CHAPTER 1

Private Seniors’ Housing and Care: The Quebec Example

Quebec is the Canadian province with the highest number of private residential housing spaces for seniors. In 2014, the Canada Mortgage and Housing Corporation estimated that there were nearly 220,000 Canadians aged 65 and over living in private seniors’ residences, approximately half of whom were in Quebec. In response to the aging of the population and the growing demand in this area, the number of rental units offered by private seniors’ residences has jumped by nearly 30% since 2007.

While the seniors’ housing and care sector has been at the centre of several controversies and received a lot of media attention in recent years, many of its successes have unfortunately gone unnoticed. As we shall see in this chapter, the growing reliance on the private sector has led to significant service quality improvements for seniors in Quebec.

A Sector in Transition

The seniors’ housing and care sector in Quebec has been profoundly transformed over the past two decades. Long-term care centres (or CHSLDs, for “centres d’hébergement et de soins de longue durée”) are now reserved primarily for people with substantially reduced autonomy who require more extensive clinical services. At the same time, other forms of housing provided for the most part by the private sector have grown in number, as they are perceived to be less expensive alternatives offering services that are better adapted to the varied needs and preferences of the elderly (see Figure 1-1).

Table 1-1 sketches a general picture of the seniors’ housing sector in Quebec in 2014. There are four broad categories of housing resources. Other than CHSLDs, there are intermediate resources, family-type resources and private seniors’ residences.

Of the seniors’ housing spaces available in Quebec, around 70% are provided by private residences. These serve a clientele that is mostly made up of individuals who are autonomous or who have only slightly reduced autonomy. Private residences determine their own admission criteria and receive no government subsidies. Since 2007, they must obtain certification from Quebec’s Department of Health and Social Services (DHSS) in order to be allowed to house residents.

Public CHSLDs and private CHSLDs that are under contract from government represent one quarter of the overall supply of housing spaces. The admission criteria in these facilities are determined by the Department of Health and Social Services and rental prices are set by the Régie de l’assurance maladie du Québec, the province’s public health insurer. The average annual cost of a space in a CHSLD is $77,522. A resident covers at most 28% of costs (related to lodging and meals), with the balance being financed by the government. In 2014, these facilities provided 41,815 housing spaces for people with substantially reduced autonomy.

As for intermediate resources and family-type resources from private organizations, they provided 8,860 spaces combined, representing a little more than 5% of the sector’s total supply. Many of them have service agreements with their regional health and social services agencies. The people who reside there have moderately reduced autonomy.

Higher Quality Services

With the aging of the population, the subject of the living conditions of seniors residing in long-term care centres has been at the heart of numerous studies and commissions over the past few years.

In a wide-ranging study published in 2014, a group of researchers affiliated with the Université de Sherbrooke and the ÉNAP looked into the quality of care and services in private residences and in public CHSLDs by measuring 54 indicators spread across six key areas: residential environment, physical condition, medical


management, psychosocial adaptation, financial burden, and human rights. The results of their research showed that, contrary to certain beliefs, the quality of care in private seniors’ residences is relatively high in Quebec, and has improved significantly over the past fifteen years.

"Researchers observed that private facilities offered greater comfort and privacy as well as a less restrictive environment than CHSLDs."

By comparing the quality of care in private residences and in public facilities, the researchers also found notable differences. Indeed, the quality of care proved to be significantly better in private residences for each of the six care dimensions studied. In 2010-2012, the percentage of seniors receiving care deemed to be inadequate totalled just 7.9% in private residences, versus 33.2% in public nursing homes. Comparing these figures to data collected between 1995 and 2000, the private sector improved considerably, with a 12.4-percentage-point drop in inadequate care, while the public sector worsened with a 29-percentage-point increase. Moreover, 92% of private residence administrators said they felt they were offering the best possible care to their clientele, an 8.9-percentage-point increase compared to the 1995-2000 data. As for the public sector, the corresponding figure stagnated at around 64% over the same period.

Obviously, in accordance with their mission, public CHSLDs receive a clientele with a greater loss of autonomy and whose needs are more complex than the clientele of private residences. On the other hand, housing expenses per resident in publicly financed facilities have risen substantially in recent years. From 2006 to 2012, these expenditures per available bed in public CHSLDs and in private CHSLDs under contract from government
increased by 31%. These spending increases should normally have led to service improvements for residents, but this was not the case.

