

## Long-Term Care Committee of Management December 10, 2019 – 9:30 AM

Bay Room, Grey County Administration Building

1. **Call to Order**
2. **Declaration of Pecuniary Interest**
3. **Reports**
  - a. **LTCR-CM-01-20 Proposed 2020 Long Term Care Budgets**

**That report LTCR-CM-01-20 regarding the proposed 2020 Long-Term Care budgets be received; and**

**That the 2020 Long-Term Care budgets, as presented, be forwarded to County Council as part of the overall corporate budget package for consideration.**
  - b. **LTCR-CM-02-20 Long-Term Care Write Off of Uncollectible Accounts**

**That Report LTCR-CM-02-20 titled 2019 Long Term Care Write Off of Uncollectible Accounts be received; and**

**That the recommended write offs in the amount of \$12,867 as outlined in the report be approved.**
4. **Redevelopment Update**
5. **Closed Meeting Matters**

**That the Long-Term Care Committee of Management does now go into closed session pursuant to Section 239 (2) of the *Municipal Act, 2001* to discuss:**

  - i. **A proposed or pending acquisition or disposition of land by the Municipality or local board (*Rockwood Terrace*)**
6. **Other Business**
7. **Next Meeting Date**
  - a. **January 14, 2020 at 9:30 AM**
8. **Adjournment**



# Committee Report

<b>To:</b>	Chair and Members of the Committee of Management
<b>Committee Date:</b>	December 10, 2019
<b>Subject / Report No:</b>	LTCR-CM-01-20
<b>Title:</b>	Proposed 2020 Long Term Care Budgets
<b>Prepared by:</b>	Jennifer Cornell, Director of Long Term Care
<b>Reviewed by:</b>	Kim Wingrove, Chief Administrative Officer
<b>Lower Tier(s) Affected:</b>	All Grey County
<b>Status:</b>	

## Recommendation

1. That report LTCR-CM-01-20 regarding the proposed 2020 Long-Term Care budgets be received; and
2. That the 2020 Long-Term Care budgets, as presented, be forwarded to County Council as part of the overall corporate budget package for consideration.

## Executive Summary

The Committee of Management is responsible to oversee the budget for the provision of long-term care services including overall administration, operating and capital for Grey Gables, Lee Manor and Rockwood Terrace.

The 2020 proposed budget was developed through the collaborative efforts of Grey County Finance and Long-Term Care staff.

The 2020 Long Term Care budget(s) contain operating and capital expenses of \$32,515,091. After operating and capital revenues, reserves, and capital financing are calculated, an overall net levy contribution of \$7,100,622 is required, an increase of \$830,976 or 13.25% from the 2019 approved budget. This represents a 1.45% increase to the corporate tax levy requirement for 2020.

Contributing to this \$830,976 increase is a loss of provincial funding with a decline of \$476,281 in total for the three homes, a reduction in the CMI and associated revenue, and the addition of expert staff resources as an alternative to external resources. The increase in the net levy requirement in the 2020 budget is also addressing the 2019 budget shortfall and the expenditure understatement.

# Background and Discussion

This report provides an overview of the budget assumptions and projected expenditures for the upcoming year. When reviewing the budget package, it should be noted that the 2019 actuals are reflective of operations as of October 31, 2019.

## Revenue

The homes operate with revenue from four sources including:

- 1) Ministry of Long-Term Care - includes Base Funding and the Case Mix Index;
- 2) Resident Co-payment;
- 3) Other Income (i.e. rentals); and
- 4) County of Grey Taxation.

