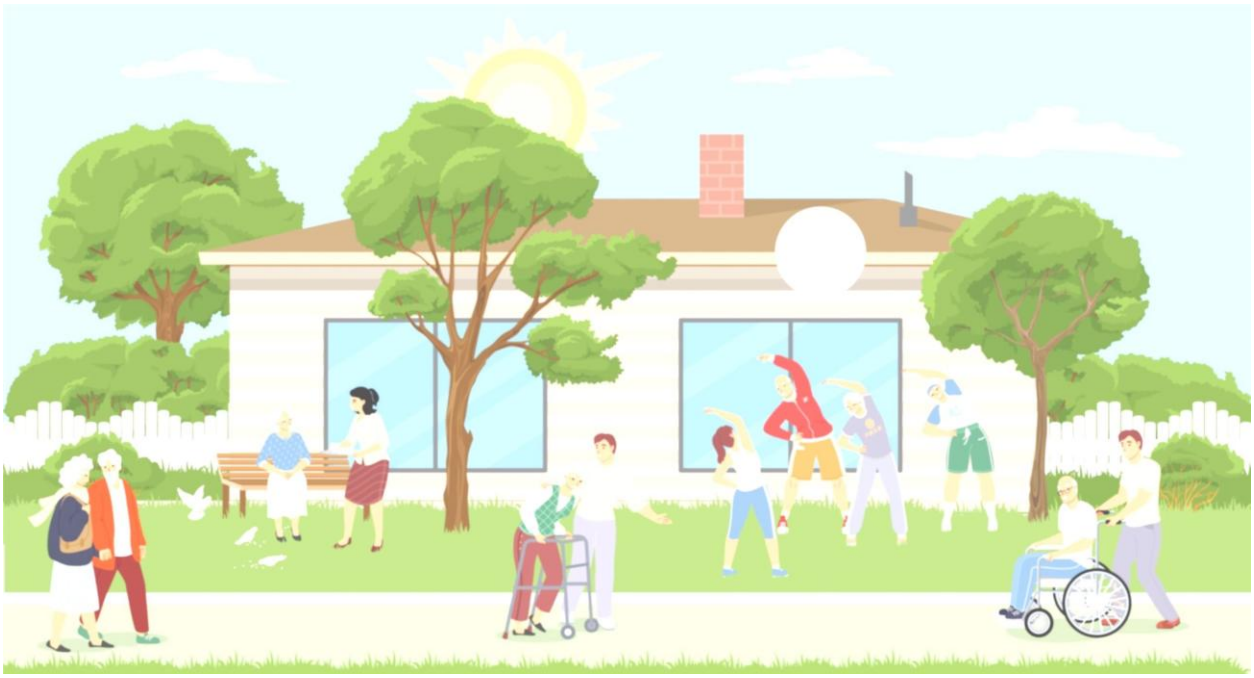
Submission for the 2026 Federal Pre-Budget Consultation



Introduction:

Home care plays a critical role in Canada's health care system to support seniors and other vulnerable individuals to stay and age at home. The federal government has rightly recognized its importance through its 2017 agreement that has delivered $6 billion in dedicated funding for home care over the past decade.

We have seen the positive impact of this funding in Ontario, helping deliver more hours of home care to patients than ever before. But we cannot stop now as demand for care at home continues to grow. Canada is now a "super-aged" country, with one in five people over the age of 65, and the senior population is projected to reach 10.2 million by 2036. In fact, Home Care Ontario estimates more than 47,000 additional Ontarians will require home care in next three years alone. We, therefore, must renew this agreement and enhance its funding to make sure the sector is ready and able to deliver.

This continued investment is especially important in the current economic climate as potential job losses and other strains will mean Canadians' health will likely deteriorate and their health care increase, while governments will be required to find the most cost effective way to deliver that care. In this environment, investing in home care makes eminent sense – it can be scaled more quickly to meet those increased needs and delivered more affordably than other forms of health care, where people want to receive care the most- at home.

