

## **Proposed Rate Increase for Homemaking Agencies Contracted by Long-Term Care Homes & Services**

<b>Date:</b>	May 2, 2012
<b>To:</b>	Community Development and Recreation Committee
<b>From:</b>	General Manager, Long-Term Care Homes and Services
<b>Wards:</b>	All
<b>Reference Number:</b>	<a href="http://www.toronto.ca/legdocs/mmis/2007/cd/bgrd/backgroundfile-984.pdf">http://www.toronto.ca/legdocs/mmis/2007/cd/bgrd/backgroundfile-984.pdf</a>

### **SUMMARY**

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This report seeks authority to implement a rate increase effective July 1, 2012, for the community-based homemaking agencies contracted by the Long-Term Care Homes and Services Division through its Homemakers and Nurses Services (HMNS) community-based program.

The HMNS program purchases services from contracted agencies to provide homemaking, such as light housekeeping and laundry for vulnerable and marginalized residents of the City of Toronto. Services are purchased on behalf of eligible clients, including the elderly and the disabled, who need assistance to support them to live in their own homes for as long as possible.

The HMNS program is a cost shared program (80:20) between the Ministry of Health and Long-Term Care (MOHLTC) and the City of Toronto. The City has the authority to set the annual rate increase to be paid to the contracted service provider agency. The hourly rate paid to the agencies was last reviewed by City Council in 2007, and has not been increased since 2010.

### **RECOMMENDATIONS**

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**It is recommended by the General Manager, Long-Term Care Homes & Services that:**

1. The rate paid to community service agencies contracted by HMNS, be increased from \$21.95 to \$22.63, effective July 1, 2012;

2. The General Manager, Long-Term Care Homes & Services be authorized to negotiate annual rate increases in 2013, 2014 and 2015, that do not exceed the rate of inflation and are within the Division's approved base program budget; and
3. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

### **Financial Impact**

There are no financial implications arising out of this report. Homemaking services will continue to be cost-shared between the MOHLTC and the City of Toronto. The rate increase will be managed within the division's approved operating budget.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

### **DECISION HISTORY**

The rates were last reviewed and approved by City Council in 2007, at its meeting on February 5, 6, 7 and 8, 2007, through the adoption of Clause No. 2 of Report No. CD1.3, of the Community Development and Recreation Committee.

<http://www.toronto.ca/legdocs/mmis/2007/cd/bgrd/backgroundfile-984.pdf>

Authority was given to the General Manager to authorize annual rate increases, not to exceed the yearly rate of inflation, for 2008, 2009 and 2010.

### **ISSUE BACKGROUND**

Through a cost-shared arrangement (80:20) between the MOHLTC and the City, each year the MOHLTC approves a maximum expenditure target under the authority of the *Homemakers and Nurses Services Act*. From this agreement, the City has the authority to set the annual rate increase to be paid to the agencies.

In the City of Toronto, annual service agreements between the City and service provider agencies have been in place since 1968, to address the homemaking needs of clients who meet the functional and financial eligibility criteria for the HMNS program. Currently the City has contracts with nine (9) service provider agencies and compensates the agencies at a rate of \$21.95 per hour.

An analysis of the market need, rate of inflation and the ability of the program to provide continuity of service was conducted to determine the necessary rate increase. The hourly rate paid to the agencies has increased annually in accordance with the average rate of inflation (2 percent); from \$20.65 in 2007 to \$21.95 in 2010, and has not been increased since then. The recommended rate of \$22.63 represents an increase of 3 percent, which is within the rate of inflation from January 2011 to June 2012, the effective date for this increase.

## **COMMENTS**

The HMNS program provides homemaking services such as light cleaning, laundry, assistance with light meal preparation, and incidental grocery shopping, for the most vulnerable and marginalized residents living in their own homes. Clients are means tested and do not have the financial resources to purchase homemaking services from an alternate source. Demographically, clients include the frail elderly, those with chronic illness, physical disabilities and mental illness, who need assistance with activities of daily living to maintain their independence and remain in their own homes and community. The majority of clients are seniors over the age of 65, with approximately 65percent of clients over the age of 75. Clients mirror the City's diversity in terms of ethno-racial, cultural and linguistic backgrounds, sexual orientation and gender identity.

At the present time, there are approximately 2300 clients receiving homemaking services and approximately 100 applicants on the waitlist. The recommended rate increase will be absorbed within the division's operating budget. There will be minimal impact on the waitlist.

## **CONTACT**

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## **SIGNATURE**

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Reg Paul

General Manager, Long-Term Care Homes and Services