

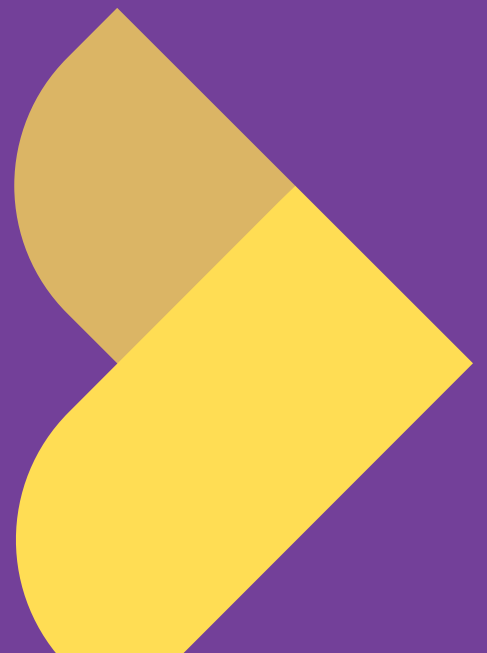


**Perley  
Health**

Community of Care

# Submission To Standing Committee for 2024 Pre-Budget Consultation

Resolving the Ongoing Crisis in Long-Term Care



## Submission To Standing Committee For 2024 Pre-Budget Consultation Resolving the Ongoing Crisis in Long-Term Care

*(The observations and recommendations in this section apply exclusively to the not-for-profit long-term care sector.)*

The Ford government has done more than any previous administration to increase capacity in long-term care (LTC) and to identify solutions to the many difficulties facing LTC licensees. Despite these actions, however, existing problems are destined to get much worse, largely due to significant and ongoing growth both in the demand for beds and in the care needs of residents. Without further action by government, waitlists will only get longer, labour shortages will only worsen and more families will suffer the consequences. A handful of specific policy changes can prevent these outcomes.

### Capacity

Limited capacity is a key structural problem that is destined to get significantly worse.

According to Ontario Health data, the median wait time for LTC in 2021–22 reached historic peaks: 213 days for community placements and 114 days for hospital placements. These numbers improved somewhat last year to 201 and 72 days, respectively. At Perley Health<sup>1</sup>, wait times hit an all-time high of 246 days in 2022–23.

These aggregate figures, however, mask the fact that wait times can be as long as 2.5 years and that many seniors die waiting for a bed. Wait times for non-profit homes are longer than the average because seniors, along with their families and advocates, prefer them over for-profit homes<sup>2</sup>.

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<sup>1</sup> These figures relate to "standard" beds licensed by the Ministry of Long-Term Care and do not include Veterans beds funded by Veterans Affairs Canada.

<sup>2</sup> "Ontarians have a clear preference for not-for-profit long-term care", [Toronto Star](#), October 18, 2021

The Ford government's commitments to build 30,000 new LTC beds by 2026 and to create a total of 58,000 new and renovated beds are important and necessary responses to the wait-time challenge. At best, however, they will only ease the problem somewhat in the short term. Nearly 40,000 Ontarians are currently in need of LTC and the province's population of seniors is expected to nearly double in the next 20 years. Furthermore, the important incentives established by the Ford government to fulfill its commitment—such as the temporary increase to the Construction Funding Subsidy (CFS) instituted in 2023—are falling short.

During the latter part of 2022 and early 2023, Perley Health gathered a group of senior executives from a cross-section of not-for-profit LTC homes to identify potential solutions to the capacity issue. The group submitted a number of these recommendations to the Ministry of Long-Term Care. Elements of the group's recommendations were also submitted by Perley Health as part of the federal government's Consultation on Safe Long-Term Care.

### **Vitalized, Expanded and More Accessible Homecare**

According to a wealth of studies, up to one-third of LTC residents do not actually require long-term care and could live safely and comfortably in their homes if appropriate homecare were available. Ontario Health and the Ministry of Health are developing a series of initiatives that aim to improve homecare and reduce demand for LTC.

Key to the success of homecare is a properly funded system of transitional beds: purpose-designed facilities in retirement homes or campuses of care where seniors recovering from surgery or short-term illness receive the specialized care they need to return safely and comfortably to their own homes. Under the current model, these seniors remain in hospital, where care is exceptionally expensive to deliver and less likely to improve health outcomes. A few years ago, a pilot project at Perley Health demonstrated the efficacy of transitional beds. Known as SAFE (Sub-Acute Care for Frail Elderly), the project involved a 20-bed unit operated in partnership with The Ottawa Hospital and Ministry of Health. A study<sup>3</sup> demonstrated that stays in the SAFE unit led to shorter hospital stays and an increased likelihood of returning home.

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<sup>3</sup> <https://pubmed.ncbi.nlm.nih.gov/32943339/>

## **An Enhanced & Flexible Capital Funding Model**

Perley Health is a non-profit that currently provides LTC to 450 people. In recent years, the Ford government allocated Perley Health an additional 240 beds. Perley Health has been unable to undertake the construction needed to expand, however, largely because of the financing issues faced by non-profit homes. Canada Revenue Agency regulations limit the ability of non-profits to accumulate reserves and finance large capital projects, for instance, and non-profits tend to spend all available funding on providing the highest possible quality of bedside care and achieving the highest possible outcomes<sup>4</sup>. It is also worth noting that non-profits tend to build significantly above the Ministry of Long-Term Care's minimum standards.

