AdvantAge Ontario

Advancing Senior Care

Time is Running Out: **Investing Now to Meet the Care Needs of Ontario's Seniors**

2024-25 Provincial Pre-Budget Submission

Top Priorities

AdvantAge Ontario believes that increased funding in the next provincial budget should focus on four critical areas:

> Health human resources
> Long-term care level of care funding
> Long-term care capital development
> Assisted living in seniors' supportive housing

In this submission, we are putting forward 21 recommendations and of those the following are our top priorities in the above noted areas:

Address the health workforce crisis.

Make targeted investments to support wages that will attract and retain staff:

> Increases in wages for workers in long-term care and community care to address the impact of inflation as well as Bill 124 wage reopeners costs beyond just those organizations that were covered under the Bill.
> Multi-year funding for wage harmonization so that that all health care workers – including long-term care, homecare, and community support services – match those that similarly qualified workers are receiving in hospitals and other settings.

Increase funding to keep pace with rising costs.

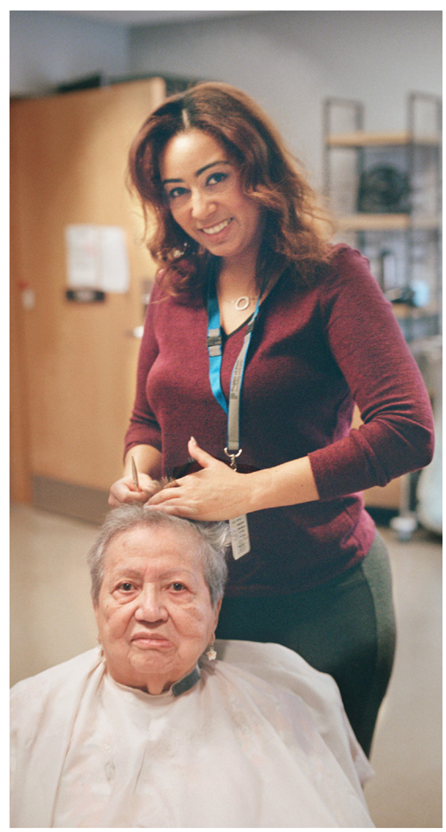
Ensure sufficient and stable operating funding to support high quality, sustainable long-term care:

> One-time catch-up increase of 10% in all level of care (LOC) funding envelopes.

Enhance capital development support for not-for-profit providers.

Address the unique circumstances facing not-for-profit, municipal and charitable homes that are undertaking capital projects to enable them to build/rebuild:

> Provide zero interest rate construction financing for long-term care home capital re/development through the Ontario Infrastructure Bank and increase the base construction funding subsidy (CFS) per-diem by at least $45.00 per bed.



Strengthen support for aging in place.

Increase investments to build capacity in the community and address the lack of options in the continuum of seniors' care:

> Invest in the expansion of Assisted Living in Seniors' Supportive Housing programs across the province by implementing a separate stream of both capital and operating funding for supportive housing for seniors and intergenerational supportive housing, in addition to the funding received for other groups (i.e. unhoused and Indigenous population).

Introduction

Ontarians are aging at a rapid pace, and our provincial system of seniors' care and services is not ready to accommodate the increasing needs and demands. Between 2016 and 2021, the number of Canadians aged 65 years and older rose by over 18%, which is the second-largest increase in 75 years. Currently, at least 21% of our population is aged 65 and older, and Canada will soon be considered a super-aged nation.

Time is running out to invest in and build up the seniors' care sector to address demographic changes and provide people with the care choices they need and want as they age.

Seniors are a sizable share of Ontario's population. In 2020, there were 2.6M people aged 65 and over. By 2046, that number will almost double to 4.5M. Funding for seniors' care and services needs to grow dramatically, starting now, in order to be able to serve our aging population. However, we cannot keep doing things the same way. In order to maximize the effectiveness of our investments, this funding needs to be directed towards long-term care, health human resources (HHR) and the continuum of care for seniors, including assisted living in supportive housing.

