



Toronto 2015 BUDGET

OPERATING ANALYST NOTES



Long-Term Care Homes & Services

2015 OPERATING BUDGET OVERVIEW

Long-Term Care Homes & Services provide a variety of long-term health care services for residents in the City's long-term care homes and for vulnerable individuals who reside in the community.

2015 Budget Highlights

The total cost to deliver this service to Toronto residents in 2015 is \$242.102 million gross and \$46.159 million net as shown below.

(in \$000's)	2014 Approved Budget	2015 Budget	Change	
			\$	%
Gross Expenditures	231,799.5	242,101.5	10,302.0	4.4%
Gross Revenues	186,009.8	195,942.7	9,932.9	5.3%
Net Expenditures	45,789.7	46,158.8	369.1	0.8%

For 2015, Long-Term Care Homes & Services was facing a net pressure of \$2.581 million net due mainly to inflationary cost increases to salaries and benefits and non-payroll expenses. Through on-going operational efficiencies, savings from the elimination of the shift overlap, and Ministry of Health Long-Term Care (MOHLTC) user fee rate increase for basic and preferred accommodations, the Program was able to partially offset these pressures by \$2.212 million.

As a result, Long-Term Care Homes & Services' 2015 Operating Budget increased by an incremental \$0.369 million to maintain the 2014 level of service.

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Contents

Overview & Recommendations

I: 2015–2017 Service Overview and Plan	5
II: 2015 Budget by Service	15
III: Issues for Discussion	26

Appendices:

1. 2014 Performance	30
2. Operating Budget by Expense Category	32
3. 2015 Organization Chart	33
4. Summary of 2015 Service Changes	N/A
5. Summary of 2015 New & Enhanced Service Changes	N/A
6. Inflows/Outflows to / from Reserves & Reserve Funds	N/A
7. 2015 User Fee Rate Changes	N/A

Fast Facts

- All ten long-term care homes offer a variety and care services such as dementia care, Gentlecare™, physiotherapy, occupational therapy, dental care, optometry, complementary care, art and music therapy, lesbian, gay, bi and transgendered supports, community outreach including volunteer programs, and spiritual and religious care.
- Supportive Housing Services at 9 sites to 465 seniors
- 4 Adult Day Programs operating out of City-run long-term care homes providing 14,010 client days.
- Approximately 2,600 clients throughout the City assisted by Homemakers and Nurses Services.
- Acuity, which measures care levels, continues to increase year-over-year.
- LTCHS has residents that require increasingly complex interventions including challenging behaviours, associated dementias and mental illnesses.

Trends

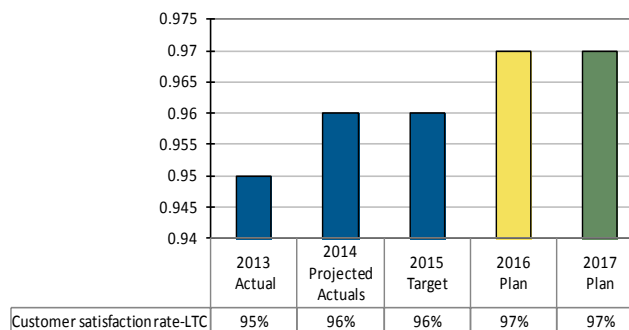
- LTCHS provides surveys to clients and residents to assess their level of satisfaction with services provided by *Long-Term Care Homes*.
- The City of Toronto long-term care homes have historically experienced high satisfaction ratings.

Our Service Deliverables for 2015

Long-Term Care Homes & Services provides exemplary long-term care services to residents and clients, and actively participates in the creation of an effective continuum of care through strong partnerships with other health care organizations and community partners. The 2015 Operating Budget of \$242.102 million gross and \$46.159 million net will enable the Program to:

- Continue the delivery of long-term care services including permanent, convalescent, and short-stay care offered at 10 long-term care homes with 2,641 beds (145 are currently in abeyance due to capital redevelopment at the Kipling Acres long-term care home);
- Continue to provide 14,010 client days of service for Adult Day Programs offering safe recreation, social and wellness activities for frail seniors;
- Continue to provide Supportive Housing services to approximately 465 seniors who need housekeeping, light meal preparation, personal care, medication reminders and security checks in their own homes;
- Continue to support Meals on wheels by preparing 2,400 meals per week for distribution; and
- Continue to provide 86,000 client visits per year under the Homemakers and Nurses Services program in support of the "aging at home strategy" by providing light housekeeping, laundry and incidental grocery shopping.

Long-Term Care Homes Resident Satisfaction Rate

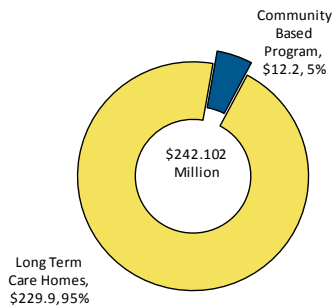


2015 Operating Budget Expenses & Funding

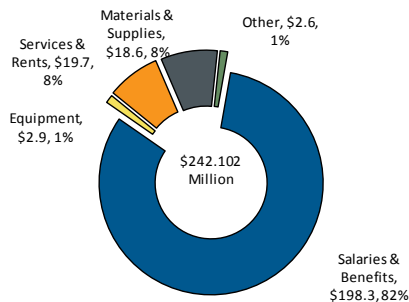
Our Key Challenges & Priority Actions

Where the money goes:

2015 Budget by Service
\$242.102 Million

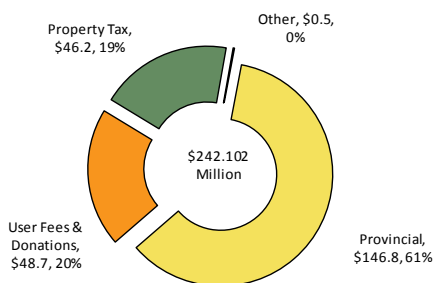


2015 Budget by Expenditure Category



Where the money comes from:

2015 Budget by Funding Source



- **Rise in resident acuity, which measures care levels, complexity of resident care needs, as well as a growing demand for specialized services.**

 - ✓ This will be managed by providing long-term care and services through permanent admission, short stay and convalescent care for residents with multiple diagnoses and complex care needs.
 - ✓ The 2015 Operating Budget includes \$4.993 million in increased Provincial funding to address rise in resident acuity.
 - ✓ LTCHS will continue to advocate for additional funding from the Province.
- **Current Provincial funding is not adequate to meet the increasing and complex needs of LTC residents.**

 - ✓ The 2015 Operating Budget includes increased Provincial funding of \$0.289 million for the provision of community based services to support individuals living in the community to maintain their independence.
 - ✓ LTCHS will continue to respond to community needs by maximizing provincial and LHIN subsidies to maintain an occupancy rate of 97% or higher.

2015 Operating Budget Highlights

- The 2015 Operating Budget for Long-Term Care Homes & Services of \$46.159 million net is \$0.369 million or 0.8% over the 2014 Approved Budget.
- Base budget pressures arising from inflationary costs increases in salary and non-salary expenses were partially offset by revenue changes and line-by-line review savings.
- Increased Provincial funding is included for several community based programs as well as increased investment in Convalescent Care Program (CCP) to realign 11 long-stay beds to convalescent care beds to address community needs.

Council Approved Budget

City Council approved the following recommendations:

1. City Council approve the 2015 Recommended Operating Budget for Long-Term Care Homes & Services of \$242.102 million gross, \$46.159 million net for the following services:

<u>Service</u>	Gross (\$000s)	Net (\$000s)
Community Based Program:	12,183.8	1,395.3
Long-Term Care Homes:	229,917.7	44,763.5
Total Program Budget	242,101.5	46,158.8

2. City Council approve the 2015 recommended service levels for Long-Term Care Homes & Services as outlined on pages 17 and 22 of this report, and associated staff complement of 2,225.9 positions.



