



# **Financial Pro-Forma 128 Beds**

**Committee of the Whole**

April 23, 2018

# Changing Landscape

## Then

- ▶ 2017 decision based on a number of factors
  - operational efficiency
  - financial performance
  - HR
- ▶ No new beds
- ▶ MOHLTC and LHIN support for amalgamation

## Now

- ▶ Dec. announcement and awarding of new LTC beds
- ▶ Call for Applications
- ▶ Ministry is not prepared to approve any plans at this time that are controversial

# Consideration

- ▶ A 128 bed model was not previously considered because no additional beds were available
- ▶ With new information staff asked Sienna for a high level review of the financial impact for operating a 128 bed home
- ▶ Results show a significantly lower net operating cost
- ▶ Ministry staff previously indicated that they would consider an application from Grey County

# Current Operating Cost for

Home	2018 Net County Operating Levy Requirement	2018 Budgeted Cost per Bed
Grey Gables (66 beds)	\$1,112,683	\$16,859
Lee Manor (150 beds)	\$1,705,882	\$11,373
Rockwood Terrace (100 beds)	\$1,269,061	\$12,691
Projected- Rockwood Terrace (128)	\$196,991	\$1,539

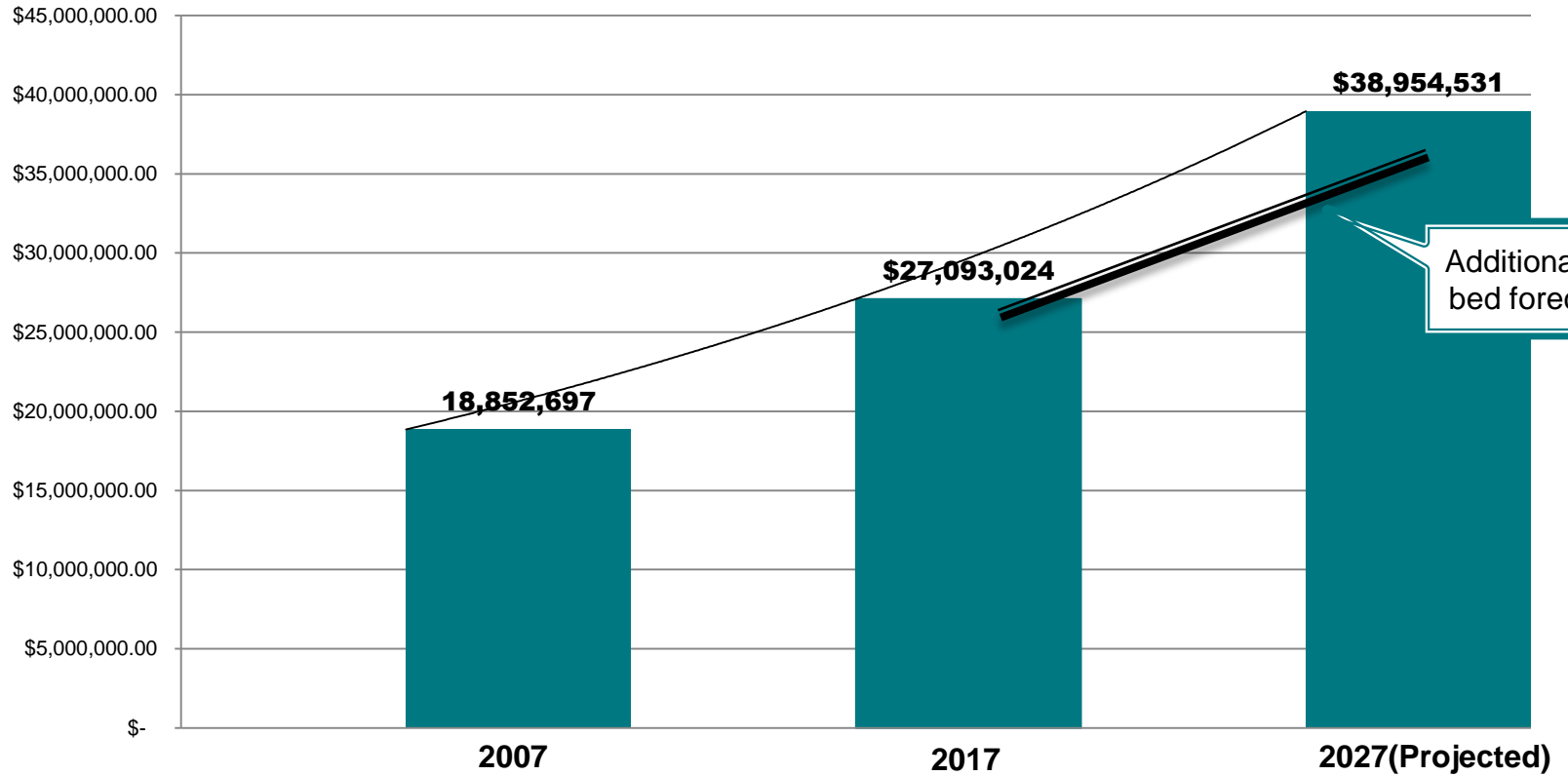
# Operating Cost Comparison

Current 316 Beds	
Grey Gables	\$1,112,683
Lee Manor	\$1,705,882
Rockwood Terrace	\$1,269,061
Total Cost	\$4,087,626
<b>Cost Per Bed</b>	<b>\$12,936</b>

Projected 344 Beds	
Grey Gables	\$1,112,683
Lee Manor	\$1,705,882
Rockwood Terrace	\$196,991
Total Cost	\$3,015,556
<b>Cost Per Bed</b>	<b>\$8,766</b>

# Current and Future Projection

**Projected- Total Operating Requirements**



# Capital Considerations

- ▶ Assumed that the additional 28 beds would qualify for the redevelopment funding under Enhanced LTC Redevelopment program.
- ▶ Cost of delay
  - Rockwood Terrace 2018 capital \$1M
  - Construction grant not indexed
  - Construction costs ↑

# Impact

## Benefits

- ▶ Maintains service in 3 communities
- ▶ 128 bed model will reduce/slow levy dependency
- ▶ Provides additional LTC capacity within Grey County
- ▶ Allows construction to proceed

## Risks

- ▶ May not achieve full savings
  - CMI
  - Proposed staffing
- ▶ Does not address
  - Ongoing capital for 3 homes
  - Inefficiencies of a small home
- ▶ Current and future challenges- Aging with Confidence