

INDIVIDUALIZED FUNDING IN SENIOR CITIZEN RETIREMENT COMMUNITIES

The current funding formula used by the British Columbia Government for seniors funding assistance does not permit senior citizens who need such funding assistance, to choose where they wish to live during their remaining years.

Currently the government provides funding for approved facilities to a maximum amount based on the financial ability of the individuals proposing to occupy the rooms ("Facility Funding"). The senior pays 70% of their income towards the rent and cost of food and care services. The government then pays the remainder, which is often the majority of the total cost. Individuals who do not live in an approved facility are not entitled to government funding for any part of the cost of their non-approved facility.

When a senior living in a non-approved facility ("Private Residential Care Facility") suddenly has insufficient income or resources to live in a private residential care facility, the local health authority assesses the senior for placement in a low income assisted living facility. This may work well for low income individuals and families but it does not address the situation of seniors in Private Residential Care Facilities who, due to increased facility fees or reduction of financial ability of the senior, are unable to continue to reside in their facility. They are not entitled to any funding under the current Facility Funding because they are not in an approved facility.

Rather than providing Individual Funding (as defined below) to the senior based on an individual need basis, to allow the senior to continue to reside at the Private Residential Care Facility, the senior is forced to vacate the Private Residential Care Facility and relocate to an approved facility where they may be entitled to Facility Funding.

The result of this undesired move may be depression and / or subsequently declining health thereby substantially increasing the level of care needed as well as an equally substantial increase in cost to the Public Health System.

Furthermore, under Facility Funding, family financial support is discouraged (because such support is included in the calculation of the senior's income) eliminating what could be a substantial funding contribution.

The alternative is to provide individualized funding which would apply a funding formula individually to all seniors regardless of where they reside (Individual Funding). The funding formula for Individualized Funding would take into account the actual cost to the government of the provision of the various services to seniors, maximum facility costs, the senior's income and ability to pay and would allow third party contributions without penalty to the senior.

Under this proposed Individual Funding program, seniors would be able to stay in their current retirement residence or move to one of their choice, and families can make a contribution to the cost of housing, support services and care programs without the threat of the senior losing their benefit entitlement. The government would contribute money to the individual based on their need under the Individual Funding formula and if necessary the family of the senior could elect to contribute for any additional services available.

A comparison of the two forms of funding:

A) A senior having an income of 1500.00 per month and requiring some level of care would be unable to choose to live anywhere other than an approved facility because there is no government funding available to them for non-approved facilities. A Facility Funded senior in an approved facility having an income of 5000.00 per month would be required to contribute \$3950.00 per month to stay in the facility and receive care. If the facility's cost to provide residency and care is \$6050.00 per month the government would contribute \$5000.00 per month. The family of the senior does not contribute to the cost of the facility because to do so will be counted towards the calculation of the seniors income and will increase the contribution required of the senior.

B) The same scenario occurring under proposed Individual Funding could have the senior living in a facility of their choice. The government contribution would be the lesser of; the \$5000.00 they would have contributed at the approved facility; or if the non-approved facility charges less for the same residency and care, the balance owing after the deduction of the seniors contribution. If the facility cost to provide residency and care to the senior at a non-approved facility is greater than the cost for the same residency and care at an approved facility (but is the preferred place of residence for the senior), then it will be up to the senior or their family to contribute the excess costs. The government would not have to pay any part of such excess costs.

There are many benefits to the government in adopting Individual Funding for seniors care:

a) Seniors at Private Residential Care Facilities will be allowed to stay in their existing facilities rather than occupying rooms at approved facilities which would then be made available to the many seniors on wait lists for care homes that cannot afford Private Residential Care Facilities;

b)The health and quality of life of the senior will not be compromised by a move to another facility;

c) reduced costs to the government subsidy program and subsequently reduced costs to the health system.

d) Higher utilization of existing retirement residences and facilities and greater opportunities for the private and non profit sectors to meet the supportive housing and or personal care needs of seniors and reduce the requirement for government to commit to capital costs or long term contracts.

e) Preservation of the dignity and rights of the senior to choose where they would like to live and who they would prefer as their personal care provider.

Programs similar to individualized funding are currently provided by both the provincial and federal governments. Provincially, BC Housing administers the Shelter Aid for Elderly Renters program. The eligibility criteria for this program could be adopted with modification. Veterans Affairs Canada currently has a system in place that supports a veteran either in their own home, in assisted living or in complex care by assessing the needs of the senior and supporting them through financial assistance. This system can also be adopted as a template in how government subsidies can support an individual in their choice of living in their senior years with comfort and dignity in a residence of their choosing.

The Chamber of Commerce recommends:

That the Provincial Government:

1. Implement an "Individual Funding" subsidy program to assist BC seniors who need accommodation, support services and personal care but do not have the resources to fully pay for them.
2. As part of the Individual Funding program allow contributions towards a senior's facility costs without calculating the contribution as part of the senior's income or means.

Submitted by Kamloops Chamber of Commerce