Furthermore, experience shows that private facilities have the means to provide quality care for seniors with substantially reduced autonomy. The “alternate housing models” program is an eloquent example. Put in place in 2003 by the Department of Health and Social Services, this program consisted of entrusting to private for-profit or non-profit organizations the responsibility of taking care of seniors with substantially reduced autonomy who would traditionally have been placed in public CHSLDs. The goal was to allow seniors to receive the

### Table 1-1

The various kinds of seniors’ housing in Quebec, 2014

<table>
<thead>
<tr>
<th>TYPE OF HOUSING</th>
<th>TYPE OF OWNERSHIP</th>
<th>PUBLIC FINANCING</th>
<th>NUMBER OF FACILITIES</th>
<th>NUMBER OF SPACES</th>
<th>TYPE OF CLIENTELE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public CHSLDs</td>
<td>Public</td>
<td>DHSS annual budget</td>
<td>359*</td>
<td>34,367</td>
<td>Substantial loss of autonomy</td>
</tr>
<tr>
<td>Private CHSLDs under contract from government</td>
<td>Private</td>
<td>DHSS subsidies based on a contract</td>
<td>60</td>
<td>7,448</td>
<td></td>
</tr>
<tr>
<td>Private CHSLDs not under contract</td>
<td>Private</td>
<td>None</td>
<td>45</td>
<td>3,477</td>
<td></td>
</tr>
<tr>
<td>Intermediate resources</td>
<td>Private</td>
<td>Daily price based on level of autonomy (under contract with public CHSLD)</td>
<td>393</td>
<td>8,034</td>
<td>Moderate to substantial loss of autonomy</td>
</tr>
<tr>
<td>Family-type resources</td>
<td>Private</td>
<td>Daily price based on level of autonomy (under contract with public CHSLD)</td>
<td>130</td>
<td>826</td>
<td>Slight to moderate loss of autonomy</td>
</tr>
<tr>
<td>Private seniors’ residences*</td>
<td>Private</td>
<td>None</td>
<td>2,106</td>
<td>113,281</td>
<td>Autonomous and slightly reduced autonomy</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>3,093</strong></td>
<td><strong>167,433</strong></td>
<td></td>
</tr>
</tbody>
</table>


* Data from 2013.
same range of services as in a CHSLD, but in a more familial environment that corresponded more with their preferences.

A recent study found that the services provided within the context of these agreements with private facilities were of a higher overall quality than those provided by CHSLDs, and were better suited to adequately meeting residents’ varied needs. The researchers observed that the private facilities offered greater comfort and privacy (larger rooms, private bathrooms, personal furniture and individual storage spaces, etc.), as well as a less restrictive environment (possibility of living closer to one’s community or family and of cohabitation, more varied schedules and choices for activities and meals, etc.) than CHSLDs. Onsite evaluations also showed that all needs were satisfied in 93% of cases for alternate housing models involving the private sector, versus 86% in CHSLDs.[11]

The Market Mechanisms That Make the Difference

Both economic theory and experience teach us that the supply of services in a market adapts itself to demand, as long as prices are free to fluctuate and there are no artificial barriers to entry.[12] In the private sector for seniors’ housing and long-term care in Quebec, we can see that this is indeed what happens.[13]

Conversely, when prices are set arbitrarily by public authorities and there is no possibility of freely entering the market, the volume of services supplied is generally insufficient to satisfy the demand. The pressure to maintain quality services also decreases in the absence of competition.[14] Once again, this is precisely what can be observed in the case of public long-term care centres in Quebec.

An ordinary citizen cannot make a direct request to obtain a space in a public CHSLD (or one under contract from government). It is bureaucrats from the Department of Health and Social Services who determine the admission criteria and who decide whether or not a particular person receives housing. Moreover, like the province’s hospitals, CHSLDs receive fixed global budgets on a historical basis. Insofar as admissions are controlled by the government, revenues depend neither on the number of people housed nor on the quality of services provided. Services are therefore rationed through the use of waiting lists. The number of people waiting for spaces in CHSLDs totalled nearly 3,800 as of March 31, 2014.[15]

