
HALDIMAND COUNTY

Report GVL-04-2024 Grandview Lodge Ministry of Long-Term Care Funding
For Consideration by Council in Committee on October 8, 2024



OBJECTIVE:

To inform Council of the 2024 Ministry of Long-Term Care funding for Grandview Lodge.

RECOMMENDATIONS:

1. THAT Report GVL-04-2024 Grandview Lodge Ministry of Long-Term Care Funding be received.

Prepared by: Amy Moore, Administrator, Grandview Lodge

Respectfully submitted: Megan Jamieson, CHRL, General Manager of Corporate & Social Services

Approved: Cathy Case, Chief Administrative Officer

EXECUTIVE SUMMARY:

This report seeks to provide Council with insight into the various revenue sources available to Grandview Lodge and their effects on overall operations. It outlines details related to an unexpected 6.6% total increase in base funding for 2024/25, and new one-time funding received in April 2024, highlighting the positive impacts to GVL operations. Specifically, the one-time funding will help address a current capital project that has exceeded the budgeted amount due to inflation. Additionally, it will advance a future-planned capital project and support a new initiative, both aimed at enhancing infection prevention and control measures. Overall, Grandview Lodge will leverage all available revenue streams to meet the needs of residents, families, and the community.

BACKGROUND:

Haldimand County is obligated by legislation to own and operate a long-term care home. The Home receives its funding primarily from the Ministry of Long-Term Care, with some revenue coming from resident co-payments. The County augments all remaining funding needed to operate the home, through the municipal tax levy.

Following the introduction of the new Fixing Long-Term Care Act (FLTCA), Haldimand County Council now functions as the "Management Committee" for Grandview Lodge. This report is intended as a quarterly information and quality report, required under the new guidelines.

Specifically, this report details new and increased funding in 2024, which includes unanticipated increases across several of the per diem funding envelopes as well as new one-time capital related funding. This report is essential for keeping Council informed with regular updates as well as maintaining Grandview Lodge's accreditation status.

ANALYSIS:

As noted above, aside from municipal tax subsidy, there are two main revenue streams which fund the operations of Grandview Lodge: Resident co-payment and various forms of provincial funding.

Resident Co-payment

Long-term care homes are funded and regulated by the provincial government, primarily serving individuals who can no longer receive adequate support to live independently. People residing in Long-term care pay a fee for accommodation, which is set by the Ministry of Long-Term Care and is based on the type of accommodation chosen (basic/standard, semi-private, private) as well as the resident's source of income. Residents with an income of \$26,224 or less are able to apply for a rate reduction, which must be applied for annually.

In 2024 \$3,260,190 was anticipated as revenue related to resident co-payments at Grandview Lodge. This contributes to approximately 20% of the overall operations costs.

Provincial Funding

Base Funding

Grandview Lodge receives provincial funding through four primary funding envelopes. Each one of these funding streams includes specific requirements on how the funding is to be used and reported on. This funding is anticipated when developing annual operating budgets, shown as a direct municipal tax levy offset. Any differences in actual funds received, compared to the budget, are reported through regular variance reporting and applied against Grandview Lodge's overall net expenditures, meaning if there is an unanticipated increase in funding, it could translate to a positive operating variance at Grandview, ultimately contributing positively to annual operating surpluses.

The four primary funding envelopes available to Grandview Lodge from the Provincial Government under the Level of Care Funding include:

1. **Nursing and Personal Care (NPC):** funds expenditures related to nursing and other direct care staff who assess, plan, provide, assist in evaluating and document the direct care provided to residents. It also includes supplies and equipment used by staff to provide care to residents.
2. **Programs and Support Services (PSS):** funds expenditures related to staff, equipment related to programs and therapies provided to residents outside of direct medical/personal care including monthly programming resident supplies, physiotherapy services, gym equipment, Registered Dietician and staff training.
3. **Raw Food/Nutritional Support (NS):** funds expenditures related to the purchase of food and food materials / nutrition support used to sustain life including supplementary substances such as condiments, therapeutic food supplements for a resident as ordered by a Physician, Nurse Practitioner, Registered Dietitian, and Registered Nurse. It does not include costs related to programs or the cost of food preparation.
4. **Other Accommodation (OA):** funds expenditures related to housekeeping services, building and property operations and maintenance, dietary services (hydration and nutrition services), general administrative services and costs that will maintain or improve the care environment of the home.

The province also provides a **Global Level of Care (LOC)** per diem which is not within a specified envelope, but forms part of base funding. Effective April 1, 2019, this funding has been provided to all long term care homes to enhance direct care services as well as to support other operating costs within any of the four envelopes. LTC homes may allocate up to 32% of the global per diem funding amount to the OA envelope. The greater of the remaining balance or 68% of the global per diem funding amount must be applied against eligible expenditures in the NPC, PSS, and NS envelopes. This amount is not impacted by the Case Mix Index.

