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# INCREASING THE CAPACITY OF CANADA'S HEALTHCARE SYSTEM BY SUPPORTING INFORMAL CAREGIVERS

Alexandra De Rosa

The Munk School of Global Affairs & Public Policy at the University of Toronto

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The IRPP's Canadian Priorities Agenda project is the inspiration for the capstone seminar in the master's in public policy program of the Munk School of Global Affairs & Public Policy at the University of Toronto. The course is offered in an intensive format as a core requirement in the final semester of the two-year program. *A Canadian Priorities Agenda: Policy Choices to Improve Economic and Social Well-Being* is the basic text for the course. It is supplemented by readings chosen by the instructors and guest presenters. The students take the role of judges, and for their final assignment they write a 5,000-word paper modelled on the judges' reports in the original project, in which they have to make the case for an agenda comprising five policies selected from options presented in the course. Every year the instructor selects the best student paper, and the IRPP posts it on its website.

# A Caring Canada

## *Increasing the capacity of Canada's healthcare system by supporting informal caregivers*

**Alexandra De Rosa**

## Introduction: The importance of Canada's informal caregivers

In 2016, adults over the age of 65 outnumbered children for the first time in Canada's history (Statistics Canada, 2016). The anticipated effects of this demographic shift are well documented: healthcare resources, public finances, economic growth and the labour market will face new pressures. While these issues are intertwined, this analysis will focus on the social and economic impacts of this shift on Canada's healthcare system and its ability to care for the elderly.

Seniors (adults aged 65 and over) account for 46% of all public health spending (CIHI, 2016). On average, this cohort's annual healthcare costs are $8,972 more than for an individual under 65 (Mockler & Cools, 2017). Furthermore, the number of seniors requiring care is projected to double by 2040, and life expectancy will simultaneously increase by almost 2 years (Keefe, 2011, Government of Canada, 2014). Healthcare costs for seniors are consequently expected to rise by an average of $2 billion year-over-year (CIHI, 2016). Canada faces the challenge of ensuring our growing number of seniors are cared for while preserving the sustainability of our public finances.

Governments have attempted to curb healthcare costs through enabling home and community services since the mid-1990s (Chiu, Wesson, & Sadavoy, 2013). As average costs of institutional care in hospital beds and nursing homes are $1,000 and $130 respectively per day, allowing seniors to age in place may save billions of dollars (CARP, 2015). These savings are especially critical as Canada enters a period of exceptional fiscal pressure. It is expected that the federal budget deficit will be $89.5 billion higher than projected due to measures taken for COVID-19 (Parliamentary Budget Office, 2020). Canada therefore has an imperative to seize savings opportunities in the coming years. Further prioritizing home care capacity is an important strategy to both mitigate the effects of the aging population and reduce government spending during periods of fiscal restraint.

Informal caregivers (hereafter, caregivers) have been described as the backbone of the home care system (Mockler & Cools, 2017). Caregivers are the unpaid family members or friends who provide support to individuals with long-term chronic, disability, or age-related conditions. They are the underground economy that supports our healthcare system's capacity.

Caregivers shoulder a wide range of supports that would be expensive to administer in the formal care system. Caregivers may assist with tasks such as transportation, cooking and grooming, or with more intensive care such as administering medications or conducting medical

procedures (The Change Foundation, 2019). Caregivers provide between 70-80% of all care within private homes and communities, and estimates show that the economic value of this care is $25 billion annually (Ministry of Finance, 2015). It has been suggested that without this support, our healthcare system would be unequipped to meet the needs of our vulnerable population (Keefe, 2011). However, there are many reasons why one may be discouraged to become a caregiver.

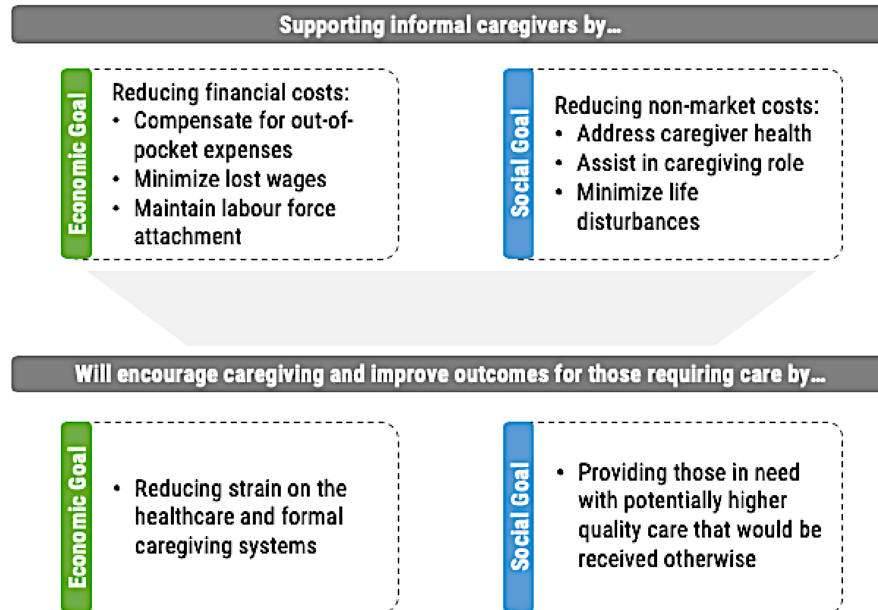
Taking an economic lens, both cost and demographics may reduce the supply of caregiving. Balancing competing demands, such as employment, may increase the cost of providing care. This is particularly important as those most likely to be a caregiver are also likely to participate in the labour force (Turcotte, 2013). Other threats to mental and physical health intensify this price. Further, declining fertility rates imply that there will be fewer children in total to care for their parents, or that these individuals will be part of the "sandwich generation" caring for their own children and parents at the same time (Employer Panel for Caregivers, 2015). This demographic change may indeed shift the supply curve inward.

