

Home Care Ontario
175 Longwood Rd S
Hamilton, ON L8P 0A1

905-543-9474
contact@homecareontario.ca
www.homecareontario.ca

STRENGTHENING CARE WHERE ONTARIANS WANT IT

BUDGET RECOMMENDATIONS TO EXPAND HOME CARE AND RELIEVE HOSPITALS

2026 / 2027



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HIGHLIGHTS

Ontario has a significant opportunity to improve its health care system by expanding access to high-quality home care. At a time when hospitals face capacity and fiscal challenges, home care offers a demonstrated, cost-effective way to deliver care where Ontarians want it most—at home—while reducing reliance on higher-cost institutional settings.

- **Investing in home care is investing in health care system stability:**

The Government of Ontario has recognized the value of home care and made smart, targeted investments that are delivering impressive results. Recent analysis by Deloitte Canada shows that home care services have increased by 21 per cent following recent contract rate adjustments, enabling more Ontarians to receive timely, quality care at home. As a result, Ontario now has the lowest proportion of long-term care residents in Canada who could potentially be supported by home care; it's clear, adding home care capacity reduces the need for long-term care admissions.

- **Reduced pressure and freeing up money:**

Deloitte's research also confirms that additional investment in home care will shorten long-term care wait lists and free up hospital beds, allowing limited health care budgets to be utilized for other purposes. These findings underscore that home care delivers an outsized return on investment and represents one of the most effective tools available to improve system performance and sustainability.

- **Recent gains are at risk:**

While the 2025 Fall Economic Statement increased home care service volumes, it did not include corresponding increases to compensation for staff. As such, home care providers are hamstrung as they are being asked to deliver more care without the tools to recruit and retain the staff required to do so. Wage rates for home care staff are losing ground to hospitals and long-term care settings that have received compensation increases of up to 5.25 per cent this year. Without a contract rate adjustment, workforce shortages will constrain service expansion and undermine the anticipated benefit of recent government investments.

HIGHLIGHTS

- **Therapy services are particularly vulnerable:**

Home care therapies (physiotherapy, occupational therapy, social work, etc.), which are critical to fall prevention, hospital avoidance, and timely discharge, have not received the same level of investment as other home care services. As a result, more than 6,200 Ontarians are waiting for therapy services, but a relatively modest investment targeted to therapist compensation will eliminate this waitlist and restore timely access to care.

- **Supporting seniors to stay at home longer:**

Finally, more than 150,000 Ontario seniors are remaining at home with the support of family-funded home care. These seniors spend an average of \$17,600 annually to remain safe and independent at home. While the Ontario Seniors Care at Home Tax Credit was an important step forward, its effectiveness is limited by federal eligibility rules that prevent many seniors from claiming the credit despite genuine care needs.

RECOMMENDATIONS FOR BUDGET 2026

To realize the full benefit of recent investments, strengthen system performance, and deliver better value for public dollars, Home Care Ontario recommends that the 2026 Ontario Budget:

- **Implement a \$256 million contract rate adjustment** to support workforce recruitment and retention, including a 5.8 per cent wage increase and a 2.5 per cent increase for non-wage service delivery costs.

- **Invest an additional \$32 million targeted to home care therapies** to address workforce shortages, eliminate therapy waitlists, and reduce avoidable emergency department use.

- **Expand the Ontario Seniors Care at Home Tax Credit** by working with the federal government to remove the disability certificate requirement for claiming part-time attendant care in the home.

Together, these targeted actions will allow Ontario to build on recent successes, reduce hospital pressures, and ensure more Ontarians receive timely, high-quality care at home.

HOME CARE DELIVERS AN OVERSIZED RETURN

Today, Ontario has a window of opportunity to strengthen its health care system.

An opportunity to relieve pressure on hospitals and stabilize strained hospital budgets. An opportunity to expand access to care where Ontarians increasingly want it most—at home.

Despite recent progress, too many Ontarians continue to face delays, waitlists, and capacity constraints when seeking access to health care. A strong and well-resourced home care system is essential to addressing these challenges and turning this opportunity into a durable system improvement.

The Government of Ontario has recognized the value of home care and has made significant investments in recent years. These investments are delivering results. New evidence demonstrates measurable, positive impacts on hospital capacity and overall health system performance.

However, additional action is required to ensure the home care sector has the workforce necessary to scale services to the level the government envisions—and that the health system urgently requires.

