

Review of Eastern Ontario Long Term Care Facilities

Phase 2 Report

January 22, 2021

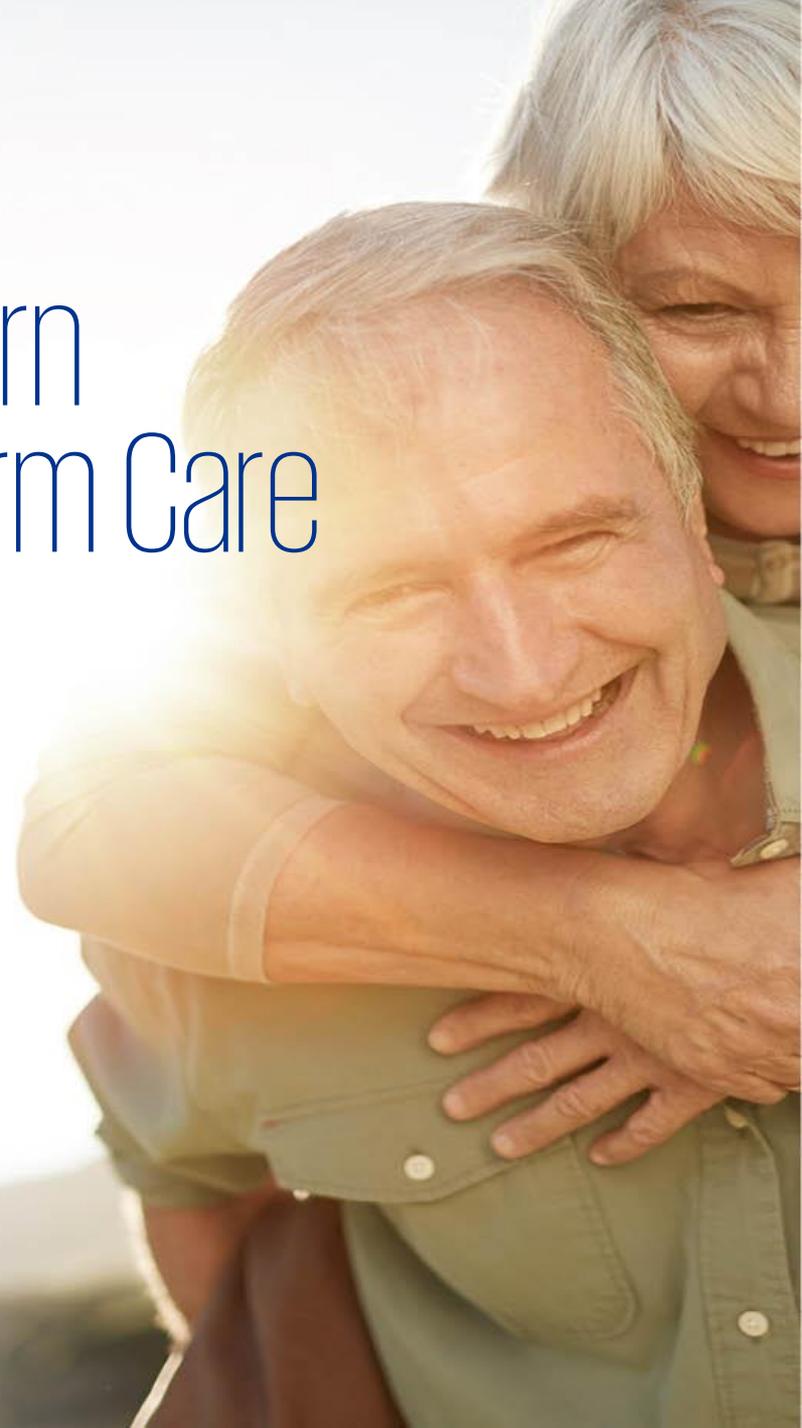


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Project Overview

Project Overview

Project Objectives – *How will we define success?*

The Eastern Ontario Warden's Caucus (EOWC) identified long-term care as a key priority for 2020. The EOWC shares the Province's objective of expanding the number of long-term care beds across Ontario as well as reducing operational red tape and increasing the number of support staff available to work in long-term care facilities.

