

Report LTCR-CW-05-17

To: Warden Barfoot and Members of Grey County Council
From: Lynne Johnson, Director of Long Term Care
Meeting Date: March 23, 2017
Subject: **Grey County Long Term Care Review**
Status: Deferred until May 11, 2017 per Resolution CW56-17; Adopted by Committee as amended by changing "May" to "July" per Resolution CW-97-17 May 25, 2017; amended by County Council June 29, 2017 to say "supporting staff". Endorsed by County Council per Resolution CC31-17; CC31-17 amended by CW26-19 on January 24, 2019; CW26-19 amended by CC17-19 on February 14, 2019.

Recommendation

1. That Council receive report LTCR-CW-05-17 and direct staff to prepare a Request for Proposal to obtain the services of a management Company to:
 - i. provide input into the planning and development of a new, amalgamated, long term care facility to be located in Durham and operational by 2025 to meet the needs of southern Grey County; and
 - ii. administer the day to day operations of the current homes and new home once it is operational;
2. That based on an approved project plan for a new home, staff prepare a detailed project plan to support the sale of Grey Gables in Markdale as a retirement/assisted living facility and that this conversion happen in alignment with the completion of construction of the new long term care home.
3. That staff bring forward a report with a draft a terms of reference for an RFP Project Committee composed of members of Council and staff for consideration in May 2017.

Guiding Principles

There has been considerable discussion regarding the need to ensure the availability of high quality long term care beds to meet the current and future needs of the citizens of Grey County in a fiscally responsible manner.

The 100 beds at Rockwood Terrace require redevelopment by 2025 and the availability of provincial funding to support the cost of redevelopment created an ideal time to complete a full review of long term care.

The Grey County Corporate Strategic Plan was reviewed as a starting point in the process. The priority outcomes form the basis of the guiding principles for this report. The priority outcomes include:

1. Enhancing Economic Opportunity and Growth
 - iv. Improved Prosperity and Quality of Life
2. Supporting Healthy, Connected Communities
 - i. Improved health and well-being of our residents
 - ii. Improved sustainability of services and service delivery for Grey County communities
3. Delivering Excellence in Governance and Services
 - v. Greater operational efficiency

Background

Municipalities have had an evolving role in long term care for more than 100 years and the *Long Term Care Homes Act, 2007* identifies that:

“Every southern municipality that is an upper or single-tier municipality shall establish and maintain a municipal home and may establish and maintain municipal homes in addition to the home that is required.”¹

On July 5, 2016, resolution CC90-16 directed staff to develop a report outlining further items for consideration related to long term care redevelopment, including public-private partnership opportunities.

This report summarizes the research undertaken, aligns information from various sources and provides recommendations to County Council on options to restructure service delivery to support the current and future needs of an aging population.

Since July, staff have participated in meetings with stakeholders, health care partners and organizations and reviewed numerous position papers, reports and other background information from a variety of sources some of which include:

- Ministry of Health and Long Term Care
- South West Local Health Integration Network
- Private Long Term Care Operators
- Community Care Access Centre
- CBRE Canada
- Other Ontario Municipalities

¹. Long Term Care Homes Act 2007, *Section 8*, Southern Homes, 119 (1).

- Associations- Ontario Long Term Care Association, Ontario Association of Non-Profit Homes and Services for Seniors, Association of Municipalities of Ontario

Current Grey County Long Term Care Operations

The starting point for this review is an assessment of the County's current service delivery model.

Grey County operates three LTC homes:

- Grey Gables- Markdale, 66 residents
- Lee Manor- Owen Sound, 150 residents
- Rockwood Terrace- Durham, 100 residents

Grey Gables was the site of the original Grey County "House of Refuge" which opened in 1903. The home averages 27 new admissions each year and was rebuilt in 1999.

Lee Manor opened in 1973 and was a joint development of the Lee Estate, City of Owen Sound, Grey County and the Province of Ontario. An extensive renovation was completed in 2006. The 150 bed home averages 48 admissions each year.

Rockwood Terrace opened in 1984. It is home to 100 residents and averages 49 admissions annually. The home requires redevelopment to meet the revised provincial design standards.

Human Resources

The delivery of long term care services requires significant human resources. There are approximately 465 unionized and non-unionized employees with a variety of qualifications and skills within the nursing, program, dietary, environmental service, and administration departments. Qualifications and staffing levels, for many positions, are based on strict legislative criteria.

As the baby boomer population moves into retirement, there will be increasing gaps in in the labour force. Within the long term care department, 69 full-time and 13 part-time staff will be eligible for retirement over the next 6 years including several key leadership positions.

Long serving employees have maximum vacation entitlements and a record number of full-time employees are opting to work a reduced work week. This requires a large pool of part-time employees to fill available shifts.

