

## **About Continuing Care**

Continuing Care (CC) is a term which encompasses Home Care, Supportive Living, and Long-Term Care and currently falls under the purview of the Ministry of Health. CC is often associated with Ministries responsible for Seniors and Housing; however, it is important to note that not all CC clients are seniors and, in delivering quality person-centred care, housing alone does not encompass all that is involved or necessary. In Alberta, government funded CC services are delivered by several different operators which include Alberta Health Services (AHS), faith based non-profit, non-profit, private or independent operators, and in some situations by Housing Management Bodies. Oversight and administration including access, funding and auditing is done through Alberta Health Services. In addition to relevant levels of care, CC providers also provide housing and accommodation for their residents. The accommodation rates these groups can charge are regulated and capped. Although CC providers are primarily regulated and funded by AHS, they must work through and navigate at least 5 Ministries and departments to accomplish their mandates.

The Alberta Continuing Care Association (ACCA) is a non-profit, voluntary organization made up of a unique alliance of Home Care, Supportive Living, and Long-Term Care service providers. The ACCA is the Recognized Voice of Continuing Care in Alberta. Some of our members have been operating as trusted partners in Albertan communities for over 100 years. ACCA members deliver the majority of Continuing Care Services in Alberta. Our values and principles are people-centred, community-focused, compassionate, and inclusive.

## **The Constituents**

Regardless of geography or socio-economics, this is a passionate issue that touches every Albertan family in an intimate way.

We know that our population is aging, with the number of seniors over the age of 65 in Alberta expected to increase to 804,000 by 2025 and 1.13 million by 2035. The health and safety needs of individuals being assessed for CC are becoming increasingly more complex with Alberta having the highest rate and earliest onset of dementia in Canada. Interwoven into these demographics is our evolving cultural diversity, where being truly person-centered means being sensitive to each individual's unique needs and preferences.

Funding for CC in Alberta must be appropriately directed to ensure Albertans receive adequate health services in their communities when and where they need it. In recent years the Government of Alberta has taken well-intended steps to address the lack of spaces by increasing allocations to CC infrastructure only for AHS sites, which has led to limited impact on the broader needs of the CC sector in Alberta. This direction has not addressed Alberta's demand, led to inflated costs beyond what is fiscally sustainable and will see a significant proportion of Alberta's seniors continue to reside in ageing institutional settings that do not represent the home-like setting that is a cornerstone of living with dignity and comfort.

The ACCA wants to work with government as a trusted partner, providing informed and fact-based advice. The ACCA can share solutions on how CC funding can reach the front lines, have the greatest impact and lead to improvements in the quality of care, at the lowest cost to taxpayers, enabling Albertans to live in a home like setting while receiving the care they need.

## **Main Challenges / Objectives**

*Even though there are many technical challenges such as outdated legislation and regulations, there are three main high-level challenges / objectives we would like the UCP to prioritize for Albertans.*

### ***Increase Access to Home-like Spaces for Albertans***

The demand for CC is growing and will continue to grow. Government cannot build enough spaces on its own to keep pace, and has fallen further behind in inventory in recent years. Provincial programs designed to empower strong partners and attract capital investment into this sector were previously implemented in Alberta. These programs were recently discontinued and subsequently, other than government announced institutional spaces, there has been very little growth in inventory across Alberta over the last few years.

The second barrier to providing access is that the current low accommodation rates discourage new projects because operators cannot recover costs while providing quality services. These two elements have been strong factors in disenfranchising partners and making strong offerings for Albertans financially unviable.

The third barrier is the way Home Care is delivered. Only a few large providers are contracted to deliver Home Care, which is less effective than also allowing Home Care to be provided in-house by proven operators. The key to access is to re-engage and empower local community partners who have demonstrated they can deliver strong programs and services for Albertans in a way, and in places, that the market will support, without government handouts.

### ***Streamline Regulatory Processes***

Currently, CC providers must work with at least 5 different Ministries / departments to operate and fully comply with Government expectations and regulations. Alberta Health, Seniors and Housing, Municipal Affairs, Infrastructure and AHS are all departments that providers must navigate, obtain approvals from and report to. Currently regulation and oversight for the Care component is done by AHS. Working with AHS often means delays in decisions and onerous regulations, as AHS' core business is acute care. The CC setting is home-like, not hospital-like. The extra regulatory burdens add cost, time, excessive work, and staffing requirements that are not necessary or efficient. This is creating numerous challenges for CC providers and for Albertans who need the CC supports. Operators don't want lower standards – they want clear and reasonable standards with timely and efficient processes. The Government can streamline the demands on operators with one point of contact in Government, not 5 and with a single high-quality audit process – instead of 5 different inspections and audits as is currently the case.