Delivering this additional care also requires having the necessary front line staff in place to do so. Recent changes to federal immigration policy, however, is rapidly eroding the number of front-line staff in the home care sector and, in turn, its capacity to deliver the care that is currently being funded. The sector has already lost thousands of frontline staff which means thousands of lost hours of care for our loved ones. This HR crisis is made even more dire when you consider that over 5,000 net new PSWs, nurses and therapists will need to be added to deliver the announced volume increases announced by the Ontario government. This reality underscores the need for the federal government to recognize home care as a specialized sector that requires a distinct policy response to ensure Canadians continue to receive the care they need and deserve.

At the same time, the continued constraints on the publicly-funded system means families are relying on family-funded home care to support their loved ones and help them age at home. Home Care Ontario estimates that more than 150,000 families in Ontario purchase over 20 million hours of family-funded home care services each year and this trend will only continue to increase as the demands of a rapidly aging population and means family-funded care will be critical part of helping seniors live more independently, remain in their homes longer, and avoid accidents, illnesses, and premature moves into long-term care.

By doing so, family-funded care is both supporting our public health system and by reducing pressure on it. At a time when affordability is top of mind, making family-funded home care more affordable is a practical, cost-effective way to support families and get better value for public dollars.

Home Care Ontario, therefore, recommends the federal government take four actions to help address these challenges and make care at home more affordable, and help more seniors age with dignity in the homes and communities they know:

1. Renew and Enhance the 10-year funding agreement with Ontario to **Provide Annual Dedicated Home and Community Care Funding.**

2. **Extend TFW work permits** for those already working in home care and reintroduce permanent residency pathways specifically for home and community care workers.

3. **Amend the federal medical expense tax credit rules** to eliminate the requirement for a disability certificate, Form T2201, to claim part-time attendant care in the home.

4. **Expand the GST/HST exemption in the *Excise Tax Act* for services rendered to individuals by certain health care practitioners** to include professional services provided by registered personal support workers.

Recommendation 1: Renew and Enhance the 10-year funding agreement with Ontario to Provide Annual Dedicated Home and Community Care Funding.

Background:

The federal government has long supported provincial health care systems through the Canada Health Transfer (CHT). While this funding is essential, the government rightly recognized the key role home care plays in the health care system, signing historic agreements with provinces to provide more than $6 billion in dedicated funding for home and community care over the past ten years.

For Ontario, this represented a $2.3 billion investment, allowing the province to make historic investments in home care that has increased wages for front line workers, helped provide more hours of care, and built the sector's capacity to deliver the increasing levels of care required by its rapidly aging population.

The Issue:

The federal-provincial 10-year funding agreements for home care are set to expire in March 2027, putting this funding and the important gains it helped achieve at risk.

The social determinants of health tell us that job losses, increasing costs of living and financial strain directly lead to a decline in population health and lead to increased demand on its health care system. The expiry of federal funding comes at a time when economic uncertainty and the potential impacts of tariffs could have significant impacts on the both the home care sector and the people who rely on it most.

Given these financial and economic pressures, it is important the federal government continue to invest in home care to keep increased pressure off our hospitals and other institutional health care settings.

This pressure is already visible across the health system. In 2024–25, Alternate Level of Care (ALC) patients accounted for 17.2 per cent of hospital days in Canada, and among those, 44 per cent were waiting for long-term care and 11 per cent for home care.

Despite this, home and community care remains underweighted in health system spending. In 2023–24, home and community care represented only 6.5 per cent of total provincial health care spending, compared with 13.4 per cent directed toward residential care. Renewed federal funding would help correct this imbalance by investing earlier, closer to home, and at lower cost.

Recommendation:

That the federal government work with Ontario to renew its 10-year funding to continue providing dedicated annual home and community care funding and to increase the annual amount by 4 per cent a year to ensure this funding keeps pace with current and future inflationary and demand realities.

Recommendation 2: Amend Federal Immigration Policy to Stabilize the Home Care Workforce and Help it Deliver More Care

Background:

Personal Support Workers (PSWs) and Health Care Aides (HCAs) provide essential daily support to our loved ones. This includes helping with bathing, mobility assistance, meal preparation, and toileting that enables medically stable but vulnerable individuals to remain safely at home. While training courses and other educational opportunities have increased in recent years to grow our domestic workforce, the demand for care simply outpaces this capacity and some of these roles must be filled internationally. Immigration pathways, therefore, function as a critical workforce supply for home and community care.