This submission outlines the impact of recent home care investments and presents targeted recommendations to further strengthen the system in the 2026 Ontario Budget by:

- **Implement a \$256 million contract rate adjustment** to support workforce recruitment and retention, including a 5.8 per cent wage increase and a 2.5 per cent increase for non-wage service delivery costs.
- **Invest an additional \$32 million targeted to home care therapies** to address workforce shortages, eliminate therapy waitlists, and reduce avoidable emergency department use.
- **Expand the Ontario Seniors Care at Home Tax Credit** by working with the federal government to remove the disability certificate requirement for claiming part-time attendant care in the home.

DATA TELLS THE STORY

Recent government investments have strengthened the home care workforce, enabling the sector to deliver significantly more care to more Ontarians.

Data shows that previous contract rate increases have generated a strong return on investment by directly supporting workforce growth and expanding service capacity across the province.

DELOITTE CANADA STUDY

- Updated a 2022 study with data from the past 3 years.
- Reviewed sectoral changes in contract rates and labour supply.
- Updated wage elasticity estimates.
- Modeled impact of increases on labour supply.
- Estimated ROI under funding scenarios.

A new report by Deloitte Canada demonstrates the impact of these investments. Home care services increased by 21 per cent, allowing substantially more people to receive timely care in their homes rather than in high-cost institutional settings.



The report also finds that the proportion of long-term care residents who could potentially be supported by home care has declined to the lowest level in Canada, indicating that expanded home care capacity is actively alleviating pressure on the long-term care system.



Importantly, Deloitte's analysis concludes that continued investment in home care will reduce hospital wait times, improve long-term care waitlists, and free up significant financial resources that can be redeployed to other critical health system priorities. Taken together, the findings confirm that home care delivers high-value, system-wide benefits and represents one of the most cost-effective investments available to the health care system. Given these outcomes, continued investment is essential to sustaining and expanding these gains.

UNLOCKING HOSPITAL CAPACITY THROUGH TARGETED HOME CARE INVESTMENT



We commend the government for the recent Fall Economic Statement (FES) investments to expand home care volumes and continue the rollout of Hospital to Home programs across Ontario. These initiatives have the potential to meaningfully reduce pressure on hospitals by enabling more care to be delivered in the community, supporting earlier discharges, and preventing avoidable hospital admissions.

However, without addressing a critical missing element, these investments will not realize their full, intended impact.

The FES investment was focused on increasing service volumes but did not include corresponding adjustments to compensation for home care staff. As a result, home care providers are being asked to deliver expanded services in an increasingly constrained labour market, and a shrinking ability to recruit and retain the workforce required to do so.

Our sector has been voicing concerns that wage rates are becoming uncompetitive relative to other health care settings (i.e. hospitals and LTC) where workers have received arbitrated wage increases of 2%, 3%, and in some cases up to 5.25% this year. The government's recent announcement of targeted recruitment incentives will widen this gap.



WORKFORCE RISK

Wage gaps may appear manageable today, but they are steadily eroding the available workforce. Once this stock is depleted, workforce exits can accelerate abruptly—jeopardizing the gains achieved through recent provincial investment. Without competitive compensation, Ontario risks triggering such a tipping point in home care, making service expansion impossible despite recent investments.

RECOMMENDATION

Put simply; to recruit and retain the workforce required to deliver expanded home care services, volume investments must be paired with a contract rate adjustment that reflects current labour market realities and protects the government's recent investments.



RECOMMENDATION FOR BUDGET 2026

To sustain and expand service levels, Home Care Ontario recommends that Budget 2026 include a \$256 million contract rate adjustment. This adjustment would support a 5.8% increase for wages across the sector and a 2.5% increase for other service delivery costs such as cyber security investments, and other information technology investments.

The impact of this investment would be significant. Deloitte estimates it would grow the workforce and add an additional 1.9 million home care service hours and visits to the system. At the same time, this investment would result in a \$372.9 million savings – a ROI of 46% - by reducing alternate level of care (ALC) days and delaying long-term care placements.



