



City Budget
2013

Long-Term Care Homes
and Services
Operating Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Operating Budget pays the day-to-day operating costs for the City.

2013 Operating Budget

2013 OPERATING BUDGET ANALYST NOTES BRIEFING NOTES

BUDGET COMMITTEE, NOVEMBER 29, 2012

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PART I: RECOMMENDATIONS

**2013 Recommended Operating Budget
(In \$000s)**

(In \$000s)	2012		2013 Recommended Operating Budget			Change - 2013 Recommended		FY Incremental Outlook	
	Approved Budget	Projected Actual	2013 Rec. Base	2013 Rec. New/Enhanced	2013 Rec. Budget	Operating Budget v. 2012 Appvd. Budget		2014	2015
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	226,862.5	217,362.5	226,165.9	400.6	226,566.5	(296.0)	(0.1%)	2,175.3	8,637.7
REVENUE	181,208.5	172,508.5	180,750.3	320.0	181,070.3	(138.2)	(0.1%)		4,750.0
NET EXP.	45,654.0	44,854.0	45,415.6	80.6	45,496.2	(157.8)	(0.3%)	2,175.3	3,887.7
Approved Positions	2,169.9	2,169.9	2,150.3	1.0	2,151.3	(18.6)	(0.9%)		118.0

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. City Council approve the 2013 Recommended Operating Budget for Long-Term Care Homes and Services of \$226.567 million gross and \$45.496 million net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Divisional Homes	1,173.2	229.5
Toronto Homes	213,893.3	43,871.4
Community-Based Service	11,500.0	1,395.4
Total Program Budget	226,566.5	45,496.2

2. Long-Term Care Homes and Services' services and 2013 proposed service levels, as outlined on pages 3-4, and associated staff complement of 2,151.3 positions be approved.

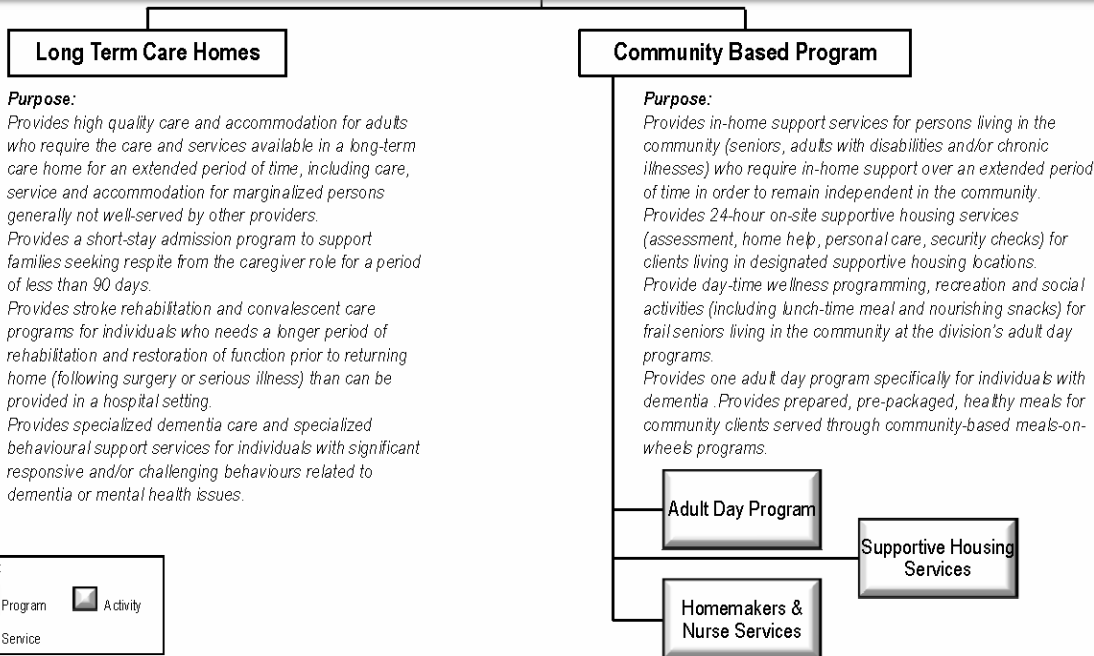
PART II: 2013 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles

Long-Term Care Homes & Services

The Long-Term Care Homes and Services Program provides a variety of long-term healthcare services for residents living in the City's long-term care homes and for clients with long-term healthcare needs and/or functional limitations who still live in the community. Community clients may live in their own homes and receive in-home support services, attend an adult day program in one of the long-term care homes or live in designated apartment buildings in which the division provides supportive housing services. The division provides individualized client-centred care, care that respects, supports and enables people to be as independent as possible. The scope of services provided includes: 10 long-term care homes, providing permanent and short-stay admissions for people with a range of medical and healthcare needs, convalescent care, specialized stroke rehabilitation and specialized dementia care; Community support programs, such as adult day programs and meals-on-wheels; Supportive housing services in a number of contracted sites; Homemaking services to qualified clients in their own homes.

