

To:	Warden Halliday and Members of Grey County Council
Committee Date:	July 12, 2018
Subject / Report No:	LTCR-CC-26-18
Title:	Long Term Care Management Services
Prepared by:	Lynne Johnson, Director of Long Term Care Kevin Wepler, Director of Corporate Services
Reviewed by:	Kim Wingrove, Chief Administrative Officer
Lower Tier(s) Affected:	All Grey County
Status:	Recommendation adopted by Council as amended as per Resolution CC74-18; Endorsed by County Council on July 26, 2018.

Recommendation

1. That report LTCR-CC-26-18, Long Term Care Management Services be received; and
2. That the current Independent Contractor Agreement with Sienna Senior Living be amended to reflect the execution of a Management Contract for all three homes in order to achieve accreditation and realize efficiencies and service quality improvements; and
3. That a by-law be brought forward for Council's consideration; and
4. That the Warden and Clerk be authorized to execute any documents and agreements required by this approval; and
5. That Council consider and provide direction on one of the following funding options;

Option 1

1. That the cost for a full service management contract be prorated for the remainder of 2018 and funded from each of the homes respective reserves, and the costs for future years be included in the respective homes' operating budgets; and
2. That any surpluses from Long Term Care operations, and/ or any corporate surpluses that have no required specific departmental needs realized in 2018 budget year, be used to repay the respective reserves used to fund this full service management contract in 2018.

Option 2

1. That the cost for a full service management contract be prorated for the remainder of 2018 and funded from each of the homes respective reserves; and
2. That for the 2019 budget year, 25% of the 2019 management contract cost be funded from taxation and the remaining balance be funded from the Administration Pay Equity Reserve; and
3. That any surplus from Long Term Care operations, and/or any corporate surpluses that have no required specific departmental needs realized in the 2018 and 2019 budget years, be used to repay the respective reserves used to fund this full service management contract in 2018 and 2019.

Option 3

1. That the cost for a full service management contract be prorated for the remainder of 2018 and funded from each of the homes respective reserves; and
2. That for the 2019 budget year, that \$400,000 of the \$1,361,010 in taxation funding contained in the 2018 budget as a Transfer to Reserve for Long Term Care Redevelopment, be utilized to fund the full service management contract and the remaining balance be funded from the Administration Pay Equity Reserve; and
3. That any surplus from Long Term Care operations, and/or any corporate surpluses that have no required specific departmental needs realized in the 2018 and 2019 budget years, be used to repay the respective reserves used to fund this full service management contract in 2018 and 2019.

Executive Summary

Grey County issued a request for proposal for Management Consulting and Support Services/ Redevelopment in August 2017. Sienna Senior Living was the successful proponent and the County entered into a five year agreement beginning February 1, 2018 which included the completion of an operational review and provision of redevelopment consulting services as required. Management and consulting services were to be determined upon completion of the operational review and consideration of the recommendations therein and an amendment to the Agreement executed.

The Sienna Senior Living Executive Team presented the operational review key findings and recommendations to the Long Term Care Committee of Management on June 12, 2018. Overall the report shows that while Grey County is committed to service quality and employee satisfaction, inconsistencies and disconnects within the operation are hampering efforts to achieve desired results. The report makes extensive recommendations that would improve service quality, address deficiencies and offer opportunities for savings and operational efficiencies.

Given the findings, staff completed a further review and presented three options to the Committee of Management for consideration at the July 4, 2018 meeting including:

- A full management contract

- A partial management contract
- Status Quo

Following review and discussion, the committee recommended the implementation of a full management contract and directed staff to provide options to fund the cost of the service to County Council for its consideration and direction.

With a full management contract, Grey County will maintain ownership of the beds and staff will continue to be Grey County employees.

Background and Discussion

The operational review was aligned into four (4) strategic pillars, Financial, Quality Human Resources and Operating Platform. The pillars form the foundation of the operation of a long term care home. With improvements under each pillar, the homes will achieve optimal performance.

Financial

The review provides recommendations for cost savings in all areas including procurement, labour and expense management. By realigning financial controls and implementing some changes there will be an increased ability at the home level to make timely decisions in relation to variances. This will also improve accountability and work towards improving financial management. In addition, a management contract will include resources to assist with items such as budgeting, capital, procurement and envelope management.

Quality

Quality management systems support the delivery of high quality care and services to residents. It includes all aspects of the organization and utilizes data from a number of sources. While Grey County homes have a quality management process there are inconsistencies among the homes. There is a need for a coordinated program to provide standardized methodology to monitor quality improvement activities based on risk and priorities. A full management contract will provide leadership in ensuring the implementation of a quality management platform, quality indicators, public reporting and data quality. Overall satisfaction of the resident, family and staff would be gauged through regular surveys and Sienna would coordinate the process, assist with the analysis, support the homes in their action plans and do all the benchmarking. Measuring and addressing staff satisfaction will lead to a more satisfied and engaged workforce and positively impact resident outcomes.

