

Toronto 2017 BUDGET



OPERATING PROGRAM SUMMARY



Long-Term Care Homes & Services

2017 OPERATING BUDGET OVERVIEW

Long-Term Care Homes & Services (LTCHS) provides a continuum of high quality long-term care services to eligible adults in both long-term care homes and the community. LTCHS are leaders in excellence and in providing ground-breaking services for healthy aging.

2017 Operating Budget Highlights

The total cost to deliver these services to Toronto residents is \$256.981 million gross and \$47.323 million net as shown below:

(in \$000's)	2016 Budget	2017 Budget	Change	
			\$	%
Gross Expenditures	254,570.0	256,981.4	2,411.4	0.9%
Revenues	206,076.7	209,657.9	3,581.2	1.7%
Net Expenditures	48,493.3	47,323.5	(1,169.8)	(2.4%)

Through a line-by-line expenditure review, operational efficiencies, and service adjustments, the Program is able to offset the operating pressures arising mainly from annualized costs of the re-opening of Kipling Acres facility and inflationary increases in salary and non-salary expenditures while maintaining the 2016 service levels.

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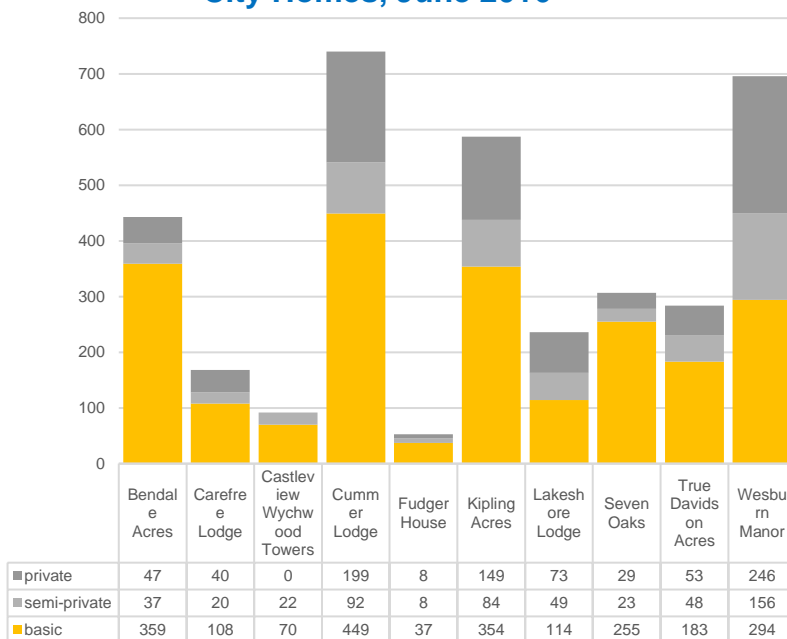
Fast Facts

- There are 627 long-term care homes in Ontario operating 78,120 beds. In Toronto, 52 different organizations operate 84 long-term care homes with 15,222 beds; 17% of the beds are City of Toronto directly operated, according to the Program's 2016 – 2020 Service Plan.
- Residents come from over 50 countries of origin, speak 38 languages and practice 34 faiths or denominations.
- 2,250 volunteers provide over 140,000 hours per year which is over 50 hours of volunteer time per resident.

Trends

- The City of Toronto operates 2,641 beds including 2,542 long-term care beds, 66 convalescent care beds, 17 short-stay respite beds and 16 behavioural support beds.
- On average, wait times for placement in a City of Toronto long-term care home are between 6 months and 3 years for bed type of choice.

Number of Individuals on the Wait-lists for City Homes, June 2016



Note: Data source from staff report CD14.2 LTCHS Environmental Scan and Update on Council Approved Advocacy Recommendations

Key Service Deliverables for 2017

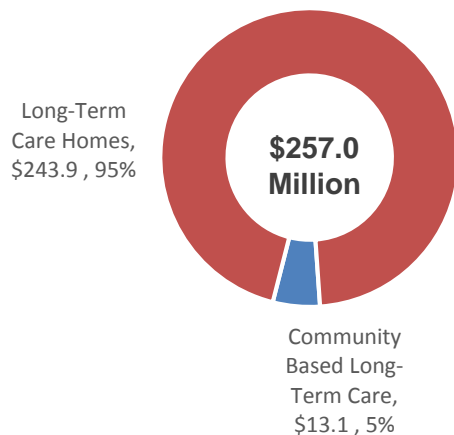
Long-Term Care Homes & Services (LTCHS) provides a variety of exemplary services along with a comprehensive and flexible continuum of care ranging from enabling vulnerable individuals to continue living in the community to healthy aging and quality of end-of-life care in Long-Term Care Homes & Services' homes.

The 2017 Operating Budget will enable LTCHS to:

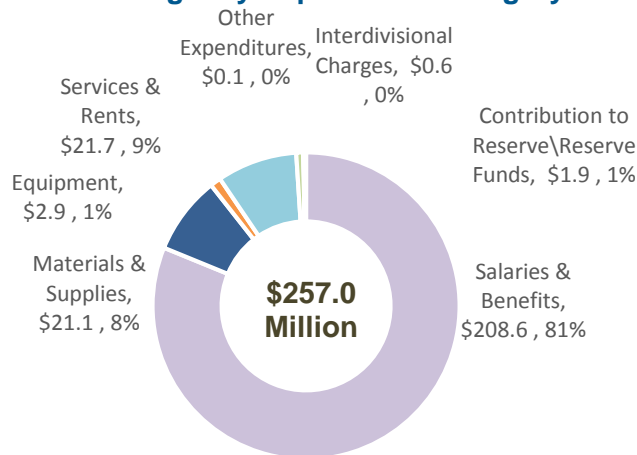
- Support the Toronto Seniors Strategy to meet growing demand for long-term care services resulting from changing demographic and new populations.
- Re-open Kipling Acres Phase II, 145 bed long-term care home and community hub bringing the original 337 bed site back into full service.
- Implement the 2016 – 2020 Service Plan's key priorities: Deliver exemplary care and services, serve vulnerable individuals and respond to emerging needs; and lead advances in long-term care and support services to seniors.
- Operate approved beds in 10 long-term care homes across Toronto, each connected to its local community and responsive to local needs. Some homes offer short-stay respite beds, behavioural supports, young adult care, and specialized services.
- Serve clients at 9 supportive housing sites providing 24 hour assistance with personal care, light housekeeping, laundry, medication reminders, security checks, light meal preparation, wellness and health promotion, and a Registered Practical Nurse on site 24/7 at each location.

Where the money goes:

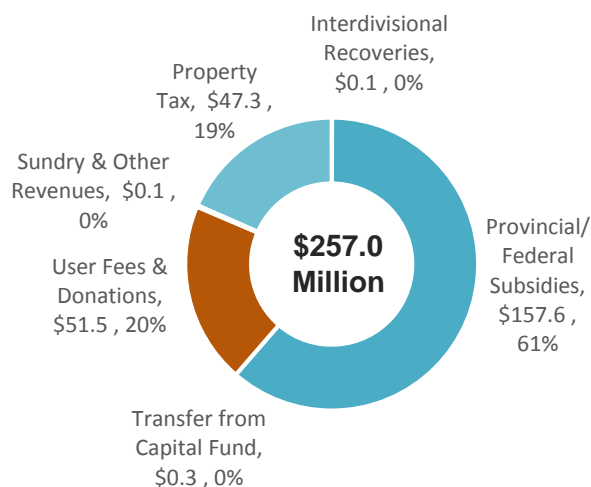
2017 Budget by Service



2017 Budget by Expenditure Category



Where the money comes from:



Our Key Issues & Priority Actions

- **Aging demographic, acuity and complexity of resident care needs** continues to increase with a corresponding increase in demand for specialized services.
 - ✓ The 2017 Operating Budget includes \$1.342 million in increased Provincial funding to address a rise in resident acuity.
 - ✓ Through collaboration and partnerships, LTCHS will continue to advance healthy aging strategies including community hub creation, safe spaces for seniors and vulnerable individuals.
 - ✓ LTCHS will continue to explore and adopt new methodologies to modernize model of care.
 - ✓ LTCHS will continue to advocate for additional funding from the Province.

2017 Operating Budget Highlights

- The 2017 Operating Budget of \$256.981 million in gross expenditures and \$47.323 million net provides funding for 2 services: Community Based Long-Term Care and Long-Term Care Homes.
- The budget represents a decrease of 2.4% to the 2016 Approved Net Operating Budget through measures taken based on the following, without impacting Council approved Service Levels for LTCHS:
 - ✓ Base expenditure reductions (\$0.178 million).
 - ✓ Efficiency savings (\$0.330 million).
 - ✓ Service adjustments (\$1.316 million).
- In order to meet City Council's budget reduction target of -2.6%, LTCHS submitted further service adjustments \$0.091 million net in savings not being included in the 2017 Operating Budget but are provided for Committee and Council's consideration.
- Enhanced service priorities \$1.342 million.
- Staff complement increased by 1.9 FTE from 2016 to 2017.

