



Long-Term Care Homes & Services

I: 2014 OPERATING BUDGET OVERVIEW

What We Do

Long-Term Care Homes & Services provide 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.

2014 Budget Highlights

The total cost to deliver this Program to Toronto residents in 2014 is \$231.801 million as shown below.

(In \$000s)	Approved 2013 Budget	2014 Budget	Change	
			\$	%
Gross Expenditures	230,180.4	231,800.7	1,620.3	0.7%
Gross Revenue	183,890.7	186,009.8	2,119.1	1.2%
Net Expenditures	46,289.7	45,790.9	(498.7)	-1.1%

2013 includes an in-year adjustment of \$0.342 million net for 2013 part-time COLA

Moving into 2014, Long-Term Care Homes & Services was facing a net pressure of \$3.554 million due mainly to inflationary increases for programming costs and payroll costs. Through on-going operational efficiencies, savings from the elimination of the shift overlap, and additional provincial subsidies for acuity, LTCHS was able to offset these pressures.

As a result, Long-Term Care Homes & Services will maintain 2014 service levels while at the same time absorbing operating pressures and producing savings of \$0.499 million beyond the 2013 budgeted level.

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4) Summary of 2014 New & Enhanced Service Changes	N/A
5) Inflows/Outflows to / from Reserves & Reserve Funds	N/A
6) 2014 User Fee Rate Changes	N/A

Fast Facts

- LTCHS offers a wide range of programs including dementia care, Gentlecare™, physiotherapy, occupational therapy, dental care, optometry, complementary care, and a formal advocacy program.
- City-wide commitment to care with 2,641 approved beds
- Supportive Housing Services at 9 sites.
- 5 Adult Day Programs operate out of City-run long-term care homes.
- Approximately 2,600 clients throughout the City are assisted by Homemakers and Nurses Services.

Trends

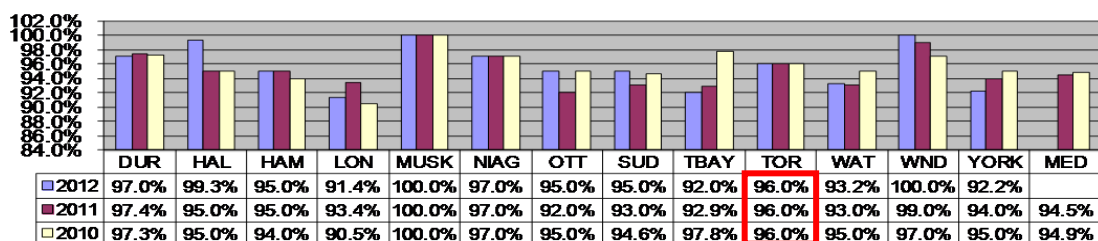
- Long Term Care Homes continues to maintain an occupancy rate of 97% or higher to respond to community needs and maximize provincial and LHIN subsidies.
- The municipal long-term care homes have historically experienced high satisfaction ratings (96%) from the residents which compares well with other municipalities.

Our Service Deliverables for 2014

Long-Term Care Homes & Services provides exemplary long-term care services to residents and clients, and actively participate in the creation of an effective continuum of care through strong partnerships with other health care organizations and community partners. The 2014 Operating Budget of \$231.801 million gross and \$45.791 million net will:

- Continue the delivery of long-term care services including permanent convalescent and short-stay care offered at 10 long-term care homes providing support to over 2,600 residents;
- Continue to provide 12,500 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 450 seniors who need housekeeping, light meal preparation, personal care, medication reminders and security checks in their own apartments;
- Continue to support Meals on Wheels by preparing 2,400 meals per week for distribution; and
- Continue to provide 115,000 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 Resident Satisfaction

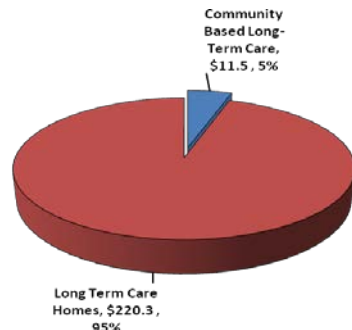


- For 2012, the City of Toronto received a 96% satisfaction rating from their residents, comparable to other municipal homes.

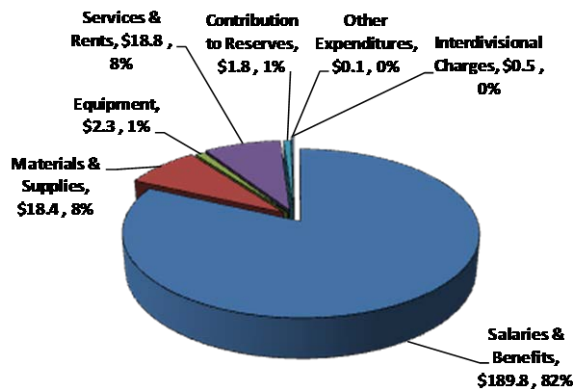
2014 Budget Expenditures & Funding

Where the money goes:

**2014 Operating Budget by Service
\$231.801 Million**

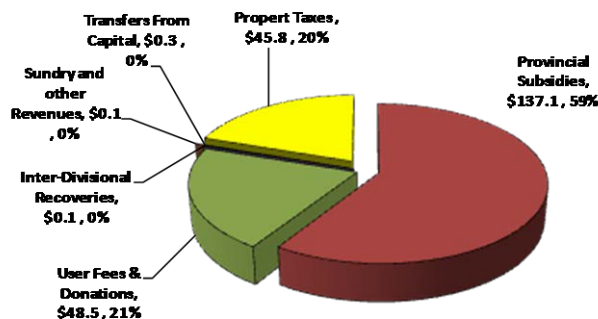


2014 Operating Budget by Expenditure Category



Where the money comes from:

**2014 Operating Budget Funding Source
\$231.801 Million**



Our Key Challenges & Priority Actions

- Rise in resident acuity, which measures care levels, and complexity of resident care needs, along with a growing demand for specialized services.
 - LTCHS will address the increasing demand by providing long-term care and service through permanent admission, short stay and convalescent care for residents with multiple diagnoses and complex care needs.
 - LTCHS will continue to advocate for additional funding from the Province.
- The current provincial funding is not adequate to meet the increasing and complex needs of LTC residents.
 - LTCHS will maintain an occupancy rate of 97% or higher to respond to community needs while maximizing provincial and LHIN subsidies.

