

**Ministry of Health
and Long-Term Care**

Assistant Deputy Minister
Community Health Division

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**Ministère de la Santé
et des Soins de longue durée**

Sous-ministre adjoint
Division de la santé communautaire

Édifice Hepburn, 5 étage
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Téléphone (416) 327-8854
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(Date)

Legal Name of Operator as set out in Schedule "A" to the Service Agreement

Address

City ON Postal Code

Dear Operator:

Re: LTC Home as set out in Schedule "A" to the Service Agreement- 2004/05 Enhanced Care Funding

I am pleased to provide you with the details on funding increases for long-term care (LTC) home Operators recently confirmed by the Honourable George Smitherman, Minister of Health and Long-Term Care. The total budget for long-term care homes is \$2.516 billion for the 2004/05 fiscal year. This funding will improve quality of care and quality of life for residents of LTC homes and will facilitate the Health transformation agenda.

The following table breaks down the per diem funding increases by envelope and funding year. Funding increases to the program envelopes will be adjusted by the Case Mix Index (CMI) as per current policy. In addition to the funding envelope increases, you may be eligible to receive an equalization adjustment of up to \$3.25 per resident per day for this initiative.

Please note that the ministry is continuing its work to address many issues in the present funding system, including those identified by the Parliamentary Assistant in her report, *A Commitment to Care*. Further changes in the funding system will occur next year and may alter some of the allocations outlined below.

LTC Funding Envelope	Funding Per Resident Per Day	
	2004/05*	2005/06**
Nursing and Personal Care	\$1.60	\$0.75
Program and Support Services	\$0.40	
Other Accommodation	\$0.83	
***Equalization Adjustment, to a maximum of	\$3.25	

Note:

- * 2004/05 increases are effective October 1, 2004
- ** 2005/06 increases are effective April 1, 2005
- *** Distributed among all envelopes as per attached schedule

Adjustments are also being made to Structural Compliance premiums where these have previously been pro-rated based on the receipt of capital grants. A funding schedule for your home is attached that itemizes your new enhanced care funding, and any eligible adjustments you may have for equalization and structural compliance.

I would also like to assure you that the ministry is committed to resolving the outstanding issue of future support for municipal property taxes as soon as possible.

All LTC home operators must indicate their acknowledgment of the commitment to provide the additional services outlined in this letter as a condition of receiving funding. Each LTC home operator must complete and return the attached Amending Agreement by October 19, 2004 as an integral part of the accountability process. Should it not be possible for your home to obtain the necessary authority to enter into the Amending Agreement by October 19, 2004, please advise your MOHLTC regional office to this effect as soon as possible.

The ministry's expectations relating to this new funding are that by January 1, 2005 LTC homes will:

- Increase Registered Nursing and Registered Practical Nursing staff to provide net new nursing time per resident;
- Ensure that a Registered Nurse is on site and on duty 24 hours a day, seven days a week;
- Ensure each resident is bathed twice a week by the method of his or her choice;
- Increase full-time and part-time Personal Support Workers (PSW) and other direct care staffing; and;
- Ensure that Resident menu plans and menu cycles will be signed by Registered Dietitians.

The ministry will monitor the sector to ensure that the goal of increasing the workforce by 2,000 full-time equivalents including 600 nurses is met by March 31, 2006. Operators will also be expected to report on progress toward improving social programming and community engagement through such measures as increased Volunteer Coordinator time and increased support for Resident and Family councils.

The ministry will implement a workforce survey to baseline staffing levels and monitor increases to these levels. Timely and accurate submission of this information to the ministry is also a condition of the funding.

The Amending Agreement is attached. Please ensure that the Amending Agreement is completed and signed by the authorized officers of your organization and returned to your MOHLTC Regional Office no later than October 19, 2004.

Thank you for your cooperation. I look forward to seeing the results of the implementation of this funding.

Should you have any questions, please contact your MOHLTC Regional Office.

Sincerely,

George Zegarac

Attachment: MOHLTC 2004/05 Funding Schedule
Long-Term Care Home Amending Agreement

c: Tim Burns, Director, Long-Term Care Homes Branch
Paul Barker, Director (A), Finance and Information
Regional Directors, Community Health Division