Part I:

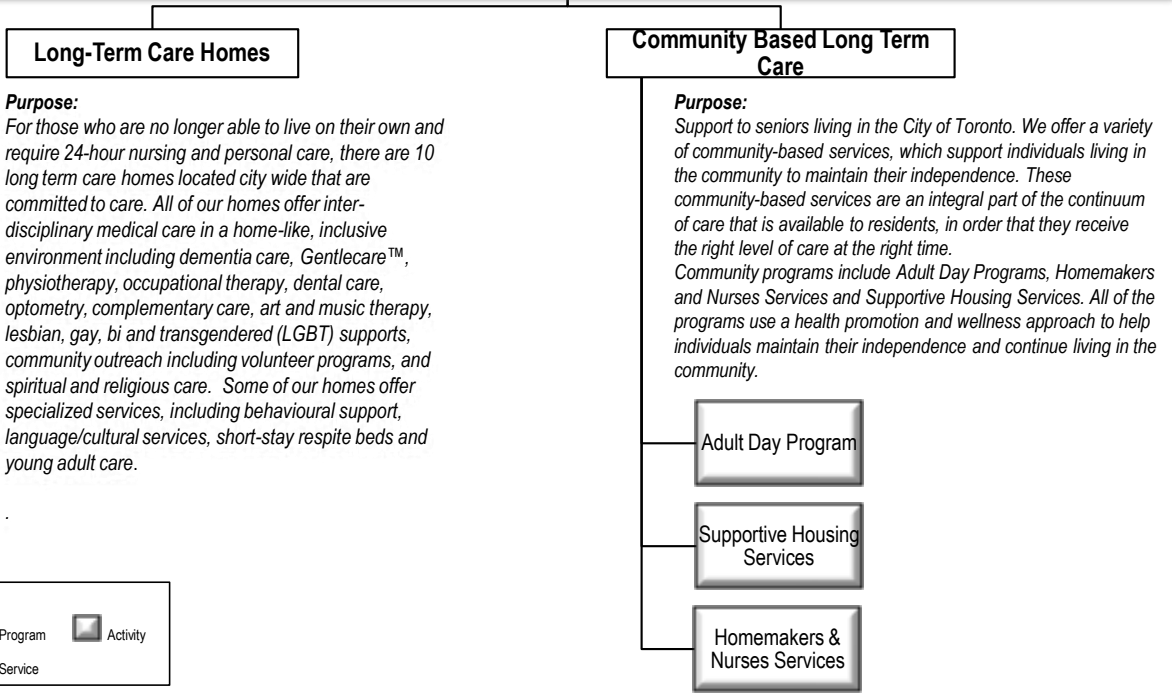
2015 – 2017

Service Overview and
Plan

Program Map

Long-Term Care Homes & Services

Long-Term Care Homes & Services provides a variety of long-term healthcare services for residents in the City’s long-term care homes and for vulnerable individuals who reside in the community. The scope of services provided includes: 10 long-term care homes, providing permanent, convalescent and short-stay admissions; Community support programs, including adult day programs, supportive housing services, and homemaking services. As leaders in excellence and ground-breaking services for healthy aging, we are committed to providing exemplary long-term care services to residents and clients, and to actively participating in the creation of an effective continuum of care through strong partnerships with other health care organizations and community partners.



Service Customer

Long-Term Care Homes

- 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

Community Based Program

- 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

2015 Service Deliverables

Long-Term Care Homes & Services provides exemplary long-term care services to residents and clients, and actively participates in the creation of an effective continuum of care through strong partnership with other health care organizations and community partners. The 2015 Operating Budget of \$242.102 million gross and \$46.159 million net will enable the program to:

- Continue the delivery of long-term care services including permanent, convalescent, and short-stay care offered at 10 long-term care homes with 2,641 beds (145 are currently in abeyance due to capital redevelopment at the Kipling Acres long-term care home);
- Continue to provide 14,010 client days of service at Adult Day Programs offering safe recreation, social and wellness activities for frail seniors;
- Continue to provide Supportive Housing services to approximately 465 seniors who need housekeeping, light meal preparation, personal care, medication reminders and security checks in their own homes;
- Continue to support Meals on wheels by preparing 2,400 meals per week for distribution; and
- Continue to provide 86,000 client visits per year under the Homemakers and Nurses Services program in support of the "aging at home strategy" by providing light housekeeping, laundry and incidental grocery shopping.

Table 1
2015 Operating Budget and Plan by Service

(In \$000s)	2014		2015 Operating Budget					Incremental Change 2016 and 2017 Plan			
	Approved Budget	Actual	2015 Base	2015 New/Enhanced	2015 Budget	2015 vs. 2014 Budget		2016		2017	
						Approved	Changes	\$	%	\$	%
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Community Based Program											
Gross Expenditures	11,499.9	11,238.3	12,183.8		12,183.8	683.9	5.9%	127.0	1.0%		
Revenue	10,104.6	10,003.8	10,788.5		10,788.5	683.9	6.8%	127.0	1.2%		
Net Expenditures	1,395.3	1,234.5	1,395.3		1,395.3	(0.0)	(0.0%)				
Long-Term Care Homes											
Gross Expenditures	220,299.6	215,287.4	229,917.7		229,917.7	9,618.1	4.4%	13,419.3	5.8%	2,435.4	1.0%
Revenue	175,905.2	174,149.9	185,154.2		185,154.2	9,249.0	5.3%	10,800.0	5.8%	2,000.0	1.1%
Net Expenditures	44,394.4	41,137.5	44,763.5		44,763.5	369.1	0.8%	2,619.3	5.9%	435.4	1.0%
Total											
Gross Expenditures	231,799.5	226,525.7	242,101.5		242,101.5	10,302.0	4.4%	13,546.3	5.6%	2,435.4	1.0%
Revenue	186,009.8	184,153.7	195,942.7		195,942.7	9,932.9	5.3%	10,927.0	5.6%	2,000.0	1.0%
Total Net Expenditures	45,789.7	42,372.0	46,158.8		46,158.8	369.1	0.8%	2,619.3	5.7%	435.4	0.9%
Approved Positions	2,179.8	2,179.8	2,225.9		2,225.9	46.1	2.1%	151.0	6.8%	26.0	1.2%

Note: 2014 Actual Expenditures are System Generated

The 2015 Operating Budget for Long-Term Care Home & Services is \$242.102 million gross and \$46.159 million net. The net budget increased by \$0.369 million or 0.8% due to the following.

- Base budget pressures of \$2.581 million net arising in *Long-Term Care Homes* service are driving the overall cost for this Program due mainly to cost of living adjustments to salary and benefits, as well as general inflationary increase for non-payroll expenditures.
- The above base budget pressures were partially offset through line-by-line review savings of \$0.557 million net and savings of \$1.316 million net achieved from the phased-in elimination of the half-hour shift overlap at the long-term care homes in accordance with the Local 79 Collective Agreement. Revenue adjustment generated by a user fee rate increase for basic and preferred accommodations account for the remaining \$0.339 million savings.
 - Base budget pressures of \$0.684 million arising in *Community Based Program* service were fully offset by Provincial funding from MOHLTC and LHINS.
- The 2016 and 2017 Plans reflect the inflationary cost increase for progression pay. As 2016 is a collective bargaining year, no cost of living allowance estimate has been included. Further, the 2016 Plan includes a pressure of \$2.200 million resulting from the reopening of the 145-bed Kipling Acres facility currently under development.

