Economic Policy.

Rosalie also participates in numerous advisory groups and committees. She is a member of the Canadian Institute for Health Information's National Health Expenditure Advisory Group and the Healthcare Excellence Canada Policy Circle (2020-21).

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The Need to Invest in Home Care

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Capacity Enhancing Innovation in Canadian Hospitals



- C.D. Howe Institute and the Health Policy Research Initiative
- ALC Patients and Seniors Preferences
- Capacity and Costs to Provide Care
- Tax Credits
- Q&A



OUR MISSION

The C.D. Howe Institute is a registered charity, and an independent not-for-profit research institute whose mission is to raise living standards by fostering economically sound public policies. Widely considered to be Canada's most influential think tank, the Institute is a trusted source of essential policy intelligence, distinguished by research that is nonpartisan, evidence-based and subject to definitive expert review.

#1 AWARDED THINK TANK

The Institute is Canada's top economic policy think tank in worldwide *Research Papers in Economics (IDEAS/RePEc)* and *Think Tanks and Civil Societies Program (TTCSP)* global rankings and is the winner of seven Douglas Purvis Prizes for excellence in Canadian economic policy writing.

ESSENTIAL OUTPUT



STIMULATING DEBATE



Healthcare Policy Initiative



The C.D. Howe Institute's Healthcare Policy Initiative is an ongoing program to produce research, analysis and events to raise the level of debate around Canadian healthcare and to help motivate policy improvements. The program addresses critical issues such as:

- international lessons on financing and incentives;
- defining the services provided under public plans;
- incentives and funding arrangements for hospitals and healthcare providers;
- federal and provincial policy on pharmaceuticals;
- options for primary-care reform;
- access and quality of care.

As with all the Institute's work, the program aims to provide research that is rigorous, evidence-based, and peer-reviewed, recommendations that are relevant, constructive, and timely, and communications that are clear, authoritative and practical.

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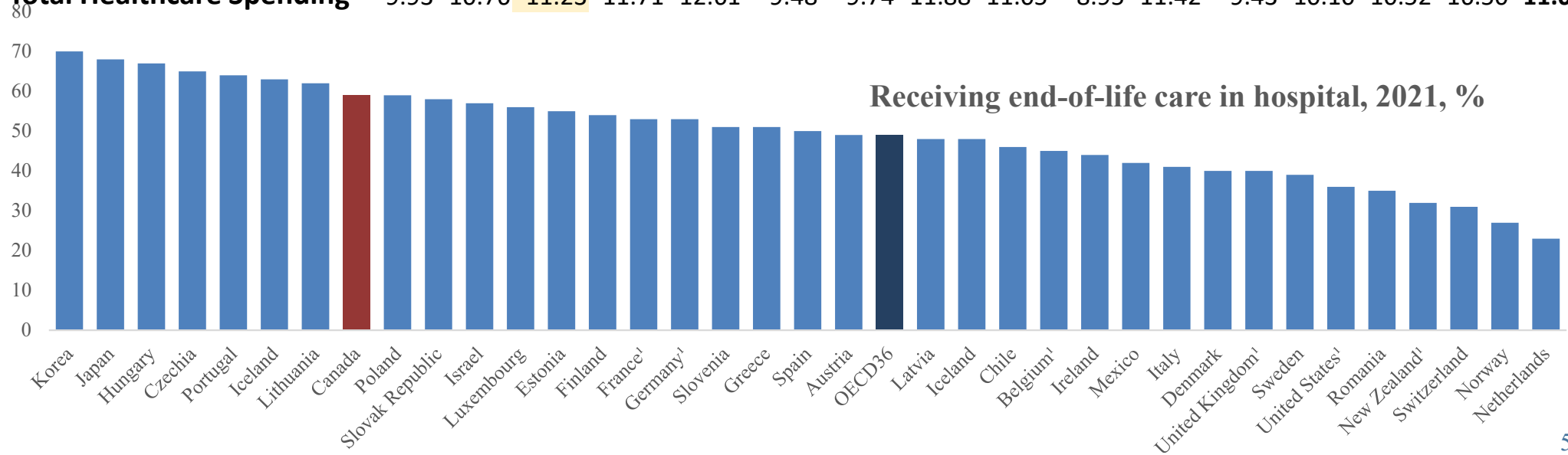
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Health Expenditures, 2021, % of GDP