There is significant public support for these investments. In a recent Leger poll, when asked about health spending priorities, the majority of respondents (38%) in Ontario chose improving seniors' care, long-term care homes as their number one priority. It was also the second most chosen priority nationwide. Clearly, people understand that the sector needs more funding to provide the level and quality of care that seniors need and deserve.

In a Leger poll, when asked about health spending priorities, the **majority** of Ontario respondents chose improving seniors' care, including more long-term care homes, as their **number one** priority.

When seniors can't get the care they need in the community, they end up in hospital unnecessarily or prematurely, and then become crisis admissions to long-term care, creating a destabilizing cycle of expensive hallway health care impacting people of all ages. The government's recent major investments in long-term care, including increasing staffing hours, committing to reimburse non-profit long-term care homes for Bill 124 wage reopeners and higher capital dollars, will help revive long-term care, but the system has been so starved for money for so many years that even more needs to be done.

Our pre-budget recommendations demonstrate that significant investments in a few critical areas can make a major impact in seniors' care in Ontario. The focus of our submission is on addressing the HHR crisis, increasing the Level of Care (LOC) funding to offset rising inflation, adding measures to help move not-for-profit long-term care capital projects forward, and increasing funding and capacity for assisted living in seniors' housing.

1. Addressing the Health Human Resources Crisis

To staff existing and new long-term care homes being built across the province as well as to help seniors stay in their own homes longer, Ontario needs many more health care workers to join the profession and additional measures must be put in place to retain existing staff.

Right now, the reverse is the case. Workers have been leaving health care since the pandemic, and there are not enough new ones to replace them. The result is that providers — be they hospitals, long-term care homes or staffing agencies — are competing for the same shrinking pool of workers.

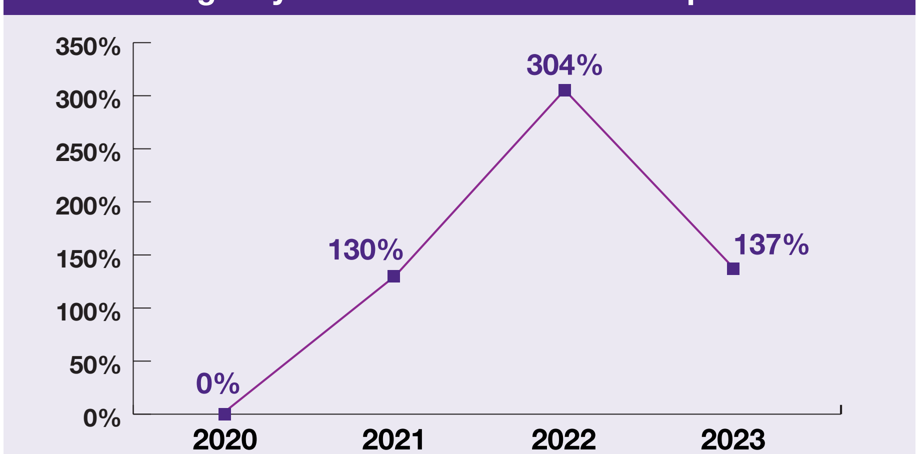
Temporary Staffing Agencies Still an Issue

Many long-term care homes have had to turn to temporary staffing agencies to fill large numbers of vacancies just to ensure residents' needs are being met.

Agency billable hours increased for all positions from 2020 to 2023. According to AdvantAge Ontario member data and using 2020 as a base year, total direct care position agency billable hours increased by 130% in 2021 and 304% in 2022. Projected 2023 agency billable hours are still 137% higher compared to 2020. The projected 2023 agency billable hours for RN and RPN positions are still 586% and 587% higher, respectively, compared to agency billable hours in 2020.

This past fiscal year, long-term care homes received additional funding from the province to increase staffing in their homes up to a provincial average of 3.75 hours per resident. Much of this funding has instead been used to fund temporary agency costs, and many homes will not be able to meet this higher level of care.

Total Agency Hours % Increase for DC positions



While temporary staff are a required resource in seniors' care, residents require the continuity of regular staffing to best meet their needs. The current situation is not sustainable from either a cost or quality perspective. Government efforts need to focus as much on staff retention, through wage and benefit increases, as it does on recruitment.

