



Advant**Age**  
Ontario

Advancing Senior Care

# Federal Pre-Budget Submission 2024-25

December 2023

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## Background

Long-term care is still reeling from the impacts of the pandemic, and from the constant changes from all levels of government to try and address issues in the system. Against this backdrop, however, it also became crystal clear that not-for-profit (NFP) models of long-term care, including municipal and charitable homes, provide higher quality of care and performed best during the pandemic. This reinforces data collected in many studies before the pandemic showing higher quality of care in non-profit long-term care homes. Not surprisingly, these homes are the first choice of the majority of people in Ontario waiting for a spot in long-term care, and in fact, many of the elements highlighted in the National Standards reflect the leading practices already in place in many of our member homes across the province.

To make these National Standards a reality, and to help Ontario deal with the aging of our population, AdvantAge Ontario is calling on the federal government to move away from the outdated provincial-federal divide. It will take our collective efforts to build the high quality and robust system of care our seniors deserve. It is through this lens that our pre-budget submission provides six recommendations related to seniors' care to help seize this pivotal moment and make the promise to transform seniors' care in Canada a reality.

## Summary of Recommendations

**Recommendation #1: Create a dedicated and sustainable funding stream with the provinces for long-term care for net new initiatives, such as those outlined in the CSA and HSO National Long-Term Care Service Standards (“National Standards”).**

**Recommendation #2: Make seniors supportive housing and long-term care eligible for new GST rebate.**

**Recommendation #3: Expand and enhance funding supports through the Canada Infrastructure Bank (CIB) and CMHC to help build new and rebuild existing not-for-profit long-term care homes in Ontario and across Canada.**

**Recommendation #4: Invest in building and repairing affordable seniors' housing across the continuum with dedicating funding from the National Housing Strategy and other federal affordable housing funding and financing programs specifically for seniors.**

**Recommendation #5: Develop a funded national Health Human Resources (HHR) Strategy.**

**Recommendation #6: Exempt long-term care homes from individual Labour Market Impact Assessments to help address staff shortages and improve care.**

# Overview

## *Dedicated Funding Stream for Long-Term Care*

**Recommendation #1: Create a dedicated and sustainable funding stream with the provinces for long-term care for net new initiatives, such as those outlined in the CSA and HSO National Long-Term Care Service Standards (“National Standards”).**

Not-for-profit, including municipal and charitable, long-term care homes always strive to deliver the best level of care for residents. Accordingly, AdvantAge Ontario generally supports the two long-term care National Standards, which outline the current best practices in the sector. We have also participated in consultations regarding the upcoming mental health and well-being standard in long-term care. While we understand that the national standards are voluntary, they do represent a very high bar for resident quality care that our members would like the opportunity to implement. The reality is that this cannot happen without additional funding.

The federal government currently funds our sector indirectly through the Canada Health Transfer (CHT). Unfortunately, this money does not always find its way to frontline care. It is critical, therefore, that dedicated and sustainable funding be established for the long-term care sector as part of the bi-lateral agreement between the federal government and the provinces, including Ontario, to ensure the national standards can be implemented.

For example, dedicated funding will be essential to help implement the standard that encourages emotion-focused models of care like the Butterfly and Eden models. These models are proven to transform the care experience. Our member homes have seen a positive impact on resident quality of life from these models, as well as greater staff retention and satisfaction, and broader system savings. However, there is no funding for these models of care, and they can only be put in place if homes can find additional sources of revenue. As a result, wide-scale adoption has been limited to date. Providing additional funding to provinces to incentivize more homes to implement emotion-focused models of care will mean that those living with dementia and other cognitive ailments will get the care and support they deserve, staffing issues will be reduced, and a core element of the new National Standard which prioritizes the emotional well-being of residents will be achieved.

The standards also include homes having all private rooms as a minimum standard. While we agree that this is ideal for infection prevention and control, as well as quality of life, it is very expensive from both a development and redevelopment perspective. Additional federal funding would help homes reach this goal.

The new funding could also help increase wages across the healthcare sector. The federal government’s commitment to funding a \$25/hour PSW wage is important in supporting our PSWs, but there is a significant need to increase funding across the sector to recruit and retain a wide range of healthcare professionals including RPNs and allied health professionals. This is where federal government funding could have massive impact on building a sustainable healthcare sector.

## *Capital Funding*

### **Recommendation #2: Make seniors' supportive housing and long-term care eligible for the new GST rebate.**

We applaud the federal government's recent announcement to remove the GST on new purpose-built rental housing. We understand that newly built retirement homes will also be eligible for the rebate (subject to meeting the conditions for the rebate). All seniors' housing should be eligible — including new seniors' supportive housing buildings, and NFP long-term care homes. They are also seniors' homes.

Residential units in long-term care homes are essentially “rented out” by a resident through their co-payment. This is considered their home, and including these types of builds as eligible purpose-built rentals would be an important incentive to spur building of these homes since the provincial government only funds part of the capital costs and the homes are responsible for covering the balance. Similarly, supportive housing projects are typically rental apartments with affordable rents where seniors reside and have on site supports such as personal care and congregate dining. They are very similar to retirement housing.

