Robley's Plight

How Government Health Policies Can Leave You Stranded

Isabelle Beaudoin

An 80th Birthday Celebration

A little over a year ago, in March, I was approached by Russ Deacon, a *Canadian MoneySaver* reader. His father-in-law, Robley, a Toronto resident, had fractured his hip on March 8th, 2017 when he tripped in his stateroom while on a cruise.

I was expecting Russ to describe another travel insurance horror story, but it was quite the opposite. "I believe both the insurance company and hospital (abroad) are doing the best they can with the resources they have available. I am not on a witch hunt in this matter or looking specifically for someone to blame unless you count the Ministry of Health's policies," he stated. Robley was not one of our clients, so I was told that their insurance company was diligent, and I verily believe it was.

Despite the insurer's efforts, and even though provincial guidelines state that hip fracture patients requiring surgery should receive surgical intervention as soon as possible—within a maximum of 48 hours of their first presentation to a hospital (to avoid complications and risk of morbidity)—he was not able to return back to Ontario in time for an urgent surgery.

He was dropped off in Nassau where, in view of the urgent care needed, he finally underwent surgery on March 12th, four days after the injury. What followed was a gruelling waiting game for an Ontario hospital bed to be assigned to Robley.

Both he and Russ have agreed to share their story with *Canadian MoneySaver*'s readership to raise awareness of this issue. Their ordeal shocked and intrigued me as I was honestly unaware that bed shortages in Ontario hinders the efforts of travel insurance companies to bring travellers back home.

As Russ explained to me, only hospitals in your Local Health Integration Network (LHIN) can allocate you a bed—in case you need to be transferred from a hospital out of country—or to be added to their waiting list when no beds are available. Bordering hospitals are not mandated to do so. Therefore, when all the LHIN's hospitals are full, you end up in the same predicament as Robley i.e. in limbo.

"Receiving hospital beds are difficult to find in Canada for any type of patient and likely more so for a surgical one. Usually, we are successful in bringing travellers back to their hometown, but sometimes situations arise when we must use a facility further away," said one insurance carrier when I asked how rampant this problem is.

Robley's experience was exactly the latter as he was ultimately assigned a bed in Cambridge, far from his family who had to commute to visit him.

How The System Works

The LHIN were created in 2004 as one of the four key components in the agenda of the Ministry of Health and Long-Term Care (MOHLTC) to transform Ontario's health care system. Bill 36 was passed in March 2006, setting the legal framework for the establishment and functioning of the LHINs.

LHINs are located in 14 geographical regions across the province, and their purpose is to take over key responsibilities from the MOHLTC on the understanding that health care services are best managed and integrated at a local level. Among their mandates, LHINs manage, fund, plan and monitor hospitals.

Robley's LHIN hospital is Birchmount Campus—formerly known as Scarborough Grace. So, after he had

the surgery in Nassau, Russ contacted the hospital to see if they would receive him.

By mid-March, Robley was fourth on the waiting list and had no idea when a bed would become available. At the same time, since the surgery had already taken place, his status changed and was now considered an Alternate Levels of Care (ALC) Patient.

The ALC definition describes a person who occupies a bed in a facility, but no longer requires the intensity of resources provided in that setting. In other words, they are patients who no longer need acute care. For Robley, this meant that his chances of getting a bed decreased as patients with more urgent needs, also requiring a bed, would go first.

On the other hand, Robley was not only waiting for a bed, he was waiting for a bed in isolation. Policy requires that out-of-country patients be put in isolation until they are tested and cleared for infections. As good as this sounds, this only added complexity to the transfer as his LHIN hospital has few private beds that can be used for this purpose.

Last but not least, there was the timing. Once a bed becomes available, the transfer must take place in less than 24 hours. Coordinating the emergency medical evacuation in exactly that time frame is complicated and raised the likelihood of having to decline the bed in favour of another patient.

At the time Russ was telling me about all this, Robley was closer to being able to sit and walk and the emergency evacuation would most likely no longer be required. Obviously, this didn't make much sense to him. "I think it is fair to say that if you hurt yourself out of the country, you will not get back to Toronto unless you can walk onto the plane yourself and then take a taxi to the ER when you land," he said.

On March 22nd, Robley was finally back in Ontario. He was moved to Cambridge, via Kitchener, which at least was closer to home than the Bahamas. But that was not the end of the story. He still had to be put in isolation for more than a week, and then there was the problem of a second transfer to a rehabilitation facility. Again, the family was faced with the same issue: all rehab centres in Toronto were full.

Three weeks and several rounds of testing for infectious diseases later, the Cambridge hospital said Robley had to leave. He was in no condition to go back home to Toronto (he lives in a two-story house), so the family started looking for respite care.