RETURN ON INVESTMENT

- ✓ \$372.9 million in savings
- ✓ 1.9 million more home care hours & visits
- ✓ 215 ALC beds freed-up annually
- ✓ 426 LTC beds avoided annually

46%

The evidence is clear: investments in home care deliver measurable system-wide benefits. Failure to act now risks stalling progress, exacerbating hospital pressures, and requiring more costly interventions elsewhere in the system. Sustained funding will allow Ontario to continue expanding access to timely, high-quality care at home—where patients prefer to receive it—while generating downstream savings that can be redirected to other pressing health system priorities.

CLOSING THE GAP ON HOME CARE THERAPIES



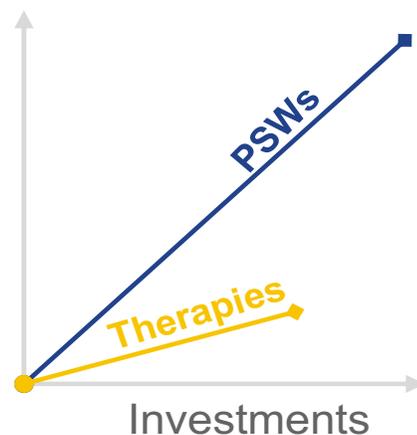
Ontario has a significant opportunity to reduce emergency department wait times and improve hospital flow by strengthening home care therapies—a critical yet under-resourced pillar of the home care system.

Falls are the leading cause of injury-related emergency department visits and hospital admissions among Ontarians aged 65 and over. Most of these incidents are preventable through timely, home-based therapy interventions that improve mobility, strength, and safety in the home.

Despite their proven value, home care therapy services have not benefited from the same level of investment as other areas of home care. As a result, Ontario is

Impact of Rate Increases 2022 - 2024

Volumes



RECOMMENDATION

experiencing a growing shortage of in-home therapists, particularly in high-demand regions such as Toronto. This shortage is directly contributing to delayed home visits, extended hospital stays, and avoidable emergency department use.

Currently, more than 6,200 patients are waiting for home care therapy services. These delays increase the risk of falls and deterioration, placing additional pressure on hospitals and emergency departments.



The primary driver of this shortage is uncompetitive compensation. Funding models have not kept pace with labour market realities, leaving home care therapist compensation significantly behind hospital-based roles and, in recent years, behind other home care professionals. As a result, community-based therapy positions have become increasingly difficult to staff.

Targeted investment can address this gap.



RECOMMENDATION

Home Care Ontario recommends investing an additional \$32 million targeted to increase compensation for home care therapists. Analysis by Deloitte Canada indicates this level of funding is required to eliminate the existing waitlist and restore timely access to therapy services.

This targeted approach would strengthen prevention, reduce avoidable emergency department visits, and support more efficient use of hospital resources.

SUPPORTING FAMILY-FUNDED HOME CARE: EXPANDING THE OSCAH TAX CREDIT



Today there are more than 150,000 Ontarians who are able to live at home longer thanks to the assistance of family-funded home care every year. These seniors spend on average \$17,600 annually on these important services.

The introduction of the Ontario Seniors Care at Home (OSCAH) Tax Credit in 2022 was an important step in recognizing and supporting seniors who rely on care at home. However, in its current form, the tax credit does not adequately reflect how most family-funded home care is delivered and financed.

Under existing federal tax rules, seniors must have an approved disability certificate (CRA Form T2201) in order to claim part-time personal support services as an eligible medical expense. While many seniors who rely on family-funded home care face significant physical or cognitive challenges, they do not always meet the Canada Revenue Agency's strict eligibility criteria for a disability certificate.

As a result, many seniors who depend on in-home support to remain healthy and independent are unable to access the OSCAH Tax Credit. This limits the effectiveness of the program and creates an inequitable outcome for seniors who are actively reducing pressure on hospitals and long-term care by funding care at home.

RECOMMENDATION

A healthcare professional, likely a nurse or doctor, is sitting at a desk and showing a tablet to an elderly woman. The professional is wearing a brown cardigan over blue scrubs and has a stethoscope around her neck. The woman is wearing a light blue button-down shirt and is holding a glass of water. They are both smiling and looking at the tablet. The background shows a bookshelf and a potted plant.

To ensure the OSCAH Tax Credit fully supports seniors who rely on family-funded home care, the Government of Ontario should work with its federal counterparts to remove the requirement for a disability certificate when claiming part-time attendant care in the home as an eligible medical expense. This targeted change would better align the tax credit with its original intent and strengthen support for seniors aging safely at home.

THANK YOU.



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