Economic Evidence for Home and Community Care Investment: The Case for Ontario Personal Support Workers’ Wage Parity

Données économiques sur l’investissement dans les soins à domicile et en milieu communautaire : la cause de la parité salariale des préposés aux services de soutien à la personne en Ontario

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Appendix 1.

Equation #1

Daily cost of home and community care (HCC) per person per day with wage parity

| Wage parity-adjusted daily cost of HCC per person | = | Daily cost of HCC per person + (hourly wage parity adjustment x 4 hours of care/person/day) |
| --- | = | $103/person/day + ($6.23/hour x 4 hours) |
|  | = | $103/person/day + $24.90/patient/day |
|  | = | $127.90/person/day |

Equation #2

Annual care cost savings from keeping 1 in 13 newly admitted institutional long-term care (ILTC) patients home

| Annual care cost savings from delaying ILTC | = | (Daily cost of ILTC care – wage parity-adjusted daily cost of HCC) x (the 1/13 newly admitted ILTC patients annually who could be supported safely at home) x days/year |
| --- | = | ($201/patient/day – $127.90/patient/day) x 2,574 patients x 365 days/year |
|  | = | $68.66 million |
Equation #3
Annual care and bed creation cost savings from delaying ILTC admissions

\[
\text{Annual cost savings from delaying ILTC admissions} = \text{Annual care cost savings from delaying ILTC} + (\text{number of beds} \times \text{daily costs for a new bed} \times \text{days per year})
\]

\[
= \$68.66 \text{ million} + \$20.53/\text{bed/day} \times 365 \text{ days/year}
\]

\[
= \$87.95 \text{ million}
\]

Equation #4
Annual savings from avoiding alternative level of care (ALC) stays due to delayed HCC

\[
\text{Annual savings from ALC avoidance} = \text{(Daily cost of ALC - wage parity-adjusted daily cost of HCC)} \times (\text{number of ALC patients waiting for HCC} \times \text{median days waiting for HCC services})
\]

\[
= (\$730/\text{patient/day} - \$127.90/\text{patient/day}) \times 5,428 \text{ patients} \times 8 \text{ days}
\]

\[
= \$26.14 \text{ million}
\]