These supply influences mean that there is both an economic and social imperative for government to encourage caregiving. To do this, conditions should be created that will reduce the opportunity cost of providing care. Without action, caregivers may be forced to sacrifice their jobs, or worse, become "collateral casualties" of care as their own health and wellbeing is often compromised (Mental Health Comission of Canada, 2013). While caregivers are critical to the lives of many others, there is limited support provided for them (Keefe, 2011). Increasing this support will not only improve the lives of caregivers but also will improve outcomes for the broader health system by reducing costs and ensuring a high quality of care for the ageing population.

### *Objectives: Desired economic and social outcomes*

This analysis will be guided by two interconnected objectives: achieving outcomes that will create positive conditions to encourage caregiving, which will thereby achieve broader outcomes for the population that requires care. The economic and social goals for these interlinked objectives are outlined in the figure below.

**Figure 1**
**Objectives of proposed policies**




Three policies will be proposed that are intended to achieve the desired outcomes for caregivers described above. Achieving these caregiver objectives will then lead to positive outcomes for the broader system. The three proposed policies aim to reduce the opportunity cost of care by:

- Reducing the financial cost of care by compensating caregivers for out-of-pocket expenses, minimizing lost wages and maintaining labour force attachment; and
- Reducing the non-market costs of care by directly assisting caregivers and minimizing the social sacrifices required to provide care.

## Current State: The landscape of caregiving in Canada

Forty-six per cent of the Canadian population will provide care to a family member or friend at some point in their lifetime (Sinha, 2013). In 2018 alone, 25% of the Canadian population acted as a caregiver (Statistics Canada, 2020). While most caregivers spend less than 10 hours per week caring, 15% spent 10-19 hours, and 21% spent over 20 hours providing care (ibid). Most caregivers support their parents, provide care for at least one year, and assist with age-related issues (Sinha, 2013). This is a gendered issue: while only slightly more women identify as caregivers than men, women may spend up to twice as much time caring (ibid, Keefe, 2011). The nature and intensity of caregiving varies based on each individual situation and family context. However, the challenges of the role, including the unpredictable nature of illness, competing life demands, and toll on the wellbeing of the caregiver are common across all (Mental Health Comission of Canada, 2013).

### *Challenges of Caregiving*

Caregivers face both economic and social challenges. First, caregivers often use their own means to finance their care responsibilities. Health Canada has found that 44% of caregivers pay out-of-pocket expenses (Health Canada, 2002). Of these caregivers, 40% spend $100-300 per month, and 25% spend over $300 per month (ibid). This is not inconsequential; one-third of caregivers have reported facing financial hardships in 2019 due to care responsibilities (The Change Foundation, 2019). Economic costs also include potential loss of income from employment. Caregivers may take a leave of absence or reduce their working hours to make themselves available to care (Glover, 2018). This may negatively impact their career by being turned down for raises or promotions, or by reducing other employment-related benefits (Keefe, 2011). It is estimated that caregivers may sacrifice a lifetime loss of $659,139 of potential income by providing care (Metlife, 1999).

Further, the role of caring itself is challenging. Caregivers experience a much higher rate of burnout than the general population (The Change Foundation, 2019). More than half of caregivers find the management of caregiving stressful, feel anxious and overwhelmed, and are unable to take time for themselves (ibid). Despite these signs of distress, caregivers often feel as though they could be doing more. Caregivers consider themselves to be just "doing their duty" and understand the importance of their role (ibid). However, these challenges illustrate the imperative to address caregivers' needs.

### *Canadian Caregiving Policy*

There is no cohesive system that provides support to caregivers in Canada (Keefe, 2011). Caregivers do not fall squarely under a single policy domain, and therefore disparate services are provided across jurisdictions, orders of government, and delivery mechanisms.

Federal policy: The federal government provides financial support and employment protection to caregivers through the tax system and Employment Insurance (EI). The Canadian Caregiver Credit (CCC) is a means-tested, non-refundable tax credit available to those who care for a spouse, common law partner or dependent (CRA, 2020). There are three benefits available through EI: The Compassionate Care Benefit (CCB), the Family Caregiver Benefit for Children and the Family Caregiver Benefit for Adults (ESDC, 2020). Each of these benefits provide eligible individuals up to 55% of earnings, up to a maximum of $573 per week. The CCB is available to those providing care for someone with a significant risk of death and aims to alleviate financial burdens of workers caring for the terminally ill (Giesbrecht, Crooks, Williams, & Hankivsky, 2012). The Canada Labour Code provides CCB leave for up to 26 weeks. The Family Caregiver Benefit for Children provides up to 35 weeks of leave, and the Family Caregiver Benefit for Adults provides up to 15 weeks. These benefits are available for individuals providing care for a critically ill or injured person, which requires that the care recipient's baseline health has changed significantly due to illness or injury (ESDC, 2020). The Caregiver Recognition Benefit (CRB) is the only direct benefit available (Vetrans Affairs Canada, 2019). It provides $1,000 per month tax-free to caregivers who support Veterans.