Historically, the homes receive an increase in base funding from the Ministry of Long-Term Care. Funding increases are usually announced in the 2<sup>nd</sup> or 3<sup>rd</sup> quarter of the homes' budget year and applied retroactively, the Nursing and Personal Care (NPC) and Program and Support Services (PSS) effective in April and the Other Accommodation (OA) and Raw Food budget increases effective in July. In the 2019 budget, County staff proposed 2% funding increases for NPC, PSS and Raw Food and 1.6% increase in OA. Only the NPC envelope received any increase at all, a 1% funding increase through the Global Level of Care subsidy. For the three other envelopes, no budgeted funding increases were received. Therefore, most of the Ministry revenue budgeted in the 2019 approved budget was not realized. In consideration of this, County staff have proposed a 1% funding increase for all four envelopes in the 2020 budget.

In addition to base funding, the homes receive resident acuity funding which is referred to as the Case Mix Index (CMI). The CMI is calculated by the Ministry based on quarterly data submitted by the home. The Ministry then averages the data across the province and establishes the CMI funded amount each home will receive. The CMI is effective from April 1- March 31 the following year. In 2019, the CMI decreased at all three homes, which had a negative impact of \$113,230 for 2019 in total for the three homes.

The 2019 CMI is used to develop the proposed budget and the new CMI to be released during the first quarter of 2020. It is difficult to predict what the CMI will be and there have been substantial fluctuations over the years. Once the new CMI is available, the Committee of Management will be updated on any potential impacts.

Structural Compliance Premium (SCP) and High Wage Transition (HWT) were scheduled to be cancelled on August 1, 2019 (the cancellation was later delayed to March 31, 2020 and December 31, 2020 respectively). While the HWT will continue for the 2020 budget year, the cancellation of the SCP effective March 31, 2020 will result in a \$327,956 negative impact for all three homes in the 2020 budget.

The resident co-payment amount is set by the Ministry of Long-Term Care and is effective July 1 of each year. Basic accommodation rate was increased based on the Consumer Price Index which is 2.3%. The current daily rates are:

- Basic accommodation \$62.18;
- Semi-private \$70.70 - \$74.96; and
- Private \$81.35 - \$88.82.

This increase will result in a \$13,000 increase in preferred accommodation revenue in total for all three homes.

## Budget Impacts

Wages and benefits account for approximately 80% of the 2020 budget. It is important to note that 2020 is a leap year and so the 2020 budget includes one additional day of wages and benefits. Also impacting wage costs are challenges with recruitment and retention of qualified employees, leading to a high dependence on over-time and the use of agency staff both of which have a direct impact on the basic cost of service delivery.

With the establishment of the Task Force On Unfilled Shifts, staff is able to focus additional attention on scheduling and retention initiatives in 2020 and work towards managing labour costs. Other impacts on wages and benefits is the cost of modified duties and challenges with attendance management. There will be a focus on education to support improvements in these areas during the upcoming year.

There are four different collective agreements across the 3 homes. There will be new collective agreements negotiated for Lee Manor OPSEU staff, ONA (registered nursing) staff and Rockwood Terrace UNIFOR staff. The budget has anticipated some impact as result of these negotiations.

## Funding Envelopes

Within the long-term care operating budget there are four funding envelopes:

- Other Accommodation (OA);
- Raw Food;
- Nursing and Personal Care (NPC); and
- Program and Support Services (PSS).

### *Other Accommodation*

Departments supported within the OA envelope include: Administration, Dietary, Housekeeping, Laundry, and Maintenance.

Supply lines have generally been set using the 2019 year to date actuals and projected expenditures. The cost for heat and hydro have been adjusted to reflect industry projected costs.

As per report LTCR-CM-42-19 Building Operational Capacity in Long-Term Care, three additional positions are reflected in the 2020 budget. The positions of HR Generalist, Clinical Specialist and Quality Specialist will support Grey County to recruit and retain staff, continuously improve care and services and achieve accreditation. This has a 2020 budgetary impact of \$239,200 based on 9 months of salary and benefits being included in the 2020 budget. These positions will be funded from the savings realized from the former Sienna Senior Living support agreement.

## *Raw Food*

The Ministry of Health and Long-Term Care (MOHLTC) provides \$9.54 per resident day (PRD) for raw food which is unchanged from 2019.