*Perley Health has been allocated a total of 240 beds in addition to its existing 440 beds. The financing issues faced by all non-profit homes has made it impossible for Perley Health to undertake the construction needed to expand.*

Several potential solutions to the financing challenge exist.

- Permanently increase the Construction Funding Subsidy (CFS) for non-profits to at least \$35 per day. Last year, the Ministry of Long-Term Care increased the CFS by this amount on a temporary basis. Many homes, including Perley Health, were unable to move quickly enough to take advantage of this time-limited increase. A permanent increase would clearly support the Ford government's goal of increasing LTC capacity as soon as possible.
- The Ministry of Long-Term Care begins to fund the capital projects of non-profit LTC homes in the same way that the Ministry of Health and Ontario Health funds those of

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<sup>4</sup> The Grail, K.M. et al, "For-profit versus not-for-Profit Delivery of Long Term Care", Canadian Medical Association Journal, 2021; Halpern, Lisa, et al, "Non-Profit Long-Term Care in Ontario", University of Toronto Press, November, 2022

hospitals—i.e. up to 95% of total capital costs. The current CFS funding formula covers up to approximately 50%-60% of total current capital costs.

- Amend the *Development Charges Act* to exempt non-profit LTC homes from development charges. Currently, municipalities decide on a case-by-case basis.
- Add flexibility to the capital funding model. For example, at least a portion of the CFS should be paid once the Ministry of Long-Term Care grants approval to a new or redeveloped LTC home to begin accepting residents.
- Grant additional capital and operating funding to non-profit LTC homes that provide specialized facilities and services. Due to the lack of appropriate facilities and services, many people who require more than standard LTC currently remain in hospital. This exacerbates the capacity issues experienced by hospitals. To help ease the problem, Perley Health has developed a “small-homes model” and submitted a proposal to the Ministry of Long-Term Care. Under the model, some of the 240 spaces recently allocated to Perley Health would be dedicated to specialized LTC.
- Contribute to the costs of project design and feasibility analysis for non-profit LTC homes. These costs often total millions of dollars.
- Provide infrastructure renewal funding for LTC to ensure sustainability will be maintained into the future. This type of funding exists for hospitals: Hospital Infrastructure Renewal Fund (HIRF) and Community infrastructure Renewal Fund (CIRF).
- Apply the same 80% PST-rebate formula used for hospitals to non-profit LTC homes.

*To meet the need for specialized LTC, Perley Health has developed a “small-homes model” and submitted a proposal to the Ministry of Long-Term Care. Under the model, some of the 240 spaces recently allocated to Perley Health would be dedicated to specialized care, easing some of the capacity issues faced by The Ottawa Hospital.*

## Operating Funding and Human Resources

Although exacerbated by recent inflation, operating funding for LTC homes has been inadequate for some time. Inadequate funding also hinders the development of new LTC beds. The problem is particularly acute for non-profit homes, because of their commitment to deliver higher-quality bedside care and better outcomes than the for-profit sector. Non-profits achieve these goals thanks in large part to their ability to independently raise an estimated \$300 million annually in charitable donations <sup>5</sup>. Perley Health, for instance, operates its LTC home at a loss, and covers this loss from the surpluses earned by other of its offerings. Stand-alone LTC homes, of course, do not have this ability.

*Ontario's non-profit LTC homes deliver superior bedside care and better health outcomes thanks largely to their ability to raise an estimated \$300 million per year. Perley Health also uses profits generated by its other offerings to offset the losses incurred by its LTC operations.*

A potential solution is to modernize the current funding model by eliminating the so-called “envelope” system. Under this system, the Ministry of Long-Term Care directs its funding into four categories: Nursing and Personal Support; Program and Support Services; Nutritional Supplementary; and Other Accommodation. For all but the final category, funding can be used only for the allocated purpose. And the funds in any envelope that remain unspent at the end of each fiscal year must be returned to the Ministry. This model is restrictive, complicated and expensive to administer. Implementing a “global budget” model—used for hospitals—would help LTC homes respond to the particular circumstances and needs of their residents and the communities they serve.

The entire healthcare sector faces a crisis in human resources. The public system struggles with chronic shortages of skilled professionals, such as Registered Nurses (RNs), Registered Practical Nurses (RPNs) and Personal Support Workers (PSWs). And large numbers of healthcare workers plan to retire or move to new careers. Building additional beds does nothing to address this crisis. In LTC, the crisis is particularly acute due to the challenges of caring for

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<sup>5</sup> AdvantAge Ontario "The Not-for-Profit Difference".

frail people, many of whom live with dementia and occasionally behave violently and aggressively.

As part of its proposal to build an additional 240 beds, Perley Health will provide on-the-job training to RNs, RPNs and PSWs who commit to continued employment in the sector. Under a longstanding partnership with Algonquin College, future care professionals study in a classroom at Perley Health and serve practicums alongside Perley Health staff. These initiatives represent only partial solutions, however. Over the long term, care professionals must be able to earn salaries commensurate with their skills and the nature of their work.

*As part of its work to build an additional 240 beds, Perley Health plans to provide on-the-job training to professionals who commit to working in the sector.*