

Home Dialysis Water Rebate Program

Date: April 30, 2018
To: Executive Committee
From: Interim Chief Financial Officer
Acting General Manager, Toronto Water
Wards: All

SUMMARY

The purpose of this report is to seek Council's approval of the terms of reference for the establishment and implementation of a Home Dialysis Water Rebate Program ("Rebate Program"). In December 2017, Council directed staff to establish and report back on a water consumption relief program that would provide either a discount, rebate, or grant to offset water consumption costs of in-home dialysis patients. This report outlines the proposed details and associated implementation process of the Rebate Program recommended by staff.

RECOMMENDATIONS

The Interim Chief Financial Officer and the Acting General Manager, Toronto Water recommend that:

1. City Council authorize the establishment and implementation of a Home Dialysis Water Rebate Program in accordance with the terms of reference set out in Appendix 1 of this report.
2. City Council authorize the Treasurer to establish and implement any further necessary administrative details and eligibility criteria of the Home Dialysis Water Rebate Program on terms and conditions satisfactory to the Treasurer and Acting General Manager, Toronto Water, in accordance with the terms of reference authorized by Council in recommendation 1, and to otherwise administer the Home Dialysis Water Rebate Program as the Treasurer considers appropriate.
3. City Council authorize that the necessary amendments be made to Municipal Code Chapter 849, Water and Sewage Services and Utility Bill, and any other necessary Municipal Code Chapters as may be required to give effect to these recommendations.

4. City Council authorize the City Solicitor to introduce any necessary Bills required to implement these recommendations, subject to any necessary refinements, including stylistic, format and organization, as may be identified by the City Solicitor, the Interim Chief Financial Officer and the Acting General Manager, Toronto Water.

FINANCIAL IMPACT

It is estimated that the total amount of rebates to be provided under the Rebate Program would range from approximately \$61,333 to \$191,667 annually, utilizing 2018 water rates, and depending on program uptake. This cost estimate assumes that the City will receive approximately 40 to 125 rebate applications a year (based on Ottawa's program experience and factored to reflect Toronto's population), and that each application will be based on an increased water consumption of 150-600 cubic metres per year over and above the historical average household consumption.

Table 1: Cost Estimate for Home Dialysis Water Rebate Program

Water Consumption Over and Above Historical Average Household Consumption	Approximate Rebate Amount	Number of Applicants	Annual Cost of Rebates
1. 150 cubic metres	\$600	13-42	\$8,000-\$25,000
2. 400 cubic metres	\$1,600	13-42	\$21,333-\$66,667
3. 600 cubic metres	\$2,400	13-42	\$32,000-\$100,000
Total		40-125	\$61,333-\$191,667

The Home Dialysis Water Rebate will cover 100% of the cost of the increased water consumption over and above the known historical average household consumption to a maximum of 600 cubic metres per year. Actual consumption data obtained from the Water Meter Program (WMP) automated meter reading system, in correlation with the information provided by the applicant in regards to the type of dialysis equipment, and frequency of treatment received, will determine the actual increased water consumption attributed to the dialysis treatment.

The financial impact of implementing the Rebate Program will be a decrease of between \$61,333 to \$191,667 in water revenue per year. The costs of the rebate program will be identified as a line item within Toronto Water's Rate Supported Budget, and funded through the water rates.

Additional costs to administer and manage the Rebate Program will be absorbed within the current operating budget allocation for the Office of the Treasurer (Revenue Services Division), with no anticipated additional staffing or budgetary impacts. Administration and management includes expenses related to printing and mailing, application intake/review/approval, and account maintenance.

The Interim Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on December 5, 6, 7, and 8, 2017, City Council, by its adoption, as amended, of Executive Committee Item EX29.18: "2018 Rate Supported Budgets - Toronto Water and 2018 Water and Wastewater Consumption Rates and Service Fees", directed as follows:

1. That the General Manager, Toronto Water and the Interim Chief Financial Officer establish a water consumption relief program that would provide either a discount, rebate, or grant to offset water consumption costs of in-home dialysis patients and that;
2. There be a report back in the second quarter of 2018 on the necessary applications, process and procedures and any by-law amendments, if required, that would be required to implement such a program.