The division responds to the changing needs of Toronto's diverse communities. We are committed to providing high quality care (based on current healthcare research) in safe, homelike environments. We are client-centred and accountable for performance. We use stakeholder feedback to make quality improvements. We work collaboratively with other providers and the community, in an attempt to achieve an effective continuum of care for the people we serve.



Legend:

- Program
- Activity
- Service

Service Customer

- | | |
|---|--|
| <p>Long Term Care Homes</p> <ul style="list-style-type: none"> • Residents (Seniors and adults with disabilities and/or chronic illnesses) • Persons recovering from surgery or serious illness • Persons requiring respite • Family members and partners • Family caregivers (short stay) • Staff and volunteers • Health system partners • Community partners • Community Care Access Centres • Local Health Integration Networks • Ministry of Health and Long-Term Care | <p>Community Based Program</p> <ul style="list-style-type: none"> • Frail seniors • Adults with disabilities • Adults with chronic illnesses and/or functional limitations over the age of 59 years of age • Family members and partners • Community Care Access Centres • Community agencies • Housing providers, including Toronto Community Housing • Toronto Public Health • Healthcare partners • Local Health Integration Networks • Ministry of Health and Long-Term Care • Contracted service providers |
|---|--|

2013 Recommended Service Levels

The 2013 proposed service levels for Long-Term Care Homes and Services activities are summarized in the table below:

Service Types and Service Levels

Service	Activity	Sub-Activity	Type	Approved 2012 Service Levels	Proposed 2013 Service Levels
Community Based Programs	Adult Day Program		Adult Day Services	Mon-Fri, 52 Weeks/year	Mon-Fri, 52 Weeks/year
	Homemakers & Nurses Services		Homemaking	Mon-Fri, 52 Weeks/year	Mon-Fri, 52 Weeks/year
	Supportive Housing Services		Personal Care and Homemaking	24 hours/day, 365 day/year	24 hours/day, 365 day/year
Long-Term Care Homes			Behavioural Support Care	97% Occupancy	97% Occupancy
			Convalescent Care	80% Occupancy	80% Occupancy
			Resident Care - Long Stay	97% Occupancy	97% Occupancy
			Resident Care - Short Stay	50% Occupancy	50% Occupancy

2013 Service Deliverables

The 2013 Recommended Operating Budget of \$226.567 million gross will allow Long-Term Care Homes and Services 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 2013 Recommended Operating Budget will:

- Continue the delivery of long-term care services including resident and convalescent care offered at 10 long-term care homes and provide support to over 2,500 residents;
- Continue to provide over 12,500 client days of care under the Adult Day Program. The Adult Day Program provides daytime recreation, social and wellness programming for frail seniors;
- Continue to provide Supportive Housing services to 450 clients;
- Continue to provide 115,000 client visits under the Homemakers and Nurses Services to support the Aging at Home strategy and provide housekeeping, laundry and meal preparation assistance; and
- Expand the Homemakers and Nurses Services Program that will serve an additional 180 clients and eliminate the wait list for homemaking services.

PART III: RECOMMENDED BASE BUDGET

**2013 Recommended Base Budget
(In \$000s)**

(In \$000s)	2012 Approved Budget	2013 Rec'd Base	Change 2013 Recommended Base vs. 2012 Appvd. Budget		FY Incremental Outlook	
			\$	%	2014	2015
	\$	\$	\$	%	\$	\$
GROSS EXP.	226,862.5	226,165.9	(696.6)	(0.3%)	2,175.3	8,637.7
REVENUE	181,208.5	180,750.3	(458.2)	(0.3%)		4,750.0
NET EXP.	45,654.0	45,415.6	(238.4)	(0.5%)	2,175.3	3,887.7
Approved Positions	2,169.9	2,150.3	(19.6)	(0.9%)		118.0

2013 Recommended Base Budget

The 2013 Recommended Base Budget of \$226.166 million gross and \$45.416 million net is \$0.238 million or 0.5% below the 2012 Approved Budget of \$45.654 million net.

- The 2013 Recommended Base Budget, prior to recommended service change savings of \$3.004 million, includes a net pressure of \$2.764 million or 6.1% above the 2012 Approved Budget.
- The net increase of \$2.764 million in the 2013 Recommended Base Budget is reduced by recommended service change savings and revenue adjustments of \$3.004 million reflecting a decrease of 6.6% below the 2012 Approved Budget.
- The result of the incremental changes noted above is a 2013 Recommended Base Budget for LTCHS that is \$0.238 million or 0.5% below the budget target of a 0% increase from the 2012 Approved Budget.
- Approval of the 2013 Recommended Base Budget will result in a reduction of 19.6 positions to the Program's approved staff complement resulting in a change from 2,169.9 to 2,150.3 positions as highlighted in the table below:

**2013 Recommended Staff Complement
Base Budget Summary**

Changes	Staff Complement
2012 Approved Complement	2,153.4
- 2012 In-year Adjustments	16.5
2012 Approved Staff Complement	2,169.9
2013 Recommended Staff Complement Changes	
- Administration & Support Services Restructuring	(1.1)
- Kipling Acres Temporary Downsizing	(17.2)
- Service Efficiencies	(1.3)
Total 2013 Recommended Complement	2,150.3

- 2012 In-Year Adjustments include:
 - An increase of 16.5 permanent positions as a result of additional base budget funding received from Behavioural Supports Ontario and approved by City Council on June 6, 2012 (EX20.11). The funding is used to educate, train, and hire staff to provide care for residents with behavioural issues.
- 2013 Recommended Staff Complement Changes – the 2013 Recommended Budget includes the reduction of 19.6 positions, consisting of the following:
 - 1.1 positions from the implementation of administrative and support services restructuring;
 - 17.2 positions as a result of the reduction in the number of beds at Kipling Acres while the facility is being redeveloped. These reductions are one-time and will begin to be reversed in 2015 with the completion of the 145-bed Kipling Acres project; and
 - 1.3 positions from service efficiency savings identified through a detailed review undertaken by LTCHS of historical staffing and expenditure trends.

2013 Recommended Service Change Summary

(In \$000s)

Description	2013 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% Change over 2012 Budget	2014		2015	
					Net Expenditure	Position Change	Net Expenditure	Position Change
Base Changes:								
Base Expenditure Changes								
Administration & Support Services Restructuring	(1.1)	(60.3)	(60.3)	(0.1%)				
Shift Overlap Elimination		(200.0)	(200.0)	(0.4%)	(950.0)		(950.0)	
Line-by-Line Expenditure Reductions	(1.3)	(561.8)	(473.9)	(1.0%)				
Kipling Acres Temporary Downsizing	(17.2)	(1,587.8)	(348.0)	(0.8%)			1,050.0	118.0
Base Expenditure Changes	(19.6)	(2,409.9)	(1,082.2)	(2.4%)	(950.0)		100.0	118.0
Base Revenue Changes								
Adjustments to User Fees and other Revenues			(357.6)	(0.8%)				
Provincial Subsidy Increase			(1,516.9)	(3.3%)				
Base Revenue Changes			(1,874.5)	(4.1%)				
Sub-Total Base Budget Changes	(19.6)	(2,409.9)	(2,956.7)	(6.5%)	(950.0)		100.0	118.0
Service Efficiencies								
De-Commissioning of Buses		(47.1)	(47.1)	(0.1%)				
Sub-Total Service Efficiencies		(47.1)	(47.1)	(0.1%)				
Total Service Changes	(19.6)	(2,457.0)	(3,003.8)	(6.6%)	(950.0)		100.0	118.0

2013 Recommended Service Changes

The 2013 recommended service changes consist of base expenditure savings of \$1.082 million, service efficiency savings of \$0.047 million and revenue changes of \$1.875 million, totalling a \$3.004 million net or 6.6% decrease from the 2012 Approved Budget. When combined with incremental base budget pressures of \$2.764 million or 6.1%, the 2013 Recommended Base Budget for LTCHS is \$0.238 million below the 2012 Approved Budget of \$45.654 million net.

Base Expenditure Changes: (Savings of \$2.410 million gross and \$1.082 million net)*Administration & Support Services Restructuring*

- The Program has identified \$0.060 million net in savings through the realignment of work and streamlining of processes resulting in a net reduction of 1.1 positions. Duties will be reassigned and work will be absorbed amongst existing staff, without impacting service levels.

Shift Overlap Elimination

- A savings of \$0.200 million net in 2013 will be realized through the elimination of the half-hour shift overlap at the homes in accordance with the Local 79 Collective Agreement ratified in February 2012. The half-hour shift overlap for new Long-Term Care employees will be eliminated by reducing their working hours by a half-hour, from 8.0 to 7.5. The half-hour shift overlap was used as a means for nurses to provide updated information to subsequent shifts. New processes will be utilized to facilitate the knowledge transfer without the need for a shift overlap.

- The Collective Agreement provides for the elimination of the half-hour shift overlap for all existing employees phased in over two years, resulting in \$0.950 million net cost savings in 2014 and 2015 respectively.

Expenditure Reductions to Reflect Actual Experience

- A reduction of \$0.562 million gross and \$0.474 million net in base budget expenditures and a reduction of 1.3 positions are recommended as the result of an internal review of actual expenditures over the past three years undertaken at each of its 10 homes. Reductions include savings in line expense items to reflect actual historical expenditures, staffing adjustments (dietary, housekeeping and nursing), and adjustments to vacation replacements. These reductions can be achieved without impacting service levels.

