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Presentation to Long Term Care Covid-19 Commission

November 24, 2020

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Presentation Outline

- Historical roots of Long-Term Care
- Home design
- 2000 to 2018 modernization, growth and redevelopment
- The Current Situation
- Not for Profit and Municipal background
- The Not-For-Profit Difference
- Capital Development Challenges
- Pandemic considerations for Design Standards
- COVID – 19
- Concluding Thoughts

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History of LTC development in Ontario

- House of Refuge/ Poor house was the earliest organized social welfare in Canada at the end of the 1800's
- Ontario Association of Homes for the Aged now AdvantAge Ontario formed in 1919
- Homes for Aged and Rest Homes – Municipal mandate in 1940's – cost sharing for operations and capital 80% Provincial – under Ministry of Community and Social Services
- Charitable Institutions Act – NFP, Charities under Ministry of Community and Social Services
- Nursing Homes – for profit family run businesses emerged post WW II and regulated with Nursing Homes Act – 1972 under Ministry of Health

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LTC Sector Creation

- 1992 bridging legislation for all sectors
- Funding model merged
- 1998 Harris (Conservative) Gov't growth plan 20,000 new beds through competitive bids
- Allocations were given across all 3 sectors and opened between 1998 - 2005
- 2010 LTCH Act
- Regulation by Compliance Branch – model for Inspection Protocols and Risk Framework was American based

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Types of Beds

- New – approved to be constructed since the Design Standards were launched in 1998, and revised in 2015
- A – previously constructed and meet the Design Standards. Includes some older buildings that renovated to standard but have aging infrastructure. Not eligible for Construction Funding Subsidy
- B – does not meet Resident Home Area standards fully
- C – Includes 3-4 bed wards
- D – very old stock eliminated by 2009

- Licensed – time limited allocation to not for profit or for profit operator
- Approved – beds granted without time limit to municipal and district governments

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Redevelopment Journey

- 2002 – “D” bed
- 2009 – first “B&C” program – limited uptake
- 2015 – revised program for redevelopments launched – limited uptake
- 2018 – New allocations of 15,000 and Redevelopment of all older beds by 2025 by Liberal government
- 2018 - Election Promise and Throne speech by Conservatives for 30,000 New plus the redevelopment of 50% older beds by 2025

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New Bed Distribution (1998 - 2005)

Competitive bids over 2 cycles with a Construction Funding Subsidy for 20 years

- Municipal – Several upper tier municipalities expanded by building new Homes (Halton, Peel, Durham, Ottawa)
- Not for Profit – limited participation
- For Profit – awards established the foundation for several large companies e.g. Schlegel, Leisureworld which became Sienna

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Redevelopment

- Approximately 30,000 beds in operation need to be redeveloped
- Funding has been identified by successive Governments for 15,000
- Allocations for funding of 78% of this portion were announced

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Bed Distribution (January 2020)

Sector	For Profit	Non-Profit	Municipal	Eldcap	Total
Homes	360	151	100	15*	626
Beds	42,265	20,058	16,209	268	78,800

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Table 1.3

Allocation of New and Redeveloped Long-Term Care Beds to Date

Region	Number of New Beds Allocated	Number of Existing Beds to be Redeveloped
Central	532	1,139
Eastern	1,154	2,330
Northern	605	1,428
Southwestern	1,675	3,505
GTA	3,923	3,325
Total	**7,889**	**11,727**

Source: Ontario Ministry of Long-Term Care.

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WAIT LIST - As of January 2020	Waitlist	Waitlist %
Long-Stay Waitlist by For Profit Sector without Transfers	11,983	32%
Long-Stay Waitlist by Non-Profit Sector without Transfers	15,363	41%
Long-Stay Waitlist by Municipal Sector without Transfers	10,266	27%
Total Long Stay Waitlist without Transfers	37,612	100%

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Announcement of additional funding under the new Construction Funding Subsidy formula November 2020

Previous Awards	New Beds	%	Redeveloped Beds	%
Not-for Profit Homes	1177	30%	1154	17%
Municipal and District Homes	229	6%	1264	19%
For Profit Homes	2551	64%	4378	64%

