

Open Discussion on
AMO Report on LTC
funding by the
Municipality

April 2015



Coming of Age: The Municipal role in
Caring for Ontario's Seniors, June 2011

Agenda Items

- Coming of Age: The Municipal role in Caring for Ontario's Seniors, AMO Report
- The Role of the Municipality in LTC
- Costs of Municipal LTC
- Options...

Letter to Mayor and Council (March 2015)

- Long Term Care is regulated and funded the Provincial Government and regulated client payment component.
- All facilities whether municipal, not-for-profit or private are subject to follow the same regulations.
- The rates/funding for these rooms are set by MOHLTC and are the same for every LTC facility in the province.
- Municipal providers may receive additional grants and funding.
- Nursing component funding is based on the “Case Mix Index” (CMI) which is the “Resident medical need assessment indicator” and it indicates the level of care each resident requires.
- Many municipal LTC facilities in the province do not have operational deficits.

Overview

- Currently there are about 620 long term care homes with approximately 76,400 beds province-wide
- 6,588 of these beds are in northern Ontario .
- Many northern municipalities have similar financial concerns and an decreasing Industrial assessment base.
- The LTC costs have escalated and no additional Provincial funding is forthcoming.
- By the current value of assessment, Timmins costs are the highest in the province for care for aged
- 2015 budget indicates 5% of all municipal taxes collected and at least 10% of discretionary funds go towards LTC

Coming of Age: The Municipal role in Caring for Ontario's Seniors

An AMO Report, June 2011

- Some municipal governments are questioning the ability to continue to afford their long term care beds, particularly in light of escalating costs and in some cases, a decreasing property tax base
- Timmins Industrial tax base in recent years took a big high
- Costing the City of Timmins millions of dollars.
- LTC falls under the MOH, which is a Provincial responsibility
- That the City reconsider it's ability to maintain

Coming of Age: The Municipal role in Caring for Ontario's Seniors,
June 2011



Municipalities Role in LTC

- The Long Term Care Homes Act, 2007 still mandates municipal governments to deliver long term care service to the minimal extent of at least one long term care facility directly, jointly or through an agreement with another municipality. The facility may be a non-profit.
- This does not mean that they are required to subsidize it and many Municipal don't require a operational subsidy
- Some Northern Municipalities have deferred their obligation to a non-profit, for example Thunder Bay, Sault Ste Marie, Smooth Rock falls. and are not financially obligated to cover operational deficits.

The Role of Municipalities in funding LTC

- Municipal property tax dollars is not the appropriate way to support health care
- This is a provincial responsibility and AMO should be vigorously fighting for this change.
- The Provincial Government will not be helping any LTC municipal home with additional funds . That's the reality.

Private vs Municipal: Differences in level of care?

- LHINs ensure compliance of the regulations within their District, for all, Non-profit, Private or Municipal LTC facilities equally.
- Some research indicates higher standards may exist in municipal facilities while other research finds little difference.
- All LTC facilities in the province operate to the same standard regardless if they are for profit, not for profit or municipally run.

Options....

1. Continue operation as is, but look for efficiencies
2. Work towards eliminating the legislated requirement that municipal governments must provide a long term care facility.
3. Outsource Operations but Keep Governance
4. Outsource Operations and Governance but Maintain Ownership of the Home
5. Return the beds to the Ministry of Health and divest all responsibility to an Non-profit
6. Three Northern Municipalities have done this.

Timmins

- 2008, the City and Extendicare both responded to RFP for 64 additional LTC beds
- Agreement made for relocation of Extendicare with additional beds (180 in total)
- Timmins contributed a one time amount of \$2.5M or in kind.
- City will realize annual property taxes to recoup the investment taxes in 5 years we will benefit from continuing property taxes for years to come.
- Golden Manor Short Stay was reduced by 4 beds for a total of 179 beds.

