OPINION EDITORIAL

Improving Canada's Health Care Financing for Long-Term Care Homes during the COVID-19 Pandemic

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INTRODUCTION

The 2019 Coronavirus (COVID-19) pandemic has exposed the weaknesses existing in the management and financing of Canadian long-term care (LTC) homes. Health Canada defines LTC homes as living accommodations for people requiring onsite delivery of 24 hours, seven days a week of supervised care, including professional health services, personal care, and services (e.g., meals, laundry, housekeeping) [1]. According to the World Health Organization, healthcare financing (HCF), one of the six building blocks of health systems, is concerned with the sourcing, allocation, and mobilization of funding within a health system. HCF ensures individual and collective needs are met, and access to personal and public healthcare is available to all citizens [2]. When the pandemic was declared a Public Health Emergency of International Concern in January 2020, Canada's financing mechanisms and resource allocation immediately prioritized hospitals and acute care [3]. Despite such investments, LTC homes remained the epicentre of Canada's COVID-19 battle. Public health expenditure is a facilitator of pandemic preparedness, and Canada's shortcomings indicate the need for a systemic change in how LTC homes are financed [4]. Therefore, this paper discusses Canada's HCF approach for LTC homes before and during the COVID-19 pandemic response.

DISCUSSION

Financing of LTC in Canada: As of January 2021, over 14,000 (73%) of COVID-19 deaths in Canada occurred in LTC homes [5]. This public health crisis occurred for a multitude of reasons, including lack of infectious disease preparedness, patient vulnerability due to increasing age, different age-specific comorbidities, and overall deficiency of human and healthcare resources [3]. With mostly part-time employees, the staff at LTC homes were also faced with increased pressure as many needed time-off for either sick leave or to care for their own families. Many COVID-19 deaths that took place in LTC homes in Canada were preventable, and increased federal funding prior to the pandemic may have helped to prevent infectious disease outbreaks or alleviate the burden on both staff and patients [3]. Through the Safe Restart Agreement signed in late 2020, the federal government dedicated $740 million Canadian Dollars (CAD) out of the $19.9 billion CAD budget to address the gaps in care for all vulnerable populations, including LTC, home care, and palliative care [3,6].

Furthermore, there are over 2,000 LTC homes in Canada, with 46% publicly owned and 54% privately owned [7]. The healthcare and social services provided by LTC homes are considered extended healthcare services, which are not insured under the Canada Health Act (CHA) [8]. LTC homes are also within provincial jurisdiction, so the delivery of LTC services varies throughout the country [8]. In 2018,

13% of the total healthcare budget was spent on LTC homes, of which $24 billion CAD was publicly financed and $9 billion CAD was privately funded [9]. The federal government also supported LTC homes by providing provinces and territories with $11 billion CAD of funding over a period of ten years beginning in 2017 [9]. However, despite this funding, Canada spends less than 2% of its gross domestic product on LTC, comparatively less than other countries, such as the United Kingdom and France [10].

The cost of Canada's aging reality: As the Canadian population continues to age, the rising cost of LTC will exacerbate the existing gaps in funding. If government support in terms of LTC funding and programming remain consistent with current contributions, Canada can expect to see a significant financial deficit in the coming decades [7]. The costs needed to sustain the increasing demand for care are expected to cause a liability of approximately $1.2 trillion CAD between 2012 and 2046 [7].

Additionally, due to long waitlists, individuals are entering LTC homes at older ages with more complex needs and multiple comorbidities, requiring more intensive and frequent care [11]. The median number of days waited for LTC placement following referral from an Ontario hospital or community was 147 days from 2012 to 2020 [11]. This created an overflow of hospital capacity and increased the burden on healthcare providers working in hospitals [12]. The cost of providing care in hospitals prior to LTC admission results in excessive healthcare expenses. In addition, prior to the pandemic, 63% of Ontario LTC residents shared rooms in order to maximize capacity, which increased the likelihood of contracting the disease [11].

Staff welfare: Staff in LTC homes, specifically personal support workers (PSWs), are underpaid and have trouble securing full-time positions, resulting in many employees working between multiple homes [13]. Staff moving between different care homes also increased the risk of exposure to the vulnerable LTC residents [13].

POLICY RECOMMENDATIONS

Exploring bundle payment options: According to a Commonwealth Fund's survey, Canada ranked 8 out of 11 nations in healthcare coordination [14]. Other countries with universal healthcare, such as the Netherlands, have utilized bundled payment structures to deliver more coordinated and efficient patient care [15]. Bundled payments involve healthcare providers receiving and independently allocating lump-sum funding at their discretion [15]. There are indications that the use of bundled payments in the Netherlands increased coordination of care among healthcare providers, improved chronic care protocol adherence, and enhanced collaboration regarding patient care [15]. The Canadian healthcare system can adopt a bundled payment method to encourage healthcare providers to deliver better-integrated care for patients between acute and LTC homes. With bundled payments, providers are responsible for excess costs above the predetermined funding amount, but retain any efficiency surpluses.

Incentivizing human resources: Next, provincial and territorial governments should increase the number and re-numeration of PSWs with full-time employment. Increasing full-time employment for these staff members not only increases pandemic preparedness, but also decreases the spread of infectious diseases when PSWs are confined to one LTC home.

Furthermore, differences in funding and staffing may explain why cases and deaths in British Columbia's LTC homes have been much lower than in Ontario's LTC homes [16]. More funding for each resident in British Columbia implies more money to pay staff. Higher staffing levels have been attributed to lower COVID-19 infections in LTC homes [16]. Current temporary wage increases for PSWs during COVID-19 acknowledge their vital role in our healthcare system, and this should be made permanent going forward [17].

Amending the Canada Health Act: In addition, the federal government should amend the CHA or draft new legislation, such that health transfers to provinces and territories are conditional upon upholding national standards for LTC homes. Although healthcare is delivered by provincial and territorial systems, the federal government can use its spending power to incentivize change, as it did in 1957 and 1966 to establish universal hospital and medical care [18].

After witnessing the effects of COVID-19 in LTC homes, 86% of Canadians were in favour of amending the CHA to include national, universal long-term care [19]. In addition to pandemic preparedness, Canada's aging population will benefit from investing in LTC services now.

CONCLUSION

HCF is a critical building block for health systems. The ability of a government to modify funding allocation and ensure proper prioritization of finances to pandemic epicentres is key to a successful response. The current COVID-19 pandemic uncovered pre-existing gaps in financing for LTC homes in Canada, which led to poor quality of care and increased mortality rates in LTC homes during Canada's first and second waves. As Canada's population ages, it is essential to increase spending in LTC staffing, funding, and safety. Implementing a bundled payment method, increasing full-time employment for PSWs, and amending the CHA will create upstream solutions that ensure consistent and equitable care.

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