The funding amounts in each envelope are calculated based on formulas set by the Ministry of Long-Term Care that take into account the individual long term care home's Case Mix Index (CMI). The CMI is a statistical measure used in long-term care to categorize residents based on their clinical needs and care requirements. A score is provided that reflects the complexity and intensity of care that residents require. The higher the CMI score, the higher the complexity of care that is needed to provide for residents at the time of reporting. CMI is used to determine per diem funding amounts, meaning that homes with higher CMI scores receive more funding to accommodate the greater needs of their residents. This ensures that facilities are appropriately resourced to provide quality care based on the specific needs of their populations. Grandview Lodge's current CMI is 0.9193.

After consideration of the CMI and the funding formulas established at the provincial level, the funding is administered on a per-diem basis, typically meaning per resident, per day.

TABLE 1: Summary of current base Level-of-Care (LOC) per diem funding as of April 1, 2024

General Envelope	2023-24 Per Diem (\$)	2024-25 Incremental Increase (\$)	2024-25 Per diem (\$)	% Increase	Total Increase
Nursing and Personal Care (NPC)	95.62	3.81	99.43	3.98%	\$178,003
Program and Support Services (PSS)	12.48	0.42	12.90	3.37%	\$19,622
Nutritional Support (NS)	12.07	1.00	13.07	8.29%	\$46,720
Other Accommodations (OA)	57.28	6.79	64.07	11.85%	\$317,229
Global Per Diem	7.53	0.26	7.79	3.45%	\$12,147
Total LOC Per Diem	184.98	12.28	197.26	6.64%	\$573,722

Funding levels are allocated based on the Provincial fiscal year of April 1 - March 31, and are typically announced in Q2 for the current year. Accordingly, municipal budgets are developed based on an estimation for annual increases and actual amounts are reconciled through variance reporting. In 2024, staff projected a total of 2% increase in provincial funding, equating to a total budget of \$8,642,270 in base LOC funding. On May 6, 2024, the Ministry of Long-Term Care announced 2024-25 funding levels, which equated to a 6.6% increase in level-of-care base funding for Grandview. This is significantly higher than the 2% increase accounted for making it a more favourable adjustment. It is important to note that this level of increase was communicated, and therefore unexpected, despite the current economic climate. For information, the following summary provides the history of the provincial LOC base funding increases since 2019,

TABLE 2: History of the provincial LOC base funding increases since 2019

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
% Increase in LOC Per Diem	1.7%	1.5%	1.5%	1.75%	2.4%	6.6%

Additional Provincial Funding

In addition to the primary funding envelopes (streams) detailed above, the province provides for separate funding opportunities and programs, which could apply to all long-term care homes or have eligibility requirements. Funding programs range from annual funding, one-time occurrences, event based and application-based grants. All Grandview Lodge funding programs require financial documentation for reporting and auditing purposes. The below outlines the additional provincial funding that is accessible to, and utilized by Grandview Lodge.

