



**BC CARE PROVIDERS
ASSOCIATION**

Advocating service excellence for seniors

Recommendations to improve efficiency and sustainability of BC residential seniors care and home support sector

BC Care Providers Association
November 2009

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BC Care Providers Association (BCCPA) Action Plan Update

Feedback from care providers shape recommendations to Minister Falcon

In 2008, BCCPA completed a comprehensive Action Plan that identified a series of solutions to the challenges facing the seniors' care sector. The plan focused on increasing staffing levels in residential care facilities and securing a province-wide contract for care providers.

With the appointment of a new BC Health Minister earlier this year and in light of the uncertainty that has been created by the current economic downturn and cuts to the health care system, BCCPA is updating the Action Plan in consultation with care providers and other health stakeholders.

Following an introductory meeting in July with Health Minister Kevin Falcon, BCCPA agreed to prepare a plan that identifies:

- constructive solutions to achieve efficiencies for taxpayers without compromising quality of care for seniors
- strategic opportunities to sustain and improve senior's care in the future

A draft Action Plan update was circulated to BCCPA members in September that included a set of recommendations for Minister Falcon. The plan has now been finalized based on input from BCCPA workshops that took place during October in Saanich, Richmond and Kelowna.

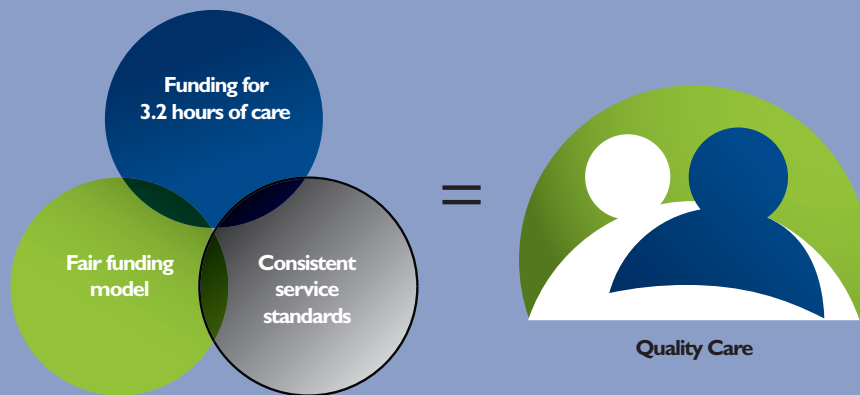
A final report and list of recommendations has now been delivered to the government. BCCPA will be meeting with the Minister and his officials to discuss our recommendations and work towards implementation.

BC Care Providers Association Fall Workshop Series

- Thursday, October 15 –
Richmond, Radisson Hotel
- Wednesday, October 21 –
Saanich, The Lodge at Broadmead
- Monday, October 26 –
Kelowna, Good Samaritan Society regional office

In the following pages, we have highlighted the recommendations BCCPA has made to the Minister. A full copy of the 2010 BCCPA Action Plan is available at www.bccare.ca.

Let's make BC the best place for seniors' care.



 **BC CARE PROVIDERS ASSOCIATION** www.bccare.ca
Advocating service excellence for seniors

BC Care Providers Association (BCCPA) Action Plan Update

1 Recommendation One: Deliver transparency and equity

An informed discussion about increased efficiency in health care must start with a commitment to more transparency.

As part of the government's service delivery review of health authorities, BCCPA is proposing a full comparative analysis of all funding provided to Health Authority residential care facilities vs. the funding provided to not-for-profit and private operated care providers for the same service. This analysis should be conducted by the Auditor General or another independent body.

The ability of the health authorities to award themselves contracts for residential care and home support at higher rates without public tender is not ultimately in the best interest of taxpayers or the seniors we serve. In addition to representing a questionable business practice, this arrangement has resulted in unequal standards of care from one region and one community to the next.

