

Report LTCR-SS-13-15

To: Chair Burley and Members of the Social Services Committee
From: Lynne Johnson, Director of Long Term Care
Doug Johnstone, Financial Analyst
Meeting Date: October 14, 2015
Subject: **Draft 2016 Long Term Care Budget Overview**
Status: Recommendation adopted by Committee as presented per Resolution SSC85-15; Endorsed by County Council November 3, 2015 per Resolution CC150-15;

Recommendation(s)

THAT Report LTCR-SS-13-15 regarding the Draft 2016 Long Term Care Budget Overview be received;

AND THAT the 2016 Long Term Care budget as presented/amended be forwarded to County Council for consideration.

Background

The Social Services Committee is responsible to oversee the budget for Grey Gables, Lee Manor and Rockwood Terrace.

The overall net Long Term Care budget, of operating and capital combined, totals \$5,772,828 and requires a net levy decrease of \$3,826.

When reviewing the budget package it should be noted that the 2015 actuals are reflective of operations as of July 31, 2015.

Wages and Benefits

Wages and benefits account for approximately 83% of total expenditures and therefore have the biggest impact on the budget. Collectively, the homes employ more than 450 full and part-time staff. Four different collective agreements represent the unionized staff in the homes. The collective agreement with the Ontario Nurses Association, which represents the Registered Nurses, expires in March 2016.

The 2016 budget for modified duties has been increased over previous years to be more reflective of actual costs experienced by the homes.

The upcoming year is a leap year which accounts for an additional \$45,000 in wages and benefits across the three homes. This expense is offset by base funding for the added day.

Funding

The budget includes four funding envelopes:

- Other Accommodation,
- Raw Food,
- Nursing and Personal Care,
- Program and Support Services.

The homes historically receive an annual increase in base funding from the Ministry of Health and Long Term Care. In previous years, the base funding level at the time of budget preparation was used and any unbudgeted increases were used to offset unexpected financial pressures that occurred during the year.

New in the 2016 Budget is the inclusion of an anticipated 2% increase for the various funding envelopes and offsetting expenses as historically experienced by the homes.

The following table identifies the actual 2015 unbudgeted increase and the budgeted amount reflective of an anticipated 2% increase for 2016.

Actual 2015 Unbudgeted Per Diem Increase	Funding Envelope	2016 Budget includes a 2% Per Diem Increase	Effective
47,097	Other Accommodation	62,796	July 1, 2016
9,303	Raw Food	9,303	July 1, 2016
162,973	Nursing and Personal Care	168,424	April 1, 2016
15,642	Program and Support Services	15,642	April 1, 2016

Other Accommodation

Departments supported by the Other Accommodation (OA) envelope include: Administration, Dietary, Housekeeping, Laundry and Maintenance.

The rates for preferred accommodation are set by the Ministry of Health and Long Term Care and budget projections are reflective of current occupancy levels.

Supply lines have generally been set using the 2015 year to date actuals and projected expenditures. Inter-functional IS costs continue to increase for Information and Technology. This is a set corporate fee and the homes are increasingly dependent on email and technology to support care and services.

Raw Food

The Ministry provides \$8.03 per resident day (PRD) for raw food and an additional \$0.12 for high cost supplies such as enteral feeds. Grey County has traditionally supplemented the raw food budget by providing an additional \$0.08 PRD. Rising food costs in conjunction with increasing resident acuity and care needs continue to add pressure to this budget line. The 2016 proposed budget includes an additional \$0.10 PRD resulting in an increase of \$11,566 in the Raw Food budget for the three homes.

Nursing and Personal Care

This funding envelope includes all nursing staff and supplies related to the provision of nursing care. Funding for the Nursing and Personal Care (NPC) envelope is based on resident acuity and the level of care captured by the Resident Assessment Instrument (RAI) tool. Quarterly data submissions are completed and the information is averaged and used by the Ministry of Health and Long Term Care to establish funding levels. This is referred to as the Case Mix Index (CMI).

The homes are currently operating with funding based on acuity from assessments completed between April 2013 and March 2014. The next funding announcement is anticipated before the end of March 2016 and will reflect assessment data from April 2014 - March 2015. The current CMI funding level was used in developing the 2016 proposed budget. Once the CMI is released by the Ministry of Health and Long Term Care, a report will be provided to identify any potential impacts.

Program and Support Services

The Program and Support Services (PSS) envelope includes activity and recreation staff, materials and services to support the department. Contracted services such as occupational therapy, dietitian, social work and physiotherapy are also funded within this envelope.

Grey Gables

The Grey Gables operating and capital budget has a net levy increase of \$51,361.

