



Committee Report

To:	Chair and Members of the Committee of Management
Committee Date:	January 20, 2023
Subject / Report No:	LTCR-CM-04-23
Title:	2023 Proposed Long-Term Care Budgets
Prepared by:	Markus Hawco, Manager Finance, Long Term Care, Jennifer Cornell, Director of Long-Term Care
Reviewed by:	Kim Wingrove, CAO, Mary Lou Spicer, Director of Finance
Lower Tier(s) Affected:	
Status:	

Recommendation

1. That report LTCR-CM-04-23 regarding the proposed 2023 Long-Term Care budgets be received; and
2. That the 2023 Proposed Long-Term Care budget, 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 Grey Gables, Lee Manor, and Rockwood Terrace. This budget was developed through the collaborative efforts of Grey County Finance and Long-Term Care staff.

The 2023 Long Term Care proposed budget contains operating and capital expenses of \$52,271,300 or 23% of total corporate expenditures. It includes a net levy requirement (total operating and capital) of \$8,281,200 compared to \$7,547,500 in 2022, an increase of \$733,700 or 9.72%.

The promise of Grey County Long Term Care is to Colour It Your Way by providing resident centered care. Resident centered care is supporting each resident with their unique care needs for both their physical and emotional wellbeing. This care and support is provided by our team members in each home. The proposed budget supports this promise in several ways; an investment in direct care hours, specifically personal support worker and allied health professional and the addition of three Infection Prevention and Control (IPAC) leadership positions, a focus on nutrition and meal service, a continued investment in infection prevention and control personnel and training, and an investment in the building and maintenance upkeep.

Background and Discussion

This report provides an overview of the budget assumptions and projected expenditures for the upcoming year. Safety, legislation, and normal life cycle replacement have all been considered in the development of the 2023 proposed long term care budgets.

Budget Impacts - Revenue

The homes operate with revenue from four sources including:

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

Level of Care (LOC) Base Funding and Case Mix Index

Historically, the homes receive an increase in base funding from the Ministry of Long-Term Care each year. In 2022, the province applied a 1.5% overall increase to the Global Level of Care per diem effective April 1, 2022, as well as Nursing Personal Care (NPC) and Other Accommodation (OA) buckets. In consideration of this, County staff have included a 1.5% funding increase for the Global Level of Care in the 2023 budget effective April 1, 2023. This is a total increase of \$609,300 in base funding for the three homes. In the past, we have allocated the increase to Nursing and Personal Care because this is where our levy requirement is highest.

In addition to base funding, the homes receive resident acuity (care needs) funding which is referred to as the Case Mix Index (CMI). The higher the CMI, the higher the acuity of the resident and the more Nursing and Personal Care funding the home may receive. Despite rising acuity in all long-term care homes in Ontario, the case mix system allocates the acuity funding envelope but does not change the size of the funding envelope.

The unpredictability of the CMI is a risk when developing the budget. AdvantAge Ontario, the association for municipal and non-profit long term care homes, provides a CMI calculator for the upcoming year to allow homes to better predict their CMI for budgeting and planning purposes. In previous years, County staff used the existing CMI when budgeting revenues for future years, however that practice resulted in unexpected fluctuations throughout the year. On October 20, 2022, the homes were notified that the CMI was not changing for 2023 and will remain at previous levels (2021). This resulted in budgeting on the same level as previous year resulting in no change to revenue.

Additionally, we have received three temporary beds on a contract basis through the Ministry of Long-Term Care and Ontario Health West. The beds are an addition to our operation, result in minimal additional expense and therefore, revenue earned is shown as a transfer to reserve to help mitigate any future expenses.

Resident Co-Payment

The resident co-payment amount is set by the Ministry of Long-Term Care and is normally effective July 1 of each year. Daily rates increased as of October 1, 2022, and are as follows

- Basic: Increase from \$62.18 to \$63.73 (\$1.55 increase)
- Semi Private: Increase from \$12.78 to \$13.10 (\$0.32 increase)
- Private: Increase from \$26.64 to \$27.31 (\$0.67 increase)

The increase in preferred costs (Semi and Private) impacts new residents as they move into our long-term care homes and are to help long term care homes with inflationary pressures. The basic fee increase is automatically applied to all residents. Residents in preferred rooms prior to this announcement are not impacted by these increases.

Long Term Care Staffing Increase Supplement

As part of the Ministry’s commitment to increase staffing levels and provide more direct care for residents, the Ministry is providing new funding to Ontario’s LTC sector. There are three components of this funding. The goal of the new funding is to support LTC home licensees to enable the hiring of more staff to increase direct hours of care provided to residents. Direct care is defined as “hands-on care provided to residents that includes, but is not limited to, assessments, feeding, bathing, toileting, lifting, moving residents, medical/therapeutic treatments, and medication administration”.