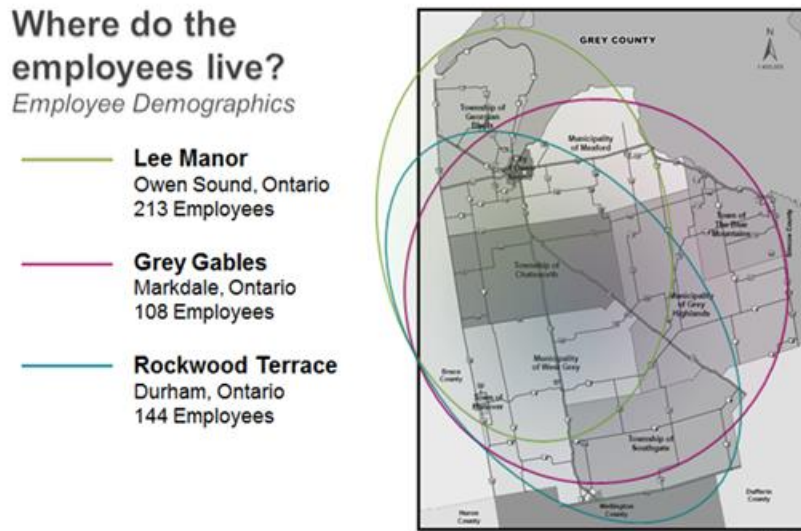
Recruitment of front line staff is challenging and jobs are regularly posted in a variety of venues. There is strong competition for qualified staff in this sector. Further complicating

the issue is that each of the Grey County homes operates under its own collective agreement and the County does not have the flexibility to move staff between homes, resulting in more part time positions than is optimal. Despite a focused effort to recruit, a nursing agency is used to supply staff when we are unable to fill shifts from our existing staff pool.

In 2016, 90 part-time employees were hired and the onboarding of new employees is stretching current staff resources.

The availability of a strong stable staff pool, to provide quality resident care is critical. While some staff live in the community they work in, many commute on a daily basis as illustrated in Table 1. The broad geographic base of the labour pool was considered when forming the recommendations in this report.

Table 1



Financial

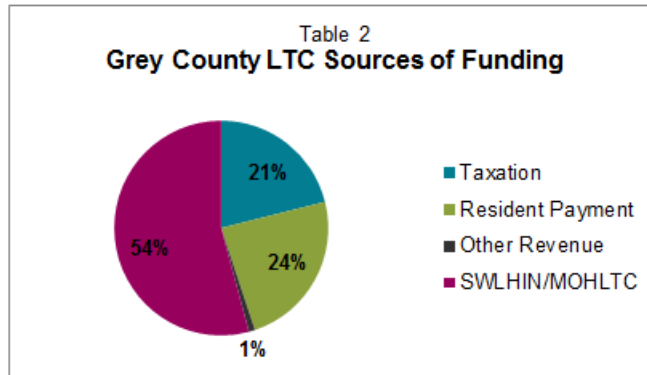
The long term care home funding formula is complex. The Ministry of Health and Long Term Care (MOHLTC) funds long term care homes in Ontario through the Local Health Integration Networks (LHINs). The envelope of funds provided is segregated and based on daily occupancy in the home.

Additionally, residents are required to pay a portion of the cost for “room and board”. The resident portion is determined by the government and the same rate applies to all long term care homes in the province. The current resident payment portion ranges from \$1,794- \$2,563 per month depending on the type of accommodation the resident chooses. Some residents may qualify for a provincial rate reduction which lowers their

monthly cost.

Grey County homes receive additional funding from the tax levy and additional revenue from other sources including rental income. The total 2017 operating and capital budget for the three county homes is \$31.2 million including \$6.2 million from the tax levy.

Table 2 illustrates the percentage of funding from the various sources.



For redevelopment, the Enhanced Long-Term Care Home Renewal Strategy and its associated funding platform were introduced in 2015 to start the process for the redevelopment of “B-C” homes. The enhanced LTC renewal program includes a base construction funding subsidy of \$16.65 per resident day over a period of 25 years for any operators that upgrade or rebuild to the new Class A structural classification.

This construction funding subsidy has been estimated to provide \$635,100 annually over 25 years for the redevelopment of Rockwood Terrace’s 100 beds.

The County’s most recent redevelopment of a Long Term Care facility was Lee Manor and this was funded by the County entering into two (2) debentures. While these debentures have now matured, the payments have continued as transfers to reserve for a future source of funding to assist with the redevelopment of long term care beds in Grey County.

The 2016 Sienna Redevelopment Analysis report presented options for consolidating the County’s 166 long term care beds into a single facility. This consultant’s assumptions and analysis regarding the financial impact to the County of consolidation into one facility were based on a construction cost per bed assumption of \$180,000 and sale proceeds of \$12 million for Grey Gables.

Who We Serve

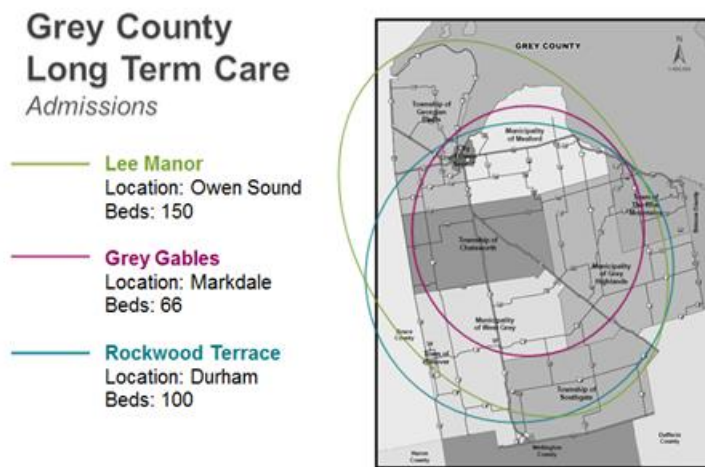
Another important aspect of this LTC review was understanding the current and future population who will require LTC services in Grey County, and how the needs of this population will continue to evolve. Provincial priorities have focused on supporting

people to stay at home for as long as possible and new residents now enter long term care at a later stage in their disease process, with more complex health issues and a more advanced stage of physical and cognitive decline.

