STANDARDS OF RESPECT

The Human Cost of Residential Care Fee Increases in British Columbia

by Megan McKinney
for the Hospital Employees' Union

Standards of Respect

www.heu.org

INTRODUCTION

We asked long-term care residents and family members – 15 in all – how new increases to residential care rates affect them. What follows is their accounts. All names have been changed to protect privacy and confidentiality.

Residential Care Rate Increases Announced

In October 2009, the government of British Columbia announced new residential care rates for those living in long-term care facilities as it moved to a more standardized income-tested fee structure. As a result, most of the 26,000 people living in residential care homes found their fees increasing in 2010. Seventy-five per cent of income-earning seniors saw their fees increase – in many cases substantially. The lowest 25 per cent of income-earning seniors saw no change or a small reduction in their rates.

Those affected by the change in fee structure, or their family members, received letters in October 2009 detailing this change. Those who had not yet been approved for placement by January 2010 would have the full increase applied when they moved into care, while those who were already approved or in a facility would have the changes phased in with 50 per cent of the increase occurring in 2010 and the other 50 per cent in January 2011.

Previous to January 2010, residents in care were charged a per diem fee of between approximately $31 and $74 a day (or $930 to $2,220 a month). As of January 1, residents would pay 80 per cent of their annual after tax income towards the cost of their care, with new minimum and maximum rates of between approximately $29 and $96 per day (or $894.40 to $2932 per month).

The $96 maximum rate is the highest in the country, significantly higher than most other provinces.[1] The Ministry of Health Services describes these new rates as a "more equitable rate structure" that will "reduce the burden on low-income seniors and support ongoing improvements to the residential care system." [2]

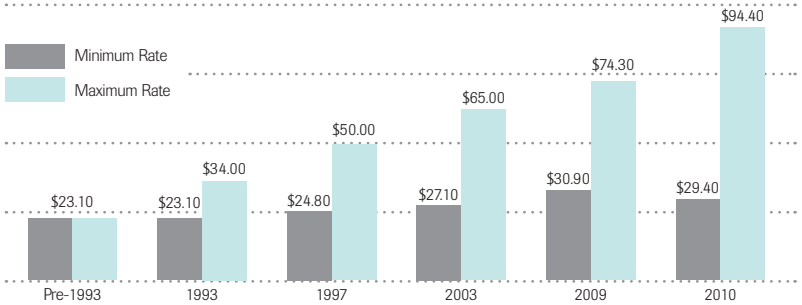
First reports from residents in care and their families indicate that they are facing an untenable financial and personal burden under the new fee structure and are seeing no resulting improvements in the care they receive. This is in contrast to Ministry of Health Services' claims that the fee increases are fair and proportionate, will contribute to an increase in the quality of care in residential care facilities, and will not be an undue hardship on any resident.

FEE FACTS:

- All those with an after-tax income of $14,579 or higher will receive an increase
- The minimum residual monthly amount (after the fees) has been set at $275
- People receiving income assistance and persons with disabilities will retain only $95
- The fees have been changed from a per diem to a monthly rate, so in months with fewer days, the increase is even greater

From Home and Community Care Information Guide for the New Residential Care Structure, Ministry of Health Services . www.health.gov.bc.ca/hcc/rcr.html

RESIDENTIAL CARE RATE INCREASES SINCE 1993



In this last round of fee changes, the highest rate increase was the single largest experienced by residents since 1993 with an increase of 30 per cent in just one year, and an increase of 93 per cent since 2001. The lowest income bracket did go down slightly (though not to the levels they were before this government raised them in 2003).

From Ministry of Health Services' Residential Care Rate Structure published October 8, 2009

[1] *See Appendix A for a comparison of provincial rates.*
[2] *Ministry of Health Services Press release http://www2.news.gov.bc.ca/news_releases_2009-2013/2009HSERV0022-000451.htm*

Additional Residential Care Costs

The Ministry of Health Services contends that residents receive "full coverage for most prescription medication, routine medical supplies and equipment, as well as some over the counter drugs,"[3] and that every resident will be left with a minimum $275 a month to cover their personal expenses.

However, the $275 monthly minimum must cover all fees and costs that are not included in the cost of residential care – a growing list of expenses that is becoming more and more difficult for residents to manage on their shrinking budgets.

Residents report that they are now charged for many basic health care costs on top of their room and board fees, for everything from ambulance rides to oxygen to incontinence supplies. They also must pay for their own dental and eye care, for specialists such as physiotherapists and podiatrists, and for medical equipment such as wheelchairs and hearing aids.

On top of these basic medical necessities, they also pay their monthly telephone, cable, and internet bills; costs of their own personal hygiene products; facility recreation and "comfort" fees; vitamins and nutritional supplements; and a host of other personal expenses out of this personal amount.

Research Methods

This study is the result of the reports and observations of 15 individuals who either live in a long-term care facility in British Columbia or who care for a family member who does.

Requests for participation in the study were sent to a variety of community and advocacy groups and stakeholders, and interested interviewees self-selected to participate.

Interviewees were asked how the new residential care rate increases affected people in care. They were assured that the confidentiality of their experience and data would be maintained.

The interviews took place both in person and over the phone, and each interviewee was asked an identical set of questions regarding the fee increases and their experiences with the care facility. Further, interviewees were asked to provide a detailed list of income and expenses to the researcher.

Due to the self-selecting nature of this study, and to the poor mental or physical health of many residents of long-term care facilities, the findings of this study do not reflect the experience of residents who are not well enough to be interviewed themselves and do not have family who can report for them.

Summary of Observations

The interviews revealed a number of frequently repeated themes.

Financial Burden: Most consistently, the rate increases are seen as creating a financial burden. Interviewees also report a greater number of out-of-pocket expenses that were previously covered by care home facilities. The list of items that are not included by the basic rates is

[3] *ibid*

lengthy and varies from one facility to the next. But in all cases, necessary and costly medical equipment such as wheelchairs, oxygen supplies, and hearing aids are not included.

In many cases, interviewees report that the new costs are so high that the financial burden extends to residents' families as well. Residents frequently report they are not just using their income, but also 'draining' their own savings, as well as those of their families, in order to afford the necessary care and services.

Interviewees report that rate changes are unreasonable, causing them to make difficult financial, legal, and personal choices and sacrifices, and causing great stress to the residents and their family members.

Problems with Hardship Review Process: There is a hardship review process by which residents can apply for financial relief. However, the majority of interviewees were not previously aware of the process, and the few who had applied found the process arduous and confusing.

Emotional Burden: Interviewees express that the increased cost of residential care is causing emotional suffering. All report high levels of stress and anxiety, some report depression.

Declining Quality of Care: Many interviewees focus on the steady decline in the quality of service they are receiving from care homes. They refer to staff reductions and shortages, and a decline in food quality and facility cleanliness.

In many cases, interviewees report a shift of the burden of care from the long-term care facility to family members. Families find ways to cope with the declining quality of care, such as bringing in more food from home, or performing some of the care or hygiene-related tasks.

Additional Issues for Non-Seniors: Not all residents are seniors. Some are young people and some have dependents. These interviewees speak of the rate formula being insensitive to their different life situations and ignorant of their corresponding financial realities. As a result, they experience varying levels of despair and frustration.

Following that are the experiences the interviewees shared.

Resident Stories

Mike and Peter

✓ Financial and emotional burden
✓ Decline in care quality

Peter's 2011 monthly rent: over $2,200

Peter is an amputee with diabetes and dementia who has been living at a residential care facility in Delta for two years. His pension is $2,000 per month.

As of January 1, 2010, Peter pays $2,001 for room and board at his care home, and next year it will rise again to just over $2,200. After his investment income is factored in, Peter is left with only a few hundred dollars a month to pay for prescription drugs, dental work, podiatry, diabetic strips, music therapy, clothing, insurance and maintenance for his wheelchair-accessible van, TV, phone and social activities.

Peter's son, Mike, says the staff at the facility are excellent and do their very best to provide personal care and attention to the residents there, but the standard of care at the facility has been steadily declining.

"The letter [from the Ministry of Health Services] said these increases are needed to sustain and improve the quality of care in the residential facilities," says Mike. "But the impending changes that have been announced…are neither sustaining nor improving the level of care. They are quite the opposite."

