



Transforming Alberta's Healthcare System: The Case for Continuing Care Infrastructure Investment

Position Paper

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Executive Summary

Alberta's continuing care system is at a pivotal moment, offering an opportunity to build a stronger, more sustainable, and person-centered care model that aligns with the Government of Alberta's vision for health system transformation. With a rapidly aging population and increasing demand for high-quality care, strategic investment in continuing care infrastructure will ensure Albertans receive the right care in the right place, reducing hospital congestion and enhancing overall system efficiency. This position paper, developed by Alberta Continuing Care Association (ACCA) members, presents innovative, evidence-based recommendations to modernize Alberta's continuing care infrastructure, strengthen funding models, and create solutions that meet the evolving needs of seniors and the broader healthcare system.

ACCA's Role and Perspective

ACCA serves as the collective voice of continuing care operators across Alberta, representing public, private, and non-profit providers of home and community care, supportive living, long-term care, and palliative care. With deep industry expertise and direct engagement with operators, ACCA provides real-time insights into the opportunities and challenges facing the sector. Our role is to ensure that policy and funding decisions support sustainable growth, innovation, and high-quality care. We advocate for transparency, strategic investment, and system-wide collaboration to create a future-ready continuing care system. Our recommendations focus on funding stability, infrastructure planning, and regulatory alignment to ensure Alberta remains a leader in delivering person-centered, high-quality continuing care.

The Opportunity for Growth and Innovation

By 2046, over 1.2 million Albertans will be 65 or older, increasing demand for continuing care. With thoughtful planning and investment, Alberta can transform its continuing care system to:

- Improve care access and system efficiency by reducing reliance on hospitals and expanding community-based care options.
- Modernize aging facilities and create new spaces that align with contemporary care needs and best practices.
- Ensure long-term sustainability through innovative funding solutions and strategic capital planning.

Policy Recommendations: A Strategic Path Forward

To modernize Alberta's continuing care infrastructure and ensure seniors receive timely, high-quality care, a structured, forward-looking approach to capital investment is essential. The following recommendations, developed in consultation with ACCA members and sector experts, provide a blueprint for sustainable growth, innovation, and system-wide improvements.

The following recommendations are briefly summarized below. We encourage readers to review the full recommendations in the body of the paper for a comprehensive understanding of the rationale, key considerations, and specific actions proposed.

1. Honour Past Funding Approvals & Commitments from Alberta Health

- Resume Continuing Care Capital Program funding commitments.
- Provide regular updates on grant awards, program status, and outcomes.
- Increase capital funding to reflect higher construction costs, borrowing rates, and new design standards.

2. Develop a Continuing Care Capital Plan

- Establish a structured, multi-year capital planning framework that aligns with Alberta's broader capital investment strategy.
- Implement an annual structured intake process for capital grant applications, synchronized with Alberta's budget cycle.

3. Separate Capital and Operational Funding for Stability

- Clearly distinguish capital and operational funding to enhance financial transparency and accountability.
- Develop a multi-year operational funding plan to ensure predictability and sustainability.
- Align operational funding with actual care needs to support ongoing service delivery.

4. Establish a Single-Entry System and Year-Round RFP Process

- Implement a single-entry system for applicants to simplify and expedite funding applications.
- Maintain a year-round Call for Proposals (RFPs) to ensure capital funding aligns with Alberta's long-term care needs.

5. Improve Transparency and Access in Capital Grants

- Reduce administrative burdens through streamlined application and reporting processes.
- Establish clear, standardized timelines for approvals and public reporting on funding allocations.
- Provide timely feedback to unsuccessful applicants to support refinement and resubmission of proposals.

5.1. Maintain an Indigenous Grant Stream

- Modify eligibility criteria to allow applications with endorsement from Indigenous communities through an MOU or letter of support.
- Expand eligibility to not-for-profits and faith-based organizations serving Indigenous seniors.

6. Establish a Fair and Equitable Continuing Care Funding Model

- Ensure funding allocations reflect the true cost of care delivery across different settings.

- Address inconsistencies in capital and operational funding distribution to create a sustainable and balanced system.
- Provide predictable and stable funding to support long-term planning and investment in care infrastructure.

6.1. Geographic Funding Equity: Addressing Rural and Urban Disparities

- Adjust funding formulas to reflect higher rural operational costs.
- Increase capital investment to support rural infrastructure upgrades.

6.2. Equity Among Operators: A Consistent Capital Funding Model

- Align capital funding allocations with actual cost structures, ensuring sustainability across all provider types.
- Support financial sustainability by adjusting accommodation fees to include appropriate capital refresh, reducing long-term reliance on capital grants while providing Albertans with real choices in accommodations.

6.3. Expand Funding Eligibility to Integrated Home Care and Supportive Housing Models

- Allow capital funding access for integrated home care and supportive housing models, ensuring seniors have access to appropriate housing with embedded care supports.
- Encourage investment in supportive housing options that integrate home care, improving quality of life and reducing unnecessary transitions to higher levels of care.

7. Increase Flexibility for Implementation of the 2023 Continuing Care Design Standards

- Adjust capital and operational funding to fully cover increased costs due to new design standards.
- Introduce design flexibility (e.g., optional in-room kitchenettes, scalable HVAC systems) to balance cost and resident-centered care.
- Ensure funding includes technology infrastructure to support modern care delivery and efficiency.