### ***Control Costs***

*The current costs to deliver Continuing Care are not transparent for Treasury Board or the taxpayer.*

CC is one of the largest opportunities for the government to save money and deliver effective services. The main barrier to this is the large entity that has become AHS, for several reasons.

First, within AHS, acute care operations are prioritized to the detriment of CC funding increases; year after year, the Ministry of Health provides increased funding for all of AHS operations, however, comparable increases in funding are not reflected for CC services funded from within AHS to CC providers. For example, in 2014, AHS received a 5.9% increase in overall funding, while Home Care providers received only 2%. In 2018, the overall Health Budget increased by 3%, while CC received a 1% increase for funded wage rates. This has been an ongoing practice since AHS was created in 2008 and the impacts are being felt by operators. Their ability to keep up with labour agreements is inhibited, and the cumulative effect of this funding pattern of funding will ultimately impact the quality of care.

Secondly, AHS is a competitor with other CC providers for funds, but they are also the entity that makes the funding decisions, are the placement agency, and one of the industry auditors. AHS funds its own facilities at a higher rate than the rest of the industry. In addition, AHS utilizes internal supports, adding to the cost of their care delivery. There is no reporting to the public, industry or Treasury Board as to what the true cost of AHS CC spaces are versus the rest of the industry (non-profit, faith-based or private/independent).

Even more concerning are the AHS capital costs; for the last 2 decades CC units (capital) were funded in Alberta (in part) through the Affordable Supportive Living Initiative (ASLI) grant. Private or non-profit providers were invited into a competitive process for matching

government grants to build CC facilities across Alberta. The Government capital grant came with a condition that the accommodation rates for those buildings would be capped at the regulated rate (below market) for 30 years for Albertans. The last ASLI award (2015) saw approximately 2,500 units approved at an average cost to taxpayers of \$65,000 per unit. It's important to note that the average overall cost to build those units was approximately \$250,000 each. Over the last 4 years, ASLI was shelved in favor of directing funding into only Government owned buildings (AHS). The recent public announcements show that the AHS buildings cost Alberta taxpayers in excess of \$700,000 per unit and in some cases over \$1,000,000 per unit. By using partners to provide quality inventory to Albertans, the Government can provide 10 times as many units for the same amount of capital funded by the taxpayer and that operational funding goes at least 20% farther with partners.

## **How to Address the Challenges: 3 High Level Policy Directions Requested**

*To address these challenges, we are calling on the Government of Alberta to:*

### ***1. Transfer responsibility, oversight, and funding for Continuing Care from Alberta Health Services to a defined government ministry, preferably a Ministry of Seniors, Housing and Continuing Care***

The current administrative system for distributing funding and setting policy relevant to CC is impeding the ability of service providers to keep pace with the increasing demands of both inflation and the number of Albertans in this segment of the population. It is also contributing to cost increases, project delays and growing size of government. Transferring responsibility of CC from AHS and other Ministries into a defined government ministry that could have a combined mandate for Continuing Care, Seniors and Housing will result in stronger synergies, faster decisions, lowered costs, a smaller government and funding focused on front line services. The Government of Alberta would be also be able to ensure that service providers can keep up with scheduled pay increases and adequately remunerate health care providers.

Care providers would have one point of contact in Government, relevant to all their policy, funding, and regulatory requirements. One dedicated ministry for this sector could bring increased transparency, more accurate information for policy makers, and ultimately better services to Albertans. It will also give seniors who reside and receive supports in Continuing Care some direct representation at the Cabinet Table instead of being delegated to AHS. Taking the staff and estimated \$2.1 Billion per year spent by AHS on CC and combining it with the Ministry of Seniors would make this one of the largest Ministries in Government for one of the largest and fastest growing constituencies in Alberta.

***2. Improve the quality of accommodation services (which encompasses meals, housekeeping, laundry, recreation activities, and capital upgrades) by ensuring the base private room accommodation rate is at least the national average — approximately \$2,778 per month.***

CC providers receive funding from three regulated streams:

- 1) Accommodation fees - for room and board, housekeeping, laundry etc.;
- 2) Health funding - for care at designated levels; and
- 3) Capital grants - for a portion of new infrastructure costs.