In 2010, the Ontario government changed the admission criteria for long-term care, requiring new residents to have high or very high physical and cognitive challenges to qualify for admission.² The assessment for admission to long term care is undertaken by person's medical doctor in consultation with the Community Care Access Centre (CCAC).

Today, with an average age of 84 and an average length of stay of 2 years, the majority of residents who reside in the Grey County homes are from the local area while others have moved to the area to be closer to family and friends. Table 3 illustrates the area in which the majority of residents resided prior to moving into a particular long term care home and demonstrates that a larger home pulls from a larger geographical region.

Table 3



Legislative Framework

Long Term Care Homes Act

Grey County's role in providing long term care is prescribed in legislation. Like all long term care homes, those in Grey County are legislated under the *Long Term Care Homes Act, 2007* (LTCHA) which received Royal Assent in 2007 and proclaimed into force in 2010 along with *Ontario Regulation 79/10*. Extensive and detailed regulations

². Ontario Long Term Care Association, *This is Long-Term Care 2016*. p2.

under the Act establish the rules for almost every aspect of operating a home.

The LHIN is responsible for local health system planning and every operator must sign a service accountability agreement with the LHIN that outlines accountabilities and performance expectations.

Structural Classification

As the needs of LTC residents have changed and new research emerges regarding the optimal design of homes and provision of services within the home, the province has revised the standards for LTC home design. The requirement for redevelopment at Rockwood Terrace is based on the structural classification that has been established and assigned by the Ministry of Health and Long Term Care.

New beds and “A” beds either meet or substantially comply with the 1999 LTC Facility Design Manual. These beds do not require redevelopment and are not eligible for redevelopment funding. Grey Gables and Lee Manor are classified as “A” beds.

Rockwood Terrace is a “B” class which means that they exceed the 1972 structural standards and now require redevelopment to meet the standards of the *Long-Term Care Home Design Manual, 2015*. In addition to these design standards, redevelopment must meet the Long Term Care Homes Act, Fire Code, Building Code and Accessibility for Ontarians with Disabilities Act, 2005.

The Enhanced Long-Term Care Home Renewal Strategy will support the redevelopment of more than 30,000 LTC beds in more than 300 LTC homes by 2025. It includes a construction funding subsidy which is provided on a per diem basis when the eligible operator meets the conditions of redevelopment.

There are several critical timelines, within the *Long Term Care Homes Act, 2007* (LTCHA) and *Ontario Regulation 79/10* that need to be recognized when considering redevelopment.

- 1) **2025-** When the LTCHA came into effect July 1, 2010, homes with class B beds were issued a 15 year license (or approval) at that time. The license at Rockwood Terrace will expire in 2025.^{3 4}
- 2) **2020-** Ontario Regulation 79/10 provides direction regarding an operator’s intent to surrender their license and close a home in stating that notice must be given to

³. Long Term Care Homes Act 2007: Section 7, *Term of license*, 102 (2).

⁴. Ibid., Section 10, *Transition nursing homes and charitable homes*, 187, *Term of Replacement Licence* (3), 3.

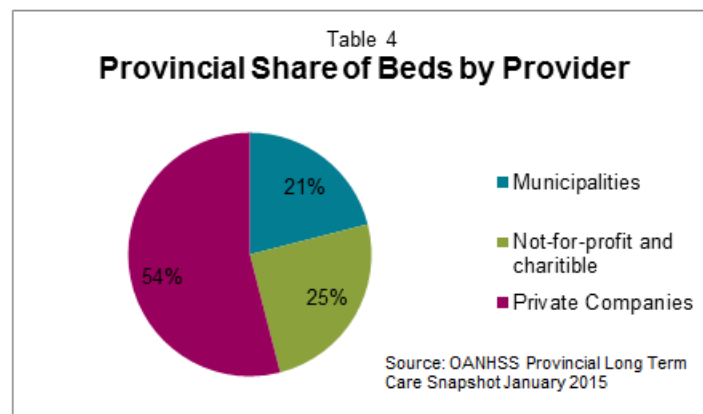
the Ministry “5 years before the date of the intended date of closure”⁵. If the choice of Grey County is to close Rockwood Terrace at the end of its approved period and return the beds to the Ministry, notice of intent must be provided no later than 2020.

- 3) **2022-** The Ministry is required to provide notice if the license will not be renewed at least 3 years prior to the expiry date⁶. With redevelopment, a new 30 year license will be issued. Without a new license, the home is slated to close in 2025. The Ministry can choose at any time prior to 2022 to notify Grey County that the license at Rockwood Terrace will not be extended past 2025.

