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SENIORS ADVOCATE
BRITISH COLUMBIA

Aligning Public Policy to Meet the Goals of Better Care for B.C. Seniors... Follow the Money

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Incentives Matter



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How We Incentivize Health Care

Rationing and Budgets

- Scheduled procedures
- Long-term care beds
- Assisted living units
- Home Support hours

Public Care Delivered by Private Sector

- Output based
- Performance based
- Price based

Consumer Behaviour

- Cost
- Convenience
- Preference/choice



Challenges of Current System

1. No choice.
2. Who pays? Consumer or Government?
3. Incentives align to favour long-term care over homecare for consumer and provider.
4. Incentives not aligned to achieve value for public dollars.



Cost of Home Support vs. Long-Term Care: Client

COST TO A SINGLE SENIOR FOR HOME SUPPORT VS. LONG-TERM CARE

		\$29,000
	Home	LTC
AFTER TAX INCOME	\$27,900	\$27,900
EXPENSES		
<i>HOUSING</i>	\$17,200	\$22,300
<i>FOOD</i>	\$5,200	\$0
<i>HEALTH EXPENSES</i>	\$3,100	\$2,000
<i>HOME SUPPORT</i>	\$8,900	\$0
<i>CLOTHING/PERSONAL COSTS</i>	\$3,400	\$1,200
<i>TELECOMMUNICATIONS</i>	\$1,800	\$400
TOTAL EXPENSES	\$39,600	\$25,900
REMAINING INCOME	-\$11,700	\$2,000
ANNUAL COAST SAVINGS OF LONG-TERM CARE VS. HOME SUPPORT		\$13,700



Cost of Home Support vs. Long-Term Care: Government

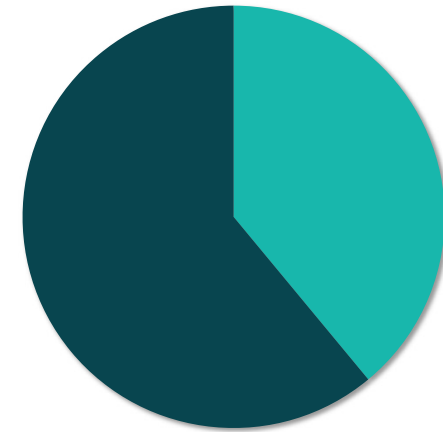
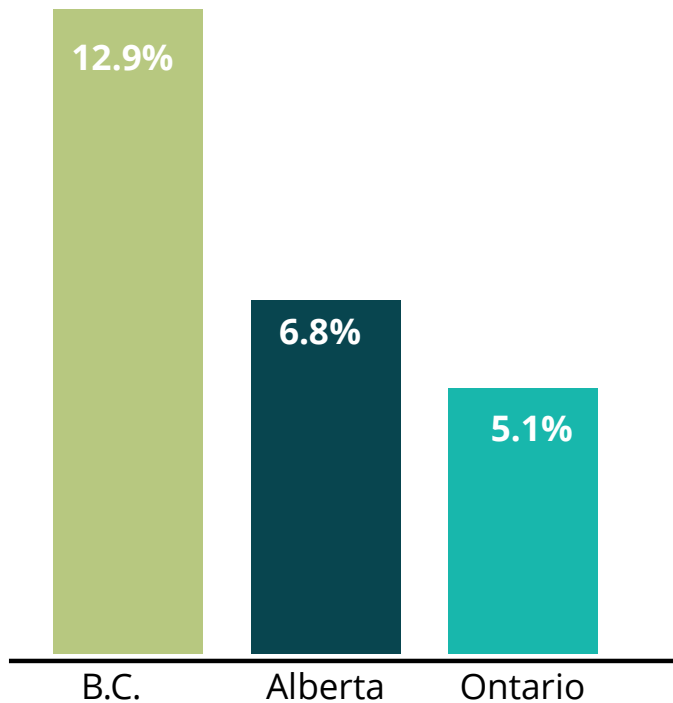
Scenario of Estimated Cost to Health Authority of Fully Subsidized Home Support (1 HR) vs. Long-Term Care (LTC) for a Single Senior per year

SINGLE SENIOR ANNUAL INCOME	\$29,000	
	HOME SUPPORT (1 HR)	LTC
ESTIMATED COST	\$14,100	\$82,100
CLIENT CONTRIBUTION	REGULATED FEE ELIMINATED	\$22,200
COST TO HEALTH AUTHORITY	\$14,100	\$59,900



Premature Admission to Long-Term Care

New Long-Term Care Residents who Potentially Could Have Been Cared for at Home, 2021



61%

of B.C. seniors admitted to a long-term care facility received **NO** home support **90 days** prior to admission.



