



Committee Report

To:	Chair and Members of the Committee of Management
Committee Date:	November 23, 2021
Subject / Report No:	LTCR-CM-27-21
Title:	2022 Proposed Long Term Care Budgets
Prepared by:	Joanna Alpajaro, Deputy Treasurer, 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-27-21 regarding the proposed 2022 Long-Term Care budgets be received; and
2. That the 2022 Long-Term Care budget, as presented, be forwarded to County Council as part of the overall corporate budget package for consideration; and
3. That staff be authorized to include redevelopment costs funded from reserve as well as reduce levy requirements should additional information become available.

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 2022 Long Term Care proposed budget contains operating and capital expenses of \$37,937,600. It includes a net levy requirement (total operating and capital) of \$8,166,100 compared to \$7,458,600 in 2021, an increase of \$707,500 or 9.49%.

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 an evening leadership position, 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.

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 2021, the Province applied a 1.5% overall increase to the Global Level of Care per diem effective April 1, 2021. In consideration of this, County staff have included a 1.5% funding increase for the Global Level of Care in the 2022 budget effective April 1, 2022. This is a total increase of \$311,000 in base funding for the three homes. This funding is non-restrictive and can be used in any of the four envelopes that has the greatest need. 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. In the 2022 budget, the CMI calculator has been used, resulting in an increased CMI at Grey Gables and decreased CMI for Lee Manor and Rockwood Terrace. It is hoped that the calculator will provide a more accurate determination of Nursing and Personal Care funding to assist with planning and allocating resources. Using the CMI calculator provides an additional \$24,000 in revenue.

The loss of five temporary bed licenses that were budgeted for 2021 and the reduced CMI will reduce expected base funding in 2022 by \$333,500 and \$303,900 respectively. Overall, base funding is expected to decrease by \$326,400 from 2022.

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. These new rates have now been deferred to January 1, 2022 to provide relief to residents and families that may be experiencing financial challenges due to COVID-19. Basic accommodation rates are expected to be increased based on the Consumer Price Index which at this time is unknown.

The budget for preferred revenue has also been impacted by the loss of the five temporary bed licenses and this results in a budgeted decrease in revenue of \$96,400.

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 2022 budget to use up 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 this funding.

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
2022-2023	3 hours 15 minutes	\$477,200	\$1,100,800	\$728,900

Allied Health Professionals Staffing Supplement				
	Targets for Direct Resident Care	Grey Gables	Lee Manor	Rockwood Terrace
2022-2023	36 minutes	\$96,600	\$205,900	\$137,100

Supporting Professional Growth Fund				
	Targets for Direct Resident Care	Grey Gables	Lee Manor	Rockwood Terrace
2022-2023	N/A	\$8,850	\$20,115	\$13,410

Budget Impacts - Expenditures

Salaries and Benefits

Wages and benefits account for over 80% of the 2022 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. It is expected that there will be a new collective agreement negotiated for the ONA agreement for all three homes in 2022. Lee Manor OPSEU staff and Grey Gables OPSEU staff negotiated new agreements in 2021.

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 15 minutes (3.25 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 2022-2023 fiscal year

Home		Grey Gables			Lee Manor			Rockwood Terrace		
# of beds		66			150			100		
New Funding Stream	Position	2021 Direct Care Hours/ Resident Day	Increase due to new Staffing Supplements	2022 Direct Care Hours/ Resident Day	2021 Direct Care Hours/ Resident Day	Increase due to new Staffing Supplements	2022 Direct Care Hours/ Resident Day	2021 Direct Care Hours/ Resident Day	Increase due to new Staffing Supplements	2022 Direct Care Hours/ Resident Day
RN-RPN-PSW Increased Staffing	RN	0.341	-	0.341	0.150	-	0.150	0.225	-	0.225
	RPN	0.341	0.107	0.448	0.670	-	0.670	0.597	-	0.599
	PSW	2.212	0.239	2.451	2.011	0.427	2.438	1.990	0.490	2.480
	Total	2.894	0.346	3.240	2.831	0.427	3.258	2.812	0.490	3.304
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	0.043	0.007	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	-	0.060	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	0.198	0.052	0.251	0.171	0.080	0.251
	Dietician	0.018	0.012	0.030	0.019	0.001	0.020	0.018	-	0.018
	Physiotherapist	0.016	-	0.016	0.033	-	0.033	0.033	-	0.033
	Occupational Therapist	0.003	-	0.003	0.003	0.001	0.004	0.002	-	0.002
	Social Worker	0.017	-	0.017	0.028	-	0.028	0.011	-	0.011
	Resident Care Coordinator	-	0.081	0.081	-	0.036	0.036	-	-	-
	Volunteer Coordinator	-	-	-	0.031	-	0.031	-	-	-
	Total	0.580	0.093	0.673	0.521	0.091	0.611	0.542	0.087	0.628