The City Council Decision Document and related staff report can be viewed at: [City Council consideration - EX29.18](#)

COMMENTS

Background

In 2009, the Ontario Ministry of Health and Long Term Care, in association with Cancer Care Ontario and with support from the chronic kidney disease community and the Kidney Foundation of Canada, established the Ontario Renal Network (ORN). This organization provides overall leadership and strategic direction to effectively organize and manage the delivery of renal services in Ontario in a consistent and coordinated manner.

According to the ORN, dialysis is a treatment to remove toxins from the blood when the kidneys have failed because of damage. There are two main types of dialysis treatment:

1. Hemodialysis - A patient's blood is filtered through a machine to remove waste and toxins, and the cleaned blood is returned into the patient's bloodstream. The blood flows through a flexible tube (catheter) inserted in a major vein, usually in the patient's arm.
2. Peritoneal Dialysis - Fluid flows into the peritoneal cavity, is left there for a while to absorb toxins, and is then drained out through the tube and discarded. Peritoneal dialysis is always performed at home.

Dialysis treatment may be delivered in a hospital facility, a community facility, or at home. Hemodialysis treatment involves using water to flush the kidney and can use up to 150-600 cubic metres of water per user annually. A patient repeats the dialysis process 3 to 7 times per week as determined by the physician. The dialysis machine uses water and produces wastewater in the process. Peritoneal dialysis treatments are done more frequently than hemodialysis but use much less water.

A segment of Toronto's population have chronic kidney disease and require dialysis treatment. The proposed rebate program recognizes the additional costs for water that are incurred by dialysis patients who have elected to undergo dialysis treatment at home.

Home Dialysis Water Rebate Programs in other Municipalities

Dialysis at home decreases the amount of time an individual would spend in the hospital, thereby increasing their quality of life. The hemodialysis equipment uses water while operating and treating the patient. If the dialysis treatment was taken at the hospital, the hospital would cover the cost of the water used. Home dialysis patients are responsible for the cost of water used in their treatment.

A number of municipalities (Ottawa, Vaughan, and Clearview) have adopted rebate or financial relief programs for home dialysis patients. Table 2 provides a comparison of these programs:

Table 2: Home Dialysis Rebate Programs in Other Municipalities

Location	Type of Program	Maximum Rebate Amount
Ottawa	Grant	\$500
Vaughan	Rebate	\$650
Clearview	Rebate	90% of the increased water and wastewater charges due to home dialysis treatment

City of Toronto Proposed Home Dialysis Water Rebate Program

Toronto residents undertaking dialysis treatment at home utilize a considerable amount of water which substantially impacts the total amount of their average utility bill. It is estimated that home dialysis patients consume an additional 150-600 additional cubic metres of water annually as a direct result of the use of dialysis equipment and all associated steps to clean and disinfect the machines. As a result, utility billings for those households undergoing home dialysis treatment are higher than the average household, resulting in increased financial hardship on those who may already be experiencing health-related hardships.

In order to mitigate the financial impact of home dialysis treatment and to offset the additional costs of water used in the treatments, staff recommend the establishment and implementation of the proposed Rebate Program based on the terms of reference contained in Appendix 1 of this report. It is recommended that the Rebate Program cover 100% of the cost of the actual increased water consumption over and above the household historical average water consumption to a maximum increased household water consumption of 600 cubic metres per year.

If approved, the Rebate Program could be established within 2-3 months of Council's decision. Time will be required by staff to develop program materials, undertake communications/public awareness efforts, and make necessary programming changes to Revenue Services' utility billing system.

CONTACT

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SIGNATURE

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ATTACHMENTS

Appendix 1 - Home Dialysis Water Rebate Program