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LONG TERM CARE 2003 FUNDING ADJUSTMENTS AND CHANGES LONG TERM CARE FACILITIES

The Health and Emergency Medical Services Committee recommends the adoption of the recommendations contained in the following report, August 12, 2003, from the Commissioner of Health Services:

1. RECOMMENDATION

It is recommended that:

1. Health and Emergency Medical Services Committee and Regional Council receive for information the following report regarding changes in funding for Long Term Care (LTC) Facilities.

2. Staff be authorized to receive and expend 100% Provincial funding recently approved by the Ministry of Health and Long-Term Care (MOHLTC) in the amount of $175,200.

2. PURPOSE

The purpose of this report is to provide analysis and information to Health and Emergency Medical Services Committee and Regional Council regarding recent funding announcements for LTC Facilities from the MOHLTC.

3. BACKGROUND

A Level of Service Study released in June 2001, which was funded by the MOHLTC jointly undertaken by Ontario Association of Non-profit Homes and Services for Seniors (OANHASS), Ontario Long Term Care Association (OLTCA), and PriceWaterhouse Coopers, compared the amount and type of care received by residents in Ontario long term care settings with those in other Canadian, American and international jurisdictions.

The results of the study confirmed what the long term care sector had been proclaiming, that the level of service in Ontario is not what it should be and pointed clearly to the need for increased operating funding. The study concluded that of the 11 jurisdictions studied, Ontario was ranked the lowest in the amount of nursing and therapy services provided to residents in LTC facilities. The study also indicated that Ontario provided on average 2.04 hours of care/resident/day as compared to 2.44 hours of care/resident/day in the next lowest jurisdiction, Manitoba [PriceWaterhouse Coopers. (2001). *Report of a Study to Review Levels of Service and Responses to Need in a Sample of Ontario Long Term Care Facilities and Selected Comparators*].

Following the release of this study, provincial LTC associations initiated an intensive lobbying and media campaign. The LTC sector requested an additional $600 million which is equivalent to approximately $25/bed/day, to bring service levels up to national and international standards.

The MOHLTC has subsequently made two funding announcements. The first announcement in July 2002, provided for an additional $150 million or $7.20/bed/day increase in funding for LTC facilities. The second and most recent announcement was in July of 2003. The announcement indicated that LTC facilities would receive a per diem increase of $4.80/bed/day effective July 1, 2003 (*see Attachment 1*).

4. ANALYSIS AND OPTIONS

In pre-budget consultations and submissions, the provincial LTC associations had urged the government to invest an additional $430 million over the next 2 years, $215 million this year and $215 million in 2004. The value of the announced increases in 2003 is $100 million. Although welcomed, the increase is considerably less than the amount that had been identified as necessary to fund the deficit in funding and bring staffing levels and resources up to national standards.

The following provides a more detailed overview of the funding increases on a per diem basis and outlines how the additional funding was/will be utilized in the Regional LTC Facilities.

4.1 Overview of Funding Increases

The total amount of the increase in funding on a per diem basis is $4.80/bed/day. Of that amount, the MOHLTC has specified that $1.75 be utilized for medical/nursing and personal care, $0.45/bed/day for program and support services, $0.75 for raw food costs and the balance of $1.85 for accommodation costs. All of the increases are effective July 1, 2003.

4.1.1 Funding and Policy Changes to Nursing and Personal Care Envelope

The nursing and personal care envelope funds direct and indirect costs associated with the provision of nursing and personal care to residents. Funds not spent in this envelope must be returned to the MOHLTC. The MOHLTC has directed that $1.75 of the funding increase is to be allocated to the nursing and personal care funding envelope.

4.1.2 Funding Changes to Program and Services Envelope

The program and services envelope funds therapy, recreational, activational and social work programs for residents. Funds not spent in this envelope must be returned to the MOHLTC. The MOHLTC has advised that the per diem rate for the program and services funding envelope will be increased by $0.45/bed/day.

4.1.3 Funding Changes to Raw Food Envelope

The MOHLTC has advised that the per diem rate for the Raw Food funding envelope will be increased by $0.75/bed/day. The raw food envelope funds direct food purchasing costs for the residents. Funds not spent in this envelope must be returned to the MOHLTC.

4.1.4 Funding Changes to Accommodation Envelope

The MOHLTC has advised that $1.85 of the $4.80 increase is be allocated to the accommodation funding envelope. The accommodation envelope funds housekeeping, laundry, maintenance, utilities and administration costs. Funds not spent in this envelope may be retained by the operator to support other costs or enhancements to services or, in the case of for-profit operators, retained as profit.