Kipling Acres Temporary Downsizing

- As a result of the redevelopment of Kipling Acres capital project, the number of beds in the home will continue to be reduced on a temporary basis resulting in net operating cost savings of \$0.348 million and a reduction of 17.2 positions in 2013. These temporary savings will be partially reversed in 2015 with the completion of the 145-bed Kipling Acres project in mid-2015, resulting in a net operating cost increase of \$1.050 million net and an increase of 118 positions. The remainder of the temporary cost savings will be fully reversed in 2016, when the home will be operating a full year with 337 beds. It is anticipated that savings achieved through the elimination of the shift overlap in 2013 through to 2015 will fully offset the Kipling Acres net operating cost increase.

Base Revenue Changes: (Revenue of \$1.875 million)

Adjustments to User Fees and Other Revenues

- The recommended increase of \$0.358 million in user fees and other revenues will primarily be generated by a user fee rate increase for basic accommodations. User fee rate increases are mandated by the Ministry of Health and Long-Term Care (MOHLTC). The rate increases are for basic and preferred accommodation resident user fees, and for the Adult Day Program.

Provincial Subsidy Increase

- The 2013 Recommended Operating Budget includes a \$1.517 million increase in Provincial subsidies for acuity, subject to confirmation through the 2013 Provincial Budget. Expenditures will not be incurred until the funding is confirmed and received by the MOHLTC.

Service Efficiencies: (Savings of \$0.047 million gross and \$0.047 million net)

De-commissioning of Buses

- Cost savings of \$0.047 million net will be realized from the de-commissioning of LTCHS' buses. The buses at the homes are used for resident trips. As the buses aged, they have become more expensive to maintain and will be decommissioned. The Program will pursue more effective and efficient alternatives to transport residents by entering into a Division-wide transportation service contract.

2014 and 2015 Outlook
(In \$000s)

Description	2014 Incremental Impact			2015 Incremental Impact		
	Net Expense	% Change	# Positions	Net Expense	% Change	# Positions
Known Impact						
Step Pay Increase	474.9	1.0%		398.5	0.8%	
Progression Pay Increase	188.1	0.4%		158.1	0.3%	
COLA	2,462.3	5.4%		3,231.1	6.8%	
Shift Overlap Elimination	(950.0)	(2.1%)		(950.0)	(2.0%)	
Kipling Acres Temporary Downsizing				1,050.0	2.2%	118.0
Sub-Total - Known Pressures	2,175.3	4.8%		3,887.7	8.1%	118.0
Total Incremental Impact	2,175.3	4.8%		3,887.7	8.1%	118.0

Approval of the 2013 Recommended Base Budget for Long-Term Care Homes and Services will result in a 2014 incremental cost increase of \$2.175 million net and a 2015 incremental cost increase of \$3.888 million net to maintain 2013 service levels.

Future year incremental costs are primarily attributable to the following:

Known Impacts

- For 2014, the net incremental expenditures are projected to be \$2.175 million net, and include step, progression pay, and COLA increases. These incremental expenditures are partially offset by \$0.950 million net in operating cost savings as part of the elimination of the half-hour shift overlap.
- For 2015, the net incremental expenditures are projected to be \$3.888 million net, and include step, progression pay, and COLA increases, and \$1.050 million in net operating expenditures as a result of the reversal of the temporary cost savings from redevelopment of Kipling Acres with the completion of the 145-bed facility. These incremental expenditures are partially offset by additional operating cost savings of \$0.950 million realized from the elimination of the shift overlap.

PART IV: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS

**2013 Recommended New/Enhanced Service Priority Actions
(In \$000s)**

Description	2013 Recommended			Net Incremental Impact			
	Gross Expense	Net Expenditures	New Positions	2014		2015	
				Net Expenditures	# Positions	Net Expenditures	# Positions
Enhanced Service Priorities							
Homemakers & Nurses Services Expansion	400.6	80.6	1.0				
Sub-Total - Enhanced Service Priorities	400.6	80.6	1.0				
Total New / Enhanced Service Priorities	400.6	80.6	1.0				

2013 Recommended New / Enhanced Service Priority Actions

Enhanced Service Priorities

Homemakers & Nurses Services Expansion

- Through the Homemakers and Nurses Services Program (HMNS), LTCHS provides homemaking services such as light housekeeping, laundry, shopping, and meal preparation to individuals who require light assistance with household activities of daily living, which allows them to live independently in the community.
- LTCHS currently has 12 full-time and 1.0 part-time caseworkers providing services to a case load of 2,300 clients, and a wait list of approximately 180.
- This Program is cost shared 80/20 with the Province through the Ministry of Health and Long-Term Care, based on case loads. In 2011-2012, the Ministry increased target expenditures for HMNS funding by \$0.401 million cost-shared 80/20, with the Province contributing \$0.320 million net and the City contributing \$0.081 million net.
- The expansion of this program by \$0.401 million gross and \$0.081 million net and 1.0 caseworker positions, will enable LTCHS to serve approximately 180 additional clients and eliminate the wait list.

Part V: ISSUES FOR DISCUSSION

2013 and Future Year Issues

2013 Issues

Provincial Funding Uncertainty

As the provider of a wide range of services to a diverse clientele, LTCHS is faced with several challenges in delivering services, as both the funding model and organizational structure at the Province are evolving.