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Long-Term Care Funding: Revenues and Expenses

REVENUES AND EXPENSES FOR TWO LARGE LONG-TERM CARE HOMES

	LARGE CARE HOME #1 FOR-PROFIT	LARGE CARE HOME #2 NOT-FOR-PROFIT
TOTAL REVENUE	\$17,768,604	\$18,186,645
TOTAL EXPENSES	\$15,807,574	\$18,675,419
PROFIT/LOSS	\$1,961,030	- \$486,774

In addition to paying for direct care staffing, food, housekeeping, plan services, and laundry the care homes also paid for:

Mortgage principal and interest	\$2,601,017	\$99,999
CMHC Replacement Reserves	\$0	\$73,826
Maintenance and repairs	\$542,067	\$231,896
Administrative expenses	\$202,389	\$370,148
Audit/insurance/association dues	\$114,373	\$80,217
Managers (support/food services, finance, etc.)	\$202,479	\$447,867
Administrative support (bookkeeper, reception, etc.)	\$407,354	\$796,332
Management fee	\$446,040	\$0

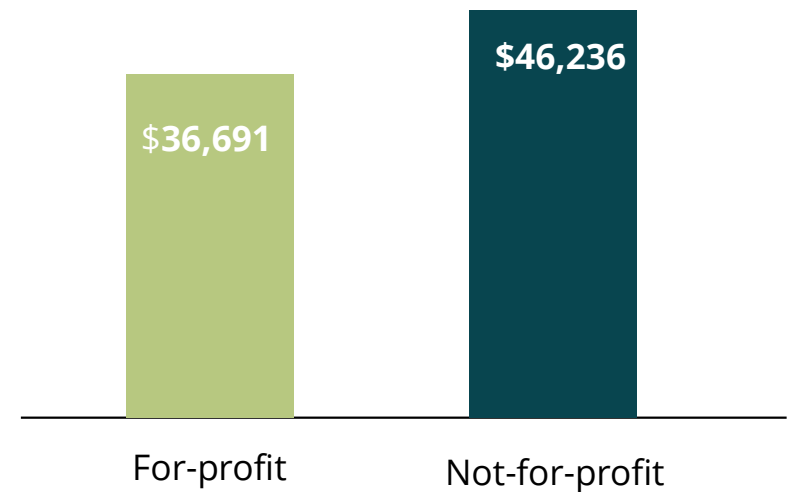


Long-Term Care Funding: Care Hours

While receiving, on average, the same level of public funding:

- not-for-profit care homes spent **\$10,000** or **24%** more per year on care for each resident
- for-profit care homes failed to deliver **207,000** funded direct care hours
- not-for-profit care homes exceeded direct care hour targets by delivering an additional **80,000** hours of direct care beyond what they were publicly funded to deliver.

EXPENDITURES PER BED ON DIRECT CARE STAFFING



Long-Term Care Funding: Per Diems

ABOVE-AVERAGE PER DIEM

	PROFIT	PER DIEM
CARE HOME A	\$1,262,238	\$220
CARE HOME B	\$2,098,264	\$231
CARE HOME C	\$1,262,257	\$227
CARE HOME D	\$2,750,976	\$232

BELOW-AVERAGE PER DIEM

	PROFIT	PER DIEM
CARE HOME A	\$38,345	\$187
CARE HOME B	-\$23,186	\$198
CARE HOME C	-\$128,422	\$191
CARE HOME D	-\$145,030	\$192



Aligning Incentives to Leverage the Best of all Systems



Better outcomes



Client preference



Better value








Contact

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