



Canada: Home Care Market

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March 09

Summary

Across Canada there was a notable increase in activities in the home care sector and a rapid expansion of public home care programs services from 2002-2007. This is a result of the provincial public administrators' increased recognition of home care and the completion of a 10-year investment plan to strengthen Canada's Health Care system which identified a core set of services for acute, palliative, mental health and home care.

Today, the estimated total cost of providing health care services at home, including public and private expenditures, is approximately US\$4 billion. This market generates a demand for home care medical and assistive equipment that is estimated at manufacturer's shipment price or importer's entry price level to a value of US\$ 322 million in 2008. Imports fulfill a very significant share of total demand and U.S. suppliers maintain a dominant position.

Distributors and large retail pharmaceutical chains share most of Canada's import activities. There are excellent market prospects in several categories of products, including bathroom safety equipment, daily medical care equipment, self-mobility equipment, as well as in-house mobility equipment.

With a serious increase in the number of recipients forecasted to increase by about 5 percent annually in the next three years, demand for home care products and services in Canada is expected to continue to expand rapidly in the coming years, offering superb opportunities to U.S. firms, particularly for products offering the latest advances in technology and design.

Market Demand

Home care services aim at helping people with acute, chronic, palliative or rehabilitative health care needs to independently live in their home and community. While the majority of home care service recipients are seniors aged 65 and over, home care services are provided to Canadians of all ages.

Home care in Canada is developing in a publicly-financed, hospital-focused health care environment. In the past ten years, home care has received more attention from Canada's public health care system administrators to now become a vital part of it, particularly from an economic necessity and sustainability perspective. There is now sufficient evidence that investing in home care can save money to Canada's universal health care system while improving care and quality of life for Canadians, who would be most probably institutionalized otherwise.

The Canada Health Act, legislation that ensures necessary health care is provided to all Canadians, recognizes home care as an element in the category of “extended health services“. But, as such, home health care is not an insured health service to which the principles of the Act apply. Currently, nine provinces have legislation related to public home care through various acts and policies. Other provinces and territories have Orders in Council or guidelines that direct the delivery of their home care services. This lack of a common legislative framework contributes to significant discrepancies in access and availability of home care services across Canada.

Nonetheless, home care has significantly gained in popularity in the past ten years and is increasingly recognized to shorten hospital stays and prevent the aggravation of several health conditions. Furthermore, advances in technology and new methods of care represent greater means for home care recipients to benefit from better care, mobility, autonomy and convenience.

The home care sector is undoubtedly an important component of Canada’s health care system future and already plays a key role in primary health care, chronic disease management and aging at home strategies across Canada. Home care services have experienced a 100 percent increase for the number of recipients in the past ten years to now approach one million in 2008. Over 70 percent of these recipients are 65 of age and over. The number of Canadian seniors aged 65 and more affected with chronic conditions requiring home care services is expected to increase to 715,000 by 2011, or close to 2% of the population and to 840,000 individuals by 2017.

Canadian seniors in need of home care, assistive equipment can receive government help for its procurement. Although these programs are well known and utilized by merchants, dealers and distributors, it is important for any U.S. business wanting to market assistive devices in Canada that provinces and territories have programs to help seniors or people with disabilities purchase the assistive devices they need.

Certain community and non-profit organizations such as the Kiwanis, Rotary, Lions Club or the Royal Canadian Legion may also offer advice or assistance to seniors for procuring assistive devices. Friends and family are also frequently willing to contribute to the cost of assistive devices.

Veterans Affairs Canada (VAC) is another Canadian organization offering a wide variety of programs and services to veterans and other eligible clients. The health care program, Aids for Daily Living, assists clients with the purchase of assistive devices such as prosthetic and orthotic devices, walkers, canes, wheelchairs, etc.

Here is the provincial and territorial contact information for these programs facilitating access to assistive devices for Canadians.