Approval of the 2015 Operating Budget results in Long-Term Care Homes & Services increasing its total staff complement by 46.1 positions from 2,179.8 to 2,225.9, as highlighted in the table below:

Table 2
2015 Total Staff Complement

Changes	2015 Budget			Plan	
	Community Based Program	Long-Term Care Homes	Total	2016	2017
2014 Approved Complement	41.2	2,138.6	2,179.8	2,225.9	2,376.9
Adjusted 2014 Staff Complement	41.2	2,138.6	2,179.8	2,225.9	2,376.9
Recommended Change in Staff Complement					
MOHLTC Funding Policy Change		3.0	3.0		
Convalescent Care Program		3.7	3.7		
Resident Acuity and Service Level Standards		18.9	18.9	26.0	26.0
Community Programs - Access to Services	2.9		2.9		
Elimination of Shift Overlap		18.5	18.5		
Kipling Acres - Opening of 145 Bed Home				125.0	
Operating Efficiencies		(0.9)	(0.9)		
Total	44.1	2,181.8	2,225.9	2,376.9	2,402.9
Position Change Over Prior Year	2.9	43.2	46.1	151.0	26.0
% Change Over Prior Year	7.09%	2.02%	2.11%	6.78%	1.09%

- The 2015 Budget includes an increase of 46.1 positions primarily in *Long-Term Care Homes* service as follows:
 - An increase of 3.0 positions is a result of Ministry of Health and Long-Term Care (MOHLTC) mandated additional dedicated funding for physiotherapy services, recreational and social activities from the Local Health Integration Networks (LHINs).
 - An increase of 3.7 positions is for the Convalescent Care Program (CCP) and is fully funded by the Province to assist resident's recovery from severe illness or injuries.
 - An increase of 18.9 positions reflects the need to address the growing complexity and acuity of care in long-term care homes. These positions are fully funded by MOHLTC.
 - An addition of 2.9 positions in the *Community Based Program* service is necessary to meet the growing needs of the communities and added positions, fully funded by the MOHLTC, will assist in reducing current wait list by increasing the number of clients served at West Don Apartments from 60 to 75 and extending the hours of operations of Kipling Acres' Adult Day Program by 1 hour.
 - An increase of 18.5 positions is a result of the phased in elimination of the half-hour shift overlap (15 minutes in 2015) at the homes in accordance with the Local 79 Collective Agreement ratified in February 2012. The increase in FTEs is due to an adjustment to the full time equivalent of part-time hours.
 - The 2015 service changes will result in the reduction of 0.9 positions from operating efficiency savings outlined in the next section.

The 2015 Operating Budget includes base expenditure pressures of \$12.828 million, primarily attributable to salary and non-salary inflationary increases which have been partially offset by \$10.247 million in base revenue adjustments as detailed below:

Table 3
Key Cost Drivers

(In \$000s)	2015 Operating Budget		Total 2015 Base Budget
	Community Based Program	Long-Term Care Homes	
Gross Expenditure Changes			
Economic Factors			
Utilities (cost to operate)		280.1	280.1
COLA and Progression Pay			
COLA		3,136.7	3,136.7
Benefits		592.2	592.2
Progression Pay		380.3	380.3
Technical Adjustments		3,063.9	3,063.9
Other Base Changes			
IDC/IDR inflationary increases		100.3	100.3
Vulnerable Sector Screening Fees - Police Reference Checks (PRCs)		20.4	20.4
Wage Enhancement Funding for Personal Support Workers (PSWs))	381.0		381.0
MOHLTC Funding Policy Changes		248.3	248.3
Convalescent Care Program		331.8	331.8
Resident Acuity and Service Level Standards	13.5	3,989.9	4,003.4
Community Programs - Access to Services	289.4		289.4
Total Gross Expenditure Changes	683.9	12,143.9	12,827.8
Revenue Changes			
Provincial Subsidy Increase		4,992.7	4,992.7
Wage Enhancement Funding for Personal Support Workers (PSWs))	381.0		381.0
MOHLTC Funding		248.3	248.3
Convalescent Care Program		331.8	331.8
Resident Acuity and Service Level Standards	13.5	3,989.9	4,003.4
Community Programs - Access to Services	289.4		289.4
Total Revenue Changes	683.9	9,562.7	10,246.6
Net Expenditure Changes		2,581.2	2,581.2

The base budget changes in *Community Based Program* Service have been fully offset by additional Provincial funding from MOHLTC and LHIN. The base budget pressures arising from inflationary increases for staff and utility costs are primarily driving the costs for *Long-Term Care Homes* Services and consequently for the Program.

Key cost drivers are described below:

- Non-labour economic factors for utilities add a pressure of \$0.280 million.
- Cost of living adjustments, including contractually obligated cost of living allowance, progression pay and associated fringe benefit adjustments create a pressure of \$7.173 million.
- *Vulnerable Sector Screenings Fees –Police Reference Checks (PRCs)*: City Council on August 25, 26, 27 and 28, adopted item EX44.26 "Compliance with User Fee Policy – Toronto Police Services Proposed Vulnerable Sector Screening (VSS) Fees and New User Fees". The new Vulnerable Sector Screening (VSS) fees based on an estimated 753 VSS check applications for Long-Term Care Homes service will add a pressure of \$0.020 million.
- *Provincial Subsidy Increase*: The 2015 Operating Budget includes a \$4.993 million increase in Provincial subsidies for acuity, subject to confirmation through the 2015 Provincial Budget. Expenditures will not be incurred until the funding is confirmed and received by the MOHLTC.
- *Wage Enhancement Funding for Personal Support Workers (PSWs)*: A \$0.381 million increase in expenditures to *Supportive Housing Services* under the Community Based Program service will be funded by the MOHLTC and LHIN with no net impact to the City. This increased funding will support an incremental hourly rate increase for the Personal Support Workers (PSWs) that work in the community care sector. The MOHLTC intends to increase the hourly wage of publicly funded PSWs who work in the community care settings by \$4.00 over the next three years.
- *Ministry Funding Policy Changes*: A \$0.248 million increase in expenditures for the *Long-Term Care Homes* service will be fully funded by the MOHLTC and LHIN. The additional funding is a result of MOHLTC mandated additional dedicated funding for physiotherapy services, recreational and social activities and is intended to improve senior and LTC Homes residents daily activities, strength, endurance and help them recover from illnesses and injuries.
- *Convalescent Care Program*: In order to meet the growing needs of the community, additional services will be realigned to the Convalescent Care Program (CCP) which is provided by *Long-Term Care Homes* service for \$0.332 million. This initiative is fully funded by the MOHLTC and LHIN.
 - The CCP will provide 24-hour care to people who require specific medical and therapeutic services in a supportive environment. The program will help the patient recover their strength, endurance and functioning before returning home. This increased investment will realign 11 long-stay beds to the CCP to address community needs.
- *Resident Acuity and Service Level Standards*: The rising complexity of care needs and acuity, which measures care levels, will require skill and competency training for staff at all levels of the organization. This initiative will add a pressure of \$4.003 million which will be fully funded by MOHLTC and LHIN.
- *Community Programs – Access to Services*: A \$0.289 million increase in expenditure to the *Community Based Program* service will be fully funded by the MOHLTC and LHIN. The additional funding will help address the growing needs of the community and reduce current wait lists which will result in increased number of clients served at West Don Apartments from 60 to 75 and extend the hours of operations of Kipling Acres' Adult Day Program by 1 hour.

