

Topic	Page
Healthcare Spending may spike by 88 per cent due to Canada's aging population	2
Samir Sinah Presentation June 3, 2021 to ACER-CART	2
How do health expenditures vary across the population	2
Record Spending: Canada expected to dole out more than \$300B on health care	3
Aging and expenditures on health care	3
Ontario can't build 15,000 long-term-care beds in four years:	3
More beds coming as system tackles 5-year wait lists for long-term care	4
The Costs of Long Term Care and How to Insure Against Them.	4
Average 2019 Monthly Rent for a Standard Retirement Home Space (Private Facility)	5
What's public? What's private long-term care?	6
Long-term care homes in Canada: How many and who owns them? June 10, 2021	6
Care of the old—A matter of ethics, organization and relationships	7
Type and cost of LTC homes	8
Aging Well: Solutions to the Most Pressing Global Challenges of Aging [Internet].	8
Time to defuse the bomb that will explode when boomers turn 85	9

## **Health-care spending may spike by 88 per cent due to Canada's aging population**

<https://www.fraserinstitute.org/article/health-care-spending-may-spike-by-88-per-cent-due-to-canadas-aging-population#:~:text=In%20fact%2C%20health%2Dcare%20spending,health%2Dcare%20expenditures%20in%202019.>

*Appeared in the Edmonton Sun, May 5, 2021*

- In fact, health-care spending on Canadians aged 65 and older accounted for 45.7 per cent of total health-care expenditures in 2019.
- the projected growth in the number of Canadians aged 65 and older will increase health-care spending by approximately 88 per cent from 2019 to 2040.
- In other words, by 2040, absent policy change, around one-quarter of Canada's population will consume nearly three quarters of the government's (inflation-adjusted) health-care budget.
- Clearly, there's an urgent need for governments to implement policies that improve the efficiency of health-care services for seniors.

## **Samir Sinah**

### **Presentation June 3, 2021 to ACER-CART**

- 15% of hospital beds hold individuals waiting for a placement in a LTCH
- In June 2021 there were 40 000 individuals waiting for placement.
- in 2021 there were 8.1 million unpaid caregivers

## **How do health expenditures vary across the population?**

<https://www.healthsystemtracker.org/chart-collection/health-expenditures-vary-across-population/>

While there are people with high spending at all ages, overall, people 55 and over accounted for **56%** of total health spending in 2019, despite making up only 30% of the population.

## **Record spending: Canada expected to dole out more than \$300B on health care in 2021**

<https://www.ctvnews.ca/health/record-spending-canada-expected-to-dole-out-more-than-300b-on-health-care-in-2021-1.5651634>

Canada is expected to spend a record \$308 billion on health care in 2021 amid the COVID-19 pandemic, a new report from the Canadian Institute for Health Information (CIHI) says.

According to the latest data available, Canada ranked among the highest spenders in 2019, spending \$6,666 per person on health care, with the expenditure accounting for **10.8 per cent of the country's GDP**. Nov 4, 2021

## **Aging and Expenditures on Health Care**

[https://www.jstor.org/stable/resrep30194?seq=1#metadata\\_info\\_tab\\_contents](https://www.jstor.org/stable/resrep30194?seq=1#metadata_info_tab_contents)

Report from Fraser Institute

- Per capita expenditure for the 80-85 age group was more than twice the mean per capita expenditure across all age groups
- Individuals 65 and older accounted for 16.2 % of the total population in 2018
  - Projected to account for 23.4 % by 2040
- 65+ will result in an increase of 88% from 2019 to 2040
- 65+ accounted for 45.7% of total expenditure in 2019
  - By 2040 expected to be 71.4 of expenditure

## **Ontario can't build 15,000 long-term-care beds in four years: FAO**

<https://ipolitics.ca/2021/05/26/ontario-wont-meet-timeline-to-build-15000-long-term-care-beds->

[fao/#:~:text=As%20of%20December%202020%2C%2040%2C000,care%20system%2C%20the%20report%20says.](#)

As of December 2020, 40,000 people were on the wait list for a long-term-care bed, with an average waiting period of 144 days. The backlog is a “significant contributor” to a shortage in the province’s health-care system, the report says.

With the number of Ontario residents aged 75 and older expected to increase by 52 per cent by the end of the decade, and the number of nursing-home beds expected to increase by 38 per cent, the FAO estimates that the province’s current plans “will likely not be sufficient” to meet the coming demand.

So far, the government has allocated 20,161 new beds, with most coming online between 2023 and 2025. If Ontario is to meet its goal of 30,000 new beds, it will have to allocate 9,839 beds by 2026 at the latest.

