

Bill 2, an Act to amend the Taxation Act, 2007 to implement a healthy homes renovation tax credit:

**CARP Submission to the Standing Committee on
Finance and Economic Affairs**

CARP Advocacy



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A New Vision for Aging at Home

Like all Canadians, Ontarians want to live at home for as long as possible, regardless of physical limitations and changes in health.ⁱ ⁱⁱ Promoting aging at home through accessible infrastructure is an important step towards helping Ontarians age at home.

CARP is calling for a new vision for aging at home that addresses the diversity of needs and challenges that Canadians may experience that also contributes towards building a sustainable healthcare system. CARP's new vision of aging at home requires a commitment to sustainable funding and standards for an integrated system of continuing care that meets the variety of needs and challenges of all Canadians as they age.

CARP Recommendations

Bill 2, along with budget promises on increasing funding for homecare, system navigation, and care coordinators, is an important start to helping more Ontarians age safely at home. To continue in the right direction in helping Ontarians age at home CARP recommends the further action on making aging at home a reality in Ontario by:

- Promoting an integrated system of continuing care delivery for older Canadians;
- Developing a homecare navigation system with single entry-point/client centred approach;
- Guaranteeing a basic level of homecare services across the province;
- Developing consistent and high homecare standards;
- Integrating health, homecare, social, and housing services to ensure that Canadians are receiving the right supports to age at home;
- And providing sustainable funding.

Age-friendly community initiatives are equally crucial to helping Ontarians age at home. CARP recommends:

- Conducting age-friendly audits to gauge changes that are needed to advance Ontario's cities towards an accessible and age-friendly future;
- Amending building codes to guarantee sustainable communities using universal and accessible designs;
- Approach city-planning from an age-friendly perspective by transitioning under used community centres and schools into age-friendly community hubs;
- Support naturally occurring retirement communities (NORCs) by promoting the development of co-located services and easy to access and affordable transit options where older Ontarians are currently concentrated.

Bill 2 - A Step in the Right Direction

By helping individuals to address the obstacles in their homes and increase accessibility to suit their needs, we can ensure that those who have the health and means to make these changes will continue to live independently, freeing up provincial healthcare resources for those who have greater needs.

As a step in the right direction, Bill 2 - the Ontario Healthy Homes Renovation Tax Credit Act - has the potential to make it safer and easier for Ontarians to age at home, while reducing costs to Ontario's healthcare system. Bill 2 also represents an opportunity to build on the promises delivered in Ontario's 2012 budget.

The budget concedes what most people already take for granted, that "it costs taxpayers more to provide seniors' care in a long-term care home than it does to support seniors who live in their own home or with a family member".

Additionally, the cost of a hospital acute care bed held by an Alternative Level of Care (ALC) patient is expensive to the system and undesirable to the patient. "Providing community care to treat these patients at home or in a long-term care home makes good health care sense, will better meet the needs of patients, and is fiscally responsible."ⁱⁱⁱ

CARP has long called for a comprehensive strategy to ensure a seamless continuum of care starting from a post acute episode or diagnosis and continuing to end of life. Bill 2 recognizes the importance and the preference of staying in one's own home as long as possible in this journey.

Ensuring patients receive "the right care in the right setting" has long been a central advocacy issue for CARP and now the Ontario government appears to be moving in the right direction at the right time.

CARP Members Support the Principles of Bill 2

In a recent CARP poll, members affirm support of tax credits that promote aging at home for longer and more safely. Almost half of CARP members polled say that they would participate in a home renovation tax credit.

Close to one half of members would apply for a home renovation tax credit and half say it would allow them to stay at home and out of assisted living facilities. The majority of CARP members agree that a tax credit such as Bill 2 is a worthwhile government expenditure.

How likely would you be to apply for a home renovation tax credit designed to make your home more accessible?

LIKELY	44%
Very likely	16%
Somewhat likely	28%
NOT LIKELY	50%
DON'T KNOW	7%

Importantly, half of members say that renovating their homes for accessibility would allow them to stay out of assisted care for longer (49%).

If you were able to renovate your home to make it more accessible, would this allow you to live in your home longer and avoid going into assisted living?

Yes	49%
No	25%
DON'T KNOW	27%

The majority agree that the budgeted cost of this tax credit is worth the benefits it confers (58%).

How much do you agree the budgetary cost of a home renovation tax credit like this is worth the benefits?