Raw Food

The Ministry of Long-Term Care (MLTC) provides \$9.54 per resident day (PRD) for raw food; the budget has been prepared under the assumption that a funding increase is unchanged from 2021. In 2021, this funding envelope operated with an 18 cent per diem levy requirement but incurred some shortfalls. In 2022, 68 cents per diem have been added to address rising food costs. The total levy requirement for raw food is \$78,400 for the three homes, an increase of \$57,300 from 2021.

COVID-19 Pandemic

Over the past two 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 2022, given the unknown duration of time this pandemic will last. However, with rising vaccination rates, it is expected that COVID expenditures will decrease in 2022.

The homes have proposed a total of \$746,400 in COVID expenditures in 2022. 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 2022 budget assumes that the Ministry of Long-Term Care will provide emergency funding support of \$232,200 to the long-term care sector. The shortfall of \$514,200 will be funded by the Federal-Provincial Safe Restart Funding. There is no budgeted levy impact for COVID in 2022.

Budget Impacts – Long Term Care Administration

This department funds the Director of Long-Term Care's office and includes an Accreditation & Quality Specialist, a Clinical Specialist, a Support Services & Education Coordinator, an Administrative Assistant, and a Human Resources Generalist. The cost of this department is funded by each of the three Homes in proportion to the number of beds each Home operates.

Budget Impacts – Operating

LTC 2022 Budgets				
Reasons for Levy Increase per Home				
	Grey Gables	Lee Manor	Rockwood Terrace	Total
Increased Operating Budget Levy	217,700	435,600	421,000	1,074,300
Decreased Ministry Revenue (Lost 5 licenses)	(133,700)	(66,100)	(133,700)	(333,500)
Increased (Decreased) Ministry Revenue (CMI)	34,400	(202,500)	(135,800)	(303,900)
Increased Global Level of Care Funding	62,600	151,000	97,400	311,000
Decreased Other Revenue (Preferred Revenue)	(20,800)	(22,600)	(53,000)	(96,400)
Change in Revenue	(57,500)	(140,200)	(225,100)	(422,800)
Corporate Increases (Interfunctional, Insurance etc)	(37,500)	(80,300)	(50,500)	(168,300)
COLA 1.62% Increase	(82,100)	(167,000)	(121,300)	(370,400)
Raw Food Increase	(11,900)	(27,300)	(18,100)	(57,300)
IPAC Personnel & Training Increase	(11,200)	0	0	(11,200)
Other	(17,500)	(20,800)	(6,000)	(44,300)
Amount	-	-	-	-

Budget Impacts – Grey Gables Capital

The 2022 capital budget requires a levy contribution of \$183,500, a decrease of \$109,800 or 37.44% from 2021. An overview of the projects includes:

- Copper pipe replacement \$5,600
- Debenture Payment – Roof \$73,200
- Dietary Equipment \$15,000
- Doors (entrance, interior, systems) \$50,000 (carry forward \$30,000 from 2021)
- Dry Sprinkler System \$71,400
- Elevator Upgrades \$25,000
- Fencing – Memorial Garden \$100,000
- Furniture and Equipment Replacement \$5,100
- IPAC Minor Capital purchases of \$36,500
- High-Low Beds and Mattresses \$9,000
- Home Enhancements \$10,000
- Information Technology \$15,600
- Premise Back Flow Protection \$25,000 (carry forward from 2021)
- Railings & Balconies \$10,000
- Retaining Wall \$40,000 (carry-forward \$20,000 from 2021)
- Resident Lifts \$20,000
- Surface Drainage and Eavestroughs \$35,000 (carry forward from 2021)

