



ONTARIO ASSOCIATION OF NON-PROFIT HOMES AND SERVICES FOR SENIORS

Municipal Delivery of Long Term Care Services: Understanding the Context and the Challenges

Municipalities have long played an essential role in the province's long term care system with the first homes having roots dating back over 130 years. This history of caring, collaboration and connection with their communities has established municipal homes as a valued and respected player in Ontario's long term care home system. Ensuring that municipal homes continue to thrive as an integral component of the range of services delivered locally by municipalities requires recognition of the environment in which these homes operate and their distinct role within the broader long term care system.

The Municipal Mandate in Long Term Care

The value of municipal involvement in long term care to the provincial health system was formally reconfirmed when the *Long-Term Care Homes Act*¹ (LTCHA) was passed in June 2007. While there are some distinctions made between northern and southern municipalities in the Act, what stands out is that municipalities remain the only long term care providers in Ontario mandated to deliver this service. This legislative requirement has been in place since 1949 when the *Homes for the Aged and Rest Homes Act* was passed.²

Specifically, under the LTCHA every upper or single-tier southern municipality is mandated to maintain at least one municipal home (either individually or jointly with another municipality)³, and, in fact, many municipalities have the decision to operate more than one in response to local needs.

Northern municipalities are treated slightly differently in that they are not required to operate a home but may do so individually or jointly⁴. There is also a provision in the Act allowing for territorial district homes in the north, which are to be operated by a single board of management jointly established by the participating municipalities⁵.

Long Term Care in Ontario

In Ontario, long term care home services are funded and regulated by the provincial government and delivered in municipal homes, charitable homes and nursing homes (not-for profit and for-profit). All long term care homes are regulated under the same legislation, the *Long-Term Care Homes Act* (LTCHA).

There are currently 633 long term care homes that operate 77,747 beds. Of those, municipalities operate 103 homes representing 16,473 beds, non-profits and charities operate 158 homes representing 19,535 beds and for-profits operate 360 homes representing 41,475 beds. Eldcap (Elderly Capital Assistance Program) beds – which are long-term beds in acute care hospitals – make up the balance.⁶

Municipal Edge

Community Builders

Communities have general expectations about the range of municipal services that should be available to meet local needs. These expectations extend well beyond infrastructure such as bridges, roads and sewers. Citizens also look to their local governments to respond to their social, health and human service needs. In this way, services such as those for the elderly, the needy and the disadvantaged have become a cornerstone of the municipal mandate.

Long term care is one such service that communities expect to be available. In many areas of the province, the municipality is recognized as the primary provider of long term care. With the acknowledgement that the municipality is the owner and operator of the long term care home comes the recognition that the home is an integral part of the community. Municipal long term care home services are established based on an understanding of local needs and managed and delivered with local involvement, giving residents in the community assurance that appropriate and accessible services are available.

Municipal homes are anchored in their communities. They make a significant contribution to the local economy and in many parts of the province the home is a major employer. As such, these homes are a very visible symbol of the active role municipalities play as service providers.

Experience has shown that if municipalities try to withdraw from their long term care role, the citizens will object. It is the community's understanding that this is an area of responsibility to which municipalities should be committed.

In a new health care environment that has seen the establishment of Local Health Integration Networks (LHINs) and an emphasis on efficiency in health service delivery, municipalities and municipal homes in particular are models of integration and collaboration. Many homes have expanded their operations to offer a continuum of integrated services to local seniors. They are also reaching out and supporting their communities through effective partnerships with other health care providers, community service agencies, schools and universities, churches, service clubs and other groups.



Accountability to the Community

Municipal homes are publicly owned and operated. They serve local people, with and through local people. In fact, all municipally-operated long term care homes are required by legislation to be governed by a committee of management, the membership of which consists of members of council (or councils for jointly operated homes)⁷.

The involvement of elected officials in overseeing the homes is a key element in the accountability process that ensures the appropriateness and effectiveness of the program. This accountability is strengthened by a degree of transparency that includes open council meetings, community advisory committees and opportunities for public input.