8. Enhance Efficiency in Transitions & Admissions

- Standardize transition protocols and admission criteria to improve system flow and reduce hospital congestion.
- Implement real-time tracking of bed availability to streamline placements.
- Strengthen collaboration between hospitals and continuing care providers to ensure seamless transitions.

9. Advance Research & Evidence-Based Decision-Making

- Conduct a cost-benefit analysis of past funding programs to guide future investments.
- Leverage existing research on Small Home Models to identify best practices for Alberta's continuing care system and support a financial analysis to assess the long-term sustainability of these models in the Alberta context.
- **Performance metrics** should be established to measure outcomes related to quality of care, resident well-being, and system efficiency.

Strategic Alignment with Alberta's Healthcare Priorities

Investing in continuing care infrastructure is a proactive and necessary step in addressing Alberta's broader healthcare challenges. By focusing on innovation, funding transparency, and system alignment, Alberta can create a sustainable, high-quality, and person-centered continuing care system that meets the needs of today's seniors while preparing for the future.

Conclusion

The choices made today will shape Alberta's ability to build a modern, efficient, and sustainable continuing care system that ensures dignified, high-quality care for seniors. This is an opportunity to not only expand and modernize facilities but also to create an integrated, future-focused system that ensures Albertans receive the best possible care in the most appropriate setting. ACCA and its members are committed to collaborating with the Government of Alberta to implement these strategic solutions and build a stronger, more sustainable, and forward-thinking continuing care system that meets Alberta's long-term healthcare needs.

Introduction

With the recent transition of continuing care from Alberta Health to the Ministry of Seniors, Community, and Social Services, ACCA is committed to being a solution-focused partner, working collaboratively to support sustainable and effective continuing care infrastructure. Our goal is to provide practical, evidence-based recommendations that align with the province's health system priorities and ensure that seniors receive care in the most appropriate setting.

By 2046, one in five Albertans—over 1.2 million people—will be aged 65 or older, significantly increasing demand for continuing care services.¹ As Albertans live longer with more complex needs, the province must ensure a sustainable, modernized care infrastructure that meets this growing need.

According to the Government of Alberta, approximately 1,500 acute care beds are occupied daily by ALC patients who no longer require hospital care but cannot transition due to a lack of available continuing care spaces.² In the last five years, 23,800 patients have remained in hospital beyond medical necessity, contributing to emergency room gridlock and delayed surgeries.³ Transitioning

¹ Alberta Treasury Board and Finance. (2020). *Alberta Population Projections: 2020-2046*. Retrieved from <https://open.alberta.ca/dataset/90a09f08-c52c-43bd-b48a-fda5187273b9/resource/bb7c6ef6-ade5-4def-ae55-ef1fd5d4e563/download/2020-2046-alberta-population-projections.pdf>

² Government of Alberta. (2024). *Improving emergency care wait times and hospital capacity*. Retrieved from <https://www.alberta.ca/release.cfm?xID=899427317C868-B62E-03A9-CCFE41E7C7DA0950>

³ Montreal Economic Institute (MEI). (2025). *Boosting Long-Term Care to Improve Hospital Access in Alberta*. Retrieved from <https://www.iedm.org/boosting-long-term-care-to-improve-hospital-access-in-alberta/>

ALC patients to supportive living or long-term care would alleviate pressure on the acute care system.

Recognizing these challenges, Alberta's health system refocusing initiative aims to improve efficiency, reduce emergency wait times, and expand choices for seniors. Investing in continuing care infrastructure is critical to these efforts, ensuring seniors receive care in appropriate settings while stabilizing the broader healthcare system.

This position paper presents policy recommendations from ACCA members to modernize and expand continuing care facilities, develop a sustainable funding model, and implement best practices in capital planning. By aligning investments with Alberta's evolving needs, these recommendations provide a roadmap for a sustainable and effective continuing care system that supports both seniors and the broader healthcare network.

Addressing the Alternative Level of Care Crisis through Long-Term Care Expansion

Alberta's healthcare system is facing a persistent crisis due to the high number of individuals who remain in hospital beds despite no longer requiring acute hospital care. These Alternate Level of Care (ALC) patients are unable to transition to more appropriate care settings due to the insufficient availability of home and community care services, and continuing care homes. The result is severe hospital congestion, emergency room gridlock, and delays in surgical care, placing significant strain on Alberta's healthcare system and workforce.

According to the Montreal Economic Institute (MEI) (2025), Alberta's hospitals are facing significant strain due to the high number of ALC patients waiting for continuing care placements. The MEI policy brief highlights that:

- The majority of ALC patients are seniors over 80 years of age who require placement in an LTC home or assisted living facility, but face long wait times.
- ALC patients occupy 18% of all hospital beds, preventing acute care admissions.
- A single ALC patient in an emergency room bed prevents four additional patients per hour from receiving emergency care.

The Cost of Keeping ALC Patients in Hospitals

- The cost per day of an ALC patient in a hospital bed ranges from \$730 to \$1,200.⁴
- With 1,500 ALC patients occupying hospital beds daily, this results in a total hospital system cost of between \$1.095M and \$1.8M per day.
- Over the course of a year, this adds up to between \$400M and \$657M annually in unnecessary acute care costs.

The Cost of Providing Care in LTC Instead

- The cost per day of care in a long-term care home is significantly lower, ranging from \$225 to \$253 per patient.⁵
- If these 1,500 ALC patients were transitioned to long-term care, the total daily cost would be between \$337.5K and \$379.5K per day.
- Over a year, this would amount to between \$123M and \$138.5M annually.