> Progression of development plans is slow
> 3 NFP projects are in construction today

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2020 Hospital allocations

- 4 projects announced in July
- "Campus" seems to include commitment to Alternate Level of Care diversion
- Outsourced management common
- Rapid Build Projects funded through Infrastructure Ontario (hospitals are funded at 90-100% of the capital development cost), including modular construction, and Ministry zoning orders to speed up site planning. Whereas other LTC homes are funded at 40-60% of the capital development cost;
- Very large buildings (320 beds) – homelike challenges.
- 3 New announcements of Hospital affiliated LTC in November

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Current 2019- 2020 Application Round

- Revised application (focus on $)
- Submission deadline delayed 3 times
- New Construction Funding Subsidy
- Costs escalating
- Delays for redeveloping homes increase State of Good repair costs
- New considerations due to Pandemic

29 New Allocations Announced on November 20, 2020

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Awards		New Beds	%
Not-for Profit Homes *		733	37%
Municipal and District Homes		172	9%
For Profit Homes		1117	57%

Source: Ontario Newsroom November 20, 2020

* Tuoi Hac is assumed to be NFP

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About Municipal Homes

- 17% of Ontario LTC Homes operated by municipalities providing 21% of beds
- LTCH Act requires southern municipalities to operate LTC, some operate several Homes
- Northern Homes operate under joint Board of Management by participating Municipalities
- Municipalities contribute significant funding for all types of seniors programs over and above provincial and other funding, including over $350 M per year for LTC

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About Municipal Homes

- This investment provides care closer to home, care for everyone, high quality care, good jobs and economic benefits as well as being supported by strong volunteer presence
- Leaders of Health and Social support system planning as the Municipality has multiple responsibilities for the senior population. Part of an integrated system of municipal services within their communities.

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About Not for Profit Homes

"The people of Ontario and their Government are committed to the promotion of the delivery of long-term care home services by not-for-profit organizations." (Preamble, Long-Term Care Homes Act, 2007)

- Not-for-profits are deeply rooted in cultural, religious and geographic communities and generally serve small community of interest populations
- Typically have only one home
- Often develop companion services to create a Campus of Care including Alzheimer day programs, supportive housing, caregiver education and support, respite care, foot clinics, community lunch programs, seniors' fitness programs, drop-in centres, music therapy, creative arts programs, friendly visiting, computer training and much more

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About Not for Profit Homes

- Not-for-profit operators that generate a surplus re-invest these monies to enhance or increase the level of service provided to residents. Additionally, not-for-profits typically contribute additional resources to their operation to further enhance the level of care and service provided.
- Challenge to retain surplus to tackle infrastructure capital projects (e.g. sprinklers)
- Governance is by local citizens; Board memberships may frequently change. Business acumen, breadth of CEO mandate are factors in future planning Some NFP homes are also not as sophisticated as their for-profit counterparts in terms of management and can be challenged in relation to back office expertise and capital project development
- Support needed to bolster the sector

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The Not-For-Profit/Municipal Difference – Evidence-Based

Not-for-profit organizations including municipal homes generally provide higher quality of care than for-profit organizations on a number of quality indicators .

-Municipal and non-profit homes are Innovators and service delivery leaders ex. Butterfly and other emotional care modeld

- The evidence from the long-term care sector is rich and robust. Recent studies and systematic reviews reviewing hundreds of studies over the last two decades, have shown that on average, quality of care was shown to be consistently better in not-for-profit than for-profit long term care facilities. Compared to FP homes, NFP homes were found to have (these differences were statistically significant):
  - Higher staffing levels leading to higher staffing hours – on average NFP homes were found to provide 20-25 minutes more hours of care than for-profits (Hsu, et al, 2016; Comondore, 2009; McGregor, et al, 2005)
  - Non-Profit homes had 3.13 paid hours worked on average (PSW; RPN; RN) vs. 2.95 in for-profit homes.