Licensing of Beds

When assessing the opportunity to work with other long term care providers to deliver services, it is important to understand how the province gives operators the right to have a provincially funded bed.

Homes are operated by various providers including private, not-for-profit (including charitable homes) and municipalities. Regardless of ownership, all LTC homes are required to follow the same legislation, serve the same clientele and maintain a prescribed standard of care and service. LTC homes must be approved by the Ministry of Health and Long Term Care to receive government funding for operations. Table 4 illustrates the provincial share of beds by provider.



The *Long Term Care Homes Act, 2007* identifies the Minister’s role in determining the number of beds in a geographical area and the need for a balance between the various providers. Municipalities are unique because they operate “approved” long term care beds whereas private and non-profit operators have licenced beds that can be sold or

⁵. Ontario Regulation 79/10: Section 10, *Closure of Homes*, 308 (4) (1).

⁶. Long Term Care Homes Act 2007: Section 7, *Notice at end of term*, 103 (1)(a).

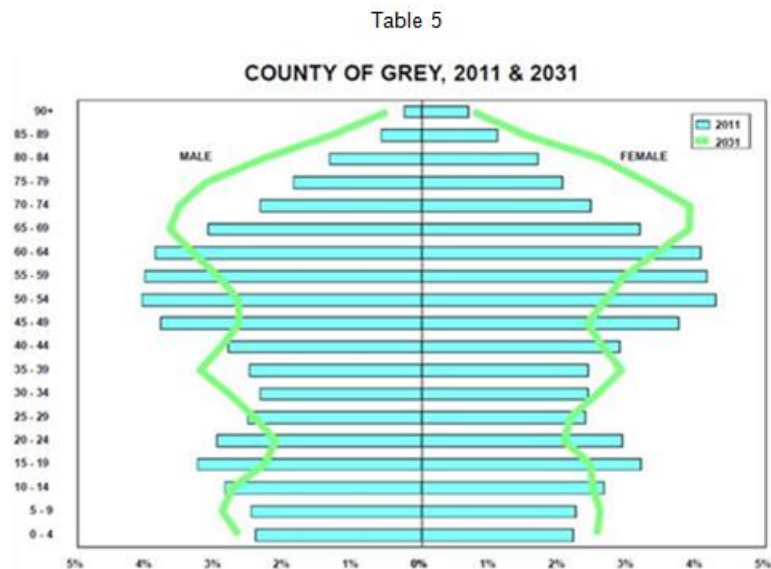
transferred between similar operators. **Municipal beds cannot be sold or transferred to another operator and would be returned to the Ministry if they are no longer required by the municipality.**

Service Demand Analysis

Future - Demographic Profile

The senior population is growing rapidly. The 2011 Canadian Census confirms that seniors now make up the fastest growing age group in the country and this trend will continue. The growing number of seniors means there will be increased demand for services and health care dollars. This requires organizations to consider options to improve efficiency from both a finance and human resource perspective.

When understanding the amount and type of services required by an aging population, it is important to understand the growth or decline of a specific age group as well as the kinds of services that population segment is most likely to require. The population projections for Grey County include a moderate growth rate and a large population of people over 60 years of age, primarily as a result of aging as illustrated in table 5.⁷

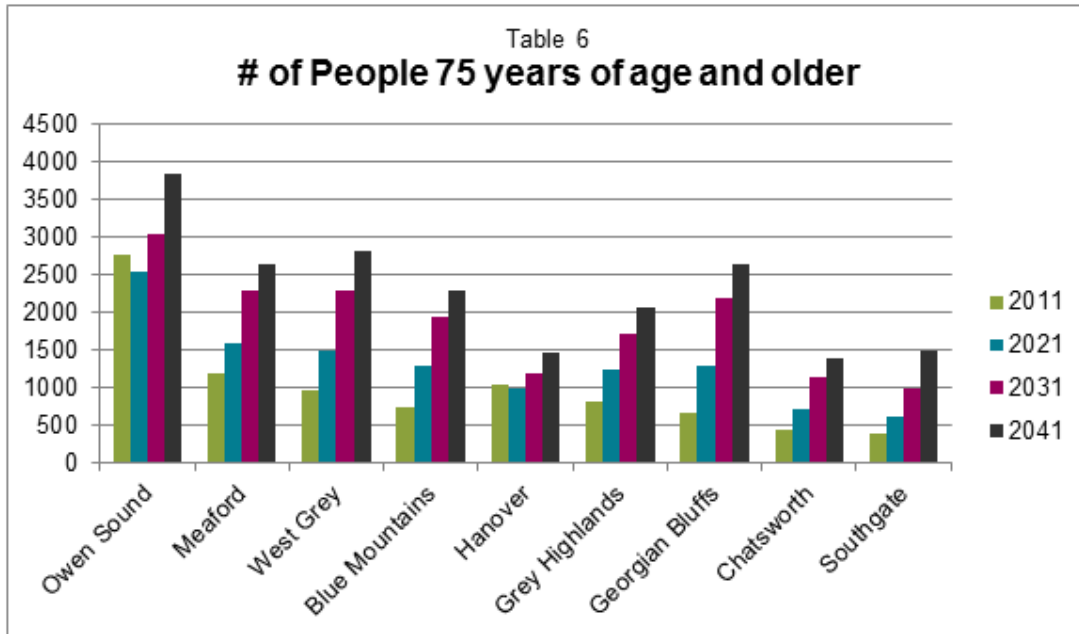


The Ministry of Health and Long Term Care and South-West Local Health Integration Network have set a target of 80-110 long term care beds for every 1,000 people 75 years of age and older. With this in mind, Grey County data was further analyzed to