The Issue:

Recent immigration policy changes intended to reduce the number of temporary residents in Canada has resulted in the non-approval of TFW extensions and permanent residency visas for many health care workers currently providing care in home and community settings. Because these policies affect the existing workforce, not just future recruitment, workers currently delivering care are being forced to leave Canada. This has created an immediate loss of service capacity, leading to visits being cancelled and capacity being reduced.

The negative impact of these changes is already being felt by patients. Recent surveys from service providers in Ontario indicate **~14 million home care visits** may soon be missed, affecting **50,000-70,000 individuals** currently receiving care. This represents only a portion of the national impact, as similar workforce pressures exist across provinces and territories. National labour projections from Employment and Social Development Canada similarly forecast that we are already experiencing a strong risk of shortage in home support workers, caregivers, and related occupations while population aging continues to increase demand.[1]

These policy changes come at precisely the wrong time. Canada already has the fewest personal care workers per 1,000 people among comparator countries, at 7.3 workers per 1,000—roughly half the rate of the United Kingdom. At the same time, the home care sector is projected to need 173,500 PSWs by 2048, more than double the current workforce.

The consequences extend beyond patient care hours and directly affect the broader health system, including increased emergency department visits and hospital admissions, delayed hospital discharges and reduced acute care capacity, accelerated long-term care placement, greater reliance on unpaid caregivers and reduced workforce participation, and higher public expenditures as care shifts to higher-cost settings.

Recommendation:

To prevent significant disruption to care delivery and further risk to patient care we urge the government to immediately:

1. Extend the work permits of Temporary Foreign Workers already working in the home and continuing care sectors at risk of losing (or have lost) legal ability to work in Canada. (*Must be employed for a minimum amount of time (1 year) to be eligible.*
2. Ensure that future changes do not limit the health system's access to international pipelines of health human resources – particularly Personal Support Workers, Health Care Aides and other low-wage roles for which there is a domestic supply shortage.
3. Prioritize home and community care workers for permanent residence under the new one-time measure granting 33,000 temporary foreign workers permanent residence in in-demand sectors, and explicitly designate home and community care as a protected sector within the Temporary Foreign Worker Program.

[1] Canadian Home Care Association

4. (Re)introduce permanent residency pathways specifically for home and community care workers (i.e., the *Home Care Worker Immigration Pilot*).

In addition, we call on the government to amend NOC 44101 (Home support workers/caregivers). This currently falls under TEER 4, which makes many community PSW/HCAs ineligible for Express Entry or extension, despite providing essential front-line health care support. The simplest fix is to reclassify PSW work—regardless of setting (home care, LTC, hospital)—as TEER 3 ("skilled"), either by aligning it with NOC 33102 (Nurse aides/orderlies/patient service associates) or creating a TEER 3 PSW/HCA category so their work experience counts toward permanent residency through Express Entry.

Recommendation 3: Remove the Disability Certificate Requirement to Claim the OSCAH Tax Credit for Part-Time Attendant Care at Home

Background:

Ontario's home care system is playing an increasingly important role in supporting seniors, families and the broader health care system. As Canada's population ages and demand for care continues to outpace available publicly funded resources, more seniors and their families are paying out of pocket for home care or supplementing the care they already receive.

To help offset these costs, the Government of Ontario introduced the Ontario Seniors Care at Home Tax Credit (OSCAH) in 2022. This refundable tax credit is an important affordability measure for seniors and families who rely on in-home care services to remain healthy, safe and independent at home.

Home care helps seniors live more independently, remain in their homes longer, and avoid preventable accidents, illnesses, hospital visits and premature moves into long-term care. In many cases, just a few hours of care each week can make the difference between aging safely at home and requiring more intensive, higher-cost care elsewhere.

The Issue:

The OSCAH provides a refundable personal income tax credit of up to $1,500. However, eligible expenses for the OSCAH must also qualify under federal medical expense tax credit rules. For part-time attendant care in the home, those rules currently require a disability certificate, Form T2201.

