



Hamilton

INFORMATION REPORT

TO:	Chair and Members Emergency and Community Services Committee
COMMITTEE DATE:	August 15, 2019
SUBJECT/REPORT NO:	Changes to Provincial Funding - Long Term Care (HSC19047) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Holly Odoardi 905-546-2424 Ext. 1906
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SIGNATURE:	

COUNCIL DIRECTION

Not Applicable

INFORMATION

In late May 2019, the Ministry of Health and Long-Term Care (renamed in June 2019 to the Ministry of Long-Term Care) announced the funding details for long term care homes across Ontario. The announcement included the 2019-2020 Long Term Care (LTC) Home per diems along with information on other changes that would be implemented related to Ministry funding. An initial analysis was completed following the announcement which illustrated that the funding changes would have a negative impact on Macassa and Wentworth Lodges operating budgets.

The province announced a 1.7% increase in Long Term Care funding in the 2019 – 2020 provincial budget. This increase was below inflation and was below the funding increase level the LTC sector had received in the past. Over the past three years, the LTC sector has received a 2% increase in funding, and an average of 2.4% over the past 10 years. These increases were in response to rising acuity levels, increased costs of food and labour.

Effective August 1, 2019, the residents' co-payment fees increased by 2.3%, yet the funding that flows back to our homes for direct care is only increasing by 1%. This is well

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

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below what is needed to meet the increasingly complex needs of our residents and well below the inflation rate.

As Long Term Care Homes started to receive funding information it was identified that due to the way the funding was being implemented and some changes that the Ministry was making to certain funding pots, not all Long Term Care Homes would benefit or benefit equally from these funding changes, and some Homes would face reductions from moderate to severe in their overall budgets. The latter was the scenario for the Lodges resulting in funding reductions.

With the Ministry eliminating two significant streams of funding sources to Long Term Care, specifically, the High Wage Transition Fund (HWTF) and the 1999 Structural Compliance Fund (SCF), this leaves Macassa and Wentworth Lodge collectively with operational budget pressures.

The Structural Compliance Fund was intended to support homes to maintain their buildings and the High Wage Transition Fund was intended to support historic staffing levels and a living wage. The initial announcement in late May 2019 was that this loss of funding of SCF and HWTF would be effective August 1, 2019 to give LTC Home Operators an opportunity to review and make necessary adjustments to mitigate any impending financial hardship.

In late July 2019, another communication from the Ministry was received advising that the effective date would be delayed to October 1, 2019.

These funding pots have been utilized over the last 20 years to assist in funding and maintaining our Homes and funding front-line direct care service providers who care for our medically complex/frail/elderly residents in LTC. For Macassa and Wentworth Lodges, the 2019 operating budgets will have a deficit of over \$138,630 that will be attributable to the loss of these two funding streams. The annualized funding loss of just the two funding pots will result in a deficit of over \$554,530 in 2020.

The elimination of funding through HWTF and SCF coupled with below inflation increases in operational funding has the potential to impact care levels with the City's LTC facilities. Nearly 87% of the funding at our LTC facilities is invested in staff that provide care to residents and maintain the safe operation of our facilities. These funding pressures are compounded by the increase in the number of complex residents that are being admitted into LTC and as such reducing staffing levels to mitigate funding pressures is not a prudent solution as this could compromise the care and safety of residents and staff.

APPENDICES AND SCHEDULES ATTACHED

None