As well, residents or their family members have the option of raising any issues of concern with respect to care and services in the home with their elected municipal representative.



Recent surveys have indicated over approximately 735,000 hours in volunteer time have been provided to municipal homes, equating to 377 full-time equivalents.¹² At the County of Frontenac's Fairmount Home for the Aged, in 2011, there were 130 registered volunteers providing over 7,000 hours of volunteer activities.



Brucelea Haven Long Term Care Home in Walkerton (with over 175 permanent employees) and Gateway Haven Long Term Care Home (with over 120 employees) are both within the top three largest employers in their respective communities.

Municipal Contributions Enhance Care

Many municipalities provide their own voluntary financial contribution to the operation of their homes, raising both the quality of care and the quality of the home as a workplace.

Current estimates suggest that in 2008, OANHSS member municipalities contributed well over \$225M to home operations over and above provincial long term care funding. This averages out to \$37.28 per resident in a municipal home per day.⁸ In addition to direct care, this enhanced funding goes toward restorative care and other support services such as social work and volunteer coordination. These contributions are reflected in higher levels of care in municipal long term care homes (see table below).

On top of this is the funding that municipalities contribute to capital projects, which in some cases is well over provincial funding.

In 2009, the Ministry of Health and Long-Term Care reported that municipal home contributions alone resulted in 48 additional minutes of care per resident day, equating to almost 11.5 minutes more direct care per resident per day than the provincial average across the long term care sector.⁹

Average Direct Care Hours per Resident Day (2009)

Long Term Care Sector	3.408
Municipal Homes	3.599
Charitable Homes (non-profit)	3.037
Nursing Homes (non-profit)	3.296
Nursing Homes (for-profit)	2.996

Demand for Services

While wait lists are high across the long term care sector, the number of people on the wait list for municipal homes is disproportionately greater than the municipal share of beds in the system. Specifically, municipal homes operate 21% of the long term care beds in Ontario but 27% of individuals on the wait list for long term care indicated a preference for a municipal bed¹⁰. This demand is a reflection of the quality of care provided and the sector's commitment to respond to local needs.

Responsive to the Local Community

Many municipal homes offer services geared toward specific populations common in their communities, such as the South Asian community in Peel Region and programs to serve younger adults with support from community-based partners, such as those found in the City of Toronto's homes.

Similarly with the increase in Alzheimer Disease and other age-related dementias, municipal homes have been concentrating on providing care and services to serve this high risk population. For example, the Niagara Region's T. Roy Adams Regional Centre for Dementia Care specializes in enhancing the lives of older adults living with dementia and behavioural challenges.¹¹

Strong Community Support

In one way or another, long term care homes across the province rely on the contribution and dedication of countless volunteers. Volunteering time and services can take many forms from assisting with recreation and programs (such as art therapy and horticulture therapy programs), to operating the cafes and gift shops, to assisting with meals.



Added Costs and Challenges of Delivering Care in the Municipal Sector

Municipal homes have different operating circumstances from other players in the long term care home sector. Many of these differences exist due to provincially controlled factors such as the arbitration process and pay equity legislation.

Municipal salary and benefit costs tend to be at the higher end of the scale and as a result put municipal homes at a disadvantage when comparing their costs to other sectors. Pay equity is an example of a significant cost obligation for municipal homes, which are bound by ongoing maintenance requirements.

Municipalities also tend to experience higher arbitration settlement decisions due to their perceived ability to pay. To illustrate, an analysis among care staff in municipal homes versus other provider type homes shows that in 2009, on average, municipal homes paid between 7.5 and 9% more per hour in salary for registered nurses (RNs), registered practical nurses (RPNs), and personal support workers (PSWs).¹⁴ Higher wages are exaggerated even more in municipal homes in small, rural and northern municipalities. For example, at Pioneer Manor in Sudbury the hourly salary for PSWs is 20-30% greater than in other homes in the City.¹⁵ Analysis also illustrates higher benefits, leaves and premiums for municipal homes as compared to other provider types – almost 37% more.¹⁶

While all long term care homes receive the same operating funding from the province and are required to charge residents the same fees, the cost of providing the “same” level of service to residents will vary between municipal homes and other providers due to the additional costs imposed on homes that are outside of their control.

