



**Building a  
strong  
foundation for  
our seniors**



**OLTCA**

**BUDGET  
SUBMISSION  
2023**



## Our path for transformation

Long-term care today is different from three years ago.

Since 2020, the province has made historic commitments to increase direct care for residents, rebuild our oldest homes, and expand long-term care capacity to meet the needs of our current and future seniors. These investments are helping to address decades of systemic neglect in staffing and infrastructure—key factors that left our homes vulnerable during the pandemic.

In order to achieve these commitments, we need to ensure long-term care has a strong foundation. Homes need operational stability in order to make transformative change. Yet today, they are facing immense, longstanding operating pressures that are being made worse due to a changing economic environment.

Stabilizing the foundation is crucial to continuing to move forward on providing quality of life and care to our residents and achieving our shared commitment with government to increase hours of care, expand capacity and rebuild older homes.

### Historic government investments in long-term care



**\$1.9 billion** to increase direct care hours



**Over \$9 billion** to rebuild and expand long-term care homes



**Nearly \$1 billion** in targeted investments to increase quality and staffing



**Nearly \$2 billion** to protect residents during the pandemic

The OLTCA recommends the government target three areas to strengthen the foundation of long-term care and release its full potential:

1. **Stabilize base funding for resident accommodation and services** to allow homes to redevelop.
2. **Increase base level-of-care funding** to ensure funding for staff allows homes to achieve direct hours of resident care targets.
3. **Establish a technical funding working group** to plan a stable and predictable path forward and unlock the government's current investments to enable transformation.



## Maintaining safe and comfortable homes

Long-term care is different from the rest of the health care system in that it provides both a home and health care. Homes support the health, safety and quality of life for more than 92,000 residents annually. This includes services that are important for creating a comfortable and homelike environment, from regular maintenance and utilities to cleaning, meal preparation and service, and laundry.

Yet, the funding for resident accommodation and related services has not kept pace with the growing costs, leading to a gap of 9% that homes are trying to manage in a year of extraordinary inflation. There is also a need to address the historical gap in accommodation funding especially for small and rural homes, where higher fixed costs put them at greater risk of cost increases.



The cost of maintaining quality resident accommodation and services has increased at a significantly higher rate than the home's base funding – resulting in a 9% gap in 2022.

Resident accommodation and services funding supports key functions within long-term care homes, including:



Laundry, housekeeping and environmental services staff to maintain high standards in cleanliness and infection prevention and control while supporting residents' needs



Dietary staff to prepare meals and support residents at mealtime with eating and other needs



Leadership and management staff



Maintenance to keep the home in a good state of repair



Debt service costs required to finance the home's construction

Additionally, for our oldest homes, stable and predictable operating funding is essential to ensuring they can rebuild. There are growing concerns about the instability of long-term care funding among banks and other lenders that provide financing for construction. Stabilizing operating funding is essential to ensure the success of the government's commitments to modernize our long-term care homes across the province.

Homes with discontinued ward-style rooms with three or more residents need particular attention. The planned phase out of funding for those rooms needs to take into account the growing operational pressures in these older homes, as well as ensure they can rebuild quickly.

## Recommendation 1:

### **Stabilize base funding for resident accommodation and services to address the current deficit, which is projected to grow with ongoing inflation.**

- Close the 9% gap in resident accommodation and services funding by addressing the erosion in the funding and the gap in preferred accommodation fees created over the last 3 years; this will ensure sufficient operating funding for stability and to secure financing for redevelopment.
- Manage the wind down of funding for ward-style rooms with three or more residents in a way that maintains funding for the fixed costs required for resident accommodation and services, and that ensures stability is maintained for homes looking to secure financing for redevelopment.

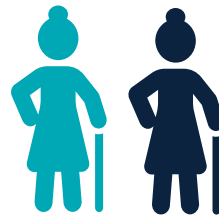


## Growing our workforce to meet residents' needs

An increasing number of new residents are moving into long-term care later in life and with higher needs. This growing acuity means that homes need more staff to support the same residents today than they did 10 years ago.

The government has committed to increasing staffing so that long-term care homes can achieve a provincial average of four hours of direct care for residents. This is an important commitment to help successfully care for residents safely and to address the growing complex needs of our communities and aging population.

However, the staffing environment in Ontario has changed significantly since the government's original commitment. Roughly 90% of the sector is unionized, and recent arbitration awards have acknowledged the need to address the growing cost of living through wage and benefit increases of more than 4%.



**Today, more than 1 in 2 residents entering long-term care require a high level of care.**

**That is 41% more residents requiring significant support than 10 years ago.**

Analysis provided by Preyra Solutions Group.