Mike reports that cutbacks are leading to a deteriorating quality of care and that care aides at the facility have been given layoff notices and the positions will be contracted out.

Residents are tremendously upset about the changes at the facility and the loss of staff that have been intimately involved in the delivery of their care. Mike describes the concern and confusion felt by residents and their families, saying one can feel as a tangible difference.

Mike says he will be forced to drain his father's savings account in order to maintain his father's level of care.

> "[The new fees] … are neither sustaining nor improving the level of care. Quite the opposite."
>
> *– Mike*

Richard and Susan

✓ Financial and emotional burden
✓ Decline in care quality

Susan's 2011 monthly rent, up $466 in two years

Richard and Susan have been married for 52 years.

Susan is in the advanced stages of Alzheimer's and now lives in a residential care facility in Port Alberni as near to their home as Richard could find. A devoted and loving husband, Richard spends many hours with his wife every day, and has been very active and vocal for increased standards of care at the facility and with Vancouver Island Health Authority.

Susan receives approximately $18,000 a year from Canada Pension Plan (CPP) and Old Age Security (OAS) and a small U.S. pension. Under the new formula of 80 per cent, Susan's care costs have increased $233 a month in 2010 and will increase a further $233 a month next year.

With the few hundred dollars that she is left each month, Richard has to pay for all of Susan's personal care items, off-the-shelf medication and physiotherapy appointments. He also buys her special food products and vitamin supplements.

As a "surviving spouse," and a renter, he is now paying rent and maintenance costs in two places, the care facility and his own home. At the end of the month, there is simply not enough money to pay for the things Susan requires – which Richard maintains are vital to her quality of life – and the difference comes out of his pocket.

"People should be able to at least live comfortably and enjoy the little bit they've got left. They worked hard for that little pension," Richard says.

Meanwhile, as costs go up, the level of care in the facility appears to be decreasing.

Richard reports high staff turnover and burnout, lower quality of care and food, and a reduction in staff hours leaving Richard and other spouses doing much of the care previously done by care aides.

Though he says that individual care aides do their best, Richard spends about five hours a day at the care home feeding Susan and tending to her personal hygiene.

The declining level of care in the facility also contributes to a greater financial burden on Richard. For example, Richard recently took out an $8,000 loan to purchase a wheelchair-accessible van so he could take his wife out on excursions. The facility simply does not have the staff to do it anymore. Further, he has to frequently replace Susan's clothing and bed linens as these tend to "wander off" with other residents that staff do not have time to monitor.

"People should be able to at least live comfortably and enjoy the little bit they've got left. They worked hard for that little pension."

– Richard

Jeanine and Tom

✓ Financial and emotional burden
✓ Decline in care quality

Tom's 2011 monthly rent, up $400 in two years

Tom and Jeanine are married. Tom moved into a residential care facility in Vancouver after he suffered a debilitating stroke that left him aphasic and unable to care for himself. Both Tom and Jeanine receive limited pensions and until the increases were implemented, Jeanine could just barely cover the cost of Tom's care and additional expenses.

The rate increases have caused Jeanine to feel forced to use her own pension to cover Tom's fees. As well, the rate calculation is insensitive to their true financial ability and situation as it excludes obligations such as alimony.

Jeanine had to turn to friends to help her pay for Tom's $2,300 wheelchair.

Now that the cost of Tom's care has gone up $200 a month, and will increase by another $200 a month in 2011, Jeanine will be left with only about $200 a month to pay for medication, clothing, and personal items. Expenses like alimony are not considered in assessments.

As the cost for care increases, Jeanine reports that the level of care that her husband receives at the facility has been in steady decline. When Tom moved into the residence three years ago, the level of care was excellent. Since then, there have been many cutbacks in staffing levels, leading to gaps in care where at times residents will have no care aide for one or two hours between shifts.

Jeanine calculates that Tom has only $572 a year to live on after residential care fees, clothes, comfort fund, medical bills, and alimony. To cover the rest of Tom's basic expenses, Jeanine feels she will have no choice but make up the deficit out of her own small pension. She had to turn to friends to help her pay for Tom's $2,300 wheelchair that she could little afford.

Additionally, she sees no alternative but to cut back on their minimal social outings. Until the increases were put into effect, Jeanine was able to take Tom out for dinner and to listen to music two or three times a month. Now such excursions are unaffordable.

"Two or three times a month may sound like a lot of outings," says Jeanine, "but when someone is confined to a wheelchair, it isn't a lot for them. These people are the forgotten souls of society."

Ben and April

✓ Financial and emotional burden
✓ Decline in care quality

April's 2010 monthly rent: $2,363.64

April is in a residential care facility on Vancouver Island in the final stages of Alzheimer's. Her son, Ben, manages her finances and care. He reports that the fee increases seem to coincide with a declining level of care.

Ben says that although facility staff have been remarkable in providing the best care they can under difficult circumstances, the quality of care is always uncertain.

Staff have received pink slips three times in three years, are frequently short-staffed and do not have the time they would like to spend with each resident. Ben also reports high staff turnover, resulting in residents not getting the "continuum of care that is so important to successful aging."

Ben describes baths as being too infrequent, reports that residents self-medicate, and says family members are hiring private nurses to ensure their loved one is being appropriately cared for. Indeed, Ben notes that is only because he lives so close to the facility and can perform care tasks himself that they have not had to hire a private nurse.

It seems to Ben that more and more residents are losing services that were once included in the facility's costs which residents now have to pay out of pocket for, from occupational therapists to incontinence supplies. Also, since April is immobile, she must pay for an ambulance to transport her when she needs to go to hospital for medical appointments.

The increase in April's fees, up 24 per cent by 2011, will leave her with only $285 a month to cover any unexpected expenses or extras that come up. To compensate for this reduction in her finances, Ben says he will have no choice but to drain April's savings.

Ben argues that these dramatic increases are several times the 3.7 per cent increase that B.C. landlords are allowed to charge.

"No other apartment or rental facility would get away with that kind of increase," Ben says. "Everyone is afraid to say anything. This system of care creates fear in old folks and their families because they're worried it's going to get worse for them if they complain."

"Everyone is afraid to say anything. This system of care creates fear in old folks and their families because they're worried it's going to get worse for them if they complain."

– Ben

Annette and Francine

✓ Financial and emotional burden
✓ Problems with the hardship review process

Francine's 2010 monthly rent: $2,360.91

Annette was deeply shocked when she received the letter from the Interior Health Authority outlining the new billing for her mother, Francine's, residential care. The calculation of the new fees is based on the previous year's income, however, Francine's income was artificially inflated because she liquidated assets to help pay for the care of Annette's ailing sister.

This left Francine with only $50.88 a month to manage all of her expenses. As Francine's monthly pharmaceutical bill alone is $200, her total expenses far exceeded her pension income.

Francine is 88 years old and has dementia. She requires supervision and 24-hour care. Though Annette believes the care her mother receives is exemplary, she is forced to consider remortgaging her home and moving her mother in with her.

Annette is 60 years old, currently unemployed and financially unable to supplement her mother's bills.

Annette suffers constant anxiety since receiving the letter, terrified that her mother will be forced out of the facility due to an inability to pay and that she will not be able to provide her mother with the care she needs.

"My mother worked all her life as a nurse and administrator," Says Annette. "After a life of service and contribution, squeezing every last penny from her is unconscionable."

Annette was not advised of the hardship appeal.

After being in constant contact with the Interior Health Authority, she has been advised that her mother's case is now under review. Even so, if Francine's fees are adjusted to ensure she retains the promised $275 personal amount, this still will not be enough to cover her basic monthly expenses, or a $2,000 denture bill.

"My mother worked all her life... Squeezing every last penny from her is unconscionable."

– Annette

✓ Financial and emotional burden
✓ Decline in care quality
✓ Problems with the hardship review process

Gus' 2011 monthly rent: $1,700

Blair's father, Gus, is in residential care in Richmond after having a stroke following triple-bypass surgery. The stroke caused Gus to lose his short-term memory and he now requires assistance with most of his day-to-day tasks.