The managers will continue to work with the dietitians and various food service partners to ensure that the menus and meals are nutritious, provide variety and meet MOHLTC and resident expectations. Recent survey data demonstrates a high level of satisfaction with dining and food services across all three communities.

## *Nursing and Personal Care*

The Nursing and Personal Care (NPC) envelope includes wages and benefits for all nursing staff and equipment, supplies and services related to the provision of nursing care. This funding is determined by the Case Mix Index (CMI) and is unique to each home. As previously identified, the unpredictability of the CMI is a risk when developing the budget. Once the 2020 CMI is released the Committee of Management will be updated on any potential impacts.

Additional front line staffing hours for direct resident care will be outlined under each homes section below and are included in the Nursing and Personal Care lines for each home.

## *Program and Support Services*

The Program and Support Services envelope includes activity and recreation staff, materials and services. Contracted services including occupational therapy, dietitian, social work and physiotherapy are also funded through this envelope

A change to the 2020 budget is that effective April 1, 2019, the physiotherapy flow-through funding subsidy was embedded as a per diem amount of \$2.27 in the PSS envelope, for a total PSS per diem of \$12.06 (\$9.79 plus \$2.27) and is no longer a stand alone budget sheet.

## **Grey Gables**

The Grey Gables operating, and capital budget has a net levy requirement of \$1,699,860, an increase of \$248,893 from the 2019 approved budget. In addition to the impacts identified earlier in this report and in response to the high use of agency staffing resources, the following proposed changes for 2020 are specific to Grey Gables:

- Increase of 3.5 hours daily (1281 hours annually) to extend the two evening PSW short shifts from 4.25 hours to 6 hours to increase the direct care for residents and decrease the number of unfilled shifts
- Increase of 2.5 hours daily (915 hours annually) to extend the day RPN short shift to increase direct nursing care for residents.
- Increase of 1 hour weekly (52 hours annually) to extend the dietary aide shift once per week in order to have enough time to adequately put away the weekly grocery order.

- Increase 7.5 hours weekly (390 hours annually) in the Program Department to provide additional support in delivering resident daily activities and programs.
- Increase of 7.5 hours weekly (390 hours annually) to the RAI MDS to transition the RAI Coordinator to the position of Resident Care Coordinator. This represents an increase in hours and wages. The Resident Care Coordinator oversees the RAI MDS program and includes similar duties as the PSW Coordinator position that is part of the staff complement at Rockwood Terrace and Lee Manor.

The 2020 capital budget requires a levy contribution of \$287,500, an increase of \$5,608 or 2% from 2019. An overview of the projects includes:

- Information Technology \$15,000
- Dietary Equipment \$17,000
- High-Low Beds and Mattresses \$15,000
- Debenture Payment – Roof \$73,234
- Long Term Care Area Floor Replacement \$10,000
- Tub/Shower Room and Whirlpool Tubs \$45,000
- Heating and/or Cooling Systems \$22,000
- Laundry Equipment \$35,000
- Generator Replacement \$120,000
- Hot Water Heater Replacement \$12,500
- Water Softeners \$25,000 (moved back from 2023)
- Copper Pipe Replacement \$8,500 (carry-forward from 2019)
- Sidewalks and Walkways \$10,000 (carry-forward from 2019)
- Hot Water Heating System (boiler) \$28,000 (carry-forward from 2019)
- Retaining Wall \$20,000 (carry-forward from 2019)

## Lee Manor

The Lee Manor operating, and capital budget has a net levy requirement of \$2,130,214, an increase of \$347,058 from 2019. In addition to the impacts identified, the following proposed changes relate to Lee Manor:

- Increase of 7.5 hours weekly (416 hours annually) for an RPN to oversee the Skin and Wound Care program.
- Increase of 15 hours per week in the maintenance department for in-house painting of hallways, lounges and exterior.