On July 1st, 2010, The Long-Term Care Homes Act, 2007 and Regulation 79/10 (LTCH Act) was proclaimed into law, and placed new financial pressures on long-term care homes as the Act introduces revised care, staffing, and operating standards without providing corresponding funding increases.

The new LTCH Act requirements make it difficult for the Program to reduce service levels as the new standards are much higher than the former 2010 standards.

The long-term care homes sector requires a commitment to multi-year, sustainable funding from the Ministry of Health and Long-Term Care (MOHLTC). Currently, the funding is variable and based on a complex formula that fluctuates from year-to-year, which requires the Program to aggressively pursue all available grants, subsidies and revenues wherever possible. The 2013 Recommended Operating Budget includes a \$1.517 million increase in Provincial subsidies for acuity, subject to confirmation through the 2013 Provincial Budget. Expenditures will not be incurred until the funding is confirmed and received by the MOHLTC.

Without additional revenue from the Province, LTCHS could not have achieved their target cost reduction. Future targets cannot be achieved solely through cost savings but requires Provincial assistance. Closing homes is not achievable in the short term and contracting out services requires years of negotiations with the Local Health Integration Networks (LHINs).

Rise in Resident Acuity

The complexity and acuity of care in long-term care homes is rising dramatically. These increases provide significant insight into the changing face of Long-Term Care Homes & Services. The increased complexity and acuity of care results in the need for skill and competency training for staff at all levels of the organization. Increased emphasis on admissions of individuals with dementia, mental illness, and associated responsive behaviours requires mental health education for all staff.

As acuity levels rise, so does the need for further Provincial funding needed to provide necessary services and care.

Core Service Review and Efficiency Study Implementation

The final report on the Core Service Review was considered by City Council at its September 26 and 27, 2011 meeting. City Council referred the KPMG opportunities related to long-term care for inclusion in broader organizational and service studies. In keeping with City Council direction, the Service Review study focus for Long-Term Care Homes and Services includes:

- a. Review of comparable jurisdictions (as applicable under Ontario legislation) and best practices.
- b. Undertake stakeholder consultation, as requested by the Committee, to inform the analysis and proposed options and recommendations.
- c. Review the City's delivery of long-term care homes and community-based programs.
- d. Based on the findings from parts a, b and c make recommendations on the most efficient delivery of long-term care homes and community-based programs that takes into consideration maximizing quality of care and minimizes risk for residents/clients, the City's unique resident/client base and corresponding requirements, service quality and service impact.

The Service Efficiency Study was completed in August 2012. DPRA Inc. released its final report containing seventeen (17) recommendations for Long-Term Care Homes and Services. Three (3) of these recommendations have been implemented as part of the 2013 Recommended Operating Budget, as follows:

- Recommendation 3 – Increase support for expansion of Homemakers and Nurses Services program to leverage additional Provincial funding.
 - An additional \$0.401 million gross and \$0.081 million net is recommended in the 2013 Operating Budget to implement this recommendation.
- Recommendation 5 – Implement Alternative Service Delivery (ASD) for bus transportation services.
 - The 2013 Recommended Operating Budget incorporates the impact of implementing this recommendation for an operating budget savings of \$0.047 million net in 2013 for the de-commissioning of the buses. The Program will pursue more effective and efficient alternatives to transport residents by entering into a Division-wide transportation service contract.
- Recommendation 7 – Implement new Collective Agreement to realize the removal of the half-hour shift overlap.
 - The 2013 Recommended Operating Budget reflects the impact of implementing this recommendation for an operating budget savings of \$0.200 million net in 2013, representing the first of 3 phases required to eliminate the shift overlap. In 2013, the half hour shift overlap will be eliminated for newly hired staff. In 2014 and 2015, the shift overlap will be eliminated from all remaining staff for savings of \$0.950 million in each of these 2 years.

The General Manager of Long-Term Care Homes and Services will continue to review the remainder of the Study's recommendations, and impacts resulting from the implementation of the Study's findings will be reported through subsequent budget processes.