Gus gets three pensions – CPP, OAS and a small Teamsters' pension – which total $1,710. In 2009, Gus paid between $1,200 and $1,300 a month based on a per diem rate. As of January 1st, 2010, he now pays $1,500. It is will go up to $1,700 next year.

Blair advises that Gus' regular monthly expenses, excluding any extras such as dental bills or additional health care costs, run between $150 and $175 a month. This means Gus will have between $25 and $50 a month left over to cover any unexpected expenses in 2010. Next year he will be in a deficit each month.

Blair says he will compensate for the shortfall by going into his father's savings. He will not change anything nor deny his father any quality of care. And Blair is not in financial position to make up the shortfall.

Blair was not aware of the hardship review.

Gayle and Anne

✓ Financial and emotional burden
✓ Decline in care quality
✓ Problems with the hardship review process

Anne's 2011 monthly rent: $1,112.08

Gayle's mother, Anne, moved into a care home on Vancouver Island as she suffers from dementia and breast cancer. Her mother's income from OAS and the Guaranteed Income Supplement (GIS) is $914.47 per month plus an additional CPP survivor benefit of $524.35, for a combined monthly total of $1,438.82.

Previously, based on a 31-day month per-diem rate, Anne's care fees were $957.60. This year, they went up to $1,034.34, and will go up again next year to $1,112.08.

With the $326 remaining, Gayle must find a way to cover all remaining expenses. The regular monthly expenses of cable and telephone bills, pharmacy costs, hygiene, personal care and clothing total more than $326, leaving Gayle at a loss to figure out where she will come up with the money for additional, unexpected costs.

For example, her mother will soon need a replacement prosthetic breast which cost $325 and will not be covered by Pharmacare. And Gayle would like to hire a physiotherapist to treat her mother but the $60 per visit fee prevents her from doing so because it would cost more than her remaining pocket money.

As Anne's expenses exceed her income, the burden of care costs has been shifted onto her family.

Gayle lives on a pension herself. She feels she has no other choice than to pay for her mother's additional expenses out of her own pocket.

Gayle is intent on keeping her mother comfortable, and when she looked at expenses they could cut back on, such as eliminating foot care, she determined that such reductions would shorten [her mother's] life and certainly impact her quality of life.

"There are no frills," Gayle says. "Mother is lucky she has children. I know some there who do not, and I don't know how they handle it."

Gayle assumed that because her mother was on such a limited income and receives GIS, her care fees would be reduced. She was shocked to see them increase.

"There seems to be an assumption that seniors are sitting on an asset that they can draw from, like a house, but my mom is an example of someone who didn't own a home," Gayle explains.

"My father died 13 years ago and the two of them were living in a home that was owned by my brother. They didn't have RRSPs. They didn't have life insurance. There is nothing to sell to pay for these increases."

"Mother is lucky she has children. I know some there who do not, and I don't know how they handle it."

– Gayle

When Gayle spoke to her mother's case manager at the Vancouver Island Health Authority about the hardship review appeal process, she was informed that very few appeals succeed, and that despite the clear financial challenges her mother is facing, a successful appeal was very unlikely.

Marcy and Dave

✓ Financial and emotional burden
✓ Problems with the hardship review process

Dave's 2011 monthly rent: $2,911

Marcy's husband, Dave, suffers from Lewy Body disease, a progressively debilitating condition involving both dementia and motor symptoms. He has been living in a care facility in B.C.'s interior for about two and a half years.

In 2009, they paid $2,261 a month for Dave's care. In 2010 they began paying $2,586, and in 2011 it will go up to $2,911. In total, this represents a 28.8 per cent increase in costs for Dave's care, or $650 over two years. His annual income is $43,668.

After tax and facility costs, Dave will be left with $727 per month. His pension plan recently stopped covering the cost of extended health premiums, and he now pays $213 per month for these benefits.

Dave also has a personal trainer to keep his strength up as per his doctor's prescription, at a cost of $240 a month. He spends $95 a month on pharmacy and dental costs, and $50 a month on clothing and personal items. After these basic expenses are paid, Dave is left with $129 each month.

Before the fee increases, Dave had been subsidizing Marcy's lower income to help pay for the expenses of maintaining the family home. As the new rate structure does not factor in spousal or dependent support, the burden of maintaining the family home now falls entirely to Marcy. Her income barely supports this, so at 66, Marcy is looking for new sources of income and is seriously considering selling the family home.

Marcy and Dave are each other's second spouses and therefore have a blended family. Marcy has had to incur the costs of both a lawyer and an accountant to ensure that any financial action she takes, such as cashing in their savings, protect the best interests of the entire family.

Marcy reports that the fee increases have caused her extreme stress and required her to seek doctor's intervention and counseling. The stress of this financial burden interferes with her ability to enjoy her life with her husband and has curtailed their shared activities as she can no longer afford "extras."

"I'm only 66, and I think, well, if I start eating up all the investments now, what's going to happen 20 years from now?" says Marcy.

Marcy and Dave applied for the hardship waiver and were denied.

Marcy found the hardship application process quite arduous.

For example, she needed to provide three months worth of receipts to be considered for the waiver. Marcy notes that while she is capable of doing this, many elderly people in care, especially with mental and physical health challenges, would find the process challenging and

"I'm only 66. If I start eating up all the investments now, what's going to happen 20 years from now?"

– Marcy

daunting if not impossible.

Marcy is now considering a legal involuntary separation from Dave in order to unfetter their finances and thus lower her costs but fears it would break Dave's heart to know she had to do that.

Kate, Bill and Linda

✓ Financial and emotional burden
✓ Decline in care quality
✓ Problems with the hardship review process

Bill's 2010 monthly rent: $1,700

After being on a waiting list for care for two and a half years, Kate's father, Bill, is in a residential care facility in the interior of B.C. Bill is 93, suffers from dementia and needs 24-hour care and assistance performing basic tasks. Her mother, Linda, is 87 and remains in the family home. Kate works two jobs and is the primary caregiver of both her parents.

Kate reports that her father's care home is excellent, "like a 5-star hotel." It is very clean and well-maintained. The staff are exemplary and feel like "part of the family."

Her parents feel embraced and cared for by the staff, and the kitchen workers go out of their way to make 'home-cooked' meals.

Unfortunately, cutbacks at the facility have begun. Staff have been reduced from permanent to casual positions and jobs are being eliminated. Kate says staff are run off their feet and exhausted from trying to get all their work done. The result is a decline in the quality of care.

On top of the changes in the facility, the fee increases are causing Kate and Linda tremendous stress.

Bill's income from CPP and OAS is approximately $2,000 a month. His fees in 2010 are $1,700 a month, and will likely go up again next year.

The $300 he has left each month is barely enough to cover his regular bills, let alone any contingencies. Recently, Bill hemorrhaged and needed to replace all of his destroyed linens but had no money left to do this.

Linda is struggling to manage the upkeep and expenses on their family home while also paying for Bill's care fees. Bill had been the primary breadwinner and had always managed all the finances. The stress of the shifted burden leaves Linda anxiety-ridden. She is afraid to do any repairs around the house or spend any money at all in case Bill needs it.

"She won't even change a faucet," Kate says.

Linda also felt forced to legally separate from her husband in order to protect their finances. "We haven't told Dad about the separation," says Kate. They worry he would be heartbroken.

Kate and Linda are considering moving Bill back home, though they do not know how they would manage his 24-hour health care needs. They fear they will not be able to continue to afford his care.

"Mom has constant nightmares. She always wonders when the other shoe is going to drop."

– Kate

The constant anxiety and apprehension about the future is causing Linda sleeplessness. Kate is staying with her mother on a daybed so she is there to help "when Mom wakes up from a nightmare and falls. She always wonders when the other shoe is going to drop."

Kate had not heard of the hardship review.

✓ Financial and emotional burden
✓ Decline in care quality

George's 2011 monthly rent, up $400 in two years

Alice's father, George, is in a care on Vancouver Island after suffering a massive stroke that left him paralyzed and completely dependent on others for his basic care.

His care costs have gone up over $200 a month and will do so again in 2011.

Alice is refusing to pay the increase. She maintains that they cannot possibly afford the increases and as the fees increase, the quality of care declines.

Alice reports that since George moved into the facility, he has suffered unnecessary sores and infections as a result of declining quality of care.