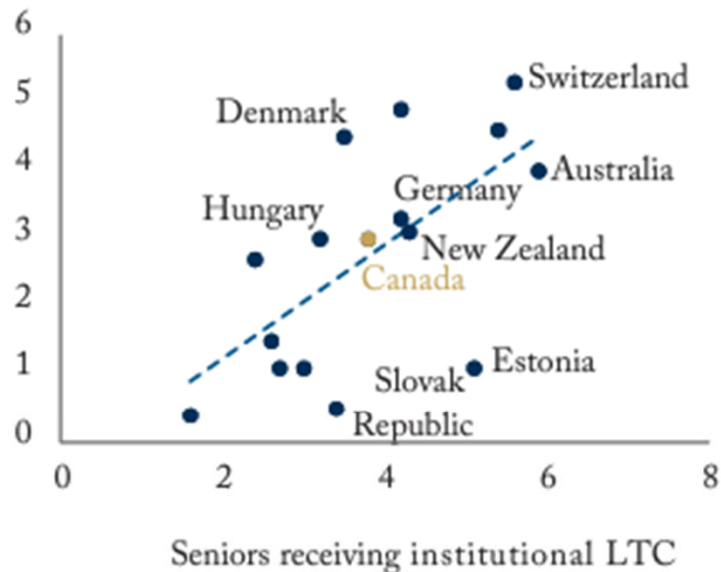
	AUS	BEL	CAN	CHE	DEU	DNK	ESP	FRA	GBR	ITA	JPN	KOR	NLD	SWE	USA	Av.
Providers of home healthcare services		0.94	0.46	0.39	0.82	0.88	0.16	0.23	0.57			0.35	0.06	0.83	0.52	0.52
Residential long-term care facilities	0.69	1.35	1.57	1.85	1.13	1.08	0.52	1.34	1.36	0.51	1.04	0.28	2.85	1.88	0.74	1.21
Total Healthcare Spending	9.93	10.76	11.23	11.71	12.61	9.48	9.74	11.88	11.05	8.95	11.42	9.43	10.10	10.52	16.50	11.02





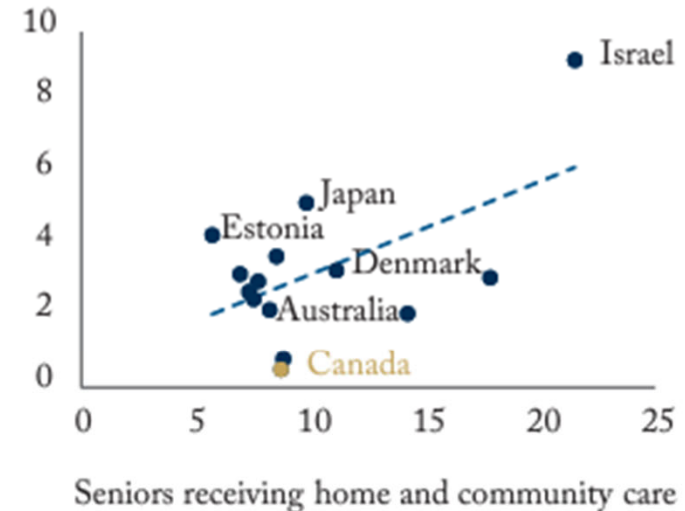
7A: LTC in Institutions: Workers Relative to Residents

Instit. LTC workers
per 100 seniors



7B: LTC at Home and in the Community: Workers Relative to Population Receiving

Home and Community
LTC workers
per 100 seniors



Sources: OECD Health Utilisation and Resources (2019, or latest available); author's calculations.