The 2020 capital budget has a net levy requirement of \$223,500, an increase of \$4,391 or 2% from the 2019 approved budget. Highlights of the planned capital projects for the upcoming year include:

- High-Low Beds and mattresses \$34,000
- Information Technology \$25,000
- Resident lifts \$26,000
- Home Enhancements \$20,500

- Floor Replacement \$15,000
- Redevelopment of resident common area and staff area on main floor \$100,000
- Dietary Equipment \$20,000
- Replacement of split air conditioning systems \$50,000
- Dryer \$8,500
- Sanitary waste removal system and storm water including drains \$15,000
- Driveway and Sidewalk repair \$12,000

## Rockwood Terrace

The Rockwood Terrace operating, and capital budget has a net levy requirement of \$1,909,538, an increase of \$235,025 over 2019.

In addition to the impacts identified, the following changes relate to Rockwood Terrace:

- Increase of 8 hours weekly (416 hours annually) for the RPN currently overseeing the Skin and Wound Care program.
- Increase of 8 hours monthly (96 hours annually) for an RPN to oversee the Fall Prevention/Management Program.

The capital budget at Rockwood Terrace is challenging to predict. There is a need to provide a safe, comfortable environment while balancing the need to redevelop. Projects such as windows, flooring and plumbing are budgeted and completed on a flexible schedule which allows for the most imminent needs to be met. The identified projects for 2020 have been reviewed. Depending on the time of redevelopment and construction delays, the projects may be realigned in future years. Redevelopment must be completed in 6 years therefore capital needs for Rockwood Terrace have not been addressed past 2025. The net levy requirement for 2020 is \$295,800, an increase of \$5,791 or 2% increase from the approved 2019 budget. The following capital expenditures are planned for 2020:

- Resident lifts \$16,300
- Information Technology \$15,000
- High-Low beds and mattresses \$25,000
- Whirlpool tubs \$45,000
- Window replacement \$20,000
- Plumbing fixtures replacement \$10,000
- Vinyl flooring replacement \$50,000
- Medical equipment \$12,000
- Kitchen equipment \$7,500
- Dryer \$8,600
- Therapeutic (Relax) Chair \$18,000
- Electrical systems \$13,500
- Radiator valve replacement \$60,000 (carry-forward from 2019)
- Building pump replacement \$10,200 (carry-forward from 2019)
- Key pad entry \$25,250 (carry-forward from 2019)
- Mechanical systems \$150,000 (carry-forward from 2019)

- Makeup air units (penthouse) \$36,500 (carry-forward from 2019)
- Sprinkler system – first floor \$115,000 (carry-forward from 2019)
- Balcony upgrades \$33,000 (carry-forward from 2019)
- Domestic water supply & distribution \$246,200 (\$216,200 carry-forward from 2019)
- Transfer to reserves \$134,900

## Long Term Redevelopment

The most recent refurbishment of a long term care facility was at Lee Manor and was funded by the County by entering into two debentures. The total annual debenture payment for these two debentures equaled \$1,361,010 and was funded from taxation.

As these debentures matured, payments have been budgeted as a transfer to reserve for a source of funding to assist with the redevelopment of Rockwood Terrace. This reserve contribution continues in 2020 with \$1,361,010 being budgeted to be transferred to reserve.

## Legal and Legislated Requirements

Upper tier municipalities are required under the *Municipal Act, 2001* to prepare and adopt an annual budget. Safety, legislation and normal life cycle replacement have all been considered in the development of the 2019 proposed long term care budgets.

## Financial and Resource Implications

The proposed Long-Term Care budget(s) contain operating and capital expenses of \$32,515,091. After operating and capital revenues, reserves, and capital financing are calculated, an overall net levy contribution of \$7,100,622 is required, an increase of \$830,976 from 2019.

It is projected that Grey Gables will have a negative reserve balance in 2021 and return to a positive balance by 2024. Lee Manor will have a negative reserve balance in 2024 and return to a positive balance by 2042. Rockwood Terrace will have a positive balance in its reserve. Collectively, the reserves for all three homes remain in a healthy positive balance through to 2046. Staff considers the three long term care homes as a portfolio and the reserves will be redistributed as required.