Appendix 1 2012 Performance

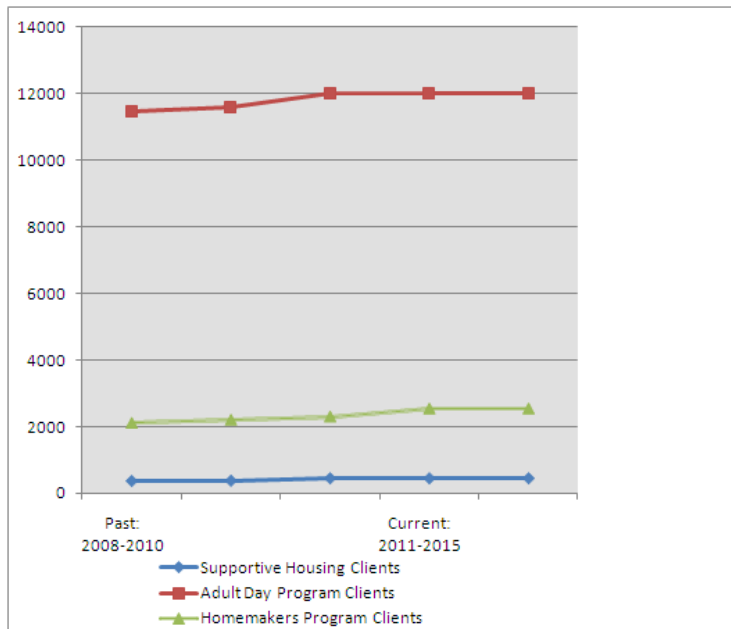
2012 Key Accomplishments

In 2012, Long-Term Care Homes and Services achieved the following results:

- ✓ Received national recognition with designation of Accreditation with Exemplary Standing from Accreditation Canada, and was awarded the 2012 Innovation and Excellence Workplace Quality Award by the Ontario Association of Non-Profit Homes and Services for Seniors (OANHSS).
- ✓ LTCHS was recognized in the Human Rights, Equity and Diversity category with the 2012 City Manager's Award for creating the first LGBT toolkit; an effort to ensure that LGBT seniors living in the community would not face discrimination if they needed to enter a long-term care home.
- ✓ Implemented 2012 budget reduction strategies, including cafeteria closures and introduction of Centralized and Regional Service models to better harness the use of technology and streamline administrative practices in staff training, Infection Prevention and Control, and staff scheduling functions.
- ✓ Continued to develop environments in all ten homes to respond to care, comfort and safety needs of residents with higher acuity and dementia.
- ✓ Continued to influence public policy on aging and long-term care issues and promoted age-friendly communities.
- ✓ Expanded services in dementia care, behavioural response care, and mental health by working with other providers and alleviating alternative level of care pressures in hospitals.
- ✓ Continued to expand the division's ability to serve individuals who are frequently unable to secure care and service through other providers (e.g. significant dementia, behavioural response issues, more complex care, specialized care and service).
- ✓ Continued to enhance diversity practice and customer service excellence strategies.
- ✓ Completed a service efficiency study and organizational review that identified future opportunities. Savings of \$1.129 million net incorporated into the 2013 Recommended Operating Budget to implement 2 recommendations and added funding of \$0.401 million gross and \$0.081 million net for service expansion of the Homemakers and Nurses Services Program.

2012 Performance

Number of Clients Participating in Various LTCHS Programs



- The number of Homemakers Program clients has been increasing from 2,100 clients in 2008 to a projected number of 2,275 clients in 2012. LTCHS is targeting serving 2,455 clients for 2013.
- The number of Supportive Housing clients has been increasing from 372 clients in 2008 to a projected number of 450 clients in 2012. LTCHS is targeting serving 450 clients for 2013.
- The number of client days provided under the Adult Day Program has been increasing from 11,466 in 2008 to a projected number of 12,500 in 2012. LTCHS is targeting providing 12,500 client days for 2013.

2012 Budget Variance Analysis

2012 Budget Variance Review (In \$000s)

(In \$000s)	2010 Actuals	2011 Actuals	2012 Approved Budget	2012 Projected Actuals*	2012 Approved Budget vs Projected Actual Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	212,694.1	218,596.8	226,862.5	217,362.5	(9,500.0)	(4.2)
Revenues	167,239.8	174,454.1	181,208.5	172,508.5	(8,700.0)	(4.8)
Net Expenditures	45,454.3	44,142.7	45,654.0	44,854.0	(800.0)	(1.8)
Approved Positions	2,182.9	2,188.4	2,169.9	2,169.9		

* Based on the 3rd Quarter Operating Budget Variance Report.

2012 Experience

- The projected year-end net favourable variance for LTCHS is anticipated to be \$0.800 million or 1.8% under the 2012 Approved Operating Budget of \$45.654 million.
- LTCHS is projecting a reduction in expenditures in the homes and community program for high intensity needs and supportive housing. These expenditures are 100% subsidized by the Province when they are required by individual residents or clients. This decrease in expenditures is matched by a corresponding decrease in revenues from the Province.

Impact of 2012 Operating Variance on the 2013 Recommended Budget

- There are no anticipated impacts of the projected 2012 Operating Variance on the 2013 Recommended Budget.

