



AdvantAge
Ontario

Advancing Senior Care

Stability, Quality, Capacity: **Building a Stronger Seniors' Care System**

2025-26 Provincial Pre-Budget Submission



Introduction

Over the last several budgets the Ontario government has continued to increase funding towards seniors' care to address the deep systemic challenges that resulted from years of underinvestment.



Long-term care, home and community care, and supportive housing providers have all come together with policy makers to implement transformational reforms and work towards building a new era of stable, quality care for seniors in Ontario.

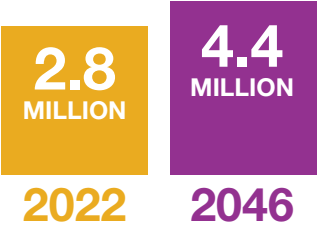
These investments are beginning to bear fruit. New homes are being built as older ones are undergoing redevelopment. More staff are being hired, and the number of hours of daily direct care per resident has been rising, resulting in improved quality of care for seniors. This progress, however, is fragile, and today the positive momentum is at risk.

As the sector has been improving, it once again finds itself facing a substantial threat: the pending dramatic rise in Ontario’s seniors’ population, which will put a strain on the system unlike anything that has come before. This is coinciding with an ongoing health human resource crisis that impacts the ability to retain and attract staff.

To sustain and protect the gains made in recent years, and to position the sector to respond to the anticipated rise in the number of seniors requiring complex care over the near term, there is an urgent need for additional action.

The government must not delay. AdvantAge Ontario recommends targeted investments in three key areas that will have the greatest impact on the wellbeing of seniors, not just in one area, but across the entire continuum of seniors’ care.

Ontario seniors: Projected population growth



Source: <https://www.ontario.ca/page/ontario-population-projections>

Three targeted areas to keep delivering for seniors:

- 1 Stability:**
Addressing the staffing crisis and stabilizing the long-term care system
- 2 Quality:**
Supporting the unique role of the not-for-profit long-term care sector
- 3 Capacity:**
Increasing capacity in home and community care

1 **Stability:** Addressing the staffing crisis and stabilizing long-term care

Over the last six years, an exodus of staff from long-term care homes has coincided with an increase in the complexity of resident care requirements. These two challenges are intertwined: as staff turnover increases, the job of caring for increasingly complex residents becomes harder, further driving staff from the sector. Widening wage gaps with other areas of the healthcare system further entrench this challenge.

From 2018 to 2024, the proportion of Ontario LTC residents with moderate clinical complexity has increased from 26% to 31%.

In 2023, the proportion of LTC residents in Ontario having any form of cognitive impairment (including dementia and other conditions such as stroke or trauma) was 79.1%.

Source: Canadian Institute for Health Information (CIHI)

Average salary increases by sector, 2023



Source: Eckler Ontario Community Health Compensation Market Salary Review

As frontline workers in hospitals and other acute settings have achieved above-inflation wage gains in recent years, wages for those in community healthcare settings (such as long-term care) have lagged far behind. Inflation creates additional pressures as homes face an array of rising costs without a concomitant increase in support from the province, complicating the issue further. Furthermore, many municipal homes and homes run by hospitals must pay higher wages than what the government currently funds. This puts pressure on the municipal tax base and on hospitals' budgets and creates additional discrepancies and funding gaps.

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The Consumer Price Index increased 3.9% year-over-year in 2023, and it has averaged 3.4% in the first 9 months of 2024.

Food prices in Ontario have increased by 24.5% from September 2020 to September 2024.



Source: Statistics Canada

Recommendations

The province's 2025-26 Budget should ensure homes have the staff they need to provide residents with high-quality care, while also meeting their dietary needs, by:

- > Increasing the Level of Care funding by 8.8% and permanently tying it to inflation to ensure it always keeps up with the rising cost of caring for seniors.
- > Investing \$500 million annually over the next five years to harmonize wages so that community healthcare workers' wages match those of similarly qualified workers in other fields. This funding should be in addition to ongoing annual increases in line with inflation.
- > Ensuring full compensation for all organizations affected by Bill 124, addressing both retroactive and ongoing impacts to maintain stability in health human resources. This includes providing wage reopener funding for homes that did not have negotiations finalized until 2024 or beyond.
- > Fully funding a northern and rural health human resources strategy to address the unique challenges faced by these communities, including lack of public transportation, childcare, affordable housing options, stubbornly high staffing agency use rates, and limited professional development opportunities.
- > Providing permanent funding to set up homes for success in health human resources by supporting a dedicated position for HR staff to support crucial recruitment and retention efforts and covering the cost of homes bringing on international staff.
- > Ensuring full compliance with the *Fixing Long-Term Care Act, 2021*, by supporting hiring dedicated positions to lead the new requirements for quality improvement and emergency planning.



2 **Quality:** Supporting the not-for-profit sector's¹ unique role in providing high-quality seniors' care

Not-for-profit homes are the preferred choice for the vast majority of Ontario seniors. This is because, absent any requirement to deliver a shareholder return, not-for-profit homes can redirect more resources towards providing more and better care. But this advantage in care creates a disadvantage in developing new beds. Not-for-profit homes are not developers, nor do they have the same access to capital as for-profit developers. Unlike large for-profit operators, which often have dedicated divisions for capital development, not-for-profit homes typically lack access to similar infrastructure and resources, making it more difficult to finance, plan, and execute new projects.