In order to offset the above base pressures, predominately in *Long-Term Care Homes* service, base budget reductions of \$1.873 million net and revenue changes of \$0.339 million are included as listed in the table below:

Table 4
2015 Total Service Change Summary

Description (\$000s)	2015 Service Changes		Total Service Changes			Incremental Change			
	Long-Term Care Homes		\$	\$	#	2016 Plan		2017 Plan	
	Gross	Net	Gross	Net	Position	Gross	Net	Gross	Net
Base Changes:									
Base Expenditure Changes									
<i>Operating Efficiencies - Line by Line savings</i>	(728.2)	(557.1)	(728.2)	(557.1)	(0.9)				
<i>Elimination of Shift Overlap</i>	(1,315.5)	(1,315.5)	(1,315.5)	(1,315.5)	18.5				
Base Expenditure Change	(2,043.7)	(1,872.6)	(2,043.7)	(1,872.6)	17.6				
Base Revenue Changes									
<i>User Fees and Other Revenues</i>		(339.4)		(339.4)					
Base Revenue Change		(339.4)		(339.4)					
Sub-Total	(2,043.7)	(2,212.0)	(2,043.7)	(2,212.0)	17.6				
Total Changes	(2,043.7)	(2,212.0)	(2,043.7)	(2,212.0)	17.6				

*There are no service changes for Community-Based Program Service

Base Expenditure Changes (Savings of \$2.044 million gross & \$1.873 million net)

Operating Efficiencies – Line by Line savings

- Savings of \$0.557 million net are realized through a line-by-line expenditure review to reflect actual experience. Reductions include savings in line expense items to reflect actual historical expenditures, and adjustments to staffing costs. These reductions will be achieved without impacting service levels.

Elimination of Shift Overlap

- Savings of \$1.316 million net in 2015 will be realized through the phased-in elimination of the half-hour shift overlap at the homes in accordance with the Local 79 Collective Agreement ratified in February 2012.
- The Collective Agreement provides for the elimination of the half-hour shift overlap for all existing employees phased in through 2013 to 2015 resulting in savings of \$0.200 million in 2013, \$0.660 million in 2014, and \$1.316 million in 2015.
- The half-hour shift overlap for new Long-Term Care employees is being 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 are being utilized to facilitate the knowledge transfer without the need for a shift overlap.

- An increase of 18.5 positions is due to the elimination of the half-hour shift overlap at the homes in accordance with the Local 79 Collective Agreement ratified in February 2012. The increase in FTEs is due to an adjustment to the full time equivalent of part-time hours being divided by a smaller denominator (i.e. 37.5 hour vs. 40 hour week).
- Total savings of \$2.176 million have been achieved through the phased-in elimination of the shift overlap between 2013 and 2015 with \$0.200 million in 2013, \$0.660 million in 2014, and \$1.316 million in 2015.

Base Revenue Changes (Savings of \$0.339 million net)

- The increase of \$0.339 million in user fees and other revenues will be realized through a user fee rate increase for basic and preferred accommodations which are mandated by the Ministry of Health and Long-Term Care (MOHLTC). The rate increases are for basic and preferred accommodation resident user fees.

The 2015 Operating Budget will result in a 2016 incremental cost of \$2.619 million net and a 2017 incremental cost of \$0.435 million net to maintain the 2015 level of service as discussed in the next section.

Table 6
2016 and 2017 Plan by Program

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Economic Factor - Non-Salary Corporate Changes						4.9		4.9	0.0%	
Progression Pay	419.3		419.3	0.9%		430.5		430.5	0.9%	
Resident Acuity and Service Level Standards	2,000.0	2,000.0			26.0	2,000.0	2,000.0			26.0
Kipling Acres - Opening of 145 Bed Home	11,000.0	8,800.0	2,200.0	4.8%	125.0					
Wage Enhancement Funding for Personal Support Workers (PSWs)	127.0	127.0								
Sub-Total	13,546.3	10,927.0	2,619.3	5.7%	151.0	2,435.4	2,000.0	435.4	0.9%	26.0
Total Incremental Impact	13,546.3	10,927.0	2,619.3	5.7%	151.0	2,435.4	2,000.0	435.4	0.9%	26.0

Future year incremental costs are primarily attributable to the following:

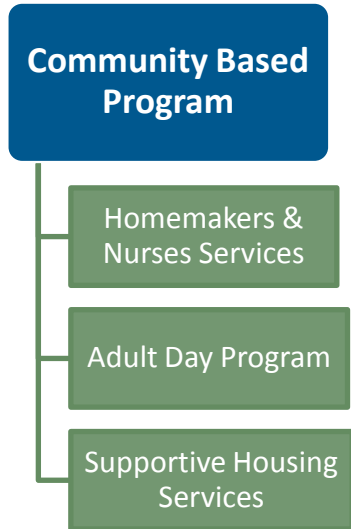
Known Impacts

- Progression pay accounts for an incremental increase of \$0.419 million net in 2016 and \$0.431 million net in 2017 for non-union management staff. Since 2016 is a collective bargaining year, no estimate of cost of living allowance is included.
- The 2016 Plan includes net operating cost increase of \$2.200 million as a result of reopening of the 145-bed Kipling Acres facility, currently under development.
 - It is anticipated that total savings of \$2.176 million net achieved through the elimination of the shift overlap in 2013 through 2015 will partially offset the Kipling Acres net operating cost increase of \$2.200 million net. (Refer to the table in the previous section)
- The incremental hourly rate increase for the Personal Support Workers (PSWs) working in the community care sector will require an additional \$0.127 million gross, \$0 net in 2016 and 2017.
- An incremental \$2.000 million gross and \$0 net is required in 2016 and 2017 to address the rising complexity of care needs and acuity, which requires skill and competency training for staff at all levels of the organization and will be fully funded by MOHLTC and LHINs.



Part II:
2015 Budget by Service

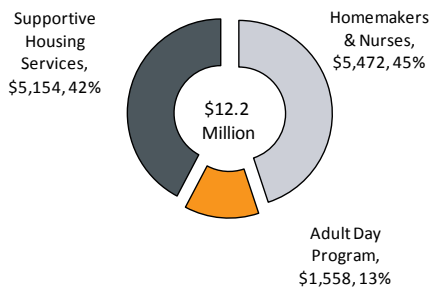
Community Based Program



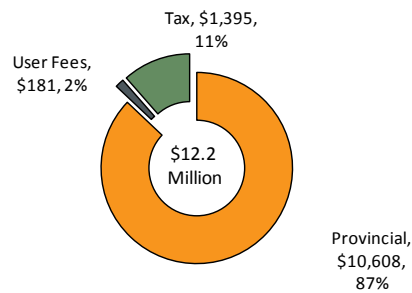
What We Do

- Provide in-home support services for persons living in the community to maintain their independence.
- Provide day-time wellness programming, recreation and social activities for frail seniors living in the community.
- Provide services such as assistance with personal care, and light housekeeping in supportive housing sites.
- Prepare pre-packaged, healthy meals for community clients served through community-based meals-on-wheels programs.

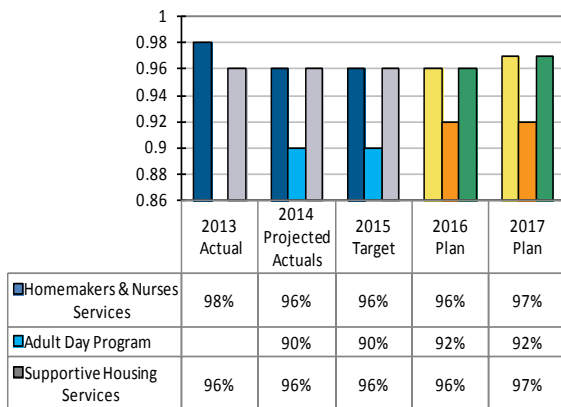
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Customer satisfaction rate



- LTCHS provides surveys to clients to assess their level of satisfaction with services provided by the program.
- The satisfaction rate for the Homemakers & Nurses Services has been stable since 2013 and is expected to maintain at or above the 97% target.
- The satisfaction rate for the Adult Day Program Services has been stable since 2013 and is expected to maintain at or above the 90% target.
- The satisfaction rate for the Supportive Housing Services has been stable since 2013 and is expected to be maintained at or above the 96% target.

