



## STAFF REPORT INFORMATION ONLY

### Overview of the Homes for the Aged Division's Recommended 2008 Operating Budget

<b>Date:</b>	February 14, 2008
<b>To:</b>	Advisory Committee on Homes for the Aged
<b>From:</b>	General Manager, Homes for the Aged
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### SUMMARY

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The Homes for the Aged Division's recommended 2008 operating budget is \$206.6 million gross and \$40.7 million net, which is an increase over the 2007 approved operating budget of 7.1 percent (gross) and 22.5 percent (net).

The recommended 2008 operating budget includes additional resources to respond to increasing care and service needs of residents. Registered and non-registered staffing levels will be increased through a provincial Registered Practical Nurse (RPN) funding initiative and the normal annual acuity adjustment. The 2007 provincial increase in raw food funding from \$5.46 to \$7.00 per resident day has been added to the 2008 budget. In addition, year-over-year wage and benefit increases, the extra day due to leap year, and two years of budget adjustments as a result of the part-time wage harmonization arbitration award totalling \$4.3 million have increased the Division's operating budget.

Included in the recommended budget are two service enhancements totalling \$1.2 million, \$0 net. Subject to Council's approval, implementation of these initiatives will be contingent upon the City receiving additional provincial subsidy. Five new Infection Prevention and Control (IPAC) practitioners are proposed to meet the safety requirements of staff and residents and to respond to increasing provincial demands around infection control. Enhanced Nutritional and Support Services resources are added to ensure the homes meet compliance with new requirements arising out of the *Long-Term Care Homes Act* specific to the maintenance of physical plants and food service operations.

#### Financial Impact

There are no financial implications arising from this report.

## **COMMENTS**

The Homes for the Aged Division is committed to providing high quality care and service through a client-centered team approach. The Division strives to achieve its mission and maintain service levels to the homes' residents and community support program's clients through effective resource utilization and continuous quality improvement.

The Division's recommended 2008 net operating budget is over the City's Net zero target by \$7.487 million mainly due to the \$4.3 million cost pressure resulting from the CUPE Local 79 Homes for the Aged Part-time Unit Arbitration Award, which is comprised of annualized wage increments totalling \$3.2 million from 2007 and \$1.1 million related to 2008.

The Homes for the Aged Division has been successful over the years in managing with limited and even reduced provincial subsidies and municipal contributions. Subsequent to 1993, the Homes for the Aged Division was able to reduce its Net contribution from \$32.7 million per annum and only in 2007 did the City's Net contribution need to increase beyond the 1993 level to its currently approved level of \$33.2 million. It is worth noting that the increase in Net from 1993 to 2008 is equivalent to an interest factor of 1.5 percent being compounded annually; whereas the Consumer Price Index (CPI) increased by 3.25 percent over this same time period.

The 2008 recommended operating budget will allow Homes for the Aged to continue to provide exemplary long-term care services to residents and clients, and to actively participate in the creation of an effective continuum of care through strong partnerships with other health care organizations and community partners. The 2008 recommended operating budget reflects the Division's continuing commitment to effective resource utilization and quality improvement. Innovative initiatives and strategies will continue to be employed to maximize the benefits of all available resources. The Division will continue to explore ways and means of improving its services and reducing its costs.

A full presentation of the 2008 operating budget will be made to the Advisory Committee on Homes for the Aged on Friday, February 29, 2008.

## **CONTACT**

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## **SIGNATURE**

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