EOWC engaged KPMG to develop an independent report that provides the Caucus with a current state analysis for the municipal operated Long-term Care sector for Eastern Ontario and recommendations for future actions. The review further explored best practices and provides a comprehensive analysis of Eastern Ontario long-term care homes. The project had the following objectives:

Phase One: KPMG Analyzed the current environment and state of all Long Term Care (LTC) facilities in Eastern Ontario

- ✓ Provided a high level overview of LTC sector within the Province.
- ✓ Conducted a comprehensive review of current operations, including organizational structure, financial and staffing models, fixed asset and facilities for all 15 LTC homes in Eastern Ontario in order to establish a broad understanding of the scope and nature of the LTC services in the region.
- ✓ Developed service profiles for each of the 15 LTC facilities.
- ✓ Established a predictive financial model and complete comparative analysis with the Province

Phase Two: Provided considerations to improve the efficiency and effectiveness of the LTC's service delivery

- ✓ EOWC used KPMG's analysis presented in Phase 1 to develop considerations for the Ministry's review.



Phase 2: Overview

Long Term Care in Eastern Ontario

EOWC LTC Overview

Key statistics for EOWC long-term care facilities and provincial averages.



Number of municipally owned and operated long-term care facilities¹

15

Provincial Total⁵

100



Number of licensed beds¹

2,386

Provincial Total⁵

77,257



Number of FTE's employed¹

2,013

Provincial Total²

56,000



Average days on a waitlist³

233

Provincial Average⁵

161



Total 2019 Operating Spend⁴

\$194M

2019 MOHLTC Budget⁶

\$63.5B



Average occupancy rate¹

98.52%

Provincial Average⁷

98.9%



Percentage of homes at or near the end of their life cycle¹:

50%

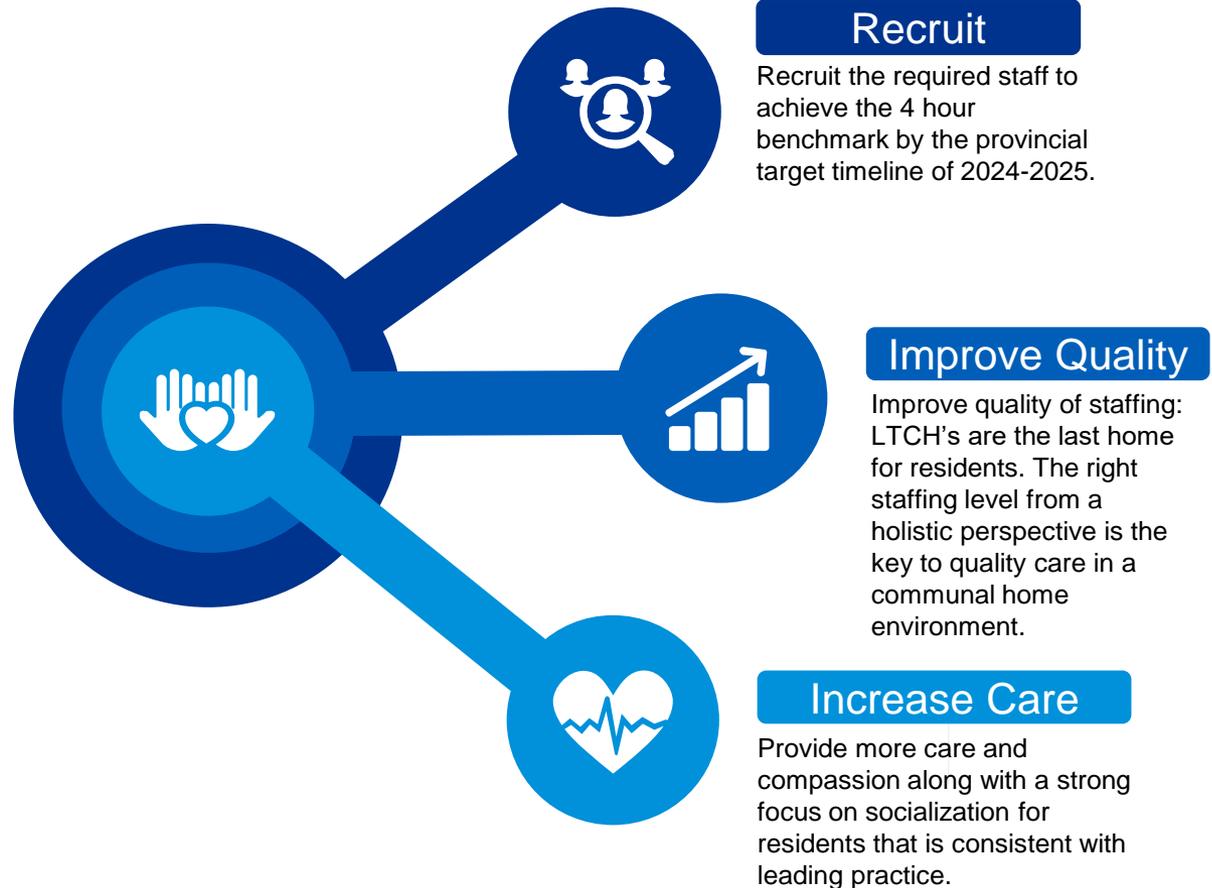
Sources:

