CITY WIDE IMPLICATIONS

To: Chair and Members
   Emergency & Community Services Committee
   Outstanding Business Item No. __ and Issue:

From: Joe-Anne Priel
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Date: September 13, 2007

Re: Update Status of Macassa & Wentworth Lodges (ECS07067) (City Wide)

Council Direction:

Not applicable.

Information:

Report ECS07067 provides a response to the questions raised about Macassa and Wentworth Lodges at the March 8, 2007, Committee of the Whole budget meeting.

At the March 8, 2007, Committee of the Whole budget #3 (i-iv) meeting staff were directed to report back on several questions related to Macassa and Wentworth Lodges, which included:

(i) Alternate source of funding within the Community Services Department (CSD) for the 2007 proposed enhancements;
(ii) Current Legislation that governs the operation of the Lodges;
(iii) Operational Reviews conducted on the Lodges; and,
(iv) Process by which the City can divest one long-term care facility - Staff were requested to provide rationale why Wentworth Lodge was not divested in 2003.

Report ECS07067 provides a response to the above questions and also provide an update on the 2007-2009 Operational Plan that is being prepared for Macassa and Wentworth Lodges.

(i) Alternate source of funding within the Community Services Department (CSD) for the 2007 proposed enhancements

As part of the 2007 budget, staff had requested three additional staff positions, which included a .6 FTE dietician ($46,640), a part-time recreationist ($54,870) and a part-time
supervisor for Residential Social Services ($41,840) to comply with the current requirements of the Ministry of Health and Long-term Care Standards (MOHLTC). After a review of the current structures at both of the Lodges, the enhancement requests were withdrawn. When the Food Services Supervisor at Macassa Lodge retired in May 2007, the position was reduced from one FTE to a .5 FTE supervisor to accommodate the required dietician services. As of April 1, 2007, the Director of Resident Services at Macassa Lodge provides supervision as well as additional casual recreational staff services at Wentworth Lodge to ensure compliance with the MOHLTC standards. As a result, the Supervisor of Residential Social Services for Wentworth Lodge was no longer required.

(ii) Current Legislation that governs the operation of the Lodges

Both Macassa and Wentworth Lodges are governed under the Long-term Care (LTC) Homes Act, which received Royal Assent June 4, 2007. There are over 300 standards within this Legislation (e.g. Administration, Nursing, Medical, Dietary, Recreation and Environment) that relate to the operations of the Lodges.

Effective June 4, 2007, there were many changes to the LTC Homes Act, such as:

- Every home is required to have a resident and family council;
- The limited use of restraints;
- The creation of whistle-blower protection for staff;
- Zero-tolerance for abuse and neglect; and,
- The requirement that every resident have a strengthened plan of care.

Staff as well as the Administrators for the Municipal Homes for the Aged in Ontario have expressed concern that this new LTC Homes Act does not provide a standard for the hours of daily nursing care each resident should receive. In 2001, a Level of Service Study was commissioned by the MOHLTC and conducted by PriceWaterhouse Coopers. The study compared the amount and type of care received by residents in Ontario LTC settings with those in other Canadian, American and international jurisdictions. It was concluded that of the 11 jurisdictions studied, Ontario was ranked the lowest in the amount of nursing care provided to the residents. The study found that Ontario provided an average of 2.04 hours of care per resident per day as compared to 2.44 hours of care per resident per day in the next lowest jurisdiction, Manitoba. Saskatchewan provided 3.05 hours of care and Calgary was the highest Canadian jurisdiction at 3.25 hours of care per resident per day. Recent census data (2006) confirms that Ontario continues to provide the lowest standard of nursing care per resident per day relative to all other provinces in Canada.

There is a requirement in the LTC Homes Act that every upper and single tier municipality must operate at least one municipal lodge. OMBI data indicates that the majority of municipalities provide more than one home. Specifically, in the 2005 OMBI data, Hamilton has a total of 410 municipal resident beds (total number of resident beds at Macassa and Wentworth Lodges) which is an average of 81 municipal resident beds per 100,000 citizens. This is considerably less than the average number of municipal LTC beds in municipalities across Ontario, which is 122.2 per 100,000 citizens. The
distribution of beds is not based on demographics but rather on each municipality’s preference for managing their own Homes for the Aged facilities. These findings are also consistent with the preliminary results of a recent LTC survey where there is an average of three municipal homes per municipality in Ontario.