- **Quality Attainment Funding:** Long-term care homes receive this funding if they are accredited and provide the required documentation to the ministry, demonstrating their accreditation. Grandview Lodge continues to be recognized under Accreditation Canada, and as a result receives a per diem of \$0.41 per bed, per month under this program, an increase from 0.37 in 2023/24.
- **Allied Health Professionals Funding:** funding to support costs related to specific staff, tasks and related responsibilities performed by staff in the following job titles: Social Services Worker, Restorative Care Aide, Nurse Practitioner, Dietitian, Physiotherapist, Occupational Therapist, Director of Care, Nursing Supervisors, Infection Control Lead and Recreation Therapists. This funding is provided to achieve the mandated LTC Home (time per resident) targets for this category set out by the Ministry.
- **Direct Care Funding:** used to support hiring and retaining nursing staff to achieve the mandatory four hours of direct care per resident per day. This funding is provided to achieve the mandated LTC Home targets for this category set out by the Ministry.
- **Personal Support Worker Wage Enhancement:** funding for staff retention used to offset equal expenditures with any surplus recovered by the Ministry.
- **Diagnostic and Equipment and Training Funding:** used to purchase more diagnostic equipment and train staff to better manage resident's conditions for preventable hospital visits. The funding is equal to net expenditures with any surplus returned to the Ministry.
- **High Intensity Needs:** claims-based funding where the Ministry reimburses 95% of costs to support residents who should be in a basic room but are in a private room (Ministry pays rental rate rather than the resident). The remaining 5% of costs must be funded by the LTC home.
- **Infection Prevention and Control Personal (IPAC), Lead and Training:** funding is used to support IPAC capacity in LTC homes, including retaining IPAC professionals. Funding is offset by equal expenditures with any surplus recovered by the Ministry.
- **Lab Services:** funding is a claims-based program where the Ministry reimburses based on site and patient visits to ensure costs do not negatively impact service levels.
- **Hiring More Nurse Practitioners:** a one-time program to increase the number of nurse practitioners employed by a LTC Home. The funding is used to offset equal expenditures with any surplus recovered by the Ministry.
- **Supporting Professional Growth:** used to support expenses related to backfilling regular employees to provide for education & training. The funding is used to offset equal expenditures with any surplus recovered by the Ministry.
- **Resident Health and Wellbeing:** program intended to enhance resident access to social support services provided by Social Service Workers and Allied Health Professionals to increase overall health, wellbeing and quality of life of residents. Funding used as a direct levy offset of salaries, wages, and benefits for eligible staff.
- **Resident Assessment Instrument-Minimum Data Set (RAI-MDS):** funding to support the required RAI-MDS position. The position is mandated and as such funding is considered a direct levy offset.
- **Physician On-Call:** funding is a direct flow through to the physician; however, it can be considered a levy offset as the home requires a physician to be on-call.
- **Integrated Technology Solutions Program:** aims to enhance the quality of care through the adoption of innovative technologies. Includes in possible investments in electronic health records, remote monitoring systems and other technological tools designed to foster better health outcomes.

In total, \$1,063,600 was anticipated in 2024 as revenue related to the additional provincial funding programs, which goes directly to supporting new or enhanced services that would otherwise be unaffordable.

New One-Time Funding in 2024/2025

In March 2024, the Ministry of Long-Term Care provided all long-term care operators with one-time funding of \$2,543 per bed to alleviate financial pressures and address key priorities such as capital and facility maintenance needs, redevelopment, and other operational requirements. This funding was specifically intended to assist homes that were non-compliant with the Ontario Fire Code regarding sprinkler system installation, ensuring they used the funds for this purpose. Since Grandview Lodge is already compliant with this regulation, funding can be used to address other financial pressures in other areas of the home.

Grandview Lodge has received a total of \$325,400 for this purpose, and staff have identified three priority areas for using this funding effectively. This year, the flooring in one of the home areas (Creek View) requires replacement; while it was identified and approved through the 2024 Capital budget, the quoted price far exceeds the allocated funds budgeted for this project. The one-time funding will be used to offset the unanticipated costs and the capital budget line will be adjusted to reflect the updated pricing for future flooring replacements.

Secondly, the home's current wooden handrails have been identified as a health and safety risk, specific to Infection Prevention and Control (IPAC) best practices. Replacement of the hand rails has been planned for 2026-27, however is based on a direct replacement of the current wooden product. To address the risk, staff recommend replacing the hand rails with a product line more suitable for healthcare settings that will promote compliance with IPAC regulations, focusing on high-risk touchpoints within the home.

Lastly, this funding will provide for a preferred, unbudgeted opportunity to make better use of a surplus area within the home. Specifically, to furnish an unused room within the home, to serve as a secondary staff lunch / break room which can be used by all staff, but particularly earmarked as a separate room during influenza and other outbreaks requiring staff isolation. To clarify, this space will provide a separate, dedicated space for home area staff dealing with an active outbreak to take breaks and isolate from non-outbreak staff, helping to manage outbreaks more effectively.

Grandview Lodge has the delegated authority, as outlined in the procurement policy, to utilize one-time funding opportunities at its discretion, in accordance with the specific funding arrangements. However, due to the substantial value of the funding available in 2024 and the goal of keeping Council informed through the committee of management, this report is being presented before any funds are spent to ensure transparency. If there are any concerns regarding the proposed uses, staff will take those into consideration.

FINANCIAL/LEGAL IMPLICATIONS:

Operating Budget

In 2024 the approved operating expenses budget for Grandview Lodge is \$16,606,540 and the approved operating revenues budget is \$13,272,740 resulting in a net levy impact of \$3,333,800.