Net Annual Savings from Transitioning ALC Patients to Continuing Care

- By moving ALC patients out of hospitals and into long-term care, Alberta could save between \$261.5M and \$534M per year.
- These savings would be realized by reducing unnecessary hospital spending while ensuring that patients receive care in the most appropriate setting.
- In addition to financial benefits, this shift would free up hospital capacity, improve emergency room efficiency, and reduce surgical delays.

The Solution

Focusing on continuing care infrastructure is a strategic solution to Alberta's healthcare challenges. In March 2021 a Continuing Care Capital Program was announced to increase the number of continuing care spaces and modernize aging continuing care homes. In alignment with the FBCC Review recommendations⁶, the program consisted of one-time capital funding grants to:

- develop continuing care capacity with Indigenous groups and organizations
- develop new spaces in priority communities

⁴ Ibid.

⁵ Ibid.

⁶ MNP. (2021). *Improving Quality of Life for Residents in Facility-Based Continuing Care: A Review of the Facility-Based Continuing Care (FBCC) Program*. Retrieved from <https://open.alberta.ca/dataset/f680d1a6-bee5-4862-8ea4-e78d98b7965d/resource/22092c9c-99bb-4fee-9929-7ce06e71bbd1/download/health-improving-quality-life-residents-facility-based-continuing-care-2021-04-30.pdf>

- modernize existing aging and/or outdated continuing care homes
- develop small care home settings

The **Alberta Government committed \$310 million over 3 years in Budget 2023 for four grant streams:**

- **Indigenous Stream:** to support the development of culturally appropriate continuing care spaces for Indigenous groups on- or off-reserve and on- or off-Metis settlements. The first intake of grants opened in August 2021 and closed in December 2021. A second call for applications was expected.
- **Priority Communities Stream:** available to communities identified by Alberta Health Services (AHS) as having the greatest need for continuing care accommodation and services. Application intake began in 2024, the Alberta Government website does not indicate a closing date.
- **Modernization Stream:** one-time capital funding to replace or renovate aging and/or outdated existing continuing care homes. Grant intake began on September 20, 2022, and closed on January 6, 2023.
- **Small Care Home Stream:** to create homes for 4 to 14 residents to improve access to services and supports for populations with complex health needs and for Albertans in rural and remote communities. Intake commenced on April 25, 2023, and closed November 30, 2023.⁷

To receive capital funding, all newly constructed continuing care homes larger than 14 spaces were required to meet the 2023 Continuing Care Design Standards (CCDS)⁸. Continuing care homes or supportive living accommodations with 4 to 14 spaces were required to meet the Small Care Home Design Requirements Checklist⁹.

In March 2024, the Premier of Alberta, the Honourable Danielle Smith announced, a \$1.7 billion comprehensive plan to diminish emergency room wait times, reduce length of stay in acute care units, and enhance community-based services.¹⁰

⁷ Government of Alberta. (2024). *Continuing Care Capital Program*. Retrieved from <https://www.alberta.ca/continuing-care-capital-program>

⁸ Government of Alberta. (2023). *Continuing Care Design Standards: Best Practices in Alberta*. Retrieved from <https://open.alberta.ca/dataset/c03d9f2f-3f40-4b85-b6c9-7d0e9442bc9b/resource/5abc3aaf-dc58-4680-ad66-d96b71e5c401/download/hlth-continuing-care-design-standards-best-practices-alberta-2023.pdf>

⁹ Government of Alberta. (2023-2024). *Small Care Home Design Requirements Checklist: Continuing Care Capital Program – Small Care Home Stream*. Retrieved from https://www.alberta.ca/system/files/custom_downloaded_images/health-cccp-small-care-home-design-requirements-checklist.pdf

¹⁰ Government of Alberta. (2024). *Improving emergency care wait times and hospital capacity*. Retrieved from <https://www.alberta.ca/release.cfm?xID=899427317C868-B62E-03A9-CCFE41E7C7DA0950>

The province committed \$1 billion over three years to transform continuing care by increasing care in the community, enhancing workforce capacity, improving quality, and increasing choice and innovation.

In addition, \$654 million over three years was allocated to the Continuing Care Capital Program to create over 1,600 new continuing care spaces with nearly 1000 more projected by 2025 to improve access to continuing care spaces for Albertans, including those who no longer need to stay at a hospital but require further support (ALC patients).

The announcement also included an additional \$139 million in bilateral federal/provincial funding for the Aging with Dignity program to enhance home and community care in conjunction with primary care services.¹¹

The demand for continuing care will increase even faster due to people living longer and with more complex needs. This will result in an 80 per cent projected increase in demand for continuing care over the next 10 years.¹²

Policy Recommendations: A Strategic Path Forward

To modernize Alberta's continuing care infrastructure and ensure seniors receive timely, high-quality care, a structured, evidence-based approach to capital investment is essential. The following recommendations, developed in consultation with ACCA members and sector experts, address key infrastructure challenges, funding gaps, and system inefficiencies.

1. Honour Past Funding Approvals and Commitments from AB Health

In October 2024, the Alberta government announced that responsibility for continuing care would move from AB Health to the Ministry of Seniors, Community and Social Services. This transition came into effect on January 6, 2025.