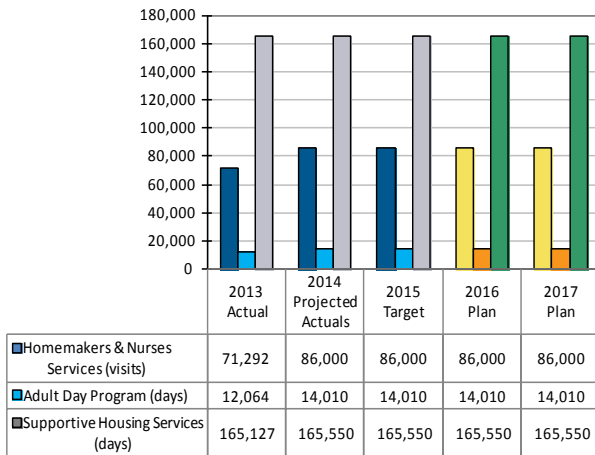
**2015 Service Levels
Community Based Programs**

Activity	Type	Status	Service Levels			2015 Recommended
			2012	2013	2014	
Adult Day Program	Adult Day Services	Approved	Mon-Fri, 52 Weeks/year			Service Availability (Adult Day Programs): Mon-Fri, 52 Weeks/year
Supportive Housing Services	Personal Care and Homemaking	Approved	24 hours/day, 365 day/year			Service Availability (Supportive Housing Services): 24 hours/day, 365 day/year
Homemakers & Nurses Services	Homemaking	Approved	Mon-Fri, 52 Weeks/year			Service Availability (Homemakers & Nurses Services): Mon-Fri, 52 Weeks/year

The 2015 Service Levels for *Community Based Programs* Service now include service availability on a daily basis for various programs offered by this service.

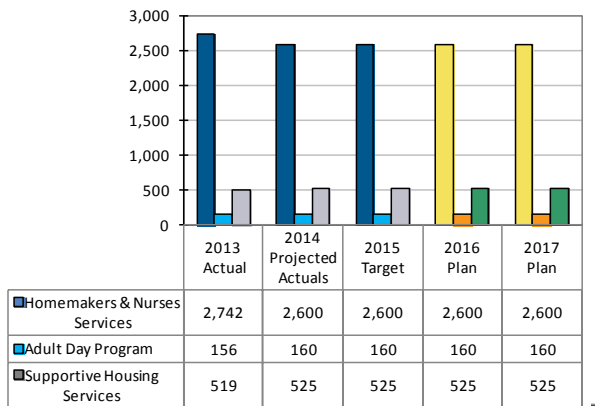
Service Performance

Number of visits (client days)



- The number of client visits made per year for the Homemakers & Nurses Services has increased from 71,292 visits in 2013 to 86,000 visits in 2014 and is expected to be maintained at this level for 2015 and future years.
- The number of client days made per year for the Adult Day Program has increased from 12,064 client days in 2013 to 14,010 client days in 2014 and is expected to be maintained at this level for 2015 and future years.
- A similar trend has been identified for client days for Supportive Housing which increased from 165,127 client days in 2013 to 165,550 in 2014 and is expected to be maintained at this level for 2015 and future years.

Number of clients served



- The number of clients served in Homemakers & Nurses Service has decreased from 2,742 in 2013 to 2,600 in 2014 and is expected to be maintained at this level for 2015 and future years mainly due to general client turn over.
- The number of clients served in Adult Day Program has increased from 156 clients served in 2013 to 160 in 2014 and is expected to be maintained at this level for 2015 and future years.
- A similar trend has been identified for clients served for Supportive Housing Services.

Table 7
2015 Service Budget by Activity

(\$000s)	2014	2015 Operating Budget						2015 Budget vs. 2014 Budget		Incremental Change			
	Approved Budget	Base Budget	Service Changes	2015 Base	Base Budget vs. 2014 Budget	% Change	New/Enhanced			2015 Budget	2016 Plan		2017 Plan
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	
GROSS EXP.													
Homemakers & Nurses Services	5,471.6	5,471.6		5,471.6				5,471.6					
Adult Day Program	1,371.0	1,557.9		1,557.9	186.9	13.6%		1,557.9	186.9	13.6%			
Supportive Housing Services	4,657.3	5,154.3		5,154.3	497.0	10.7%		5,154.3	497.0	10.7%	127.0	2.5%	
Total Gross Exp.	11,499.9	12,183.8		12,183.8	683.9	5.9%		12,183.8	683.9	5.9%	127.0	1.0%	
REVENUE													
Homemakers & Nurses Services	4,076.3	4,076.3		4,076.3				4,076.3					
Adult Day Program	1,371.0	1,557.9		1,557.9	186.9	13.6%		1,557.9	186.9	13.6%			
Supportive Housing Services	4,657.3	5,154.3		5,154.3	497.0	10.7%		5,154.3	497.0	10.7%	127.0	2.5%	
Total Revenues	10,104.6	10,788.5		10,788.5	683.9	6.8%		10,788.5	683.9	6.8%	127.0	1.2%	
NET EXP.													
Homemakers & Nurses Services	1,395.3	1,395.3		1,395.3				1,395.3					
Adult Day Program													
Supportive Housing Services													
Total Net Exp.	1,395.3	1,395.3		1,395.3				1,395.3					
Approved Positions	46.2	44.1		44.1	(2.1)	(4.5%)		44.1	(2.1)	(4.5%)			

The 2015 Operating Base Budget for Community Based Program service of \$12.184 million gross and \$1.395 million net is equivalent to the 2014 Approved Net Budget.

The **Community Based Program** service offers a variety of community based services, which support individuals living in the community to maintain their independence. These community based services are an integral part of the continuum of care that is available to residents, in order that they receive the right level of care at the right time and all use a health promotion and wellness approach to help individuals maintain their independence and continue living in the community.

The *Community Based Program* service includes 3 activities which are discussed as below:

The **Homemakers & Nurses Services** 2015 budget is \$5.472 million gross and \$1.395 million net which is equivalent to the 2014 Approved Budget. The LHINs have not indicated a rate increase for 2015 and as such there is no change from 2014 to 2015.

- The *Homemakers and Nurses Services* program provides in-home support services, such as light housekeeping, laundry, shopping, and meal preparation to low-income individuals in the community (seniors, adults with disabilities and/or chronic illnesses) who require in-home support over an extended period of time in order to remain independently living in the community.

The **Adult Day Program** 2015 Budget of \$1.558 million gross and \$0 net is equivalent to the 2014 Approved Budget. The expenditures related to this activity are fully funded by the MOHLTC and LHINs.

- The *Adult Day Program*, offered at Bendale Acres, Cummer Lodge, Kipling Acres, and Wesburn Manor, offers seniors living in the community a safe, secure environment to go to during the day to participate in wellness programming, recreation and social activities (including lunch-time meal and nourishing snacks) and to connect with peers.
- The following changes are included in the 2015 Budget for *Adult Day Program*:
 - ✓ MOHLTC and LHIN will provide additional funding of \$0.014 million.

- ✓ Increased funding of \$0.173 million will be provided by the MOHLTC and LHIN as part of Community Programs – Access to Services to meet the growing needs of the communities and reduce current wait lists by extending the hours of operations of Kipling Acres Adult Day Program by 1 hour.

The **Supportive Housing Services** 2015 Budget of \$5.154 million gross and \$0 net is equivalent to the 2014 Approved Budget. The expenditures related to this activity are fully funded by the MOHLTC and LHINs.