Caregivers' rights are protected through the *Canadian Human Rights Act.* Caregivers are protected on the grounds of family status, and therefore may not be discriminated against in the workplace (Government of Canada, 2019). Caregivers should prove that reasonable efforts were made to find alternative solutions to care, however employers have a duty to accommodate if no alternative is available (ibid). Further, the definition of "family" in family status may include relationships not defined by blood or legal bounds, enabling friends or community caregivers to share the same protections (CHRC, 2014).

Other federal initiatives for caregivers revolve around information sharing. In 2014, the Employer Panel for Caregivers was created to find cost-effective solutions to ensure caregivers continue to participate in the labour market (Government of Canada, 2014). The federal government has also created an online portal that consolidates resources for caregivers, and the Canadian Human Rights Commission has released a tip-sheet for caregivers on how to balance work and caregiving obligations (Government of Canada, 2018, CHRC, 2014).

Sub-national policy: Most provinces and territories have a formal policy that recognizes the contribution of caregivers. Nova Scotia and New Brunswick are the only two provinces that provide a direct benefit. Nova Scotia's Caregiver Benefit provides up to $400 per month for caregivers of low-income adults who provide more than 20 hours of care per week (Government of Nova Scotia, 2019). New Brunswick's benefit provides caregivers of social assistance recipients with up to $106.35 per month (Government of New Brunswick, 2018). Manitoba and Quebec provide non-refundable tax credits for caregivers (Government of Manitoba, 2019; Revenu Québec, 2019). Other jurisdictions may provide financial support to the care recipient, by which the caregiver may indirectly benefit.

All provinces provide for a job-protected leave through their respective labour codes (The Change Foundation, 2019). While most align to federal standards, Ontario provides a unique Family Caregiver Leave (Government of Ontario, 2019). Caregivers can take up to 8 weeks of unpaid leave and it is not limited to critical injury, illness or end-of-life care. Instead, it provides time for psychological or emotional support, arranging care or providing other direct care.

The status of caregivers in legislation is generally ambiguous. However, Manitoba has been progressive in this area, becoming the first province to recognize caregivers through legislation (Government of Manitoba, 2015). The *Caregiver Recognition Act* mandates the development of a progress report every two years on the supports available to caregivers and whether needs are addressed. Quebec has also taken steps to formalize caregivers by appointing the first ever Minister Responsible for Seniors and Informal Caregivers (National Assembly of Quebec, 2019).

Services such as respite care are provided through home care programs administered by each province and territory (IAOC, 2018). While some governments provide online information and advice, most resources are provided through volunteer organizations. Caregivers Alberta, Family Caregivers of British Columbia, the Ontario Caregiver Coalition and Carers Canada conduct advocacy and research, provide education and information as well as conduct their own special projects. For example, the Ontario Caregiver Coalition developed CareChannel, an

online portal with free resources, in partnership with the Saint Elizabeth Foundation (CareChannel, 2019).

## Policy Recommendations: Creating conditions for care

The three federal policies that are recommended are intended to fill gaps in current Canadian caregiving policy. By improving caregiving support, caregivers will be encouraged to take on the role and provide a high quality of care, benefitting both care receivers and the broader healthcare system. These policies have been assessed on their ability to achieve the economic and social outcomes previously described, as well as on their ability to be financially, administratively and politically feasible. The net cost of these recommendations is $12.55 billion annually, placing the federal government in a position of fiscal deficit. However, return on investment is likely to be high when considering the savings associated with an increase in caregiving capacity. ROI may be determined by the number of seniors able to be cared for by caregivers instead of the formal healthcare system.

The three policies are summarized below:

**Table 1**
**Summary of recommendations**

| Policy | Desired Outcome | Estimated Net Cost |
|---|---|---|
| **1.0 Financial supports** | *Economic:* Compensate for out-of-pocket expenses<br>Minimize lost wages<br>*Social:* Minimize life disturbances | $5.35 billion |
| **2.0 Employment supports** | *Economic:*<br>Maintain labour force attachment<br>*Social:* Minimize life disturbances | N/A |
| **3.0 Direct services** | *Social:* Address caregiver health<br>Assist in caregiving role | $7.20 billion |

## Policy 1: Financial supports

Canada's current financial policies for caregivers are either targeted for specific types of care provision or do not go far enough to provide adequate support. The CCC is a non-refundable credit, providing minimal support and limiting eligibility to those paying taxes (Keefe, 2011). While the CRB provides substantial assistance, it is only estimated to benefit 500 individuals (House of Commons, 2018). The EI Family Caregiver Benefits and CCB are not available for those caring for individuals with longer-term chronic or age-related conditions, which most caregivers do (Sinha, 2013). It is estimated that only 8% of caregivers receive federal tax credits while 6% receive money from other government programs (Statistics Canada, 2020). Furthermore, 68% of caregivers report having unmet financial needs (ibid).

Therefore, Canada requires policies that provide meaningful income assistance to a diverse range of caregivers. Financial policies have both a social and economic benefit as they reduce the opportunity cost of care and recognize the valuable contribution of caregivers (Keefe, 2011).