Health Care Sector Wage Harmonization

According to the recently released *Ontario Community Health Market Salary Review Report*, which was a large study of the market compensation of benchmark jobs in the community health sector, the community sector is more than $2 billion behind on wages, compared to their peers doing similar work in hospitals and other sectors. This will require around $490 million annually over five years to bridge the gap.

Ontario's community health workers include nurses working in primary care, addiction and social workers working in mental health organizations, personal support workers (PSWs) working in long-term care, and much more. The compensation of the benchmark jobs in the community health sector is lagging relative to the market median and the broader public sector, and the government funded rates are significantly below the market rates.

The government should begin a multi-year funding plan to move to wage harmonization across like positions in the health care sector, which would help to decrease the loss of new staff, once trained, to the acute care sector. It should also help to address the funding issues that some hospitals are facing because their hospital corporation is subsidizing wages in their hospital-led long-term care home. Further details on this request can be found in the accompanying document entitled *Ontario Community Health Sector Pre-Budget Submission*.

Comprehensive HHR Strategy

We acknowledge that the province has put in place a number of programs to try and enhance staffing recruitment and retention in long-term care and home and community care since the pandemic began. However, they have not been comprehensive and while they have addressed some issues, they have also created new ones.

For example, PSW wage enhancement was an important measure to retain and attract PSWs; however, it has unintentionally caused problems for other staff, including wage compression for RPNs. It is now very difficult to attract and retain RPNs to the long-term care sector. Non-union, non-management staff — such as clerks — have not had any funding increases.

PSW wage enhancement was an important measure to retain and attract PSWs; however, it has unintentionally caused problems for other staff, including wage compression for RPNs.

While the sector is appreciative of the government's commitment to fund Bill 124 wage reopeners, non front-line management staff are not included in this funding. This has resulted in significant wage compression issues, such as directors of care making less than some charge nurses. Bill 124 wage reopeners have also created a situation where, due to the significant number of affected workers in the sector, the same increases are being demanded by unions even in organizations that were not affected by the Bill, such as municipal long-term care homes, due to competition issues.

The only way to effectively address wage issues is to include the entire health care sector in measures that are taken, in recognition that staff move between settings frequently.

This comprehensive strategy needs to be multi-year and must include ongoing funding of the Bill 124 wage reopeners for all long-term care homes. Addressing this distortion, coupled with wage harmonization, would dramatically change the HHR picture for the better in health care, including seniors' care.

Rural and Northern HHR Strategy

The HHR issue is even more acute in rural, northern, and remote communities. The recent Ontario Auditor General (AG) Annual Report found that, unlike British Columbia and Saskatchewan, Ontario does not have a provincial health-care staffing strategy that addresses unique challenges of working in health care in northern Ontario. We are reiterating our previous request for a dedicated rural and northern HHR strategy.

In addition to the AG's recommendation that a strategy include factors that may influence the delivery of health care, such as childcare and housing, transportation costs should also be funded for workers in these homes. Often, staff don't live locally, and in order to entice them to come work in their community, homes have to subsidize their travel between urban areas and the rural/northern home. This puts a lot of pressure on their budgets, and it is a financial pressure that the government can help to alleviate.

Other Incentives

Other incentives that the government can fund in this budget to help the HHR situation in the seniors' care sector include the following:

- Providing funding so all homes can offer benefits to their staff, as do municipal and hospital-led homes.
- Increasing the level of care funding to help alleviate the funding pressure of homes who are paying fees to recruit international staff, given the recruitment and retention challenges in Ontario.
- Training and education funding for staffing supports, including funding for a nurse educator position in each home, and further investments in proven programs for high demand positions that are hard to fill, such as food service workers.

Recommendation 1:

Increases in wages for health care workers in long-term care and community care, to address the impact of inflation as well as Bill 124 wage reopeners affecting the entire sector, beyond just those organizations that were covered under the Bill.

Cost estimate: An increase of $309 million in the Nursing and Personal Care (NPC) envelope of the level of care (LOC) funding.

Recommendation 2:

Ensure that all organizations affected by Bill 124 are fully compensated for its ongoing impacts.

Recommendation 3:

Multi-year funding to work towards wage harmonization so that all health care workers, including long-term care, home care, and community support services, match those that similarly qualified workers are receiving in hospitals and other settings.