II: COUNCIL APPROVED BUDGET

City Council approved the following recommendations:

1. City Council approve the 2014 Operating Budget for Long-Term Care Homes and Services of \$231.801 million gross and \$45.791 million net, comprised of the following services:

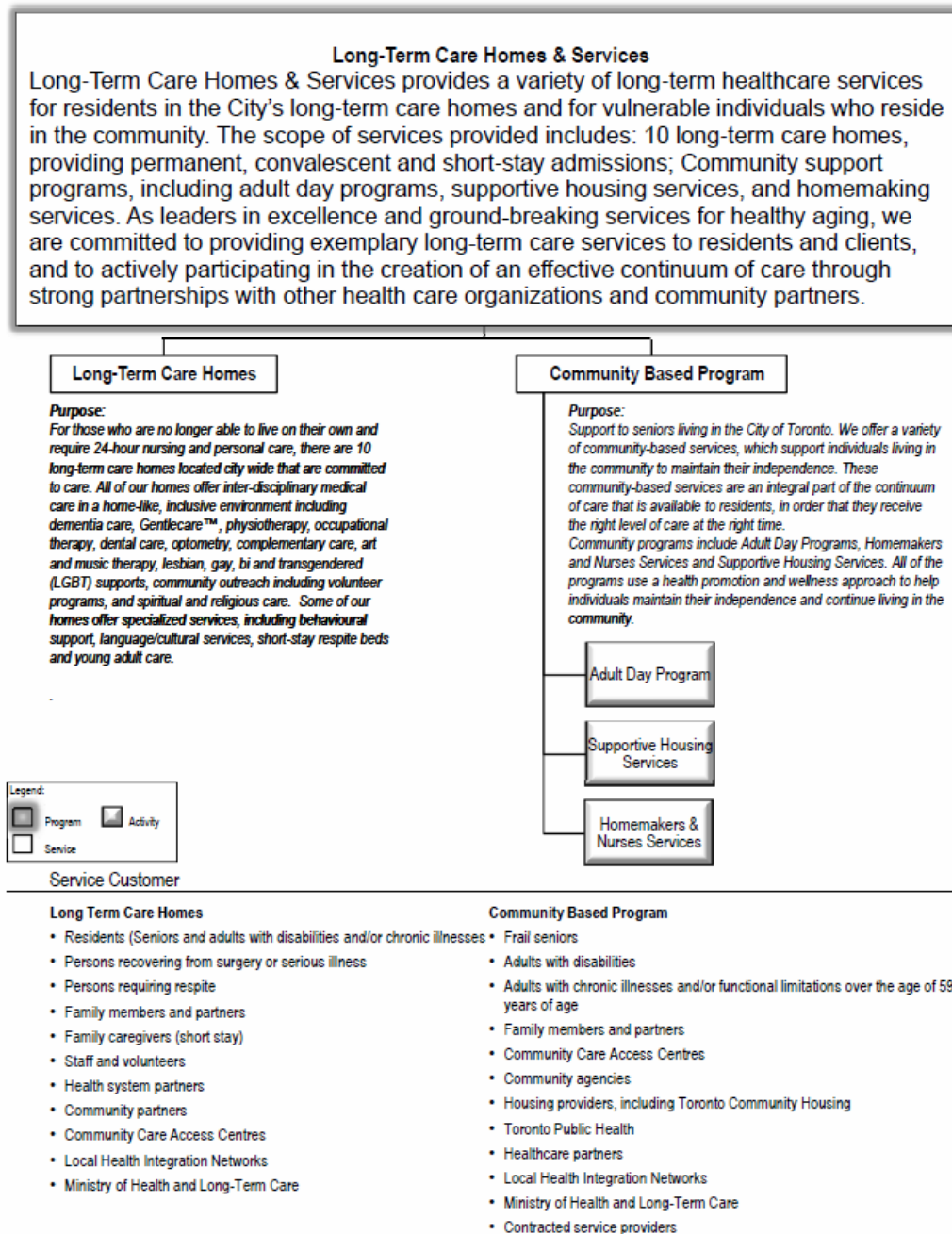
<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Community Based Service	11,499.9	1,395.4
Long Term Care Homes	220,300.8	44,395.5
Total Program Budget	<u>231,800.7</u>	<u>45,790.9</u>

2. City Council approve the 2014 service levels for Long-Term Care Homes & Services, as outlined on page 7, and associated staff complement of 2,179.7 positions.

III: 2014 SERVICE OVERVIEW AND PLAN

Program Map

Long-Term Care Homes & Services strives to meet the changing needs of the community by providing the following services:

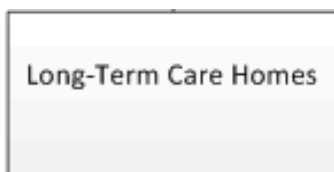


2014 Service Deliverables

Long-Term Care Homes & Services provides exemplary long-term care services to residents and clients, and actively participate in the creation of an effective continuum of care through strong partnerships with other health care organizations and community partners. The 2014 Operating Budget of \$231.801 million gross and \$45.791 million net will:

- Continue the delivery of long-term care services including permanent convalescent and short-stay care offered at 10 long-term care homes providing support to over 2,600 residents;
- Continue to provide 12,500 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 450 seniors who need housekeeping, light meal preparation, personal care, medication reminders and security checks in their own apartments;
- Continue to support Meals on Wheels by preparing 2,400 meals per week for distribution; and
- Continue to provide 115,000 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.