Update on AMO Report Southern LTC

City of London: Dearness Home - 243 beds

- Reduced costs by some staff reduction, reduced supply costs, increased private room revenue and contracted Extendicare for management
- Cost to city reduced by over \$600,000 in 3 years and is now at .9% of net taxes

City of Hamilton: Wentworth Lodge - 160 beds

- Increased 27 residential distinct home areas implemented minor cost control measurements and additional revenue for private rooms.
- Cost to City to Hamilton .4% of net taxes

Coming of Age: The Municipal role in Caring for Ontario's Seniors,
June 2011



Muskoka

- 1990s – they looked at the option of privatization
- Concerns of cost to taxpayers.
- Administrative difficulties such as OMERS membership, successor rights prohibited privatization
- In 196 Contracted Extending care as consultant
- Operating subsidy eliminated within four years
- Expanded home from 105 beds to 160 beds

Sault Ste Marie

- Two homes had to be replaced, both 'D' facilities.
- Agreement with the province and new Davey home is a not-for-profit status
- This included the transfer of 148 beds from area hospitals for a total of 370 LTC beds
- The City of Sault Ste. Marie agreed to make an upfront equity contribution of \$9.8 million dollars towards new construction
- Released the City from its obligation to provide/fund long term care from then on and into the future.
- Davey homes has contracted Extendicare to manage the non-profit.

Coming of Age: The Municipal role in Caring for Ontario's Seniors,
June 2011



Thunder Bay

- In 2002, the City was required by the Province to bring 450 beds up to A standard costing \$61m
- In 2005, the City of Thunder Bay advised the Ministry of Health and Long Term Care that the City would discontinue the operation of 300 of its 450 long term care beds by January 2009.
- City decided to discontinue 300 beds because almost 10% of the cities discretionary cost were related to LTC.
- Transfer of municipal beds to not-for-profit provider
- The province has funded \$12m to keep homes going until the new not-for-profit opens under St. Joseph Care Group

Thunder Bay

- In January 2009, when the two homes were slated to be closed by the City, the Province began paying the City to \$2 million per home per year to run these two homes.
- To date, the Province has paid an additional \$12 million to the City beyond the normal per diem over the past 3 years and will likely pay another \$12 million while the City waits for the construction of the new home (with an anticipated completion date of 2014).
- City worked with St. Joseph's Care Group, a not-for-profit, to come up with a development agreement.

Accountability of Municipal LTC

- Municipal homes have transparent accountability
- Board of directors comprised of publically elected officials
- Budget is deliberated publically and deliberated by Council
- Municipal governments have a stringent annual budget process which is required to be public and is publically deliberated by council.
- They are not bound by the same commercial confidentiality as private providers.

Coming of Age: The Municipal role in Caring for Ontario's Seniors,
June 2011



Transparency and Accountability

- The Golden Manor website has little to no information compared to most Municipal LTC Homes in Ontario
- Example of web sites:
- [Golden Manor Home for the Aged - City of Timmins](#)
- www.timmins.ca › Residents
- Pioneer Manor Greater Sudbury
- www.greatersudbury.ca/living/pioneer-manor/
- [Teck Pioneer Residence](#)
- www.kltpr.com/
- [Fairhaven LTC | Municipal Long-Term Care Home in ...](#)
- www.fairhavenltc.com/

Transparency and Accountability

- Pioneer Manor-Greater Sudbury- 433 beds, operating subsidy for 2014 was \$3.7M, 1.5% net municipal taxes
- Teck Pioneer-Kirkland Lake-81 beds, no operational subsidy, contribute \$547,817 for yearly mortgage.
- Fair Haven-Peterborough-256 beds, no operational subsidy, municipality pays \$679,054 mortgage until 2021
- Golden Manor-177 beds, operational subsidy of \$3.365M, 5% of municipal taxes collected

Transparency and Accountability

- The information for all the LTC Facilities was easily attained online
- Other online city budgets contain detailed information and, in many cases, an appendix referring to financial information over several years
- Information on LTC in Timmins is very difficult to obtain

Thank you for
your time.



Coming of Age: The Municipal role in
Caring for Ontario's Seniors, June 2011