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Canada's Aging Population and Public Policy: 6. The Effects on Home Care

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Canada's Aging Population and Public Policy: 6. The Effects on Home Care

(In Brief)

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CANADA'S AGING POPULATION AND PUBLIC POLICY: 6. THE EFFECTS ON HOME CARE*

1 INTRODUCTION

Persons with chronic conditions are the most frequent and costly users of health care services.[1] In many cases, their needs – including the needs of seniors who are frail – can be met with a range of health and social services that allow people to remain in their homes. The proportion of persons with one or more chronic conditions increases with age so that, as the population grows older, an array of care options for seniors who require support will be needed, including informal caregivers (friends and family) and private sector options, as well as public sector home care services. This publication will provide a brief overview of the questions being raised by policy-makers regarding the federal role in responding to these needs.

2 INFORMAL CAREGIVERS

A number of life situations can result in people providing care for one another. While some mutual care is a normal feature of life in families and communities, higher levels and intensity of care – and the length of time for which that care is required – can challenge caregivers. The Canadian Caregiver Coalition suggests that there are between four and five million Canadians providing care for a family member with long-term health problems. A survey of adults over 45 by Statistics Canada found that more than two million Canadians provided care to friends and family members who were seniors.[2] Of these, in about 25% of the cases, seniors were providing care to other seniors. The survey also found that caregivers were more likely to be women (57%), employed (57%) and married (75%) than non-caregivers.

Facilitating the relationship between caregivers and the recipients of care requires a multi-pronged approach: programs and policies aimed at supporting the caregivers (such as employment-related leave), those aimed at the recipients of care, and those that benefit both caregivers and recipients (such as the availability of home care services and long-term care).

2.1 EMPLOYMENT AND WORKPLACE SUPPORTS FOR CAREGIVERS

As noted above, Statistics Canada found that 57% of those who provide care to seniors are employed.[3] Many of these caregivers rely on supportive measures such as protected leave and flexible work arrangements to remain attached to the labour market. The past decade has seen important developments in this area, including the introduction of Compassionate Care Benefits under Employment Insurance (EI) in 2004[4] and continued improvements to those benefits, such as expanded eligibility to a wider group of family members and the option for self-employed persons to pay EI premiums and become eligible for the benefits. Some stakeholders have proposed further improvements to the program, including a simpler application process, increased benefit levels, and better promotion of the program.[5]

2.2 Information, Navigation and Support

Many caregivers face challenges getting information about supports, navigating among different providers of information or supports, or obtaining services that meet their needs.[6] Caregivers have identified the need for training, information sharing, counselling, emotional support and respite care. While many community organizations support unpaid caregivers, they may not be adequately resourced to provide all needed supports. A study conducted by the Multiple Sclerosis Society of Canada concluded that "greater collaboration is required among governments to ensure caregivers are able to find appropriate information about caregiving and health services."[7]

2.3 Measures to Reduce the Private Costs of Caregiving

Caregiving can be costly for caregivers, with significant out-of-pocket and employment-related costs. The Canadian Caregiver Coalition reports that more than one third of caregivers report extra expenses due to their caregiving responsibilities.[8]

Programs and policies in some other countries help reduce the private costs associated with caregiving. These include direct compensation paid to the care receiver or caregivers, and indirect benefits such as tax relief or third-party payment of pension credits or insurance premiums.[9]

In Canada, federal tax-related initiatives to reduce the private costs of providing care include the federal medical expense tax credit, the disability tax credit, the attendant care expense deduction, and the caregiver tax credit.[10] The family caregiver tax credit was introduced in Budget 2011 to provide new tax support for caregivers of infirm dependent family members; this credit is expected to take effect in the 2012 taxation year.