Due to the very poor food quality at the facility, she contends that George has lost so much weight that his dentures no longer fit in his mouth.

He is only bathed once a week, and the facility now purchases heavy-duty incontinence supplies so that residents can be changed much more infrequently.

Further, Alice finds herself picking up more and more of the basic duties of care that are supposed to be covered in the cost of the facility, from doing his laundry to cleaning his room.

The few hundred dollars George is left with every month barely covers his regular expenses such as hygiene, medications, and bills. For any additional expenses, such as the $5,000 wheelchair recently purchased, Alice will need to drain her parents' savings.

Alice has no savings herself to contribute to the cost of her father's care.

Alice's mother, Margot, still lives independently, though she should be in assisted living or residential care as she is becoming less and less capable of caring for herself. However, in light of the changes to George's care, Margot is afraid of the cost and of becoming more of a burden on Alice.

As it stands, Alice now must visit both of her parents' homes each day to care for them.

Paula and Frank

✓ Financial and emotional burden
✓ Problems with the hardship review process

Frank's 2011 monthly rent: $2,000

Frank moved into a residential care facility in the B.C.'s interior when his Alzheimer's reached the advanced stages and he could no longer be cared for at home. Frank also suffers from advanced prostate cancer, leading to increased medication costs.

His wife, Paula, reports that Frank's fees went from approximately $1,200 a month to $1,600 in 2010. She has been advised it will go up to $2,000 in 2011. Frank's income from CPP, OAS, and a small amount of interest drawn from their savings is about $25,000 last year. Given the global economic situation, Paula does not expect that investment income to go up this year.

After the second increase is implemented in 2011, Paula will be left with about $200 to pay for all of Frank's expenses.

Paula has sold their home to help cover the impending deficit, and expects she will have to continue to eat into their savings to pay for Frank's care. She is concerned that this will ultimately mean there will be no savings available when she needs to draw on them.

Paula feels that she and her husband are being punished for having planned for retirement.

"We saved everything we could from the time we were married, hoping it would get us through our older years," she says. Instead, they are watching their savings slip away and it is devastating.

Paula was not aware of the hardship review.

Leslie and Erin

✓ Non-seniors issues
✓ Financial and emotional burden
✓ Decline in care quality
✓ Problems with the hardship review process

Leslie's 2010 monthly rent: $2,111

Leslie is a 46-year old mother who was diagnosed with multiple sclerosis (MS) in 2001. She has been living in a long-term care facility in Cranbrook for three years. She is trying to raise her teenage daughter, Erin, who is now living with Leslie's parents.

Leslie had been paying $1,391 a month in 2009, but her fees increased more than $700 a month to $2,111 in 2010.

The fee increase has left her scrambling to provide for both her daughter and herself. The $200 Leslie has left each month is not enough to cover her basic necessities, let alone the costs of raising a child.

Erin is a teenager and will graduate this year. Leslie is heartbroken that she can no longer afford to send her to the various grad-related events and activities. Leslie put Erin's grad dress on her credit card and has no idea how she will pay it off.

"I feel like she's been through so much already," Leslie says. "I just want her to be rewarded for all of her hard work."

Since the increases were implemented, Leslie has been living paycheque-to-paycheque and never knows if she will have enough money to pay the rent. She lives in constant fear of what the facility will do if she cannot pay for the cost of her care.

Leslie has cut back wherever she could: she will no longer buy birthday or other gifts, go to the movies or spend any money on entertainment.

Though she recently lost a crown in her mouth, she did not go to the dentist because Erin needed to see a dentist and she could only afford for one of them to go.

Leslie reports that while her fees are going up, the quality of the care home is getting progressively worse. Drinks are watered down; towels are stained and dirty; incontinence pads are limited to the point that people are not changed as often and are sitting in soiled pads longer.

Food quality has deteriorated, too. Leslie describes inedible lunches with wilted lettuce, brown cauliflower and yellow broccoli. And there are new rules: if a resident is late for a meal, staff will not save it for them. That means if a resident misses a meal, they go hungry.

Leslie applied for the hardship review and was denied.

"I have bills to pay, my family is not all grown up. I have a teenage daughter – how will I pay for college?"

– Leslie

She says the process was arduous and not at all transparent: the health authority kept asking for more receipts and would not tell her how many expenses she needed to account for in order to qualify. Leslie's elderly mother ran all over town trying to get receipts.

The new fee structure, its implementation and the hardship review process have been incredibly stressful for Leslie and her family. She describes feelings of constant dread and anxiety, and feels guilty that the burden of both her own care and the care of Erin has shifted onto the shoulders of her mother, who cannot afford or manage it.

Leslie says she wishes the government would look at each individual situation rather than standardizing fees for everyone.

"I have bills to pay, my family is not all grown up. I have a teenage daughter to raise," she says. "How will I pay for college for my daughter?"

Stephen, Sheila and Jane

✓ Non-seniors issues
✓ Financial and emotional burden
✓ Decline in care quality
✓ Problems with the hardship review process

Unlike many people who live in residential care facilities in British Columbia, Stephen, Sheila, and Jane are not seniors nearing the end of their lives.

All three are relatively young adults, varying in age from their early 40s to mid 50s. Stephen was the victim of a violent assault that left him quadriplegic. Jane and Sheila both suffered strokes which left them with very limited mobility. They live in a facility for younger adults with disabilities in the Lower Mainland.

All report that they were very happy originally to be assigned to this care facility as it offered residents amenities like private rooms and toilets as well as a high degree of independence and flexibility.

Both Jane and Sheila had lived in facilities that were designed for much older residents and housed as many as four people to a room. They were delighted to be moving into a facility that felt more like a home than an institution.

However, the quality of care in their facility is rapidly declining.

There used to be a substantial food program but budget cutbacks have left them with deteriorating food quality and fewer meal choices. Stephen has been buying his own groceries and ordering in meals as the facility's food becomes less and less palatable.

Nurse and care aide hours have been reduced, leading to decreasing levels of care such as one shower a week instead of two. In addition, workload has remained the same but fewer staff are expected to do it. Residents report more incidents of animosity with overworked, overtired staff.

In light of the declining quality of care, the Fraser Health Authority's letter advising of the fee increases was especially upsetting.

"The letter stated 'we are raising your rates so we can provide better care,'" Jane says. "Meanwhile they are slashing and cutting."

Sheila adds, "This is what I get for working hard my whole life? I felt so demeaned."

Stephen reports that he despaired when he read the letter and admits to drinking as a coping mechanism.

Jane, Sheila and Stephen all report that once the second rate increase takes effect in 2011, each will have only a few hundred dollars a month left over to pay all of their bills. After regular monthly expenses like medication, phone and cable bills, hygiene products and specialists'

"This is what I get for working hard my whole life? I felt so demeaned."

– Sheila

fees, there will be nothing left over for recreation or entertainment.

"You have a lot of time on your hands, you know," says Stephen. "It helps to be able to get outside, have a meal or a drink with friends in the sunshine. And now there's no way I can do that."

Even basic medical treatment will be beyond their means next year; Jane advises that she would like to see a physiotherapist but can't possibly afford the extra cost.

Jane, Stephen and Sheila all believe that the stress of the added financial burden is affecting their health. All report feelings of hopelessness, depression and anxiety. Each expressed fear of being unable to afford to remain at their current home and having to move back into a more crowded, more institutionalized facility.

None of the three had heard of or been advised of the hardship review.

Questionable Burden on Residents

The residents and family members we spoke to are experiencing tremendous financial and personal burdens because of the new residential care rate increases. Nonetheless, the provincial government claims the increases are fair and equitable and will not cause undue hardship to any residents living in care homes in B.C.

Rates have increased sharply, and additional charges vary among health authorities and from facility to facility.

Many residents report there is now not enough money left each month to pay basic bills, never mind any unexpected financial contingencies. And that there is no money at all for any pleasure or recreation such as having a meal with a grandchild or buying a birthday present.

Some are being forced to make sacrifices in the standard of health care or the quality of life for themselves or their loved ones, while others are trying to maintain the status quo by draining their savings or enduring financial hardship.