The MOHLTC has indicated that $0.47 of the $1.85 increase in the accommodation per diem is to be utilized to fund an increase in the dietary staffing standard requirement which is being increased from 0.4 hours per meal to 0.42 hours per meal.

4.2 Utilization of Funding

On an annualized basis the amount of the funding increase for the Region's LTC Facilities equals $350,000. However, since the funding increases take effect July 1, 2003, the value of the increase in the 2003 fiscal year equals only $175,000. The increases are broken down as follows: $65,875 for medical/nursing care, $16,425 for programs and services, $27,375 for raw food, and $67,525 for accommodation costs. Staff anticipated and planned on receiving this additional funding when the 2003 budgets were developed.

The annualized portion of the funding increases will be incorporated into the 2004 Budget to enhance resident care programming at the centres and a portion will be used to increase the housekeeping and maintenance budgets. The following rationalization is provided for the allocation of the annualized portion of the funding.

4.2.1 Enhancements to Nursing and Personal Care Programs

A portion of the annualized funding increase will be incorporated into the 2004 LTC Budget to fund costs associated with enhancements to our nursing management structure. As a consequence of earlier legislative changes we have seen a continuing increase in the acuity and level of care required by clients in the Health Centres. A number of complex medical/nursing care and procedures including oxygen therapy, suctioning, advanced decubitus ulcer care, colostomy/ileostomy care, and catheterization, which were previously prohibited, were made mandatory or permissible in LTC facilities.

These complex medical/nursing procedures and care requirements are very specialized, requiring additional/enhanced staff skills, training, close monitoring and supervision to ensure that they are delivered safely and that associated risks are mitigated. An additional nurse manager/assistant director of care position will allow us to reorganize our nursing department to provide the additional supervision, monitoring and training required. The addition of one nurse manager will also allow us to staff each functional nursing area with a manager and provide a dedicated nurse manager for each of the complex care and cognitive/psychiatric care units at each Centre.

These proposed changes in complement and organizational structure will be incorporated into the 2004 LTC Business Plan and Budget.

4.2.2 Other Funding Increases/Enhancements

The funding increases in the Programs and Services Envelope, the Raw Food Envelope and Accommodation Envelope were fully accounted for in the 2003 Budget. The Dietary Staffing increases were also previously incorporated and our food handler staffing levels and currently meets or exceeds the new MOHLTC requirements.

The annualized portion of the accommodation funding increase will be incorporated into the 2004 budget to increase the building maintenance budgets to cover increasing costs associated with maintaining the Centres. Specifically, these funds will be targeted for facility repair and housekeeping.

The majority of heavy/complex care clients use large manual or electric wheelchairs. This type of mobility equipment causes significant and frequent damage to walls, doorframes and painted surfaces in the facilities. In order to maintain the appearance and high environmental standards in the centres, it is necessary to increase the frequency of painting and repair.

We are also experiencing additional housekeeping costs related to heightened infection control practices that are associated with an ever increasing number of infectious diseases such as Extended-spectrum beta-lactamase (ESBL), Methicillin resistant *Staphylococcus aureus* (MRSA) and Clostridium difficile (C. Diff). Significant increases in housekeeping (cleaning and disinfecting) are necessary to prevent the spread of infectious diseases in the Centres.

5. FINANCIAL IMPLICATIONS

The funding and revenue increases associated with the announcements were previously anticipated and incorporated into the 2003 Health Services Business Plan and Budget. The following chart provides an overview of the increases in each of the funding envelopes.

Table 1
Overview of Increases in Funding Envelopes

Funding Envelopes	Per Diem Increase	2003 Subsidy/ Revenue Increase (July – December)
Medical/Nursing	$1.75	$ 63,875
Program/Services	0.45	16,425
Raw Food	0.75	27,375
Accommodation	1.85	67,525
Total Value of Increases	$4.80	$175,200

In 2004, the annualized increases will be utilized to enhance resident care programming at the centres and a portion will be utilized to increase the housekeeping and maintenance budgets.

6. LOCAL MUNICIPAL IMPACT

There is no direct local municipal impact associated with these announcements.

7. CONCLUSION

The funding announcements by the MOHLTC will facilitate some modest enhancements to the level of care and services provided in Ontario LTC facilities.

It is anticipated that many facilities will utilize the new funds to offset salary and operating cost increases just to maintain existing staffing levels. Significant additional investments must be made by the MOHLTC in LTC funding to increase staffing levels to the recommended average of 3.0 hours of nursing care/day. Through our provincial LTC association (OANHSS) and Association of Municipalities of Ontario, staff will continue to lobby the Provincial Government for additional funding.

The Senior Management Group has reviewed this report.

(A copy of the attachment referred to in the foregoing was forwarded to each Member of Council with the September 4, 2003 Health and Emergency Medical Services Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)