Service Profile: Long Term Care Homes



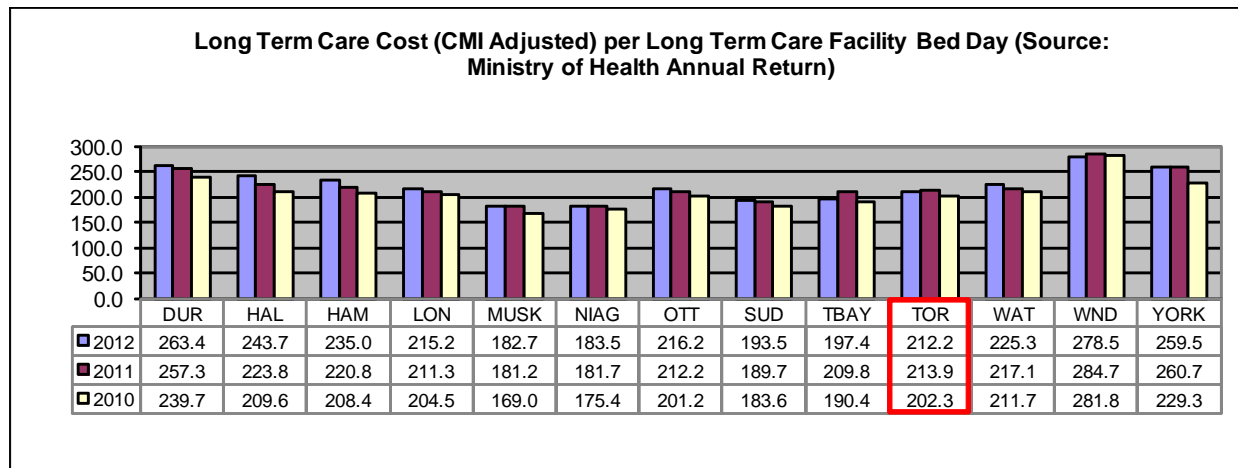
What we do

- Provide 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 for marginalized persons generally not well-served by other providers;
- Provide a short-stay admission program to support families seeking respite from the caregiver role for a period of less than 90 days;
- Provide 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; and
- Provide specialized dementia care and specialized behavioural support services for individuals with significant responsive and/or challenging behaviours related to dementia or mental health issues.

2014 Service Levels

Activity	Type	Status	Service Levels			
			2011	2012	2013	2014
	Resident Care - Long Stay	Approved	98.41% Occupancy	97% Occupancy		97% Occupancy
	Resident Care - Short Stay	Approved	65.56% Occupancy	50% Occupancy		50% Occupancy
	Convalescent Care	Approved	78.33% Occupancy	80% Occupancy		80% Occupancy
	Behavioural Support Care	Approved	97% Occupancy			97% Occupancy

Efficiency Measure – Long Term Care Cost (CMI Adjusted) per Long Term Care Facility Bed Day



- This graph shows the cost of operating a municipal LTC bed for one day. The current provincial funding is insufficient to adequately meet the care needs of LTC residents and the associated operating costs of a 24/7 resident service.
- To ensure quality of care and resident safety, many municipalities voluntarily contribute additional resources to their LTC operations, and maintain standards of care that exceed provincial standards.
- For 2012, the cost of operating a municipal long term care bed in the City of Toronto was \$212.2, one of the lowest across municipalities.

Service Profile: Community Based Long-Term Care



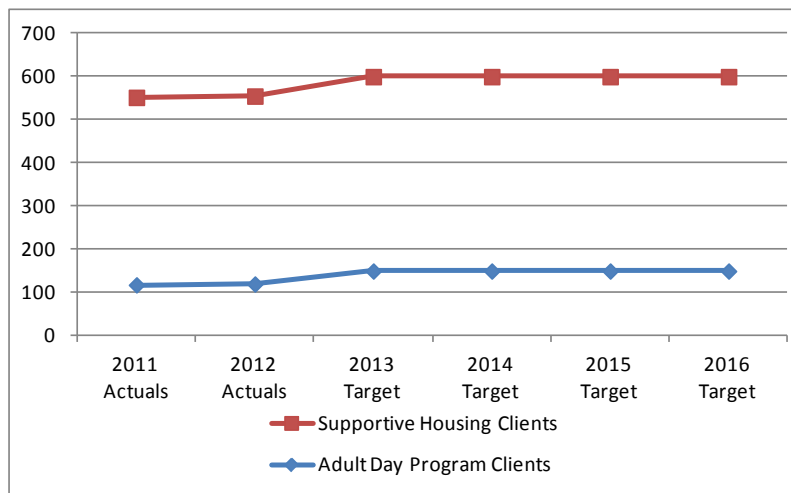
What we do

- Provide in-home support services for persons living 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;
- Provide 24-hour on-site supportive housing services (assessment, home help, personal care, security checks) for clients living in designated supportive housing buildings;
- Provide day-time wellness programming, recreation and social activities (including lunch-time meal and nourishing snacks) for frail seniors living in the community attending the division's adult day programs; and
- Prepare pre-packaged, healthy meals for community clients served through community-based meals-on-wheels programs.

2014 Service Levels

Activity	Type	Status	Service Levels			
			2011	2012	2013	2014
Adult Day Program	Adult Day Services	Approved	96% Service Delivery	Mon-Fri, 52 Weeks/year		Mon-Fri, 52 Weeks/year
Supportive Housing Services	Personal Care and Homemaking	Approved	100% Service Delivery	24 hours/day, 365 day/year		24 hours/day, 365 day/year
Homemakers & Nurses Services	Homemaking	Approved	100% Service Delivery	Mon-Fri, 52 Weeks/year		Mon-Fri, 52 Weeks/year

Effectiveness Measure – Number of Clients Participating in Various LTCHS Programs



- The number of Adult Day Program clients has been increasing from 118 in 2011 to a projected number 150 in 2013. LTCHS is targeting serving 150 clients in 2014.
- The number of Supportive Housing clients has been increasing from 434 clients in 2011 to a projected number of 450 in 2013. LTCHS is targeting serving 450 clients for 2014.