Cost estimate: As per the *Ontario Community Health Market Salary Review Report*, more than $2 billion or around $490 million dollars annually over five years.

Recommendation 4:

Funding should be made available so that all health care workers are offered access to similar benefits as hospital workers or municipal workers, including pensions.

Recommendation 5:

A separate and distinct strategy needs to be developed and fully funded for rural and northern communities that face added challenges in attracting and retaining staff.

Recommendation 6:

Funding for homes to cover the costs of bringing on international staff.

Cost estimate: $4,500 to $10,000 per person recruited.

Recommendation 7:

Training and education funding for staffing supports, including funding for a nurse educator position in each home and further investments in proven programs for high demand positions, such as food service workers.

2. Increasing Capacity for Transformation – Level of Care Increase for 2024-25

The cost of everything continues to rise. Meanwhile, the amount that homes have received from the province under the various level of care (LOC) funding envelopes is flatlined or only increased modestly over the past several years, aside from the welcome boost in the Nutritional Support envelope in both 2022 and 2023.

With such tight budgets, this severely impacts the financial viability of long-term care homes. Costs for insurance, mortgages, utilities, technology, food, and medical equipment are all on a steep climb with no signs of relief.

Homes are responding creatively by shifting resources to try to stay above water, but these rapidly rising costs are negatively impacting resident care. And some homes may not be able to remain operational. As an example, operating cost pressures at municipally run long-term care homes are necessitating further subsidies from municipal taxpayers, causing some municipalities to consider closing homes.

To prevent any further threats to quality of care resulting from these cost pressures, the 2024-25 provincial budget needs to include a significant increase across all four LOC funding envelopes of at least 10%.

Following this one-time catch-up, the government should index all envelopes to inflation moving forward.

This increase would help to fund the HHR pressures outlined earlier in this submission, including other expenses that the sector continues to face related to high inflation rates. It would help with key cost increases that members have been facing, such as high agency costs, food costs, and wage compression for certain staffing positions.

Recommendation 8:

One-time catch-up increase of 10% in all LOC funding envelopes.

Cost estimate: $570 million, including the $309 million for wage increases.

Recommendation 9:

All LOC envelopes to be indexed to inflation moving forward, after the 2024-25 increases.

3. Capital Development Support for Not-for-Profit Providers

Escalating labour and construction materials costs over the past few years are putting existing capital projects in jeopardy. In 2022, based on data provided by AdvantAge Ontario, the Ministry announced a supplementary, time-limited construction funding subsidy as well as other initiatives to help finance the building of not-for-profit homes.

Long-term care operators had been required to receive approval to construct by the end of August 2023 to benefit from the $35 top-up. While a number of homes moved forward under this program, many homes did not meet this deadline.

Our Association applauded the creation of the Ontario Infrastructure Bank (OIB) in the 2023 Fall Economic Statement. While this initiative has the potential to help not-for-profits build homes, more still needs to be done. By providing zero interest rate financing for long-term care homes, the OIB could significantly increase the likelihood of more not-for-profit homes being built with that one significant change early in their mandate.

In August 2023, AdvantAge Ontario conducted a follow-up cost escalation survey for member homes with capital projects and developed a number of recommendations for the Ministry of Long-Term Care to ensure these projects can move forward. Thirty-two respondents indicated that they still require a construction funding subsidy top-up and more upfront equity to move forward on their projects.

Some of the key findings are as follows:
> The average cost per bed for surveyed homes has increased from $427 thousand in 2022 to $539 thousand per bed, a 26% increase.
> The tender prices came higher than anticipated. If averaged, the tender prices are more than $8 million higher per home than anticipated and tender prices averaged $589 thousand per bed.

Our key recommendations reflect our August 2023 submission recommendations. They are also reflective of the following key points:
> The planning grant has not been increased in over a decade, and
> Many ELDCAP beds are in stand-alone buildings and cannot benefit from hospital capital funding.

Recommendation 10:
Provide zero interest rate construction financing through the Ontario Infrastructure Bank for developing and redeveloping long-term care homes.