### **More beds coming as system tackles 5-year wait lists for long-term care**

**Need for more beds, opportunities to keep people at home longer, says Ontario health minister**

<https://www.cbc.ca/news/canada/kitchener-waterloo/long-term-care-homes-wait-times-waterloo-wellington-1.5968393>

A new report says the average wait time for a room in long-term care in Waterloo-Wellington is 1,907 days, or more than five years.

Planning for the (potential) costs of long-term care

Insuring against a potential expense that could range from nothing to hundreds of thousands of dollars, and could happen at any time during a 30-plus year retirement, is challenging.

### **The Costs of Long Term Care and How to Insure Against Them**

<https://www.moneysense.ca/columns/ask-a-planner/the-costs-of-long-term-care-and-how-to-insure-against-them/>

According to the Ontario Long Term Care Association's report *This is Long-Term Care 2019*, 82% of long-term care residents are 75 years of age or older, and 55% are 85 or older. Residents under 75 are generally those who “have experienced a brain injury, stroke, and other conditions that require 24/7 care.” About 64% of long-term care residents have a diagnosis of dementia and 90% have some form of cognitive impairment.

The average monthly rent for a standard space in retirement homes by province, according to the Canada Mortgage and Housing Corporation (CMHC) Seniors' Housing Report for 2019, is listed below. To be clear, these averages do not include or reflect the cost of government-subsidized nursing and long-term care homes. By way of comparison, a private room in an Ontario nursing home currently costs \$2,702 per month and a basic room costs \$1,891—significantly less than the \$3,758 average reported by CMHC for private retirement homes. Similar differences apply across the country.

**Average monthly rent for a standard retirement home space (private facility).**

<https://www.seniorcareaccess.com/article/What%20Does%20Long%20Term%20Care%20Cost?>

Province	Monthly	Annual
BC	\$3 275	\$39 300
Alberta	\$3 258	\$39 096
Saskatchewan	\$3 034	\$36 408
Manitoba	\$2 619	\$33 828
Ontario	\$3 758	\$45 096
Quebec	\$1 788	\$21 456
New Brunswick	\$2 262	27 144

## **What's public? What's private long-term care?**

<https://cupe.on.ca/whats-public-whats-private-long-term-care/>

### Three types of LTCH

- municipally-operated
- not-for-profit homes
- for-profit homes.

Overall, municipally-operated long-term care facilities provide a higher standard of care than not-for-profit homes, and significantly higher than for-profit homes. According to research data, publicly owned long-term care homes do best on quality indicators, says Braedley.

“Further, there is very strong evidence that there are significantly fewer hospitalizations of residents from publicly owned long-term care homes, compared to both non-profit and for-profit homes in Canada. There are far fewer emergency room visits. This means that in privatizing a long-term care home, a municipality is likely to be transferring higher costs to the health care system. They are actually creating more costs for taxpayers, while also reducing publicly held assets,” Braedley says.

Privatization occurs when a publicly owned service or institution is divested from a municipal or other government funder/provider to a private organization, such as a community non-profit organization or a for-profit organization. “Non-profit corporations, including non-profit charitable organizations, are not public – they are not publicly owned or operated. These independent organizations are accountable to a small board of directors who decide their own membership, not to the broader community. The assets they hold are owned by the non-profit corporation and are not publicly owned. The community would in effect lose a public asset if Cassellholme were privatized and run by independent board.”

## **Long-term care homes in Canada: How many and who owns them? June 10, 2021**

<https://www.cihi.ca/en/long-term-care-homes-in-canada-how-many-and-who-owns-them>

## Definitions

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- LTC homes with similar characteristics can be called different names across the country (e.g., nursing homes, continuing care facilities, residential care homes).
- Ownership of publicly funded LTC homes offering 24-hour nursing care can be **public** or **private**.
- Privately owned LTC homes can be subdivided into **for-profit** and **not-for-profit organizations**.

The proportion of private and publicly owned LTC homes in Canada varies by jurisdiction. Overall, 54% of LTC homes in Canada are privately owned and 46% are publicly owned. Due to the varying size of LTC homes, the proportion of beds by ownership type may differ from the number of homes by ownership type.

## Care of the old—A matter of ethics, organization and relationships

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3349146/>

The world stands on the threshold of a demographic revolution called global ageing. According to WHO, the population aged 60 and over is expected to increase from today's 600 million to an estimated 2 billion by 2050 (WHO, [2012a](#)).

Alongside demographic changes, dramatic changes can also be observed in older people's services. The shift has resulted in reduced government spending on caring for ill and frail older people in health care. Today, many governments have developed strategies to keep older people living well in their private home for as long as possible and have replaced long-term care institutions with residential homes. These have similar access to services and the same skilled professionals and care workers as in traditional nursing homes (Rostgaard, [2002](#)).

