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City of Toronto
Service Efficiency Study Program:
Long-Term Care Homes & Services Division
Statement of Work for External Management Consultants
Roster Assignment # 9144-11-7001-Cat2MC15-12

April 19, 2012

1. Background

- a) The City Manager has established a Roster for the provision of consulting services for a range of Assignments (REOI # 9144-11-7001).
- b) This Statement of Work (SOW) is provided in accordance with the requirements of the REOI, and the Assignment will be conducted within the terms and conditions stated in the REOI, especially Appendix B, and its Addenda. For purposes of clarity, some REOI terms and conditions may be repeated in this SOW.
- c) The City Manager wishes to engage an external Management Consultant to assist with Toronto's Service Efficiency Study of the Long-Term Care Homes & Services Division.
- d) As set out in the City Manager's report to Council dated January 6, 2012 (refer to D. in Section 7) the City continues to face difficult decisions in 2012 and future years to meet its budget challenges. To support City Council's 2013 budget deliberations, the City Manager will undertake Service Efficiency Studies of several City divisions, agencies, and cross-cutting functions.
- e) Invited Consultants are required to submit a proposal and work plan tailored to the Service Efficiency Study or Studies as described in this SOW. The submission will include, at a minimum:
 - o Proposed work program with work plan and deliverables;
 - o Time schedule;
 - o Identification of human services expertise as part of the team, with a focus on long-term care delivery;
 - o Total costs/fees; and
 - o Any other information required in response to this SOW.
- f) Proposals submitted by invited Consultants will be assessed in terms of completeness of the work program, understanding of the assignment, appropriateness of methodologies, appropriateness of the Consultant team, acceptable time frame and schedule for the work, and acceptable cost.

- g) An interview may be held at the sole discretion of the City to refine service scope, prioritize issues, or review the respective responsibilities between the City staff team and the Consultant and proposed team members.
- h) An agreed upon work plan including timelines and deliverables and cost/fees will be approved by the City prior to the commencement of the assignment, through a letter of agreement.

2. Project Purpose

The City has begun a program of Service Efficiency Studies. Several areas have been identified for review during 2012 including the Long-Term Care Homes & Services Division. The purpose of the Service Efficiency Studies is to identify and supply actionable recommendations that will provide the maximum of service efficiency savings in the shortest period of time. To that end, the project review should consider a broad range of strategies and apply the most effective methodologies to achieve the stated purpose, for example:

- Business process and work methods streamlining;
- Organizational restructuring;
- Outsourcing;
- Automation;
- Shared services;
- Service innovation; and
- Service adjustments.

The results of the Service Efficiency Studies will be reported to the City Manager and will be implemented through the annual budget process whenever possible.

3. Services Required – Overall Role & Deliverables for External Consultant

a) Background Data & Information:

The Long-Term Care Homes & Services Division in consultation with the City Manager's Office will provide general background data and information, including:

- (i) Suggested areas of study focus to be reviewed and assessed by the Consultant (provided in Section 5, Study Focus);
- (ii) Information on services, service levels and standards, activities and types;
- (iii) Financial and budget data;
- (iv) Organization charts;

- (v) Workforce data including staffing information;
- (vi) Recent organizational and service reviews, policy directions, reports and Council decisions;
- (vii) Business process data;
- (viii) All other available information related to particular services and activities.

b) Consultant Deliverables:

Working with City staff, the external Management Consultant's role and deliverables will include:

(i) *Confirm Focus Areas and Methodology*

Using the baseline information, initial focus areas suggested by the City and additional data, identify the areas of focus and the most appropriate methodologies with the greatest potential for cost savings and improved service delivery.

(ii) *Assess Service Efficiency*

Within the areas to be focussed on:

- Identify and assess the costs and cost drivers of current practice;
- Review and assess services, activities and methods;
- Compare against service providers in other jurisdictions using comparable and relevant best practices;
- Analyze and compare service benchmarks and measures; and
- Assess against other relevant information.

(iii) *Identify and Recommend Opportunities for Improved Efficiency and Cost Savings*

- Identify and recommend changes to work methods, processes, responsibilities, and other factors that will result in the most cost savings and the greatest improvement in service delivery;
- Identify opportunities for introducing more cost-effective and efficient program delivery applications that would result in the same benefits;
- Provide cost savings estimates and implementation details and steps that will address the changes you have identified and recommended;
- Provide advice and recommendations about which changes can be made quickly, e.g., savings in 2012, or 2013, and which will take longer to implement;
- Identify and provide advice on the costs required to make changes including any short term financial investments; and

- Provide advice about any risks and implications for service delivery, policy development, finances, cross divisional or enterprise wide human resource impacts, and other effects of alternatives and changes.