**We cannot risk eroding the government's historic investments to increase staffing as the need for staffing is projected to grow.**

Source: FAO, Ministry of Long-Term Care: Spending Plan Review (May 2021); Ministry of Long-Term Care, Long-term care staffing plan (2020)

These increased compensation costs, combined with a 40% increase in agency use and doubling of agency rates since 2019, have meant that homes have significant pressures in their staffing funding. One of the few sources they have to make up the difference in staff wages is the funding intended to increase staffing, and that risks eroding homes' ability to achieve the government's direct hours of care targets.

Ensuring appropriate increases in level-of-care funding to address arbitrated wage and compensation awards and growing staffing needs will ensure homes can remain stable and can deliver on the government's important commitments to increase care.

## Recommendation 2:

**Stabilize base level-of-care funding for arbitrated increases to wages and benefits to ensure funding for new staffing is not eroded.**

Increase level-of-care funding by 5% to sufficiently address arbitrated awards, 6.8% inflation and the potential impact of retroactive awards for not-for-profit homes pending the appeal of Bill 124.



## Unlock investments to build long-term care for tomorrow

The government has committed over \$13 billion to modernize and transform care in our homes. Many of these investments target specific interventions and classifications of staff.

Long-term care homes manage funding across 4 main level-of-care envelopes and over 20 supplementary funding streams that create complexity, inflexibility and significant administrative burden. More importantly, with the current staffing shortage, many homes are not able to use the narrow funding streams effectively to support the government's goals. For instance, the new funding for nurse practitioners limits how these team members can be hired, making the role less attractive for these highly sought-after health care professionals. Long-term care homes need to be able to use funding fully to meet the unique needs of their residents and community.

To ensure long-term care homes can secure financing to redevelop older homes and build new homes, they need to demonstrate strong financial health. Allowing long-term care homes greater flexibility to redistribute funding based on their residents' needs, availability of staff in their community, and their home's operating pressures—while remaining committed to accountability for every dollar spent—will unlock the full value of the investments that government has already committed.



Further, learning from the pandemic, homes have made significant changes to raise infection and control standards, improve practices and focus on quality improvement. These enhanced approaches to care and safety have permanently altered operations of long-term care homes. As the temporary pandemic-related funding winds down, these enhancements will need to be addressed through ongoing, stable funding.

Our member homes welcome the opportunity to participate in a review of long-term care funding that addresses financial stability and ways to unlock current investments to ensure residents live in homes capable of supporting and advancing the high-quality of care and life they need and deserve.

### Recommendation 3:

**Establish a joint technical funding working group with the sector to normalize and unlock funding investments, through informing policy changes and planning for stable, predictable funding that is critical to operational stability and redevelopment.**

The working group would:

1. Develop a strategy to support the unique needs of our small homes;
2. Map out a plan for addressing the growing complexity of residents' needs;
3. Address the funding needed to ensure the enhanced IPAC measures and standards developed in response to COVID-19 can continue after the pandemic; and
4. Create solutions to fully unlock the government's historic investments.



## Transforming long-term care for our future

We thank the government for its commitment to build a modern, high-quality and responsive long-term care system. With a strong, stable foundation, Ontario will be able to continue to modernize and transform long-term care to meet the needs of our growing seniors' population. We look forward to working with government on stable, predictable funding and a plan for the future, developed in partnership with homes, residents, families, and caregivers.

Transformation is never easy, but our members remain committed to working with the government on the impediments that stand in the way of improving long-term care, including providing solutions to address the ongoing health human resources crisis and to remove barriers to the capital program.

### Summary of OLTCA recommendations

1. Stabilize base funding for resident accommodation and services to allow homes to redevelop.
2. Increase base level-of-care funding to ensure funding for staff allows homes to achieve direct hours of resident care targets.
3. Establish a technical funding working group to plan a stable and predictable path forward and unlock the government's current investments to enable transformation.



## About the OLTC A

For more than 60 years, the Ontario Long Term Care Association (OLTCA) has been committed to advancing the quality of long-term care services in Ontario. With advocacy and leadership as a key focus, the Association has been able to influence legislative, policy and regulatory change, support sector expansion and redevelopment, and provide educational opportunities to ensure the increasing needs of residents are being met with safe, high-quality care.

Today, the OLTC A has the privilege of representing 70% of the long-term care homes in Ontario. Like the system itself, the OLTC A includes a range of ownership models: private operators, non-profit and charitable organizations, municipally operated and First Nation homes.

The OLTC A represents the shared interests of homes across the province, and believes in our collective responsibility to build a strong and sustainable long-term care home sector that delivers the best quality care to Ontario's seniors.

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Note: Stock photography has been used in this document. Current COVID guidelines require staff to be masked.



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