Since he tested positive for MRSA at Cambridge—it turned out that he caught it in Kitchener—Russ and his family were told that Robley had to leave the hospital and that the infection would be a non-issue since all respite care facilities handled it.

With this in mind, the family didn't think about mentioning the MRSA to the respite care they found in Toronto; unfortunately, when the facility found out about it, they refused Robley. Still, Cambridge wanted him out, so the Community Care Access Centres (CCAC) got involved and helped him stay in hospital for another week as it was obvious that he wouldn't be able to handle stairs in his condition.

The CCAC also helped with finding a respite care in Pickering that accepted him. Pickering was not home, but at least it was a bit closer. After a while, it was evident that Robley would have to stay at the respite centre long-term as he now had to use a walker.

The last time I had contact with Russ he mentioned that the CCAC had assessed Robley's case and put him on the waiting list for long-term care. The MRSA has made it more complicated to find a place in Toronto, and Robley has been waiting for almost a year now. He is number 350 on the list.

How The Current Health Policies Could Affect You

Robley's story might seem like an isolated one; a perfect storm that happens rarely. But if we look closer, there's more to it than a series of unfortunate events with underlying causes going farther and deeper than just finding a bed.

Russ has learned much from this experience and he has come up with some recommendations that will be sent to Robley's Member of Provincial Parliament (MPP):

- Switch to a priority system and allow patients to come back to any provincial hospital whenever the ones in the LHIN are full. At least, this will allow the insurance company to get the insured back to Canada.
- Increase the number of isolation beds in hospitals. Each year, there are more seniors wintering out of the country and, with the isolation policy, they all must be tested for infectious diseases before being admitted to hospital. This only makes finding a bed more difficult.

➡ Make hospital beds available for patients who really need them. A lot of patients who should be in long-term facilities are also waiting to be transferred, while occupying a bed that otherwise would be available for emergencies.

Having relayed Russ' story, I must add that I was personally impressed by the outstanding synchronizing of services my LHIN recently provided me during a personal emergency while in my home province. I am grateful to my local hospital's medical professionals and support staff for their expedient service. Also, the nurses who provided home care were equally efficient and dedicated. Hopefully this story can provide more support and resources for our front of the line health professionals.

Isabelle Beaudoin, Travel Insurance Specialist, President, First Rate Insurance Inc., Ottawa, ON (800) 884-2126, info@firstrateinsurance.com, www.firstrateinsurance.com
Isabelle has been working in the insurance industry for the past 22 years specializing in Critical Illness and Travel Insurance coverage.

MoneyTip

Continued from page 17

Like corporations, American limited liability companies (LLCs) are problematic. The LLC creates double taxation when a U.S. property is sold and capital gains

tax becomes due. The Internal Revenue Service (IRS) recognizes the LLC as a flow-through entity, while CRA doesn't. CRA taxes the LLC as a company and the IRS taxes the snowbird personally. The snowbird is taxed twice without any opportunity to use a foreign tax credit for tax paid in the U.S. to reduce Canadian tax.

What the higher estate tax exemption means

Another significant change resulting from President Trump's act is the increased U.S. estate tax exemption. Before the act, a Canadian who died owning U.S. property personally would owe U.S. estate tax at 40% of the fair market value of their U.S. property if:

– it was worth more than US$60,000; and

– the value of the Canadian's worldwide estate was more than US$5.6 million.

The good news is the act increased this U.S. estate tax exemption to US$11.2 million.

Let's say Pat owns her Naples condo personally. If Pat's condo is valued at US$1 million, her worldwide estate is US$6 million, and she dies today, she won't owe any U.S. estate tax because her worldwide estate is below the US$11.2 million exemption.

However, the exemption will sunset on Jan. 1, 2026 and drop to US$5 million, indexed. So if Pat dies on Jan. 2, 2026 and her condo is still worth US$1 million, and she still has a worldwide estate of US$6 million, she will owe U.S. estate tax on the US$1 million condo at a 40% tax rate because her worldwide estate will exceed the US$5 million exemption.

We're pleased that the act has not changed the U.S. capital gains tax rate applicable to the CBT, which remains a good option for snowbirds holding title to U.S. property. Moreover, the CBT structure avoids probate when the snowbird owner dies. Probate is time-consuming, expensive, and freezes the estate.

The CBT also provides creditor protection for Canadian heirs, such as a snowbird's children inheriting U.S. property. Where a snowbird needs protection from U.S. estate tax, we recommend a cross-border irrevocable trust, which provides all the benefits of a CBT and also avoids U.S. estate tax for Canadians with a worldwide estate above the exemption.

David A. Altro, B.A., LL.L., J.D., D.D.N., F.Pl., TEP, is managing partner of Altro LLP, which specializes in cross-border tax and estate planning, U.S. real estate and immigration. The firm has offices in Canada and the U.S.

Source: advisor.ca