Canada

Long-term Care

18 May 2011

Key Facts

- In 2010, about 13 % (OECD average 15%) of Canada's population is aged over 65 and about 3.5 % (OECD average 4%) over 80.
- In 2006, Canada's expenditure on long term nursing care was equivalent to about 1.5 % of its gross domestic product (GDP). More than 80 % of these expenditures were targeted to institutional care (OECD Health Data, 2010).
- In 2008-09, about 0.7 % (250,000 individuals) of the Canadian population resided in an institution, of which about 75 % were 65 years and older. The 238,000 individuals are equivalent to about 4 % of the population over 65.
- In 2008-09, there were approximately 4 850 residential care facilities across Canada with 270 000 approved beds. Of these beds, about 217 000 were approved for homes for the aged (Statistics Canada, 2008-2009).
- In 2006, more than 2.5 % (875,000 individuals) of the population reported receiving home health care and home support; about 60 % of this group received home health care only (CIHI, 2007).
- In 2006, about 160,000 nurses and personal carers worked in the long-term care (LTC) sector on a full-time basis and close to 70,000 on a part-time basis (OECD Health Data, 2010 based on Census 2006).

Background

Canada is a federal state composed of provinces and territories, which have the primary responsibility for health care services, including long-term care (LTC) that is provided by home care programs, community-based programs, and nursing homes. Under the *Canada Health Act*, which is Canada's federal legislation for publicly funded health care insurance, these services are considered non-insured and thus provinces and territories are responsible for the design, delivery, and administration of LTC services to all their residents. While generally the responsibility for LTC falls under provincial/territorial health departments, regional health authorities usually deliver services and programming on their behalf.

The federal government's most visible role in the LTC sector is through general health and social transfers to provinces and territories, as well as tax measures that recognise the costs associated with dependency or caregiving. The federal government also has a responsibility to provide health services, including long-term care, to specific groups of Canadians, including aboriginals and veterans.

Benefits and Eligibility

Nursing Homes

Generally, nursing homes are regulated institutions that provide for nursing and personal care, subject to a personal contribution (called co-payments). Admission to a nursing home is based on a needs assessment that measures a person's health status and level of functional impairment. Assessment tools vary across provinces and territories.

The primary financing source for publicly funded care in nursing homes is provincial taxes and the Canada Health Transfer (see the Funding and Coverage section). In all jurisdictions, the level of personal contributions is determined according to one's income and/or assets, with government subsidies available to support those who require financial assistance. In 2006, the private-share of in-patient long-term nursing care represented about 20 % of the total costs of care (OECD Health Data, 2010). What is covered by personal contributions to nursing home care costs varies across provinces and territories. In most jurisdictions, personal contributions for publicly-funded nursing home costs are based on the value of hotel services (board and lodging), as health services are covered by most provincial/territorial governments.

Home Care

All provincial and territorial plans cover a core group of services consisting of case management and nursing services; however, there are variations in terms of the availability and coverage for other services including medical equipment and supplies, home support and therapies (e.g., physio and occupational therapy, speech therapy, social work). These services often require personal contributions, which are usually calculated according to a personal income test. However, in the provinces of Manitoba, Ontario, Quebec and the territories Yukon, Northwest Territories and Nunavut, the available home care services are provided free of charge to eligible clients. In each jurisdiction, home care services are provided based on assessed need and while the assessment tools vary across provinces and territories, there is an increasing tendency to implement the "InterRAI- Home Care" tool.

Models for delivery of home care services range from those in which the public sector is responsible for the full range of services (including assessment of eligibility), to those in which only assessment is provided by the public sector while both professional services and home support are contracted to non-profit groups or for-profit agencies

In 2004, as part of a federal/provincial/territorial agreement (known as the Ten-Year Plan to Strengthen Health Care), governments agreed to provide first-dollar coverage (i.e., no client charge) for the following home care services, based on assessed need:

- short-term acute home care for two-week provision of case management, intravenous
- medications related to the discharge diagnosis, nursing and personal care
- short-term acute community mental health home care for two-week provision of case management and crisis response services
- end-of-life care for case management, nursing, palliative-specific pharmaceuticals and personal care at the end of life.

Other supports

The federal income tax system contains several measures to provide tax relief for formal and informal attendant care expenses. For example, the Medical Expense Tax Credit (METC) provides tax relief for above-average itemized medical or disability related expenses, including the cost of attendant care. It is calculated on the lowest personal income tax rate for the taxation year. For 2011, the METC is available with respect to qualifying medical expenses in excess of the lesser of CAD 2 052 (USD 2 023) or 3% of net income. Taxpayers may pool and claim the medical expenses that they, their spouse and their minor children incur, with no limit on the amount except for certain specific expenses (i.e. CAD 10 000, USD 9 860, limit on formal attendant care expenses when the Disability Tax Credit (DTC) is claimed). Taxpayers can also claim up to CAD 10 000 (USD 9 860) for medical and disability related expenses they incur on behalf of a dependent relative (i.e. adult child, adult grandchild, parent, grandparent, brother, sister, aunt, uncle, niece or nephew). Eligible attendant care expenses include the cost of full-time care in a nursing home and for care, or care and training, in a special school or institution, as well as the salaries paid for attendant care services in a domestic establishment.