Council Approved Budget

City Council approved the following recommendations:

1. City Council approve the 2017 Operating Budget for Long-Term Care Homes & Services of \$256.981 million gross, \$47.323 million net for the following services:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Community Based Long-Term Care:	13,099.4	1,545.3
Long-Term Care Homes:	<u>243,882.0</u>	<u>45,778.2</u>
Total Program Budget	<u>256,981.4</u>	<u>47,323.5</u>

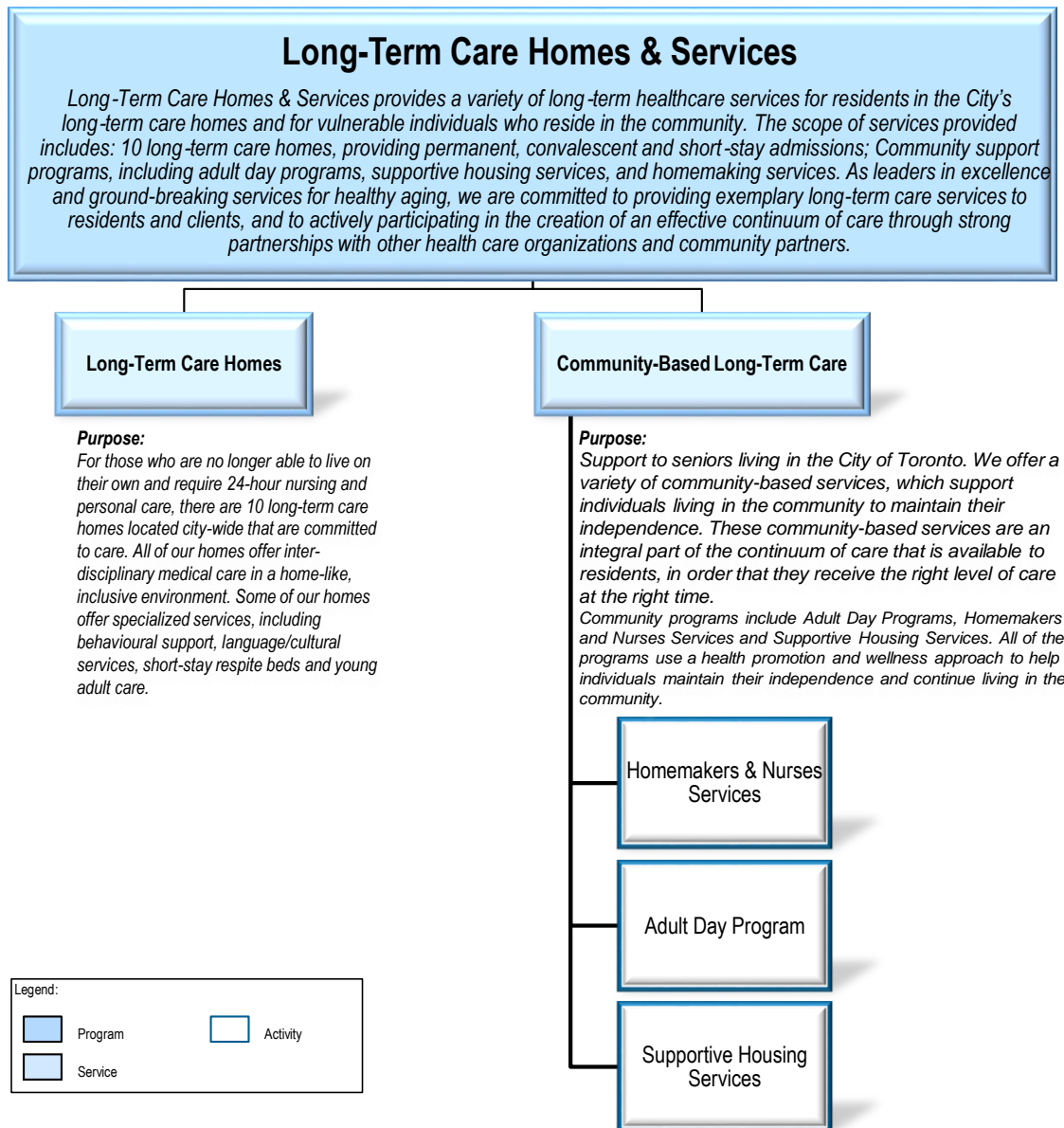
2. City Council approve the 2017 service levels for Long-Term Care Homes & Services as outlined on pages 15 and 18 of this report, and associated staff complement of 2,373.9 positions.



Part 1:

2017-2019 Service Overview and Plan

Program Map



Service Customer

Long-Term Care Homes

- Residents
- Persons recovering from Surgery or illness
- Persons requiring respite
- Family Caregivers (short-stay)
- Staff & Volunteers
- Indirect (Beneficial)
 - Family Members & Partners
 - Health System Partners
 - Community Care Access Centre
 - Local Health Integration Networks
 - Ministry of Health & Long-Term Care

Community-Based Long-Term Care

- Frail Seniors
- Persons (adults) with Disabilities
- Persons with chronic illness over the age of 59 years
- Indirect (Beneficial)
 - Staff & Volunteers
 - Family Members & Partners
 - Toronto Public Health
 - Housing Providers, including Toronto Community Housing
 - Health Care Partners
 - Community Care Access Centre
 - Local Health Integration Networks
 - Ministry of Health & Long-Term Care

Table 1
2017 Operating Budget and Plan by Service

(In \$000s)	2016		2017 Operating Budget			2017 vs. 2016 Budget Change		Incremental Change			
	Budget	Projected Actual *	Base	New/ Enhanced	Total Budget			2018 Plan		2019 Plan	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Community Based Long-Term Care											
Gross Expenditures	13,132.2	13,132.2	13,099.4		13,099.4	(32.8)	(0.2%)	83.2	0.6%	74.5	0.6%
Revenue	11,552.1	11,552.1	11,554.1		11,554.1	2.0	0.0%				
Net Expenditures	1,580.1	1,580.1	1,545.3		1,545.3	(34.8)	(2.2%)	83.2	5.4%	74.5	4.6%
Long-Term Care Homes											
Gross Expenditures	241,437.9	225,175.4	242,540.1	1,341.9	243,882.0	2,444.2	1.0%	3,002.5	1.2%	2,865.0	1.2%
Revenue	194,524.6	180,310.0	196,761.9	1,341.9	198,103.8	3,579.2	1.8%				
Net Expenditures	46,913.2	44,865.4	45,778.2		45,778.2	(1,135.0)	(2.4%)	3,002.5	6.6%	2,865.0	5.9%
Total											
Gross Expenditures	254,570.0	238,307.6	255,639.5	1,341.9	256,981.4	2,411.4	0.9%	3,085.7	1.2%	2,939.5	1.1%
Revenue	206,076.7	191,862.1	208,316.0	1,341.9	209,657.9	3,581.2	1.7%				
Total Net Expenditures	48,493.3	46,445.5	47,323.5		47,323.5	(1,169.8)	(2.4%)	3,085.7	6.5%	2,939.5	5.8%
Approved Positions	2,372.0	2,372.0	2,367.0	6.8	2,373.9	1.9	0.1%				