- **Alberta** - Alberta Health and Wellness: toll-free in Alberta: dial 310-0000, then 780-427-7164 - Aids to Daily Living: toll-free in Alberta: dial 310-0000, then 780-427-0731
- **British Columbia** - Ministry of Health Services, Health Information Line: 1-800-465-4911 (toll-free); 250-952-1742 - Ministry of Human Resources, Enhanced Medical Coverage Health Benefits Branch: 1-888-221-7711 (toll-free) - Disability Benefits: 1-800-337-3531 (toll-free)

- **Manitoba** - Manitoba Health Office: 1-800-392-1207 (toll-free) TDD/TTY: 204-774-8618; 1-800-855-0511 (toll-free) Home Care Equipment Program: 204-945-3744
- **New Brunswick** - Department of Family and Community Services: 506-453-2001
- **Newfoundland and Labrador** - Health and Community Services: 1-888-709-2929 (toll-free); (709) 729-4984 - TDD/TTY: 1-888-709-3555 (toll-free)
- **Northwest Territories** - Department of Health and Social Services, Health Benefits Programs: 1-800-661-0830 (toll-free); 867-777-7400
- **Nova Scotia** - Department of Health: 1-800-387-6665 (toll-free); 902-424-5818; TDD/TTY: 1-800-670-8888 (toll-free)
- **Nunavut** - Department of Health and Social Services: 867-975-6000
- **Ontario** - Ministry of Health and Long-Term Care Infoline: 1-800-268-1154 (toll-free); 416-314-5518; TDD/TTY: 1-800-387-5559 (toll-free) Assistive Devices & Home Oxygen Program: 1-800-268-6021 (toll-free); 416-327-8804; TDD/TTY: 1-800-387-5559 (toll-free); 416-327-4282
- **Prince Edward Island** - Department of Social Services: 902-368-6520; Seniors Infoline: 1-866-594-3777 (toll-free)
- **Quebec** - Ministry of Health and Social Services: 1-800-707-3380 (toll-free) Health Insurance Plan: 1-800-561-9749 (toll-free) Québec: 418-646-4636; Montréal: 514-864-3411 Handicapped Services: 1-800-567-1465 (toll-free); 819-475-8585; TDD/TTY: 1-800-567-1477 (toll-free)
- **Saskatchewan** - Health Registration Branch: 1-800-667-7551 (toll-free); 306-787-3475 - Aids to Independent Living Program: 306-787-7121
- **Yukon** - Department of Health and Social Services: 1-800-661-0408 (toll-free); 867-667-5209 Pharmacare and Extended Health Care Benefits Program: 867-667-5403

Home care in Canada is therefore promised to a great development in the coming decade leading up to 2020. Growth in demand for home care services, products and equipment is expected to remain strong and grow at an annual rate of five percent or more. Several factors contribute to this sustained growth in demand for care at home. The most important is the fact that Canada's institutional health care system has reached its limits and is now required to rely on the human and financial resources relief home care can provide.

The second most important factor is the pressure exercised by Canada's aging population, with its growing number of seniors in need of care and autonomy. Thirdly, the development of new products for the home care market using the latest technology and designs are bound to fuel demand for more efficiency, quality, lifestyle and comfort.

Market Data

Public health budgets allocated to provide home care services to Canadians remain small in comparison to the total amount spent to deliver institutional health care. Current estimates indicate that Canada's cost of providing health care services at home, including public and private expenditures, is approximately US\$4 billion, or close to 4 percent of the US\$105 billion tab for institutionally provided health care. One component of Canada's home health care market is comprised of home care medical and assistive equipment. With an estimated market size of US\$ 253 million in 2006, demand for home care products grew by about 13 percent to US\$ 285 million in 2007.

In 2008, demand for home care medical and mobility equipment should grow at very similar pace to reach an estimated value of US\$322 million. Health care authorities increasingly acknowledge and more clearly define the need to provide health care at home. Accordingly, demand for home care and mobility equipment will continue to grow at a rate of about 10 percent per annum in the foreseeable future.

Domestic Canadian production of home care and mobility equipment, estimated at US\$ 209 million in 2006, grew by a real rate of slightly more than 14 percent in 2007, to US\$ 239 million. In 2008, it appears to be growing at a slower rate, 12 percent, and is estimated to be valued at US\$ 268 million at year end. Canadian manufacturers of medical equipment for home care and mobility applications rely heavily on their ability to sell to large export markets, like the United States and Japan. This enables them to realize economies of scale helping them to remain competitive in the global market place. In doing so, manufacturers focus on a limited number of products. Domestic production has grown substantially in recent years, experiencing success particularly in the fabrication and exportation of mobility equipment, diagnostic apparatus and disposable supplies such as incontinence products.