Appendix 2

2013 Recommended Operating Budget by Expenditure Category and Key Cost Driver

Program Summary by Expenditure Category (In \$000s)

Category of Expense	2010 Actual	2011 Actual	2012 Budget	2012 Projected Actual	2013 Recommended Budget	2013 Change from 2012 Approved Budget		2014 Outlook	2015 Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	176,535.0	180,433.2	185,086.3	176,101.6	185,958.3	872.0	0.5%	188,133.6	195,621.3
Materials and Supplies	17,732.9	18,403.6	18,909.4	18,771.9	18,854.8	(54.7)	(0.3%)	18,854.8	20,004.8
Equipment	1,376.3	2,201.5	2,322.4	2,459.9	2,264.4	(58.0)	(2.5%)	2,264.4	2,264.4
Services & Rents	14,907.2	15,121.9	17,829.7	17,314.3	16,958.6	(871.1)	(4.9%)	16,958.6	16,958.6
Contributions to Capital									
Contributions to Reserve/Res Funds	1,740.2	1,791.6	1,809.4	1,809.4	1,809.4	0.0	0.0%	1,809.4	1,809.4
Other Expenditures	88.2	47.6	129.5	129.5	145.4	15.9	12.2%	145.4	145.4
Interdivisional Charges	314.3	597.4	775.8	775.8	575.6	(200.2)	(25.8%)	575.6	575.6
TOTAL GROSS EXPENDITURES	212,694.1	218,596.8	226,862.5	217,362.5	226,566.5	(296.1)	(0.1%)	228,741.8	237,379.5
Interdivisional Recoveries	169.5	127.9	127.9	127.9	133.4	5.5	4.3%	133.4	133.4
Provincial Subsidies	118,568.6	126,312.3	132,039.4	123,339.4	132,538.6	499.2	0.4%	132,538.6	135,688.6
Federal Subsidies									
Other Subsidies	100.7								
User Fees & Donations	48,111.6	47,761.2	48,631.2	48,631.2	47,995.4	(635.8)	(1.3%)	47,995.4	49,595.4
Transfers from Capital Fund			260.0	260.0	260.0	0.0	0.0%	260.0	260.0
Contribution from Reserve Funds									
Contribution from Reserve									
Sundry Revenues	289.4	252.7	150.0	150.0	142.9	(7.1)	(4.7%)	142.9	142.9
TOTAL REVENUE	167,239.8	174,454.1	181,208.5	172,508.5	181,070.3	(138.2)	(0.1%)	181,070.3	185,820.3
TOTAL NET EXPENDITURES	45,454.3	44,142.7	45,654.0	44,854.0	45,496.2	(157.8)	(0.3%)	47,671.5	51,559.2
APPROVED POSITIONS	2,182.9	2,188.4	2,169.9	2,169.9	2,151.3	(18.6)	(0.9%)	2,151.3	2,269.3

2013 Key Cost Drivers

Salaries and Benefits are the largest expenditure category for LTCHS and account for 82% of total expenditures, followed by Materials and Supplies at 8%, Services and Rents at 7%, and Equipment at 1%. Provincial Subsidies are the largest revenue category and account for 74% of total revenues, followed by User Fees and Donations at 26%.

- The 2013 recommended budget for salaries and benefits of \$185.958 million reflects an increase of \$0.872 million or 0.5% compared to the 2012 Approved Budget of \$185.086 million.
 - This increase is mainly attributable to step and progression pay, COLA, OMERS increase of 0.9%, and fringe benefits, totalling \$1.940 million, partially offset by a reversal of prior year per diem expenditures, recommended base expenditure reductions and line-by-line expenditure savings totalling \$1.068 million.

- The 2013 recommended budget for materials and supplies of \$18.855 million is \$0.054 million or 0.3% lower compared to the 2012 Approved Budget of \$18.909 million.
 - This decrease in expenditures is due to \$0.997 million of recommended base reductions and line-by-line expenditure savings, partially offset by \$0.943 million for inflationary increases.
- The 2013 recommended budget for services and rents of \$16.959 million is \$0.871 million or 4.9% lower compared to the 2012 Approved Budget of \$17.830 million.
 - This decrease is mainly attributable to lower claim-based expenditures (\$0.681 million) and recommended base reductions (\$0.511 million), partially offset by an increase of \$0.320 million for the expansion of the Homemakers and Nurses Services program. \$0.828 million of economic factor increases were absorbed by the Program by on actual expenditures.
- Provincial subsidies of \$132.539 million are \$0.499 million or 0.4% higher compared to the 2012 Approved Budget of \$132.039 million.
 - This increase is due to additional Provincial subsidies for acuity of \$1.517 million, \$0.320 million for enhancement of the Homemakers and Nurses Services expansion and \$0.159 million for annualized funding from Behavioural Supports Ontario approved in 2012, partially offset by a decrease of \$1.497 million due recommended budget reductions and reversal of prior year per diem expenditures.
- The 2013 recommended budget for user fees and donations of \$47.995 million is \$0.636 million or 1.3% lower compared to the 2012 Approved Budget amount of \$48.631 million, reflecting a decrease of \$0.994 million in resident fees due to the temporary downsizing at Kipling Acres and program revenues such as laundry service based on updated projections. This is partially offset by an increase of \$0.358 million in user fee revenue due to MOHLTC-mandated rate increases.
- Approved positions for 2012 totalled 2,169.9. Recommended decreases to approved positions for 2013 total 19.6 positions. The Program will reduce 19.6 positions as a result of recommended base reductions and service efficiencies. The net decrease consists of an increase of 1.1 positions from the implementation of administrative and support services restructuring, offset by a reduction of 17.2 positions as a result of the reduction in the number of beds at Kipling Acres while the facility is being redeveloped, and a reduction of 1.3 positions from service efficiency savings identified through a detailed review undertaken by LTCCHS of historical staffing and expenditure trends.