## Relevant Consultation

- Internal (Finance Department and Long Term Care Executive Directors)
- External

## Appendices and Attachments

[Attachment 2020 Budget Summary Long Term Care Component](#)

[Attachment LTC Administration 2020 Budget](#)



[Attachment Grey Gables 2020 Budget](#)

[Attachment Lee Manor 2020 Budget](#)

[Attachment Rockwood Terrace 2020 Budget](#)

[Attachment LTC Redevelopment 2020 Budget](#)

<b>To:</b>	Chair and Members of the Long Term Care Committee of Management
<b>Committee Date:</b>	December 10, 2019
<b>Subject / Report No:</b>	LTCR-CM-02-20
<b>Title:</b>	2019 Long Term Care Write Off of Uncollectible Accounts
<b>Prepared by:</b>	Joanna Alpajaro, Deputy Treasurer
<b>Reviewed by:</b>	
<b>Lower Tier(s) Affected:</b>	None
<b>Status:</b>	

## Recommendation

1. That Report LTCR-CM-02-20 titled **2019 Long Term Care Write Off of Uncollectible Accounts** be received; and
2. That the recommended write offs in the amount of **\$12,867** as outlined in the report be approved.

## Executive Summary

All available measures are used to collect monies due to the care community on a timely basis. Accounts in arrears are reviewed and supports implemented to ensure that payment is forthcoming.

Balances owing from residents with no repayment activity are written off at year-end for accounting purposes and staff continue to work on collections. Staff recommends that \$12,867 in arrears be written off in the 2019 fiscal year.

## Background and Discussion

Staff in the Long-Term Care department reviews accounts receivable balances monthly and attempt to work with residents to minimize account arrears.

The Ministry of Health and Long-Term Care requires that write offs be made in the year the arrears relate to and the Ministry will cover 50% of the arrears relating to basic accommodation. Unpaid balances relating to preferred accommodation and ancillary services such as cable, telephone, hair care etc. are not eligible for Ministry reimbursement.

For the 2019 fiscal year, staff recommends that \$7,837 at Grey Gables and \$5,030 at Lee Manor be written off, for a total of \$12,867, of which 50% or \$6,433 is eligible for Ministry reimbursement.

The following chart provides comparative information for the proposed 2019 write off and the previous four years.

**Summary of Long-Term Care Accounts Receivable Write off and Bad Debt Recovery**

Year	Amount of Write Off	Number of Accounts Written Off	Amount of Bad Debt Recovery
2019	\$12,867 (\$7,837 at Grey Gables and \$5,030 at Lee Manor)	3 (2 at Grey Gables and 1 at Lee Manor)	\$0
2018	\$1,626 (Rockwood Terrace)	1	\$0
2017	\$26,632 (\$11,073 Lee Manor and \$15,559 Rockwood Terrace)	2 for Lee Manor and 4 for Rockwood Terrace	\$5,203 (Grey Gables)
2016	\$10,019 (\$6,719 Grey Gables and \$3,300 Lee Manor)	2 for Grey Gables and 1 for Lee Manor	\$0
2015	\$13,085 (\$4,399 Rockwood and \$8,686 Lee Manor)	1 for Rockwood and 3 for Lee Manor	\$6,038 (Rockwood)

## Legal and Legislated Requirements

The Ministry of Health and Long-Term Care requires that account write-offs be completed in the calendar year that the arrears relate to.

## Financial and Resource Implications

The uncollectible amount eligible for write off totals \$12,867, of which \$6.433 is eligible for Ministry reimbursement.

## Relevant Consultation

- Internal – Executive Directors of Lee Manor and Rockwood Terrace; Jennifer Cornell, Director of Long-Term Care; Kevin Wepler, Director of Corporate Services
- External (list)

## Appendices and Attachments

None