The income tax system also contains a number of tax measures for informal attendant care provided by family caregivers, the purpose of which is to provide tax recognition for out-of-pocket non-discretionary expenses that caregivers incur for the care of dependants. For example, the DTC improves tax fairness by providing tax relief to individuals who, due to the effects of one or more severe and prolonged impairments in mental or physical functions, are restricted in their ability to perform one or more basic activities of daily living or would be restricted were it not for extensive therapy to sustain a vital function. The DTC recognizes the impact of non-itemizable disability related costs on an individual's ability to pay tax. It is calculated by reference to the lowest personal income tax rate for the taxation year. For 2011, the DTC amount is CAD 7 341 (USD 7 238), which provides a federal tax reduction of up to CAD 1 101 (USD 1 086). Individuals eligible for the DTC who do not need all of the disability amount to reduce their federal income tax to zero may transfer the unused part of the credit amount to a spouse or another eligible supporting relative.

Additional income tax credits available to family caregivers include:

- the Infirm Dependant Credit which provides tax relief to indiviiduals who support infirm adults, whether or not they live with the individual
- the Caregiver Credit which provides tax relief to individuals providing in-home care for a parent or a grandparent aged 65 years or older, or for an infirm dependent relative, including an adult child or grandchild, brother, sister, niece, nephew, aunt or uncle, who resides with the taxpayer
- the Eligible Dependant Credit which provides tax relief to individuals providing in-home support to a parent, a grandparent, an infirm adult relative or a dependent child under the age of 18 years.

Funding and Coverage

The primary financing source of public LTC services is provincial own-source revenues from the collection of general taxes. Some provinces also earmark specific taxes to fund health care, often referred to as health premiums. A portion of LTC financing comes from the federal government through the Canada Health Transfer, which consists of block transfers to provinces and territories.

Private Insurance

Canada has a young and small LTC insurance market. In 2007, about 276 000 individuals (roughly 1% of the total population) subscribed to a long-term care insurance (75% as part of a group insurance plan). A total of about CAD 65 million (USD 70 million) was paid in premiums while about CAD 9 million (USD 9.7 million) in benefits were paid (Canadian Life and Health Insurance Association Inc., health Insurance Benefits in Canada – 2007).

Caregivers

In 2007, about 2.7 million Canadians aged 45 and over, or approximately one-fifth of the total population in this age group, provided some form of unpaid care to seniors (people 65 years of age or older) who had a long-term care health problem or physical limitation (Statistics Canada, 2008). Family and friend caregivers are an important part of Canada's health care system, estimated to provide more than 80% of care needed by individuals with long-term conditions.

As a federal state, both provincial/territorial and federal levels of government are involved in providing supports to unpaid caregivers. Since health care and social services are primarily a provincial/territorial responsibility, each province and territory provides a wide array of programs to meet the needs of caregivers within their jurisdiction (e.g. formal in-home care; referral services; training; counselling; and respite care services). To complement provincial/territorial programs, the federal income tax system includes several non-refundable tax credits to assist caregivers. Each province and territory also offers non-refundable tax credits (with variable amounts and eligibility criteria) to eligible caregivers. Furthermore, the provinces of Quebec and Manitoba offer to eligible caregivers a refundable tax credit to help offset the costs of caregiving responsibilities. Also, the province of Nova Scotia has implemented a monthly caregiver benefit of CAD 400/month (USD 394/month) in direct financial support to caregivers of low income care recipients.

In addition, the federal government offers temporary income support and job protection to unpaid caregivers through the Employment Insurance Compassionate Care Benefit, which provides up to 6 weeks of income support (maximum of CAD 468, USD 461, weekly in 2011) and 8 weeks of job protection for eligible individuals requiring leave from work to care for a gravely ill family member who is at significant risk of death within 26 weeks. In addition, the Canada/Quebec Pension Plan drop-out provision allows up to 7 years of low or zero earnings, up to 15 percent of his or her contribution period, to be excluded from pension calculations for a variety of reasons, including caregiving responsibilities. Specific federal programs also provide support to caregivers of Veterans, Canadian Forces, and First Nations.

Canada

Long-term Care

18 May 2011

References

CIHI - Public-Sector Expenditure and Utilization of Home Care Services in Canada: Exploring the Data (2007) National Health Expenditure Database, Canadian Insitutute for Health Information http://secure.cihi.ca/cihiweb/products/trends_home_care_mar_2007_e.pdf

OECD 2009-2010 Questionnaire on Long-Term Care Workforce and Financing

OECD (2010) *Health Data 2010*, Paris.

OECD Social and Labour Demographics Database 2010

Statistics Canada (2008),''Study: Caring for Seniors", The Daily, Tuesday, October 21, 2008 .

Statistics Canada Catalogue no. 83-237-X, 2008/09 Residential Care Facilities