

To:	Chair Burley and Members of the Committee of Management
Committee Date:	November 6, 2018
Subject / Report No:	LTCR-CM-27-18
Title:	2019 Long Term Care Budget Preparation
Prepared by:	Lynne Johnson, Director of Long Term Care
Reviewed by:	Kim Wingrove, Chief Administrative Officer
Lower Tier(s) Affected:	All Grey County
Status:	Recommendation adopted by the Committee as presented as per Resolution CM48-18; Endorsed by County Council on November 22, 2018 as per Resolution CC112-18.

Recommendation

1. That report **LTCR-CM-27-18** regarding the **2019 Long Term Care budget preparation** be received for information.

Executive Summary

The Committee of Management is responsible to oversee the budget for Grey Gables, Lee Manor and Rockwood Terrace.

The 2019 proposed budget is currently under development through the collaborative efforts of Grey County Finance and Long Term Care Staff and Sienna Senior Living. All parties are working closely to ensure the transition to the Sienna platform is as seamless as possible.

Once the details of the proposed budget are finalized it will be presented to the incoming Committee of Management for review and consideration.

Background and Discussion

This report provides a high-level overview of the budget assumptions and anticipated impacts for the upcoming year.

Revenue

The homes operate with revenue from three sources.

- 1) Ministry of Health and Long Term Care (MOHLTC)- Base Funding and Case Mix Index
- 2) Resident Co-pay

3) County of Grey

The resident co-payment payment amount is set by the Ministry of Health and Long-Term Care.

Historically, the homes receive an annual increase in base funding from the Ministry of Health and Long-Term Care. Funding increases are usually announced in the 2nd or 3rd quarter of the homes budget year and often applied retroactively.

The following table outlines the 2018 provincial funding increases and the assumptions used in the 2019 proposed budget.

	Current Per Diem	2018 Funding Increase	2019 Increase Assumption
Nursing and Personal Care	\$100.91	2%	2%
Program and Support Services	\$9.79	2%	2%
Raw Food	\$9.54	6%	2%
Other Accommodation	\$56.52	1.6%	1.6%

Budget Impacts

The primary impacts in the 2019 budget include wages, benefits, Information and Technology, and contracts.

Wages and benefits account for 83% of the 2018 budget. Challenges with recruitment and retention of qualified employees lead to a high dependence on over-time and the use of agency staff which is a direct impact on the basic cost of service delivery. With the support of Senior Senior Living, staff will be able to focus additional attention on recruitment and retention initiatives in 2019 and work towards managing labour costs.

Grey County is a Schedule 2 employer under the Workplace Safety and Insurance Act. This means that the County monitors claim rates and manages the premiums charged to the individual departments to ensure that cost recovery is sufficient to meet current and future needs. Based on the claims history, within long term care, the WSIB premiums for the long term care homes have been increased by 56% in the 2019 proposed budget. The following table outlines the impact of this increase.

	2018 Premium (1.69%)	2019 Projected Premium (2.63%)	Approximate 2019 Budget Impact
Grey Gables	\$55,000	\$86,000	\$31,000
Lee Manor	\$118,000	\$184,000	\$66,000
Rockwood Terrace	\$81,000	\$126,000	\$45,000
Total			\$142,000

Information and Technology (IT) costs are impacted by the need to improve infrastructure and address changes in licensing requirements. With more than 50% of the county employees, the homes will experience the largest impact from these increased costs. The table below illustrates the 2019 budget impact.

	2018 Cost	2019 Cost	Approximate 2019 Budget Impact
Grey Gables	\$26,000	\$46,000	\$20,000
Lee Manor	\$69,000	\$82,000	\$13,000
Rockwood Terrace	\$38,000	\$51,000	\$13,000
Total			\$46,000

In 2019, there is a requirement to update the electronic health record platform. This will incur a one-time expense of \$40,000 (shared across the three homes) to support the upgrades and implementation.

The budget will also include a one-time cost for the purchase and implementation of Yardi. This program is currently used in the County Housing department and was one of the recommendations from Sienna Senior Living to support improved financial management and reporting. The cost for the program was being confirmed at the time this report was being finalized.

The 2019 budget will also include 25% of the cost for the Sienna Senior Living contract with the remainder funded through reserves. Over the next 3 years, the full cost will be transitioned into the operating budget.

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 2019 proposed Long Term Care homes budget is currently under development.

The completed budget will be reviewed in early January by the incoming Committee of Management.

Relevant Consultation

Internal- Finance Department, Long Term Care Administrators

External- Sienna Senior Living

Appendices and Attachments

None