Currently, only 11 percent of the Canadian demand for home care and mobility equipment is fulfilled by domestic manufacturers as opposed to about 25 percent a decade ago.

Canada's exports of home care and mobility equipment are expected to exceed US\$ 232 million in 2008, which represents a growth of 12 percent over exports in 2007 of US\$ 207 million. Forecasts for 2009 and 2010 indicate a reduction of both, production and exports, indicative of the effects of a world recession.

The Canadian market for home medical care and mobility equipment therefore continues to rely heavily on imports. In fact, in the past three years, imports have supplied close to 90 percent of Canada's annual demand for these products. Valued at US\$ 226 million in 2006, imports grew at a rate of more than 12 percent in 2007, to reach a value exceeding US\$ 253 million. For 2008, real growth should exceed 13 percent, which will help imports attain a value of US\$ 286 million.

U.S. manufacturers supply most of Canada's imports of home care and mobility equipment (71 percent or US\$ 160 million in 2006). In 2007 and 2008 the U.S. suppliers' share of Canadian imports for home care and mobility equipment leveled at approximately 72 percent. This percentage is estimated to remain the same in 2009 and 2010, as Canada's total import market for home care and mobility equipment, and the U.S. import market, are respectively forecast to experience average annual real growth of between 10 and 12 percent annually.

U.S. manufacturers dominate Canada's home care and mobility equipment market for several reasons. These include the suppression of tariffs under the provisions of the North American Free Trade Agreement (NAFTA), the proximity of Canada to the United States, the long-established trade relationship between the two countries, the reputation of U.S. manufacturers' ability to provide reliable service, as well as the contribution of U.S. companies to develop a comprehensive distribution network in Canada. As a result, Canadians are accustomed to, and favor, U.S.-made home care and mobility equipment over third-country alternative products.

However, receptivity to U.S.-made home care and mobility goods in Canada can be further improved in some cases by adapting equipment, initially developed for the more diverse and demanding U.S. market, to suit the needs of Canadian consumers.

Product Description

This overview report examines statistics of the Canadian market for home care and mobility equipment, which includes the following product categories:

- Bathroom Safety Equipment - Includes transfer and bath benches, safety rails and grab bars, and raised toilet seats.
- Daily Care Equipment - Includes blood pressure monitors, bed care equipment, commodes, dialysis pumps, insulin kits, massagers, patient seating, respiratory pumps, stethoscopes, thermometers, transcutaneous nerve stimulators (TENS), and ultrasound therapy equipment.
- Self-Mobility Equipment - Includes canes, crutches, orthopedic appliances, scooters, walkers, wheelchairs and accessories.
- In-House Mobility Equipment - Includes elevators, ramps, stair-aids and related in-house mobility equipment.

PLEASE NOTE: Information contained in this report relies heavily on sources that may or may not include various Canadian government publications, opinions of industry experts, and unofficial U.S. Embassy estimates.

STATISTICAL DATA Home Medical Care and Mobility Equipment Market (US\$ millions)

	2006	2007	2008
Import Market	226	253	286
Local Production	209	239	268
Exports	182	207	232
Total Market	253	285	322
Imports from U.S.	160	186	202
% of all imports	71%	73%	71%

This overview of the Canadian home care market include estimates reflecting demand for home medical care and mobility equipment which includes the following products, identified by their accompanying Harmonized System (H.S.) Codes:

H.S. CODE	PRODUCT CATEGORIES
3922.90	Bathroom mobility and safety equipment
8713.10	Invalid carriages wheel chairs?
8713.90	Invalid carriages, motorized motorized wheel chairs?
8714.20	Parts and accessories of invalid carriages
9018.19	Basal metabolism and blood pressure apparatus
9018.90	Dialysis, ultrasonic therapeutic, thermometers, blood pressure units, stethoscopes, transcutaneous electro-nerve stimulators (TENS) and other therapeutic application equipment
9020.00	Respiratory pumps
9021.19	Orthopedic appliances
9402.90	Medical furniture for household use

NOTES TO THE STATISTICAL TABLES

Import, export, and local production figures contained in the statistical tables are based partly on statistics released by Statistics Canada and Industry Canada and partly on estimates provided by industry experts, trade publications and/or the analyst's best estimates when available information was incomplete and/or insufficient. Other market data and estimates cited in this report were obtained from interviews with industry sources, research companies, trade publications, associations and other market analysts.