⁷. Hemson Consulting Ltd., *Growth Management Study Update*, December 17, 2015, Supplementary detailed table.

review the projected growth of people 75 years and older by municipality from 2011-2041. When narrowing the focus and looking at a specific age range, consideration needs to be given that with a moderate growth rate, one community may experience a slightly faster growth or decrease in the number of people in a certain age bracket.

Table 6 illustrates the population projections for all municipalities in Grey County and Table 7 identifies the communities with the highest number of people in the targeted age range.⁸



⁸. Ibid.

Table 7

Year	Communities with the Highest Population of People 75+
2011	<ul style="list-style-type: none"> • Owen Sound • Meaford • Hanover • West Grey
2021	<ul style="list-style-type: none"> • Owen Sound • Meaford • West Grey • Blue Mountains/Georgian Bluffs
2031	<ul style="list-style-type: none"> • Owen Sound • Meaford • West Grey • Georgian Bluffs
2041	<ul style="list-style-type: none"> • Owen Sound • West Grey • Georgian Bluffs • Meaford

Population Projections and LTC Service Alignment

There are 790 LTC beds (11 homes) in Grey County with 574 beds (9 homes) requiring redevelopment. Private organizations operation 60% of the beds and 40% are operated by Grey County.

At the July 5, 2016 County Council meeting, the South-West LHIN provided some scenarios of the availability of long term care beds against the target service level, based on information they had on known bed movement at that time. Consolidating the beds currently located in Markdale and Durham creates an oversupply in south Grey based on the actual status of all beds located in Grey County in 2016. However, in reviewing the projected demographics and the likely consolidation efforts by the private sector, it seems vital to ensure access to long term care beds in south Grey for the future.

Other Services for Seniors

In addition to the overall growth in the senior population and increasing health complexities impacting LTC, this report looked at other changes in in the aging population that will influence service delivery. In a report by the Conference Board of Canada it is identified that,

“Baby boomers are likely to exhibit stronger preferences for independent living arrangements, greater autonomy, and choice in services than previous generations.”⁹

Not all people require long term care and it is estimated that approximately 10% of seniors over the age of 75 will require this level of care. Long term care is only one service in a continuum of care that supports quality of life in a cost effective manner.

The provincial Aging at Home strategies and advances in medical care are two factors that may support people to remain in their home longer and reduce the pressure on long term care admissions. Once a person cannot safely manage independent living, there are other options for care.

At the present time, within Grey County, there are a number of community resources that support seniors including:

- Adult Day Programs
- Alzheimer Society
- Community Care Access Centre
- Geriatric Services
- Exercise and Falls Prevention Programs
- Meals on Wheels
- Mental Health Services for Seniors
- Respite Care
- Senior’s Centres
- Veterans Affairs Canada

Municipalities throughout the province have varying degrees of involvement in providing seniors housing and long term care services. Historically, Grey County has focused on providing core services and worked with other organizations to support community needs.

Looking to the future, Grey County and our member municipalities are developing, working on and supporting other projects including, transportation enhancements, Age Friendly Community and Healthy Community initiatives.

Seniors’ Housing Marketing Analysis

Since LTC is only one type of seniors housing, CBRE Valuation and Advisory Services was hired to review the current supply of other types of seniors housing and, based on demographic profiles, complete a market feasibility study to review and analyze other options and market potential for senior living.

⁹. Conference Board of Canada, “*Elements of an Effective Innovation Strategy for Long Term Care in Ontario*, : *The Website*,” [Elements of an Effective Innovation Strategy for Long Term Care in Ontario](#)

They reviewed two primary market areas and three different service options including:

- 1) Assisted Living
 - a. Often referred to as Retirement Homes
 - b. Typically provides basic personal care, meals, housekeeping and linen services, social activities and a 24 hour emergency response
- 2) Alzheimer's or Memory Care
 - a. Provides the same services as Assisted Living with additional personal care, medication monitoring, enhanced housekeeping and laundry services
- 3) Seniors Apartments
 - a. Tend to be more successful when connected to an Assisted Living residence allowing the person to live independently with the security of a 24 hour emergency response, social activities and a la carte meal service
 - b. The ability to move into the Assisted Living suites as their needs change support Aging in Place

Assisted Living and Memory Care facilities are regulated by the Retirement Home Regulatory Authority who is responsible to ensure that care and safety regulations are being followed. Retirement Home clients are more independent and therefore regulations are not as stringent as the requirements for long term care. This alleviates some of the pressures for recruitment of staff.

