Intelligence MEMOS

From: Rosalie Wyonch

To: Health Policymakers

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Re: **Fixing the ALC Patient Problem is a Triple Win for Canadians**

Hospitals are capacity constrained, more expensive and no place for patients who no longer need an acute-level bed.

Yet, these Alternate Level Care (ALC) patients, represented 17 percent of all acute-care bed-days in Canada (excluding Quebec) in 2022-2023. This is why reducing the number of ALC patients would be a triple win for Canadians – increasing both quality of life for people and acute care capacity, while decreasing bed shortages and easing health budget pressures.

However, this no-lose, all-win proposition will require significant cultural and policy shifts.

Each ALC patient costs the system $730 to $1,200 per day, as opposed to the $225 to $253 for long-term care. The arithmetic is compelling: Three million ALC bed-days in 2022-2023 translates to $1.54 to $3.04 billion in excess costs.

Inefficient spending is a problem, but preserving acute care bed capacity is vital to ensure accessibility. No agreed-upon "optimal" occupancy rate exists, but 85 percent is often considered the maximum to reduce risks of bed shortages. Canada sat at 87 percent in 2021, one of **three** OECD countries with a rate over 85 percent and had the fewest beds per capita in the high-occupancy group.

Reducing the number of ALC patients and their lengths of stay could significantly reduce acute care capacity concerns: Just a 13 percent reduction would bring acute care occupancy below the 85 percent threshold.

Many factors contribute to the problem. Lack of access to preventative and primary care services, or to home care and other social services, too often results in emergency room visits when an alternate level of care would be more appropriate. And the backlog for long-term care space in many provinces strands many patients in hospital for extended periods.

Increasing the number of seniors' care spaces, the scope and provision of home care, primary care access and ensuring that necessary support services are accessible and affordable would alleviate the strain on hospitals and allow for more rapid discharge of patients to alternate levels of care.

However, Canada spends less and has fewer workers in home and community care than most comparable countries. In Ontario, for example, there are only 0.3 "heavy-care" units per 100 people age 75+. Quebec has 7.6 times as many spaces for its senior population. Notably, Ontario's median heavy-care rents are about $5,356 per month, compared to $3,566 in Quebec. A similar picture emerges for LTC: In Ontario, about **43,000 seniors** are on waiting lists for the 76,000 existing, and occupied, beds. In Quebec, waitlists are much smaller; 4,235 as of last June.

Meanwhile, about a third of LTC admissions could be delayed or prevented if there was access to adequate formal and informal home and community support.

Hospitals in many provinces have an incentive to designate ALC patients as chronic and in need of long-term care because doing so enables them to recoup some costs.

Hospitals in some provinces charge a daily fee to ALC patients, but can only do so if the patient needs continuing or chronic care (ie. Is likely destined for permanent institutional care). The fees are generally equivalent to the daily rates for room and board in LTC, meaning there is little incentive for seniors or their families to prefer one care setting over the other.

Incentives for physicians, families, and the hospital generally encourage longer than optimal stays and earlier entry to LTC than necessary. Provinces need to examine their hospital fee policies related to alternate-level care to ensure clinicians, hospitals, and seniors are not incentivized to provide or receive more advanced healthcare services than are necessary to meet patient needs. Hospitals should also evaluate policies and guidance for clinicians and front-line workers on making discharge decisions to reduce referral to LTC when possible. Further, provincial governments should consider subsidies and tax policies to expand the availability and improve the affordability of senior care and housing services.

Addressing the unmet care and housing needs of seniors could significantly reduce the number of ALC patients. Doing so will require **reconfiguring** senior support policies to encourage independent living as long as possible. Provinces need to support these gaps in the continuum of care by investing in home and community care, improving financial supports to low- and middle-income seniors, and encouraging development of seniors' care spaces and communities.

Rosalie Wyonch is a Senior Policy Analyst with the C.D. Howe Institute.

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