IV: 2014 Operating Budget

2014 Operating Budget (In \$000s)

(In \$000s)	2013		2014 Operating Budget			2014 vs. 2013 Budget Approved Changes		Incremental Change 2015 and 2016 Plan			
	Approved Budget	Projected Actual	2014 Base	2014 New/Enhanced	2014 Budget			2015		2016	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Community Based Service											
Gross Expenditures	11,499.9	11,099.9	11,499.9		11,499.9		0.0%		0.0%		0.0%
Revenue	10,104.5	9,704.5	10,104.5		10,104.5		0.0%		0.0%		0.0%
Net Expenditures	1,395.4	1,395.4	1,395.4		1,395.4		0.0%		0.0%		0.0%
Long Term Care Homes											
Gross Expenditures	218,680.5	209,580.5	220,300.8		220,300.8	1,620.3	0.7%	6,118.0	2.8%	14,332.5	6.3%
Revenue	173,786.2	166,786.2	175,905.3		175,905.3	2,119.1	1.2%	1,594.8	0.9%	10,080.5	5.7%
Net Expenditures	44,894.2	42,794.2	44,395.5		44,395.5	(498.7)	(1.1%)	4,523.2	10.2%	4,252.0	8.7%
Total											
Gross Expenditures	230,180.4	220,680.4	231,800.7		231,800.7	1,620.3	0.7%	6,118.0	2.6%	14,332.5	6.0%
Revenue	183,890.7	176,490.7	186,009.8		186,009.8	2,119.1	1.2%	1,594.8	0.9%	10,080.5	5.4%
Total Net Expenditures	46,289.7	44,189.7	45,790.9		45,790.9	(498.7)	(1.1%)	4,523.2	9.9%	4,252.0	8.5%
Approved Positions	2,151.3	2,151.3	2,179.7		2,179.7	28.4	1.3%	33.7	1.5%	138.0	6.2%

2013 includes an in-year adjustment of \$0.342 million net for 2013 part-time COLA

The 2014 Operating Budget for Long-Term Care Homes and Service of \$231.801 million gross and \$45.791 million net is \$0.499 million or 1.1% below the 2013 Approved Budget of \$46.290 million net (includes an in-year adjustment of \$0.342 million net for 2013 part-time COLA):

- **Community Based service** of \$11.500 million gross and \$1.395 million net is equivalent to the 2013 Approved Budget of \$1.395 million net. The Local Health Integration Networks (LHINs) have not indicated a rate increase for 2014 and as such there is no change from 2013 to 2014.
- **Long Term Care Homes service** of \$220.301 million gross and \$44.396 million net is \$0.499 million net or 1.1% under the 2013 Approved Budget of \$44.894 million net.
 - Base Budget changes are primarily attributable to savings from the shift overlap elimination of \$0.660 million, Kipling Acres temporary downsizing of \$0.236 million, adjustments to user fees and other revenues of \$0.776 million, and an increase in Provincial Subsidies of \$1.782 million, partially offset by inflationary increases for salary and benefits of \$2.562 million and non-payroll expenditures of \$0.991 million.
 - The 2015 incremental costs of \$4.523 million net are mainly due to inflationary increases in salary and fringe benefits of \$4.490 million including COLA and progression pay and anticipated economic factors for non-payroll expenditures of \$0.983 million, offset by savings from the elimination of the shift overlap of \$0.950 million.
 - The 2016 incremental costs of \$4.252 million net are mainly due to inflationary increases in salary and fringe benefits including progression pay (excluding COLA) of \$1.178 million, anticipated economic factors for non-payroll expenditures of \$0.974

million and the salaries and benefits increase for 118 new positions required as a result of the reopening of the completed 192-bed and 145-bed Kipling Acres redevelopment, anticipated to be completed by the end of 2015.

The 2014 Budget will result in the Program increasing its total staff complement by 28.4 positions from 2,151.3 to 2,179.7.

2014 Total Staff Complement

Changes	2014 Budget	2015 Plan	2016 Plan
Opening Complement	2,151.3	2,179.7	2,213.4
In-year Adjustments			
Adjusted Staff Complement	2,151.3	2,179.7	2,213.4
Change in Staff Complement			
Collective Agreement - Shift Overlap	13.7	13.7	
Convalescent Care Program	5.8		
KA Temporary Downsizing	(11.5)		118.0
Resident Acuity	17.8	20.0	20.0
Legislated Staffing Requirements	2.6		
Line by Line Expenditure Reduction (Operating Efficiencies)	(0.1)		
Total	2,179.7	2,213.4	2,351.4
% Change over prior year	1.3%	1.5%	6.2%

- 2014 Staff Complement Changes – The 2014 Budget will result in a reduction of 11.5 positions, as outlined below:
 - A reduction of 11.5 positions as a result of the reduction in the number of beds at Kipling Acres while the facility is being redeveloped. These reductions are one-time and will be reversed in 2016 with the completion of the 145-bed Kipling Acres project; and
 - A reduction of 0.1 positions from operating efficiency savings identified through a detailed review undertaken by LTCHS of historical staffing and expenditure trend, which will not negatively impact resident/client care and services.

These reductions are partially offset by an increase of 39.9 positions, which consist of:

- 13.7 positions as a result of the phased in elimination of the half-hour shift overlap (15 minutes in 2014) 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;
- 5.8 positions as a result of additional services being realigned to the Convalescent Care Program (CCP) and an increase from 38 to 55 CCP beds to meet community needs;
- 17.8 positions due to a rise in the complexity and acuity of care in long-term care homes. In compliance with MOHLTC regulatory requirements, the increased complexity and acuity of care results in the need for skill and competency training for staff at all levels of the organization; and

- 2.6 positions to adjust food and nutrition management staffing levels to meet the Long-Term Care Homes Act and Regulation 79/10 requirements.