### *Create the Canada Caregiver Subsidy*

The Canada Caregiver Subsidy (CCS) would replace the CCC to create a new tax-free benefit. A direct benefit would minimize the impact of expenses and recognize care contributions. The CCS is designed to be an income-supplement, compensating individuals regardless of their income and labour force status. While this benefit is intended for anyone who provides care, strong eligibility criteria will be required to ensure it is not inappropriately exploited.

**Table 2**
**Proposed CCS Eligibility**

| Criteria | Rationale |
|---|---|
| Resident of Canada for tax purposes | Standard requirement for CRA-delivered benefits. |
| Over 15 years of age | Becoming a caregiver may happen at any age. This benefit should be provided for anyone able to apply for their own support programs. |
| Confirmed by a medical professional to be the caregiver of an individual that requires care | Medical confirmation is standard practice and will be required for audit proof. Level of care required is not considered as that is not necessarily indicative of care provision. |
| Provide significant care (over 10 hours per week) to an individual, and assist with any four activities of daily living (feeding, washing, dressing, grooming, personal care, toileting, taking medication, mobility, regular travel, errands) | Caregivers that provide a significant amount of care are more likely to experience financial strain. The list of activities of daily living are set out in the eligibility criteria of the CRB (Vetrans Affairs Canada, 2019). |
| Are not a paid caregiver | Paid caregivers are not the demographic intended for this benefit. |
| Care recipient is not a permanent resident of a nursing home or long-term care facility | The care recipient need not live with the caregiver to require care; however, they may not be receiving full-time care from a professional institution. |

This benefit is intended to have a universal and income-tested component. All caregivers that meet the eligibility criteria will receive $100 per month to recognize their caregiving efforts. However, a maximum of $300 per month will be provided for low-income individuals to ensure the benefit is not regressive. The maximum amount will begin decreasing when household income rises above $31,120. The minimum benefit will be provided when household income is

above $67,426. These criteria are in-line with similar programs, and the received amounts are in-line with average expenses of caregivers (Health Canada, 2002).

This benefit will be delivered by the Canada Revenue Agency (CRA). As the CRA administers a similar benefit, the Canada Child Benefit, they are best suited to deliver the CCS. Individuals will be able to apply online through MyAccount or through a mail application. The CCS would have an approximate net cost of $5.027 billion annually, assuming full uptake. Appendix A provides detailed costing of this proposal.

While Veterans' needs are protected in a special class, it may be considered to further consolidate the CRB within this benefit. Consolidating the CRB would signal that the efforts of all caregivers are of equal importance and would save administrative costs. However, this would require a significant transition for those currently receiving the CRB at $1,000 per month. To compensate for this, there could be a one-year period where CRB recipients may still receive the original amount. After this period, all caregivers caring for Veterans will receive the maximum of $300 per month, regardless of income. Consolidation of the CRB would reduce net cost to $5.018 billion annually after the first year of transition. This scenario is also detailed in Appendix A.

### *Introduce the Informal Caregiver Benefit to Employment Insurance*

A new category of caregiver benefits, the Informal Caregiver Benefit (ICB) should be added to EI. The ICB is intended to fill the gap for caregivers who provide care to individuals with chronic or age-related conditions and are therefore not eligible for the CCB or the Family Caregiver Benefits. As the ICB is embedded in EI, it is intended to encourage continued employment. Because of this, a caregiver may receive the CCS and the ICB simultaneously; the CCS is intended to compensate care-related expenses, while the ICB is intended to promote labour market attachment.

Aligned to Ontario's Family Caregiver Leave, the ICB should be payable for a maximum of 8 weeks. It may be received at any point during the 52 weeks following the date the care recipient has been certified to require care. Dissimilar to other EI benefits, the ICB may be taken on a daily rather than weekly basis. This flexibility is important for those caring for recipients with chronic or age-related conditions, as the needs of these recipients are often more sporadic than those requiring critical injury or end-of-life care.

Eligibility for this program should be the same as current EI caregiver benefits, except for the requirement that regular weekly earnings have decreased by more than 40%. This requirement does not align with the benefit's spirit of flexibility. However, the employee should provide a medical certification that confirms they provide over 10 hours per week of care to the recipient. This will ensure the benefit is being leveraged by those most in need.

The amount received will be in line with other EI benefits; a caregiver may receive 55% of earnings up to a maximum of $573 per week, or $114.60 per day. Caregivers may apply through Service Canada in the same way as other EI programs. The net annual cost for this program is

$319.67 million, assuming an uptake of 40%. This is about double the estimated annual cost of the Family Caregiver Benefit for Adults (Ministry of Finance, 2017). See Appendix A for detailed costing.

### *Justification and considerations*

Providing income assistance to caregivers reduces financial barriers to care. These benefits also create a multiplier effect as caregivers will be able to both maintain care-related spending while further increasing other consumption (Glover, 2018). The means-tested component of the CCS will also help to improve equity across caregivers, achieving both economic and social benefits.

Jurisdictions across the world provide similar programs. Australia's Carer Allowance provides a direct benefit for individuals providing significant care (Services Australia, 2019). Germany's Carer Allowance is paid through the pension insurance system and is dependent on the caregiver's income (Colombo, Llena-Nozal, Mercier, & Tjadens, 2011). The UK also provides a generous Carer Allowance; however, it is saved for individuals providing over 35 hours per week of care (CarersUK, 2019).