Most municipalities cannot rely solely on provincial funding and are forced to contribute municipal funds over and above what the province provides in order to operate without a deficit. In fact some have suggested that without this additional revenue stream, some municipal homes would be in crisis.¹⁷

Municipal Homes and Beds: No Monetary Value

Unlike other long term care providers that must obtain a license¹⁸ to operate and maintain a home, municipalities are mandated to provide long term care services under the authority of ministerial approval, which never expires¹⁹. Municipalities cannot sell or transfer a home or its beds, unlike charitable, not-for-profit homes, and for-profit nursing homes which can, but with certain conditions²⁰. As such, there is no monetary value associated with a municipal home and/or its beds.



Pay Equity and Long Term Care

In 1990, the provincial government passed the *Pay Equity Act*. It was intended to eliminate gender discrimination in compensation for employees employed in female job classes in Ontario.¹³ However, the Act and certain of its provisions unintentionally created unfairness in the long term care home sector.

The methods of comparison contained within the Act resulted in an imbalance in the salary levels between job-to-job and proxy employers. Although the Act applies to all long term care providers, its provisions affect homes differently.

Nursing homes were generally able to use the proxy method of comparison because they typically had an insufficient number of male comparators in their workplace. The proxy method allowed employers to select another organization of their choosing to compare wages and benefits. Also, under the Act, proxy employers have no enforceable obligation to maintain their pay equity plans, resulting in a smaller, one-time increase in salary and benefit costs for these employers. Municipal homes, on the other hand, typically had a sufficient number of male comparators within the municipality to complete the job-to-job method. Invariably, the internal job-to-job method resulted in higher salary levels than those faced by proxy employers.

The Act not only resulted in wage or cost difference between long term care homes but the province's funding provisions affected municipal homes differently as well. Proxy employers received 100% of their proxy obligations up to 1998 and additional funding has been provided in recent years following litigation, whereas job-to-job employers receive funding only for a fraction of their pay equity obligations. The proxy method has tended to result in lower salary costs and offered those operators higher subsidy levels than provided to municipalities. Municipalities pay the difference in pay equity related cost increases.



When Miramichi Lodge was rebuilt in 2004/2005, the County of Renfrew's funding contribution was three and half times more than the province's contribution. This reflects the value that the community and the County's elected officials place on municipal long term care.

Background

Seniors' Demographics

Numerous reports cite that wait lists for long term care are long and will likely continue to increase in the coming years. By 2015, for the first time in history, Canadians over the age of 65 will outnumber children. By 2056, the proportion of seniors aged 80 years and over will triple to 1 in 10 compared to 1 in 30 in 2005.

Resident Acuity

Most seniors in Ontario do not go into a long term care home. If they do, it is usually their final option when their needs can no longer be met through home care, supportive housing or other community-based services. As a result, seniors entering long term care are older than ever before, have more chronic disabilities, and have more complex care needs.²¹ In fact, nearly 82% of residents are at least 75 years of age or older, over 13% of residents require total assistance with activities of daily living, such as dressing and bathing, and over half of residents require assistance with toileting (with 70% reporting at least some bladder incontinence). As well, over 76% of residents are reported to have some form of neurological disease, with Alzheimer's and other age-related dementia making up the larger number.²² A growing number of residents require special treatments such as chest drainage, feeding tubes and oxygen.

In an attempt to reduce the strain on long term care, governments across the country, Ontario included, are shifting their attention to developing programs and services to help keep seniors in their homes for as long as possible.

Long Term Care Home Funding

Long term care homes, regardless of the type of provider, receive funding from three primary sources: level of care funding, supplemental funding, and revenue from preferred accommodation fees²³.

All homes receive the same amount of level of care funding on a per diem basis. This funding is earmarked for four separate areas, known as "envelopes", for such things as food, programs and services, and nursing and personal care. Currently, on a per resident day basis all long term care homes receive \$152.94 as of the 2011 provincial budget, which is adjusted based on a home's case mix index²⁴.