The wait time to obtain a space in a residential centre for people with reduced autonomy can drag on for many months in the public system, even up to a few years. According to data collected by the Auditor General of Quebec who led a widespread investigation of the matter, one has to wait 13 months on average before being admitted to a CHSLD in the Quebec City region and 7 months in the Montreal region.[16]

In contrast, private residences operate in a competitive market and consumers have freedom of choice. In this context, the managers of these centres must make an effort to provide satisfactory services in the eyes of consumers, or else those consumers will take their business elsewhere. This is why we see private residences providing a broader and broader range of care and services that clients value. As shown in Table 1-2, the proportion of private residences providing personal assistance care increased from 53% in 2004 to 88% in 2014. Whereas only 24.6% of residences offered nursing services in 2004, this had risen to 52.1% in 2014. Moreover, according to the Canada Mortgage and Housing Corporation’s annual study, 98.5% of Quebec residences are now equipped with a 24-hour emergency alert system.

The level of satisfaction of the clientele has increased in step with the expanding provision of services over the past fifteen or twenty years. Among other things, the proportion of residents of private centres who would

11. Ibid., pp. 1584-1587.
recommend their residence rose from 88% in 1995-2000 to 98.6% in 2010-2012. During the same period, this percentage decreased by 7 percentage points for public facilities.\(^\text{17}\)

The most recent polling data show that seniors living in private residences appreciate the overall quality of services they receive. According to Léger polling firm, the percentage of residents who say they are “moderately satisfied” or “very satisfied” is particularly high when it comes to residential safety (97%), the respect, competence and availability of personnel (94%), the upkeep of the premises (94%), and their feeling of freedom, flourishing and well-being (97%).\(^\text{18}\)

The reasons for this success are well summarized by a player in the field who is very much aware of the changes experienced by this sector in recent years:

> The key to success is choice. Not so long ago, the supply was such that you had to get on a waiting list, and once a space opened up, you had to take it or leave it. Since then, the supply has greatly improved, and it now takes into account a major transformation that has occurred in its clientele. Seniors now demand choice and want to decide what kinds of residences they will live in and what kinds of services they will receive. When people show up to visit one of my residences, I know that they've visited others, and it's great that they have. What makes and what will continue to make our sector improve is precisely this notion of choice.\(^\text{19}\)

### The Harmful Effects of Excessive Regulation

These past few years, several groups of stakeholders have pressured the Quebec government to tighten the regulation of private residences. This pressure has generally followed events that, although isolated, fueled so many headlines that some often mistakenly associate them with a lack of regulatory oversight in this industry.

Since 2007, seniors’ residences must adhere to a series of rules in order to obtain the certification they require. Other rules were added in 2013, regarding for instance an emergency alert system in residence rooms, a minimum level of personnel to ensure 24-hour surveillance, and criminal background checks for employees and volunteers.

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\(^{17}\) Gina Bravo et al., op. cit., footnote 7, p. 332.

\(^{18}\) Léger, “Sondage auprès des personnes âgées des résidences membres de RQRA,” Study of satisfaction levels carried out on behalf of the Regroupement québécois des résidences pour ainés, June 2014.

\(^{19}\) Pierre Vallée, “Groupe Maurice – Un réseau comptera bientôt 18 résidences pour personnes âgées,” Le Devoir, October 8, 2011.
comprise 25 articles, there are now 53 articles regarding norms and conditions to be respected for autonomous residences and 63 for semi-autonomous ones.20

“The changes required in order to conform to the new rules imply substantial costs that imperil the financial viability of many facilities.”

Even though it is commendable to want to increase the safety of residents, it is important to be aware of the harmful effects that excessive regulation can entail. Recent history demonstrates once again that these risks are very real. Indeed, the changes required in order to conform to the new rules imply substantial costs that imperil the financial viability of many facilities. In the year that followed the tightening of rules in 2013, 111 facilities had to shutter their doors in Quebec, which entailed a significant drop in the total number of spaces21 (see Figure 1-2). Unable to afford the burden of expenses related to the new regulatory requirements, 85% of non-profit residences that were awaiting certification also had to withdraw from the process.22

Obviously, if the rules led to the closure of residences that are out-of-date or that offer mediocre quality services, everyone would agree that the regulatory policy was achieving its objective. However, if these closures end up reducing the availability of small residences providing a more familial environment, often located in remote regions, then the tightening of regulations could give rise to undesirable results for many seniors wanting to remain in their communities. Recent data for the Quebec City region demonstrate that these concerns are well-founded. Indeed, as shown in Figure 1-3, the number of residences housing fewer than 30 people fell by between 21% and 25% in this region since 2008, the year following the implementation of the reform.