Stephen[4], a quadriplegic in his 40s living in care, says he will no longer be able to go out for a meal or a drink with his friends. Jane says she will no longer be able to see a physiotherapist. Annette may remortgage her home and move her mother in with her, though she has no idea how she could provide the 24-hour health care her mother needs.

Those in care who have dependents struggle even more. Leslie, a 46-year old resident, says that she can no longer afford to buy her daughter a dress for graduation, let alone the cost of her upcoming post-secondary education. Linda still lives in the family home her husband's income once supported, and she will not do any repairs or maintenance for fear they do not have the financial capacity to support the house and her husband's care.

Some couples feel forced to consider legally separating once one of them moves into a care facility – indeed, it seems they are being encouraged to do so by case managers during the intake process – to separate their finances for income tax and pension purposes. For some this is a heartbreaking choice that symbolically invalidates their marriage.

The government will review the $275 minimum residual amount for residents every three years[5] to ensure it leaves residents with sufficient income. However, this may mean little to current residents, as the average stay in a care facility is only one and a half years.[6]

Declining Quality of Care

There was no experience among the people we spoke to of an increase in the level of care in the facilities. This despite government claims that the additional revenue generated by the new rates will be redirected back into care.

[4] *All names were changed to protect confidentiality*
[5] *Questions and Answers on the New Residential Care Rate Structure - October 21, 2009 www.health.gov.bc.ca/hcc/rcr.html*
[6] *"BC Seniors face huge care-cost increase" Vancouver Sun Jan 25, 2010*

Food services have been cut back or contracted out, leading to inadequate or even inedible food. Staff hours have been reduced, layoff notices given, and positions contracted out, leading to a reduction in quantity of care and quality of services.

Fewer staffing hours means less resident supervision, and interviewees said this means clothing, footwear and bedding are inadvertently but frequently taken by other residents.

Services that were once included in the cost of residential care, such as occupational therapy or facility recreation, are now an additional cost borne by the resident.

Residents and their families find themselves further out-of-pocket as they find ways to cover shortfalls, for example, buying groceries, buying items in short supply such as incontinence pads, or hiring a private nurse for assistance with baths or meals.

Hardship Review – the check and balance that isn't working

The B.C. government claims that there is a hardship review process to ensure that no resident is left unfairly burdened. However, of the fifteen people interviewed, only three were aware of or had been advised of this process. Of these three, two had applied and been denied. The other twelve interviewees were only made aware of process during our interview.

It is little wonder so many are unaware. Little or no information is available on any of the health authorities' websites about the hardship process. Calls to each health authority found no one available to answer basic questions on the application process.

When called, the Minister of Health Services forwarded a form and a manual (Appendix B). But the information is simply not readily available.

Further, those we spoke to who had applied found the process opaque, confusing and arduous. There was little or no explanation on how to qualify. And caseworkers discouraged potential applicants by telling them few applicants were successful.

Final Words

Seniors and others living in residential care deserve to live with respect and dignity. According to those we spoke to, the new rates strip residents of their assets, leaving them financially incapable of paying their basic expenses and without any money left over for enjoying small comforts in their lives.

While lowering the cost of care for low-income residents and increasing the quality of patient care are understandable goals, the B.C. government's efforts to increase government revenues comes at the expense of our most vulnerable citizens.

References:

"BC Seniors Face Huge Care Cost Increase."
Vancouver Sun
25 January 2010

British Columbia. Ministry of Health Services.
Home and Community Care Information Guide for the New Residential Care Structure
www.health.gov.bc.ca/hcc/rcr.html

British Columbia. Ministry of Health Services.
Questions and Answers on the New Residential Care Rate Structure.
21 October 2009
www.health.gov.bc.ca/hcc/rcr.html

British Columbia. Ministry of Health Services.
Residential Care Rate Structure.
8 October 2009

APPENDIX A:

PROVINCIAL COMPARISONS
Ministry of Health Services' Residential Care Rate Structure
published October 8, 2009

PROVINCIAL COMPARISONS

PROVINCE	DAILY RATE
British Columbia	$29.40 - $96.40
Alberta	$44.50 - $54.25
Saskatchewan	$32.73 - $62.60
Manitoba	$30.60 - $71.80
Ontario	$53.07 - $71.07
Quebec	$33.77 - $54.36
New Brunswick	$83.00
Nova Scotia	$86.50
PEI	$69.30
NFLD	$93.33
While the lowest per diem rates paid by those in care are now the lowest in Canada (by approximately $1.20), the highest rates are now the highest in the country.	

From Ministry of Health Services' Residential Care Rate Structure published October 8, 2009

APPENDIX B:

HOME AND COMMUNITY CARE POLICY MANUAL
B.C. Ministry of Health Services

Intent

To ensure publicly subsidized home and community care services are provided only by authorized service providers.

Policy

All publicly subsidized home and community care services ("services") must be provided by either health authorities, or approved service providers that have a valid contract to provide services on behalf of the health authority.

All service providers must be assigned an approved provider number assigned by the Ministry of Health Services to provide adult day services, assisted living services, and residential care services.

Definition

Service provider is either a health authority or an approved contractor of a health authority who plans and delivers publicly funded home and community care services directly to clients.

To obtain a provider number for a service provider, the health authority is required to:

- approve the service provider,
- ensure a valid contract is in place,
- submit a completed Service Provider Application form (LTC5) to the Ministry of Health Services, and
- ensure the Ministry has issued a provider number before the service provider begins delivering service.

The health authority is required to:

- ensure that the contract includes provisions for compliance with all relevant legislation and provincial policies, including this policy manual, and
- provide all approved service providers with a copy of this policy manual, and all revisions to it issued by the Ministry of Health Services for the duration of the contract between the health authority and the service provider.

Designation as an approved service provider is not transferable. A new application is required if there is a change in:

- the ownership of an approved service provider, or
- the category of service provided by the service provider (e.g., the addition of an adult day service to an existing home health or residential care services contract).

References

Continuing Care Act, section 4
Hospital Insurance Act, section 29

Intent

To clarify the services, programs and supplies, and applicable charges for clients in publicly funded residential care facilities.

Policy

All residential care services, programs and supplies listed as benefits below are provided to clients in publicly subsidized residential care facilities without charge. Administrative fees cannot be charged for services or supplies required by the client's care plan.

Other residential care services, programs and supplies listed in this section as allowable charges may be provided at reasonable cost, at the discretion of clients. Fees for such chargeable items must be explained to the client or the client's representative and agreed to in advance of any billing for these items.

Definitions

benefit is the services, programs and supplies provided to clients pursuant to applicable regulations, this policy manual, or the contract between the service provider and health authority, at no additional charge to the client.

care is those goods and services required by clients to meet their health care needs based on an individualized care plan.

care plan is an individualized plan for the provision of services and support to clients that takes into consideration the physical and cognitive abilities, clinical, social and emotional needs; and cultural and spiritual preferences of the individual.

chargeable items are services, programs or supplies which are not included as a benefit or service provider responsibility and are provided at the discretion of clients. With prior agreement, payment for chargeable items is the financial responsibility of clients or their representative.

client co-payment rate is a monthly charge paid by clients who receive residential care services, as outlined in this policy manual.

client's representative are individuals, such as relatives, friends, or legally appointed trustees, who are designated to act on behalf of clients, and who are not related to the service provider, facility staff or other associates of the service provider.

companion service is any non-care social support or activity service provided to clients that is beyond the services a service provider is expected to provide. Companion service is a voluntary arrangement initiated by clients, their families, or individuals acting on behalf of the clients, and is the financial responsibility of the clients or their representative.

diet, therapeutic is any medically prescribed diet that is under the supervision of the client's attending physician (e.g., diabetic and low sodium diets).

meal replacement is a commercially formulated product that, by itself, can replace one or more daily meals. It does not include vitamin or mineral preparations.

nutrition supplement is a food that supplements a diet inadequate in energy and essential nutrients, and typically takes the form of a drink but may also be a pudding, bar or other form. It does not include vitamin or mineral preparations. Homemade milkshakes or house brand supplements may be used where the care plan or the client's physician do not specifically require a named commercial brand for medical reasons.

preferred accommodation is accommodation which has been approved in writing by the health authority as demonstrably superior to standard accommodation as defined in *Part 3* of the *Residential Care Regulation*.

room differential is an approved charge for preferred accommodation, over and above the client co-payment rate assessed by the health authority and collected from clients by the facility service provider.