The following are highlights of proposed budget changes for 2016:

- OA- Administration

- Increase of \$15,000 in revenue for preferred accommodation
- Equipment/Furniture increase of \$1,200 to purchase two desks to improve the ergonomics for office staff
- Legal fees increase of \$10,000
- OA- Dietary
 - Equipment/Furniture increase of \$1,000 for purchase of a stainless steel cart, this project was moved from capital to operating
 - Maintenance of Equipment increase of \$1,000 to add major equipment to emergency generator power source
- OA- Maintenance
 - Equipment/Furniture increase of \$2,500 to build an inventory of tools required for small building repairs
- Nursing and Personal Care
 - Medical Supplies increase of \$2,000 related to the increased number of residents requiring specialized products.

Lee Manor

The Lee Manor operating and capital budget has a net levy decrease of \$93,561 with few proposed budgetary changes.

The Programs and Support Service envelope reflects an increase in Chaplaincy Services. The Long Term Care Homes Act requires operators to ensure that a resident's religious and/or spiritual needs are identified and maintained through an organized spiritual and religious care program. Lee Manor currently offers a weekly church service led by local clergy members, bi-weekly bible study and quarterly memorial services. In addition, Program staff coordinate monthly hymn sings and facilitate one to one visits between residents and their local congregation.

Resident Quality of Life Surveys indicate religious and spiritual services as one of the favourite activities and something that residents would enjoy more frequently. The 2015 survey also indicated that 54.7% of respondents felt that staff didn't know the story of their life which impacts on a person's emotional wellbeing. Some residents are unable to attend group spiritual programs offered within the home and many residents living at Lee Manor lack ties to a local church affiliation.

The introduction of a consistent Chaplain will support the residents and staff when dealing with dynamic issues such as loss, grief and spiritual struggles. The Chaplain will complement current religious services, the social work program and provide support to residents' spiritual and emotional being. The proposed Program and Support Services budget includes a reduction in several current expense lines (maintenance of

equipment, raw food, recreation supplies, outside services) with a net proposed increase of \$4,500 to support the addition of a Chaplain.

Rockwood Terrace

The Rockwood Terrace operating and capital budget has a net levy increase of \$38,374.

On two visits, during 2015, the Ministry of Health and Long Term Care cited Rockwood Terrace for environment deficiencies involving general maintenance programs. The home is requesting an additional 8 hours per week (416 hour annually) to supplement current staffing levels to support general and preventative maintenance activities, at a cost of approximately \$14,000 including benefits. These hours are necessary to meet the environmental requirements set out in the legislation governing the homes.

The leadership team at Rockwood Terrace is currently participating in Leadership Coaching to improve effectiveness and support culture change within the home. This training will be continued in 2016 and expanded to include other key staff within the home. The cost for this training is included in the Staff Training and Development lines.

Other budget highlights include:

- Dietary
 - Equipment/Furniture increased for the purchase of a new ice machine
 - Other Materials and Services increased budget to replace tablecloths
- Housekeeping
 - Equipment/Furniture increased for the purchase of new housekeeping carts
- Maintenance
 - Maintenance of Buildings increased by \$35,000 reflective of an increase in maintenance requirements

The potential redevelopment of Rockwood Terrace continues to influence the capital budget and a number of capital projects may be held off until absolutely necessary while the redevelopment discussion continues.

Financial / Staffing / Legal / Information Technology Considerations

The proposed 2016 Long Term Care budget as presented represents a net levy decrease of \$3,826.

Historically the homes receive an annual increase in base funding and the proposed 2016 budget includes the addition of an anticipated 2% increase. The increased revenue is offset by an increase in expenses for items such as modified duties that have been based on averages of past years and projected expenses for 2016.

In the event that a 2% increase is not received, revenue will not be realized as outlined in the table contained within this report and it would present a risk to the homes' ability to meet the proposed budget.

Another risk is the unpredictability of the Case Mix index. Based on the CMI, funding for the Nursing and Personal Care envelope will be adjusted effective April 1, 2016; and the financial impact will be brought forward to committee after the announcement.

Link to Strategic Goals / Priorities

Communication and planning are key values identified in the County Strategic Plan. The annual operating and capital budgets are important tools to assist in managing the homes in a responsible way, to ensure financial sustainability and ongoing public accountability.

Attachments

Attachment to LTCR-SS-13-15 Long Term Care Draft Budget Summary October 14, 2015

Attachment to LTCR-SS-13-15 Grey Gables Draft Budget October 14, 2015

Attachment to LTCR-SS-13-15 Lee Manor Draft Budget October 14, 2015

Attachment to LTCR-SS-13-15 Rockwood Terrace Draft Budget October 14, 2015

Respectfully submitted by,

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