Before 2007, only a certain number of facilities had to be duly certified by the government of Quebec. The requirements dealt primarily with minimum levels of personnel needed and on the safety of residents. Residences were periodically inspected to ensure that norms were respected and to specify the measures to be taken to resolve problems that were identified. Conversely, non-certified facilities were only inspected if a formal complaint was filed by a resident or a family member.

At the time, studies had attempted to compare the quality of care provided in the two types of facilities. None of them was able to demonstrate that the quality of care was inferior in residences not subject to government regulation.

In one of these studies, involving residents from 88 seniors’ homes in Quebec, the authors found rather that there was no greater risk of dying in facilities without regulatory certification than in centres possessing such certification. While quality of care unsurprisingly had an impact, the researchers showed that regulation had no direct effect on seniors’ risk of death, other factors being equal (age, comorbidities, cognitive skills, functional autonomy, etc.).

These results agree with those obtained through another study of this matter carried out around the same time. The authors’ conclusion is once again revealing:

“The most unexpected finding in our study was the ability of unlicensed homes to deliver care of relatively good quality under these unfavourable conditions [heavy care needs and smaller numbers of personnel]. In many respects, the care provided was of comparable quality to that observed in the licensed facilities.”

Conclusion

Certain groups maintain that the government abandons its responsibilities when it entrusts the care and housing of the elderly to the private sector. According to them,
seniors with reduced autonomy simply do not have the capacity to make enlightened decisions with regard to their housing options. This allows private providers to exploit their vulnerability by offering lower quality services in order to reduce their costs.

According to other analysts, regulation is not enough, or is too expensive to implement, and we should therefore rely solely on public or non-profit organizations for the provision of housing and long-term care to seniors.25 This point of view echoes that of the CSQ which, like other labour unions in Quebec, affirmed last year in the context of the consultation on the living conditions of adults housed in CHSLDs that “in the future, only public housing and non-profit private housing should be considered.”26 In their opinion, governments should reverse their tendency of increasingly relying on the private sector that began in the mid-1990s, since services in such facilities are of lower quality.27

Yet as we have seen, this argument stands up neither to analysis, nor to the bare facts. Moreover, the tendency to rely increasingly on the private sector is not unique to Quebec.28 Indeed, there is a converging tendency among a large number of industrialized countries, especially in Europe, to liberalize the long-term care sector and to put in place reforms making room for freedom of choice and competition in the supply of services for seniors.29 The studies that were carried out in some of these countries, including Sweden, demonstrate that liberalizing the long-term care sector led to significant improvements in service quality.30

The population of Quebec, like those of industrialized countries around the world, is aging rapidly. While around 16% of Quebecers are currently aged 65 years and over, it is estimated that this proportion will climb to 26% by 2036. According to the likeliest scenario established by the Institut de la Statistique du Québec, the number of people aged 65 years and over should almost double between 2011 and 2036, growing from 1.26 million to 2.44 million.31

In this context, relying on the private sector becomes an indispensable element for dealing with the challenges posed by the aging of the population, which will in all likelihood entail an increasing demand for long-term care and seniors’ housing.”

26. Centrale des Syndicats du Québec and Fédération de la santé du Québec, Conditions de vie des adultes hébergés en CHSLD : L’urgence d’agir de façon cohérente, Notice presented to the Committee on Health and Social Services as part of its consultation on the living conditions of adults living in long-term care and housing centres, February 2014, p. 10.
28. When it comes to home care specifically, Quebec does however stand out by relying very little on the private sector for the provision of services. See in this regard Oscar E. Firbank, “Framing Home-Care Policy: A Case Study of Reforms in a Canadian Jurisdiction,” Journal of Aging Studies, Vol. 25, 2011, pp. 34-44.
31. Institut de la Statistique du Québec, Perspectives démographiques du Québec et des régions, 2011-2061, September 2014, p. 44.
32. Roland Arpin et al., La complémentarité du secteur privé dans la poursuite des objectifs fondamentaux du système public de santé au Québec, Working group report submitted to the Department of Health and Social Services, September 1999, p. 76.