1. EOWC LTCH data.
2. Long-term Care Staffing Study (2019)
3. LHIN Waitlist Report (2020)
4. Internal Financial Statements from EOWC member municipalities.
5. Ontario Long-Term Care Association – Facts and Figures Report (2019)
6. Published Plans and Annual Reports 2019-2020: Ministry of Health and Long – Term Care
7. Provincial Long Term Care Snapshot January 2015

Long Term Care in Eastern Ontario

- In November 2020, building on the government's urgent response to COVID-19, the province announced \$15.2 billion in supports, including \$7.5 billion in new funding.¹
- Moving towards the four hour model of care will allow EOWC to recruit additional staff, improve the quality of care for residents, and increase daily direct care for each resident.
- The EOWC will work with the Ministry to achieve this benchmark.

The EOWC believes that the Ministry's direction towards a four hour model of care will allow it to:



Source:

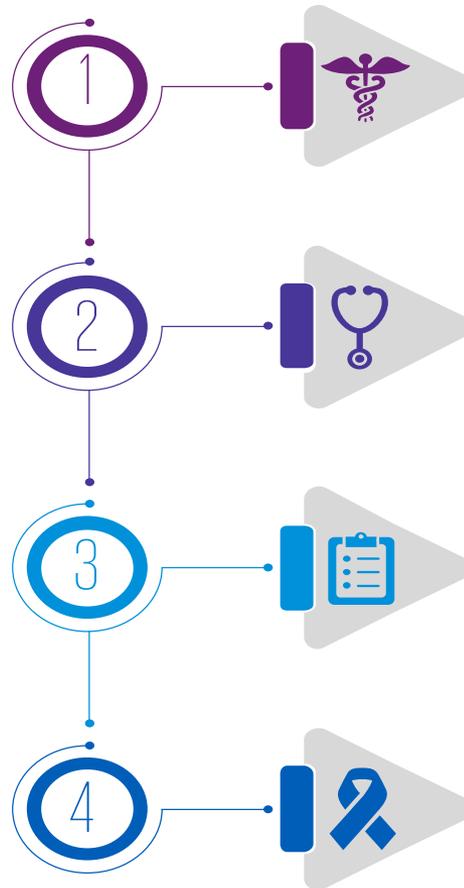
1. Ontario - 2020 Ontario Budget

Long Term Care in Eastern Ontario

Main Benefits of Municipal LTCH's

- Municipal support
- Tax Dollars
- Community Based
- Willing Partners

Our analysis indicated that municipal LTCH's have the following benefits:



Municipal Support

- Municipal homes have strong infrastructure and support services that are cost effective (i.e. IT, HR, Finance) and additional resources are readily deployed and re-deployed (e.g., COVID-19 pandemic response).

Tax Dollars

- In 2019, municipalities supplemented Provincial and resident care by \$30M in Eastern Ontario².
- Municipal levy has been the fastest growing funding envelope for the EOWC homes.

Community Based

- Because Municipal LTCH's are a service of municipal government, they understand community needs and respect local and regional differences.
- Managing LTCH's within municipalities is critical to ensuring that residents can age in their own communities.
- 70% of seniors on the LTC wait list chose a municipal or non-profit home as their first choice compared to for-profit homes¹.

Willing Partners

- Municipalities have demonstrated they are prepared to partner with the Province and provide on-the-ground leadership to implement changes.

Source:

1. *The Not-for-Profit Difference in Services for Seniors, AdvantAgeOntario.*
2. *EOWC LTCH Data.*

Long Term Care in Eastern Ontario

Key Takeaways

- With significant growth in municipal funding from 2015-19, EOWC member municipalities have made a material commitment to their LTCH's.
- EOWC member municipalities require additional Provincial funding to support pay equity for PSW's and nurses, rising operating costs and significant movement towards the 4 hour model of care.