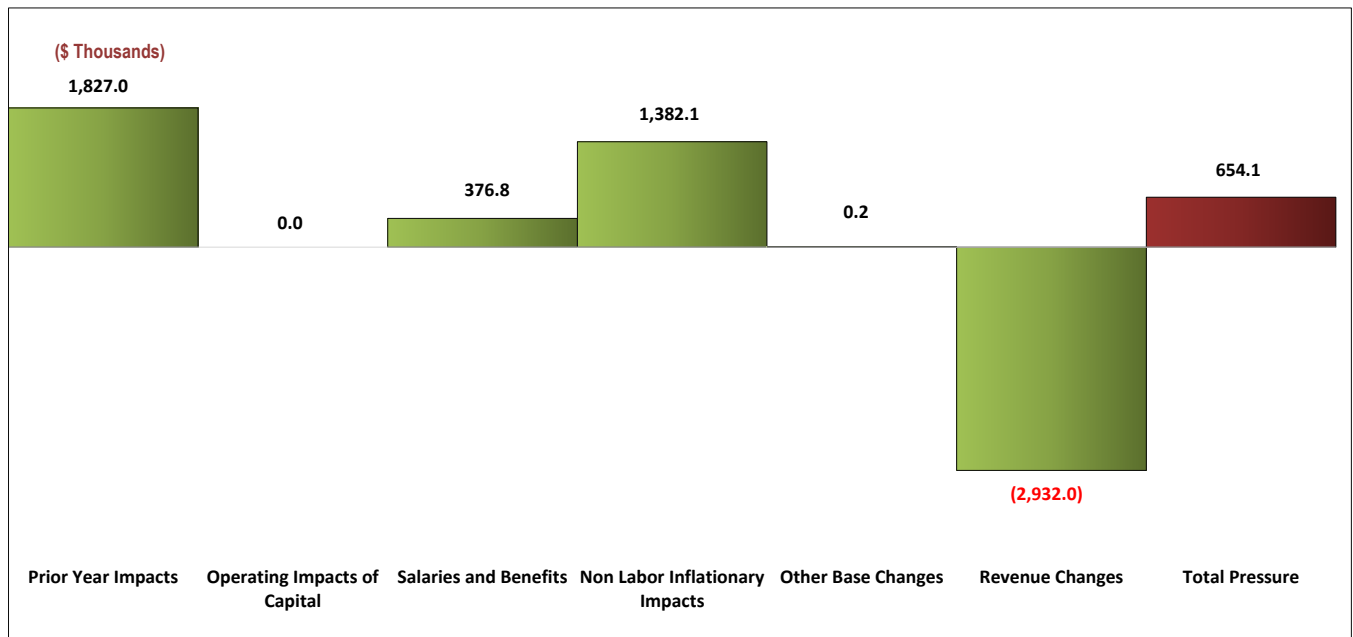
* Based on the 2016 9-month Operating Variance Report

The Long-Term Care Homes & Services' 2017 Operating Budget is \$256.981 million gross and \$47.323 million net, which represents a 2.4% decrease to the 2016 Approved Net Operating Budget. In order to meet City Council's budget reduction target of -2.6%, as set out in the 2017 Operating Budget Directions approved by Council, the Program submitted further service adjustments, which provide savings of \$0.793 million gross and \$0.091 million net which have not been included in the 2017 Operating Budget but are provided for Committee and Council's consideration.

- Base pressures are mainly attributable to inflationary increases in utilities and service contracts for maintaining aging home infrastructure, annualized impact of Kipling Acres re-opening as well as increases in staff salaries and benefits common across all services.
- To offset the above pressures, the Program was able to identify base expenditure savings through a line-by-line expenditure review, achieve efficiency savings by streamlining and consolidating its operations, and provide service and revenue adjustments while maintaining its core mandate.
- New funding and additional staff resources, which will be fully funded by the Ministry of Health and Long-Term Care (MOHLTC) with no net impact to the City are included in the budget to enable all LTC homes to maintain the necessary care for resident acuity and service level standards.
- Approval of the 2017 Operating Budget will result in Long-Term Care Homes & Services increasing its total staff complement by 1.9 positions from 2,372.0 to 2,373.9 positions.
- The 2018 and 2019 Plan increases are largely attributed to known salary and benefit increases across all services.

The following graphs summarize the operating budget pressures for this Program and the measures/actions taken to offset these pressures and met the budget target.

Key Cost Drivers



Actions to Achieve Budget Reduction Target

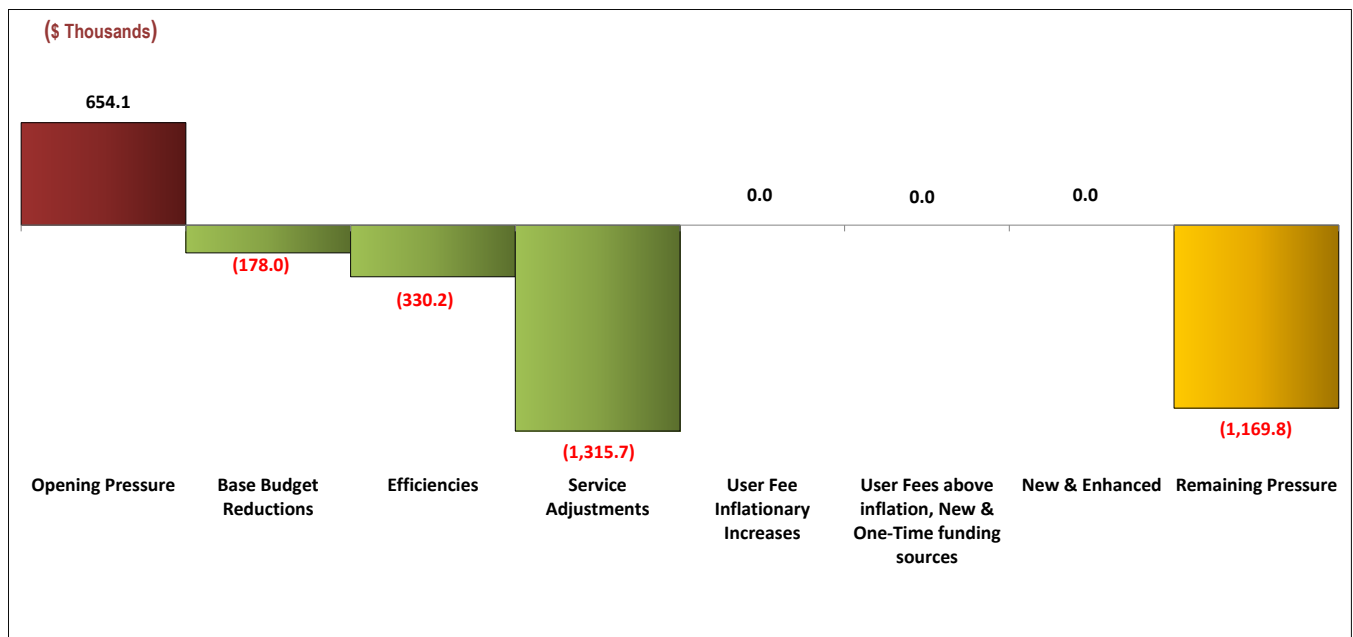


Table 2
Key Cost Drivers

(In \$000s)	2017 Base Operating Budget				Total	
	Community Based Long-Term Care		Long-Term Care Homes			
	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes						
Prior Year Impacts						
2016 COLA adjustment from Non-Program	(34.8)		(1,202.1)		(1,236.9)	
Reversal of Leap Year Adjustment - Funded from Tax Stabilization Reserve *			(517.2)		(517.2)	
Annualization of Kipling Acres - Restore Service of 145 Beds			3,581.1		3,581.1	
Salaries and Benefits						
COLA and Progression Pay	(113.7)	(0.7)	5,307.2	0.7	5,193.5	
Benefit Adjustments	(54.4)		(4,762.3)		(4,816.7)	
Economic Factors						
Inflationary Increases for Utilities, Contracted Services			1,382.1		1,382.1	
Other Base Changes						
Interdivisional Charges			0.2		0.2	
Total Gross Expenditure Changes	(202.9)	(0.7)	3,789.0	0.7	3,586.1	
Revenue Changes						
Annualization of Kipling Acres - Return to Service of 145 Beds			(2,816.1)		(2,816.1)	
Reversal of Leap Year - Funded from Tax Stabilization Reserve *			517.2		517.2	
Adjustment to the Basic and Preferred Accommodation Rates as set out in Provincial Regulations	(2.0)		(631.1)		(633.1)	
Total Revenue Changes	(2.0)		(2,930.0)		(2,932.0)	
Net Expenditure Changes	(204.9)	(0.7)	859.0	0.7	654.1	

* Represents offsetting entries

Key cost drivers for Long-Term Care Homes & Services are discussed below:

- **Prior Year Impacts:**
 - Reversal of one-time funding for 2016 leap year costs to account for 24 hours per day, 7 days per week operations at the long-term care homes which was fully funded by the Tax Stabilization Reserve, and the 2016 cost of living allowance (COLA) made during the year reduces the 2017 Operating Budget by \$1.754 million gross and \$1.237 million net.
 - The annualized impact of adding 115.6 positions in 2016 upon completion of Kipling Acres Redevelopment Phase 2 project to restore 145 beds in the facility results in \$3.581 million gross and \$0.765 million net, partially funded by provincial subsidy.
- **Salaries and Benefits**
 - Standard increase for staff salaries and benefits associated with cost of living allowance, union step increases and non-union progression pay common across all services requires \$5.194 million.
 - Benefits have been adjusted to reflect the revised corporate assumptions resulting in a reduction of \$4.817 million.
- **Economic Factors:**
 - Inflationary increases of \$1.382 million are due to the increasing utility rates for electricity, natural gas and hydro as well as contractual work and rate changes in HVAC and plumbing contracts, and general maintenance of aging home infrastructure.