3 HOME CARE

Home care (also known as home and community care) includes a wide range of services, including professional services such as nursing, occupational therapy and social work; personal care services to assist in the activities of daily living, such as bathing, toileting, transferring and grooming; and homemaking and home support services such as cleaning, doing laundry and preparing meals.[11] When the support of family and friends cannot meet these needs, the proper combination of home care services can postpone or avoid institutional care. Technological advances such as remote monitoring are also making it easier to support people in their homes.

Most home care services in Canada are managed, organized and/or delivered by provincial and territorial governments. The federal government's role is largely limited to funding support through transfer payments for health and social services; more direct funding for home care services to groups that fall under federal jurisdiction, i.e., First Nations people on-reserve and Inuit in designated communities, members of the armed forces and the RCMP, and eligible veterans; and support for research and policy analysis on home and community care across Canada.[12]

3.1 Federal Funding for Home Care

3.1.1 Canada Health Transfer

The federal government provides financial support for health and social services through two transfers: the Canada Health Transfer (CHT) and the Canada Social Transfer. The *Canada Health Act* "establishes criteria and conditions related to insured health services and extended health care services that the provinces and territories must fulfill to receive the full federal cash contribution under the Canada Health Transfer."[13]

Two categories of services are covered under the *Canada Health Act*: insured health services (such as hospital and doctor care) and extended health services (such as residential long-term care, home care, adult residential care, and ambulatory health services). Five criteria must be met in the provision of insured health services in order to receive the full contribution under the CHT: universality, public administration, comprehensiveness, portability and accessibility. These criteria do not apply to extended health services, so they do not apply to the delivery of home care.[14] As a result, the availability and accessibility of home care vary significantly across the country.

3.1.2 2003 First Ministers' Accord on Health Care Renewal

In 2004 the federal government took on a more direct role in funding home care after the federal, provincial and territorial governments agreed, as part of the 2003 First Ministers' Accord on Health Care Renewal, to fund three types of home care: acute care immediately after release from hospital, acute mental health care, and end-of-life care. While this agreement has recognized home care as part of the spectrum of health care services, the emphasis on short-term post-acute home care has not addressed the longer-term care needed for those with chronic illnesses or for the frail elderly.

3.2 Direct Funding of Services – Eligible Veterans, First Nations People On-reserve, and Inuit in Designated Communities

The federal government funds and manages direct home care programs and services for specific groups under its jurisdiction, including eligible veterans, First Nations people on-reserve, and Inuit in certain communities.

3.2.1 Veterans

The Veterans Independence Program is designed to help veterans remain healthy and independent in their own homes and communities by providing a wide range of services, from grounds maintenance and housekeeping to personal care and nursing care at home.[15] The program provides a continuum of services to respond to changing needs and emphasizes early intervention. It is often upheld as a model home care program in Canada.[16]

3.2.2 First Nations People and Inuit

The federal government recognizes that, on average, First Nations people and Inuit require home and continuing care services 10 years earlier than other Canadians.[17] As part of the 2003 First Ministers' Accord on Health Care Renewal, the federal government made a commitment "to enhancing its funding and working collaboratively with other governments and Aboriginal peoples to meet the objectives set out in this Accord"[18] – among which are objectives relating to the provision of home care.

Two federal programs provide home care to First Nations people on-reserve and to Inuit in specific northern communities: the First Nations and Inuit Home and Community Care Program (Health Canada) and the Adult Care Program through Indian and Northern Affairs Canada. The Adult Care Program assists First Nations people who have functional limitations due to age, health problems or disabilities. The First Nations and Inuit Home and Community Care Program funds the delivery of home and community-based services to support those with chronic diseases, persons with disabilities, and the elderly in over 600 communities. Because they are funded by two separate departments, the federal home care programs for First Nations people and Inuit have been criticized for a lack of coordination which contributes to ongoing gaps and duplication in the provision of care.[19]

3.3 What Role for the Federal Government?

In response to the greater numbers of people both requiring care and providing care as the "baby boom" generation ages, stakeholders have identified a number of possible additional roles for the federal government.

