



March 2007

Eligibility for Nursing Home Subsidization

Overview

Effective January 1, 2007, significant changes were made in the way long-term nursing care services are funded.

Residents in manors and private nursing homes will no longer be required to pay for the basic health care portion of their cost. This will now be funded by the Department of Health. Residents are responsible for the accommodation portion of the cost as well as personal expenses.

The accommodation cost for 2007 in government manors is \$65 per day. Private nursing homes establish the accommodation rates for their own respective facilities.

Subsidization

Individuals who are unable to pay the full accommodation cost can apply to the Department of Health for subsidization. For information, you can contact the **Long-term Care Subsidization Office at 1-888-365-5313**.

Applicants for subsidization will be required to participate in a financial assessment process to determine eligibility. The financial assessment is essentially an income test based on the applicant's net income (Line 236) as reported on the applicant's Canada Revenue Agency (CRA) *Income Tax and Benefit Return* and verified by the CRA *Notice of Assessment* for the preceding year.

Assessed income is the net income of the applicant, or if the applicant has a spouse living in the community, the net income of both applicant and spouse, less certain exemptions as provided for in the Act. Where the applicant has a spouse living in the community, the total assessed income is split on a 50/50 basis.

If the applicant's assessed income is less than the cost of care, then they are eligible for subsidization. The cost of care for determining eligibility is the monthly cost of accommodation plus a provision for comfort allowance.

While the net income amount stated on the most recent *Income Tax and Benefit Return* as verified by CRA *Notice of Assessment* (Line 236) is the basis of determining the assessed income calculation in eligibility approval process, applicants approved for subsidization are required to contribute all actual income received from sources considered as part of net income for income tax purposes. The amount contributed maybe subject to income splitting where there is a spouse living in the community.

A subsidized resident is required to contribute all of their income towards their accommodation costs. However, residents will no longer be required to use assets to pay for their stay in a nursing home.

Each subsidized resident's assessed income will be reviewed annually to determine if there has been any changes in the resident's eligibility status.

What papers do I need to accompany my application?

In applying for subsidization, the applicant must provide:

- a) a copy of his/her *Income Tax and Benefit Return* as submitted to the Canada Revenue Agency (CRA) for the previous two tax years; and
- b) a copy of the CRA *Notice of Assessment*

Where the applicant has a spouse, a copy of his/her *Income Tax and Benefit Return* and *Notice of Assessment* must also be provided. In some cases, other financial information may be required in order to complete the financial assessment process.

<http://www.gov.pe.ca/health>