(iii) Operational Reviews conducted on the Lodges

Bentley & Associates conducted an Administrative/Operational Review of the Lodges in November 1996. The purpose of the review was to assess the current organization, staffing and operations of each Lodge and make recommendations for achieving cost efficiencies without adversely impacting resident care. The report presented 31 recommendations with projected savings of approximately $1.7 million, primarily as a result of a reduction in staff. Many of the recommendations were implemented. Specifically, the Environmental Services (housekeeping, laundry, maintenance) were reduced significantly, as well as some management staff. At the time of the review, there were 291.4 Full Time Equivalents (FTEs) at Macassa Lodge. This has been reduced to 260.4 FTEs with annualized projected savings of approximately $1.5 million. As well, at Wentworth Lodge, 207 FTEs were reduced to 158. At Wentworth Lodge a significant component of the reduction was related to the decrease in beds from 210 to 160 in 2003; however, there were also additional reductions in both management and front-line staff at Wentworth Lodge with a projected annualized savings of $300,000. Despite these savings there continue to be budget pressures at the Lodges. This is primarily a result of staffing expenditures (wage, sick, work accommodation) which are 80% of the Lodges’ budget that are increasing at a higher rate than the revenue the City of Hamilton is receiving from the MOHLTC.

There were some additional recommendations in the Bentley report related to a reduction in Registered Nurse position (RNs). These recommendations have not been implemented because of the increased acuity needs of the residents. The Department will consider as part of the revised management structure some additional recommendations as they related to shared management services at both of the Lodges. For example, a Director of Food Services could supervise the dietary staff at both of the Lodges. Options however, are somewhat limited since the current management to staff ratio is very high (51 staff per manager) relative to other departments within the corporation.

(iv) Process by which the City can divest one long-term care facility - Council’s decision to not divest of Wentworth Lodge prior to redevelopment

On May 29, 2002, City Council provided direction to staff to proceed with the reconstruction of 160 beds at Wentworth Lodge with a capital commitment of approximately $20.41 million; however, due to the investment required, City staff were simultaneously directed to investigate any alternative possible options for either owning or managing the homes with the Provincial Ministry of Health as well as non-profit and private for-profit service providers in the community.
In response to this direction, in July 2002, staff published a Request for Expression of Interest (RFI) to either purchase or manage Wentworth Lodge. The RFI was broadly defined (potential charitable support, creative financing, shared partnership) to ensure a variety of alternatives were forthcoming from both the non-profit as well as the private sector of the community. Representatives from three organizations replied to the RFI and presented a variety of alternatives which included the management of Wentworth Lodge, the purchasing of Wentworth Lodge (building and/or land), and in one case paying for the redevelopment project. Given the complexities of the issues, these options needed to be more formally reviewed and Council directed staff to proceed with a Request for Proposal (RFP) process.

In accordance with Council Report SPH0202(a)/FCS02144, the City published a RFP and obtained further information from the prospective bidders who had participated in the earlier RFI. There were several criteria developed for evaluation for these proposals such as: financial considerations; direct experience; potential impact on staff and the neighbourhood; and, impact on the quality of care that were presented to and approved by Council at a meeting on December 11, 2002. On March 18, 2003, staff presented the results of the RFP in an in-camera report (SPH0202b/PW03001/FC02144a) to Council. In the March 18th report, staff advised, based on the results of the RFP process, that it would be more cost-effective to maintain ownership of Wentworth Lodge rather than transferring ownership to another LTC entity. There were significant cost-drivers which would require a continued subsidy for Wentworth Lodge to compensate for successor rights and severance costs as outlined in the Ontario Labour Relations Act, the Employment Standards Act and the Pay Equity Act. In essence, the equivalent to the ongoing operational costs that the City of Hamilton was paying for Wentworth Lodge (e.g. $4 million per year) would be required for several years to satisfy the proponents who submitted a proposal. There was also concern expressed about the potential liability of the municipality during a transition period, should the quality of care be reduced since the contractual agreements were with the City of Hamilton. Councillors were not prepared to assume the same or more costs to operate Wentworth Lodge with minimal ability to influence the governance of the home. They also were concerned about the transfer of an asset which, at that time, was estimated at a value of $6 million and yet not receive any financial compensation in return. Some Councillors wanted to continue with the public accountability and transparency that they believe exists with the City Council regulated municipal homes.

In this same report, staff did advise that if the City of Hamilton gave the beds at Wentworth Lodge back to the province, there would be some significant savings to the municipality. Given that the MOHLTC was not prepared to guarantee that the 160 LTC beds at Wentworth Lodge would remain in the City of Hamilton, Council was not prepared to give this option further consideration.