Revenue Changes:

- The Program is expecting an increase in revenue of \$0.633 million which includes rate adjustments to the basic and preferred accommodation rates as set out in provincial regulations.

In order to offset the above budget pressure, the 2017 service changes for Long-Term Care Homes & Services (LTCHS) consists of base expenditure savings of \$0.178 million net, service efficiency savings of \$0.330 million net and service level adjustments within the Program's baseline standards of \$1.316 million net, for a total budget reduction of \$1.824 million net as detailed below.

Table 3
Actions to Achieve Budget Reduction Target
2017 Service Change Summary

Description (\$000s)	Service Changes				Total Service Changes			Incremental Change			
	Community Based Long-Term Care		Long-Term Care Homes		\$	\$	#	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:											
Base Expenditure Changes											
Line by Line Review Savings			(468.3)	(178.0)	(468.3)	(178.0)					
Base Expenditure Change			(468.3)	(178.0)	(468.3)	(178.0)					
Service Efficiencies											
Consolidation and Streamlining of Operations			(449.5)	(330.2)	(449.5)	(330.2)	(2.0)				
Sub-Total			(449.5)	(330.2)	(449.5)	(330.2)	(2.0)				
Service Adjustments											
Re-alignment of Staff			(629.7)	(629.7)	(629.7)	(629.7)	(3.0)	(4.7)		(4.6)	
Reduction budget to Backfill staff on Training			(686.0)	(686.0)	(686.0)	(686.0)					
Sub-Total			(1,315.7)	(1,315.7)	(1,315.7)	(1,315.7)	(3.0)	(4.7)		(4.6)	
Total Changes			(2,233.5)	(1,823.9)	(2,233.5)	(1,823.9)	(5.0)	(4.7)		(4.6)	

Base Expenditure Changes (Savings of \$0.468 million gross & \$0.178 million net)

Line-by-Line Review

- Conducted a thorough line-by-line expenditure review to compare against actual historical expenditures, resulting in expenditure reductions of \$0.468 million gross and \$0.178 million net. These reductions will have no impact on service levels.

Service Efficiencies (Savings of \$0.450 million gross & \$0.330 million net)

Consolidate & Streamline Operations

- Implementation of quality improvement projects aimed at streamlining operations such as reducing steps in the admissions process, enhancing dining service and reducing application review process from 5 days to 1 day will result in overall savings of \$0.450 million gross and \$0.330 million net and a reduction of staffing hours that equate to 2.0 FTEs.

Service Adjustments (Savings of \$1.316 million gross & net)

Re-alignment of Staff

- Due to the promotion of health and safety in the workplace through training, education and implementation of its Joint Health and Safety Committees, the Program has experienced a decrease in the severity rate of lost time absences since 2013 which permits staff re-alignments.

Reduction of Funding to Backfill Staff during Training

- The Long-Term Care Homes Act stipulates staff education on an annual basis. Since LTCHS operates on a 24/7 environment, it is required to backfill operationally critical/legislated positions while staff participate in training and education sessions. The reduction will reduce the budget by \$0.686 million to backfill staff on mandatory training resulting in a change to the training delivery model.

Table 4
2017 New & Enhanced Service Priorities

Description (\$000s)	New/Enhanced				Total			Incremental Change			
	Community Based Long-Term Care		Long-Term Care Homes		\$		Position	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
Enhanced Services Priorities											
Staff Initiated:											
Resident Acuity and Service Level Standards			1,341.9		1,341.9		6.8				
Sub-Total Staff Initiated			1,341.9		1,341.9		6.8				
Total Enhanced Services	-	-	1,341.9	-	1,341.9	-	6.8	-	-	-	-
Total New / Enhanced Services	-	-	1,341.9	-	1,341.9	-	6.8	-	-	-	-

Enhanced Service Priorities (\$1.054 million gross & \$0 net)*Resident Acuity and Service Level Standards*

- An increase in acuity means more complex interventions with residents, therefore, additional staff are required to support the relative intensification in residents' needs for nursing, personal care and rehabilitation. The Ministry of Health and Long-Term Care measures acuity and adjusts funding annually to all long-term care homes in order to maintain the necessary care and service levels ranging from level of care staffing, raw food, and physiotherapy services.
- The 2017 Operating Budget includes funding for 6.8 permanent registered and non-registered staff to meet resident acuity and service level standards which will be entirely funded by the Ministry of Health and Long-Term Care with no net impact to the City.

Approval of the 2017 Operating Budget for Long-Term Care Homes & Services will result in a 2018 incremental net cost of \$3.086 million and a 2019 incremental net cost of \$2.940 million to maintain 2017 service levels, as discussed in the following section.

Table 5
2018 and 2019 Plan by Program

Description (\$000s)	2018 - Incremental Increase					2019 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	Position	Gross Expense	Revenue	Net Expense	% Change	Position
Known Impacts:										
Prior Year Impact										
Staff Re-alignment	(4.7)		(4.7)	(0.0%)		(4.6)		(4.6)	(0.0%)	
Resident Acuity and Service Level Standards	7.5	7.5				8.7	8.7			
Salaries and Benefits										
COLA	743.9		743.9	1.6%		1,188.9		1,188.9	2.4%	
Step Increases	609.5		609.5	1.3%		24.4		24.4	0.0%	
Progression Pay	677.0		677.0	1.4%		700.4		700.4	1.4%	
Benefits	1,060.1		1,060.1	2.2%		1,030.4		1,030.4	2.0%	
Sub-Total Known Impacts	3,093.2	7.5	3,085.7	6.5%		2,948.2	8.7	2,939.5	5.8%	
Total Incremental Impact	3,093.2	7.5	3,085.7	6.5%		2,948.2	8.7	2,939.5	5.8%	

Future year incremental costs are primarily attributable to the following:

Known Impacts:

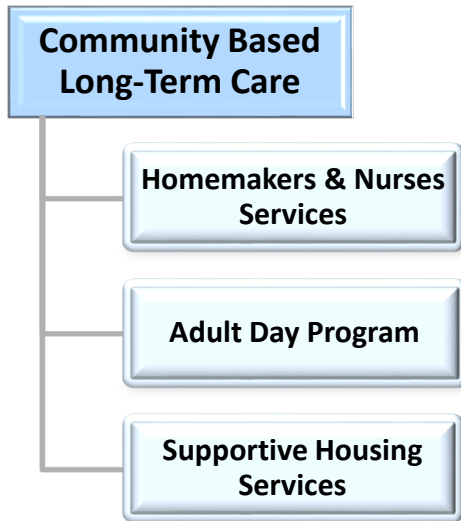
- The 2018 and 2019 Plan increases are largely attributed to known and standard salary and benefit increases as a result of the cost of living allowance, step increases for union staff and progression pay for non-union staff.
- Increases in provincial subsidies have not been accounted for in the above chart as the information is usually not available until spring in the following year due to different fiscal period.



Part 2:

2017 Operating Budget by Service

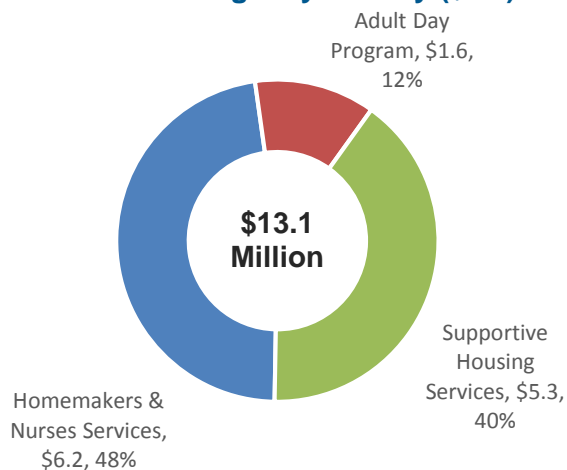
Community Based Programs



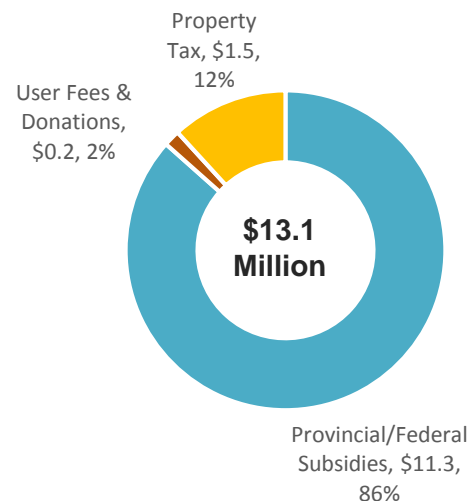
What We Do

- Provide quality care and services to improve or maintain the independence and quality of life for clients that may be isolated, vulnerable or would otherwise not be able to live independently in their homes.
- Provide day-time wellness programming, recreation and social activities for frail seniors living in the community.
- Provide supportive housing services such as light housekeeping and laundry, light meal preparation to eligible clients who are tenants in the nine (9) designated supportive housing sites across the City.