During this transition period funding discussions and decisions were paused, creating a significant amount of uncertainty in the sector. The Alberta Government's Continuing Care Capital Program (\$310 million over 3 years in Budget 2023) has not provided grant status communications or updates that are essential for ensuring transparency, accountability, and sector planning.

Based on ACCA's discussions with continuing care operators, thousands of planned new spaces are being delayed, re-evaluated, or cancelled due to significant increases in capital costs. These cost escalations—driven by rising construction expenses, higher borrowing rates, and new design

¹¹ Government of Canada & Government of Alberta. (2023). *Canada-Alberta Aging with Dignity Funding Agreement (2023-24 to 2027-28)*. Retrieved from <https://open.alberta.ca/dataset/a4dedb29-51c3-40b5-b402-b0113564fd8d/resource/cad78361-6703-4bdf-be6d-4e7a8110f713/download/hlth-canada-alberta-aging-with-dignity-funding-agreement.pdf>

¹² Ibid.

guideline requirements—have made it increasingly difficult for operators to proceed with new developments. Construction costs per unit have surged from approximately \$300K to over \$550K per bed, further straining financial feasibility. Without adjustments to capital funding that reflect these financial pressures, Alberta risks falling further behind in expanding its continuing care capacity to meet the needs of its aging population.

Without clear reporting on the distribution of funds and project progress, operators and policymakers lack the necessary information to assess whether these grants are effectively addressing capacity needs, modernizing aging facilities, and supporting high-demand communities. Given the significant investments allocated to these four funding streams, timely updates will provide clarity on funding impact, facilitate better alignment with the FBCC Review recommendations, and support informed decision-making for future capital planning in Alberta's continuing care sector.

Recommended Actions

To improve transparency and accountability, the following actions should be prioritized:

- A. Resume Continuing Care Capital Program** funding commitments.
- B. Provide regular updates** on grant awards, program status, and outcomes.
- C. Restart paused funding discussions** to prevent further project delays or cancellations.
- D. Increase capital funding** to reflect higher construction costs, borrowing rates, and new design standards.

2. Develop a Continuing Care Capital Plan

Seniors, Community and Social Services should establish a Continuing Care Capital Plan with a structured, multi-year approach that aligns with Alberta's broader capital investment strategy. This plan should include clear targets based on assessed needs and an annual structured intake process synchronized with the Government of Alberta's budget cycle.

A well-defined capital planning framework would ensure predictable funding, strategic infrastructure development, and sustainable growth to meet the increasing demand for high-quality continuing care facilities across Alberta. Alberta's \$25 billion capital investment (2024–2027) supports essential infrastructure, including hospitals and roads, with capital needs assessed and approved annually. A dedicated capital planning framework for continuing care would ensure that long-term care, supportive living, and integrated home-and-housing models receive the necessary funding to address urgent capacity pressures and evolving demographic needs.

Recommended Actions

To ensure predictable funding and strategic infrastructure development, the following actions should be prioritized:

- A. Establish a structured, multi-year capital planning framework** that aligns with Alberta's broader capital investment strategy.
- B. Implement an annual intake process for capital grant applications**, synchronized with Alberta's budget cycle.

3. Separate Capital and Operational Funding for Stability

A clear distinction between capital and operational funding is essential to ensure predictability, financial sustainability, and effective long-term planning in Alberta's continuing care system. Currently, these funding streams are intertwined, creating uncertainty in budget allocations and making it difficult for operators to plan for infrastructure development and service delivery. A structured, long-term funding framework will prevent annual fluctuations in operational grants, ensuring stable and strategic investments across the sector.

Recommended Actions

To improve funding clarity and stability, the following actions should be prioritized:

- A. Clearly separate capital and operational funding** to enhance financial transparency and accountability.
- B. Develop a multi-year operational funding plan** to eliminate annual funding uncertainty and provide sustainable financial support for continuing care services.
- C. Align operational funding with actual care needs**, ensuring that facilities, home care providers, and alternative models receive adequate, needs-based support.
- D. Provide consistent reporting on capital and operational funding** to improve sector-wide planning and accountability.

By establishing a distinct and predictable funding structure, Alberta can reduce financial uncertainty, improve service sustainability, and ensure operators can effectively plan for future infrastructure and care delivery needs.

4. Establish a Single-Entry System and Year-Round RFP Process

A single-entry system for applicants should be implemented, with a year-round Call for Proposals (RFPs) to ensure selections align with the Continuing Care Capital Plan. This system should be

coordinated with other provincial capital plans to enable integrated campus-of-care developments.

Transparency and clearly defined conditions must be prioritized throughout this process. To reduce administrative barriers for operators, Requests for Proposals (RFPs) should be structured with flexibility, remaining open-ended and aligned with Alberta’s evolving care needs. Seniors, Community and Social Services should consult with industry stakeholders to review and improve capital project processes, reducing red tape and enhancing efficiencies. Additionally, consideration should be given to past processes used for Assisted Supportive Living Initiative (ASLI)¹³, recognizing that the last significant capital grant allocation for such projects was in 2015.

5. Improve Transparency and Access in Capital Grants

Future capital grant programs must be more accessible, transparent, and aligned with sector needs. The current system presents significant administrative challenges, delays, and inconsistencies, preventing some operators from securing funding.