Recommendation 11:
Increase of the base per-diem of CFS by a top-up of at least $45 per bed. The supplementary funding should include the flexibility of converting $20 in $2.5 increments into an upfront equity for not-for-profit long-term care homes.

Recommendation 12:
Provide upfront funding of up to $250,000 to not-for-profit long-term care homes and increase the planning grant for not-for-profit long-term care homes to $500,000 from $250,000.

Recommendation 13:
Develop a dedicated funding model or incorporate a rural and northern component into the existing funding policy for rural homes.

Recommendation 14:
Make ELDCAP beds serving rural and northern Ontario eligible for the Construction Funding Subsidy.

Recommendation 15:
Provide a funding supplement to long-term care homes under construction under the occupancy reduction policy. This is a critical measure to enable homes to redevelop, without which a number of projects will not be viable.

Recommendation 16:
Allocate surplus government lands to not-for-profit long-term care homes.

Recommendation 17:
Formulate a specialized strategy and funding for Toronto's long-term care homes, addressing their unique obstacles stemming from constrained (re)development space, smaller land parcels, and ensuing operational complexities.

Recommendation 18:
Redistribute the development funding grant in the early stages of the project so that long-term care homes can have more upfront funding.

4. Increasing Funding and Capacity for Assisted Living in Seniors' Supportive Housing

Most seniors want to age in place in their homes but have few options to do so. This means that many end up moving prematurely or unnecessarily to long-term care.

Assisted living for seniors is a much more cost-effective home-like option; however, existing operators have not had significant increases in years, and there has been no targeted program to enable the expansion of this important and cost-effective element of the seniors' care continuum.

Investments in assisted living in seniors' supportive housing are critically needed to build capacity in the community and to help address a lack of options in the continuum of care.

Assisted living is the missing piece in the continuum of care for seniors in Ontario who cannot afford retirement housing or private home care but are not able to find their way into long-term care. It does not even require new buildings, as existing social housing for seniors can be easily converted.

Assisted living is the missing piece in the continuum of care for seniors in Ontario.

According to the *2020 City of Toronto Report for Action: Plan to Create Supportive Housing Opportunities*, the average cost per day of supporting a senior in assisted living is $63, which is significantly less than the more than $200 per day cost for supporting a senior in long-term care.

The challenge is that after years of underfunding, many existing operators are considering closing their programs down. Support is needed to ensure they stay open while also creating new units.

The government can start to build up the missing middle in the seniors' continuum of care through the recommendations outlined below.

Recommendation 19:

Invest in the expansion of Assisted Living in Seniors' Supportive Housing programs across the province by implementing a separate stream of both capital and operating funding for supportive housing for seniors and intergenerational supportive housing, in addition to the funding received for other groups (i.e., unhoused and Indigenous populations).

Recommendation 20:

A 5% ($35 million) increase in funding for existing operators of seniors' supportive and assisted living housing to help them sustain existing service levels for current clients to address the significantly decreased viability of these programs due to the sustained lack of increases over time.

Recommendation 21:

Providing funding for a navigator in existing not-for-profit seniors' housing buildings to connect residents to social and health services.

Conclusion

During COVID-19, the government understood the need to support the seniors' care sector.

The investments made to date have been appreciated, but they are quickly losing ground in the race to deal with Ontario's aging population and historic, crushing inflationary pressures. More needs to be done.

And the missing middle in the continuum of care for seniors needs to be addressed if the government wants to keep seniors at home for as long as possible, which also saves money.

With this 2024-25 pre-budget submission, we have outlined four focused, targeted, and high-impact areas that the government can address in the upcoming budget, which would ensure the seniors who helped build this province, and those who come after them, can be cared for.

About AdvantAge Ontario

For more than 100 years, AdvantAge Ontario has been the voice of not-for-profit seniors' care in Ontario. We represent close to 500 providers of long-term care, seniors' housing, supportive housing and community service agencies, including 98 per cent of all municipal long-term care homes and 83 per cent of all not-for-profit long-term care homes.

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AdvantAge Ontario
64 Jardin Drive, Unit 3B, Concord, ON L4K 3P3
T. 905.851.8821 F. 905.851.0744 **advantageontario.ca**