(iv) *Provide reports and documentation*

Provide documentation, reports and presentations for the City Manager as required for each of the deliverables and providing other advice as identified throughout the review process.

(v) *Work with divisional and agency staff as required.*

(vi) *Attend, support and provide documentation for status and/or planning meetings with the City Manager, the designated Project Manager, the divisional General Manager, the City staff team, the City Steering Committee established for Service Review activities, and/or other officials as may be required.*

4. Project Reporting Process and Time Line

- a) The Service Efficiency Studies will be conducted on an accelerated timeline;
- b) The City wishes to engage the external Management Consultant by mid-May 2012 with completion of the final report by no later than July 31, 2012; and
- c) Wherever possible the results of the Service Efficiency Studies will be reported out through the City's 2013 Budget Process.

5. Service Efficiency Study – Specific Areas of Review for the Long-Term Care Homes & Services Division

5A. Overview of the Long-Term Care Homes & Services Division

Toronto's Long-Term Care Homes & Services Division (LTCHS) provides a variety of long-term health care services for residents in the City's long-term care homes and for marginalized clients who still reside in the community. The scope of services provided includes:

- Long-term care homes, providing permanent and short-stay admissions.
- Community Support programs, including adult day programs, supportive housing services and homemaking services.

Long-Term Care Homes are licensed or approved by the Ontario Ministry of Health and Long-Term Care. The provision of long-term care homes (including number of beds and closing of homes) and community-based support programs is highly regulated and governed by the *Ontario Long-Term Care Homes Act, 2007*, *Homemakers and Nurses Services Act, 1968*, and the *Ontario Home Care and Community Services Act, 1994* and associated Regulations.

Throughout Ontario, including Toronto, long-term care services are provided by a combination of municipal, not-for-profit and for-profit providers. Currently, it is estimated that in Ontario there are 632 long-term care homes of which 360 are operated by for-profit providers, 159 are operated by not-for-profit organizations and 103 are directly operated by a municipality. The City of Toronto has no oversight responsibilities over the long-term care system as these responsibilities reside with the Province.

The Division has two main service areas, including Long-Term Care Homes and Community-Based Programs which provide the following services:

(i) *Long-Term Care Homes*

- Operate 10 long-term care homes throughout the City.
- Deliver care and accommodation to over 2,600 adults in long-term care homes, including marginalized persons generally not well-served by other providers.
- Provide short-stay admission programs to support families seeking respite from the caregiver role for a period of up to 90 days.
- Provide stroke rehabilitation and convalescent care programs for individuals who need a longer period of rehabilitation and restoration of function prior to returning home (following surgery of serious illness) than can be provided in a hospital setting.
- Provide specialized dementia care and specialized behavioural support services for individuals with significant responsive and/or challenging behaviours related to dementia or mental health issues.

(ii) *Community-Based Programs*

The Division's Community-Based programs ensure that vulnerable populations, especially frail seniors, receive care whenever possible at home and aim to improve and/or maintain functional independence and quality of life. Programs include:

- Adult Day Programs which provide daytime recreation, social and wellness programming for frail seniors in 4 sites located across the City including to Alzheimer's clients (12,500 client days of care).

- Homemakers and Nurses Services which offer light housekeeping, laundry, shopping and meal preparation to 2,300 individuals who require assistance with daily living and who have limited financial resources but remain in their own homes.
- Supportive Housing which provides assistance with personal care, light housekeeping and laundry, medication reminders, security checks and light meal preparation to eligible clients who are tenants in designated buildings. In addition, a Registered Practical Nurse (RPN) is available on-site at each of the 9 City-wide locations.
- Meals on Wheels which provides 2,400 meals per week from 5 sites.

See Attachment A and B for the Division's Program Map and Organizational Charts.

2012 Approved Budget

The 2012 approved Operating Budget for LTCHS is \$224.8M (gross) and \$45.3M (net), representing 2.4% of the City's total budget. Funding for long-term care services varies by service. The City receives a per-diem rate for the delivery of long-term beds at its long-term care homes and receives different levels of support from the Province and LHINs for its community-based services.