Services, Programs and Supplies to be Provided as a Benefit

Health authorities will ensure that all publicly funded residential care facilities provide the following services, programs and supplies to clients as benefits:

- Standard accommodation as outlined in *Part 3* of the *Residential Care Regulation;*
    - Where clients request standard accommodation, and are provided a bed that is approved as preferred accommodation, clients must be provided the bed without additional charge until standard accommodation is available.
- Skilled care with professional supervision consistent with the needs of individual clients.
- Development and maintenance of care plans for all clients.
- Ongoing, planned physical, social and recreational activities, such as exercise or music programs, concerts, crafts, games.
- Clinical support services such as rehabilitation and social work services consistent with the client's care plan.
- Meals, including therapeutic diets if prescribed by the client's physician, and tube feeding.
- Meal replacements and nutrition supplements specified in the client's care plan or by their physician.
- Routine laundry service for the client's bed linens, towels, washcloths, and all articles of clothing that can be washed without special attention to the laundering process.
- Hygiene supplies for the general use of all clients, including but not limited to soap, shampoo, toilet tissue, and special products required for use in century tubs.
- Routine medical supplies, including but not limited to:
    - Sterile dressing supplies
    - Glucose strips
    - Disposable underpads for bed and chair use
    - Equipment for general use of all residents, such as lifts, bed alarms, specialized mattresses, surveillance system devices
    - Surveillance systems to support resident safety
    - Bandages (elastic or adhesive)
    - Syringes (reusable or disposable)
    - Catheters
    - Equipment physically attached to the facility
    - Shared equipment for short term general use, such as wheelchairs and walkers
    - Disposable gloves: sterile or non-sterile.
    - Wound care supplies and dressings.
- Incontinence management including but not limited to:
    - Toileting program, including routine toileting, for incontinence control and, where necessary, an incontinence plan.
    - Single use, disposable underpads, briefs and inserts.

  - Catheters – indwelling, straight, catheterization tray, drainage tubing, drainage bag, irrigation set, irrigation solution, leg bag drainage set.
  - Condom drainage sets.
- Any other specialized service (such as drugs, specialized dementia or palliative care) that the service provider has been contracted to provide.

Allowable Client Charges

Health authorities will ensure that all publicly funded residential care facilities comply with the following policy regarding allowable charges.

Service providers may charge clients for personal items and for optional services, programs and supplies provided by the service provider as described in this Section, except as noted. Service providers are encouraged to combine optional services, programs and supplies into affordable packages which may be purchased by clients or their representative.

Except as otherwise noted, chargeable items must be provided at cost. Administration or handling fees may be applied where reasonable to perform a service which is otherwise the responsibility of clients or their representative.

Chargeable items include:

- Approved preferred accommodation as requested by the client.
- Personal telephone and cable television service.
- Nutrition supplements, where the client requests a specific commercial brand rather than the brand provided by the service provider.
- Personal newspaper, magazines and periodicals.
- Hearing aids and batteries, including replacement batteries.
- Personal transportation for individual purposes.
- Extra or optional craft supplies, entertainment and recreational activities that are additional to activities and supplies provided as benefits above and are chosen by the client.
- Purchase or rental of equipment that is for the exclusive use of the client, such as walker, wheelchair, crutches, canes or other devises, and maintenance as required.
- Companion services.
- Personal dry cleaning, or laundry services for items requiring special attention.

- Hygiene and grooming supplies for personal use, **or** which the client chooses in preference to general supplies provided by the service provider including:
  - facial tissue
  - hand lotion
  - denture cleaner
  - comb and brush
  - toothpaste
  - hair shampoo and conditioner
  - talcum powder
  - shaving cream
  - special soap
  - preferred incontinence supplies.

PharmaCare

Eligible prescription drugs, ostomy supplies and pre-approved prosthetic devices are provided under PharmaCare.

Orthotic devices are not provided by PharmaCare for clients nineteen (19) years of age and older.

Special Services

Health authorities will ensure that service providers do not request a client or a family to enter into a private arrangement to obtain staff assistance to which the client is entitled under the *Residential Care Regulation* and Ministry of Health Services policy.

In some circumstances clients, families or friends may wish to obtain extra direct care or complementary services. Arrangements for such special services are permitted, subject to the following:

- The health authority and service provider are informed of the provision of the special service in the facility;
- Services provided are the responsibility of clients or their representative, in cooperation with the service provider;
- Payment is the responsibility of clients or their representative; and
- If requested, the service provider is provided with regular detailed information on the service provided and outcomes for inclusion in the client's health record.

Room Differentials

Room differentials will only be charged if:

- the health authority has assessed the rooms to be demonstrably superior to standard accommodation as outlined in Part 3 of the Residential Care Regulation, and has approved a specific room or rooms in the facility as preferred accommodation;
- the health authority has provided written approval to the service provider to charge a room differential for the preferred accommodation, and documented the room differential that may be charged;
- information is provided to the client or their representative identifying rooms approved by the health authority as preferred accommodation, the approved charges, and options for rooms available without a room differential; and
- the client or their representative have requested preferred accommodation in writing, and the client is occupying the approved preferred accommodation.

Rates

The maximum allowable room differential rates are as follows:

- single occupancy $9.00 per day; and
- double occupancy $6.00 per day.

References

Community Care and Assisted Living Act and Residential Care Regulation
Continuing Care Act
Hospital Insurance Act

Chapter:	8	CLIENT CHARGES	**Number:**	8.C
Section:	C	MANAGEMENT OF CLIENT FUNDS AND BELONGINGS	**Page:**	1 of 2
Subsection:			**Effective:**	2010 Jan 31

Intent

To ensure processes are in place to safeguard personal funds and belongings.

Policy

Health authorities will ensure service providers establish reasonable accounting and security measures to receive and control funds for the personal comfort of the client, and make adequate provision for the custody and safekeeping of client's personal funds and belongings for everyday use of the client.

Client Personal Needs Funds

The service provider is required to maintain a separate account for funds used to pay for personal items and charges on behalf of clients and provide verification to the health authority.

The service provider must maintain simple books that will clearly show additions, withdrawals, and a balance for each client. The personal needs account must be kept up to date at all times, and supported by receipts. All transactions undertaken on behalf of a client are to be drawn from these funds and accounted for in this manner.

A client's personal needs account must not exceed $500.00 at any one time unless approved by the Public Guardian and Trustee or client's representative. Funds must be retained within the province of British Columbia. Any interest received on the funds must accrue to the client.

Client Belongings

The service provider is required to accept for safekeeping only those personal effects and jewellery which are for everyday use of the client. The service provider will take immediate steps to inform the client or the client's representative and divest themselves of responsibility for personal effects or jewellery which exceed this definition.

Conflict of Interest

No service provider or employee, or spouse or relative of either, may accept any benefit from clients by gift or will, or influence clients in the conduct of their financial affairs for the benefit of the service provider or employee, or spouse or relative of either (refer to the *Community Care and Assisted Living Act* for specific requirements for licensed facilities).

Where a service provider or an employee of a service provider has a family or personal relationship with a client, the individual must provide notice of this relationship in writing to the service provider, to be retained on the client's health record. The provider must take steps to ensure that a client's funds or belongings are not handled by the specific employee without management supervision.

References

Community Care and Assisted Living Act (Part 2, section 18)

Intent

To outline income-based client rates for home support, assisted living and residential care services.

Policy

Clients receiving publicly subsidized home and community care services may be required to pay a daily or monthly charge for specific services, based on client income.