Sources:

1. Internal Financial Statements from EOWC member municipalities.
2. Government of Ontario minimum wage rates (2017-2019)
3. Government of Canada job bank wage data, Kingston-Pembroke Region, Personal Support Worker, Registered Practical Nurses, Nurses, High Wages (\$/Hour), (2017-2019)
4. 2019 direct care hours provided by the EOWC LTC facilities.

Summary of Highlights

The following themes emerged from KPMG's Phase 1 analysis of each LTCH in Eastern Ontario:

4 Hours of Care



Municipal LTCH's in Eastern Ontario provide an average of 2.92 direct care hours per resident per day. This represents a gap of 1.08 hours when benchmarked against the 4 hour model of care⁴.

Wages



From 2017-19, wages for PSWs, Nurses and RPNs grew slower than the minimum wage in Ontario^{2,3}.

Municipal Funding



On average, LTC funding from EOWC member municipalities increased at a greater rate (27%) than Provincial funding (11%) from 2015-19¹.

Re-Development Costs



The cost of re-development, ranging from \$50M to \$85M per facility, could potentially impede the achievement of a 4 hour model of care¹.

Long Term Care in Eastern Ontario

COVID-19

- COVID-19 has created a spotlight on a number of pre-existing challenges that have been pervasive in LTC across Ontario for years.
- The EOWC is committed to working closely with the MOHLTC to strengthen the model of care and address challenges and prevent similar vulnerabilities in the future.
- Municipal homes have experienced less outbreaks and have a lower resident infection rate compared to for-profit and not-for profit homes.²
- Consideration should be given to the overall infection rate for the region when analyzing the difference between the different types of homes.

Sources:

1. COVID-19 cases: Long-term care homes | COVID-19 (coronavirus) in Ontario
2. For-Profit long-term care homes and the risk of COVID-19 outbreaks and resident deaths.

Summary of recent confirmed cases of COVID-19: Ontario¹

	Cumulative case count (as of 9 Jan 2021)
Total number of cases	219,120
Number of deaths	5,012
Number resolved	183,476

Summary of recent confirmed cases of COVID-19 in long term care homes: Ontario

	Cumulative case count (as of 9 Jan 2021)
Residents	12,377
Health care workers	4,802
Deaths among residents	2,980
Deaths among health care workers	10

Summary of COVID-19 outbreaks in long term care homes: Ontario (March 29 to May 20, 2020)²

	Number of facilities with a COVID-19 outbreak
For-Profit Homes	110
Not-For-Profit Home	55
Municipal Homes	25
	Infection rate among residents
For-Profit Homes	23.8%
Not-For-Profit Home	17.2%
Municipal Homes	7.1%