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The Not-For-Profit/Municipal Difference – Evidence-Based Cont'd

- Higher staff-skill mix (Comondore, 2009; Hilmer, et al, 2005)
- Lower mortality rates (Tanuseputro, et al, 2015)
- Lower staff turnover (Hilmer, et al, 2005)
- Lower pressure ulcer prevalence - relative risk reduction of 8.4% in NFP homes (Comondore, 2009; Hilmer, 2005)
- Lower hospital admissions (Tanuseputro, et al, 2015)
- Lower excessive and inappropriate use of psychoactive medications (Hilmer, 2005)

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Why this difference in quality

- NFP, municipal and FP Homes receive similar government funding
- NFP's and municipal homes use all funds and reinvest surplus into improving care
  - Increased staffing and hours
  - Additional staff training
  - Expanded services and programming
- FP's expected to use profits to
  - Provide 10-15% to shareholders
  - Pay higher executive salaries/bonuses

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Why this difference in quality Cont'd

- FP's likely to reduce costs by
  - Decreasing staff and hours
  - Decreasing staff training
  - Decreasing services and programming
- NFP's also
  - Receive charitable donations
  - Employ many volunteers to help seniors remain engaged

Recommendation: New long term care bed allocations and redevelopment allocations should be prioritized for non-profit and municipal long term care homes.

Reference "The Not For Profit Difference – Evidence- Based Key Messages Advantage Ontario September 2020

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Besoins en LSS de la communauté francophone de l'Ontario

- 100 000 résidents de l'Ontario dans la région élargie du Golden Horseshoe s'identifient comme francophones[1] ; avec l'afflux d'immigrants en provenance de pays francophones, la population francophone augmente.
- En Ontario, 5,86 lits de SLD pour 1 000 habitants.
- Le nombre de lits de SLD réservés aux francophones dans la région du Greater Golden Horseshoe est d'environ 0,85 pour 1 000 habitants francophones.[2]

[1]Statique Canada
[2]Donnelly Management Group

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Pourquoi des lits dédiés aux SLD sont-ils nécessaires pour répondre aux besoins des francophones ?

- Des résultats considérables et extrêmes en matière de santé (par exemple, décès précoce, diminution de la mobilité, etc.) et un fardeau supplémentair sur le système de santé proviennent de l'isolement social qui résulte de l'incapacité des personnes âgées francophones à communiquer avec les aides-soignants et les autres résidents.

- Le portail du vieillissement optimal de McMaster cite les résultats d'un examen de 148 études sur l'impact de l'isolement social sur les personnes âgées qui indique que ".... les personnes âgées qui se sentent seules ont un risque accru de mourir plus tôt et sont plus susceptibles de connaître une diminution de leur mobilité, par rapport à celles qui ne sont pas seules"[1].

[1] http://www.mcmasteroptimalaging.org

Non-profit organizations see the bigger picture and actively participate in local Health System

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> Planning with District Health Councils (90's)
> High level of engagement with LHINs (2000's)
> Actively sought participation in OHT formation
> Cross sector participation is a constant theme
> Collaborative by nature; sharing of info and data
> Often operate multi-service campuses of care

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Campuses of Care

Range of supports and services in one location that seniors can access as their needs change.

> Campus of Care including Alzheimer day programs, supportive housing, caregiver education and support, respite care, foot clinics, community lunch programs, seniors' fitness programs, drop-in centres, music therapy, creative arts programs, friendly visiting, computer training and much more — developed for seniors living in the community and designed to enrich their lives and help them remain in their own homes for as long as possible.

> Foundational infrastructure capacity for Home Care and Community Support Services

> There are limitations for "aging in place" due to selection protocols for admission to the on site LTC

> This is different from the newly announced Hospital "campus"

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Capital Development Challenges for NFP organizations

> Identifying qualifying equity for Lenders' Financing requirements

> Do not have a Development team that specializes in Capital, and cannot dedicate resources from the operations side to this

> Spending to maintain higher quality services means there is little surplus to save for Capital and inadequate Debt Service resources for loan repayment. Thresholds are high

> Reliance on maintaining full occupancy for revenues, and nowhere to decant so phased renovations are more costly