Budget Impacts – Lee Manor Capital

The 2022 capital budget requires a levy contribution of \$162,800, a decrease of \$65,200 or 28.60% from 2021. An overview of the projects includes:

- Air Conditioning (Lee Manor Network Closets) \$5,000
- Air Conditioning Replacement of DX Coil (funded by ICIP LTC stream) \$446,500
- Dietary Equipment \$15,000
- Draperies & Blinds \$30,000
- Driveway and Sidewalk Repair \$10,000 (carry forward from 2021)
- Floor Replacement \$45,900 (carry forward \$30,300 from 2021)
- Furniture and Resident Lounges \$34,800 (carry forward from 2021)
- High-Low Beds/Mattresses \$35,000
- Home Enhancements \$21,500
- Information Technology \$19,300
- IPAC Minor Capital purchases \$17,700
- Resident Lifts - \$27,000
- Sanitary Waste Removal System and Storm Water including Drains \$15,300 (carry forward from 2021)
- Tractor Replacement \$50,000

- Whirlpool Tubs \$90,000 (carry forward \$45,000 from 2021)

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 2022 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 5 years therefore capital needs for Rockwood Terrace have not been addressed past 2025. The net levy requirement for 2022 is \$109,900, a decrease of \$191,800 or 63.57% decrease from the approved 2021 budget. The following capital expenditures are planned for 2022:

- Balcony Upgrades \$26,200 (carry forward from 2021)
- Domestic water supply & distribution \$30,000
- Dryer \$8,600 (carry forward from 2021)
- Elevators \$11,000 (carry forward from 2021)
- High-Low beds and mattresses \$26,000
- Information Technology \$22,000
- IPAC Minor Capital purchases \$89,600
- Plumbing fixtures replacement \$10,000
- Resident lifts \$16,900
- Sprinkler System \$187,400
- Tractor/Snowblower \$34,000
- Vinyl flooring replacement \$50,000 (carry forward from 2021)
- Whirlpool Tubs \$45,000
- Window replacement \$20,000 (carry forward from 2021)

Budget Impacts - 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 \$1,361,000 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 is expected to increase in 2023 to phase in a three year phase-in of the expected net levy increase of \$212,344 to provide funds in 2025 for the estimated debenture payment amount (see [FR-CW-22-21 Long Term Corporate Capital Overview](#)).

Staff is awaiting a fee schedule for 2022 from Colliers and Kasian for LTC Rockwood Terrace redevelopment costs. These amounts will be added to the 2022 draft budget when this fee schedule is received. As these costs will be fully funded by LTC Redevelopment Reserve, there will be no levy impact from the addition of these costs.

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 2022 proposed long term care budgets.

Financial and Resource Implications

The proposed Long-Term Care budget(s) contain operating and capital expenses of \$37,937,600. After operating and capital revenues, reserves, and capital financing are calculated, an overall net levy contribution of \$8,166,100 is required, an increase of \$707,500 from 2021.

Relevant Consultation

Internal (Finance department, Long Term Care staff)

Appendices and Attachments

[Attachment to LTCR-CM-27-21: Long Term Care Component 2022 Budget](#)

[Attachment to LTCR-CM-27-21: LTC Administration 2022 Budget](#)

[Attachment to LTCR-CM-27-21: Grey Gables 2022 Budget](#)

[Attachment to LTCR-CM-27-21: Lee Manor 2022 Budget](#)

[Attachment to LTCR-CM-27-21: Rockwood Terrace 2022 Budget](#)

[Attachment to LTCR-CM-27-21: LTC Redevelopment 2022 Budget](#)