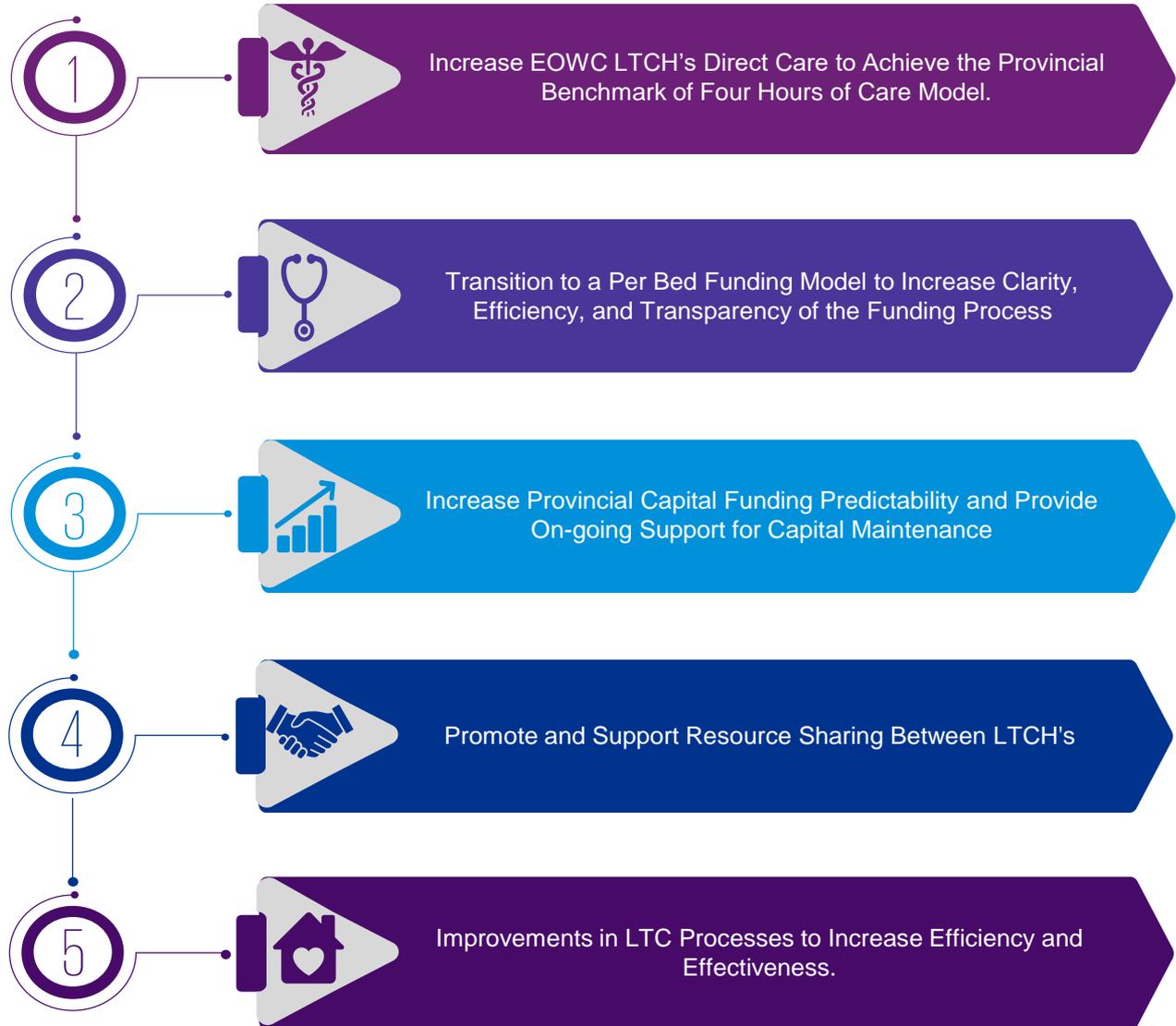
Long Term Care in Eastern Ontario

Considerations

- The considerations address the themes identified from the phase 1 current state analysis.
- The addressing of these considerations should assist the EOWC LTCH's in building a solid workforce and increasing financial stability.

Summary of Considerations

The following considerations were developed to address the themes identified from KPMG's analysis of each LTCH in Eastern Ontario.





Considerations

Long Term Care in Eastern Ontario

Success Measures

- Meet or exceed the Province's target over the next four years
- Clear definition of inputs for direct hours of care calculation

Responsible Party

- EOWC LTCH's with support from the Ministry.

Timeframe for Improvement

- The Province has set hard targets over the next four years to achieve the four hour standard by 2024-25.



Increase Direct Care Funding to Achieve the Provincial Benchmark of Four Hours of Care Model

Key Observations



Average gap of 1.08 Direct Care Hours within EOWC LTCH's



Staffing shortage within EOWC LTCH's



Various third parties, such as AdvantAge Ontario¹ and 2020 Long Term Care Staffing Study², have arrived at different direct care calculations due to the complexity of the calculation.

Considerations



Increase the use of Resident Support Aides (RSAs)

- Some EOWC LTCH's have utilized RSAs and have noted an increase in positive resident outcomes.
- EOWC LTCH's should attract additional RSAs to increase usage across all the homes.



Enhance Training and Retention of LTC Employees

- An apprenticeship program would better prepare LTC employees for the demanding nature of the role which can increase retention of staff.
- The EOWC should determine how to access and implement the provincial PSW training funds to provide PSWs with enhanced and on-going training.
- Utilize existing provincial funding to attract, recruit and retain recent graduates to work in EOWC LTC homes.

1. *Rising to the Challenge: Fall 2020 Pre-Budget Submission*
 2. *Long-Term Care Staffing Study (2020)*

Long Term Care in Eastern Ontario



Transition to a Per Bed Funding Model to Increase Clarity, Efficiency, and Transparency of the Funding Process

Success Measures

- The Province introduces a clear, transparent and efficient funding model.
- Equality of funding for LTCH's in Ontario.