**2014 Base Budget
(In \$000s)**

(In \$000s)	2013 Approved Budget	2014 Base	Change 2014 Base vs. 2013 Approved Budget		Incremental Change			
					2015 Plan		2016 Plan	
By Service	\$	\$	\$	%	\$	%	\$	%
Community Based Service								
Gross Expenditures	11,499.9	11,499.9		0.0%		0.0%		0.0%
Revenue	10,104.5	10,104.5		0.0%		0.0%		0.0%
Net Expenditures	1,395.4	1,395.4				0.0%		0.0%
Long Term Care Homes								
Gross Expenditures	218,680.5	220,300.8	1,620.3	0.7%	6,118.0	2.8%	14,332.5	6.3%
Revenue	173,786.2	175,905.3	2,119.1	1.2%	1,594.8	0.9%	10,080.5	5.7%
Net Expenditures	44,894.2	44,395.5	(498.7)	(1.1%)	4,523.2	10.2%	4,252.0	8.7%
Total								
Gross Expenditures	230,180.4	231,800.7	1,620.3	0.7%	6,118.0	2.6%	14,332.5	6.0%
Revenue	183,890.7	186,009.8	2,119.1	1.2%	1,594.8	0.9%	10,080.5	5.4%
Net Expenditures	46,289.7	45,790.9	(498.7)	(1.1%)	4,523.2	9.9%	4,252.0	8.5%
Approved Positions	2,151.3	2,179.7	28.4	1.3%	33.7	1.5%	138.0	6.2%

2013 includes an in-year adjustment of \$0.342 million net for 2013 part-time COLA

The 2014 Base Budget of \$231.801 gross and \$45.791 million net is \$0.499 million or 1.1% below the 2013 Approved Budget of \$46.290 million net (includes \$0.342 million net for 2013 part-time COLA).

The 2014 Base Budget, prior to service change savings of \$4.053 million, includes a net pressure of \$3.554 million or 7.7% above the 2013 Approved Budget.

The net increase of \$3.554 million in the 2014 Base Budget is reduced by service change savings and revenue adjustments of \$4.053 million reflecting a decrease of 8.8% below the 2013 Approved Budget.

The result of the incremental changes noted above is a 2014 Base Budget for LTCHS that is \$0.499 million or 1.1% below the budget target of a 0% increase from the 2013 Approved Budget.

Key cost drivers resulting in base budget pressures of \$3.554 million are detailed in the table below:

Key Cost Drivers
(In \$000s)

(In \$000s)	2014 Base Budget
Gross Expenditure Changes	
Prior Year Impacts	
Economic Factors	
Non-Salary Economic Factors	991.3
COLA and Progression Pay	
Progression Pay	330.7
COLA and Employee Benefits	2,231.7
Other Base Changes	
Convalescent Care Program	485.0
Resident Acuity	1,312.3
Legislated Staffing Requirements	271.4
Ministry Funding Policy Changes	1,358.9
Total Expenditures Changes	6,981.4
Revenue Changes	
Convalescent Care Program	485.0
Resident Acuity	1,312.3
Legislated Staffing Requirements	271.4
Ministry Funding Policy Changes	1,358.9
Total Revenue Changes	3,427.6
Net Expenditures	3,553.8

Economic Factors

- Non-Labour economic factors have increased by \$0.991 million net, primarily consisting of utilities, and contracted raw food and laundry costs.

COLA and Progression Pay

- There is an increase of \$2.562 million in salaries and benefits (including progression pay, COLA and fringe benefits).

Convalescent Care Program

- In order to meet the growing needs of the community, additional services will be realigned to the Convalescent Care program for \$0.485 million gross and will be funded by the MOHLTC and LHIN with no net impact to the City.

Resident Acuity

- \$1.312 million in gross expenditure will be funded by the MOHLTC and LHIN with no net impact to the City for the rising complexity of care needs and acuity, which measures care levels, in long-term care homes.

Legislated Staffing Requirements

- A \$0.271 million gross increase in expenditure will be funded by the MOHLTC and LHIN with no net impact to the City to adjust food and nutrition management staffing levels to meet the Long-Term Care Homes Act and Regulation 79 / 10 requirements.

Ministry Funding Policy Changes

- \$1.359 million gross will be funded by the MOHLTC and LHIN with no net impact to the City as a result of MOHLTC moving forward with Health System Funding Reform. Certain changes are being implemented incrementally, including changes to funding physiotherapy, high intensity needs and on-call physicians. The MOHLTC is reallocating funding from OHIP and adjusting funding to prescribed services.
- A judicial decision has been made such that after August 21, 2013 OHIP cannot be billed for physiotherapy services rendered in LTCH Homes. Effective August 22, 2013, LTCHS will receive physiotherapy and exercise funding to provide services to residents. The funding model previously communicated in the LTCH Physiotherapy Funding Policy has not changed.