The analysis BCCPA is proposing should be completed urgently, extended to home support services and released to service providers and the public. If the independent review demonstrates that non-profit and private contractors are administering quality senior's care more cost-effectively than health authorities, the government should consider putting these services out to competitive tender.

Examples Funding Inequities – Per Diem Rates

The Fraser Health operated Czorny Care Centre's daily funding rate is estimated at \$225/resident (Feb 2007). Their Care Life Fleetwood facility's daily funding rate is reported to be over \$230/resident (March 2008). By contrast, the average daily funding rate for private or non-profit care facility is \$160/day (Feb 2009).

If 1,000 more-expensive residential care beds in health authority facilities were delivered by independent providers at an average rate of \$200/day, the total annual savings could be over \$6 million/year – without compromising quality of care.

2 Recommendation Two: Consider alternative funding models and program delivery options

BCCPA is proposing two alternative approaches to funding senior's care that can improve sustainability instead of requiring seniors and their families to pay more for health care services.

Separate care funding from accommodation costs - Seniors in residential care currently pay a daily income tested fee to cover accommodation costs. While this fee is not identified specifically as a housing cost, most believe it is part of the total cost of care. It is not.

Alberta and Ontario separate housing and care costs. BC separates housing and health care costs in the assisted living sector. BCCPA is asking the Minister to consider applying the same approach to residential care. This change would also allow low-income clients to access existing income assistance programs for housing costs.

Funding Follows Client - One way to increase efficiency within the seniors' care system is to bypass much of the health administration and provide funding to the client. The goal would be to allow families to manage their own credits and choose the type of care and facility that best suits their needs.

BCCPA is recommending the Ministry introduce this model on a pilot basis for complex residential seniors care. Here is how it can work:

- care providers must be approved/designated by health authority
- senior is assessed by health authority to determine eligibility, need & care credits
- senior/family use care credits to choose care provider & select preferred service delivery model (home support, adult day care, assisted living, residential living)
- care credits applied only to care services
- housing & hospitality services subsidized separately through existing income support programs

This pilot can also encourage hospital replacement services such as rehab, emergency care, primary and community care directly at residential facilities.

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3 Recommendation Three: Mitigate the impacts of the Harmonized Sales Tax (HST)

The BC HST represents an estimated annual tax increase of \$10.5 million for non-profit and private seniors' care providers. This analysis is based on input from BCCPA members, a review of the Ontario HST and an estimate of 17,000 funded care beds across the province (excluding Health Authority sites). The HST will also have a negative impact on private residential facilities serving seniors that would otherwise be in the public system.

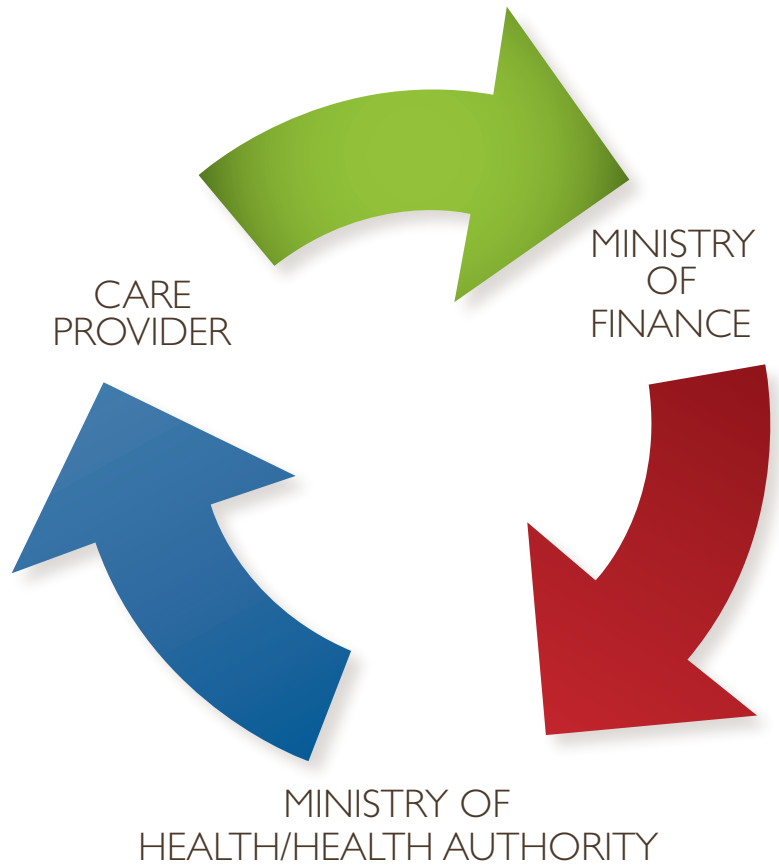
Homes contracting out care staff will pay substantially more tax under the HST (see p15). This is troubling because the province has encouraged care providers to use contracting out as a tool to improve efficiency without compromising quality of care.

