

## Report FR-SS-05-16

**To:** Chair and Members of the Social Services Committee  
**From:** Mary Lou Spicer, Deputy Director of Finance  
**Meeting Date:** December 9, 2015  
**Subject:** **Long Term Care Write off of Uncollectible Accounts**  
**Status:** Recommendation adopted by Committee as presented per Resolution SSC09-16; Endorsed by County Council January 5, 2016 per Resolution CC13-16;

### Recommendation(s)

**THAT report FR-SS-05-16 regarding the year end write off of uncollectible accounts receivable balances for the Long Term Care department be received;**

**AND THAT accounts receivable balances totaling \$13,095.05 from former Long Term Care residents be written off;**

**AND FURTHER THAT a corporate receivables management policy be developed in 2016.**

### Background

Staff at each of the three sites reviews accounts receivable balances on a monthly basis as well as the Office Coordinator, Administrator and Social Worker attempt to work with residents and families when arrears exist in order to minimize the potential for write offs. When financial abuse is suspected, staff notifies the Ministry of Health and Long-Term Care, the Police and Public Guardian and Trustee for resolution. The home does not have the ability to evict a resident for nonpayment.

The Ministry of Health and Long Term Care reimburses homes 50% of the amount written off for former residents that applies to basic accommodation (optional services such as the additional cost for a private or semi-private room, cable or telephone are not eligible for Ministry subsidy). Normal practice is to write off amounts for accounting purposes and staff continues efforts to collect the amounts owing until being notified that no further funds are available. Write offs are processed annually as the Ministry requires that the write off be made wherever possible in the year the resident was

discharged from the home in order to qualify for 50:50 funding for the basic accommodation portion.

The accounts receivable balances have been reviewed and staff recommends that \$13,095.05 from four residents be written off. This is comprised of \$8,696.17 for three residents from Lee Manor and \$4,398.88 for one resident from Rockwood Terrace (of which the Ministry will reimburse \$2,141.93). The amounts for write off represent 0.003% of the 2015 budgeted revenue to be collected from residents in the two homes; as a percentage of the accounts receivable balance as of November 30, this represents 42% for Lee Manor and 35% for Rockwood Terrace.

### Summary of Accounts Receivable Write Off

Year	Home	Amount of Write Offs	Number of Accounts Written Off
2015	Rockwood Terrace	\$4,398.88	1
2015	Lee Manor	\$8,686.17	3
2014	Rockwood Terrace	\$6,037.62	1
2013	Lee Manor	\$5,273.73	2
2012	Lee Manor	\$723.47	1
2011	Lee Manor	\$5,429.04	4
2010	Lee Manor	\$11,063.05	1

Ministry policies have substantially changed in the past few years regarding when balances should be written off and how to calculate the portion the Ministry will assist in funding; for these reasons the process is very prescriptive and there is no flexibility or decision making on the County's part. Finance staff will bring forward a corporate receivables management policy that will formalize processes, minimize exposure to bad debts and recommend that the write-off of uncollectible accounts be authorized by the Director of Finance.

### Financial / Staffing / Legal / Information Technology

#### Considerations

The recommended write off totals \$13,095.05; if the estate/former resident does not have sufficient funds, the loss in revenue of \$2,256.95 for Rockwood Terrace and \$8,696.17 for Lee Manor will not create a significant impact on the year-end financial position.

## Link to Strategic Goals / Priorities

To ensure that Council's goals of financial sustainability and public accountability are maintained.

Attachments (none)

Respectfully submitted by,

Mary Lou Spicer  
Deputy Director of Finance

Director Sign Off: *Kevin Weppler, Director of Finance; Lynne Johnson, Director of Long Term Care*