The purpose of each funding stream, each year’s committed targets and each homes’ allocations are provided in the tables below. Each home has proposed increased staffing in the 2023 budget to utilize all three allocations of funding. These investments in funding are part of the Ministry’s commitment to increase the average hours of daily direct care to four hours by 2025. There is no levy impact for these added hours.

Table 1

Funding Stream	Purpose of funding stream	Allowable Expenses
RN, RPN and PSW Staffing Supplement	to be used for the purpose of retaining/recruiting RNs, RPNs and PSWs to increase direct resident care	Salaries, wages, and benefits of RNs, RPNs and PSWs to accomplish the increase in direct resident care time
Allied Health Professionals Staffing Supplement	to be used for the purpose of retaining/recruiting Allied Health Professionals (physiotherapists, activity aides) to increase direct resident care	Salaries, wages, and benefits of Allied Health Professionals to accomplish the increase in direct resident care time (includes physiotherapists, restorative care coordinators, social workers, occupational therapists, activity assistants)
Supporting Professional Growth Funding	to be used to support ongoing education and training of staff members, including backfilling of staff on training	To be used to support ongoing education and training of staff members, including backfilling of staff on training

Table 2

RN, RPN and PSW Staffing Supplement					
	Targets for Direct Resident Care	Grey Gables	Lee Manor	Rockwood Terrace	Total
2023-2024	3 hours and 42 minutes	\$972,600	\$1,883,000	\$1,428,800	\$4,284,400

Allied Health Professionals Staffing Supplement					
	Targets for Direct Resident Care	Grey Gables	Lee Manor	Rockwood Terrace	Total
2023-2024	36 minutes	\$101,000	\$206,200	\$152,100	\$459,300

Supporting Professional Growth Fund					
	Targets for Direct Resident Care	Grey Gables	Lee Manor	Rockwood Terrace	Total
2023-2024	N/A	\$8,800	\$20,100	\$13,400	\$42,300

Budget Impacts - Expenditures

Salaries and Benefits

Wages and benefits account for over 80% of the 2023 budget. Challenges with recruitment and retention of qualified employees have led to a high dependence on overtime and use of agency staff, both of which have a direct impact on the basic cost of service delivery. The new funding streams will allow County staff to top up hours for existing staff and convert part-time lines to full-time positions to accomplish the increase in direct resident care time.

There are four different collective agreements across the three homes. The Collective Agreement between the County of Grey and OPSEU Local 299, representing Lee Manor staff, expired on December 31, 2022. The Collective Agreement between the County of Grey and UNIFOR Local 302, representing Unionized staff at Rockwood Terrace except Registered nurses, will expire on January 31, 2023. Dates have been scheduled to meet with both our OPSEU and UNIFOR union partners to bargain a new Collective Agreement.

ONA Collective Agreements expire March 31, 2023, and it is expected that there will be a new collective agreement negotiated with our ONA partners for all three homes in 2023.

Table 3 below show full time equivalent staff and direct care hours per resident per day for the three homes. All three homes are on track to achieve the targets set out in “Ontario’s Long-term Care Staffing Plan” to increase staffing levels to three hours and 42 minutes (3.7 hours) of direct resident care for the PSW-RPN-RN staffing and 36 minutes (0.60 hours) for the Allied Health Professional staffing every day by the end of 2023-2024 fiscal year.

Home		Grey Gables			Lee Manor			Rockwood Terrace		
# of beds		66			150			100		
New Funding Stream	Position	2022 Direct Care Hours/ Resident Day	Increase due to new Staffing Supplements	2023 Direct Care Hours/ Resident Day	2022 Direct Care Hours/ Resident Day	Increase due to new Staffing Supplements	2023 Direct Care Hours/ Resident Day	2022 Direct Care Hours/ Resident Day	Increase due to new Staffing Supplements	2023 Direct Care Hours/ Resident Day
RN-RPN-PSW Increased Staffing	RN	0.341	0.016	0.357	0.150	0.030	0.180	0.225	0.005	0.230
	RPN	0.448	0.023	0.471	0.670	0.160	0.830	0.599	0.171	0.770
	PSW	2.451	0.438	2.889	2.438	0.252	2.690	2.480	0.220	2.700
	Total	3.240	0.477	3.717	3.258	0.442	3.700	3.304	0.396	3.700
Allied Health Professionals	Director of Care	0.076	-	0.076	0.033	-	0.033	0.050	-	0.050
	Associate Director of Care	-	-	-	0.033	-	0.033	0.050	-	0.050
	PSW Coordinator	0.081	-	0.081	0.036	-	0.036	0.053	-	0.053
	Ward Clerk	-	-	-	0.036	-	0.036	0.053	-	0.053
	RAI Coordinator	0.060	.005	0.065	0.036	-	0.036	0.053	-	0.053
	Resident Family Services Manager	0.081	-	0.081	0.036	-	0.036	0.053	-	0.053
	Activity Assistants	0.227	-	0.227	0.251	-	0.251	0.251	0.011	0.262
	Dietician	0.030	-	0.030	0.020	-	0.020	0.018	-	0.018
	Physiotherapist	0.016	-	0.016	0.033	0.048	0.081	0.033	-	0.033
	Occupational Therapist	0.003	-	0.003	0.004	-	0.004	0.002	-	0.002
	Social Worker	0.017	-	0.017	0.028	-0.003	0.025	0.011	-	0.011
	Resident Care Coordinator	0.081	-	0.081	0.036	-	0.036	-	-	-
	Volunteer Coordinator	-	-	-	0.031	-0.031	-	-	-	-
	Total	0.672	0.005	0.677	0.613	0.014	0.627	0.627	0.011	0.638