The Minister of Finance has confirmed some initial mitigation measures which followed discussions with BCCPA executives (see p5). Minister Hansen has also agreed additional mitigation measures are needed for private sector care providers to ensure the HST does not pose an additional threat to the sustainability of our seniors care system. In this light, BCCPA is recommending constructive mitigation options, including:

- extend definition of Municipalities, Universities, Schools and Hospitals (MUSH) in Federal Excise Tax Act to cover all long term care providers
- use a portion of \$1.6 billion federal HST fund from to improve standards of senior's care in BC by increasing residential care staffing levels
- defined grant program to ensure all non-profit and private care providers are treated comparably and the HST is revenue neutral to facilities

Any grant program to mitigate HST in the seniors' care sector should be simple, well-defined and delivered by the Ministry or BCCPA instead of health authorities.

The BC HST represents a reverse transfer of funds from the health budget to the Ministry of Finance via care providers.



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Recommendation Four: Achieve savings and efficiency through collective bargaining

The upcoming round of collective bargaining in BC represents a turning point for the sustainability of the seniors' care sector. Under funding, benefit costs including sick time, pensions and travel allowances are threatening the viability of many care providers.

Home support turnover rates are in excess of 30% and some residential care providers are opting out of the BC Health Employers Association. Others are concerned about the performance of the Healthcare Benefit Trust (HBT) because it has drained significant resources from employers and accumulated an estimated unfunded liability of close to \$300 million.

BCCPA is proposing the following recommendations:

- conduct an operational audit of HBT as part of province-wide review of crown agencies
- consult with care providers in advance of bargaining to establish common set of sustainability objectives – particularly related to funding rates and benefit costs
- consider standardized wage rates of home support workers with care aides

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5 Recommendation Five: Increase emphasis on cost-effective home support sector

Home support remains the most cost effective method of delivering care to seniors. It is also the preferred care alternative for most families. Despite these facts, some contracted home support providers have experienced a 10% reduction this year – continuing a downward trend that started in 2007. BC should reverse this trend.

A refocus on supportive care in the home will reduce hospital utilization, promote the most cost effective care option and better respond to family needs. BCCPA is also recommending the Health Ministry work with home support sector to:

- identify operational efficiencies and economies of scale in non-clinical home support functions (payroll, human resources, insurance)
- initiate home support pilot project that tests the viability of funding following the client model
- include Vancouver Coastal and Fraser Health Authority operated agencies in upcoming joint-tender to consolidate home support services and place the bid process in the hands of independent third party to make sure taxpayers get best value for dollar



BCCPA CEO Ed Helfrich, "We are committed to ongoing consultation with members and health stakeholders. A recent series of open houses and site visits included close to 100 care providers in each health region. More will be organized in the New Year."

6 Recommendation Six: Fill empty residential care beds with long stay patients from acute care hospital wards

On any given day in British Columbia, there are private pay residential care beds sitting empty while seniors wait in expensive acute care hospital wards. It has been estimated that 12% of acute care beds are occupied by long-stay patients – most of which are seniors.