The Province's current funded per diem bed rate is inadequate to meet the care needs of residents and fully cover the operating costs of Toronto's 10 long-term care homes. In addition, the provincial funding model fails to recognize and allocate sufficient dollars to fund legitimate price differentials amongst different providers. Many of the differences in operating circumstances exist due to provincially controlled factors such as pay equity legislation as it applies to long-term care homes. As a result, the City contributes additional resources to its long-term care operations. It is estimated that the City currently funds about 20% of the operating costs of Toronto homes totalling about \$45.3M.

In addition, both the City of Toronto and the Ontario government provide construction funding for older homes that are in need of major upgrade or redevelopment. Currently, the Province of Ontario has embarked on the Long-Term Care Home Renewal Strategy (announced on July 31, 2007), and as part of this Strategy 6 City long-term care homes classified as either B or C have been identified for redevelopment over a span of 10 to 15 years. The cost to redevelop these homes is significant and has not been fully included in the City's capital plans and budget.

5B. Core Service Review

In 2011, Toronto conducted a Core Service Review of all its services and agencies with assistance from KPMG LLP. The Core Service Review examined what services the City delivers and at what service level. Using a core service filter, the City's services were assessed along a core continuum and ranked by the following categories:

- **Mandatory:** required by legislation;
- **Essential:** critical to the operation of the City;
- **Traditional:** provided by virtually all large municipalities for many years; and
- **Other/Discretionary:** provided by the City to respond to community needs.

KPMG also put forward options and opportunities for the City's consideration to change services and service levels, provided preliminary information on the risks and implications of making these changes and potential timelines for implementation and provided a high level order of magnitude of potential savings for each opportunity. The opportunities identified through the Core Service Review related to Long-Term Care Homes & Services as stated by KPMG, include:

- Transfer of most municipal operated Long-Term Care homes to operation by non-profit community organizations which could reduce costs and transfer net costs to the Province over time.
- Sale of municipally operated Long-Term Care homes to private sector operators would reduce city costs more quickly and may provide some recovery of investment in buildings.
- Re-engineer the operations of the Long-Term Care homes to achieve specified target cost reductions.
- Terminate community-based programs or transfer day programs to community agency.

The service profile for Long-Term Care Homes & Services developed by KPMG for the purposes of the Core Service Review is attached as Attachment C.

5C. Study Focus

The focus of this study is to deliver the Services required in this Statement of Work (in part 3(b) above) by examining the City's delivery of long-term homes and community-based programs. The following areas have been identified for review and analysis:

- Review Other Jurisdictions and Best Practices
- Stakeholder Consultations
- Delivery of Long-Term Care Homes and Community-Based Programs

Part A – Review Other Jurisdictions and Best Practices

The consultant will:

- Undertake a streamlined review of expert and academic literature that identifies measures of quality of care for long-term care homes and community-based programs, best practices, emerging challenges (including demographic trends) and risks that should guide service delivery.
- Review the delivery of long-term care homes and community-based programs in comparable jurisdictions and applicable under Ontario legislation, with jurisdictions to be determined in consultation with the Deputy City Manager and General Manager.

Part B - Stakeholder Consultations

The consultant will undertake stakeholder consultations to inform the analysis and proposed options and recommendations, including:

- Plan and undertake consultations that will include LTCHS residents, clients and their families, Ministry of Health and Long-Term Care, Local Health Integration Networks that work with the City, Home and Program Advisory members, academics and other key stakeholders to ensure that public input and feedback informs the study process, including the development of recommendations and options.
- The final list of stakeholders to be consulted will require approval by the City of Toronto as part of the study work plan and prior to the commencement of services.

Part C – Delivery of Long-Term Care Homes and Community-Based Programs

The City's 10 long-term care homes provide a combination of 2641 approved beds, including 2570 long-stay beds, 38 beds for convalescent care, 17 short-stay beds and 16 beds for behavioural support care. The City's long-term care homes are unique in the long-term care system in that they service diverse and vulnerable populations, including marginalized, low-income and hard to care for individuals.