CBRE calculated the supply and demand for each level of service using defined criteria including the current availability of units, population growth and income. Two primary market areas (PMA) were identified based on the current location of the County operated long term care homes.

- PMA 1-including West Grey, Southgate, Grey Highlands and Chatsworth
- PMA 2- including Owen Sound, Georgian Bluffs, Northern Bruce Peninsula, South-Bruce Peninsula.

Primary Market Area 1 – South Grey

The feasibility study showed that there is immediate market depth to support Memory Care and Seniors' Apartments. Based on the forecasted growth, a need for all three service options is apparent by 2019. The projected number of units the market will support is identified in Table 8.

Table 8: Market Depth Primary Market Area 1

# of Units over Current Inventory				
	2016	2019	2021	2026
Assisted Living	5	38	61	137
Memory Care	19	23	25	32
Seniors' Apartments	80	112	132	204

Grey Gables is an ideal location for a private developer to offer an Assisted Living and Memory Care facility. It is a relatively new building with lots of open space. This 66 bed home, with well positioned suites, would provide an opportunity to offer a continuum of care and land is available to support future development. The high profile location is close to the site of the proposed hospital and many other services are easily accessible. Repurposing the existing building would require minimal change. Nobody is currently offering this type of accommodation within the community and there is limited choice within the primary market area.

Rockwood Terrace is an older building, well settled in a residential neighborhood. The design of the building would require extensive renovations to convert to another type of living facility and options for repurposing the building will be explored in the future.

Primary Market Area 2 – North Grey

With the projected growth of the senior population in Owen Sound and Georgian Bluffs, Lee Manor is well suited to meet current and future needs within the long term care community. The home has been designated as the site for development of a Behavioural Support Unit to support seniors with responsive behaviours. With over 40% of residents living in long term care exhibiting behaviours resulting from their cognitive condition, there is a need for a higher level of specialized care within the region that will benefit residents, families, other long term care homes and care partners including hospitals.

There are a number of Assisted Living options in Owen Sound operated by the private sector and there is room for future development especially in the Seniors' Apartment market. Table 9 identifies the projected number of units the market will support.

Table 9: Market Depth Primary Market Area 2

# of Units over Current Inventory				
	2016	2019	2021	2026
Assisted Living	- 4	33	58	151
Memory Care	42	45	48	57
Seniors' Apartments	288	322	346	443

Service Delivery Challenges and Opportunities

In a 2016 report, Sienna Senior Living Inc. & Amico (SACT) identified that operational efficiencies could be gained by combining the County's LTC beds and building a larger home. A single larger home would reduce duplication and lower the cost to outfit, maintain and operate departments such as dietary and laundry services. Amalgamation would also allow for some realignment of staffing levels resulting in additional efficiencies.

The strongest option from SACT was to move 100 beds from Rockwood Terrace to Grey Gables. This option was preferred because it provided the opportunity to achieve the greatest efficiencies and maximize redevelopment funding. The 100 B-class beds in Durham are eligible for redevelopment funding while the 66 A-class beds located in Markdale would require additional funding for redevelopment if they were moved to a new location.

Staff considered the information from the SACT report and then proceeded to investigate the supply and demand for beds throughout the county.

LTC Redevelopment in the Grey County Context

In a presentation to County Council on July 2, 2016, the South-West LHIN identified their goal is to ensure an equitable access to LTC beds throughout the LHIN geography. They also recognized that homes may consolidate beds to meet current design standards and to improve efficiency.

Over the past few months, Grey County staff have met with private operators, the LHIN and the Ministry to discuss plans, review options and look for opportunities to maintain the supply of long term care beds within the County.

Partnerships

Staff met with all private long term care operators in Grey County to discuss redevelopment and explore opportunities for partnerships. Each of the companies are at various stages of redevelopment exploration and some expressed interest in assuming the beds currently operated by Grey County to support their redevelopment plans and/or to manage the County homes.

A meeting was held with the South-West LHIN to discuss the outcome of the meetings and identify their level of support for change. The LHIN was receptive in principal because their focus is on equitable access across the south-west region.

The LHIN assisted in arranging a meeting with the MOHLTC that was attended by the Warden, staff of Grey County and the LHIN. While the Ministry acknowledged the concerns raised by the County and appreciated the work that had taken place to provide options, we were informed that it would require a massive system review and change before municipal beds could be transferred to the private sector.

Clarification was received that if Grey County chose to give up beds, they would be returned to the province and there would be no guarantee of how the beds would be redistributed provincially.

As identified in the SACT Report, when compared to other LHIN's, the SWLHIN has more access to LTC beds than other parts of the province and the report identifies "The SWLHIN may have concern over a provincially mandated redistribution of Beds to higher growth areas such as the Central West LHIN."¹⁰ See Table 10 below.

¹⁰. Sienna Senior Living, *Redevelopment Analysis Prepared for the Corporation of the County of Grey, August 5, 2016*; p9.