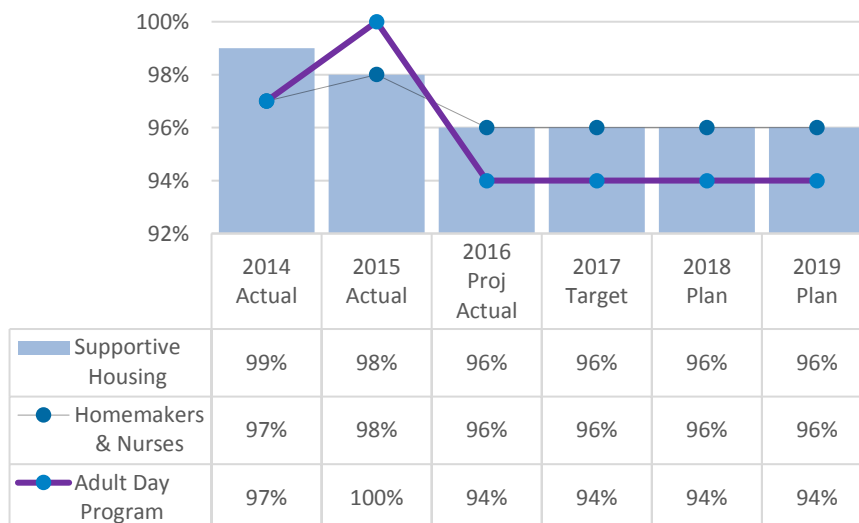
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Customer Satisfaction Rate %



- LTCHS performs surveys for clients to assess their level of satisfaction with services provided by the Program.
- The levels of satisfaction for the three (3) activities included in the Community Based Program are expected to exceed the minimum threshold for the next three years.

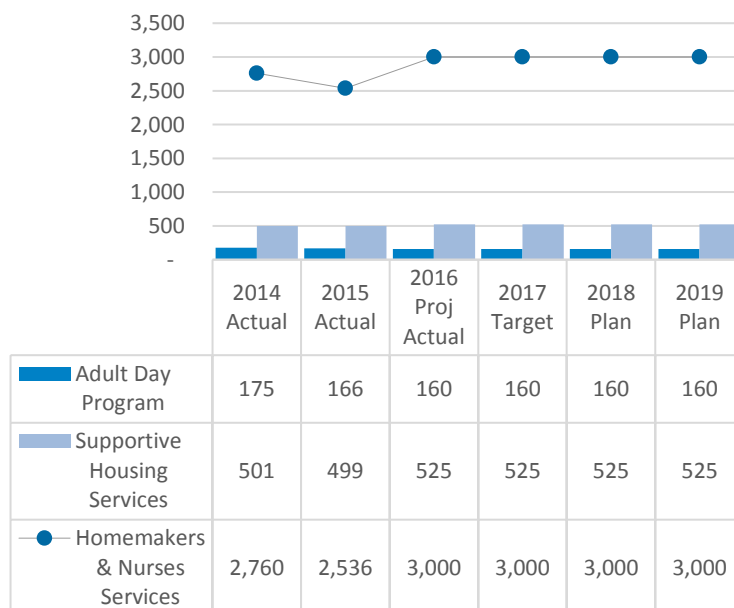
2017 Service Levels Community Based Long-Term Care

Activity	Type	Status	2014	2015	2016	2017
Adult Day Program	Adult Day Services	Approved	Mon-Fri, 52 Weeks/year	Service Availability (Adult Day Programs): 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		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		Service Availability (Homemakers & Nurses Services): Mon-Fri, 52 weeks/year

Overall, the 2017 Service Levels for Community Based Long-Term Care Service are consistent with 2016 approved Service Levels.

Service Performance Measures

Number of Clients Served



- The number of clients served by the Homemakers & Nurses Services Program is projected to be 3,000 by 2016 year-end and beyond as a result of the increased investment made last year as part of Council's poverty reduction strategy.

Table 6
2017 Service Budget by Activity

(\$000s)	2016	2017 Operating Budget							2017 Budget vs. 2016 Budget		Incremental Change			
	Budget	Base Budget	Service Changes	2017 Base	2017 Base Budget vs. 2016 Budget	% Change	New/Enhanced	2017 Budget			2018 Plan		2019 Plan	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Homemakers & Nurses Services	6,237.4	6,221.6		6,221.6	(15.8)	(0.3%)		6,221.6	(15.8)	(0.3%)	34.0	0.5%	31.9	0.5%
Adult Day Program	1,596.9	1,589.9		1,589.9	(7.0)	(0.4%)		1,589.9	(7.0)	(0.4%)	21.5	1.4%	17.9	1.1%
Supportive Housing Services	5,297.9	5,287.9		5,287.9	(10.0)	(0.2%)		5,287.9	(10.0)	(0.2%)	27.7	0.5%	24.7	0.5%
Total Gross Exp.	13,132.2	13,099.4		13,099.4	(32.8)	(0.2%)		13,099.4	(32.8)	(0.2%)	83.2	0.6%	74.5	0.6%
REVENUE														
Homemakers & Nurses Services	4,676.3	4,676.3		4,676.3				4,676.3						
Adult Day Program	1,587.9	1,589.9		1,589.9	2.0	0.1%		1,589.9	2.0	0.1%				
Supportive Housing Services	5,287.9	5,287.9		5,287.9				5,287.9						
Total Revenues	11,552.1	11,554.1		11,554.1	2.0	0.0%		11,554.1	2.0	0.0%				
NET EXP.														
Homemakers & Nurses Services	1,561.1	1,545.3		1,545.3	(15.8)	(1.0%)		1,545.3	(15.8)	(1.0%)	34.0	2.2%	31.9	2.0%
Adult Day Program	9.0				(9.0)	(100.0%)			(9.0)	(100.0%)	21.5	-	17.9	-
Supportive Housing Services	10.0				(10.0)	(100.0%)			(10.0)	(100.0%)	27.7	-	24.7	-
Total Net Exp.	1,580.1	1,545.3		1,545.3	(34.8)	(2.2%)		1,545.3	(34.8)	(2.2%)	83.2	5.4%	74.5	4.4%
Approved Positions	43.1	48.1		48.1	5.0	11.7%		48.1	5.0	11.7%		0.0%		

The **Community Based Long-Term Care Service** provides quality care and services to improve or maintain the independence and quality of life of individuals living in the community. These services are an essential part of the continuum of care that is available to clients to ensure they receive the right level of care at the right time and in the right place.

- The 2017 Operating Budget of \$13.099 million gross and \$1.545 million net is \$0.035 million.
- Base budget pressures for this service are entirely due to inflationary increases in salary and benefits.

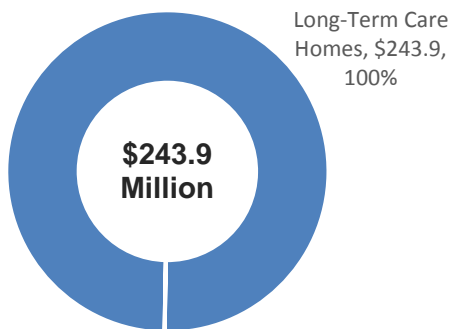
Long-Term Care Homes

Long-Term Care Homes

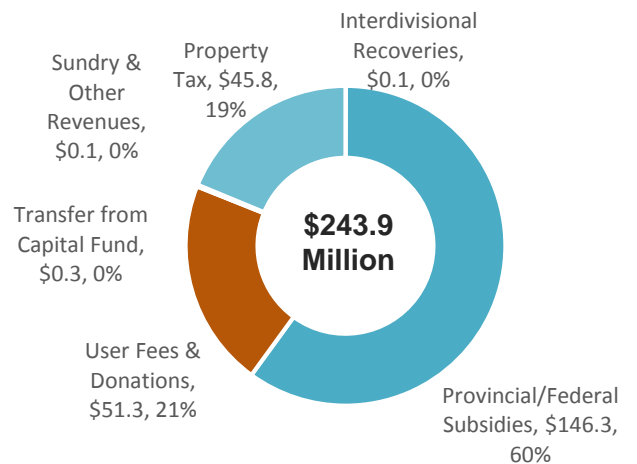
What We Do

- Provide 24-hour nursing/personal care and specialized services including behavioural supports, convalescent care, short-stay respite, and care for young adults.
- Support residents with multiple diagnoses and varying cognitive abilities through innovative and individualized approaches including special language and cultural services, spiritual and religious care, and community outreach including volunteer programs.

