



STAFF REPORT ACTION REQUIRED

Provincial Funding for Enhanced Long-Term Care Home Renewal Strategy

Date:	March 24, 2015
To:	Community Development and Recreation Committee
From:	General Manager, Long-Term Care Homes & Services
Wards:	All
Reference Number:	

SUMMARY

Six of City of Toronto's ten long-term care homes (1,569 of its 2,641 Ministry approved beds) need to be redeveloped or retrofitted over a 10-15 year period commencing in 2009. The provincial strategy makes it mandatory for designated homes to be in compliance with the updated long-term care home design standards. Kipling Acres Phase I (192 beds) opened in 2014; Phase II (145 beds) is currently under construction and expected to open in early 2016. A comprehensive Capital Renewal Plan for a staged approach to mandatory redevelopment of the remaining five long-term care homes will be presented to Committee and Council for approval in the third quarter of 2015.

On October 28, 2014, the Associate Minister of Health and Long-Term Care announced plans to introduce an Enhanced Long-Term Care Home Renewal Strategy (the Enhanced Strategy) in 2015 following a brief but intensive stakeholder consultation process, which included the City of Toronto. Details of the Enhanced Strategy were released by the Ministry of Health and Long-Term Care (MOHLTC) on February 27, 2015 with a framework on how the province will implement the Enhanced Strategy to modernize and improve long-term care homes to focus on resident outcomes, plan to meet the future needs for residents and the funding mechanisms to encourage long-term care home operators to accelerate redevelopment.

Some of the key enhancements include:

- Establishing a dedicated project office to oversee the Enhanced Renewal Strategy
- Revising and increasing the Construction Funding Subsidy
- Increasing preferred accommodation premiums for new homes
- Scheduling homes for redevelopment as opposed to a phased application process.

RECOMMENDATIONS

It is recommended that Community Development and Recreation Committee receive the report for information.

Financial Impact

There is no financial impact to the City arising from this report.

The City of Toronto is eligible to receive a base construction per diem of \$16.65 for each redeveloped bed, which is an increase of \$3.35 above the current construction per diem of \$13.30. The construction per diem is provided on each approved bed over a 25-year period following the first admission into the new home. The MOHLTC has communicated that all homes redeveloped under the current Capital Renewal Program will be eligible to receive the new construction per diem. For Kipling Acres (337 beds), this per diem increase will equate to additional \$10.3 million in provincial funding to the City.

Subject to City Council approval of the Long-Term Care Homes & Services (LTCHS) proposed Capital Renewal Plan for the remaining five homes (1,232 beds), the City will receive additional provincial capital subsidies of \$37.6 million above the original provincial funding estimate of \$149.5 million, based on the base construction per diem of \$16.65.

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

Equity Impact

LTCHS is committed to delivering exemplary care and service to residents and clients with a specific goal to respond to emerging community needs and serve vulnerable individuals. By addressing community needs through leveraging partnerships, both public and private, available resources can be aligned to provide better care and service, and meet the needs of specific resident and client groups.

DECISION HISTORY

City Council on December 16, 2014 adopted the report, "Provincial Health System Funding Reform Related to Long-Term Care Homes and Services" without amendment.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD25.7>

City Council on December 16, 2013 adopted the report, "Long-Term Care Homes & Services Capital Renewal Strategy with an amendment to potentially acquire land nearby or neighbouring Ward 24."
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD25.8>

City Council on July 16, 17, 18 and 19, 2013 adopted the report, "Update and Next Steps of Proposed Redevelopment of Seaton House and Revitalization of George Street".
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX33.17>

City Council on May 7, 8, 9, and 10, 2013 adopted the report, "The Toronto Seniors Strategy" to address the needs of an aging population and make Toronto more age-friendly through services provided by City divisions, agencies and corporations.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD20.1>

City Council on April 29, 2009 adopted the report, "Long-Term Care System Challenges and Opportunities for the City of Toronto"; section VI of the report addresses the Long-Term Care Homes Capital Renewal Strategy issue.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.EX31.15>

ISSUE BACKGROUND

Many older long-term care homes have features that make it increasingly difficult to accommodate the intensifying acuity levels and complex care requirements within a homelike environment. In July 2007 the Minister of Health and Long-Term Care announced plans to redevelop all 35,000 'B', 'C' and upgraded 'D' beds over 10-15 years by allocating funding for approximately 7,000 beds every 2 years, in 5 phases. Due to the low uptake in Phase 1, a consultant was engaged in November 2011 to market sound the sector stakeholders to identify impediments and propose solutions to the Long-Term Care (LTC) Home Renewal Strategy. Subsequent to the first market sounding the Ministry of Health and Long-Term Care and Infrastructure Ontario engaged a second consulting firm to market sound with LTC sector stakeholders on ancillary revenue opportunities that could potentially contribute net positive cash flows to homes and thereby facilitate redevelopment and upgrades while supporting the province's healthcare transformation agenda.