The *Ontario Long-Term Care Homes Act* requires that a municipality must operate at least one long-term care home. Under the Act, a municipality operates under Ministerial Approval which requires that the Minister must approve the establishment of a municipal home as well as specify the number of beds for the home. Whereas municipalities are given Ministerial Approval to operate a home or homes, not-for-profit and for-profit homes must obtain a "licence" which must be renewed and may be transferred to another entity (with conditions). Municipal beds are considered "approved" beds (as opposed to "licensed" beds) whose approval never expires, and which cannot be transferred or sold. As stipulated in the Act, municipal beds can only be returned to the Province and require a 5-year notice period to the Province. The City operates about 2641 "approved" beds.

Community-Based Programs

The Division's Community-based programs serve over 4000+ clients annually, and include Adult Day Programs, Supportive Housing Services, Homemaking & Nurse Services, and the meals-on-wheels program.

Specifically, the consultant will:

- Review the City's delivery of long-term care homes and community-based programs to assess and evaluate the costs (including per-diem rates and cost-drivers), service levels, funding, quality of care attributes and benefits, resident and client base, and legislative requirements as compared to municipal, not-for-profit and for-profit/commercial delivery of long-term care homes and community-based services.
- Based on the assessment of the City's delivery of long-term care homes and community-based programs and the findings from Part A and B, 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 minimizing risk for residents/clients, the City's unique resident/client base and corresponding care requirements, service quality and service impacts. The recommendations must include specifics on the following attributes:
 - principles and criteria for determining municipal delivery of long-term care homes and community-based programs;
 - the role of municipal delivery in long-term care homes and community-based programs;
 - the proportion of long-term care homes (and bed configuration) and community-based programs that should be delivered directly by the City;

- opportunities for re-engineering support services, including outsourcing, at directly operated municipal long-term care homes; and
 - Identify strengths, limitations, risks and challenges including potential implications with respect to costs, service levels, service delivery, staffing requirements, quality of care for residents and clients, funding and cost-sharing balance, and legislative requirements.
- If the consultant is proposing changes to the City's delivery of long-term care homes and community-based programs, include specifics on the following:
 - alignment with the City's Seniors Strategy;
 - estimated order of magnitude cost savings for 2013 and future years;
 - a detailed implementation work plan, time lines and estimated implementation costs including phased implementation if appropriate; and
 - estimated short, medium and long term operating and capital investments if required.

6. Project Management

The external Management Consultant will report to the City Manager through the Strategic and Corporate Policy Division. The City Manager's designate and key project contact is:

Lynda Taschereau
 City Manager's Office
 11th Floor, East Tower, City Hall
 100 Queen Street West
 Toronto ON M5H 2N2
 Phone: 416-392-6783
 E-mail: ltascher@toronto.ca

7. Attachments and Information

Respondents are reminded to refer to the original REOI and Addenda, especially Appendix B, Terms and Conditions. Additional information to assist with Responses to this Statement of Work is:

- A. Long-Term Care Homes & Services Division Program Map – [Attachment A](#)
- B. Long-Term Care Homes & Services Division Organizational Charts – [Attachment B](#)

- C. Long-Term Care Homes & Services Division KPMG Service Profile developed for the purposes of the Core Service Review – Attachment C
- D. Long-Term Care Homes & Services Division Strategic Directions – [Attachment D](#)
- E. 2012 Budget Information:
http://www.toronto.ca/budget2012/pdf/op12_an_cs.pdf
- F. Service Review website at:
<http://www.toronto.ca/torontoservicereview/>
- G. Report from the City Manager on the Update on the Core Service Review and Service Efficiency Studies (January 6, 2012) –
<http://www.toronto.ca/legdocs/mmis/2012/ex/bgrd/backgroundfile-44209.pdf>

Appendix A to Item BU21.1 - Status of Council Decision on the Core Service Review (January 6, 2012) –
<http://www.toronto.ca/legdocs/mmis/2012/ex/bgrd/backgroundfile-44210.pdf>

Appendix B to Item BU21.1 - Status of the Service Efficiency Study Program (January 6, 2012) –
<http://www.toronto.ca/legdocs/mmis/2012/ex/bgrd/backgroundfile-44211.pdf>
- H. Profiles of City Programs, Agencies and Corporations (as contained in Council Briefing Book, Volume 2) – Refer to [PDF document attached to the e-mail](#) inviting your firm to respond to this SOW.
- I. Panel Presentations to the Community Development and Recreation Committee on Long-Term Homes & Services (Item CD 9.1), January 11, 2012 -
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.CD9.1>