TABLE 3: Operating Budget Summary

	Current Approved Operating Budget
Expenses:	
Salaries, Wages and Benefits	\$12,544,380
Long Term Debt Charges	\$1,151,410
Materials	\$1,548,980
Contracted Services	\$554,590

	Current Approved Operating Budget
Rents and Financial Expenses	\$900
Inter-functional Adjustments	\$806,280
Total Expenses:	\$16,606,540
Revenues:	
LOC Funding Per Diems	\$8,815,110
Other Government Grants	\$1,063,600
Resident Co-Payments	\$3,260,190
Other Revenues – Transfers from Reserves/Bequest Trust Fund, Recoveries, Rental of Municipal Property	\$133,840
Total Revenues:	\$13,272,740
Total Municipal Tax Levy	\$3,333,800

In light of the unknown funding opportunities and 2024/25 increase - staff expect LOC Funding and other government grants for 2024 to actually be closer to \$10,279,600 which would bring total expected revenues to approx. \$13,673,600. Assuming no changes to the anticipated expenses, the total net levy would be reduced to \$2,932,900, representing a potential net levy savings of \$400,900.

It is important to note that ideally, municipal long term care home budgets would net to zero after provincial funding is received and not require any tax levy subsidy from local taxpayers. This is because long term care homes are not permitted to restrict admissions to people from the local community, and rather, must accept admissions from anywhere in Ontario. The premise is that LTC homes, since funded provincially, are open to any Ontarian despite the location of the home in the province. However, as noted above, substantial subsidy is provided to Grandview Lodge through the local tax base. The increased provincial funding is therefore used to offset the existing costs at Grandview Lodge rather than increase the budget, unless otherwise directed by Council.

The new rates will be used to develop the 2025 tax supported operating budgets and will go a long way in addressing current shortfalls and/or required adjustments.

Capital Budget

Grandview Lodge has received a total of \$325,400 in one-time funding from the Ministry of LTC to alleviate financial pressures and address key priorities such as capital and facility maintenance needs, redevelopment, and other operational requirements. Staff plan to use approximately \$51,000 in 2024 for the Home Area Floor Replacement project and the remaining \$274,400 for other key priorities in future years reducing the amount required to be transferred from reserves and have a positive impact on future tax-supported capital budgets.

Home Area Floor Replacement

The Home Area Floor Replacement project at Grandview Lodge has a 2024 Capital Replacement Budget of \$25,000, but obtained quotes range from \$74,000 to \$76,000, resulting in a gap of approximately \$51,000 due to inflationary increases since the budget was set. Grandview Lodge intends to cover this difference through the one-time funding initiative.

TABLE 4: Flooring Replacement Cost

	2024 Current Approved Budget	2024 Proposed Revised Budget
Expenditures:		
Project 311932 – Flooring Replacement	\$25,000	\$76,000
Total Expenditures:	\$25,000	\$76,000
Financing:		
Transfer from CRR – General	\$25,000	\$25,000
Ministry of Long-Term Care One-Time Funding	\$0	\$51,000
Total Financing:	\$25,000	\$76,000

Replacement of Wooden Handrails

The 2024 Tax-Supported Capital Budget allocates \$31,200 over a two-year period (2026 and 2027) for wooden handrails, but is based on refinishing the current product rather than replacing. Currently, wooden handrails do not meet IPAC best practices due to their porous surface and therefore a new project to replace the center core handrails with a new product is being considered for the 2025 capital budget. Based on preliminary quotes, the cost to replace all four home areas is approximately \$98,200. The 2025 capital budget is being prepared to consider advancing the existing budget of the initial project to 2025 and adding the additional \$67,000 required, offset by the available one-time funding.

Designated Break Space for Outbreak

There are currently funds within the Capital Forecast for a designated break space for outbreaks. Use of the one-time funding would allow for the purchase and installation of new furniture to outfit the room, such as table and chairs, small washing station, fridge, microwave, etc. The project would also require modest maintenance/repair and repainting of the space. Staff anticipate that this project could be completed in 2025, with total costs ranging from \$20,000-\$30,000 which would be fully funded through this one-time provincial funding opportunity.

Future replacement costs associated with this project will need to be considered and incorporated into capital replacement forecasts, ultimately impacting the County’s existing long range capital funding plan.

Remaining Funds

In consideration of the estimated costs for the above noted projects, staff anticipate approximately \$180,000 in remaining funding available for future capital and facility maintenance needs. Staff will continue to actively review upcoming capital and operating plans to take advantage of the funding for priority items and will work with finance to ensure appropriate budgeting and reporting takes place. There is no end date as to when these funds can be spent.

STAKEHOLDER IMPACTS:

The key stakeholder related to base funding from the province are the residents of Grandview Lodge, who directly benefit from the operations made possible by funding at all levels. Staff remain diligent in utilizing all available funding opportunities provided by the Provincial Government in a necessary and responsible manner. By doing so, the financial burden on the levy is reduced, while still delivering the high-quality service expected by residents, their families, and the community. Grandview Lodge is committed to maintaining overall excellence in service.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

REFERENCES:

None.

ATTACHMENTS:

None.