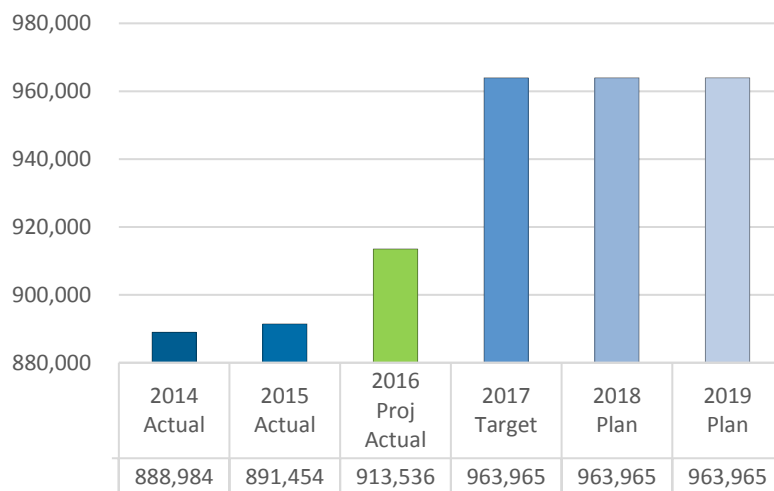
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Number of Bed Days



- The total number of bed days available for use by the City's long-term care homes residents will increase in 2017 as a result of the return to service of 145 beds at Kipling Acres long-term care home.

2017 Service Levels

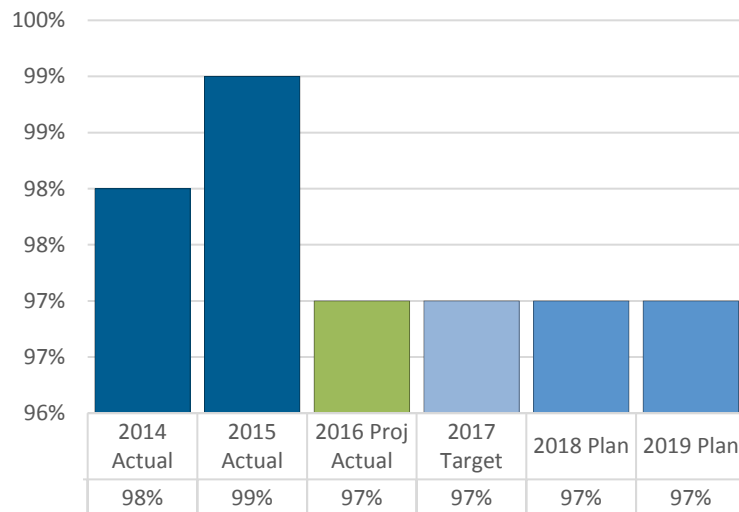
Long-Term Care Homes

Activity	Type	Status	2014	2015	2016	2017
	Resident Care - Long Stay	Approved	97% Occupancy	Service Availability (Long-Term Care Homes): 24 hours/day, 365 days/year		Service Availability (Long-Term Care Homes): 24 hours/day, 365 days/year
	Resident Care - Short Stay	Approved	50% Occupancy			
	Convalescent Care	Approved	80% Occupancy			
	Behavioural Support Care	Approved	N/A			

Overall, the 2017 Service Levels for Long-Term Care Homes are consistent with 2016 approved Service Levels.

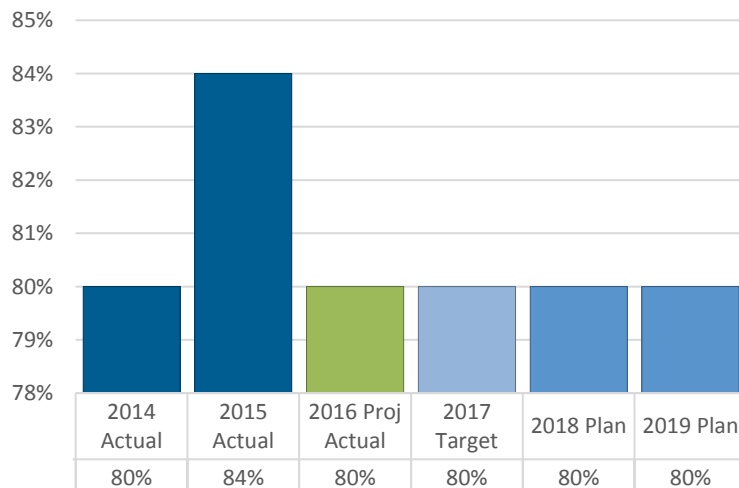
Service Performance Measures

Occupancy Rate for Long-Stay Program



- The occupancy rate for the long-stay program is expected to meet minimum threshold of 97% for the next three years.

Occupancy Rate for Convalescent Care Program



- The occupancy rate for the Convalescent Care Program (CCP) expected to meet minimum threshold of 80% for the next three years.
- The convalescent Care Program provides 24-hour care to seniors who require specific medical and therapeutic services in a supportive environment for a period of up to 90 continuous days.

Table 6
2017 Service Budget by Activity

(\$000s)	2016	2017 Operating Budget							2017 Budget vs. 2016 Budget		Incremental Change			
	Budget	Base Budget	Service Changes	2017 Base	2017 Base Budget vs. 2016 Budget	% Change	New/Enhanced	2017 Budget			2018 Plan		2019 Plan	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Long-Term Care Homes	241,437.9	244,305.3	(1,765.2)	242,540.1	1,102.3	0.5%	1,341.9	243,882.0	2,444.2	1.0%	3,002.5	1.2%	2,865.0	1.2%
Total Gross Exp.	241,437.9	244,305.3	(1,765.2)	242,540.1	1,102.3	0.5%	1,341.9	243,882.0	2,444.2	1.0%	3,002.5	1.2%	2,865.0	1.1%
REVENUE														
Long-Term Care Homes	194,524.6	196,881.2	(119.3)	196,761.9	2,237.3	1.2%	1,341.9	198,103.8	3,579.2	1.8%				
Total Revenues	194,524.6	196,881.2	(119.3)	196,761.9	2,237.3	1.2%	1,341.9	198,103.8	3,579.2	1.8%				
NET EXP.														
Long-Term Care Homes	46,913.2	47,424.1	(1,645.9)	45,778.2	(1,135.0)	(2.4%)		45,778.2	(1,135.0)	(2.4%)	3,002.5	6.6%	2,865.0	5.9%
Total Net Exp.	46,913.2	47,424.1	(1,645.9)	45,778.2	(1,135.0)	(2.4%)		45,778.2	(1,135.0)	(2.4%)	3,002.5	6.6%	2,865.0	5.5%
Approved Positions	2,328.9	2,323.9	(5.0)	2,318.9	(10.0)	(0.4%)	6.8	2,325.7	(3.2)	(0.1%)		0.0%		

The **Long-Term Care Homes Service** provides a variety of long-term health care services and activities for residents and actively participate in creating an integrated healthcare system through strong partnerships with other stakeholders and community partners.

The Long-Term Care Homes Service's 2017 Operating Budget of \$243.882 million gross and \$45.778 million net is \$1.135 million or 2.4% under the 2016 Approved Net Budget.

- Base budget pressures in the Long-Term Care Homes are primarily due to the following:
 - The re-opening of Kipling Acres 145 beds long-term care home in 2016 results in an annualization cost of \$3.581 million gross and \$0.765 million net for operating the new home.
 - Divisional economic factors add a pressure of \$1.382 million which consists of rate changes in HVAC, plumbing contracts, and general maintenance of aging home infrastructure. In addition, increase in utility expenditures reflect the corporate inflationary assumptions of rising utility rates including electricity, natural gas, and water.
 - The above base pressures have been partially offset through an increase of \$0.633 million in revenue due to rate adjustments to the basic and preferred accommodation rates as set out in provincial regulations, as well as savings of \$0.178 million through a line by line review of all expenditure accounts to reflect actual experience.
- To offset the remaining pressures, the 2017 service changes of \$1.646 million net for the Long-Term Care Homes service consists of efficiency savings of \$0.330 million attributable to a reduction of staff hours that equates to 2.0 FTEs through consolidation and streamlining of operations, and service adjustments of \$1.316 million resulting from staff re-alignment (please refer to Confidential Attachment 1 under separate cover) as well as a reduction in the provision to fund backfill positions when staff need to undertake mandatory training.
- The 2017 Operating Budget includes new funding of \$1.342 million gross and \$0 net, fully funded by Province, and 6.8 permanent positions for resident acuity and service level standards to continue meeting residents' needs and maintaining the necessary care and service levels.