Where the buck stops: Hospitals



- **Capacity Risks:** Canada has acute care occupancy rates above 85% (OECD average = 69.8%, 2021)
 - 2.5 hospital beds/1000 population, 35th out of 43 countries (Canada, like other countries, has a declining # of hospital beds per capita)
- ALC patients represent **17 percent of hospitals days**, but only about 6.2% of patients admitted to hospital have ALC days

Reducing ALC days by 16% would be sufficient to reduce the risk of bed shortages.

Capacity and Costs to Provide Care



Figure 1: Seniors' Housing Stock and Vacancy Rates

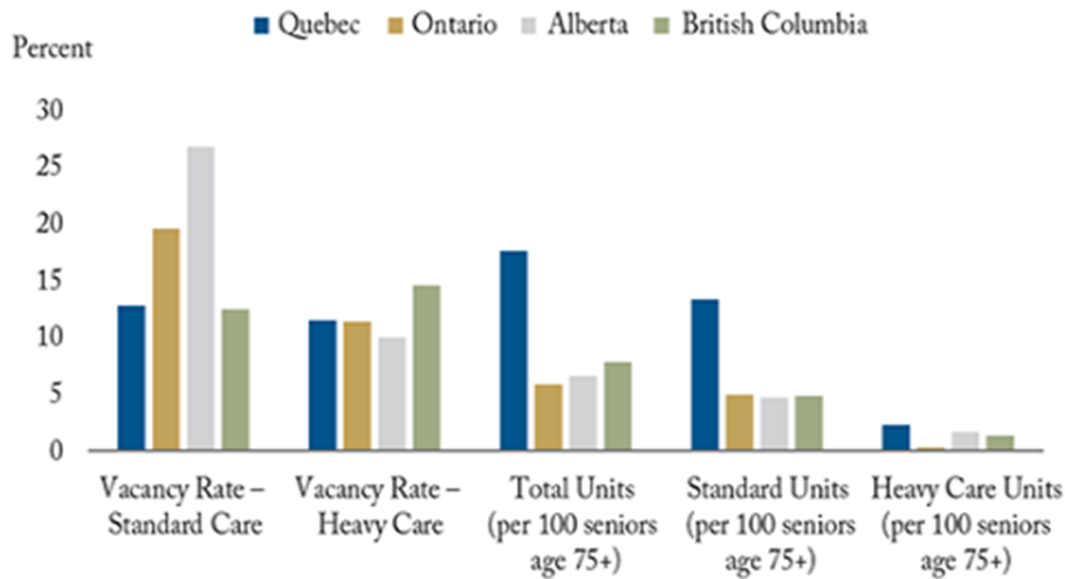
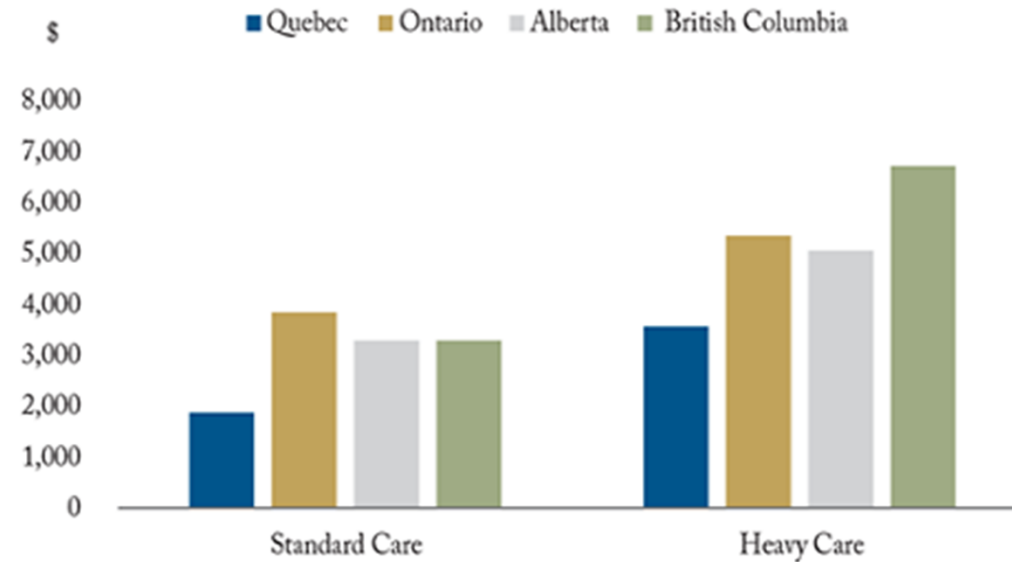


