



Advant**Age**  
Ontario

Advancing Senior Care

# Federal Pre-Budget Submission 2025-26

October 2024

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## Background

Not-for-profit (NFP) models of long-term care, including municipal and charitable homes, provide high quality care, as evidenced by many research studies, and not surprisingly are the first choice of the majority of people in Ontario waiting for a spot in long-term care. 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. Our Association applauds the federal government's appreciation of the unique role that our members play in the seniors' sector, shown through the recent decision to make long-term care eligible for the GST/HST rebate.

This important decision was the result of longstanding advocacy from our members and a listening ear from the federal government. We believe there is more that we can do together to strengthen seniors' care across Canada. It will take our collective efforts to build the high quality and robust system of care that our seniors deserve. Without new investment in seniors' care, standards and ideas will not go far enough. We need federal funding commitments to allow improvements to materialize. It is through this lens that our pre-budget submission provides five 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 Ontario for seniors' care for net new initiatives, such as those outlined in the CSA and HSO National Long-Term Care Service Standards, including the new National Standard to Address Mental Health and Well-Being in Long-Term Care and Assisted Living Settings ("National Standards").**

**Recommendation #2: Expand and enhance funding supports through the Canada Infrastructure Bank and CMHC to help build new and rebuild existing not-for-profit long-term care homes in Ontario and across Canada.**

**Recommendation #3: Invest in building and repairing affordable supportive 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.**

**Recommendation #4: Develop a funded national Health Human Resources (HHR) Strategy.**

**Recommendation #5: 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 Ontario for seniors' care for net new initiatives, such as those outlined in the CSA and HSO National Long-Term Care Service Standards, including the new National Standard to Address Mental Health and Well-Being in Long-Term Care and Assisted Living Settings ("National Standards").**

Not-for-profit long-term care homes, including municipal and charitable, always strive to deliver the best level of care for residents. Accordingly, AdvantAge Ontario generally supports the three National Standards, which outline the current best practices in the sector. 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 Ontario, to ensure the national standards can be implemented. We understand that bi-lateral deals to find initiatives in seniors' care have been funded for every province so far, except Ontario.

Below are some examples of what this funding could do in Ontario:

- Help implement the standard that encourages emotion-focused models of care like the Butterfly and Eden models.
  - These models are proven to truly transform the care experience, and they are particularly effective for residents with dementia.
  - Almost 90% of all residents in long-term care have some form of cognitive impairment, and at least 70% have a dementia diagnosis.
  - Our member homes have seen a major positive impact on resident quality of life from these models as well as greater staff retention and satisfaction, and broader system savings.
  - There is no public 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 improved care and staffing issues will be reduced. Additionally, a core element of the new National Standard which prioritizes the emotional well-being of residents will be achieved.
- Implementing the standard of all homes having all private rooms as a minimum requirement.
  - While we agree that this is ideal for infection prevention and control as well as quality of life, it is incredibly expensive from both a development and

redevelopment perspective. Significant, additional federal capital funding would be required to help homes reach this goal.

- 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 a massive impact on building a sustainable healthcare sector.

## *Capital Funding*

### **Recommendation #2: Expand and enhance funding supports through the Canada Infrastructure Bank and CMHC to help build new and rebuild 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, evidence shows 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; however, 58 percent of the homes are for-profit and 42% are non-profit. Taken together, it is clear that there is a need for more non-profit, municipal, and charitable long-term care homes in Ontario. This is on top of the need for Ontario to redevelop 30,000 beds in older homes.

While the government of Ontario does provide construction funding subsidies, its current long-term care capital funding program favors and incentivizes for-profit long-term care builds. The proportion of for-profit homes will rise under the current system – despite the overwhelming evidence that non-profit homes provide better quality care, had much fewer resident deaths during Covid-19, and are the predominant choice for consumers. In a *British Medical Journal* (BMJ) systematic review of Canadian long-term care homes, the evidence showed that, on average, not-for-profit nursing homes deliver higher quality care than do for-profit nursing homes.

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 and financing support 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. However, over time, non-profit homes contribute significantly to their budgets from fundraising, municipal tax bases and volunteer resources.

The federal government has various bodies, including the Canada Infrastructure Bank (CIB) and Canadian Mortgage and Housing Corporation (CMHC), that 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 #3: Invest in building and repairing affordable supportive 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. Many seniors cannot afford retirement homes, and home care options are very limited. 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, particularly seniors on a fixed income, investments in seniors' housing, including housing where supports are provided, are 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' supportive 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 #4: 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, 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 has been 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.

A funded HHR strategy could also implement a key advocacy pillar of our Association, which is wage harmonization between the community health and hospital sectors. In Ontario, there is currently a \$2 billion gap in community health care workers' wages with hospital staff who do similar work, and this is driving high attrition rates in community health. A federal government investment in wage increases would significantly benefit staffing sustainability in seniors' care. There is no reason that staff who do similar jobs in workplaces such as hospitals should make significantly more than those in long-term care or home and community care.

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

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 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.

We understand that there are recent issues with easing restrictions on international workers into Canada. However, we encourage the federal government to look at the healthcare sector through a different lens. In Ontario alone, within the next five years, there will be a need for at least 59,000 more nurses and PSWs to accommodate additional care hour investments and expanded spaces in the long-term care sector alone. There will not be enough healthcare professionals graduating from Ontario post-secondary school programs to fill this need, and increasingly homes are looking beyond Canadian borders for help. By making the LMIA process simpler and more straightforward, the federal government can help thousands of Ontarians receive high quality, frontline care.

## 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 the above areas of critical importance, we believe the federal government can show even stronger national leadership and investment 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 voice of not-for-profit seniors' care in Ontario. We represent more than 500 providers of long-term care, seniors' housing, supportive housing and community service agencies, including 98 per cent of all municipal long-term care homes and 86 per cent of all not-for-profit long-term care homes.

## Information Contact

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