Part 3:

Issues for Discussion

Issues Impacting the 2017 Budget

Budget Reduction Target

- At its meeting on July 12, 2016, the "2017 Budget Process: Budget Directions and Schedule" staff report (EX16.37) was submitted for consideration and adopted by City Council regarding the establishment of the 2017 Budget Process and the scheduling of the review and approval of the Tax and Rate Supported 2017 Operating Budget and 2017 – 2026 Capital Budget and Plan for the City of Toronto.
(<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-94519.pdf>)
- City Council adopted an across the board budget reduction target of -2.6% net below the 2016 Approved Net Operating Budgets for all City Programs and Agencies utilizing strategies including but not limited to controlling expenditures through cost saving measures, and exploring all services for efficiency savings including opportunities from business process reengineering, streamlining, transformation and innovation to service delivery.
- The Long-Term Care Homes & Services' 2017 Operating Budget is \$256.981 million gross and \$47.323 million net, representing a 2.4% decrease from the 2016 Approved Net Operating Budget. This reduction is \$0.091 million net or 0.2% away from the budget reduction target of -2.6%, as set out in the 2017 Operating Budget Directions approved by Council for all City Programs, Agencies and Accountability Offices.
- In order to meet City Council's budget reduction target of -2.6%, the Program submitted further service adjustments, as noted in the table below, which would result in savings of \$0.793 million gross and \$0.091 million net and bring the 2017 Operating Budget to \$256.188 gross, \$47.232 million net or -2.6% below the 2016 Approved Net Operating Budget.

Summary of Service Adjustments (Not Included)

Service Adjustment Description (\$000s)	2017 Impact				Net Incremental Impact			
	Gross	Revenue	Net	Positions	2018 Plan		2019 Plan	
					Net	Positions	Net	Positions
Not Included								
Discontinue Food Production to Meals on Wheels Agencies	(792.5)	(701.4)	(91.1)	(6.1)	(5.6)		(4.1)	
Total Service Adjustments (Not Included)	(792.5)	(701.4)	(91.1)	(6.1)	(5.6)	0.0	(4.1)	0.0

- The discontinuation of Food Production to Meals on Wheels Agencies would eliminate the provision of 2,000 meals per week to five (5) community agencies for distribution and delivery to local seniors living in their own homes.
- Currently, LTCHS prepares and provides approximately 2,000 meals per week to five agencies for distribution and delivery to local seniors living in their own homes. The cost to prepare each meal is \$7.13 including raw food and labour costs, and \$6.25 per meal is recovered through a fee charged to agencies and \$0.88 is the net impact to the City.
- Community agencies would need to find and contract with other service providers in the community, where possible, to prepare these meals. Meals on Wheels enable seniors to remain in their homes, and this service is in alignment with the Toronto Seniors, Poverty Reduction and Strong Neighbourhood Strategies.
- The above listed service adjustment is not included in the 2017 Budget for Long-Term Care Homes & Services, however, it is included for Council's consideration as part of the list of Service Adjustments to be distributed for Budget Committee's consideration in the 2017 Budget process.

Shaping the 2017 Budget for LTCHS

- As the provider of a wide range of long-term care services to diverse clients, LTCHS faces several challenges resulting from a complex and variable funding model. Ministry of Health and Long-Term Care (MOHLTC) funding fluctuates from year-to-year requiring the Program to aggressively pursue all available grants, subsidies and revenues making in-year service adjustments as necessary.
- The 2016-2020 Long-Term Care Homes & Services (LTCHS) Service Plan approved by City Council in November 2015 focuses on three priority areas: delivering exemplary care and services through a continuum of care; serving vulnerable individuals and responding to emerging community needs; and leading advances in long-term care and support services to seniors.
- LTCHS serves a diverse population, from young adults with severe disabilities to seniors with cognitive impairments, medical complexities and behavioural challenges. Aging demographics, rising acuity and demand for specialized services requires an investment in increased training, specialized services and new approaches to care.
- LTCHS has residents that require increasingly complex interventions including challenging behaviours, associated dementias and mental illnesses. In fact, long-term care homes now have a high proportion of residents that use mobility devices (81%), have some form of cognitive impairment (74%), and have a diagnosis of dementia (61%).
- Complex health needs are expected to rise dramatically. The Alzheimer Society of Ontario (2012) notes the number of seniors with dementia in Ontario is nearly 200,000; and represents an increase of 16 % over the past four years. By 2020, it is expected that close to one quarter of a million seniors in Ontario will be living with dementia.
- From a funding perspective, rising acuity levels means higher levels of service, more complex interventions, and additional registered and non-registered staff required to support the relative intensification in residents' needs for nursing, personal care, restoration and rehabilitation.
- The 2017 Budget for LTCHS was shaped by a combination of factors that included funding changes as well as several actions undertaken that enable the Program to realize efficiencies through business modernization and transformation to improve the service delivery model that results in savings of \$0.450 million gross and \$0.330 million net:
 - ✓ Implementation of quality improvement projects using Lean Six Sigma methodologies such as, streamlining the steps in the admissions process, enhancing dining service and reduced service times, reducing Convalescent Care application review process from 5 days to 1 day.
 - ✓ Implementation of wireless Voice Over Internet Protocol (VOIP) phones for improved communication between families, residents and staff.
 - ✓ Implementation of call-centre software by the Centralized Call-In-Unit (CCIU) that includes call management and tracking features to provide better analysis of shift replacement data for planning purposes and increased employee satisfaction.
- LTCHS will continue to explore opportunities and partnerships to advance healthy aging strategies including creation of community hubs, safe spaces for seniors and vulnerable individuals.

- In addition to the above changes, the 2017 Operating Budget includes an adjustment in provincial funding of \$1.342 million (6.8 permanent positions) to continue to maintain the necessary care and service levels to address some of the challenges stated above.
- The 2017 - 2026 Capital Budget and Plan for Long-Term Care Homes & Services includes funding for the Electronic Health Care Records Project (eHCR) that will modernize resident care by providing a comprehensive electronic record of health-related information which will create further efficiencies in business processes.
- LTCHS will continue to advocate for increased provincial funding and pursue other funding opportunities and partnerships for additional programs, services and specialized units to fulfill its mandate and to continue to meet the increasingly complex community needs.



Appendices

Appendix 1

2016 Service Performance

Key Service Accomplishments

In 2016, Long-Term Care Homes & Services accomplished the following:

- ✓ Completed division-wide national healthcare accreditation process in which Long-Term Care Homes & Services was Accredited with Commendation in recognition for going beyond the program requirements.
- ✓ Opened Phase II of Kipling Acres, bringing 145 long-term care beds back into service along with new community hub space.
- ✓ Enhanced dementia care for residents by incorporating the Montessori approach of sensory, engaging and rewarding activities.
- ✓ Expanded the Homemakers and Nurses Services (HMNS) program and reduced the waitlist by approximately 300 applicants for low-income seniors in need of at home support to maintain their independence.
- ✓ Supported leadership excellence in healthy aging through continuous improvement, customer service, education, innovation, research, teamwork, partnerships and technology.
- ✓ Commenced implementation of the Council approved 2016 – 2020 LTCH Service Plan and refreshed the division's Strategic Plan.
- ✓ Commenced implementation of the division's Learning Plan and rolled out eLearning as an early adopter of the system.
- ✓ Updated and reissued the LGBT Toolkit for creating culturally competent care for lesbian, gay, bisexual and transgender persons in long-term care and community-based services.
- ✓ Advanced implementation of the Council approved LTCHS Capital Renewal Plan to address mandatory redevelopment of five (5) long-term care homes to meet new design standards, explore affordable housing opportunities, integrating partnerships and incorporating community hub space.
- ✓ Commenced modernization project for a new electronic healthcare record and resident information management system to improve service delivery and support operations with leading-edge technology.
- ✓ Improved outcomes for residents and clients throughout the continuum of care, from healthy aging in place to palliative care at end of life.
- ✓ Celebrated the 50th anniversary of long-term care operations at Fudger House.