- *Supportive Housing Services* provides 24-hour on-site supportive housing services, such as assistance with personal care, light housekeeping and laundry, medication reminders, security checks and light meal preparation to eligible clients who are tenants in designated supportive housing buildings.
- The following changes are included in the 2015 Budget for *Supportive Housing Services*:
 - ✓ MOHLTC and LHIN will provide additional funding of \$0.381 million to support an incremental hourly rate increase for the Personal Support Workers (PSWs) that work in the community care sector. The MOHLTC intends to increase the hourly rate for community agency personal support workers by \$4.00 over the next three years.
 - ✓ Increased funding of \$0.116 million will be provided by the MOHLTC and LHIN as part of Community Programs – Access to Services to meet the growing needs of the communities and reduce current wait which will increase the number of clients served at West Dons Apartments from 60 to 75.
- The 2016 & 2017 Plans include an incremental hourly rate increase of \$0.127 million for community agency personal support workers.

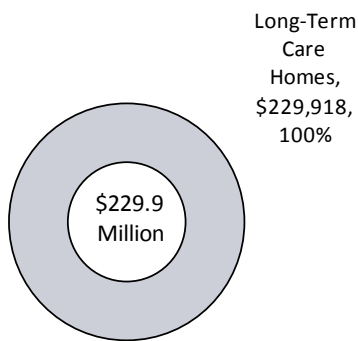
Long-Term Care Homes



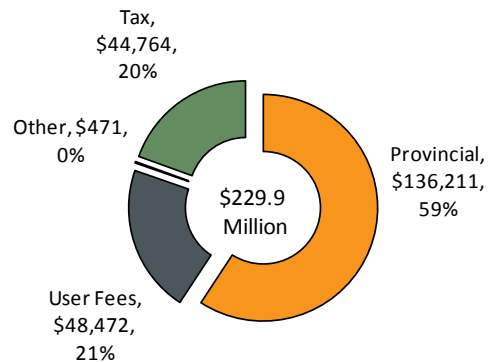
What We Do

- Provide continuum of long-term care and services for residents with multiple diagnosis and varying degrees of physical frailties, cognitive impairments and complex care needs.
- Provide a short-stay admission program, stroke rehabilitation, convalescent care programs, specialized dementia care and specialized behavioural support services.

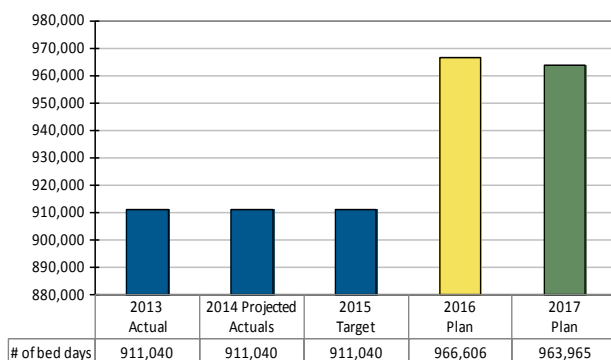
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Number of Bed days



- The total number of bed days available for use by long-term care homes residents has been steady from 2013 to 2015 at 911,940 and is expected to increase up to 963,965 by 2017 as a result of the reopening of 145-bed Kipling Acres long-term care homes.
- The anomaly in 2016 is due to 1 extra day available it being a leap year.

**2015 Service Levels
Long-Term Care Homes**

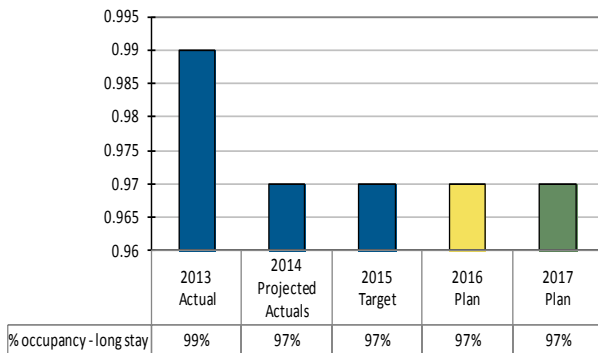
Activity	Type	Status	Service Levels			2015 Recommended
			2012	2013	2014	
	Resident Care - Long Stay	Approved		97% Occupancy		Replaced by "Resident Care - Long Stay, Short Stay, Convalescent Care, and Support Care"
	Resident Care - Short Stay	Approved		50% Occupancy		
	Convalescent Care	Approved		80% Occupancy		
	Behavioural Support Care	Approved		97% Occupancy		
	Resident Care - Long Stay, Short Stay, Convalescent Care, and Support Care	Approved		New in 2015		Service Availability (Long-Term Care Homes): 24 hours/day, 365 day/year

The 2015 Service Levels for *Long-Term Care Homes* now include service availability on a daily basis for various programs offered by this service.

As part of the 2015 Budget process, LTCHS reviewed its 2014 service levels to ensure they were relevant, measurable and client focused. As a result of the review, 4 service levels were deleted and replaced by "Resident Care – Long Stay, Short stay, Convalescent Care and Support Care".

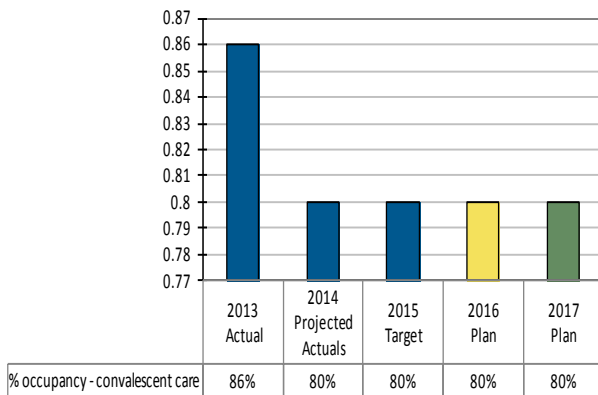
Service Performance

Occupancy Rate for Long-Stay Program



- The occupancy rate under the long-stay program will be maintained at 97% or better.

Occupancy Rate for Convalescent Care Program (CCP)



- The occupancy rate under the Convalescent Care Program (CCP) will be maintained at 80% or better.
- Individuals can stay for a maximum of 90 days per calendar year.

Table 7
2015 Service Budget by Activity

(\$000s)	2014	2015 Operating Budget						2015 Budget vs. 2014		Incremental Change					
	Approved Budget	Base Budget	Service Changes	2015 Base	Base Budget vs. 2014 Budget	% Change	New/Enhanced	2015 Budget	2015 Budget vs. 2014 Budget		2016 Plan		2017 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
Long-Term Care Homes	220,299.6	229,917.7		229,917.7	9,618.1	4.4%		229,917.7	9,618.1	4.4%	13,419.3	5.8%	2,435.4	1.0%	
Total Gross Exp.	220,299.6	229,917.7		229,917.7	9,618.1	4.4%		229,917.7	9,618.1	4.4%	13,419.3	5.8%	2,435.4	1.0%	
REVENUE															
Long-Term Care Homes	175,905.2	185,154.2		185,154.2	9,249.0	5.3%		185,154.2	9,249.0	5.3%	10,800.0	5.8%	2,000.0	1.0%	
Total Revenues	175,905.2	185,154.2		185,154.2	9,249.0	5.3%		185,154.2	9,249.0	5.3%	10,800.0	5.8%	2,000.0	1.0%	
NET EXP.															
Long-Term Care Homes	44,394.4	44,763.5		44,763.5	369.1	0.8%		44,763.5	369.1	0.8%	2,619.3	5.9%	435.4	0.9%	
Total Net Exp.	44,394.4	44,763.5		44,763.5	369.1	0.8%		44,763.5	369.1	0.8%	2,619.3	5.9%	435.4	0.9%	
Approved Positions	2,133.6	2,181.8		2,181.8	48.2	2.3%		2,181.8	48.2	2.3%	151.0	6.9%	26.0	1.1%	

The 2015 Operating Budget for *Long-Term Care Homes* service of \$229.918 million gross and \$44.764 million net is \$0.369 million or 0.8% over the 2014 Approved Net Budget.