In order to offset the above pressures, base expenditure reductions of \$4.032 million were approved as detailed in the table below:

2014 Service Change Summary by Program
(In \$000s)

Description (\$000s)	2014 Service Changes				Net Incremental Impact			
	Position Change	Gross Exp.	Net Expense	% Change over 2014 Budget	2015		2016	
					Net Expense	Pos.	Net Expense	Pos.
	#	\$	\$	%	\$	#	\$	#
Base Changes:								
Base Expenditure Changes								
<i>Collective Agreement - Shift Overlap Elimination</i>	13.7	(660.0)	(660.0)	(1.4%)	(950.0)	13.7		
<i>Kipling Acres Temporary Downsizing</i>	(11.5)	(1,217.0)	(235.9)	(0.5%)			2,100.0	118.0
<i>Line-by-Line Expenditure Reductions</i>	(0.1)	(599.3)	(599.3)	(1.3%)				
Base Expenditure Change		(2,476.3)	(1,495.2)	(3.3%)	(950.0)	13.7	2,100.0	118.0
Base Revenue Changes								
<i>Provincial Subsidy Increase</i>			(1,781.5)	(3.9%)				
<i>Adjustment to User Fees and Other Revenues</i>			(775.9)	(1.7%)				
Base Revenue Change			(2,557.4)	(5.6%)				
Total Changes	2.1	(2,476.3)	(4,052.6)	(8.8%)	(950.0)	13.7	2,100.0	118.0

The 2014 service changes consist of base expenditure savings of \$1.495 million net and revenue changes of \$2.557 million net. In total, the Program has achieved reductions of \$4.053 million net bringing the 2014 Base Budget to \$0.499 million or 1.1% under the 2013 Approved Budget of \$46.290 million.

The net incremental impact on the 2015 and 2016 Operating budget is savings of \$0.950 due to shift overlap elimination and a pressure of \$2.100 million from Kipling Acres returning 145 beds back into service.

The 2014 service changes and 2015 and 2016 incremental impacts are discussed below:

Base Expenditure Changes: (Savings of \$2.476 million gross, \$1.495 million net)

Collective Agreement – Shift Overlap Elimination

- A savings of \$0.660 million net in 2014 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 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 2014 reduction is offset by a one-time bonus pay out to affected workers. The half hour shift overlap was used as a means for nurses to provide updated information to subsequent shifts. New processes will be utilized to facilitate the knowledge transfer without the need for a shift overlap.
- The Collective Agreement provides for the elimination of the half-hour shift overlap for all existing employees phased in over two years resulting in savings of \$0.660 million (annualized) in 2014 and \$0.950 million in 2015.
- An increase of 13.7 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.

Kipling Acres Temporary Downsizing

- As a result of the redevelopment of Kipling Acres capital project, the number of beds in the home will continue to be reduced on a temporary basis resulting in net operating cost savings of \$0.236 million and a reduction of 11.5 positions in 2014.
- These temporary savings will be reversed for \$2.100 million net and an increase of 118 positions in 2016 with the reopening of the completed 192-bed and 145-bed Kipling Acres redevelopments anticipated to be completed by the end of 2015. It is anticipated that savings achieved through the elimination of the shift overlap in 2013 through 2015 will partially offset the Kipling Acres net operating cost increase.

Expenditure Reductions to reflect Actual Experience

- A reduction of \$0.599 million net in base budget expenditures and a reduction of 0.1 positions are a result of an internal review of actual expenditures over the past three years undertaken at each of its 10 homes. Reductions include savings in line expense items to reflect actual historical expenditures, and adjustments to staffing costs and vacation replacements. These reductions will be achieved without impacting service levels.

Base Revenue Changes: (Savings of \$2.557 million net)*Provincial Subsidy Increase*

- The 2013 Operating Budget includes a \$1.782 million increase in Provincial subsidies for acuity, subject to confirmation through the 2014 Provincial Budget. Expenditures will not be incurred until the funding is confirmed and received by the MOHLTC.

Adjustments to User Fees and Other Revenues

- The increase of \$0.776 million in user fees and other revenues will primarily be generated by a user fee rate increase for basic accommodations. User fee rate increases are mandated by the Ministry of Health and Long-Term Care (MOHLTC). The rate increases are for basic and preferred accommodation resident user fees, and for the Adult Day Program.

2014 New / Enhanced Service Priority Actions**(In \$000s)**

There are no new / enhanced service priority actions for LTCHS in 2014.

2015 and 2016 Plan**(In \$000s)**

Description (\$000s)	2015 - Incremental Increase					2016 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Salaries & Benefits (COLA, Progression Pay)	4,490.1		4,490.1	9.8%		1,178.5		1,178.5	2.6%	
Economic Factor - Non Salary	983.1		983.1	2.1%		973.6		973.6	2.1%	
Kipling Acres Temporary Downsizing				0.0%		10,500.0	8,400.0	2,100.0	4.6%	118.0
Resident Acuity	1,594.8	1,594.8		0.0%	20.0	1,680.5	1,680.5		0.0%	20.0
Collective Agreement - Shift Overlap Elimination	(950.0)		(950.0)	(2.1%)	13.7				0.0%	
Sub-Total	6,118.0	1,594.8	4,523.2	9.9%	33.7	14,332.5	10,080.5	4,252.0	9.3%	138.0
Total Incremental Impact	6,118.0	1,594.8	4,523.2	9.9%	33.7	14,332.5	10,080.5	4,252.0	9.3%	138.0

Note COLA is excluded in 2016

Approval of the 2014 Base Budget for Long Term Care Homes & Services will result in a 2015 incremental cost of increase \$4.523 million net and a 2016 incremental cost increase of \$4.252 million net to maintain the 2014 service levels.

Future year incremental costs are primarily attributable to the following:

Known Impacts

- For 2015, the net incremental expenditures are projected to be \$4.523 million net, and include employee salary and benefit increases including COLA and progression pay, and non-salary inflationary increases. These incremental expenditures are partially offset by \$0.950 million net in operating cost savings as part of the elimination of the half-hour shift overlap.
- For 2016, the net incremental expenditures are projected to be \$4.252 million net, and include employee salary and benefit increases including progression pay (excluding COLA), non-salary inflationary increases, and \$2.100 million in net operating expenditures as a

result of the reversal of the temporary cost savings from redevelopment of Kipling Acres with the completion of the 145-bed facility at the end of 2015.