Responsible Party

- EOWC LTCH's with support from the Ministry.

Timeframe for Improvement

- 2022-2023.

Key Observations



In 2018, LTCH's received an average of \$55.4K per bed in provincial funding



EOWC LTCH's received less funding compared to the provincial average



Current funding model is complex, retrospective and labour intensive

Issues with the Current Funding Model

<p>01</p>	<p>CMI is a non-audited calculation that is provided by the LTCH to the Province. CMI constantly fluctuates throughout the year due to resident intake and discharge.</p>	<p>02</p>	<p>LTC homes receive funding based on retrospective data. For example, funding for 2017-18 is based on the case-mix data that was submitted at the end of the four quarters in 2015-16.</p>
<p>03</p>	<p>While all LTCH's are working to achieve positive resident outcomes, the current funding model does not incentivize LTCH's to do so as the funding will decrease with lower acuity.</p>	<p>04</p>	<p>There are impediments to changes in funding, such as the 5% cap on year over year changes in CMI.</p>

Consideration

Per Bed Funding Model Alternative

- Acuity levels are increasing across the entire sector – it does not appear to be in the residents best interest to have LTCH's competing based upon acuity levels that are from the previous 12-18 months. All homes experience an ebb and flow of resident population with a fluctuating level of acuity.
- A per bed funding model:
 - ✓ Is a simple model and would ensure a more equitable allocation of resources as each facility will be funded based on its capacity and not a fluctuating CMI calculation.
 - ✓ Creates a clear and transparent formula that is easy to understand and calculate.
 - ✓ The formula would recognize high need residents; with an allocation dedicated for premium beds.

Long Term Care in Eastern Ontario



Increase Provincial Capital Funding Predictability and Provide On-going Support for Capital Maintenance

Key Observations



The Province plans to create 30,000 new LTC beds over the next decade¹



While re-development costs are subsidized, the P&I payments impede progress towards 4 hour care model



Six EOWC LTCH's are pending re-development

Considerations



Increase Capital Funding for On-Going Capital Maintenance Costs

- Average useful life of LTCH is 45 years assuming regular capital maintenance is complete.
- LTCH's require significant capital investments (i.e., HVAC improvements, roof and window replacement) to keep up with aging structure.

Enhance the Predictability, Fairness and Transparency for Capital Funding

- LTCH's generally do not know how much and when they will receive capital funding.
- Some LTCH's receive more funding than others resulting in confusion regarding formula inputs.
- Capital funding sometimes under-estimates the costs of capital maintenance.

Ensure Re-Development and Modernization Does Not Impede 4 Hour Care Model

- Fifty-percent of LTCH's in the EOWC carried debt between 2015 – 2019.
- Annual P&I payments ranged from \$120K to \$2.3M.
- LTCH's require capital funding to ensure capital costs do not impede a home's ability to move towards the 4 hour care model.

Provide Upfront Funding

- Total development costs range from ~\$50M to ~\$85M depending on facility size and other factors.
- Re-development leaves municipalities with large debts and P&I payments which impede movement towards the 4 hour model of care, and add a significant debt burden on the tax levy support.
- The Province can support the Municipal LTC's by providing upfront funding with zero to no interest.

Success Measures

- The Province improves the predictability and stability of capital funding.
- EOWC LTCH's are able to re-develop and modernize facilities while simultaneously moving towards 4 hour care model.
- Internally, each EOWC LTCH should continue to ensure that they have robust capital planning and reserve management processes in place.

Responsible Party

- EOWC LTCH's with support from the Ministry.

Timeframe for Improvement

- As soon as possible.

Long Term Care in Eastern Ontario



Promote and Support Resource Sharing Between LTCH's

Key Observations



LTCH's are not sharing qualified resources, to prevent infection spread, resulting in a resource gap



The Province does not provide incentives for shared purchases



The current labour relations and arbitrations framework is not balanced and weighted in favor of unions

Considerations



Promote Collaboration

- There is a need to promote collaboration between homes towards common goals and objectives. This will also create economies of scale for scarce resources such as Infection, Prevention and Control (IPAC).

Enhance IPAC Reporting

- IPAC should report directly to the LTC Administrator to allow for direct line of sight into IPAC requirements for the LTCH.
- The Province should mandate the inclusion of IPAC into the Quality Improvement Plan to the Ministry of LTC which requires approval by the Home's Board.