The **Long-Term Care Homes** service is committed to providing exemplary long-term care services to residents and clients, and actively participating in creating an integrated health care system that offers an effective continuum of care through strong partnerships with other health care organizations and community partners. The service primarily:

- Provides high quality care and accommodation for adults who require the care and services available in a long-term care home for an extended period of time, including care, service and accommodation.
- Provides a short-stay admission program to support families seeking respite from the caregiver role for a period of less than 90 days.
- Provides stroke rehabilitation and convalescent care programs for individuals who needs a longer period of rehabilitation and restoration of function prior to returning home (following surgery or serious illness) than can be provided in a hospital setting.
- Provides special dementia care and specialized behavioural support services for individuals with significant responsive and/or challenging behaviours related to dementia or mental health issues.
- Base Budget pressures primarily are due to inflationary increases in salaries and benefits totaling \$7.173 million net, as well as general inflationary increase of \$0.401 million net for non-payroll expenditures.
- Other base pressures of \$4.690 million are mainly attributable to:
 - Increased costs of \$3.990 million related to the rising complexity of care needs and acuity; and
 - Increased investment of \$0.332 million to the Convalescent Care Program (CCP) that provide 24-hour care to people requiring special medical and therapeutic services in a supportive environment. This increased investment will allow *Long-Term Care Homes* to realign 11 long-stay beds to CCP beds in the system to address community needs. These expenditures will be fully funded by MOHLTC and LHIN with no net impact to the City.

- To help mitigate the base pressures, the Service was able to generate base expenditures savings of \$0.557 million from line-by-line review of expenditures to reflect actual experience as well as \$1.316 million in savings arising from the phased-in elimination of the half-hour shift overlap at the homes in accordance with the Local 79 Collective Agreement ratified in February 2012. Other base revenue changes include an increase in user fees and other revenues generated by a user fee rate increase for basic and preferred accommodations, which are mandated by the MOHLTC generating an incremental of \$0.339 million and increased Provincial funding of \$4.993 million.
- The 2016 and 2017 Plans reflect the inflationary cost increase for progression pay. As 2016 is a collective bargaining year, no cost of living allowance estimate has been included. Further, the 2016 plan includes a pressure of \$2.200 million resulting from the reopening of the 145-bed Kipling Acres facility currently being redeveloped as well as \$2.000 million for the rising complexity of care needs and acuity.



Part III:

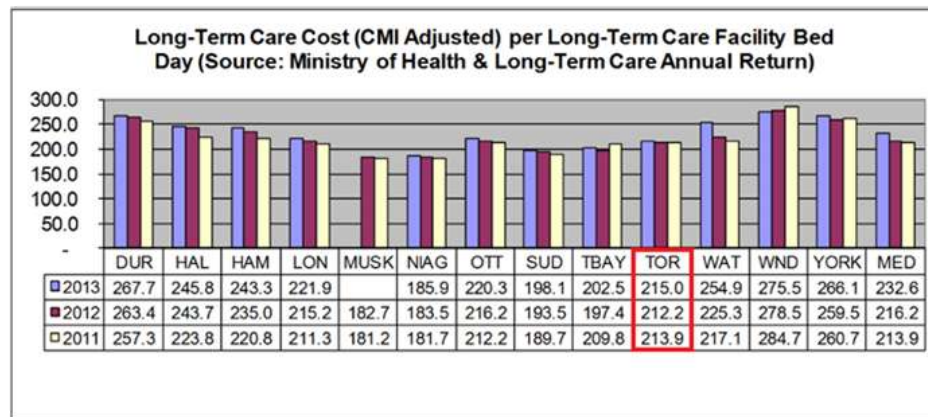
Issues for Discussion

Issues for Discussion

Issues Impacting the 2015 Budget

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 the funding model is complex and frequently changing.
- The 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 is 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 2015 Operating Budget includes a \$4.993 million increase in Provincial subsidies, subject to confirmation through the 2015 Provincial Budget. Expenditures will not be incurred until the funding is confirmed and received by the MOHLTC.
- Without additional revenue from the Province, LTCHS would have been unable to maintain the current level of service. On-going and stable level of Provincial funding is necessary for the Program to continue to provide same levels of service in future years.
- The chart below compares the cost of operating a Long-Term Care bed for one day in Toronto with other municipalities. As evident in the chart, the cost to operate has increased from \$212.2 in 2014 to \$215 in 2015. The current level of Provincial funding is insufficient to adequately meet the complex care needs of LTC residents and the associated operating costs of 24/7 resident service.



Rise in Resident Acuity

- Acuity, which measures the level of care, and the complexity of resident care needs are 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. Increase emphasis on admissions of individuals with dementia, mental illness, and associated responsive behaviours require mental health education for all staff.

- In order to provide the same level of care and meet residents' needs on a continuing basis, a long-term care home must add resources year-over-year. These additional costs do not represent cost escalations nor do they signify program enrichments or expansion.
- Increasing acuity requires higher levels of service, more complex interventions and additional registered nursing staff, personal support workers and others to maintain service levels consistent with the relative intensification of residents' needs.
- The 2015 Operating Budget includes \$4.993 million increase in Provincial subsidies to address rising acuity.
- Ongoing sustainable level of Provincial funding will be required to address the rise in acuity as well as growing demand for specialized services. Long-Term Care Homes & Services will continue to advocate for additional Provincial funding to maintain the same level of care for its residents.

Future Year Issues

Future Year Operating Pressures from the Reopening of Kipling Acres facility

- The Kipling Acres redevelopment project (\$102.000 million gross/\$55.777 million debt/\$43.973 million recoverable debt, \$2.250 million other) is being developed in two phases (the 192-bed and 145-bed facilities), on the existing site. Upon completion, the redevelopment will provide beds for 337 residents, the same number of beds in the reconstructed facility as were provided prior to the reconstruction.
- The timing of the reconstruction in the original project plan was based on the reopening of 192-bed facility in 2013, followed by the reopening of 145-bed facility in 2015. The anticipated operating impacts resulting from the reopening of the facilities were originally planned to be partially offset by the savings resulting from the elimination of shift overlap, which was implemented in 2013. This initiative identified savings of \$2.176 million between 2013 and 2015 which would have coincided with the timing of reopening of the new facility.
- However, the construction of the 192-bed facility was delayed and the facility was reopened for residents in 2014. Consequently, the construction of the 145-bed facility was delayed which is now scheduled to reopen in 2016. The reopening of the new facility will result in increased net operating cost pressures of \$2.2 million in 2016 stemming from the need to add 118 positions to operate the facility. Additional Provincial funding announcements in 2016 and changes to the user fee rate for basic and preferred accommodations are expected to be realized in future year budgets to offset these pressures.