> Buildings that meet current Design standards may be 2 times larger, limiting available new sites in same community

> To support (re)development, the Construction Funding Subsidy (2019) funds around 50% of the **total project cost.***

> Fundraising Capital (**$3-$12m**) considered as deferred equity is raised from the representative community which is often a subset of the local community (eg. Religious, ethnic), current experience with LTC during Pandemic diminishes donor base

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Capital Development Challenges for Municipal and NFP organizations

Each sector has additional factors

> Municipal Homes– no Development Charges applicable, tax levies may be available for internal debt management, access to other funding streams, but have a burden of responsibility across many competing service priorities. An additional layer of public accountability – led some to upgrade old infrastructure before funding and now they are deemed ineligible (Peel Manor, Macassa Lodge)

> Hospitals – don't pay Development Charges – can access DC's (Section 137 of Planning Act)

> District Homes (northern) – affiliation with and support from the Municipality is variable, generally smaller Homes with significant fixed costs, limited income of residents to pay preferred accommodation premium, seasonal challenges for construction

> Non-profit Homes – property tax exemption applies only when opened and only LTC portion (not Housing which affects Campus of Care), few have fundraising stream, considered poor risk by lenders, delays add cost, land and zoning issues, Development charges

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LTC Facility Design Improvements Advice to Ministry of LTC (October 2020)

> LTC home space per resident need to be bigger: larger shared or congregate spaces for residents and staff to support social distancing and accessibility

> Dining standard of 30 sq. ft. is not adequate for distancing, to encourage daily attendance in the dining room (quality of life)

> Smaller resident home areas (e.g., 12- 16) to support not only isolation practices, but better models of care (e.g., butterfly model for dementia) and accommodate staff cohorting while on duty, independent entrances and direct access to outdoors for visits with family. Corridor width sufficient for distancing

> Resident rooms need to be larger as a) during outbreaks residents may be required to be isolated to their rooms for long periods; and b) the room is not always built for accessibility. Design standard minimums are tight.

> Ideally residents need single (private) rooms (except designated couples rooms for spousal re-unification). This means that each resident has their own washroom. Bathing (tub and shower) facilities are shared by all, but more are needed with a view to whether they should be private.

LTC Facility Design Improvements Advice to Ministry of LTC (October 2020) cont'd

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> Staff workspaces – multiple large staff spaces, larger utility spaces to permit distancing, and work routine flow such as dedicated service elevators

> Built in Infection Control features would include more handwashing stations, PPE storage at the point of service, high quality finishes on millwork

> HVAC need to utilize 100% fresh-air and rapid exhaust/exchange, have appropriate filters and maintain appropriate tempered environment throughout the year. Renovation project IPAC containment adds cost to construction process and maintaining safe co-located operations

> Current funding is targeted at overall 675 sq. ft. per resident, but these improvements would call for 750 sq. ft. per resident

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Financial Implications of Design Improvements

> The impact of these improvements from a capital sense will pale in comparison to the operational cost: not least in terms of more staff being needed, but from how to the long-term care home funding policy works with respect to resident income.

> Limited incomes in remote regions further exacerbate current funding model challenges, and proportionally fewer residents can pay for preferred accommodation

Infrastructure Ontario and Financing Considerations

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> Infrastructure Ontario (IO) has been a key support to the MOLTC; however, the not-for-profit loan program that IO administers also needs to be reviewed. There are many changes in how this program is run that could provide optimal benefit to operators (for example):

> The program limits financing of individual projects to $75m (meaning some projects in large urban areas are unable to use them to finance). It would be helpful if this limit was not in place;

> IO rate is low compared to the market, with 25 year terms

> Development Grants are part of the new funding model from MOLTC, but it is not yet clear how the cashflow will support the equity needs of the projects

> Funding approval by IO is dependent on MOLTC Development Agreements –alignment is needed

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Recommendations to speed up Redevelopment

> Establish decant locations for residents while current site is rebuilt – especially in GTA

> Extend Licenses that are expiring soon to allow Homes to plan and fundraise equity

> Sprinkler installations to be funded to extend the current building's life

> Ministry of Long Term Care, the funder, to provide loan guarantees to Infrastructure Ontario where Debt Service Ratio is weak

> Fast track internal approval and Development Agreement processes at the Capital Development Office

> Streamline approvals for redevelopments that require a small number of new bed allocations

Wave 2 Trends

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> Different profile of some outbreaks.