3.3.1 Encouraging Saving for Care and Helping with the Cost of Care

Some home care services are currently provided by the private sector and paid for either by family members or through personal savings. According to the Health Council of Canada, slightly more Canadians reported using home care services not funded by the government (2% to 5%) than those who reported using government-funded home care services (2% to 3%).[20] Many Canadians are surprised to discover that the public health system does not cover all costs associated with care services, and that they may be expected to cover some or all of the costs associated with long-term care or home care. As a result, some Canadians are unprepared for the funds they must disburse for these services. Policy proposals to address this problem include incentives to encourage people to save for the costs associated with home care, and improved measures to help Canadians cover costs related to obtaining or providing care.[21]

3.3.2 National Home Care Program

Some people[22] advocate for a national home care program, or suggest that home care should be covered under the insured health services under the *Canada Health Act*. They point out that one of the changes in the health care field has been a shift in emphasis from hospitals and doctors to community care, and that this shift has not

been reflected in the way that services are funded. The *Report on the National Dialogue on Health Care Transformation*, released by the Canadian Medical Association in August 2011, recommended "expanding the scope of the *Canada Health Act* to include a national pharmacare plan and home care."[23]

3.3.3 A Leadership Role in Integrated Care

Yet others suggest that the health and social sectors could be better integrated to support aging Canadians in meeting their complex care needs.[24] Systems that separate health care and social care funding make it difficult to make substitutions between the funding envelopes. Although the *Canada Health Act* imposes criteria on provinces related to the transfers they receive for health funding, provinces have much more room for discretion when it comes to the services that might be considered "social." While the federal, provincial and territorial governments agreed in 2004 to provide funding for short-term acute home care, including acute community mental health and end-of-life care,[25] some commentators point out that there is still a significant gap in the provision of the type of home care needed to support those with chronic conditions – which is the kind of care more often required by seniors. A combination of health and social supports is often needed.

Various analyses of home care for seniors suggest that it may be possible to make efficient trade-offs in the health and social sectors. They emphasize that greater integration of home care within the range of health care options,[26] a concept known as "integrated care," is more efficient and provides the care that is needed where and when it is needed. [27] In its 2009 report, the Special Senate Committee on Aging noted that the "federal government is well placed to play a leadership and coordination role with the other jurisdictions to create incentives to support a move toward integrated, coordinated care across the country."[28]

4 USEFUL RESOURCES

For a timeline of federal, provincial and territorial initiatives, see:

- Canadian Healthcare Association. *Home Care in Canada: From the Margins to the Mainstream*. Ottawa, 2009.

For information on the cost-effectiveness of home care in Canada, see:

- Hollander, M., and N. Chappell. *Synthesis Report: Final Report of the National Evaluation of the Cost-Effectiveness of Home Care*. National Evaluation of the Cost-Effectiveness of Home Care, Victoria, B.C., 2002.

NOTES

* This paper is one of seven in the Library of Parliament series, "Canada's Aging Population and Public Policy." The other publications are:

André Léonard, *1. Statistical Overview*, Publication no. 2011-63-E, 28 February 2012.

Édison Roy-César, *2. The Effects on Economic Growth and Government Finances*, Publication no. 2011-121-E, 5 December 2011.

Raphaëlle Deraspe, *3. The Effects on Health Care*, Publication no. 2011-122-E, 21 October 2011.

André Léonard, *4. The Effects on Public Pensions*, Publication no. 2011-120-E, 4 August 2011.

Sandra Elgersma et al., *5. The Effects on Employers and Employees*, Publication no. 2012-07-E, 20 February 2012.

Havi Echenberg, *7. The Effects on Community Planning*, Publication no. 2012-02-E, 23 January 2012.