COMMENTS

The provincial Enhanced Long-Term Care Home Renewal Strategy is intended to help accelerate the modernization of long-term care homes across the province, including scheduling homes for redevelopment based on prioritizing sites and support for operations in redeveloping older sites.

City of Toronto long-term care homes identified for mandatory redevelopment:

Home	Ward	# of Beds	Structural Classification	Last Renovation	Initially Constructed
Carefree Lodge	24	127	C	1991	1967
Castleview Wychwood Towers	21	456	C	1975	1975
Fudger House	28	250	B	1985	1965
Lakeshore Lodge	6	150	C	1990	1990
Seven Oaks	43	249	C	1988	1988

Construction Funding

Toronto City Council previously requested the Provincial government increase the long-term care home construction per diem funding by \$4.20 per resident day. This request has been acknowledged as the MOHLTC has confirmed as part of the Enhanced Strategy that the base Construction Funding Subsidy (CFS) will be increased by up to \$3.35. This increase will bring construction funding back in line with more traditional 50:50 capital cost sharing.

The Enhanced Long-Term Care Home Renewal Strategy improves the Construction Funding Subsidy on a per bed basis and supports the costs of developing or redeveloping an eligible home. For LTCHS, the construction base per diem increases from the current \$13.30 to the new subsidy level of \$16.65, which will be paid over a 25 year period. There is an additional \$0.75 per diem available for homes in the 97 to 160 bed size that is intended to recognize economy of scale construction costs. And, Leadership in Energy and Environmental Design (LEED) Silver certification, as per City requirements for new builds, increases the CFS by an additional \$1.00. In addition, LTCHS also qualifies for the one-time \$250,000 planning grant for each redeveloped home.

Redevelopment Scheduling

Stakeholder consultation identified that the past application process presented challenges to operators who had multiple homes facing redevelopment. The Enhanced Strategy includes scheduling principles that recognizes the volume of beds to be redeveloped in each region, the need to sequence projects for multiple site operators and the demand on the construction sector should the uptake be higher than anticipated.

LTCHS Consultation

The Ministry launched a Stakeholder Advisory Committee to oversee rollout of the Enhanced Strategy. The City of Toronto is well represented by senior LTCHS staff on the Stakeholder Advisory Committee and each of three working groups: Financial Policy, Design Standards and Redevelopment Scheduling Process offering expertise and assistance with policy development.

LTCHS is committed to sustaining service levels and addressing the overall need for long-term care within Toronto. The division's current level of service supports high-quality specialized resident-focused care while promoting and preserving partnerships, including cultural and community linkages, responding to emerging community need and serving vulnerable individuals.

Redevelopment of the existing long-term care home bed inventory will have a positive impact on future LTCHS Operating Budgets that will arise from operational efficiencies achieved as a result of improvements in LTC facility design and through increased preferred accommodation revenues that are available to new homes. LTC homes that are designated as 'B' and 'C' are able to charge a maximum of only \$18.00/day for private and \$8.00/day for semi-private. The current preferred accommodation ceiling rates for 'new' homes is \$23.25/day for private and \$11.00/day for semi-private.

Experts are predicting rapid growth in the seniors' population and the number of seniors diagnosed with dementia. It has become an expectation that long-term care homes be equipped to care for residents with complex care needs and challenging behaviours. For many, that care is better provided in private and semi-private accommodation with reduced stressors and triggers.

CONCLUSION

The Enhanced Long-Term Care Home Renewal Strategy announcement provides context and support for the LTCHS comprehensive Capital Renewal Plan that will be presented to Committee and Council for approval in the third quarter of 2015. With increased flexibility and funding now available from the MOHLTC, redevelopment of the City's long-term care homes identified for mandatory redevelopment is an excellent opportunity to meet the current and future care and service needs of seniors.

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