Raw Food

The Ministry of Long-Term Care (MLTC) provides \$11.00 per resident day (PRD) for raw food; the budget has been prepared under the assumption that a funding is unchanged from 2022. In 2022, this funding envelope operated with a \$0.68 per diem levy requirement. In 2023, there is no proposed increase to the county per diem. The levy requirement for raw food is \$78,400 for the three homes.

COVID-19 Pandemic

Over the past three years, the COVID-19 pandemic has had a significant impact on the finances and operations of the long-term care homes. The financial implications of COVID-19 are difficult to predict for 2023. However, with increasing investment in Infection Prevention and Control (IPAC) and Emergency Planning, it is expected that COVID expenditures will become more stable and predictable.

The homes have proposed a total of \$803,400 in COVID and IPAC expenditures in 2023. This includes spending relating to additional staff, personal protective equipment, cleaning supplies, equipment to support infection prevention and control measures, and screening and testing initiatives.

The 2023 budget assumes that the Ministry of Long-Term Care will provide emergency funding support of \$803,400 to the long-term care sector. Any shortfall of funding will result in adjustments in COVID and IPAC measures to match funding. There is no budgeted levy impact for COVID in 2023.

Budget Impacts – Long Term Care Administration

This department funds the Director of Long-Term Care's office and includes a Quality Specialist, a Clinical Specialist, a Support Services and Educational Lead and administrative assistant. Additional increase of provincially mandate role of Infection Prevention and Control (IPAC) and wellness lead for each home is added to LTC administration. The cost of this department is funded by each of the three Homes in proportion to the number of beds each home operates.

LTC 2023 Operating and Capital Budget
Reasons for Levy Increase per Home

	Grey Gables	Lee Manor	Rockwood Terrace	Total
Increase in overall Revenue	867,600	941,100	1,105,100	2,913,800
Increased Ministry Revenue (No Commitments)	7,100	(23,000)	247,900	232,000
Increased Global Level of Care Funding	2,700	8,700	9,500	20,900
Increase in Rent	5,600	2,000	0	7,600
Grey County Reserve Draw	(2,200)	(32,400)	(152,700)	(187,300)
Provincial Direct Care Hour Funding	499,800	782,500	754,900	2,037,200
Special Initiative Ministry Funding	2,200	5,200	(7,400)	0
COVID/IPAC Funding	352,400	198,100	252,900	803,400
Change in Revenue	867,600	941,100	1,105,100	2,913,800
Corporate Increases (Interfunctional, Insurance etc)	36,000	52,200	45,800	134,000
COLA 2.5% Increase	83,400	249,100	171,300	503,800
Raw Food Increase	38,200	90,800	66,000	195,000
Non expenditure decrease (Effeciencies found)	(75,100)	(18,900)	(37,000)	(131,000)
Other expenditure (Capital & Inflationary increase)	480,100	205,900	201,400	887,400
Direct Care Hour Costing (Ministry Funded)	499,800	782,500	754,900	2,037,200
Special Initiatives (Ministry Funded)	2,200	18,900	0	21,100
Increased Expenditures	1,064,600	1,380,500	1,202,400	3,647,500
Increased Levy	197,000	439,400	97,300	733,700

Budget Impacts – Grey Gables Capital

The 2023 capital budget requires a levy contribution of \$264,200, an increase of \$70,400 or 36.33% from 2022. An overview of the projects includes:

- Copper pipe replacement \$5,700
- Debenture Payment – Roof \$73,200
- Dietary Equipment \$15,000
- Doors (entrance, interior, systems) \$70,000 (carry forward \$50,000 from 2022 funded from Capital Reserve)
- Air Make up System \$41,000
- Service Buildings (Gazebo) \$10,000
- Millwork and Partitions \$20,000 (funded from Capital Reserve)
- Exit Signage \$30,000 (funded from Capital Reserve)
- Furniture and Equipment Replacement \$5,200
- Outdoor Signage \$30,000 (funded from Capital Reserve)
- High-Low Beds and Mattresses \$9,000
- Home Enhancements \$10,000 (funded from Donation Reserve)
- Information Technology \$16,000
- Heating and/or Cooling System \$39,200 (funded from Capital Reserve)
- Railings and Balconies \$10,000 (funded from Capital Reserve)
- Retaining Wall \$40,000 (carry-forward \$20,000 from 2022 funded from Capital Reserve)
- Resident Lifts \$20,000

Budget Impacts – Lee Manor Capital

The 2023 capital budget requires a levy contribution of \$206,000, an increase of \$41,300 or 25.08% from 2022. An overview of the projects includes:

- Camera Replacement \$7,500
- Washing Machine \$40,000
- Dietary Equipment \$15,000
- Draperies and Blinds \$25,000
- Floor Cleaning Equipment Replacement \$15,000
- Floor Replacement \$61,800 (funded from Capital Reserve)
- High-Low Beds/Mattresses \$35,500
- Home Enhancements \$43,500 (\$40,000 from Capital Reserve)
- Information Technology \$27,000
- Resident Bathroom Fixture and Vanity Replacement \$50,000 (funded from Capital Reserve)
- Resident Lifts - \$27,500
- Whirlpool Tubs \$90,000 (funded from Capital Reserve)

Budget Impacts – Rockwood Terrace Capital

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 2023 have been reviewed. Depending on the time of redevelopment and construction delays, the projects may be realigned in future years. Redevelopment must be completed by 2025 therefore capital needs for Rockwood Terrace have not been projected beyond 2025. The net levy requirement for 2023 is \$145,600, no change from the approved 2022 budget. The following capital expenditures are planned for 2023:

- Medical Equipment \$5,000
- Kitchen Equipment \$5,000
- Home enhancements \$10,400 (from Donation Reserve)
- High-Low beds and mattresses \$26,500
- Information Technology \$20,000
- Domestic Water Supply and Distributions \$30,000 (funded from Capital Reserve and grant)
- Resident lifts \$17,200
- Plumbing Fixture Replacements \$50,000
- Vinyl flooring replacement \$50,000 (carry forward from 2022 and funded from Capital Reserve)
- Whirlpool Tubs \$45,000
- Window replacement \$20,000 (carry forward from 2022 and funded from Capital Reserve)

Budget Impacts - Long Term Redevelopment

Grey County is in the planning stages of redeveloping the Rockwood Terrace home to a new 128 bed facility that includes 40 units of assisted living and a Village Square. Construction will begin in 2023 and occupancy is anticipated in the second half of 2025.

The refurbishment of Lee Manor was funded by debenture. Since the debenture was repaid, \$1,361,000 has been transferred annually to a reserve to assist with the future cost of redeveloping Rockwood Terrace. In 2023, payments totaling \$9,156,100 and funded from reserve have been budgeted based on the provided cash flow projection provided by our prime consultant Colliers utilizing a class D estimate.

The reserve contribution is expected to increase in 2024 with a two year phased-in approach to provide funds in 2025 for the estimated debenture payment amount (see [FR-CW-22-21 Long Term Corporate Capital Overview](#)).

Legal and Legislated Requirements

Upper tier municipalities are required under the *Municipal Act, 2001* to prepare and adopt an annual budget.

Financial and Resource Implications

The proposed Long-Term Care budget(s) contain operating and capital expenses of \$52,271,300. After operating and capital revenues, reserves, and capital financing are

calculated, an overall net levy contribution of \$8,281,200 is required, an increase of \$733,700 from 2022.

Relevant Consultation

Internal (CAO, Finance department, Long Term Care staff)

Appendices and Attachments

[Attachment to LTCR-CM-04-23: Long Term Care Component 2023 Budget](#)

[Attachment to LTCR-CM-04-23: LTC Administration 2023 Budget](#)

[Attachment to LTCR-CM-04-23: Grey Gables 2023 Budget](#)

[Attachment to LTCR-CM-04-23: Lee Manor 2023 Budget](#)

[Attachment to LTCR-CM-04-23: Rockwood Terrace 2023 Budget](#)

[Attachment to LTCR-CM-04-23: LTC Redevelopment 2023 Budget](#)