> More widespread – to reflect increased prevalence of community spread

> Testing delays

> More instances of sudden large “outbreaks”. Possible causes – day trips; hospital visits; visitors to the homes.

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COVID -19 CONCERNS: INSURANCE

Insurance – Class Action Lawsuit

> Launched on behalf of residents in 96 Ontario LTC homes
> Names close to 30 of our member homes and municipalities
> There have been at least two dozen legal actions related to LTC and COVID

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COVID -19 CONCERNS: INSURANCE (cont'd)

- **Insurance**
  - Some providers have ceased to provide insurance, reduced coverage (including exclusion clauses) and or increased premiums
  - We are being told that no new operators can obtain insurance
  - The increased risk of liability related to COVID-19 has meant that LTC homes have either:
    - had an increase to their premiums upon renewal (some homes reporting a 250% increase), or
    - had a reduction or exclusion of coverage (e.g., insurance coverage ceasing during an outbreak in 20202 or no coverage for Directors and Officers during outbreaks)
  - Draft legislation (Bill 218) currently provides "good faith efforts" protection for persons, organizations and other entities.
  - While Bill 218 will be extremely helpful, it will not assist the more imminent issue of insurance

Recommendations: In the short-term, the province provides a 'back-stop' and agrees to pay the legal compensation (from a legal action, e.g., class action) that the home is found liable for, should a claim be successful. In this case,
a) the home doesn't need the insurance for the viral outbreak;
b) the directors and officers won't be personally liable, so governance continues; and
c) the security of provincial payout would mean that the home won't be in breach of any debt covenants and financing in all forms can continue.

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COVID -19 CONCERNS: LTC Pharmacy Funding

> The Ministry of Health reducing LTC pharmacy funding - first announced in Budget 2019.

> Reimbursement model for pharmacies change from **fee-for-service model to a per-bed-fee capitation** model.

> These changes translated to a 34% funding decrease in year one, declining further to a 47% decrease by 2023.

> We sent a survey to members to determine how members will be impacted by these changes.

Funding Year	Proposed Fee Schedule
2019/20	$1,500
2020/21	$1,500
2021/22	$1,400
2022/23	$1,300
2023/24	$1,200

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COVID -19 CONCERNS: LTC Pharmacy Funding

Impact of Reduction in Services since the cuts

> Reduction in the frequency of audits and medication reviews
> Loss of education support
> Decreased access to pharmacists, onsite visits and pharmacy hours of operation
> Homes required to absorb pharmacy-related costs (e.g. medication carts and pill crushers; changes in equipment; pharmaceutical waste and sharps disposal services).

As a result of these cuts there is concern for resident safety, further exacerbation of HHR crisis. Also this will be counterproductive to the LTC inquiry recommendations

Recommendations: The MOLTC must:

- Stop further funding cuts to pharmacy funding for LTC
- Immediately reverse the pharmacy funding reductions in the short term and
- Identify funding to support LTC pharmacy.

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Final thoughts

- Quality commitment needs real support – both short term now and long-term future
- Our ask that LTC be placed first in line for vaccine
  - Residents
  - Staff
  - Essential visitors/caregivers

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Pandemic Wave 1 experience

> Data and analysis demonstrate that municipal and not for profit homes fared well comparatively during the first wave of the pandemic.

> 74% of deaths reported in the LTC sector were from for-profit homes, 21% from not-for-profit homes and 5% from municipal homes.

> We believe this is due to the commitment and investment that municipal and not for profit operators have made to long-term care over and above the provincial subsidy

> Older homes will continue to be challenged to isolate COVID-19 positive residents to contain and manage the spread, given that many residents are still in 3 and 4 bed ward rooms. Ventilation systems are old and many homes do not have central air conditioning– this might be impacting the spread of the virus.