Appendix 2

2017 Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2014 Actual	2015 Actual	2016 Budget	2016 Projected Actual *	2017 Preliminary Budget	2017 Change from 2016 Budget		Plan	
	\$	\$	\$	\$	\$	\$	%	2018 \$	2019 \$
Salaries and Benefits	185,220.0	188,103.2	208,041.8	192,018.9	208,624.6	582.8	0.3%	211,717.9	214,666.0
Materials and Supplies	19,037.2	19,423.2	19,819.8	19,544.0	21,086.5	1,266.8	6.4%	21,086.5	21,086.5
Equipment	936.2	2,901.3	2,777.0	3,125.0	2,920.6	143.6	5.2%	2,920.6	2,920.6
Services & Rents	18,731.1	20,732.5	21,306.4	20,994.7	21,710.1	403.7	1.9%	21,710.1	21,710.1
Contributions to Capital							-		
Contributions to Reserve/Res Funds	1,809.4	1,901.5	1,901.5	1,901.5	1,901.5			1,901.5	1,901.5
Other Expenditures	191.7	102.4	98.3	98.3	97.9	(0.4)	(0.4%)	97.9	97.9
Interdivisional Charges	600.1	752.5	625.2	625.2	640.2	14.9	2.4%	640.2	640.2
Total Gross Expenditures	226,525.7	233,916.6	254,570.0	238,307.6	256,981.4	2,411.4	0.9%	260,074.6	263,022.8
Interdivisional Recoveries	69.1	72.8	89.7	89.7	104.4	14.7	16.4%	104.4	104.4
Provincial Subsidies	135,275.6	140,243.0	154,283.8	141,565.8	157,590.0	3,306.2	2.1%	157,597.5	157,606.2
Federal Subsidies							-		
Other Subsidies							-		
User Fees & Donations	48,497.0	49,493.7	51,200.8	49,704.2	51,522.6	321.8	0.6%	51,522.6	51,522.6
Transfers from Capital Fund		160.3	260.0	260.0	300.0	40.0	15.4%	300.0	300.0
Contribution from Reserve/Reserve Funds			103.4	103.4		(103.4)	(100.0%)		
Sundry Revenues	312.0	295.2	139.0	139.0	141.0	2.0	1.4%	141.0	141.0
Total Revenues	184,153.7	190,265.0	206,076.7	191,862.1	209,658.0	3,581.3	1.7%	209,665.5	209,674.2
Total Net Expenditures	42,372.0	43,651.6	48,493.3	46,445.5	47,323.4	(1,169.9)	(2.4%)	50,409.1	53,348.6
Approved Positions	2,179.7	2,225.9	2,372.0	2,372.0	2,373.9	1.9	0.1%	2,373.9	2,373.9

* Based on the 2016 9-month Operating Variance Report

Projections to year-end indicate that the under-expenditures in 2016 are due to minor delays in re-opening of Kipling Acres Phase II facility and expenditure controls in areas where provincial funding has been delayed or not yet confirmed.

For additional information regarding the 2016 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2016" to be considered by City Council at its meeting on December 13, 2016.

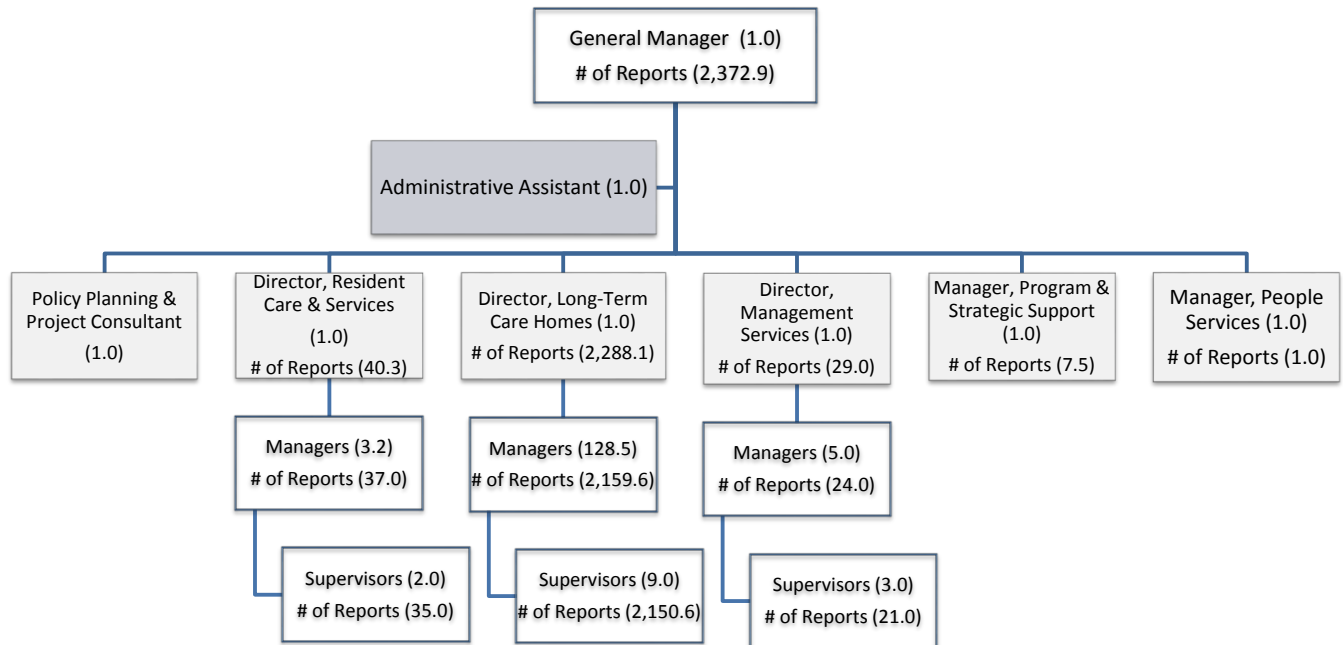
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BU26.4>

Impact of 2016 Operating Variance on the 2017 Operating Budget

- As the projected savings in 2016 are non-recurring due to minor delays in re-opening of Kipling Acres Phase II facility and expenditure controls in areas where provincial funding has been delayed or not yet confirmed, there is no impact of the 2016 Operating Variance on the 2017 Operating Budget.

Appendix 3

2017 Organization Chart



2017 Total Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	1.0	162.7	2.0	2,208.2	2,373.9
Temporary					
Total	1.0	162.7	2.0	2,208.2	2,373.9

Appendix 4

Summary of 2017 Service Changes

Form ID		Citizen Focused Services A	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		Program - Long-Term Care Homes & Services						
10934		Realignment of Staff						
59	4	Description:						
LTCHS will delete its 3 remaining Resident Aide positions and will lay off incumbents or accommodate them in the Practical Care Aide position if they are able to substantially perform the duties. In addition, LTCHS will reduce its budget for WSIB and the temporary accommodation of staff on modified duties.								
Service Level Impact:								
LTCHS can mitigate some of the pressures arising from increased clinical/administration workloads by strategically aligning injured workers to meaningful work.								
Service: Long-Term Care Homes								
Preliminary Service Changes			(629.7)	0.0	(629.7)	(3.00)	(4.7)	(4.6)
Total Preliminary Service Changes:			(629.7)	0.0	(629.7)	(3.00)	(4.7)	(4.6)
Summary:								
Total Preliminary Service Changes			(629.7)	0.0	(629.7)	(3.00)	(4.7)	(4.6)

Appendix 5

Summary of 2017 New / Enhanced Service Priorities

2017 Operating Budget - Council Approved New and Enhanced Services Summary by Service (\$000's)

Form ID		Citizen Focused Services A	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
10306		Prov. funded pos. to meet leg stds for resident acuity needs						
72	0	Description: In order to maintain the same level of care and continue to meet residents’ needs a LTC home must adjust resources year over year. These additional costs do not represent cost escalations nor do they signify program enrichments or expansion. The increase in acuity means that higher levels of service, more complex interventions, and additional registered and non-registered personnel are required in order to maintain service levels consistent with the relative intensification in residents’ needs for nursing, personal care and rehabilitation. Accordingly, the MOHLTC annually measures acuity and adjusts funding to all LTC homes in order to maintain the necessary care and service levels. For example replacement coverage, physiotherapy services, and raw food. The 2017 Operating Budget includes funding of \$1.342 million for 6.8 permanent registered and non-registered staff to meet Resident Acuity and Service Level Standards, fully funded by the MOHLTC. Service Level Impact: Ministry funding ensures that minimum provincial standards are met in the provision of long-term care services to residents. Service: Long-Term Care Homes						
		Preliminary New / Enhanced Services:	1,342.0	1,342.0	0.0	6.84	7.5	8.7
		Total Preliminary New / Enhanced Services:	1,342.0	1,342.0	0.0	6.84	7.5	8.7
<hr/>								
Summary:								
		Total Preliminary New / Enhanced Services	1,342.0	1,342.0	0.0	6.84	7.5	8.7

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
Projected Beginning Balance		36,287.6	36,287.6	36,702.6	37,117.6
Sick Leave Reserve Fund	XR1007				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			415.0	415.0	415.0
Total Reserve / Reserve Fund Draws / Contributions		36,287.6	36,702.6	37,117.6	37,532.6
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		36,287.6	36,702.6	37,117.6	37,532.6

* Based on 9-month 2016 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
Projected Beginning Balance		19,645.5	19,645.5	21,132.0	22,618.6
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			1,486.5	1,486.5	1,486.5
Total Reserve / Reserve Fund Draws / Contributions		19,645.5	21,132.0	22,618.6	24,105.1
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		19,645.5	21,132.0	22,618.6	24,105.1

* Based on 9-month 2016 Reserve Fund Variance Report