This requirement creates a significant barrier for many seniors who rely on family-funded home care. While many home care recipients live with physical, cognitive or mental health challenges, they may not meet the Canada Revenue Agency's eligibility criteria for a disability certificate. As a result, many seniors are unable to claim expenses for the in-home care they depend on to remain healthy, safe and independent at home.

This growing reliance on family-funded care also reflects the broader burden being placed on families. In 2022, one in five Canadians aged 15 and older provided care to adults with long-term health conditions. The value of this unpaid care has been estimated at between $97.1 billion and $112.7 billion, representing 4.2 to 4.9 per cent of GDP. Making home care more affordable is therefore not only a support for seniors; it is also a practical affordability, productivity and health system measure.

This is both a health care issue and an affordability issue. When seniors and families cannot access tax relief for necessary home care expenses, they are left to absorb more of the cost themselves at a time when household budgets are already under pressure. Removing this barrier would help make care at home more affordable, support family caregivers, and reduce pressure on hospitals, emergency departments and long-term care.

Home Care Ontario was heartened to see the federal government's initial set of changes to the Disability Tax Credit system, including steps to expand the list of providers who can complete the relevant forms and reduce the burden of annual re-approvals. These were welcoming and we urge the government to take the next step by ensuring that seniors who need part-time attendant care at home are not prevented from accessing affordability supports solely because they do not have a disability certificate.

Recommendation:

Amend the federal medical expense tax credit rules to eliminate the requirement for a disability certificate, Form T2201, to claim part-time attendant care in the home, helping ensure the Ontario Seniors Care at Home Tax Credit reaches more Ontario seniors who rely on family-funded home care to age at home.

Recommendation 4: Expand the GST/HST exemption in the *Excise Tax Act* to include services provided by registered PSWs.

Background:

The GST/HST rules for home care have not kept pace with the changing role of home care in Canada's health care system. Under current rules, family-funded home care services may be exempt only in limited circumstances, including when a client is receiving government-funded or publicly subsidized support.

This approach places a difficult and unnecessary administrative burden on providers, who must determine whether a client is receiving publicly funded supports before deciding whether GST/HST applies to their invoices. Because a client's medical circumstances, funding status, or care setting can change quickly, it can be difficult for providers to confirm on an ongoing basis whether their client's care qualifies for a GST/HST exemption.

As more seniors and families purchase home care directly to remain safe and independent at home, the tax system should support affordability and access to care, not create added cost and complexity.

The Issue:

Government officials have previously indicated that GST/HST exemptions for health care services are generally reserved for services provided by regulated health care practitioners. Historically, PSWs have not been included in this category because the profession did not have a consistent regulatory oversight framework in place.

That landscape has changed.

Ontario has established a statutory regulatory oversight regime for registered PSWs through the Health and Supportive Care Providers Oversight Authority. The Authority is an independent regulatory body accountable to the Ontario government under the *Health and Supportive Care Providers Oversight Authority Act, 2021*, with a mandate to register and provide oversight of personal support workers.

This is part of a broader shift across Canada. Formal regulation, registration, certification or oversight frameworks for PSWs and equivalent workers now exist in at least five jurisdictions: Ontario, Nova Scotia, Alberta, British Columbia and New Brunswick, with New Brunswick's being a voluntary occupational certification program.

Taken together, these developments demonstrate that the PSW workforce is no longer operating outside formal oversight. With at least five jurisdictions now recognizing the need for regulation, registration, certification or oversight of this workforce, the policy rationale for excluding professional services provided by registered PSWs from the GST/HST exemption no longer applies.

Registered PSWs provide essential health and supportive care that helps seniors remain at home, supports family caregivers, and reduces pressure on hospitals and long-term care. Expanding the exemption would recognize the essential role of registered PSWs in Canada's health care system and help make care at home more affordable for seniors and families.

Recommendation:

Expand the GST/HST exemption in the *Excise Tax Act* for services rendered to individuals by certain health care practitioners to include professional services provided by registered personal support workers. This would recognize PSW services as essential health care supports and remove a tax barrier that increases the cost of care for seniors and families purchasing care at home.

About Home Care Ontario:

Home Care Ontario is a member-based organization representing the full spectrum of home care providers in the province, including publicly-funded, not-for-profit and family-funded 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.