Recommended Actions

To enhance equity and efficiency in the future, the following actions should be prioritized:

- A. Streamline application and reporting processes** to reduce administrative burdens while maintaining accountability.
- B. Ensure transparent decision-making** with a standardized timeline for approvals and public reporting on funding allocations.
- C. Provide timely responses and feedback** to allow unsuccessful applicants to refine proposals and reapply.
- D. Align capital funding calls with sector needs**, ensuring all operators, including rural providers, have fair access to grants. A simplified and predictable capital funding process will strengthen sector confidence, accelerate project timelines, and ensure Alberta’s continuing care system remains sustainable and responsive to evolving needs.

5.1. Maintain an Indigenous Grant Stream

A dedicated Indigenous grant stream is critical to ensuring equitable access to capital funding and supporting culturally appropriate seniors' care. However, rigid eligibility criteria have prevented many Indigenous-led and Indigenous-partnered projects from advancing.

¹³ Government of Alberta. (2014). *Affordable Supportive Living Initiative (ASLI) Grant Process 2014/2015*. Retrieved from <https://open.alberta.ca/dataset/faad72bc-2305-4bb8-9443-5448e8ecb2b4/resource/0e0fac74-2d1f-4ae4-b796-8487310d6f2c/download/cc-asli-grant-process-2014.pdf>

Recommended Actions

To ensure Indigenous communities can access and benefit from capital grants, the following actions should be prioritized:

- A. Modify the Indigenous Grant Stream** to allow applications where Indigenous partners endorse projects through an MOU or letter of support, rather than requiring them to be the primary applicant.
- B. Expand eligibility** to not-for-profits and faith-based organizations with a demonstrated commitment to Indigenous seniors' care.
- C. Ensure future capital grant opportunities reflect reconciliation principles**, supporting Indigenous sovereignty while enabling collaborative care solutions.
- D. Provide targeted application assistance** to help Indigenous organizations navigate the funding process and reduce administrative barriers.

By removing rigid restrictions and improving accessibility, Alberta can support Indigenous-led initiatives, advance reconciliation efforts, and ensure Indigenous elders receive the care they need in culturally safe environments.

6. Establish a Fair and Equitable Funding Model to Address Disparities

A comprehensive and equitable funding model is essential to ensuring fairness across Alberta's continuing care system. Significant funding disparities exist between rural and urban facilities, among public, private, and non-profit operators, and between facility-based care and integrated home-and-housing care models. While demand for home care continues to grow, capital funding remains primarily directed toward traditional facility-based services, limiting investment in integrated models that provide both housing and care in the community.

Without a needs-based framework that reflects real costs and regional challenges, financial instability threatens the sustainability of LTC services and the broader continuing care system. This ultimately impacts seniors' access to high-quality care across the continuum—from home care and integrated community models to facility-based services.

Recommended Actions

To create a fair and sustainable continuing care system, the following actions should be prioritized:

- A. Ensure funding allocations reflect the true cost** of care delivery across different settings.
- B. Address inconsistencies in capital and operational funding** distribution to create a sustainable and balanced system.

- C. Provide predictable and stable funding to support long-term planning** and investment in care infrastructure.

6.1. Geographic Funding Equity: Addressing Rural and Urban Disparities

Rural supportive living and LTC homes operate with higher per-capita costs but receive less funding per resident than urban centers. These funding imbalances create operational challenges, limiting infrastructure development and service sustainability in rural areas. Additionally, rural continuing care homes face higher transportation, utility, and service delivery costs due to geographic isolation and smaller resident populations. While urban facilities benefit from ongoing capital investments, rural continuing care homes lack access to stable funding for necessary upgrades and expansions.

Recommended Actions

To correct these imbalances, the following actions should be prioritized:

- A. Adjust funding** formulas to reflect the higher operational costs associated with rural facilities, ensuring that funding is distributed equitably rather than based on a one-size-fits-all model.
- B. Increase capital investment** for infrastructure upgrades and new development in rural areas, ensuring seniors have access to quality care regardless of geographic location.
- C. Ensure fair access to capital funding opportunities** for rural providers, aligning investments with broader provincial capital planning efforts.

Aligning funding models with regional cost realities will help stabilize rural continuing care facilities, prevent closures, and support sustainable, high-quality care for seniors across Alberta.

6.2. Equity Among Operators: A Consistent Capital Funding Model

A diverse mix of public, private, and non-profit providers strengthens Alberta's continuing care system by offering varied care options and fostering innovation. Not-for-profit organizations, particularly in rural areas, play a critical role in community-based care, ensuring that seniors have access to high-quality, localized services.

As the Government of Alberta moves forward with fulfilling its 1,600-bed commitment, it is critical to ensure that capital funding is allocated fairly among all provider types. Currently, the capital funding process lacks transparency and consistency, leading to inequities in funding distribution across different provider types. Some providers—particularly those integrating housing and care—are excluded from capital funding opportunities, while others face unpredictable funding decisions that make long-term planning difficult.

Many planned new spaces are being delayed, revisited, or cancelled due to rising capital costs, making it even more critical to establish a structured and equitable approach to funding allocations.

Capital Construction Costs:

According to the Facility-Based Continuing Care (FBCC) Report, the average cost per bed (in 2018/19 dollars) was:

- \$250,000 for private-for-profit operators
- \$337,400 for not-for-profit operators
- \$575,000 for public operators

While these costs vary due to factors such as procurement processes, administrative overhead, and design requirements, a fairer funding approach should ensure that capital investment accounts for actual cost differences and is allocated based on need, rather than fixed funding formulas that disadvantage certain providers.