### **Recommendation #3: Expand and enhance funding supports through the Canada Infrastructure Bank and CMHC to help build new and rebuilt existing not-for-profit long-term care homes in Ontario and across Canada.**

The Government of Ontario needs to build 55,000 long-term care beds by 2033 to maintain the current waiting list of around 38,000, which is expected to increase over time as the number of seniors continues to grow. In addition, seniors strongly prefer not-for-profit homes — 68% of seniors on the wait list in Ontario chose either non-profit or municipal homes as their first choice. Taken together, it is clear that there is a need for more non-profit, municipal, and charitable long-term care homes in Ontario.

While the government of Ontario does currently provide construction funding subsidies, its current long-term care capital funding program favors for-profit long-term care builds. The unique nature of not-for-profit homes, such as having limited reserves and equity to fund these builds and the fact that most are done on a one-off basis by local community groups, means they need additional funding to complete construction. This has become increasingly important in recent years due to the increase in land values in many communities and the skyrocketing costs of construction labour and materials.

The federal government has various bodies, including the Canada Infrastructure Bank (CIB) and Canadian Mortgage and Housing Corporation (CMHC), which provide funding for priority infrastructure projects. It is critical that CIB's mandate be expanded to both include the construction and redevelopment of NFP long-term care homes and include them within the eligibility criteria for the CMHC's Mortgage Loan Insurance program. This will ensure NFP homes can secure the necessary funding so that seniors can age in the home of their choice.

## *Supportive Housing*

### **Recommendation #4: Invest in building and repairing affordable seniors' housing across the continuum by dedicating funding from the National Housing Strategy and other federal affordable housing funding, and financing programs specifically for seniors.**

There is a lack of availability of affordable supportive housing for seniors in Ontario. We call this the missing middle. Given the critical shortages in long-term care beds noted above and the national housing crisis that affects people of every age, but especially seniors on a fixed income, investments in seniors' housing, including housing where supports are provided, is urgently needed and must be part of the government's focus on more housing. Currently, however, there are no federal capital funds or federal assistance provided in a targeted manner for such housing. This is a significant gap in federal support for seniors — a gap the provinces have demonstrated time and again that they are unable to fill. The National Housing Strategy is an opportune vehicle to provide the support needed for seniors' housing.

We understand CMHC is currently involved in long-term care financing in British Columbia and was previously involved in Ontario. It needs to become involved again. CMHC should also add seniors' housing as part of its mandate. The CIB should also be encouraged to leverage its resources for this effort, as part of an expanded National Housing Strategy.

### *Health Human Resources*

#### **Recommendation #5: Develop a funded national Health Human Resources (HHR) Strategy.**

Serious staffing issues in long-term care existed prior to the pandemic, however, the pandemic caused the situation to worsen to the point where we are now in a full-blown HHR crisis.

Governments have taken initial steps to address this issue, however, to date they have been piece-meal solutions. An example of this is, as noted above, are well-deserved increases for one employee class, yet nothing for other professions in the long-term care sector. These one-off increases create many unintended consequences at the home-level, such as wage compression where one group of employees makes the same or more than others who supervise them. As it stands now, there is a mass exodus of RPNs in long-term care because they are making less than PSWs in many cases, despite their additional training and responsibilities. Everyone in healthcare works hard and they all deserve to be paid commensurate with their experience, with a salary that is reasonable relative to their peers.

Resolving this crisis will take a concerted, coordinated national effort through a national HHR strategy to improve working conditions for care providers, support training, and encourage more workers to enter seniors' care, and the health care system more broadly. This will be essential to building a stronger, more resilient health and senior care sector.

#### **Recommendation #6: Exempt long-term care homes from individual Labour Market Impact Assessments to help address staff shortages and improve care.**

AdvantAge Ontario applauds the federal government for the changes last year to the National Occupational Classification (NOC) Codes and TEER system related to PSWs to incentivize more internationally trained professionals to become PSWs in Ontario's long-term care sector.

However, too many roadblocks for internationally trained health professionals still remain. Most notably, a home must complete a Labour Market Impact Assessment (LMIA) for each internationally trained employee position, even though the significant staff shortages are well-known in the long-term care sector and every part of the health system. This is especially an

issue for NFP homes with lean administrative resources. Filling out multiple forms takes extensive staff time that could be spent on care.

While the federal government recently decreased red tape for employers in the agriculture sectors by introducing the ‘preferred employer’ program, this did not include healthcare employers. We recommend that employers in healthcare settings be included in the new LMIA program by allowing organizations to submit one LMIA that applies to all vacant positions, instead of organizations filling out an LMIA for each one.

## Conclusion

Demographic shifts in Canada towards a rapidly aging population require that the seniors’ sector in general and long-term care in particular be recognized as major issues that are national in scope and in need of federal government investments and support.

With attention to these six areas of critical importance, we believe the federal government can show even stronger national leadership where it is desperately needed and ensure that the seniors’ sector is strengthened for generations to come. AdvantAge Ontario is always available as a willing partner to help realize this important goal.

## About AdvantAge Ontario

For more than 100 years, AdvantAge Ontario has been the trusted voice for not-for-profit senior care.

AdvantAge Ontario is the only provincial organization representing the full spectrum of community-based seniors’ care, including long-term care, retirement and supportive housing, life-lease housing, social housing, and community services.

Our more than 500 members have a strong history of putting residents first, reinvesting in care, and building up their communities, caring for 35,000 long-term care residents and providing 10,000 seniors’ housing units across every corner of the province.

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