Best Prospects

Virtually all products cited in this report qualify as best prospects provided they incorporate the latest advances in technology and design. U.S. manufacturers must take into consideration that Canadian home care product consumers have high expectations in terms of quality, efficiency, comfort and ease of use.

However, it is important to mention that demand for bathroom mobility and safety equipment, such as lavatory pans and flushing cisterns, is likely to experience the strongest growth during the next three years.

The best sales prospects in Canada for U.S. manufacturers of home care and mobility equipment are identified below with their corresponding Harmonized System (H.S.) Codes:

DESCRIPTION	H.S. CODE
Bathroom mobility and safety equipment	3922.90
Wheelchairs, light advanced design	8713.10
Wheelchairs, motorized, multi-function	8713.90
Scoters	8713.90

The demand for wheeled mobility, including manual and motorized wheelchairs and scooters, should also be among the strongest over the next two years. This should occur in part because of a replacement demand for products integrating new technological improvements into the design of this type of equipment over recent years. This makes both acquisition and replacement more appealing to disabled Canadians who want to ensure significant improvements in their social, work and physical activities, as well as to enhance the quality of life in and around the home.

Other types of home care and mobility equipment that should experience very strong demand are medical aids, like ultrasonic therapeutic equipment, digital thermometers, blood pressure units, diabetic kits, TENS and other therapeutic aid equipment.

Key Suppliers

Among the key suppliers to the Canadian home care products market we find the names of Acumed, AMG Home care, Everest & Jennings, Johnson & Johnson, Invacare, McKesson, Vitacare, Ortho-Med, Respironics, Rotec, Shoppers Home Health Care, Sunrise Medical.

Prospective Buyers

Some of the more well-known distributors of home care and mobility equipment in Canada continue to play a key market entry role. AcuMed Medical Supplies, AMG Home Care, and Sunrise Medical constitute good examples. These national distributors can provide access to a broad range of provincially regulated markets. Canadian home care and mobility equipment distributors are experts when it comes to understanding Canada's decentralized health care structure, as it has created regional markets requiring unique marketing strategies. Distributors are well positioned to reach specific regional markets.

In recent years, several small homecare businesses have passed to the hands of pharmaceutical retail chain players, such as Shoppers Drug Mart, for example. Shoppers Drug Mart created a division called Shoppers Home Health Care as a result. Selling to large retail chains is therefore another avenue to explore.

Market Entry

The selection of a national distributor with well-defined provincial and regional strategies and resources is essential in an increasingly competitive and changing Canadian market. End-user outreach programs, as well as the existence of service and technical support organizations inherent to the business of selling home care and mobility equipment, require established, reliable and knowledgeable dealers willing to offer their service and loyalty, to ensure effective market penetration. Selling directly to large retail chains is also another option to explore provided a greater preparation for market entry is achieved.

Electrically powered home care and mobility equipment imported into Canada must comply with Canadian standards for such products. Accredited by the Standards Council of Canada, the Canadian Standards Association (CSA) is Canada's standard-setting entity for electrically powered products. However, Underwriter's Laboratories (UL), the largest safety testing and certification organization in the United States, and carries accreditation from the Standards Council of Canada. As a result, UL's certification acceptance in Canada, recognized under the "C-UL" mark in all ten

provinces, can translate into savings for U.S. manufacturers seeking product standard approval for both Canadian and U.S. markets. Information pertaining to product certification can be obtained by contacting the CSA or the UL directly.

Health Canada requires suppliers to provide test evidence indicating the safety and effectiveness of the equipment within ten days of entry into Canada.