Definitions

after tax income is the client's net income less their taxes paid as shown on line 435 of the client's tax return and as confirmed by the Canada Revenue Agency, in the appropriate taxation year, and where the client has a spouse, means the combined income and taxes of the client and his or her spouse in the appropriate taxation year.

client rate is the daily or monthly rate for a home support, assisted living or residential care client.

earned income is the sum of the following amounts as reported on lines 101, 104, 135, 137, 139, 141, and 143 of the client's income tax return:

(a) employment income;

(b) other employment income;

(c) net business income;

(d) net professional income;

(e) net commission income;

(f) net farming income; and

(g) net fishing income.

income benefit includes:

- the Guaranteed Income Supplement (including benefits under International Agreements) under the *Old Age Security Act* (Canada);
- the Widowed Spouse's Allowance or the Spouse's Allowance under the *Old Age Security Act* (Canada);
- support and shelter allowance under the *Employment and Assistance Act* or the *Employment and Assistance for Persons with Disabilities Act*; or
- a War Veteran's Allowance under the *War Veteran's Allowance Act* (Canada).

net income is the net income of the client as shown on line 236 of the client's tax return and as confirmed by the Canada Revenue Agency, in the appropriate taxation year, and, where the client has a spouse, means the combined income of the client and his or her spouse in the appropriate taxation year.

spouse is a person who is married to or is living in a married-like relationship with a client, and for the purposes of this definition, the marriage or marriage-like relationship may be between persons of the same gender.

subsidized client rate is the client rate which is less than the maximum client rate, established for the service.

Application of Rates

Client rates apply to all clients 19 years and over who:

- receive home support services;
- live in assisted living residences;
- occupy acute care beds for long stays as defined in the Acute Care Policy Manual; or
- reside in a residential care facility or family care home.

Client rates do not apply to residents of group homes, who pay a monthly fee for accommodation.

Consent to Confirm Income

To be eligible for a subsidized client rate for a residential care facility or family care home, or to receive publicly-funded assisted living or home support services, the client, and where applicable the client's spouse, is required to:

- sign a consent for release of income information from the Canada Revenue Agency to the Ministry of Health Services to establish the client rate;
- provide their Social Insurance Number (SIN). If the client or spouse does not have a SIN, he or she must obtain a SIN; and
- file an income tax return for the appropriate taxation year.

If consent is revoked, the client is no longer eligible for subsidy effective the first day of the month following the date consent was revoked.

A copy of an income tax return or Notice of Assessment from the Canada Revenue Agency does not constitute consent for the purposes of this policy.

If the client or the client's spouse is incapable of providing consent, substitute consent may be given by another person on behalf of the client or spouse if the person has legal authority. If another person provides consent on behalf of the client or spouse, the health authority is required to obtain a copy of the document conferring legal responsibility for providing consent at the same time as consent is given.

Assessment of Client Rates

The health authority is required to use the Financial Profile and Calculations Form (HLTH 1.6) to assess the client rate:

- for an initial assessment; or
- when the client reports a change in income.

For an initial assessment, clients and their spouses must provide their Notice of Assessment from the Canada Revenue Agency for the appropriate taxation year.

Health authorities are required to keep all submitted HLTH 1.6 forms and a copy of any documents conferring legal responsibility for providing consent on file for a period of no less than five years after the last day of the taxation year for which consent was provided.

Clients receiving income benefits under the *Old Age Security Act* (Canada), *Employment and Assistance Act,* the *Employment and Assistance for Persons with Disabilities Act,* or the *War Veteran's Allowance Act* (Canada) must provide proof of receipt of benefit.

If the client claims he or she is unable to pay the assessed client rate because his or her expenses are too high, the client may apply for a temporary reduction of the client rate (see Policy 8.E, Temporary Reduction of Client Rate).

Clients granted a sponsorship waiver by the health authority are assessed a client rate based on total household income, including the income of the client, the client's spouse, the sponsor and the sponsor's spouse.

In cases where an individual who has expended their future care costs originating from a third party liability (negligence) award or settlement is applying for services, any funding remaining which was awarded for damages other than future care, such as wage loss or for pain and suffering, is considered income for purposes of calculating the client rate. Unlike future care funding, this source of income does not have to be exhausted before the client is eligible for services (see Policy 2.A, Eligibility).

Where a disability necessitating residential, assisted living or home support services is due to an illness or injury for which no third party liability has been established, and the client is in receipt of Part 7 no-fault accident benefits from ICBC under the *Insurance (Vehicle) Act,* the client is assessed the applicable client rate based on the client's income.

Where a client receives compensation under the *Criminal Injury Compensation Act,* RSBC 1996, c.85 or the *Crime Victim Assistance Act,* SBS 2001, c.38 the client is assessed the applicable client rate based on the client's income.

Unpaid charges are a debt owed by the client to the health authority or provider, who may take action to recover the debt.

Client Rates for Specific Services

Home Support

Home support clients pay a daily client rate calculated by multiplying the client's remaining annual income (as defined in the Continuing Care Fees Regulation) by 0.00138889. Joint income is to be used if the client lives with his or her spouse. If the calculated daily rate is higher than the actual cost of the service to the health authority, the health authority is to charge the client the actual cost of the service.

Clients receiving home support services are not required to pay a client rate in the following circumstances:

- if they are in receipt of an income benefit;
- for the first two weeks while receiving short-term post-acute care; or
- if they are enrolled in the BC Palliative Care Benefits Program.

If both members of a couple are eligible for and receiving home support services, each individual is to have the full client rate assessed. However, only one member of the couple may be charged per service day.

Home support clients who have earned income or whose spouse has earned income pay no more than $300 per month in client fees.

If one member of a couple receiving home support services moves into another care setting due to higher care needs, such as an assisted living residence or a residential care facility, the client rate of the individual remaining in the home is to be recalculated based on the remaining spouse's income.

Assisted Living

Clients who receive assisted living services pay a monthly client rate calculated as 70% of the client's after tax income up to a maximum amount that is based on a combination of the market rent for housing and hospitality services for that geographic area, and the actual cost of personal care services for the client.

If a client who receives assisted living services resides with his or her spouse in an assisted living unit, the client and the spouse must pay a combined monthly client rate calculated as 70% of the couple's joint after tax income up to a maximum amount that is based on a combination of the market rent for the housing and hospitality services for that geographic area, and the actual cost of the personal care services for the client.

The minimum amount that a client receiving assisted living services is required to pay is $801.00 per month.

If a client who receives assisted living services resides with his or her spouse in an assisted living unit, the minimum amount that the client and spouse are required to pay is $1,298.40 per month.

If a couple is living together in assisted living and then is separated for some reason, the assisted living client rate is to be recalculated based on the remaining spouse's after tax income.

Clients who move from an assisted living residence to a residential care facility may only be charged for one service, either assisted living or residential care, for the month in which the transfer occurs.

Client Rates for Residential Care Clients Approved for Placement on or Following January 31, 2010

Residential care clients who are approved on or following January 31, 2010 for placement in a residential care facility or family care home have their monthly client rate determined as follows.

A. The monthly client rate for clients with income less than $16,500 (Formula A) is calculated as:
    - Annual after tax income less $3,300 ($275 X 12 months), divided by 12 (subject to the minimum rate)

B. The monthly client rate for clients with income equal to or greater than $16,500 (Formula B) is calculated as:
    - Annual after tax income multiplied by 80%, divided by 12 (subject to the maximum rate)

The maximum monthly client rate for a client receiving residential care services is $2,932 per month.

The minimum monthly client rate for a client receiving residential care services is $894.40 per month.

The minimum monthly client rate for spouses receiving residential care services and sharing a room where the couple is in receipt of GIS at the married rate is $672.80 per month.

Short Term Residential Care Services

Clients receiving short term residential care services for respite care, convalescent care and end of life care pay the minimum monthly client rate.

Phasing in of Rate Increase for Existing Clients

Clients residing in a residential care facility or family care home at the time of the rate change or approved for residential care services before January 31, 2010, who will experience an increase in their assessed rate, will have 50 percent of their rate increase applied on January 31, 2010, with the remaining increase effective January 2011.

Absences

The client is required to continue to pay the client rate and any authorized room differential charges during a temporary absence from the facility unless arrangements have been made for another person to temporarily use the client's bed. In this case, the temporary client is responsible for paying only the client rate.

Changes in Client Rates

The Ministry of Health Services is responsible for updating individual client rates annually using the automated income testing system and notifying the health authorities of any client rate changes.

Health authorities are to manually calculate a revised client rate upon request from the client or client's representative or when client circumstances change significantly. The client is required to report a change in the client's or spouse's income to the health authority and provide proof of the income change. Manual client rate changes are effective the first day of the month following the date the health authority is notified by the client.

Health authorities are responsible for notifying clients and service providers of client rate changes.