Table 10

LHIN	# LTC Beds (Dec 2014)*	2014 Pop 75+	2014 Beds per 1,000 Pop 75+
1 Erie St. Clair	4,695	50,573	92.8
2 South West	7,468	76,907	97.1
3 Waterloo Wellington	3,950	47,255	83.6
4 Hamilton Niagara Haldimand Brant	10,501	118,129	88.9
5 Central West	3,344	41,625	80.3
6 Mississauga Halton	4,163	65,690	63.4
7 Toronto Central	5,878	89,441	65.7
8 Central	7,247	113,629	63.8
9 Central East	9,571	114,258	83.8
10 South East	4,060	44,407	91.4
11 Champlain	7,601	87,391	87.0
12 North Simcoe Muskoka	3,101	37,696	82.3
Grand Total	71,579	887,001	80.7

Long Term Care Beds per population aged 75 or Older (2015). Provided by the Mississauga Halton LHIN

This creates a risk for the County in further pursuit of divestment or transferring of beds as it could potentially result in them being removed from Grey County for redevelopment in other parts of the province.

With a clear understanding of the difficulty and risk of a complete transfer, staff reviewed the possibility of transferring the daily management of the homes to a private company.

Management Contract

Long term care is a complex, highly specialized level of health care service. The Ministry of Health and Long Term Care is focused on higher accountability in long term care, which is important to ensure a high quality of care to a very vulnerable resident population. However, the high level of oversight and compliance reporting requires significant administrative resources. This is especially challenging for a municipal government who provides long term care as one of many services rather than its primary function.

Currently, recruitment and staff training is requiring more time than ever. Recent changes in legislation including the introduction of Medical Assistance in Dying and Medical Cannabis required time to research, develop and implement policies. Staff efforts are dictated by the speed at which change is required to be implemented and the demand for the service occurs and these are often out Grey County's control. Staff are stretched to manage daily operations, research new programs, implement best practices and meet mandatory reporting requirements. The pace in which things must occur is resulting in a delay to complete other important activities including the analysis

and reporting of performance data to Council.

The challenges facing the long term care sector will only intensify as the population ages. To provide the best opportunity for the delivery of long term care and to manage risk, some municipalities and smaller private operators have opted to hire expertise in the form of a management contract for daily operation of the home(s). A contract is based on a scope of work that outlines decision making authority and reporting responsibilities.

The Long Term Care Homes Act and Regulations allows for a management company to operate a LTC home with ministry approval. The County is required to maintain governance and the management company would report to Council through a Committee of Management.

Benefits of a management contract include:

- The provision of policies and procedures for all business aspects (ie: Health & Safety, Human Resources, Nursing, Office, Program and Support Services)
- Regular training and established meetings with the Administrators and Managers
- Regular home visits to evaluate areas of risk and compliance with regulatory requirements
- Regular resident and employee engagement surveys
- Implementation of best practice, culture and care improvements
- Regular updates to the homes and Grey County based on a scorecard approach
- Assistance with operating and capital budget development including research on capital purchases
- Improved purchasing power
- Accreditation

Other aspects of business operations would be reviewed once a contract is in place and the management company has an opportunity to complete an evaluation of other business functions including:

- Information & Technology
 - trouble shooting, maintenance, network solutions
- Various specialized HR functions
 - negotiations, arbitrations
- Payroll Processing

Wages and benefits account for approximately 83% of the operating budget and ongoing contribution from the tax levy would be required. With the support of a

management company there would be an opportunity to streamline resources and they would be able to offer recommendations to reduce costs. Any recommendation for cost reduction would be provided to Council for a decision on whether the recommendations should be implemented or not.

There are a number of variables for consideration when awarding a management contract and a Request for Proposal would provide an opportunity to further explore the offerings of a Management Contract. Staff recommend that a committee be struck consisting of members of Council and appropriate staff to oversee the development of the RFP. Staff will bring a report to Council in May 2017 with a draft terms of reference for the LTC RFP Committee, at which time a decision regarding appointments to the committee can be made.

Recommendation Summary Analysis

Three options are provided and have been aligned with the Corporate Strategic plan. The Option, Rationale, Benefits and Risks are summarized on Tables 11, 12 and 13.

Recommendation	Rationale
<p>Rebuild a single LTC home in South Grey</p> <p>i. Consolidate beds and build a new home in Durham</p>	<p>Priority Outcomes: <i>Enhancing Economic Opportunity and Growth</i> - <i>Improved Prosperity and Quality of Life</i></p> <p><i>Supporting Healthy, Connected Communities</i> - <i>Improved health and well-being of our residents</i></p> <ul style="list-style-type: none"> • West Grey is projected to have the 3rd highest population of people 75+ by 2021 within Grey County and expected to maintain this position • Centralized location to serve south Grey due to the proximity to two larger populated areas (Hanover and Markdale) • Good access to support the rural areas of Southgate, Chatsworth & Grey Highlands • Existing LTC homes in Meaford and Blue Mountains have capacity to serve eastern parts of Grey County