Suppliers of home care and mobility equipment exporting to Canada for medical application must also comply with marking, labeling and packaging requirements according to the applicable section of the Canadian Food and Drug Act, entitled "Medical Devices Regulations". In order to facilitate the entry of U.S.-made home care and mobility equipment into Canada, instructions (operator's manual) accompanying the equipment should be in both of Canada's official languages, English and French, and should comply with Canadian packaging and labeling requirements as prescribed by Industry Canada. Can you hot link this to the website?

Market Issues & Obstacles

Key factors which provide a competitive advantage to company's supplying Canada's home care and mobility equipment market include competitive pricing strategies and an established track record of product and service reliability. Above all, linking with the fast growing and increasingly influential Canadian Home Care Association, which represents over 600 organizations involved in home and community care across Canada, is strongly recommended either for sponsoring conferences, or for supporting other activities and research programs.

Participating in provincial community home health care associations' annual conventions, symposiums and trade shows, and advertising in publications for community care, home care, rehabilitation and special-needs individuals, is of prime importance. Sponsoring research and fund raising programs, in addition to interacting with community care and rehabilitation professionals' associations, should also represent effective strategies for the promotion of home care and mobility equipment in Canada

Trade Events

2009 Home Care Summit

CHCA National Conference Registration

c/o Absolute Conferences & Events Inc., 144 Front Street West, Suite 640, Toronto, ON, M5J 2L7

Fax: (416) 979-1819 Phone: (416) 595-1414

Collaborative Primary Healthcare

Organizer: Insight Information Inc. 55 University Ave., Suite 1800, Toronto, Ontario M5J 2V6 Tel:

(416) 777-2020 Fax: (416) 777-1292

Email: order@insightinfo.com

Internet: www.insightinfo.com

Location: 21 Old Mill Road, Bloor Street West and Humber Blvd, Toronto, ON, M5J 1A6

Date: March 30-31, 2009.

Knowledge and Inspiration 2009 Conference

Organizer: The Ontario Association of Community Care Access Centers

Internet: www.oaccac.on.ca

Tel: (416) 593-7744 or 1-800-465-9670 Fax: (416) 593-1805
Location: Westin Harbor Castle Hotel, 1 Harbor Square, Toronto, Ontario M5J 1A6
Date: June 3-5, 2009 - Frequency: Annual

Ontario Hospital Association Convention and Exhibition
Organizer: Ontario Hospital Association, 200 Front Street West, Suite 2800, Toronto, Ontario M5V 3L1
Tel: (416) 205-1342 Fax: (416) 205-1340
Email: mbavaro@oha.com Internet: <http://www.oha.com>
Location: Metro Toronto Convention Centre, 255 Front St. W. Toronto, Ontario, M5V 2W6
Date: November 16-18, 2009 (Exhibition: November 2-3) Frequency: Annual

Resources and Key Contacts

Canadian Home Care Association
17 York St., Suite 401
Ottawa, Ontario
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Tel: (613) 569-1585
Fax: (613) 569-1604
Contact: Ms. Lesley Larsen, Executive Director
<http://www.cdnhomecare.ca>

Canadian Standards Association
178 Rexdale Boulevard
Etobicoke, Ontario
M9W 1R3
Tel: (416) 747-4007
Fax: (416) 747-4149
Contact: Mr. John Ferguson, Customer Service Representative
<http://www.csa.ca>

Health Canada
Health Protection Branch
Tunney's Pasture
Ottawa, Ontario
K1A 0L2
Tel: (613) 957-1804
Fax: (613) 957-3954
Contact: Dr. Joe Losos, Assistant Deputy Minister
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Underwriters Laboratories
333 Pflingstein Road
Northbrook, Illinois
60062
Tel: (847) 272-8800
Fax: (847) 272-8129
Contact: Ms. Francine Taylor, Client Advisor
<http://www.ul.com>

For More Information

The U.S. Commercial Service in Montréal, Canada can be contacted via e-mail at: pierre.richer@mail.doc.gov Phone: 514-908-3661; Fax: 514-908-0711 or visit our website: www.buyusa.gov/canada

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