

## Report LTCR-SS-02-15

**To:** Chair and Members of the Social Services Committee  
**From:** Lynne Johnson, Director of Long Term Care  
Mary Lou Spicer, Deputy Director of Finance  
**Meeting Date:** January 29, 2015  
**Subject:** **Draft 2015 Long Term Care Budget Overview**  
**Status:** Recommendation adopted as amended by directing staff to look for savings of \$5,000 and forward the amended budget to Council for its consideration per Resolution SSC27-15; Endorsed by County Council per Resolution CC43-15 March 3, 2015;

### Recommendation(s)

**THAT Report LTCR-SS-02-15 regarding the Draft 2015 Long Term Care Budget Overview be received;**

**AND THAT the 2015 Long Term Care budget as presented/amended be forwarded to County Council for its 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 \$5,781,654 and requires a net levy increase of \$293,857 or a 5.35% increase over the 2014 budget. This reflects a 0.56% increase to the corporate net levy requirement for 2015.

When reviewing the budget package it should be noted that the 2014 actuals are reflective of operations as of October 31, 2014.

## *Wages and Benefits*

Wages and benefits account for approximately 84% 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. All collective agreements opened for negotiation during 2014 and all have been successfully negotiated.

During 2014, Grey Gables and Lee Manor entered into a trial that involved shifting the schedulers' hours to provide weekend coverage. The trial was to alleviate challenges experienced by the Registered Nurse (RN) when replacing staff vacancies that occurred over the weekend. Utilizing a RN to perform administrative duties in this manner was a poor use of resources and frequently resulted in overtime and grievances from shifts not being properly filled. The trial has been successful in reducing errors related to interpretation of the collective agreements and has allowed the RN to focus on resident care activities. The RN's at both homes have benefited from the change. The scheduler at Lee Manor is full-time and the shift of hours to include weekend work has been manageable. The scheduler at Grey Gables is part time and the shifting of hours to include weekend work has had a negative impact on weekday operation in the home. A small increase in hours for this position has been proposed and is outlined in the Grey Gables section of this report.

## *Funding Envelopes*

The budget includes four funding envelopes:

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

## *Other Accommodation*

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

Revenue from preferred accommodation and unfunded services are; in addition to base funding provided by the Ministry of Health and Long-Term Care (MOHLTC), in the Other Accommodation envelope. The rates for preferred accommodation are set by the Ministry and budget projections are reflective of current occupancy levels.

Budget rates for insurance, heat, hydro and water are all based on projected actual and industry estimates for increases. Supply lines have been set using the 2014 approved budget and projected expenditures.

### *Raw Food*

The Ministry provides \$7.99 per resident day (PRD) for food with Grey County adding funding of \$0.08 PRD or a levy requirement of \$9,227 across the three budgets.

### *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 2012 and March 2013. The next funding announcement is anticipated before the end of March 2015 and will reflect assessment data from April 2013 - March 2014. The current CMI funding level was used in developing the 2015 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, 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 \$77,517.

As previously identified, there has been some negative impact with the weekend scheduling position trial at Grey Gables. Time spent completing duties related to the operation of Lee Manor have taken away from activities related to the position at Grey Gables. The standard approved hours for the Grey Gables Scheduler is 42 hours biweekly (1092 annually). The 2015 budget includes a proposed increase to the

scheduler position of 13 hours biweekly (322 hours annually) with a total net cost of \$10,843 for wages and benefits.

### *Lee Manor*

The Lee Manor operating and capital budget has a net levy increase of \$138,331.

In 2013, Lee Manor had a significant decrease in CMI funding. As a result, several projects and budget considerations were deferred. In 2014, the CMI increased and the home was able to move forward with some of these items. One area that needs attention in 2015 is staff education. With the CMI decrease, there had been increased responsibility placed on the managers to ensure all components of staff education were completed as required by legislative bodies. On-line learning was used extensively; however, some topics are best captured through classroom opportunities. The Lee Manor budget reflects the reestablishment of classroom learning opportunities that will be delivered with the use of internal resources and supports.

### *Rockwood Terrace*

The Rockwood Terrace operating and capital budget has a net levy increase of \$78,009.

It is anticipated that additional information from the Ministry of Health and Long Term Care, regarding a capital renewal program, will be available during 2015, resulting in further discussions on the future redevelopment of Rockwood Terrace. The renovation of Lee Manor was financed through the issue of two debentures, the first that totaled \$746,690 ended in 2014 and these funds have been shown as a transfer to reserve in the Lee Manor budget package on page "Buildings/Renovations (Capital)". The intent of the transfer to reserve is to establish funding to pay the County portion of the redevelopment and minimize any impact to the levy requirement.

## Financial / Staffing / Legal / Information Technology

### Considerations

The proposed 2015 Long Term Care budget as presented represents a net levy increase of \$293,857 or a 5.35% increase over the 2014 budget. This reflects a 0.56% increase to the corporate net levy requirement for 2015.

Based on the CMI, funding for the Nursing and Personal Care envelope will be adjusted effective April 1, 2015; however, it is difficult to estimate the financial impact.

Additionally, the Other Accommodation envelope historically receives an annual increase effective July each year. The amount varies and the 2015 budget does not include a projection of any anticipated increase.

## 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.

Respectfully submitted by,

Lynne Johnson  
Director of Long Term Care

Mary Lou Spicer  
Deputy Director of Finance

Attachment to LTCR-SS-02-15 Long Term Care Draft Budget Summary January 29, 2015

Attachment to LTCR-SS-02-15 Grey Gables Draft Budget January 29, 2015

Attachment to LTCR-SS-02-15 Lee Manor Draft Budget January 29, 2015

Attachment to LTCR-SS-02-15 Rockwood Terrace Draft Budget Summary January 29, 2015