Recommended Actions

To achieve funding equity among operators, the following actions should be prioritized:

- A. Assess cost disparities** in capital construction and explore ways to improve cost efficiency while maintaining quality and operational sustainability.
- B. Ensure capital funding allocation reflects the actual costs of care delivery** rather than applying a single funding formula across all providers.
- C. Align funding decisions with care needs, geographic challenges, and sustainability goals** to prevent provider-type-based disparities.
- D. Support financial sustainability by adjusting accommodation fees** to include appropriate capital refresh, reducing long-term reliance on capital grants while providing Albertans with real choices in accommodations.
- E. Ensure capital funding supports ongoing sector stability**, allowing operators to continue delivering high-quality care without being disadvantaged due to funding disparities.

A capital funding model that prioritizes fairness rather than uniformity will ensure a strong, diverse continuing care sector that meets the needs of all Alberta seniors, regardless of provider type or location.

6.3. Expand Funding Eligibility to Integrated Home Care and Supportive Housing Models

Alberta's continuing care system requires a targeted approach to capital funding that reflects the evolving needs of seniors and the increasing demand for integrated home-based care models.

Currently, facility-based continuing care providers are eligible for capital grants, while some providers that integrate home care with supportive housing options are excluded. This creates barriers to innovative care models that allow seniors to age in place while still receiving the necessary supports.

Providing capital investment for eligible integrated home-based and community care models—where both housing and care are delivered together—will help reduce pressure on acute care, enhance care options for seniors, and support a more cost-effective approach to long-term care delivery.

Recommended Actions

To modernize Alberta’s capital funding framework, the following actions should be prioritized:

- A. Expand eligibility for capital grants** to include integrative models that provide both housing and care, ensuring seniors have access to a broader continuum of care options.
- B. Encourage investment in innovative home-based and community-based care solutions** that combine appropriate housing with necessary healthcare supports, improving quality of life and delaying or preventing the need for facility-based care.
- C. Align capital funding policies with commitments to aging in place**, ensuring that eligible integrated care models are recognized as viable alternatives to traditional facility-based care.

By targeting capital funding eligibility to the right home and community care models, Alberta can better integrate home care, supportive housing, and long-term care, enhancing flexibility and improving health outcomes for seniors.

7. Increase Flexibility for Implementation of the 2023 Continuing Care Design Standards

The 2023 Continuing Care Design Standards (CCDS) introduced new requirements aimed at improving resident quality of life, accessibility, and infection control. ACCA supports person-centered care, including private rooms, accessible ensuite bathrooms, and a home-like environment, as they enhance resident well-being and dignity. However, the standards also significantly increase both capital and operational costs, creating barriers to development and sustainability for many operators. Additionally, as operators begin constructing new facilities under the CCDS, it is evident that technology will play an increasingly critical role in supporting staff and ensuring operational efficiency, particularly within the small home model. The associated capital and operational costs of technology must be accounted for to ensure sustainability.

Financial, Operational, and Technology Barriers

- **Escalating construction costs:** Per-unit costs have increased from \$300K (ASLI projects 2017–2023) to \$550K–\$1M per unit in recent Alberta Health Services LTC projects, with rising material and labour costs making new development financially challenging.
- **Design mandates drive up costs:** Requirements for larger square footage, decentralized kitchens, HVAC systems, and increased infrastructure have significantly expanded development costs beyond inflationary trends. These designs also lead to higher operational expenses, including increased staffing, maintenance, and utility costs.
- **Sustainability challenges in Small Home Model:** While the home-like design and decentralized services improve resident experience, they result in higher staffing ratios, increased direct-care needs, and greater costs for managing multiple small-scale kitchens, laundry, and HVAC systems. Operational funding must align with these design principles to ensure financial viability.
- **Unfunded technology infrastructure:** Facilities increasingly rely on advanced monitoring, sensor technology, automation, and digital care tools, but these remain unfunded in operational budgets. Without dedicated funding, facilities struggle to invest in critical technology needed for efficiency, staffing support, and resident safety.
- **Slow facility growth:** New construction projects face financial constraints and high borrowing rates, delaying expansion and worsening the availability of continuing care spaces.

Safety, Feasibility, and Technological Considerations

- In-room kitchenettes pose fire hazards, infection risks, and maintenance burdens, especially for residents with cognitive impairments.
- The 200-bed limit on facilities reduces economies of scale, further increasing per-resident costs.
- New building code and sustainability requirements add additional cost burdens for operators.
- The small home model demands increased technology integration, including smart building systems, resident monitoring, automated workflows, and enhanced security measures, all of which require upfront capital investments and ongoing operational funding.

Recommended Actions

To ensure the CCDS is successfully implemented without jeopardizing financial sustainability, the following actions should be prioritized:

A. Provide Capital and Operational Funding Adjustments

- **Align capital funding with CCDS requirements** to fully cover the increased construction and renovation costs.
- **Adjust operational funding** to account for higher staffing, utility, and maintenance costs associated with expanded space and decentralized service delivery.
- **Fund technology investments in both capital and operational budgets**, ensuring that the digital infrastructure required for modern care delivery—such as monitoring systems, smart building technologies, and automation—are properly resourced.

B. Introduce Design Flexibility Based on Feasibility, Safety, and Technology Needs

- **Reevaluate square footage and facility size restrictions** to allow for cost-effective facility design while maintaining resident comfort and accessibility.
- **Remove the requirement for in-room kitchenettes**, given their high safety risks, increased costs, and limited usefulness for LTC residents.
- **Allow centralized HVAC and kitchen systems where practical**, to reduce redundancy and lower operational costs.
- **Recognize the role of technology in small home designs** and ensure that smart infrastructure is integrated into funding models to support efficiency and safety.