In addition to creating emergency room delays and negatively impacting quality of care, this practice promotes the most expensive care option instead of the most affordable. BCCPA is proposing to work in partnership with the Health Ministry and authorities to establish a task force that fills empty residential care beds and available home support services with seniors waiting in acute care hospital wards.

NO VACANCY	Acute care hospital bed = \$1200/night/senior
VACANCY	Empty residential care bed = \$200/night/senior
SAVINGS (100 seniors):	\$1000/night, or \$30,000/month/ senior × 100 = \$3 million/month

“Vancouver Island Health Authority officials acknowledge that housing seniors in hospitals isn’t the best solution for patients waiting for a care bed but they say its often the only choice.”

OCTOBER 23, 2009 NANAIMO DAILY NEWS

BC Care Providers Association (BCCPA) Action Plan Update

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Recommendation Seven: Renew the seniors care partnership

BCCPA is proud to represent private and non profit care providers across each health region in BC.

Most of the seniors our members care for are very complex cases referred from the public health system and local health authorities. While this partnership has served our seniors well over the years, it is in crisis.

More and more, care providers feel their contribution to the health care system is not fully valued by authorities. Some feel intimidated and fear retribution for challenging the status quo or questioning decisions that are often imposed without consultation or reason. Too many do not trust health authorities to be fair and balanced in dealing with issues.

Unfortunately, this lack of a true partnership is one of the reasons a standardized contract has been delayed for years. BCCPA is again recommending the Minister direct his officials to finally conclude a province-wide deal with care providers that recognizes:

- the direct relationship between funding and quality of care
- principles of fairness, respect and transparency

There is tremendous entrepreneurial spirit and good will among BC care providers that can provide substantial benefits to the seniors' care system in BC. The Minister can play a leadership role by meeting regularly with care providers and encourage his officials to do the same.

In addition to promoting transparency and attacking inefficiency, this approach can develop action plans to address emerging cost pressures, including:

- reduce regulatory duplication and red tape
- identify pilot projects to promote bulk purchasing, integration of community care and alternative funding models
- increase number of double occupancy rooms where appropriate
- incentives for employees and care providers that promote efficiency and innovation
- integrate and revise capital design requirements for assisted living
- health and safety guidelines and MDS InterRAI staffing tools
- BC Assessment property appraisals

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Recommendation Eight: Identify specific plans to allocate new revenue to front line seniors care and increased staffing

In October, BC introduced a new schedule of client user fees. Under the plan, 25% of seniors will pay less for services and 75% will pay more. Rate increases will be phased in over two years and generate \$53.5 million in additional revenue. In addition to returning all new revenues to front line care and increased staffing, BCCPA is recommending the Minister consider:

- detailed report card on how new revenue is being allocated so seniors and families can be assured new fees are going to improve quality of front line services and staffing levels instead of general health authority consolidated revenue funds
- mitigation for care providers that could be negatively impacted due to a high percentage of low-income seniors
- prioritize allocation of new funds to facilities with low-staffing ratios (under 2.8 hours of care/patient/day)

The Health Ministry should also conduct an early analysis to determine how many seniors are actually paying more or less. Initial reports from care providers suggest more seniors are facing increases than originally projected.

BC Client User Fees: Old rate compared to new rate (effective Jan 2010)

Before Tax Income	Old Monthly Rate	New Monthly Rate	Remaining
\$14,034	\$940	\$894	\$275
\$22,000	\$1,229	\$1,392	\$348
\$30,000	\$1,652	\$1,815	\$454



BCCPA members care for over 10,000 seniors each day in residential care and an additional 4,000 each year through home support.

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Recommendation Nine: Encourage Parliament to focus on challenges of an aging society

The issues confronting care providers in BC are taking place across Canada. National leadership is required. BCCPA is recommending that BC initiate a national dialogue that encourages a more active response from Parliament to the challenges associated with our aging society.