Good organizational structures, based on a well-coordinated team with good co-workers and a fair and understanding manager, are important for maintaining good care (Josefsson, Åling & Östin, [2011](#)). This underlines the important role of a well-educated work force with the right skills to carry out comprehensive decisions and treatments.

Type of LTC Home						Average rent
Province/Territory	Public (%)	For Profit (%)	Not-for-Profit (%)	Un-known (%)	Total #	Monthly
Newfoundland and Labrador	98	2			40	Max \$2 990
Nova Scotia	47	47	6		19	Avg \$3 293
New Brunswick	14		86		70	Avg \$3 437
Prince Edward Island	47					Avg \$2 805
Quebec	88	12-division not known			440	\$1 211-\$1 946
Ontario	16	57	27		627	\$1 891-\$2 701
Manitoba	57	14	29		125	\$1 199-\$2 890
Saskatchewan	74	5	21		161	\$1 152-\$2 859
Alberta	46	27	27	1(private)	186	\$1 743-\$2 120
British Columbia	35	37	28		308	\$1 189-\$3 444
Yukon	100				4	Avg \$ 1 217
Northwest Territories	100				9	\$844
Nunavut	100				3	No charge
Canada	46	29	23		2 076	

<https://www.seniorcareaccess.com/article/What%20Does%20Long%20Term%20Care%20Cost?>

**Aging Well: Solutions to the Most Pressing Global Challenges of Aging [Internet].**

<https://www.ncbi.nlm.nih.gov/books/NBK553888/>

Chapter 4 Person-Centered Long-Term Care



Long-term care organizations are moving away from a traditional model of care to what is referred to as person-centered or person-directed care. The traditional long-term care model takes a more standardized, institutional, medical approach with top-down decision making inherent in a vertical organizational culture. Person-centered care uses an interpersonal approach that is steeped in the philosophies of dignity, comfort, well-being, and respect. Person-centered is a shift from a culture where the provider and staff dictate when people will sleep, eat, and shower, what they will eat, and what they will do for activities to honoring the individual rhythms and preferences of the patient. In a person-centered culture, the staff acts as a single team that shares responsibilities and accountability. The staff is empowered to be part of the system design and care planning and to form meaningful connected relationships with the residents.

The person and the family are in the center of the person-directed care organizational structure and are part of every decision regarding their care and daily routine.

### **Time to defuse the bomb that will explode when boomers turn 85**

By 2050 the costs of long-term care will take up more than a quarter of all income tax revenues

<https://financialpost.com/news/economy/time-to-defuse-the-bomb-that-will-explode-when-boomers-turn-85>

Some systems have less protection than others. At one end of the spectrum is the Canada Pension Plan: a highly monitored, partially pre-funded national program that actuaries have determined will be financially sustainable for the next 75 years. The program also has guardrails in place to ensure its long-term viability even if the future does not unfold as predicted. For example, if payroll contributions prove insufficient and the provinces can't agree on raising the rates, there is a mechanism to make modest adjustments to pension indexing that will ensure long-term sustainability.

At the other end of the spectrum is our long-term care (LTC) system. This system has no national monitoring of its financial viability and is far from adequate today, let alone in the future when demand will become even more intense.

We have not yet hit the critical threshold where large numbers of older Canadians will need care – a need that only becomes pronounced for those aged 85 and older. According to Statistics Canada’s Canadian Community Health Survey, approximately one in five seniors over age 85 have a severe disability, while for seniors ages 65 to 70, that figure is only one in twenty.

By the time baby boomers move into their 80s, a combination of factors will create intense pressure on our LTC system. Along with being the largest generation in history and having the longest life expectancies, they are also the first generation to have relatively few children. Adult children have traditionally been, and continue to be, the backbone of LTC in Canada. In fact, research by the National Institute on Ageing (NIA) has found that 75 per cent of all care is being provided informally by close family members.

Using a complex population microsimulation model to project Canada’s future LTC costs, we at the NIA found that if Canada continues on its current track and loses its 75-per-cent “family discount,” the cost of publicly funded LTC will more than quadruple in 30 years, rising to \$98 billion (in today’s dollars) from \$22 billion currently. A cost burden of that size in 2050 would represent more than one-quarter of all projected provincial and federal personal income tax revenue.

For example, experts overwhelmingly recommend helping seniors age at home – a solution that is both preferred by individuals and generally more affordable for the public purse. The prime minister’s mandate letter to Seniors Minister Kamal Khara recommends the establishment of a new benefit for those who choose to age at home, but, as always, the devil will be in the details.