At \$2,036.00 per month, Alberta's current accommodation service rate is the second lowest in Canada. As a direct comparison, our neighbors in B.C. (\$3,278) and Saskatchewan (\$3,186) have more resources to provide high quality services to residents. It is important that the services Albertans receive keep pace with the standards of service elsewhere across the nation. The actual cost to deliver high quality accommodation for Albertans exceeds \$2,500.00 per month.

According to the 2016 Health Quality Council of Alberta (HQCA) Surveys of Alberta Designated Supportive Living family and residents, respondents' top two concerns were staffing levels and food quality. Food quality is funded through accommodation fees while staffing levels are linked to care funding allocated by AHS. Permitting a market sensitive increase to the regulated accommodation fees would not only address the significant concerns Albertans have expressed around food quality, it would also help service providers modernize their facilities without Government capital funding.

ACCA members recognize that it is a challenge to implement increases to vulnerable Albertans. The Industry would like to work with Government to resolve this issue in a balanced and reasonable way, sensitive to the political realities. Some options include grandfathering current residents, phasing in increases to new residents, subsidizing those in need, or a combination of all. Having a market sensitive accommodation rate would save government substantial costs in the long run including potentially eliminating the need for capital grants. It would also allow the market to solve the lack of inventory. Having one Ministry to work with will allow us a forum to work through all the issues in this industry – particularly politically sensitive ones like this.

**3. *Meet the demand for Continuing Care infrastructure as well as supports for the broader system (Home Care and Community Care) by leveraging and empowering lower cost community partnerships.***

There is the need to return to partial funding for capital projects delivered by communities and partners. More than 50% of the Long-Term Care facilities in Alberta are 30 years or older. These facilities are operated in partnership with the Government of Alberta and have delivered high quality care for generations. Some of these buildings are in dire need of support. Enhanced infrastructure spending is needed to address the maintenance backlog and improve the environments for vulnerable Albertans.

Broader system infrastructure supports such as Home Care and Community Care are also an integral part of effective Continuing Care services. They can reduce pressure on more expensive Long-Term Care and acute care facilities and allow Albertans to stay in their homes and communities as long as possible. Local providers need to be empowered to deliver Home Care services out of their current facilities. This will increase access, enhance care quality and help to manage costs.

## **Cost to Implement Policy Changes**

***ACCA does not believe any new taxpayer dollars are needed to deliver on these requests. Enough resources exist within the system that are not being effectively distributed and market sensitive accommodation rates will drive solutions that the taxpayer cannot afford to fund.***

### ***I. Size of Government***

The staffing and resources that lie within several Ministries to deliver on the CC mandate are numerous. Operating funding in AHS alone deployed to CC is approximately \$2.1 B, but there are resources and staffing spread across at least 5 different Government departments that regulate and fund CC. This is an important mandate that can be delivered in a much more streamlined and cost-effective way by consolidating these resources and staff into the Seniors and Housing Ministry.

### ***II. Cost of Capital***

As outlined above, under the current Government capital strategies, CC units are costing the taxpayer up to 10 times more versus past practice of empowering local partners and communities. Partnering with operators will significantly reduce the cost of capital to taxpayers.

### **III. Cost of Operations**

Providers cannot continue to operate at the regulated and capped accommodation rate. As testament to this, AHS funds their own facilities at 20% higher rate than that at which they fund the rest of the industry. Community partners can operate more efficiently and at a significantly lower cost than the Government (AHS).

### **IV. Overall Government Budget**

The last element to keep in mind is the large positive impact this file can have on the overall Government budget. The largest and fastest growing budget in Government is Health Care. Acute Care beds cost approximately \$2,000 per day to fund. Continuing Care beds cost approximately \$200 per day to operate (depending on acuity). Anywhere from 400 to 900 Albertans each day are languishing in acute care beds due to lack of CC space. Creating the more appropriate CC spaces for those individuals could save the taxpayer a minimum of \$300 million per year and free up backlogs and waiting lists in acute care. The operating premium in AHS is also a major opportunity. AHS has a CC budget of \$2.1 B. Community partners could potentially deliver the same level of care to those Albertans for at least \$300 million less per year, or deliver care to 20% more Albertans every year, for the same amount of funds. In the areas of Alberta where there are strong community partners who can deliver high quality CC, those local partners should be the preferred method of delivery.

## **Desired Legislative / Regulatory Changes**

*There are several acts and regulations that govern CC. These acts require updating which will take some thoughtful consultation and more detailed submission including:*

- Nursing Homes Act (1985, is out of date, does not include several of the professions that exist today, and ties operators to outdated expectations).
- Hospitals Act (1990).
- Supportive Living Accommodation Licensing Act (2010).