1. Margaret MacAdam, "Progress toward integrating care for seniors in Canada," *International Journal of Integrated Care*, Vol. 11, Special 10th Anniversary Edition, 26 April 2011, pp. 1–9.
2. Kelly Cranswick and Donna Dosman, "Eldercare: What We Know Today," *Canadian Social Trends*, No. 86, Statistics Canada, 2008.
3. Ibid.
4. Compassionate Care Benefits provide income assistance and job security to family members and friends who take temporary leave from regular employment to care for a terminally ill person at risk of dying. For more information, consult Service Canada's *Employment Insurance (EI) Compassionate Care Benefits* website.
5. For a list of recommendations for improvements to Canada's Compassionate Care Benefits, see Allison Williams et al., *Evaluating Canada's Compassionate Care Benefit From the Perspective of Family Caregivers*, Hamilton, 2010.
6. Human Resources and Skills Development Canada, *National Conference on Caregiving: Results of Public Engagement on Unpaid Caregiving*, 2005.
7. Multiple Sclerosis Society of Canada, *The Cost of Caring: Implications for Family Caregivers*, Toronto, 2008, p. 3.
8. Kelly Cranswick, *General Social Survey, Cycle 16: Caring for an Aging Society*, Catalogue no. 89-582-XWE, Statistics Canada, Ottawa, 2003.
9. For examples of how other countries provide financial support to caregivers and persons requiring care, consult the final report of the Senate, Special Committee on Aging, *Canada's Aging Population: Seizing the Opportunity*, April 2009, p. 122.
10. For more information on these tax credits, see Canada Revenue Agency, "Medical and Disability-Related Information 2011," *Forms and Publications*.
11. Commission on the Future of Health Care in Canada, *Building on Values: The Future of Health Care in Canada – Final Report*, 2002.
12. Health Canada, "Home and Community Care: Health Canada's role," *Health Care System*.
13. Health Canada, "Canada Health Act," *Health Care System*.

14. In addition, in order to receive the Canada Health Transfer (CHT), a province must provide the Minister of Health with the information reasonably required for the purposes of the *Canada Health Act*, and the province must recognize the CHT in any public documents relating to insured health services or extended health services in the province.

15. For more information, see Service Canada, *Veterans Independence Program*.

16. Gerontological Advisory Council, *Keeping the Promise: The Future of Health Benefits for Canada's War Veterans*, Report of the Gerontological Advisory Council to Veterans Affairs Canada, November 2006.

17. Government of Canada, *Government Response to the Report of the Special Senate Committee on Aging:* Canada's Aging Population: Seizing the Opportunity, October 2009.

18. Health Canada, "2003 First Ministers' Accord on Health Care Renewal," *Health Care System*.

19. Senate of Canada, Special Senate Committee on Aging (2009), p. 174.

20. Health Council of Canada, *Fixing the Foundation: An Update on Primary Health Care and Home Care Renewal in Canada*, Toronto, January 2008.

21. For example, the Multiple Sclerosis Society of Canada is proposing making the caregiver tax credit refundable, and the Canadian Cancer Society is calling for a non-taxable monthly family caregiver tax benefit.

22. Examples include the Canadian Healthcare Association (in its report entitled *Home Care in Canada: From the Margins to the Mainstream*, Ottawa, 2009), as well as union groups such as the Canadian Labour Congress and the National Union of Public and General Employees.

23. Canadian Medical Association, *Voices Into Action: Report on the National Dialogue on Health Care Transformation*, August 2011, p. 4.

24. Proposals for integrating care have been put forth by organizations such as the Alzheimer Society. (See Alzheimer Society, *Rising Tide: The Impact of Dementia on Canadian Society*, 2010) The Health Council of Canada identified "the state of home care and its integration with primary health, acute, and long-term care" as a focus for governments, in its *Progress Report 2011: Health Care Renewal in Canada*, May 2011, p. 25.

25. Health Canada, "Home care," *Health Care System*, September 2004.

26. Marcus J. Hollander, Hollander Analytical Services Ltd., as quoted in Senate, Special Committee on Aging (2009), p. 34.

27. MacAdam (2011), p. 1.

28. Senate, Special Committee on Aging (2009), p. 39.