Executive Summary from "Eldercare–On the Auction Block" published by: Consumers' Association of Canada (Alberta)

Since the 1990s, dramatic changes to Alberta's long term care sector have unfolded with little media notice. Confusing jargon, mixed messages, lack of data, and widespread differences among the province's 17 regional health authorities have disguised much of the restructuring.

Yet the changes have not gone unnoticed by families. Today, more and more adult children and elderly spouses are finding themselves trapped in the bewildering grip of Alberta's heavily privatized LTC environment. What they find is rarely what they expect - or need.

In 2002 the Alberta Chapter of the Consumers' Association of Canada decided to investigate these changes. Our research found that both residential and in-home care for the elderly have become costly and inaccessible arenas for many people.

Quality is often grim, staffing levels are marginal. The promise of innovative models of care has been largely eclipsed by limited access and decreasing coverage of the costs associated with care. Many families now face an untenable choice: either give up a salary to care for a loved one at home, or spend savings and assets to purchase private services. Indeed, so much of the burden and cost of care has been offloaded to families that the Long Term Care Association of Alberta is quietly advising people to purchase private LTC insurance to protect their income and assets.

If this sounds like American-style health care, it is. And just as the administrative costs of the U.S. system are much more expensive than Canada's, Alberta is now spending more money managing an increasingly fragmented LTC sector, leaving less money for actual care. Between 1997/1998 and 1999/2000, the actual money spent on administration by regional health authorities increased by 15.2 percent - more than for any other identified category except research and education.

Background

Alberta began cutting public coverage of LTC in the early 1990s, first in the name of deficit reduction, then in the name of tax cuts to encourage business to fill the void. Construction of new nursing homes and auxiliary hospitals ceased. Between 1988 and 1998, acute care

hospital beds dropped from over 14,000 to 6,300. Existing LTC beds were used to deal with the acute care shortage; as a result traditional LTC clientele were turned away and many terminally ill cancer patients found themselves paying per diem charges. Long-promised home supports never materialized.

The reduction in public LTC options created a large gap between what was needed and what was available to Alberta seniors. This gap, in turn, created immense opportunities for real estate investors. Developers imported a new retirement housing concept from the United States called "Assisted Living."

These complexes bore little resemblance to the Assisted Living model pioneered in Oregon in the late1980s. Originally, Assisted Living was a progressive approach to caring for seniors and other persons with limited abilities. The model called for a home-like setting that gave residents control over their private space and enabled them to maintain their capacity for self-care. The program could also include a basic package of meals, housekeeping, and help with personal care; it could also offer the option to add on extra services.

In Alberta today, the term Assisted Living usually refers to multi-unit apartments with varying amounts of on-site personal supports and care - all available for a hefty price. The original vision has been co-opted by commercial interests. Residents are often vulnerable due to their physical and cognitive limitations, yet the province says it has no responsibilities for licensing, tracking, or monitoring these facilities.

Faced with a severe shortage of public LTC beds, some Alberta health authorities are resorting to a new hybrid model, often referred to as "Designated Assisted Living". The health authority contracts with housing owner/operators for access to living units; the contract also covers access to 24-hour personal care, provided by the operator. Seniors placed in these units are responsible for the largely unregulated price of their lodging, food, utilities, and many other support expenses. Designated Assisted Living is part of Alberta's overall strategy of unbundling and offloading the costs normally associated with long term care.

Key concepts behind the changes

The alterations to Alberta's LTC environment were based on several key inter-related concepts.

- **Distinguishing between "core" and "complementary" services**: Theoretically, this distinction would enable the public healthcare system to save money by limiting the number of services it covers (i.e., core services). Clinics, hospitals, and nursing homes would then be free to earn extra income by selling related services or products at unregulated prices (i.e., complementary services).
- **Separating "health" from "housing:"** Alberta has gradually limited its LTC funding obligation to a very narrow range of direct healthcare services, while withdrawing from support costs such as housing, meals, housekeeping, maintenance, utilities, and so on.
- **The level playing field:** This means making seniors in LTC facilities bear the same costs as seniors at home. In other words, if a senior in their own home pays for drugs, personal care, medical devices, incontinence supplies, housing, meals, and other costs of living, they would also pay for these in a LTC setting. In reality, level playing field means dragging public coverage of residential care down to the ever-declining level of home care.
- **Unbundling services**: Unbundling is the process used to operationalize the concepts above. The more a service can be broken down into its component parts, the more opportunities for reducing the basic healthcare package, contracting out services, and offloading costs to individuals and families. Not only can healthcare be unbundled from housing, but housing and support services can be atomized and unbundled further.

A number of false assumptions, unsupported by the evidence, regarding the merits of pursuing these policies have also fuelled many changes. These include perceptions about the wealth of seniors and their adult children, the affordability of private care and private insurance, and the costs to society from pursuing these strategies.

Conclusion and Recommendations

Alberta families are increasingly trapped in a high-priced LTC market with few real choices. Worse still, the battered public sector has adopted many of the expensive habits of risk-adverse private insurers, driving up the costs of administration and leaving less money for care.

Since failure to address this situation will have grave ramifications for Alberta families, employers and communities, the **Consumers' Association recommends that the province of Alberta:**

- **Restore and expand universal public coverage for long term care supports, regardless of the setting.** Ensuring timely and affordable access to a wide range of quality public LTC services is an essential step Alberta can take to enhance the determinants of health among the elderly and their families.

- **End the unbundling of services.** Efforts should be made to re-integrate services, functions, organizations, and payments. Not only will this benefit individuals and families in need, it will also reduce administrative costs and maximize opportunities for wholesale purchasing.

- **Ensure full disclosure about LTC services**. Albertans have a right to open and complete information about availability and eligibility requirements for LTC services and about the costs and obligations of agencies and operators supplying services. Without this information, Alberta families and communities cannot make responsible choices or hold suppliers and plan administrators accountable.

- **License, regulate, and monitor supportive housing and Assisted Living settings**. At a minimum, supportive housing and Assisted Living operators should be licensed regardless of their ownership status. Formal and informal complaint and appeal mechanisms need to be visible and effective, and community groups should be supported to take an active role in acting as advocates.

NOTE: In 2003, the provincial government discontinued daily charges in long term care facilities for individuals designated as "palliative care". At the same time, per diems for other residents were dramatically increased.