C. Balance CCDS Principles with Practical Sustainability

- **Ensure that the design principles of the CCDS remain intact** but allow for operational flexibility in how they are met.
- **Work collaboratively with operators** to evaluate and revise specific requirements that present financial and operational challenges, ensuring the guidelines remain effective without hindering the sector’s financial viability.
- **Develop a funding model that includes ongoing support for technology investments**, recognizing that modern care models require sustained technological integration to function effectively.

A flexible, well-funded approach to implementing the CCDS will allow Alberta to modernize its continuing care system while ensuring that facilities remain financially sustainable and operationally efficient. By balancing resident-centered design with practical cost mitigation strategies and integrating essential technology infrastructure, the Government of Alberta can support the sector’s long-term success without compromising care quality, efficiency, or access.

8. Enhance Efficiency in Transitions and Admissions

Ensuring efficient transitions from hospitals to home, community care, and continuing care facilities is critical to reducing unnecessary hospital stays, maximizing available beds, and ensuring seniors receive timely access to appropriate care. Currently, inefficiencies in placement coordination result in delayed discharges, misaligned care placements, and vacant beds despite growing waitlists. A more responsive and transparent system will improve resident flow, reduce wait times, and ensure that resources are used efficiently across Alberta’s continuing care sector.

Key Challenges

- **Delays in moving patients out of acute care settings** due to inefficient placement processes and bottlenecks.
- **Operators have vacant beds** despite long waitlists, as current placement procedures do not align residents with available spaces quickly or effectively.
- **Outdated resident profiles** are often used in placement decisions, resulting in mismatches between resident needs and facility services.
- **Lack of coordination between hospitals, continuing care providers, and placement teams** results in unnecessary administrative delays.
- **Multiple transition coordinators** involved in placements create confusion and slow down the process, increasing stress for residents and families.

Recommended Actions

To improve efficiency and reduce systemic delays, the following actions should be prioritized:

A. Improve Placement Efficiency to Reduce Delays in Accessing Care

- Establish a more responsive system for matching residents with available beds, ensuring that open spaces are filled more quickly, and hospital stays are minimized.
- Ensure that operators have direct visibility on available residents, allowing them to identify and admit appropriate individuals faster.
- Align hospital discharge planning with continuing care availability, so that patients are moved out of acute care as soon as appropriate beds are available.

B. Standardize Transition and Admission Processes

- Develop province-wide transition protocols to ensure consistent and timely placements across all continuing care settings.
- Implement standardized assessment criteria for admissions to long-term care (LTC), supportive living, and other continuing care settings to eliminate inefficiencies and delays.
- Utilize real-time tracking systems for bed availability, ensuring faster and better-coordinated placements.

C. Improve Transparency and Coordination in the Admission Process

- Ensure resident placement decisions are based on updated profiles, reducing mismatches and ensuring seniors are placed in the most appropriate care settings.
- Streamline placement coordination, eliminating unnecessary delays caused by multiple transition coordinators and administrative bottlenecks.
- Strengthen communication between hospitals, continuing care operators, and placement teams to improve efficiency and minimize waitlist mismatches.

D. Expand Alternative Levels of Care to Reduce Unnecessary Hospital Stays

- Increase capacity for short-term transitional care options, ensuring that patients who no longer require hospital care can move into an appropriate setting while awaiting permanent placement.
- Invest in additional community-based care options, allowing seniors to access necessary support without remaining in acute care settings longer than needed.

Enhancing efficiency in transitions and admissions is essential to optimizing Alberta’s continuing care system, reducing unnecessary hospital stays, and ensuring that seniors receive timely, appropriate care. By streamlining placement processes, improving coordination among stakeholders, and leveraging real-time data for decision-making, the Government of Alberta can create a more responsive and transparent system. Implementing these recommendations will help maximize available resources, reduce wait times, and improve the overall experience for residents, families, and care providers across the province.

9. Advance Research and Evidence-Based Decision Making in Continuing Care

A research-driven approach to continuing care home design and capital investment is essential to ensure Alberta’s continuing care sector is sustainable, cost-effective, and aligned with evidence-based best practices. Ongoing research into Small Home Models and historical funding program evaluations can help determine what has worked, guide future policy, and ensure investments maximize benefits for residents, staff, and system efficiency.

Research and Innovation in Small Home Models

The Good Samaritan Society has launched a research project to reimagine the Small Home Care Model with Personalized Living.¹⁴ This research is particularly relevant as Alberta explores new models of care that balance resident-centered living with financial and operational sustainability. Findings from this initiative will help inform future policy decisions on scalable, high-quality continuing care solutions that align with evolving demographic and care needs. This initiative seeks to enhance The Good Samaritan’s Being and Belonging Philosophy, incorporating small-home concepts within larger care facilities to maintain economies of scale. The model includes neighbourhoods of 14 residents per pod, providing culturally safe, resident-focused care while improving staff and family experiences.

A rapid review by the Institute of Health Economics (2025) examined research on Small-Scale Home-Like (SSHL) facilities and found:

¹⁴ **Good Samaritan Society.** (2025). *Research Project: Reimagining Small Home Care Models with Personalized Living.* Retrieved from <https://www.gss.org>.