Figure 2: Median Rent for Seniors' Care Space



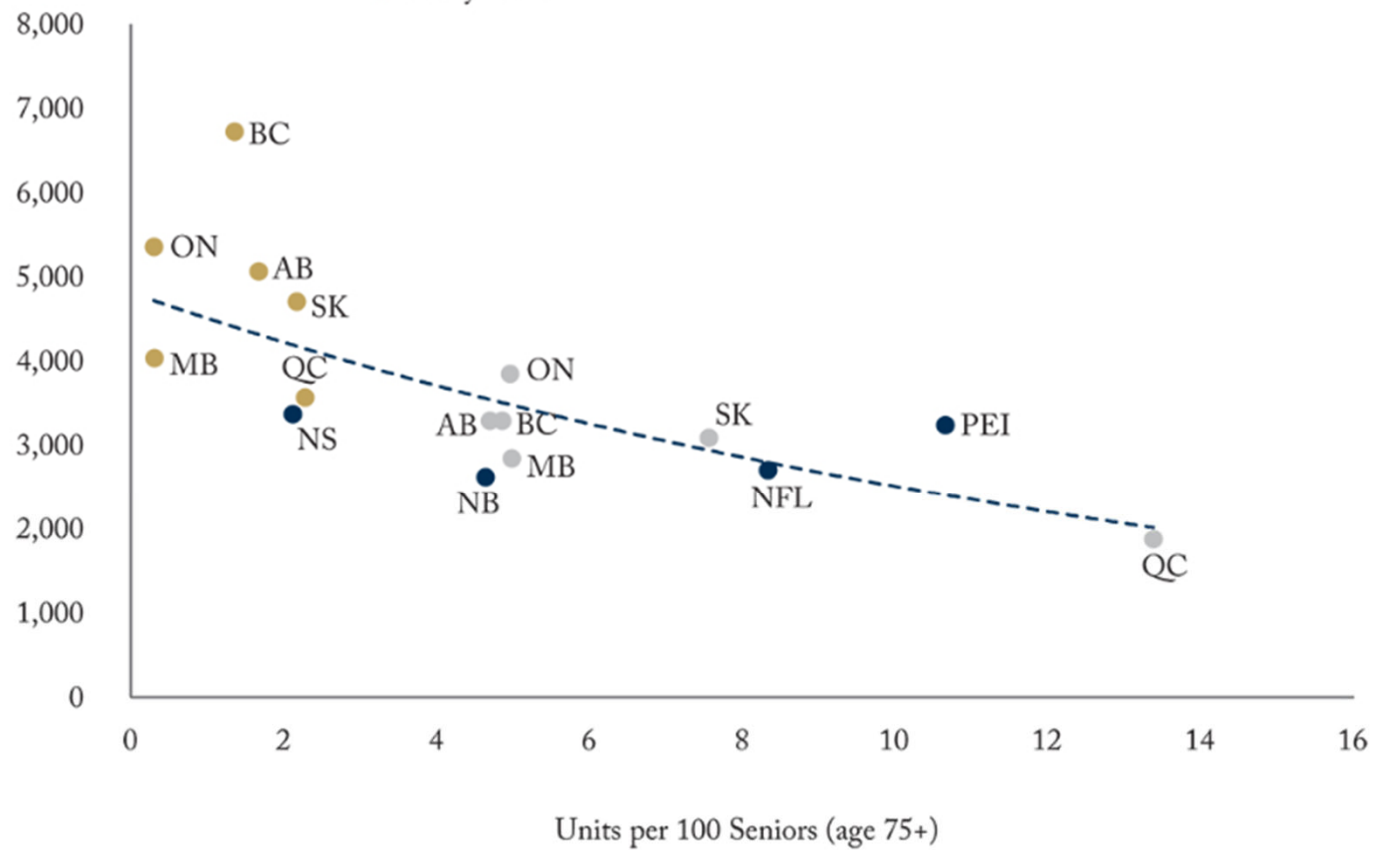
Source: CMHC 2021. Standard care spaces are equivalent to "independent living" communities and retirement homes where residents receive 1.5 hours of care or less per day. Heavy care spaces include private and non-profit senior residences where residents receive >1.5 hours per day of care. Non-market heavy care units are included in Vacancy Rate.