Alternate Payers

An alternate payer is a party other than the client who is responsible for contributing towards the cost of the client's care.

Alternate payers include:

- Veterans' Affairs Canada;
- Indian and Northern Affairs Canada; and
- WorkSafeBC.

The Ministry of Housing and Social Development is not an alternate payer.

The health authority is to record information on alternate payers on the appropriate section of the Financial Profile and Calculations Form (HLTH 1.6).

Veterans' Affairs Canada

Veterans' Affairs Canada is responsible for paying the maximum client rate for assisted living and residential care services if:

- the client has a pensionable condition;
- the client is classified as a Type A veteran (as determined by Veterans' Affairs Canada); and
- the reason for admission is directly related to the pensioned condition.

Indian and Northern Affairs Canada

Indian and Northern Affairs Canada is financially responsible for status or non-status Aboriginal clients who were residing on a reserve prior to entering an assisted living residence or residential care facility, provided the client is admitted to a residence or facility where Indian and Northern Affairs Canada is authorized to pay for the care. The client is responsible for payment of their assessed client rate. Indian and Northern Affairs Canada pays the difference between the full cost of care and the client rate, which is based on the client's income.

WorkSafeBC

WorkSafeBC pays for health care services provided at health care facilities that WorkSafeBC considers necessary in the diagnosis and treatment of a worker for a work-related compensable disability.

References

Canada Revenue Agency General Income Tax and Benefit Guide, 2008
Continuing Care Act (section 4) and the Continuing Care Fees Regulation
Hospital Insurance Act (section 29) and the Hospital Insurance Act Regulation
Workers Compensation Act (Part 1, section 21)
WorkSafeBC, *Rehabilitation Services & Claims Manual,* Volume II, Chapter 10.

Chapter:	8	CLIENT CHARGES	**Number:**	8.E
Section:	E	TEMPORARY REDUCTION OF CLIENT RATE	**Page:**	1 of 3
Subsection:			**Effective:**	2010 Jan 31

Intent

To provide relief from serious financial hardship for clients assessed a client rate who are receiving publicly subsidized home support, assisted living or residential care services.

Policy

Where a client or their family will experience serious financial hardship by paying the assessed client rate for publicly subsidized home and community care services, the health authority may authorize a temporary reduction in the assessed client rate, for up to one year. Temporary reductions of client rate may be renewed, where the client or their family re-establishes eligibility for a reduction.

Health authorities may temporarily waive all, or a portion of, the client rate if the client and the client's spouse are not in receipt of monthly support and shelter assistance under the *Employment and Assistance for Persons with Disabilities Act* (Persons with Disabilities) or the *Employment and Assistance Act* (Persons with Persistent Multiple Barriers), and one of the following conditions is met:

- The client, where the client does not have a spouse and/or dependents, will experience serious financial hardship if the assessed client rate is charged.
- The client and the client's family, where the client has a spouse and/or dependents, will experience serious financial hardship if the assessed client rate is charged.
- For short stay clients, the client or the client's spouse is unable to pay the client rate and still maintain the family home or unit.

A client is in serious financial hardship when payment of the assessed client rate would result in the client or spouse being unable to pay for:

- adequate food;
- monthly mortgage/rent;
- sufficient home heat;
- prescribed medication; or
- other required prescribed health care services.

If the client or the client's spouse is eligible for but not receiving government income assistance, the health authority is required to direct the client to the appropriate agency.

A client who fails to re-establish his or her eligibility for a reduced client rate is required to repay all charges that were waived after the expiry date of the previously approved application.

As per Policy 8.D, the client and where applicable the client's spouse must provide consent for release of information from the Canada Revenue Agency and must file a tax return.

Health authorities are required to complete a Ministry authorized Application for Temporary Reduction of Client Rate form (HLTH 12), itemizing the client's and the client's spouse's monthly income and expenses. The financial calculations are made on the joint income of the client and the client's spouse, where the client has a spouse and/or dependents. The client must provide supporting documentation to verify income and the breakdown of expenses to the health authority. Health authorities are expected to process a client's application for temporary reduction of client rate in a timely and responsive manner.

After assessing the application, health authorities are required to:

- notify the client and service provider of the decision in writing;
- provide the client with a copy of the completed application form; and
- notify the client that they are required to submit a new application for a reduced rate, one month prior to the expiry date of the current approved temporary reduction of client rate.

Clients are required to re-establish their eligibility for a temporary reduction of the client rate:

- once each calendar year; or
- within ten days of a change in the client's, and, if appropriate the client's spouse's, financial situation.

Approved Application

Once approved, the reduced client rate is effective the first day of the month following the date the client applied to the health authority for a reduced rate, except for short term residential care clients, when the reduced rate is effective immediately upon approval. If there is currently a reduced rate in place, the start date of the renewal is the first date following the expiration of the current reduced rate.

Service providers must not charge clients a room differential if a reduced client rate is in effect.

Health authorities must reimburse service providers for the difference between the assessed client rate and the temporary reduced client rate, for clients receiving assisted living services or residential care services.

References

Continuing Care Act and the Continuing Care Fees Regulation (section 6)
Hospital Insurance Act and the Hospital Insurance Act Regulations (section 8.6)

Chapter:	8	CLIENT CHARGES	**Number:**	8.F
Section:	F	ADULT DAY SERVICES FEES	**Page:**	1 of 1
Subsection:			**Effective:**	2010 Jan 31

Intent

To establish a maximum charge for adult day services.

Policy

Adult day services provide therapeutic and respite services as benefits for eligible clients approved by the health authority at no charge. Nominal charges to clients may be applied to assist with the cost of specific program components.

Adult day services programs may charge a nominal daily fee to each client to assist with the cost of craft supplies, transportation (if provided) and meals.

The fee charged for supplies, transportation and meals cannot exceed $10.00 per day and may be waived if serious financial hardship would result in the client not being able to access the program.

Intent

To outline provisions to allow family members to be paid as caregivers, in exceptional circumstances, for providing home and community care services to eligible home support clients through Choice in Supports for Independent Living or eligible residential care clients living in family care homes.

Policy

Family members may be paid as caregivers while providing care to clients who have been approved to receive home support services through the Choice in Supports for Independent Living (CSIL) option (Policy 5.A.4), or for admission to a family care home (Policy 6.E).

Definitions

child means a child, any age, of the client, including stepchildren, adoptive children, daughters-in-law and sons-in-law.

family member means anyone who is related to the client by blood, marriage, adoption or custom adoption (e.g. children, grandparents, etc).

immediate family member means a parent, child or spouse.

parent means a parent of the client, including parents-in-law, step-parents and adoptive parents.

spouse means a person who is married to the client, or is living in a marriage-like relationship and for the purposes of this definition, the marriage or marriage-like relationship may be between persons of the same gender.

General

A family member, except an immediate family member, may be paid to provide care for a CSIL or family care home client.

A family member who is paid to provide care for a client must comply with all policies, procedures and standards that apply to these services, and cannot be a member of the client's formal support group.

Health authorities are required to discuss with the client or client support group the following risks associated with paying a family member:

- the potential risk for conflicts of interest;
- the potential risk to negatively impact the health and quality of life of the client and caregiver; and
- if the client has complex care needs and is considering having only one family member providing care, whether that situation is realistic and appropriate.

Exception to Allow Payment to an Immediate Family Member

An immediate family member cannot be paid to provide care for a client unless an exception is approved by the health authority. In order to be considered for an exception, the client or client support group must submit an application for an exception in the required form.

Health authorities may approve an exception to pay an immediate family member if the following four criteria are met:

1. the client or client support group wishes to pay an immediate family member to provide assessed services that the health authority would otherwise provide either through CSIL or a family care home.
2. the health authority has determined there is no appropriate and available caregiver to provide for any extraordinary or unique needs of the client for one or more of the following reasons:
    - nature and degree of care required;
    - rural or remote location;
    - cultural barriers; and
    - communication barriers.
3. the family circumstances of the client have been considered and the risks are considered manageable.
4. the client's care plan includes appropriate respite for the immediate family member.

Health authorities must review the exception at least annually. Approval may be withdrawn if the health authority determines:

- the criteria no longer apply; or
- the client's needs are not being met.