As the long-term care sector expands to meet the demands of a growing seniors' population, not-for-profit homes require additional support, including dedicated funding from the government, to overcome these barriers and ensure that more seniors can be placed in a home that matches their preferences. Additionally, the rapid rise in costs for land, construction materials, and labour over the last five years demands targeted government action to ensure that the not-for-profit sector is able to meet the Ministry of Long-Term Care's growth targets.

Not-for-profit long-term care homes are not developers and shouldn't be treated like them.

The average cost per bed for not-for-profit home redevelopment increased 23% over the last two years.



Source: AdvantAge Ontario member surveys



7.6% 2023 CPI for residential building construction costs

<https://www150.statcan.gc.ca/n1/daily-quotidien/240201/dq240201a-eng.htm>

Between the start of the pandemic and 2023, Canada's residential construction price index soared by 51%, well outpacing the CPI

<https://thoughtleadership.rbc.com/proof-point-soaring-construction-costs-will-hamper-canadas-homebuilding-ambitions/>

¹ The not-for-profit sector includes not-for-profit, charitable, and municipal long-term care homes.



Recommendations

Since 2022, the Ministry of Finance and the Ministry of Long-Term Care have taken important steps to assist not-for-profit homes in moving ahead with new and redeveloped beds. The 2025-26 Budget should consolidate those gains and ensure all existing and future development projects can move forward by:

- > Extending the construction funding subsidy supplementary \$35 top-up funding so that it reflects current market costs and pressures, ensuring not-for-profit providers can undertake necessary infrastructure development. This includes providing upfront seed funding of up to \$250,000 to not-for-profit LTC homes to cover project planning costs.
- > Providing seed funding to non-profit and municipal homes that wish to establish not-for-profit management support services. They would support new not-for-profit operators entering the sector and existing not-for-profits that are seeking supports aligned with their mission and mandate.
- > Making a long-term commitment to maintain the Other Accommodation funding at 100% for B&C beds until a long-term care home is redeveloped.² This is essential to providing the financial stability that not-for-profit homes need to obtain favourable financing terms.

² B & C beds are older LTC beds that either meet or substantially exceed the structural standards of the Nursing Homes Act, 1972.

3 **Capacity:** Increasing support for seniors living in the community

More than nine in ten Ontarians, when asked, prefer to age at home for as long as possible. Unfortunately, many seniors are placed in long-term care not because it is medically necessary but because of a lack of available support in the community that could keep them living independently. This is an expensive option and could be avoided by more efficiently investing in the capacity of the home and community care sector.

91% of Ontario seniors want to live at home as they age, and want government help to do it

Source: <https://www.ipsos.com/en-ca/news-polls/Nearly-All-Canadians-45-Want-Age-Home-But-Only-1-in-10-Afford-Cost-PSW>

Average cost per day of caring for seniors:

Assisted living \$63

Long-term care \$200

Source: 2020 City of Toronto Report for Action: Plan to Create Supportive Housing Opportunities



Assisted living is the missing piece of the continuum of care that could be keeping more seniors healthy at home. It needs to be strengthened. However, assisted living in seniors' supportive housing providers have not seen significant provincial investment in years. As a result, some existing operators are finding it increasingly difficult to continue operating and are considering shutting down entirely. The province cannot let this happen.

Recommendations

The 2025-26 Budget should ensure that more seniors have the support they need to make their own choices about where they live by:

- > Creating a separate stream of capital and operating funding specifically for seniors' housing to increase the supply of affordable supportive housing and expand the capacity of supportive and assisted living housing.
- > Supporting existing operators of seniors' supportive and assisted living housing by providing a 7% increase in funding to help them sustain existing service levels for current clients and address the significantly decreased availability of these programs due to the sustained lack of funding increases over time.
- > Funding for a feasibility study for the Nursing Home Without Walls (NHWW) program to help more seniors age at home. Learning from the success of this program in New Brunswick, AdvantAge Ontario's NHWW would begin as a pilot project in collaboration with not-for-profit and municipal long-term care homes. In the NHWW program, long-term care homes provide the physical space and administrative oversight to support NHWW staff and operations in the community. This leverages our homes' trusted knowledge of the local community and aging to help more older adults and caregivers successfully age in place at home.

Assisted living in seniors' supportive housing providers have not seen a significant provincial investment in years.

Conclusion

Building a high-quality system of seniors' care requires an ongoing commitment to invest, collaborate and grow. In its most recent budgets, Ontario has demonstrated this commitment to seniors by making targeted, incremental improvements across the continuum of care. In 2025-26, the table is set to protect the success that has been made to date by investing in stability, quality and capacity. As the population of seniors in Ontario continues to grow, the momentum must continue. The not-for-profit sector looks forward to continuing to expand its offerings and to working with the government to ensure that Ontario is the best place in the world to grow old.