Financial feasibility: These policies require a net increase in public spending as there is no clear portfolio of pre-allocated funds that are appropriate to draw upon. However, the government may consider increasing EI contributions by a small margin to help fund these programs. For example, if the average annual employee EI premium was increased by $60, the government could raise revenue by $1.01 billion[1].

Administrative feasibility: As the CCS and the ICB will be delivered through the CRA and EI respectively, minimal additional delivery capacity will be required. The CRA and Employment and Social Development Canada (ESDC) may require new FTEs. New application, approval and delivery processes will have to be designed.

Political feasibility: Recent events may decrease the political feasibility of these programs. First, the CCC was created in 2017 after consolidating previous caregiver credits (CRA, 2017). Further expansion may be challenged. Consolidation of the CRB may be met with resistance as it decreases benefits available to Veterans. Additionally, the introduction of the Canada Emergency Response Benefit may limit further action within the EI portfolio.
Risks to this proposal are outlined in Appendix B.

## Policy 2: Employment supports

Canada's existing labour force policies do not provide adequate support for caregivers who require flexible work environments to balance employment and care. Aligned to EI, the Canada

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[1] Assumptions:

- Canadian labour force: 20,000,000 (Martel, 2019)
- 84.7% of labour force has insurable earnings (Statistics Canada, 2019)
- Labour force with insurable earnings = 20,000,000*84.7% = 16,940,000
- Increase in revenue from $55 average increase in EI contributions = 16,940,000*60= $1.01 billion

Labour Code allows for critical illness and Compassionate Care Leave. However, these only apply to federally regulated industries and do not apply when care recipients' needs are chronic or age-related. While most provinces have implemented legislation that either aligns to or complements federal standards, caregivers still face barriers (Keefe, 2011). 50% of caregiving employees feel they cannot take advantage of flexible work arrangements without it having a negative impact on their career (RAPP, 2014). Only 1 in 5 employers have policies that accommodate caregivers, and 31% of caregivers say their employers do not empathize with their situation (The Change Foundation, 2019).

Therefore, Canada requires polices that normalize caregiving in the workforce and ease the choice between providing care and maintaining employment. The primary objective of these policies is economic. Caregivers may have more interruptions at work, reduced productivity, or be absent due conflicts between work and care demands. In 2012, it was estimated that 1.6 million caregivers took leave from work, while 390,000 had to quit their jobs to provide care (Sinha, 2013). These policies should provide confidence to caregivers, as 35% of the caregiving workforce is insecure that they will face professional repercussions for providing care (The Change Foundation, 2019).

### *Introduce an Informal Caregiver Leave into the Canadian Labour Code*

The Canadian Labour Code should be amended to provide an unpaid leave for caregivers supporting an individual with chronic or age-related conditions. The intention of this leave is to provide flexibility for caregivers as they handle care duties while preserving job security. The Informal Caregiver Leave should provide a maximum of 8 weeks or 40 business days and may be claimed on a day-by-day basis. This will align to the ICB, allowing caregivers eligible for EI to take advantage of the financial benefit simultaneously.

Minimal government involvement is required to deliver this policy; amending the labour code and ensuring compliance are the only required actions. Employers will be responsible for administering and managing employee leave. Caregivers will provide employers with a written notice that they will be taking advantage of the program, as well as a medical certificate confirming they are the caregiver for the individual in need. As described in the *Canadian Human Rights Act,* the employee should prove that they made reasonable effort to meet their caregiving obligations and that no alternative is available (Government of Canada, 2019). As minimal government involvement is required, costs will be immaterial and may be considered regular course of business. Costs of lost productivity will be borne by the employer.

### *Conduct an Information Campaign for Employers*

The 2014 Canadian Employers for Caregivers Panel should be re-established to signal the importance of caregiver rights in the workplace. This Panel should spearhead an information campaign for employers to educate them on the challenges of caregivers, the barriers they face in the workplace, and caregivers' rights as set out in the Canada Labour Code and *Canadian Human Rights Act.* This is important as lack of awareness is a barrier to employers establishing their own caregiver policies. Companies report feeling ill-equipped to deal with caregiver needs

and do not know what type of accommodations would be valued (Employer Panel for Caregivers, 2015). A Canadian-led campaign will help encourage employers to establish their own policies and instigate a culture where caregiving needs are prioritized. Flexible policies to be considered include annualized hours, compressed work weeks, a choice of start and finish times, and the option to transition to part-time work. These policies will increase employee engagement, reduce cost of lost productivity and attract top talent (ibid).

Costs for this campaign will be minimal. Resources will be required to design and disseminate the information campaign, consult with employers and organize the Panel. However, these may also be classified as regular course of business for the government.

### *Justification and considerations*

There is a role for government in ensuring caregivers are able to balance employment and care as lost productivity has a significant economic impact. The Conference Board of Canada has estimated that the annual cost of lost productivity due to caregiving is $1.3 billion (Employer Panel for Caregivers, 2015). While the government could go further to instate mandatory paid days off for caregivers, this may risk placing too much of a financial burden on employers.