Health Ministers and Premiers should encourage Canada to establish a national senior's care fund to promote innovation, help achieve minimum quality standards and employ thousands of care aides and nurses across Canada. This fund would be similar to Health Canada programs established to promote primary care, rural health, early childhood development and health technology in each province. The federal government should also:

- increase seniors' health promotion through expanded New Horizon's program
- expand home retrofit tax credits that facilitate improved home and community care options for seniors
- extend definitions in Federal Excise Tax Act to cover all long term health care providers
- direct Canada Mortgage and Housing Corporation to expand existing programs to support development of additional seniors housing and community care infrastructure

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Recommendation Ten: Use federal training funds to secure sustainable supply of quality care aides and LPNs

Last year, BCCPA led the province-wide **BC Cares** public education and awareness campaign that encouraged enrolment in care aide and nursing programs at close to 20 BC colleges and universities.

BC Cares was also supported with provincial student assistance and funding to create new class spaces. Since the campaign ended in April, student assistance has been cut.

In their 2009 budget, the Government of Canada allocated hundreds of millions of dollars for employment training opportunities in growth sectors of the Canadian economy - including seniors care. BCCPA is recommending that these new federal training funds be used to:

- extend **BC Cares**, target it to key groups and provide assistance to unemployed workers and BC colleges to help offset recent cuts
- help offset training costs associated with implementation of new MDS-InterRAI management tool

In addition to creating opportunities for people looking for new career options, this recommendation will help ensure care providers and BC seniors have access to a large supply of quality health care professionals for years to come.