Appendices:

Appendix 1

2014 Service Performance

2014 Key Service Accomplishments

In 2014, Long-Term Care Homes & Services achieved the following results:

- ✓ Reduced the Homemakers and Nurses Services waiting list by approximately 200 applicants by accessing additional Ministry funding.
- ✓ Officially opened the new 192 bed Kipling Acres in North Etobicoke, providing long-stay, short-stay and convalescent care programs.
- ✓ Facilitated divisional re-organization to an updated structure to expedite service planning and implementation, advance capacity building and respond adeptly and nimbly to evolving needs of community and legislative requirements.
- ✓ Received the OANHSS (Ontario Association of Non-Profit Homes and Services for Seniors) Innovation and Excellence Workplace Quality Award for Infection, Prevention and Control for Outbreak Management at Seven Oaks.
- ✓ Provided support for leadership excellence in healthy aging through continuous improvement, customer service, education, innovation, research, teamwork, partnerships and technology.
- ✓ Made presentations at OANHSS annual meeting and convention on three (3) topics to attendees from across the province, including: Improved Weekend and Evening Programming, Infection Control and Outbreak Management, Leading Practices, Strategies and Research in Managing Behaviours.
- ✓ Celebrated 40 years of service at True Davidson Acres and officially launched its Convalescent Care Program, a short-stay rehabilitation program for people in need of care and support following surgery or injury.
- ✓ Responded to emerging community needs and served vulnerable individuals by aligning available resources to provide better care and service.
- ✓ Promoted and preserved partnerships, including cultural and community linkages, that promoted efficient service delivery.
- ✓ Strengthened standardization of evidence-based learning through an efficient adult-training delivery model.

2014 Financial Performance

2014 Budget Variance Analysis

(\$000s)	2012	2013	2014	2014	2014 Approved Budget vs.	
	Actuals	Actuals	Approved Budget	Actuals	Projected Actual	Variance
	\$	\$	\$	\$	\$	%
Gross Expenditures	215,771.2	222,217.3	231,799.5	226,525.7	(5,273.8)	(2.3%)
Revenues	174,858.6	178,279.3	186,009.8	184,153.7	(1,856.1)	(1.0%)
Net Expenditures	40,912.6	43,938.0	45,789.7	42,372.0	(3,417.7)	(7.5%)
Approved Positions	2,169.9	2,151.3	2,179.8	2,179.8		

2014 Experience

- Long-Term Care Homes and Services (LTCHS) reported net under-spending of \$3.418 million or 7.5% of planned expenditures for the year ended December 31, 2014. The variance reflected lower than budgeted gross expenditures of \$5.274 million or 2.3% and revenues of \$1.856 million or 1.0%. The net favourable variance was primarily due to strict expenditure controls as well as receipt of one-time subsidies and grants from the Ministry of Health and Long-Term Care (MOHLTC) and Local Health Integration Networks (LHIN).
- Under spending in certain Program services, such as high intensity needs and supportive housing, that are claims-based and 100% subsidized resulted in reduced expenditures with a corresponding reduction in Provincial subsidies. The Program's on-going work and implementation of health and safety measures in 2014 resulted in reduced costs generating savings of \$1.000 million in 2014.
- Long-Term Care Homes and Services reported a full complement of 2,179.7 positions for the year-end.

Impact of 2014 Operating Variance on the 2015 Budget

- There are no anticipated impacts of the 2014 Operating Variance on the 2015 Budget.

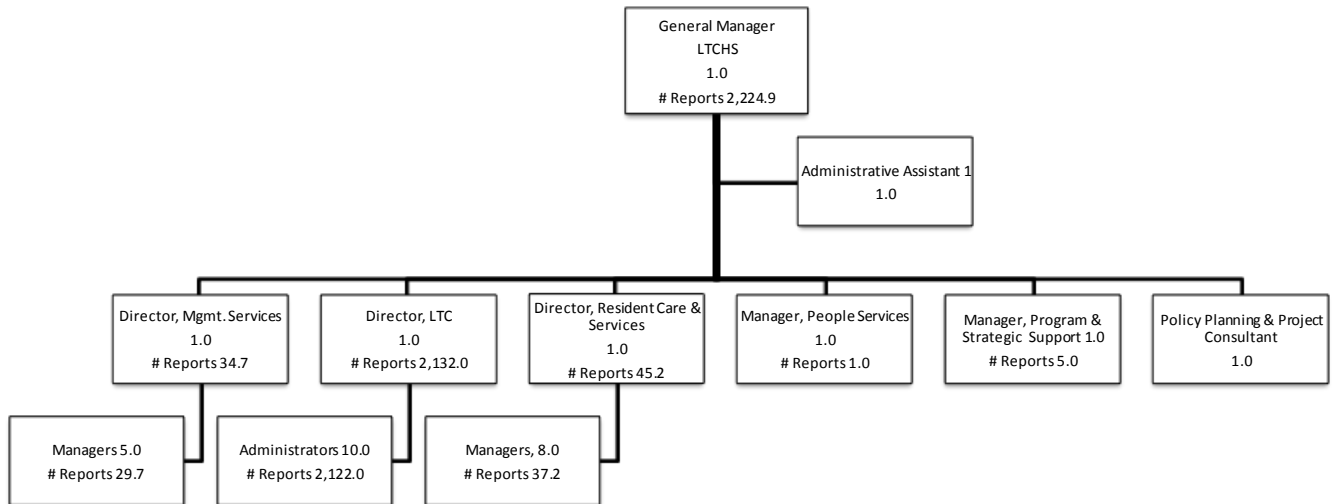
Appendix 2

2015 Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from		Plan	
	Actual	Actual	Budget	Actual	Budget	2014 Approved Budget		2016	2017
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	179,255.0	183,149.9	189,823.8	185,220.0	198,258.6	8,434.8	4.4%	209,728.7	210,161.1
Materials and Supplies	17,437.2	17,745.9	18,438.4	19,037.2	18,590.2	151.8	0.8%	18,590.2	18,591.5
Equipment	1,366.8	3,195.0	2,260.9	936.2	2,873.4	612.5	27.1%	2,873.4	2,873.6
Services & Rents	15,221.4	15,658.9	18,735.7	18,731.1	19,738.6	1,002.8	5.4%	19,865.6	19,867.4
Contributions to Capital									
Contributions to Reserve/Res Funds	1,809.4	1,809.4	1,809.4	1,809.4	1,809.4			1,809.4	1,809.6
Other Expenditures	79.5	79.0	145.4	191.7	141.4	(4.0)	(2.8%)	141.4	141.4
Interdivisional Charges	601.9	579.3	586.0	600.1	689.9	104.0	17.7%	689.9	689.9
Total Gross Expenditures	215,771.2	222,217.3	231,799.5	226,525.7	242,101.4	10,301.9	4.4%	253,698.5	254,134.4
Interdivisional Recoveries	120.9	123.0	69.1	69.1	72.8	3.7	5.4%	72.8	72.8
Provincial Subsidies	126,436.1	129,778.3	137,075.4	135,275.6	146,819.1	9,743.7	7.1%	155,796.9	155,797.4
Federal Subsidies									
Other Subsidies									
User Fees & Donations	47,795.8	48,087.9	48,462.4	48,497.0	48,652.7	190.3	0.4%	48,652.7	48,652.7
Transfers from Capital Fund	117.5		260.0		260.0			260.0	260.0
Contribution from Reserve Funds									
Contribution from Reserve									
Sundry Revenues	388.3	290.2	142.9	312.0	138.0	(4.9)	(3.4%)	138.0	138.0
Required Adjustments									
Total Revenues	174,858.6	178,279.3	186,009.8	184,153.7	195,942.6	9,932.8	5.3%	204,920.4	204,920.9
Total Net Expenditures	40,912.6	43,938.0	45,789.7	42,372.0	46,158.8	369.1	0.8%	48,778.1	49,213.5
Approved Positions	2,169.9	2,151.3	2,179.8	2,179.8	2,225.9	46.1	2.1%	2,376.9	2,402.9

Appendix 3 2015 Organization Chart



2015 Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	1.0	156.9	2.0	2,066.0	2,225.9
Temporary					
Total	1.0	156.9	2.0	2,066.0	2,225.9