V: ISSUES FOR DISCUSSION

2014 Issues

Provincial Funding Uncertainty

- As the provider of a wide range of services to a diverse clientele, LTCHS is faced with several challenges in delivering services, as both the funding model and organizational structure at the Province are evolving.
- On July 1st, 2010, The Long-Term Care Homes Act, 2007 and Regulation 79/10 (LTCH Act) was proclaimed into law, and placed new financial pressures on long-term care homes as the Act introduces revised care, staffing, and operating standards without providing corresponding funding increases. In addition the Province is undertaking a Health System Funding Reform which may result in a redistribution of funding across the sector.
- The new LTCH Act requirements make it difficult for the Program to reduce service levels as the new standards are much higher than the former 2010 standards.
- The long-term care homes sector requires a commitment to multi-year, sustainable funding from the Ministry of Health and Long-Term Care (MOHLTC). Currently, the funding is variable and based on a complex formula that fluctuates from year-to-year, which requires the Program to aggressively pursue all available grants, subsidies and revenues wherever possible. In 2013, LTCHS was able to access additional provincial funding which enabled a reduction in the Homemakers and Nurses Services waiting list by approximately 200 applicants.
- The 2014 Operating Budget includes a \$1.782 million increase in Provincial subsidies, subject to confirmation through the 2014 Provincial Budget. Expenditures will not be incurred until the funding is confirmed and received by the MOHLTC.
- Without additional revenue from the Province, LTCHS could not have achieved their target cost reduction. Future targets cannot be achieved solely through cost savings but requires Provincial assistance.

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. Increased emphasis on admissions of individuals with dementia, mental illness, and associated responsive behaviours requires mental health education for all staff.
- As acuity levels rise, so does the need for further Provincial funding needed to provide necessary services and care.
 - ✓ Long-Term Care Homes and Services will advocate for additional provincial funding.

Appendix 1

2013 Service Performance

2013 Key Accomplishments

In 2013, Long-Term Care Homes and Services achieved the following results:

- ✓ Expanded the Convalescent Care Program to better meet identified community needs;
- ✓ Reduced the Homemakers and Nurses Services waiting list by approximately 200 applicants by accessing additional Ministry funding;
- ✓ Implemented a 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;
- ✓ Continued support for leadership excellence in healthy aging through continuous improvement, customer service, education, innovation, research, teamwork, partnerships, and technology;
- ✓ Received the Innovation and Excellence Supporting Seniors Award from Ontario Association of Non-Profit Homes and Services for Seniors (OANHSS) in recognition for work at Fudger House to enhance quality of life for residents in the home;
- ✓ Bendal Acres was recognized for its significant contributions in long-term care for French-speaking residents from Entite 4, a provincially-funded organization that strives to improve health services to the francophone community.
- ✓ LTCHS presented at provincial long-term care conferences on four(4) topics to attendees from across the province, which included: Reduce medication Pass Interruptions, Improving Intake Processes through Lean methodology, Better Dining Service, and Integrating Stroke Best Practice into Resident Care Planning;
- ✓ Health Quality Ontario delivered Improvement Facilitator Training to seventy-five(75) LTCHS managers to enhance knowledge related to quality improvement (QI) and to support them in achieving excellence;
- ✓ Multidisciplinary teams are reviewing and making recommendations on implementation of the Excellent Care for All Act and developing an End of Life Approach to care and service to better meet and exceed the needs and expectations of those entrusted to LTCHS' care; and
- ✓ Continued on the development and implementation of effective customer service tools to achieve measurable improvements to the customer service strategy, including the implementation of a new customer satisfaction survey and the review development of a new resident/client divisional advocacy protocol.

2013 Financial Performance

2013 Budget Variance Analysis
(In \$000s)

	2011 Actuals	2012 Actuals	2013 Approved Budget	2013 Projected Actuals*	2013 Approved Budget vs. Projected Actual Variance	
(\$000s)	\$	\$	\$	\$	\$	%
Gross Expenditures	218,596.8	215,771.2	230,180.4	220,680.4	(9,500.0)	(4.1)
Revenues	174,454.1	174,858.6	183,890.7	176,490.7	(7,400.0)	(4.0)
Net Expenditures	44,142.7	40,912.6	46,289.7	44,189.7	(2,100.0)	(4.5)
Approved Positions	2,188.4	2,151.3	2,151.3	2,151.3	-	-

* Based on the 3rd Quarter Operating Budget Variance Report

* includes an in-year adjustment of \$0.342 million net for 2013 part-time COLA

2013 Experience

- The projected year-end net favourable variance for LTCHS is anticipated to be \$2.100 million or 4.5% under the 2013 Approved Operating Budget of \$46.290 million.
- LTCHS is projecting a reduction in expenditures in the homes and community based programs for high intensity needs and supportive housing. These expenditures are 100% subsidized by the Province when they are required by individual residents or clients. This decrease in expenditures is matched by a corresponding decrease in revenues from the Province.

Impact of 2013 Operating Variance on the 2014 Budget

- There are no anticipated impacts of the projected 2013 Operating Variance on the 2014 Budget.