Summary

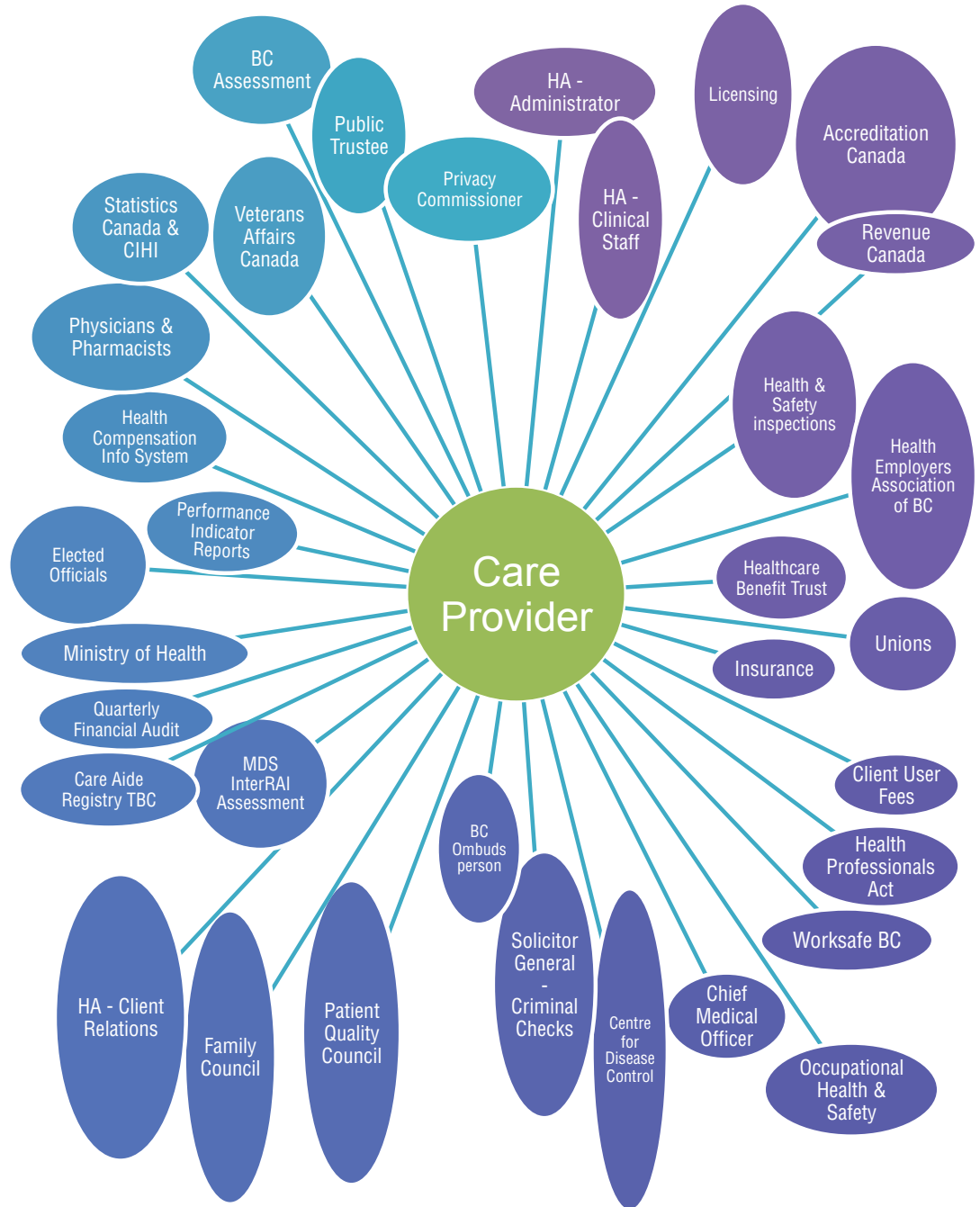
Summary of Key Recommendations

The following is a summary of Action Plan recommendations to improve efficiency and sustainability of BC residential seniors care and home support sector:

- initiate full comparative independent analysis of all funding provided to Health Authority residential care facilities vs. not-for-profit and private operated facilities for the same service
- consider alternative approaches to funding seniors care, including separation of care funding from accommodation costs and pilot project that features funding following the client
- mitigate impacts of HST on the seniors' health sector
- conduct an operational audit of Healthcare Benefit Trust as part of the province-wide review of crown agencies
- consult with care providers in advance of bargaining to establish a common set of objectives – particularly related to benefit costs
- consider standardized wage rates of home support workers with residential care aides
- expand use of home support services to reduce hospital utilization and delay more expensive residential care
- include Vancouver Coastal and Fraser Health Authorities agencies in upcoming joint-tender to consolidate home support service contracts and place the bid process in the hands of an independent third party
- establish task force to fill empty residential care beds and available home support services with seniors waiting in acute care hospital beds
- conclude substantive province-wide contract with care providers that recognizes relationship between funding and quality of care and the principles of fairness, respect and transparency
- renew the care partnership through regular working meetings with Minister, health officials and care providers to promote transparency, attack inefficiency and develop action plans to address emerging cost pressures
- initiate a national dialogue with Health Ministers and Premiers that encourages a more active response from Parliament to the challenges associated with our aging society
- provide mitigation to care providers that could be negatively impacted by new Client User Fees
- prioritize \$54 million in new user fee revenue to facilities with staffing ratios currently operating under 2.8 hours of care/patient/day
- establish detailed report card on how new user fee revenue is being allocated and conduct an early analysis to determine how many seniors are actually paying more or less.
- use federal training funds to extend **BC Cares** and offset training costs associated with implementation of new MDS-InterRAI management tool

BC Care Providers Association (BCCPA) Action Plan Update

Sample: Administration and Reporting requirements for average BC care providers



Annual HST Cost to Seniors' Care Sector Estimated at \$10 million

Earlier this fall BCCPA released an initial analysis of the negative financial impact the BC HST will have on seniors care providers. In addition to measuring the total economic cost at over \$10 million, BCCPA presented three detailed scenarios as examples of the impact:

- Scenario One:**
 - 100 bed facility
 - no contracting out
 - represents minimum impact for all facilities
- Scenario Two:**
 - 100 bed facility
 - some limited contracted out services
 - representative of estimated 40% of sector
- Scenario Three:**
 - 100 bed facility
 - contracted out services – including care aides
 - representative of estimated 20% of sector