The Ministry pays directly for the costs of nursing and personal care as well as for activation through a funding formula determined by the province. Residents pay for their room and food. Often the governing bodies of not-for-profit homes (including municipalities) augment funding to enhance services.

Costs to be paid by residents (not by their families) are set by the province and are subject to change. The province expects that charges are affordable to any applicant. The basic fee paid by residents in homes is \$55.04 per day or \$1,674.13 per month for standard accommodation (may be less for residents who are unable to pay).

The Ministry of Health and Long-Term Care also funds homes based on a number of supplementary funds. These supplementary funds (or "pots") vary from home to home and across the types of long term care provider.

End Notes

1. The *Long-Term Care Homes Act* was passed in 2007. In addition to setting out a number of new requirements and regulations for long term care home providers, the legislation amalgamated three separate Acts that have previously governed the different long term care sectors, specifically, the *Homes for the Aged and Rest Homes Act*, the *Charitable Institutions Act*, and the *Nursing Homes Act*.
2. Norma Rudy, *For Such as Time as This*, 1987, Toronto: Ontario Association of Homes for the Aged, p. 114.
3. *Long-Term Care Homes Act* (LTCHA), Section 119 and 121.
4. LTCHA, Section 122 and 123(1).
5. LTCHA, Section 125-128.
6. MOHLTC Long-Term Care Home System Report as of December 31, 2011 (published May 2012).
7. LTCHA, Section 132.
8. 2009 OANHSS Benchmarking Report – Municipal and Charitable/Not-for-Profit Nursing Homes, 2012.
9. Ministry of Health and Long-Term Care Staffing Data, 2009.
10. OANHSS calculations based on MOHLTC Long-Term Care Home System Report as of December 31, 2011 (published May 2012).
11. “Niagara Region’s Role in Seniors Services” Report to the Co-Chairs and Members of the Public Health and Social Services Committee, September 6, 2011.
12. OANHSS Benchmarking Reports, Municipal Homes and Charitable/Not-for-Profit Homes, 2011.
13. Preamble to the *Pay Equity Act*.
14. 2009 OANHSS Benchmarking Report – Municipal and Charitable/Not-for-Profit Nursing Homes, 2012.
15. Tony Parmar, “City of Greater Sudbury Commitment to the Operation of Pioneer Manor”, December 8, 2011.
16. 2009 OANHSS Benchmarking Report – Municipal and Charitable/Not-for-Profit Nursing Homes, 2012.
17. Canadian Healthcare Association, “New Directions for Facility-Based Long Term Care”, Ottawa: Canadian Healthcare Association, 2009, p. 74.
18. LTCHA, Section 95.
19. LTCHA, Section 130(1).
20. LTCHA, Section 105.
21. Shelley Sheedy, “Should Ontario Upper-Tier Municipalities Contribute to the Operations of a Long-Term Care Home?”, April 4, 2011, p. 13.
22. Data obtained from the Canadian Institute of Health Information 2010-2011.
23. People living in a long term care home pay a fee for accommodation that is based on the type or style of accommodation. A home may offer “preferred” accommodation, which is a private or semi-private room, as well as “basic” or “standard” accommodation.
24. A case mix index provides a measure of health resources required within a particular home depending on resident needs and requirements.

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About OANHSS

The Ontario Association of Non-Profit Homes and Services for Seniors (OANHSS) is the provincial association representing not-for-profit providers of long term care, services and housing for seniors. Members include municipal and charitable long term care homes, non-profit nursing homes, seniors’ housing projects and community service agencies. Member organizations operate over 27,000 long term care beds and over 5,000 seniors’ housing units across the province.



OANHSS

ONTARIO ASSOCIATION OF NON-PROFIT HOMES
AND SERVICES FOR SENIORS
7050 WESTON ROAD, SUITE 700
WOODBIDGE, ON L4L 8G7
905 851 8821 | www.oanhss.org