Table 11

<p>ii. Sell Grey Gables (building) for use as an Assisted Living/Memory Care center</p>	<ul style="list-style-type: none"> • Market depth supports Assisted Living, Memory Care and Seniors' Apartments • This service is not currently available within Markdale and there is limited choice in the primary market area for these services • Grey Gables is an excellent option for repurposing due to: <ul style="list-style-type: none"> - Age of building - High profile location - Access to services i.e. Hospital
<p>Benefits</p>	<p>Risks</p>
<ul style="list-style-type: none"> • Residents will continue to have access to LTC in south Grey • New opportunity to enhance the continuum of care in south Grey with private sector involvement • Consolidated staffing will improve the ability to deploy staff in the future and staff scheduling efficiencies will improve • Through economies of scale fewer resources will be required for certain areas of the operations including: <ul style="list-style-type: none"> - Administration - Maintenance • Consolidation will reduce the requirement for equipment in dietary, laundry, maintenance & housekeeping departments • Financial gain will be realized from the sale of the vacated building which will offset some redevelopment costs 	<ul style="list-style-type: none"> • Requires MOHLTC and LHIN approval • Fear and uncertainty for staff and current LTC residents while plans are being developed • Residents will need to move and adapt to new surroundings • Collaboration with bargaining agents for impacted workers • Uncertainty for tenants in the buildings • Ability to find a buyer and the actual sale proceeds for County property • Need to attain 60% preferred accommodation rate for funding model to achieve savings • Estimated staffing efficiencies need to be realized to achieve savings • Construction cost per bed could be higher than estimate

Table 12

Recommendation	Rationale
<p>Engage the Services of a LTC management company to oversee day to day operations</p> <p>i. Enter a management services agreement to support LTC operations</p>	<p>Priority Outcomes: <i>Supporting Healthy, Connected Communities</i></p> <ul style="list-style-type: none"> • <i>Improved sustainability of services and service delivery for Grey County Communities.</i> <p><i>Delivering Excellence in Governance and Services</i></p> <ul style="list-style-type: none"> • <i>Governance model for the future</i> • <i>Greater operational efficiencies</i> <ul style="list-style-type: none"> • Utilization of a company with established, recognized operational systems • Improved access to subject matter experts in LTC operations • Meet legislative requirements
Benefits	Risks
<ul style="list-style-type: none"> • Greater certainty to maintain compliance • County would maintain governance responsibility though a Committee of Management • Employees remain County staff • Improved outcomes, reporting and accountability • Provision of recommendations to redirect resources • Financial analysis • Staff training • Policies and Procedures • Procurement services 	<ul style="list-style-type: none"> • Staff feeling of loss of connection with the County • Conflict in values of County and Management Company

Table 13

Recommendation	Rationale
<p>Engage the Services of a LTC management company to support the redevelopment project</p>	<p>Priority Outcome: <i>Delivering Excellence in Governance and Services</i></p> <ul style="list-style-type: none"> • <i>Greater operational efficiencies</i> • Limited Corporate capacity to lead LTC redevelopment • Complex, specialized process (application, financial reporting, various regulatory approvals required throughout the process, working drawing submissions, tender, preoccupancy approvals, staffing patterns, resident transition planning)
Benefits	Risks
<ul style="list-style-type: none"> • Understanding of the process, expectations and requirements of the various stakeholders • Experiencing in completing similar projects • Expertise in design which will support efficient work flow and allow for maximum staff efficiency in the complete project • Support in resident transition planning 	<ul style="list-style-type: none"> • Lack of interest in the opportunity due to high number of projects in the sector • Selection criteria incomplete or insufficient resulting in retaining a firm who is a poor fit with the County

Financial/Staffing/Legal/Information Technology Considerations

Opportunities for a private/public partnership have been explored and municipal long term care beds cannot be transferred to the private sector. If Grey County chooses to give up beds, they will be returned to the province with no guarantee of how the beds would be redistributed provincially. Based on future projections, the need for long term

care beds will continue to grow and it is important that the current supply of beds stay within Grey County.

Operating three homes, especially small homes, is expensive. Streamlining services would eliminate some duplication of services, reduce the requirement for some equipment and support staff deployment in the future. With amalgamation of the two smaller homes some operational efficiency would be realized and south-Grey would continue to have access to a long term care home that meets the growth needs of the region.

As identified in the CBRE report, there is a good opportunity for growth in the Assisted Living, Memory Care and Seniors' Apartment markets. The availability of these types of services in south Grey is limited and with further development of this specialized market, seniors will have access to more options to assist them in maintaining independent living for as long as possible.

Grey Gables has been identified as having excellent potential for redevelopment as an Assisted Living facility due to the age and structure of the current building, location and availability of property for expansion. With the aging demographics, the ability to offer the option of a continuum of care within south-Grey is beneficial.

Contracting with a management company would support the Grey County homes to operate as efficiently as possible while maintaining a high quality of care and service. Management Companies typically operate a number of homes which provide a knowledgeable base of subject matter experts and resources that support their homes directly, through policy and with capacity development. Procurement is also simplified when an organization has a department that is able to focus on the purchase of equipment and supplies that are directly related to long term care and purchasing power is improved with the volume a larger corporation would purchase. The cost to contract with a management company would be reviewed along with the benefits and risks as part of a Request for Proposal.

There is a risk in delaying a decision. The Ministry of Health and Long Term Care requires five years notice of intention to close beds. The Ministry is on a timeline for redevelopment across the Long Term Care sector and there is a risk that they will give notice that the license for beds requiring redevelopment will not be extended past 2025.

Respectfully submitted by,

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