Create Incentives for Shared Purchases

- The Province should consider providing an incentive to LTCH's for shared procurement through a buying co-op.

Address Labour Relations

- The Province should consider reviewing the labour relations framework for LTCH's (e.g. investigations, grievances, and collective bargaining).

Success Measures

- IPAC resources are shared between homes resulting in knowledge transfer and skill development.
- Provincial incentives are created for shared purchases and labour cooperation.

Responsible Party

- EOWC LTCH's with support from the Ministry.

Timeframe for Improvement

- End of 2022.

Long Term Care in Eastern Ontario



Improvements in LTC Processes to Increase Efficiency and Effectiveness

Key Observations



LTC investigations conducted by the province are adversarial in nature and do not support a cohesive partnership with the LTCH.



Each LTCH is responsible for development and implementation of leading practices



Municipal LTC are not included in the development of Provincial LTC policy and Ontario Health Teams.

Considerations



Support Continuous Improvement

- The LTC Administrator should be the first line of defence to address any incidents. The Ministry Enforcement and Investigations should be the last line of defence.
- There needs to be clarity around roles and responsibilities in order to foster a culture of continuous improvement and collaboration between LTCH's and the Province.

Develop a Provincially Led Leading Practice Unit

- A provincially led leading practice unit should be developed to set standards that LTCH's should implement to provide the highest possible level of care for residents.
- Develop KPIs tied to resident and family satisfaction.
- Ensure RAI staff time is effectively utilized: plans of care are individualized, communicated to the team and regularly updated consistent with resident goals.

Include Municipal LTC in Provincial Policy Development

- The Province should consider the involvement of Municipal LTC in the development of Provincial LTC policy.

Success Measures

- Municipal LTC become more involved in development of Provincial LTC policy.
- New committees (i.e., best practice unit) increase the effectiveness of LTC service delivery.

Responsible Party

- EOWC LTCH's with support from the Ministry.

Timeframe for Improvement

- End of 2022.

Key Takeaways

EOWC Commitment

- EOWC will work with the Ministry to achieve the four hour care model and other key initiatives. Moving towards the four hour model of care will allow EOWC to recruit additional staff, improve the quality of care for residents, and increase daily direct care for each resident.
- The implementation of the considerations will ensure that the EOWC has a solid workforce and financial stability to achieve provincial benchmarks.
- The EOWC shares the Province’s objective of expanding the number of long-term care beds across Ontario as well as reducing operational red tape and increasing process efficiencies.

The EOWC requires Ministry support to implement the following in order to improve LTC service delivery:

Increase Funding to Achieve 4 Hour Care Model	Changing Funding Formula	Increase Provincial Capital Funding	Promote and Support Resource Sharing Between LTCH's	Increase Efficiency and Effectiveness
<ul style="list-style-type: none"> – Increase direct care funding to achieve the Provincial benchmark of four hours of care model – Increase the use of Resident Support Aides – Enhance Training and Retention of LTC Employees 	<ul style="list-style-type: none"> – Transition to a per bed funding model to increase clarity, efficiency, and transparency of the funding process – The formula would recognize high need residents; with an allocation dedicated for premium beds. 	<ul style="list-style-type: none"> – Increase capital funding for on-going capital maintenance costs – Enhance the predictability, fairness and transparency for capital funding – Ensure re-development and modernization does not impede 4 hour care model – Provide upfront funding 	<ul style="list-style-type: none"> – Promote Collaboration – Enhance IPAC Reporting – Create incentives for shared purchases – Address Labour Relations 	<ul style="list-style-type: none"> – Support continuous improvement – Develop a provincially led leading practice unit – Include municipal LTC in provincial policy and Ontario Health teams development

EOWC appreciates the Province’s support for the current LTC model where residents are provided a *final home*. This approach to LTC should be preserved; not transitioned into a hospital or medical institution model.



Appendix A

Appendix A: Glossary

EOWC: Eastern Ontario Warrens Caucus

FTE: Full-time Equivalent

IPAC: Infection Prevention and Control

KPI: Key Performance Indicator

LTC: Long-term Care

LTCH: Long-term Care Home

P&I: Principle and Interest

PSW: Personal Support Worker

RPN: Registered Practical Nurse

RSA: Resident Support Aide