Appendix 2

2014 Operating Budget by Expenditure Category

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

Category of Expense	2011 Actual	2012 Actual	2013 Budget	2013 Projected Actual	2014 Budget	2014 Change from 2013 Approved Budget		2015 Plan	2016 Plan
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	180,433.2	179,255.0	189,572.2	183,072.2	189,823.8	251.7	0.1%	193,363.9	205,042.4
Materials and Supplies	18,403.6	17,437.2	18,854.8	17,654.8	18,438.4	(416.4)	(2.2%)	19,421.5	20,395.1
Equipment	2,201.5	1,366.8	2,264.4	1,864.4	2,260.9	(3.5)	(0.2%)	2,260.9	2,260.9
Services & Rents	15,121.9	15,221.4	16,958.6	15,558.6	18,832.5	1,873.9	11.0%	20,427.3	22,107.8
Contributions to Capital									
Contributions to Reserve/Res Funds	1,791.6	1,809.4	1,809.4	1,809.4	1,809.4		0.0%	1,809.4	1,809.4
Other Expenditures	47.6	79.5	145.4	145.4	145.4		0.0%	145.4	145.4
Interdivisional Charges	597.4	601.9	575.7	575.7	490.4	(85.3)	(14.8%)	490.4	490.4
Total Gross Expenditures	218,596.8	215,771.2	230,180.4	220,680.4	231,800.7	1,620.3	0.7%	237,918.7	252,251.3
Interdivisional Recoveries	127.9	120.9	133.4	133.4	69.1	(64.3)	(48.2%)	69.1	69.1
Provincial Subsidies	126,312.3	126,436.1	132,847.5	126,347.5	137,075.4	4,227.9	3.2%	138,670.1	148,750.6
Federal Subsidies									
Other Subsidies									
User Fees & Donations	47,761.2	47,795.8	47,686.5	46,786.5	48,462.4	775.9	1.6%	48,462.4	48,462.4
Transfers from Capital Fund		117.5	260.0	260.0	260.0		0.0%	260.0	260.0
Contribution from Reserve/Reserve Funds			2,820.5	2,820.5		(2,820.5)	(100.0%)		
Sundry Revenues	252.7	388.3	142.9	142.9	142.9		0.0%	142.9	142.9
Required Adjustments									
Total Revenues	174,454.1	174,858.6	183,890.8	176,490.8	186,009.8	2,119.1	1.2%	187,604.6	197,685.0
Total Net Expenditures	44,142.7	40,912.6	46,289.7	44,189.7	45,790.9	(498.7)	(1.1%)	50,314.1	54,566.3
Approved Positions	2,188.4	2,169.9	2,151.3	2,151.3	2,179.8	28.5	1.3%	2,213.4	2,351.4

2013 includes an in-year adjustment of \$0.342 million net for 2013 part-time COLA

2014 Key Cost Drivers

Salaries and Benefits are the largest expenditure category for LTCHS and accounts for 81.9% of total expenditures, followed by Service and Rents at 8.1%, Materials and Supplies at 8%, and Equipment at 1%. Provincial Subsidies are the largest revenue category and account for 73.7% of total revenues, followed by User Fees and Donations at 26.1%

Salaries and Benefits

- The 2014 budget for salaries and benefits of \$189.824 million reflects an increase of \$0.252 million or 0.1% compared to the amount of \$189.572 million in the 2013 Approved Operating Budget.
 - This increase is mainly attributable to salaries and benefits (including progression pay, COLA and fringe benefits).

Materials and Supplies

- The 2014 budget for materials and supplies of \$18.438 million is \$0.416 million or 2.2% lower compared to the amount of \$18.855 million.
 - This decrease in expenditures is due to base reductions and line-by-line expenditures, partially offset by inflationary increases.

Service & Rents

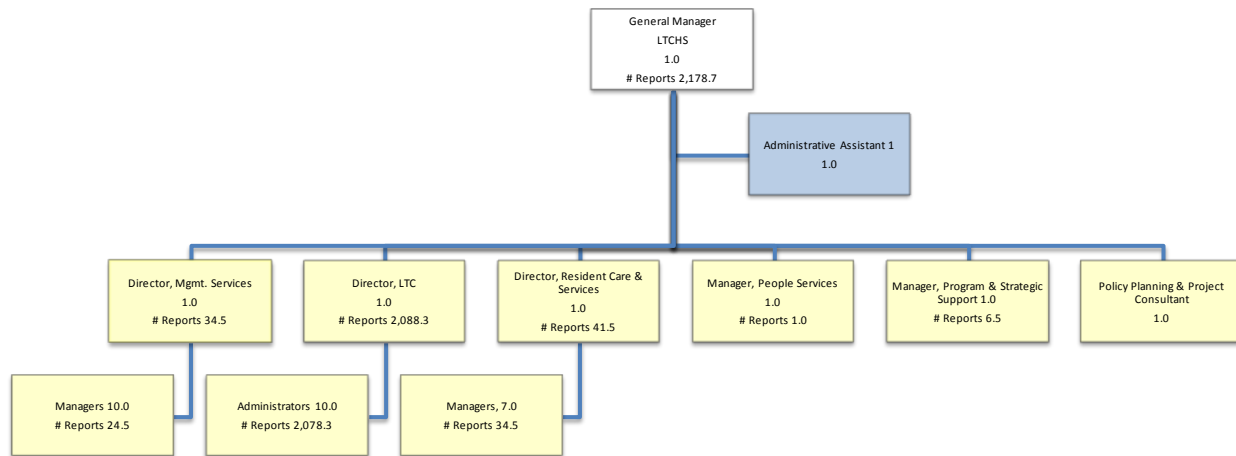
- The budget for services and rents of \$18.833 million is \$1.874 million or 11% higher compared to the 2013 Approved Budget of \$16.959 million.
 - This increase is primarily attributable to the MOHLTC moving forward with the Health System Funding reform, which provides funding for physiotherapy, high intensity needs and on-call physicians.

Revenues

- Provincial subsidies of \$137.075 million are \$4.228 million or 3.2% higher compared to the 2013 Approved Budget of \$132.848 million.
 - This increase is primarily attributable to additional Provincial subsidies for economic factors and acuity, increase in staffing levels for food service managers and nurses to comply with legislated requirements, an increase for the Convalescent Care Program, and an increase in funding from the MOHLTC for physiotherapy, high intensity needs and on-call physicians.
- The 2014 budget for user fees and donations of \$48.462 million is \$0.776 million or 1.6% higher compared to the 2013 Approved Budget of \$47.687 million is primarily an increase in user fee revenue due to MOHLTC mandated rate increase.

➤ Appendix 2 - Continued

2014 Organization Chart



2014 Full and Part Time Staff

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Full-Time	1.0	139.0	2.0	1,193.0	1,335.0
Part-Time		15.0		829.7	844.7
Total	1.0	154.0	2.0	2,022.7	2,179.7