Human Resources

Human resources are a large driver of financial outcomes and an engaged satisfied team supports success. The operational review identified the need for a consistent recruitment and onboarding process, regular staff communication, a strong Occupational Health & Safety program and tools to support absenteeism and WSIB management. The implementation of standardized best practices will provide the tools for managers to carry out consistent practices.

Operating Platform

This includes systems that support operations and direct supports for resident services including clinical, nutritional and recreation and operational supports including environmental, office management, leadership and compliance. The operational review identified the need for common systems, processes and routines, consistent implementation of policies, streamlined purchasing practices, documentation management, performance management and training/implementation of available functionality within electronic platforms.

Sienna identified that the challenges facing long term care are overarching and complicated by growing consumer demands and increased complexity in a highly regulated environment. This is causing increased pressure on the homes and supporting departments resulting in inconsistent service delivery and escalating costs.

Deliverables

With a full management service, Sienna Senior Living will be accountable to the designated County of Grey Management representative. An operational support team will be assigned to the homes and an in-depth action plan will be developed and implemented with a focus on compliance and quality improvements. When addressing the items on the action plan, the homes will be preparing for accreditation and ready to proceed in the fall of 2019.

A representative from Sienna will collaborate with the Committee of Management and designated Grey County representatives on all aspects of the management service. A transitional team will be established to guide the progress, oversee employee and resident communication, change management strategies, address issues as they arise and provide operational oversight.

It is anticipated that it will take the first two years of the contract to implement approved changes and to fully implement practices. Years 3-5 will include consulting on a 3-year strategic plan, implementation of further changes and sustaining all improvements and quality indicators. Financial efficiencies are expected during this time as well. Additional revenue will be received when accreditation is attained and costs savings from volume and group purchasing are anticipated to provide further financial offsets.

Legal and Legislated Requirements

Section 3.2 of the Long Term Care Home Service Accountability Agreement with the Southwest LHIN addresses the responsibilities when “Subcontracting for the Provision of Services”. The LHIN will be advised of the subcontracting arrangement. They will continue to recognize Grey County as the Health Systems Provider and can audit the subcontractor if they feel it is necessary.

Provincially, the Long Term Care Homes Act 2010 and Regulation 79/10 outline the conditions of entering into a management contract. Once executed, the Amended Agreement between Grey County and Sienna requires review and approval by the MOHLTC’s Long Term Care Licensing Branch. An Agreement to Approve a Management Contract will be executed between all three parties.

The County solicitor has been consulted regarding the appropriate amending clauses to the Independent Contractor Agreement and with regard to negotiation of a Management Agreement.

The Independent Contractor Agreement currently in place allows for extension upon mutual agreement. The Managed Services Agreement will provide for a 5 year term with the option to extend for an additional 5 years.

Financial and Resource Implications

The operational review identified that a considerable amount of work is required to improve service, maximize efficiencies, meet legislative requirements and work on improving outcomes. With a full management contract, Sienna Senior Living will assume oversight for the homes and provide regular reports to the Committee of Management. An operational support team will be assigned to the homes to provide support and resources that are required to operate in this increasingly complex environment.

There will be an opportunity to increase revenue and decrease costs during the process and an opportunity for a realignment of corporate duties and responsibilities. Full understanding of the changes will be identified as the management transition occurs.

The fees associated with the Full Service Management Model are consistent with administration fees across the sector at no more than 5%. Applying the agreement to the anticipated annual revenues, fees would total approximately \$1,124,000 annually. Fees will be adjusted annually based on revenue adjustments e.g. MOHLTC transfers.

As directed by the Committee of Management, staff have developed some funding options for council consideration. The following Funding Option Tables provides an overview of the various options being proposed and the estimated taxation impacts:

Funding Option Tables

Option 1	2018	2019	Proposed 2020	2018-2020
Contract Cost Estimate	\$468,300	\$1,124,000	\$1,124,000	
Long Term Care Reserves	(\$468,300)			
2019 Net Levy (Taxation) Increase			(\$1,124,000)	
Net Levy (Taxation) Increase	\$0	\$1,124,000	\$0	\$1,124,000

Option 2	2018	2019	Proposed	2018-2020
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			2020	
Contract Cost Estimate	\$468,300	\$1,124,000	\$1,124,000	
Long Term Care Reserves	(\$468,300)			
Administration Pay Equity Reserve		(\$843,000)		
Increased Revenues and Decreased Expenditures			(\$562,000)	
2019 Net Levy (Taxation) Increase			(\$281,000)	
Net Levy (Taxation) Increase	\$0	\$281,000	\$281,000	\$562,000

Option 3	2018	2019	Proposed 2020	2018-2020
Contract Cost Estimate	\$468,300	\$1,124,000	\$1,124,000	
Long Term Care Reserves	(\$468,300)			
Administration Pay Equity Reserve		(\$724,000)		
LTC Redevelopment Reserve Funding – Reduce 2019 Budget Transfer to Reserve		(\$400,000)	(\$400,000)	
Increased Revenues and Decreased Expenditures			(\$562,000)	
Net Levy (Taxation) Increase	\$0	\$0	\$162,000	\$162,000

Relevant Consultation

Internal- Finance Department, Committee of Management

External- Sienna Senior Living, Legal

Appendices and Attachments

None