The 2013 Recommended Base Budget also provides funding for the following:

Prior Year Impact

- Reversal of the prior year per diem expenditures (leap year impact in 2012), for a reduction of \$0.485 million gross and \$0.097 million net from salaries and benefits, materials and supplies, and services and rents.

Economic Factors

- Non-labour economic factors of \$0.923 million net, primarily consisting of utilities and contracted raw food and laundry costs.

Other Base Changes

- Decrease of \$0.060 million net through realignment of work and streamlining of processes resulting in a net reduction of 1.1 positions.
- Savings of \$0.200 million net through the elimination of the half-hour shift overlap at the homes in accordance with the Local 79 Collective Agreement.
- Operating cost savings of \$0.348 million net and a reduction of 17.2 positions as a result of the redevelopment of Kipling Acres capital project.

Revenue Changes

- User Fees and other revenues have increased by \$0.358 million primarily from the user fee rate increase for basic accommodations.
- The Program has included a \$1.517 million increase in Provincial subsidies for acuity, subject to confirmation through the 2013 Provincial Budget. Expenditures will not be incurred until the funding is confirmed and received by the MOHLTC.

Appendix 3

Summary of 2013 Recommended Service Changes



2013 Operating Budget - Recommended Service Change Summary of Administrative Review

TYPE	PRIORITY	CITIZEN FOCUSED SERVICES "A" Long Term Care Homes & Services	Recommended Adjustments				2014 Net Incremental Outlook (\$000s)	2015 Net Incremental Outlook (\$000s)
			Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions		
2013 Recommended Base Budget Before Service Change:			226,213.0	180,750.3	45,462.7	2,150.3	2,175.3	3,887.7
Z1	17	De-commissioning of Buses	(47.1)	0.0	(47.1)	0.0	0.0	0.0
<i>(LTC-Z003)</i> Service / Activity: Toronto Homes / N/A								
Description:								
Cost savings of \$0.047 million net will be realized from the de-commissioning of LTCHS' buses. The buses at the homes are used for resident trips. As the buses aged, they have become more expensive to maintain and will be decommissioned. The Program will pursue more effective and efficient alternatives to transport residents by entering into a Division-wide transportation service contract.								
Service Level Change:								
No change.								
ADMIN: Recommended.			(47.1)	0.0	(47.1)	0.0	0.0	0.0
Total Recommended Service Level Reductions:			(47.1)	0.0	(47.1)	0.0	0.0	0.0
Total Recommended Base Budget:			226,165.9	180,750.3	45,415.6	2,150.3	2,175.3	3,887.7

Category Legend - Type

- Z1 - Efficiency Change
- Z2 - Revenue Change
- Z3 - Service Change

Appendix 4
Summary of 2013 Recommended New
/Enhanced Service Priority Actions



2013 Operating Budget - Recommended New and Enhanced Services Summary of Administrative Review

TYPE	PRIORITY	CITIZEN FOCUSED SERVICES "A" Long Term Care Homes & Services	Recommended Adjustments				2014 Net Incremental Outlook (\$000s)	2015 Net Incremental Outlook (\$000s)
			Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions		
N2	4	Homemakers & Nurses Services Expansion Service / Activity: Community Based Services / N/A Description: Through the Homemakers and Nurses Services Program (HMNS), LTCHS provides homemaking services such as light housekeeping, laundry, shopping, and meal preparation to individuals who require light assistance with household activities of daily living, which allows them to live independently in the community. This Program is cost shared 80/20 with the Province through the Ministry of Health and Long-Term Care, based on case loads. In 2011-2012, the Ministry increased target expenditures for HMNS funding by \$0.401 million cost-shared 80/20, with the Province contributing \$0.320 million net and the City contributing \$0.081 million net. LTCHS currently has 12 full-time and 1.0 part-time caseworkers. The expansion of this program by \$0.401 million gross and \$0.081 million net will increase the staff complement by 1.0 caseworker positions. Service Level Change: The service currently has a case load of 2,300 clients, with a wait list of approximately 180. The expansion of this program will increase the case load by 180 clients, to 2,480, and eliminate the wait list. ADMIN: Recommended.	400.6	320.0	80.6	1.0	0.0	0.0
Total Recommended New/Enhanced:			400.6	320.0	80.6	1.0	0.0	0.0

Category Legend - Type

- N1 - Enhanced Services - Operating Impact of 2013 Capital
- N2 - Enhanced Services - Service Expansion
- N3 - New Service - Operating Impact of 2013 Capital
- N4 - New Services
- N5 - New Revenues
- N6 - New User Fee Revenue