Price and Availability of Seniors Housing Spaces



Average Rent
for Seniors
Care Space

- Total Spaces (Standard and Heavy Care combined)
- Standard Care
- Heavy Care





A hospital stay for someone over 80 years of age ranges in cost from \$4,306 to \$11,361 per episode of care. Long-term care costs the province \$5,870.70 per month per patient, and the average cost of assisted living is about \$1,494 per month per patient.

Table 1: Formal Home Care Received and Unmet Home Care Needs of Canadian Households, 2021

	Formal Home Care	Unmet Home Care Needs
	<i>Percent</i>	
Canada, excluding territories	6.1	2.8
Atlantic	7.1*	2.9
Quebec	6.5	2.5
Ontario	6.3	3.1
Prairies	5.3*	2.0*
British Columbia	5.5	3.5

* Significantly different from average.

Source: Statistics Canada 2022.

Table 3: Monthly Care and Accommodation Costs, Private LTC Room Compared to Retirement Home Studio

Cost Category	LTC Home	Assisted Living	Memory Care	Heavy Care
	<i>2016 \$</i>			
Accommodations	2,563	4,275	4,923	4,847
Cost of Care*	3,408	Included	Included	Included
Total Cost per Month	5,972	4,275	4,923	4,847

Notes: * Public cost of care based on per diem funding for nursing and personal care, programming and support services, and food costs. It is not possible to fully control for the number of care hours in each setting.

It is possible that those in LTC receive more hours of care than in comparative retirement home categories, which are categorized based on a minimum number of care hours and service offerings. A reviewer noted that LTC recipients might receive fewer hours than high-needs seniors in some retirement homes, due to the restricted nature of funding for LTC. Retirement homes can increase prices to cover more extensive care and higher staffing ratios. However, long-term care homes tend to be highly regulated and are required to maintain specific staffing ratios. It is uncertain how comparable hours of care are between LTC and retirement homes.

Source: Roblin et. al. (2019).

Tax Credits



Federal: home accessibility tax credit is available to people 65 years of age or older, or those with a disability. Eligible recipients can claim up to \$10,000 related to renovations or purchasing equipment that improves the accessibility and safety of the home.

Quebec:

- People over 70 years of age in Quebec can claim up to 38 percent of eligible expenditures through the refundable tax credit for home support services.
- An independent senior could qualify for a maximum of \$7,020 in refundable credits based on the maximum service spending of \$19,500. Dependent seniors can be eligible for up to \$9,180 in refundable credits. The credit is reduced when family income exceeds \$69,040.
- The Quebec Independent Living tax credit for seniors covers 20 percent of eligible expenses over \$250.

Ontario:

- residents over 70 years of age can claim up to \$1,500, or 25 percent of eligible expenses up to a maximum of \$6,000, through the Ontario Seniors Home Care Tax Credit.
- The maximum tax credit is reduced by five percent of family net income over \$35,000, meaning about a quarter of households with a member over the age of 75 will qualify for the maximum credit. Claimable expenses are amounts over 3 percent of net income.