AGREE	58%
Agree strongly	13%
Agree	44%
DISAGREE	21%
Disagree	16%
Disagree strongly	5%
DON'T KNOW	22%

Making Ontario Homes Safer and More Accessible

The typical home can present many obstacles for a person who is experiencing reduced mobility. Encouraging barrier-free and accessible spaces is just one way to help older Ontarians age at home. Age-friendly design can allow almost anyone to continue living independently by reducing household hazards and making it easy and safe to age independently.

As Canadians age, they can become more vulnerable to chronic diseases that can lead to reduced mobility. According to Statistics Canada 2006 data, 43.3 % of Canadians over 65 experience some form of chronic condition, compared to 14.3 % for the entire population. For Canadians aged 75+, the prevalence of chronic disease jumps to 56.3%.^{iv}

Relocation to a long-term care (LTC), assisted living, or nursing facility can be emotionally, physically, and financially burdensome to individuals and their families. Moving out of the family home usually means leaving behind familiar surroundings and networks of support. The hardships of separation from a spouse, for instance, can compound negative health effects, such as increased isolation and stress from feeling displaced.

Costs to Inaccessibility

There are costs to having inaccessible homes. Older Ontarians' falls, alone, lead to massive provincial expenditures on medical treatments and are the leading cause (85%) of injury hospitalization of Ontarians 65 and older.^v

Between 25 and 75 percent of falls involve an environmental component that can interact with other risk factors like vision or balance problems to result in falls.^{vi}

With a national average cost of \$15,500 (for a hospital admission), the total costs to provincial health care is undoubtedly high. Falls were responsible for 95.1% of all hip fractures in Ontario in 2009. Injuries due to falls have been the costliest of all injury categories. Ontario's annual cost for falls in seniors is about \$962 million.^{vii}

Overall, fall-related injuries cost the Canadian economy an estimated \$2.8 billion a year. The direct health costs of one hip fracture is estimated to be between \$24,400 and \$28,000 (this estimate includes the costs of hospitalization, medication, and health provider consultations for treatment and rehabilitation).^{viii}

Ontarians Want to Age at Home

Private facilities offering heavier care are even more expensive. Average rent in these facilities varies considerably across the major provinces. Nationally, the average rent is \$3,530 per month, totalling \$42,360 per year.^{ix}

Many Canadians could avoid these challenges by aging at home. However, the right supports need to be in place to make this a reality. Without the right supports in their homes, many older Ontarians may feel forced to move out of their homes and communities and into unfamiliar surroundings. With home retrofits and home additions, such as hand rails or support bars, door knobs with better grip, accessible bathrooms and showers, and widened doorways, older individuals with special care needs or disabilities can continue to live safely and independently in their homes.

Home is an Affordable and Desirable Place to Age

Many older homeowners do not have sufficient incomes to keep up with home maintenance, repairs, property taxes and other housing costs. By the time they enter their 70s, Canadians begin to sell off their homes, perhaps to downsize or use their homes' equity in retirement.

However, with the high costs of retirement home living and compounding expenses of aging, Canadians might use-up and out-live their homes' value, which jeopardizes quality of life, and puts many at risk of deteriorating health. The outcomes are costly for already strained healthcare services that must step in to address preventable or controllable health problems.

Currently, average, non-subsidized rent for seniors housing that includes light care supports is unaffordable for most older Canadians. Yet, affordable housing and government subsidized options are limited in number.

- 72 percent of all senior households own their home.
- Average market priced units cost \$1,909 per month for bachelors and private rooms.^x Given that the 2006 median after-tax income of unattached seniors was \$20,800,^{xi} the average unattached senior, spending all of his or her income on housing, would fall short by nearly \$3,000 in one year.
- Private facilities offering heavier care are even more expensive. Average rent in these facilities varies considerably across the major provinces. Nationally, the average rent is \$3,530 per month, totalling \$42,360 per year.^{xii}

Since the nationally accepted guides for housing affordability require shelter to cost less than 30 percent of Canadians' before-tax household income (this includes payments made for fuel, water and other municipal services), only older Canadians with very high incomes would be able to personally manage to pay for institutional care or seniors housing at market rent.

Moving Ahead

Despite renewed efforts at achieving comprehensive homecare delivery in Ontario, the government has an opportunity to make the most of this sustainable and cost-effective solution to supporting aging at home.

Bill 2 represents an important step in recognizing the Ontarians desire to age at home safely. Comprehensive supports to help people age at home will help reduce the premature use of expensive healthcare resources, decrease the building and reliance on LTC beds, while encouraging independent and dignified aging.

References

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