- Smaller households of 10-12 residents may foster a homelike environment and promote social interaction.
- Potential benefits include higher resident satisfaction, lower infection rates, fewer falls, and improved quality of life.
- Lack of cost-benefit evidence—there is no definitive analysis on whether SSLH models are financially sustainable, highlighting the need for further economic evaluations.

Evidence and Outcomes from Historical Funding Models

A data-driven approach to capital investment and policy decisions is essential to ensure that funding programs are effective, sustainable, and aligned with sector needs. Reviewing past funding programs, such as the Affordable Supportive Living Initiative (ASLI) and modernization grants, can help determine what has worked and guide future initiatives.

Key Considerations

- **Historical analysis of funding models** can provide insight into the effectiveness of past capital investments.
- **Evaluation of infrastructure grants** can identify best practices and areas for improvement in LTC development.
- **Performance metrics** should be established to measure outcomes related to quality of care, resident well-being, and system efficiency.

Recommended Actions

To strengthen future funding decisions and long-term care models, the following actions should be prioritized:

A. Leverage Research on Small Home Models and Conduct Cost-Benefit Analyses

- Incorporate findings from ongoing research to inform sustainable care and service models within Alberta's continuing care system.
- Support further research on financial viability, operational sustainability, and resident outcomes to assess long-term impact.
- Conduct a cost-benefit analysis of Small Home Models, evaluating capital and operational costs, workforce needs, and potential savings from improved resident well-being and reduced hospitalizations.
- Assess scalability, identifying key enablers and barriers to broader implementation while ensuring alignment with continuing care funding and capacity planning.

B. Conduct a Review of Previous Funding Programs

- Assess the impact of ASLI, modernization grants, and other past funding mechanisms.
- Identify key success factors and challenges from previous capital investments to inform future policies.

C. Develop a Longitudinal Data Strategy

- Establish standardized metrics to track the effectiveness of capital investments over time.
- Ensure funding decisions are based on measurable outcomes, rather than one-time cost estimates.

D. Integrate Evidence into Future Capital Planning

- Use historical data and ongoing research to refine future grant structures and funding allocations.
- Align funding priorities with demographic needs, waitlist data, and care quality improvements.

A combined approach—leveraging ongoing research into innovative care models and learning from historical funding programs—will ensure that Alberta’s continuing care sector remains financially sustainable, operationally efficient, and resident-centered. Strengthening the evidence base for policy decisions will help optimize resource allocation, maximize care quality, and ensure long-term system stability.

A research-driven and evidence-based approach is critical to ensuring Alberta’s continuing care sector remains both sustainable and responsive to evolving care needs. By integrating research on innovative care models, revisiting funding assumptions, and aligning capital investments with actual care demands, policymakers can support a system that prioritizes both financial viability and high-quality resident care. Moving forward, a commitment to continuous evaluation, informed decision-making, and strategic funding allocations will help strengthen Alberta’s continuing care infrastructure while ensuring seniors receive the care they need in the most appropriate setting.

Alignment with the FBCC Review and Sector Needs

The recommendations outlined in this position paper align directly with the FBCC Review findings, which identified critical infrastructure challenges and emphasized the urgent need for replacement-focused investments. The key findings from the FBCC Review reinforce the case for targeted capital funding and structured planning:

- **Aging Infrastructure Crisis:** Over 8,000 continuing care spaces are in facilities older than 40 years, with another 2,475 spaces reaching this threshold by 2030.
- **Urgent Need for Replacement Spaces:** Alberta must develop 800 to 1,000 spaces annually just to replace aging infrastructure, on top of new capacity expansion to meet rising demand.
- **Cost-Effective Investment Strategy:** Proactively replacing outdated facilities is \$2.19 billion less expensive than maintaining the current system while adding capacity.

- **Shared Accommodation Risks:** Over 6,800 spaces remain in shared rooms, highlighting infection control concerns and outdated design.
- **Funding Gaps and Systemic Challenges:** Historically, capital funding has focused on expansion rather than modernization, leaving aging facilities unaddressed.

ACCA's recommendations provide a strategic response to these challenges, ensuring Alberta's capital investments are aligned with evidence-based sector needs. By adopting a structured capital planning approach, prioritizing replacement funding, and addressing design standard cost pressures, Alberta can modernize its continuing care infrastructure while improving system-wide efficiency.

Conclusion

Alberta's continuing care system is at a turning point. The decisions we make today will determine whether we have a modern, efficient, and sustainable infrastructure capable of meeting the needs of our growing senior population—or whether we continue to struggle with hospital congestion, funding shortfalls, and outdated facilities that no longer serve Albertans effectively.

Investing in continuing care is not just about bricks and mortar; it's about system-wide efficiency, better health outcomes, and fiscal responsibility. Every dollar directed toward modernizing and expanding capacity is a dollar that reduces pressure on hospitals, improves seniors' quality of life, and ensures families have access to care when and where they need it.

ACCA and its members are ready and eager to work alongside the Government of Alberta to implement these strategic solutions. By honoring past funding commitments, establishing a transparent capital planning process, ensuring fair and sustainable funding models, and integrating research-driven innovation, we can build a system that doesn't just keep up with demand—but leads the way in high-quality, person-centered care. The opportunity is now. Alberta's seniors—and the entire healthcare system—are depending on bold, proactive decisions. Let's move forward together, strategically and decisively, to create a continuing care system that works today and for generations to come.

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