Box 2: Example of Tax Credit Difference: Ontario and Quebec

William and Margaret are a senior couple in their 80s, with a family net income of \$50,000 (\$20,000 for William and \$30,000 for Margaret). They reside in a retirement home and pay \$2,850 per month for room and board. They have medical and expenses for the year, including additional attendant care, of \$6,000.

In Ontario, their claimable expenses are \$6,000 – 3 percent of \$30,000 (Margaret’s income), or \$5,100. The credit is reduced by 5 percent of net family income over \$35,000. In this case, 5 percent of \$15,000, or \$750. The couple will get \$1,087.50 from the Ontario Seniors Care at Home Tax Credit.

In Quebec, assuming the couple are not dependent and their retirement home provides three meals per day, nursing and personal care services, as well as laundry services, they would be eligible for about \$751.45 per month, or \$9,017.40 per year (Revenue Quebec). The tax credit is determined by proportional allocation of rent (Table B1). In addition, their additional attendant care is an eligible expense, meaning the couple is eligible for an additional \$2,280. The couple is eligible for a total of \$11,297.40 in tax credits (the maximum based on their income is \$14,430).

Margaret and William are eligible for over 10 times more in refundable tax credit in Quebec than in Ontario.

Box 3: Example of Tax Credit Difference, Ontario and Quebec, Single Seniors



Doreen is an 82-year-old single senior living in a house she owns. Her net income is \$35,000. She paid a total of \$2,250 for the installation of safety bars in the bathroom and a new wheelchair. She also had attendant care, at a monthly cost of \$150 (\$1,800 annually).

In Quebec, Doreen's attendant care is an eligible expense for the seniors' home support services tax credit, but the mobility equipment is not. Her credit is 38 percent of her eligible expenses, or \$684. The installation of safety bars and wheelchair would be eligible for the independent living tax credit for seniors. Doreen's credit is 20 percent of her eligible expenses of \$2,250 - \$250 deductible, or \$400. In Quebec, Doreen would be eligible for \$1,084 in tax credits, or 26.8 percent of her expenditures. If she were living in an apartment building, five percent of her rent would also be eligible for a tax credit in Quebec (assuming rent between \$600 and \$1,200), about \$480 of additional annual support. Similarly, if she lived in a condominium, part of her fees would likely be eligible. In Ontario, Doreen's eligible expenses are her total expenses for the medical equipment and attendant care, minus three percent of her net income, or \$3,000. She will receive 25 percent of her eligible expenses back, or \$750 (18.5 percent of her total expenditures), through the Ontario Seniors Care at Home Tax Credit. However, if Doreen qualifies for public home care, her attendant care would be provided at no direct cost to her. In this case, she would receive a \$300 tax credit related to her medical equipment and publicly funded support services equivalent to \$1,800.

Doreen is eligible for more extensive tax support in Quebec than in Ontario. However, the public subsidization of her care might be more or less expensive in Ontario than in Quebec, depending on whether Doreen receives publicly funded home care.

Tax Credit Example: Single Senior at Home



Figure 1. The OECD framework of end-of-life care



Source: OECD (2023^[11]), *Time for Better Care at the End of Life*, <https://doi.org/10.1787/722b927a-en>.



References:

- [Scenarios for Seniors' Care: Future Challenges, Current Gaps and Strategies to Address Them](#)
- [Eliminate Hallway Medicine by Getting Non-Acute Patient Out of Hospital](#)
- [Expensive Endings: Reining in the High Cost of End-of-Life Care in Canada](#)
- [Ounce of Prevention is Worth a Pound of Cure: Seniors' Care After COVID-19](#)
- [Shortcomings in Seniors Care: How Canada Compares to its Peers and Paths to Improvement](#)
- For all the C.D. Howe Institute's Healthcare Policy Research please visit [the website](#).



Thank-you!
Question?