In Germany, caregivers have access to *Pflegezeit,* which provides 10 days of paid care leave per year (IAOC, 2018). Germany has also legislated the *Act to Improve Compatibility between Family, Care and Work* which allows a partial leave of absence for up to 24 months for care (ibid). Australians are also eligible for 10 days of paid care leave per year of service with an employer (Colombo, Llena-Nozal, Mercier, & Tjadens, 2011). Employees in Italy are entitled to a bank of two years leave over the course of their working life to provide care for family (ibid).

Financial feasibility: These policies have low financial requirements. Both initiatives may be co-led by the Ministry of Seniors and ESDC and will draw on resources from both ministries.

Administrative feasibility: Both policies are administratively feasible, however will require significant consultation and involvement from industry. Employers will have to be informed of changes made to the Canada Labour Code. To do this, the federal government should consult with the Government of Ontario to determine how the Family Caregiver Leave was communicated. Consultations will also be required when disseminating the employer informational campaign.

Political feasibility: There is likely to be little political impact from these policies. However, the federal government should work with provinces and territories to align standards so the Informal Caregiver Leave may also apply to provincially regulated jurisdictions.

Risks to this proposal are outlined in Appendix B.

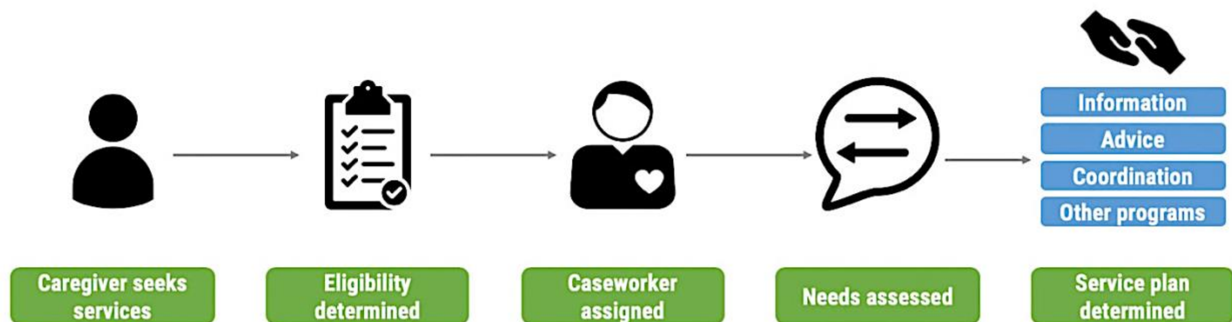
## Policy 3: Direct services

Governments in Canada do not offer dedicated support systems for caregivers. Only formal home care services are available that provide caregivers with respite if the care receiver is

eligible (Keefe, 2011). Other fragmented services are delivered through multiple agents. For example, Canada's online portal for caregivers includes self-care resources, financial tools and other information (Government of Canada, 2018). Family Caregivers British Columbia connects caregivers to in-person support networks in their community (Family Caregivers of BC, 2019). The Reitman Centre CARERS program in Toronto provides intervention such as psychotherapy to caregivers of people suffering with dementia (Sinai Health, 2019). However, these services are not enough to address caregiver needs and assist in their capacity to succeed in their role. It is important that caregivers' own needs are assessed separately from those of the care receiver in order to ensure they can provide care while protecting their emotional, psychological and physical wellbeing.

Therefore, caregivers deserve a dedicated program that provides them with access to information, guidance, support and connection to other services. The objective of this proposal is to improve social outcomes: ensuring the population of caregivers surrendering personal time to support those in need are also taken care of. This program is envisioned to be a service that connects caregivers with a personal caseworker who may provide them with advice, connect them to services or act as a counsellor. It is intended to be an individualized program, where the level of service provided is determined by the caregiver's needs. There is a high demand for this: 77% of caregivers wish there was a "one-stop-shop" to turn to for help and advice (The Change Foundation, 2019). Caregivers report a high need for assistance in navigating Canada's complex healthcare system, training to manage different care situations and emotional support and counselling (ibid). The intended process of this service is visualized below:

**Figure 2**
**Proposed process for caregiver services**




While all caregivers may seek these services, eligibility criteria are required to ensure the program is being used by those most in need. These criteria are designed to assess the wellbeing needs of the caregiver rather than financial means. Eligibility should fall under these categories; however specific criteria may be adjusted by the delivering entity based on their local demographic.

## Table 3
## Proposed eligibility of caregiver service provision

| Criteria | Rationale |
|---|---|
| Number of hours caring per week | The number of hours one spends caring per week has an impact on the caregiver's health and ability to balance life demands. |
| Complexity of care | The complexity of care required for the care recipient informs the need of the caregiver to navigate the healthcare system. |
| Domestic support network | The amount of support the caregiver has from other family members, immediate or extended, will impact the amount of formal support required. |

Once determined eligible, caregivers will be assessed based on factors that may contribute to their ability to fulfill their role and affect their health status, such as strength of family relationships, risk factors for excess burdens, competing responsibilities and other stressors (Mental Health Comission of Canada, 2013). Assessments will inform which tier of services the caregiver requires. Tiers are required to direct caseworker capacity towards those with highest need. Three tiers are outlined below.

## Table 4:
## Proposed tiers of caregiver service provision

| Tier | Service Level |
|---|---|
| 1 | Low need; requires information and direction to other resources. Low caseworker involvement and may be communicated with through email or phone. |
| 2 | Medium need; requires advice on navigating healthcare system, possible assistance coordinating care and infrequent emotional support. Regular but infrequent meetings required. |
| 3 | High need; requires consistent support and intervention. Caseworker involvement likely to be frequent and on-demand. |

While these services are required across Canada, it is appropriate that they are delivered by provinces and territories. Sub-national governments may be able to deliver these services through existing infrastructure in the healthcare or community care systems and will be better attuned to the specific needs of their jurisdiction. Therefore, this policy recommends creating a national fund that is allocated to provinces and territories to provide these services in a way that leverages existing delivery networks and provides what is most appropriate for their population. While delivery will be unique to each jurisdiction, three outcomes should be achieved:

## Table 5
## Proposed requirements for caregiver service provision

| Outcome | Description |
|---|---|
| Single access point for caregivers | There should be a single face to this program within each jurisdiction to minimize confusion for caregivers. This may take form as a cohesive brand, website, or in-person location. |
| Consistent services delivered | All provinces and territories should provide caregivers with information, advice, guidance, and connection to other relevant services at a minimum. Other services may be delivered if the province or territory determines a need. |
| Dedicated employees | New FTE are hired to fill the caseworker positions and should not divide their time between other roles. |

The estimated cost for this fund to deliver adequate services is $7.20 billion annually. This assumes a need for new FTEs at a fully loaded salary of $60,000 and 50% uptake by caregivers. The fund may be distributed based on population and jurisdictions reporting the highest number of caregivers. Detailed costing may be found in Appendix A.

### *Justification and considerations*

Addressing the social challenges faced by caregivers will improve wellbeing of this population, encourage people to take on the caregiving role and improve the quality of care provided to care recipients. There is evidence that similar programs produce positive outcomes: participants in the Reitman Centre CARERS program show an increase in caregiving competence and ability to cope with stress and wellbeing (Chiu, Wesson, & Sadavoy, 2013). Few other jurisdictions provide similar services. The UK has legislated the right of family caregivers to obtain a professional assessment of their needs, which is conducted at the local services level (IAOC, 2018). Caregivers in Australia may also access counselling, peer support and education services through the national Carer's Gateway (ibid).

Financial feasibility: This policy requires a substantial outlay of funding. However, there are two allocated portfolios that may be used to partially finance this initiative. Budget 2019 allocates a $6 billion investment in senior home care (Ministry of Finance, 2019). Further, the New Horizons for Seniors Program allocates $40 million over 5 years for initiatives that will benefit seniors (ESDC, 2020).

Administrative feasibility: Implementation will be dependent on sub-national capacity. The federal government will be responsible for timely provision of funds, setting parameters and timelines for delivery, and collaborating on communications and service design.

Political feasibility: Intergovernmental partnership is required for the success of this program. The federal government should undergo thorough consultations with provinces and territories to inform eligibility, desired outcomes, jurisdictional need and delivery capacity. Regular

federal-provincial-territorial meetings may be required to ensure the spirit of the program is being upheld.

Risks to this proposal are outlined in Appendix B.

## Conclusion: A caregiving call to action

Caregivers are an indispensable part of the Canadian population. Their contributions to the lives of those in need are not only commendable but are required for the sustainability and capacity of the healthcare system. Creating positive conditions for care by addressing the economic and social challenges faced by caregivers will both encourage the supply of caregiving and recognize caregivers for their valuable contributions to society. Only by providing support to caregivers will Canada be able to create a financially sustainable solution to home care while ensuring a high quality of care is provided to our growing ageing population.

## Appendix A: Detailed Costing

Estimates in this section are based on the current number of caregivers in Canada. It does not consider the forecasted increase in caregiving that is intended to occur due to the implementation of these policies. It would be important to consider a reasonable projection of this increase in future estimates.

### Policy 1: Financial Support

**Create the Canada Caregiver Subsidy**

| Driver | Value | Assumptions / Notes |
|---|---|---|
| Total number of Caregivers | 7,800,000 | All caregivers in Canada available to apply for credit[2] |
| Caregivers providing significant care | 2,808,000 | 36% of caregivers provide over 10 hours per week of care[3] |
| Approx. number of households with income under $31,120 | 378,410 | Approximate proportions determined by Statistics Canada data[4]:<br>13% under $31,120<br>24% between $31,120 and $67,426<br>62% above $67,426 |
| Approx. number of households with income between $31,120 and $67,426 | 676,951 | |
| Approx. number of households with income above $67,426 | 1,752,638 | |
| Cost of $300 benefit provision | $113,523,082 | 378,410 * $300 |
| Cost of ~$200 benefit provision | $135,390,271 | 676,951 * $200 |
| Cost of $100 benefit provision | $175,263,836 | 1,752,638 * $100 |
| Total cost of benefit per month | $424,177,189 | Sum different categories |
| Yearly administration | $2,000,000 | Assumed increase in admin cost |
| Total cost of benefit per year | $5,092,126,268 | Monthly amount * 12 + admin cost |
| Current annual cost of CCC | ($65,000,000) | For 2020-2021[5] |
| **Net cost of benefit per year** | **$5,027,126,268** | **Net cost with consolidation of CCC** |
| **Considering consolidation of CRB** | | |
| Current annual cost of CRB | ($9,000,000) | For 2020-2021[6] |
| **Net cost of CCS per year after CRB consolidation** | **$5,018,126,268** | **Net total cost with consolidation of both CCC and CRB** |
| Total cost of benefit in Year 1 accounting for CRB transition | $5,092,326,268 | Assuming 500 individuals[7] will be transitioning from CRB to CCS at an incremental $700 of provision in the first year ($1000 CRB - $300 CCS) |

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[2] (Statistics Canada, 2020)
[3] Ibid.
[4] (Statistics Canada, 2016)
[5] (Ministry of Finance, 2017)
[6] (Ministry of Finance, 2017)
[7] (House of Commons, 2018)

## Introduce the Informal Caregiver Benefit to Employment Insurance

| Driver | Value | Assumptions / Notes |
|---|---|---|
| Canadian labour force | 20,000,000 | Assume increase from 2017 data[8] |
| Labour force providing care | 7,000,000 | 35% of Canadian labour force provides care[9] |
| Labour force providing significant care | 2,520,000 | 36% of caregivers provide over 10 hours per week of care[10] |
| Amount of labour force providing significant care with insurable earnings | 2,202,480 | 87.4% of the labour force has insurable earnings[11] |
| Number of workers requiring program | 880,992 | Assume program uptake of 40% |
| Number of workers receiving max benefit of $573 / week | 475,735 | Approximate proportions based on income level data from Statista[12]:<br>• 55% of population have earnings over $830 / week (to receive max amount of $573 insurable earnings)<br>• 45% of population have earnings under $830 / week |
| Number of workers receiving under max benefit of $573 / week | 396,446 | |
| Cost of max receivers | $2,180,772,357 | 475,735 * $573 / week * 8 weeks of program |
| Cost of other receivers | $792,892,800 | Assume average payment of $250 / week 396,446 * $250 / week * 8 weeks of program |
| **Total annual cost of new program** | **$2,973,665,157** | **Sum** |
| EI Revenues | | |
| Average annual EI revenues per person | $1,205 | Total EI revenues for 2020-21[13] divided by estimated labour force: $24,100,000,000 / 20,000,000 |
| EI Revenue from caregiving labour force contributing to EI | $2,653,877,400 | Average EI contribution per person * number of workers providing significant care with insurable earnings (from above row) = $1,205*2,202,480 |
| **Net new allocation required** | **$319,676,757** | **Net cost of new program including EI revenues** |

[8] (Martel, 2019)
[9] (Employer Panel for Caregivers, 2015)
[10] (Statistics Canada, 2020)
[11] (Statistics Canada, 2019)
[12] (Duffin, 2019)
[13] (Ministry of Finance, 2017)

### Policy 3: Direct Services

## Determine cost of total program

| Driver | Value | Assumptions / Notes |
|---|---|---|
| Total number of Caregivers | 7,800,000 | All caregivers available to apply for program[14] |
| Approx. number of caregivers eligible for and desiring program | 3,900,000 | Assume 50% of caregivers are either eligible or want to take advantage of services |
| Approx. number of caregivers in program with high needs | 1,404,000 | Assume the 36% of caregivers providing over 10 hours per week of care have high needs[15] |
| Approx. number of caregivers in program with low needs | 2,496,000 | Remaining 64% of caregivers with assumed low needs |
| FTE required for high need caregivers | 70,200 | Assume 1 FTE per 20 high-need caregivers = 1,404,000 / 20 |
| FTE required for low need caregivers | 49,920 | Assume 1 FTE per 50 high-need caregivers = 2,496,000 / 50 |
| Total FTE required | 120,120 | Sum |
| **Total cost of program per year** | **$7,207,200,000** | **Assume a fully loaded FTE cost of $60,000 including overhead = 120,120 * 60,000** |

[14] (Statistics Canada, 2020)
[15] Ibid

## Appendix B: Risks of Proposed Policies

### *Policy 1: Financial support*

First, although these programs are intended to benefit the majority of caregivers, costs will be driven up if the entire caregiving population filed a claim. This may be mitigated by imposing the suggested eligibly criteria. Second, the CCS increases purchasing power of recipients, potentially discouraging employment. Providing a minimum benefit irrespective of income may mitigate this effect on the intensive margin. Finally, the ICB will not be available for the caregiving population ineligible for EI, impacting many part-time workers or those not in the labour force. The CCS ensures this population is still eligible for some level of assistance.

### *Policy 2: Employment support*

First, employers may push back against these standards as they are responsible to absorb the productivity cost of leave and accommodation for caregivers. Ensuring employers are consulted and have an opportunity to provide feedback may mitigate this tension. Further, employers may be hesitant to offer leave or create flexible policies as they are recovering from the economic effects of COVID-19. In response, the information campaign should focus on securing the tenure of employees and their overall satisfaction, which in turn leads to increased productivity.

### *Policy 3: Direct Services*

First, these services will require jurisdiction-specific training for caseworkers. Caseworkers will need to understand caregiving supports their respective area, the healthcare system of the province or territory and may need to have counselling certifications. Provinces and territories may work with the federal government to identify needs, however sub-national governments will be responsible for hiring the appropriate individuals and training them. Second, uptake of the program may be low as caregivers will need to self-identify to take advantage of the services. A strong communications plan that involves healthcare practitioners that may interface with caregivers will manage this. Finally, provinces and territories may push back as this requires more delivery capacity from their systems. Thorough consultation in the early stages of program design will ensure that concerns will be considered before outcomes and requirements are formalized.

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