During the presentation of the report, Councillors discussed the high satisfaction rate that Hamilton citizens had with the excellent standard of care provided at both of the Lodges. The waiting lists at both Lodges were high as they continue to be today. In June 2007, the Community Care Access Centre (CCAC) waitlist for both homes was 439 which was 22% of the total CCAC waitlist in Hamilton. There was also concern expressed by many residents and their families, some constituents as well as
employees on the potential negative impact that this would have on Hamilton’s most vulnerable frail elderly.

Given the significant implications of Report ECS07067, Council requested that an external review be conducted of the financial, legal and labour issues related to the options referred to in the Committee report. The purpose of the review was to assess City staff analysis and provide commentary on the reasonableness of the assumptions and calculations. This review was to address financial matters only based on assumptions provided from City staff on legal and labour issues. P3 Advisors was the company selected and they conducted the financial review and reported back in a confidential report to Council in June 2003. At this time, the consultant did make some financial adjustments based on his analysis, but supported staff’s recommendation to have the City continue to own/operate Wentworth Lodge since it was the most cost effective option, even with the additional redevelopment costs. Following this, Council endorsed the recommendations of both reports and directed staff to proceed with the redevelopment of Wentworth Lodge.

2007-2009 Operational Plan for Macassa and Wentworth Lodges:

Given that financial sustainability is a priority at the Lodges, some of the current activities in the 2007-2009 operational plan (Appendix A attached to Report ECS07067) include:

- Review of comparative data and organizational structures in other LTC facilities;
- Participation in a benchmarking review with two other municipal homes;
- Identification of operational and compensation differences between other LTC facilities;
- Conduct a LTC financial survey of Ontario municipal homes;
- Review the existing organizational structure between the two Lodges;
- Literature Review of Quality of Care Outcomes for Not-for-Profit and For-Profit Homes; and,
- Establish a new organizational structure.

Based on June 30, 2007, budget variance analysis, the Department is forecasting that the Lodges (combined) will stay within the 2007 budget. Staff continue to look for additional reductions (e.g. cafeteria closure) and will be presenting potential savings as part of the 2008 budget process. As well, staff will provide updates on progress made on other items in the operational plan as required.

Joe-Anne Priel  
General Manager,  
Community Services Department
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• Consult with OANHSS on available and future benchmarking data  
• Review OMBI data (current) and provide appropriate information for 2007 data (cost allocations, pay equity) (Decrease of 1 million equals a decrease of $6 per resident per day)  
• Participate in benchmarking review with two municipal homes  
• Consult & review 100 bed Niagara Model  
• Consult & review Halton’s Seniors Plan  
• Compare org structure & FTEs between both Lodges to ensure consistency  
• Identify operational and compensation differences with surveyed Homes |
| Develop an interim plan to ensure both Lodges operate within the existing 2007 budget | | • Confirm actual FTEs to budget  
• Ensure adequate financial support from FA  
• Create additional reports to assist with forecasting (accommodation, sick, vacation, pay in lieu)  
• Monthly review of AFR at Lodge management meetings  
• Reduce by 5 FTE (gapping-annualized) between both Lodges) to ensure enhancements & additional pressures (STAT pay) will not result in a budget pressure in 2007.  
• Monthly report of BER at DMT |
| Establish Organizational Structure for Macassa & Wentworth Lodges | | • Based on environmental scan, consults with Administrator at Wentworth Lodge, 1:1 meetings with managers & staff, review current org chart and look for opportunities for efficiencies (shared leadership) between the two Lodges  
• Director of Resident Services assumes responsibility for recreationists at both Lodges.  
• Revised Org Structure presented to JP/DMT  
• Communication to staff, residents & family  
• Implementation September 15, 2007 |
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| Develop a 2008 & 2009 Financial Plan with new Management teams by    | • Bi-weekly management meetings, to establish plan  
<p>| October 15, 2007 (Target of $ 500,000 reduction in 2008 &amp; $500,000 in | establish targets, potential reductions, efficiencies, revenues, alternative service delivery)         |                                                                                                          |</p>
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<th>2009...outcomes, cost per resident per day, % of budget net levy.)</th>
<th>• Approved (mid term reductions) to JP/DMT by November 1, 2007</th>
<th>Reduce net levy to at least the average compensation differential for comparator Municipal Homes for the Aged. Eg. Costs should reflect the difference in wages, should be as efficient or more so in other areas.</th>
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<td>Develop a Revenue Plan to mitigate expenditure costs for the Lodges</td>
<td>• Ensure current Meals on Wheels, Adult Day Program, Nurse Practitioner are fully cost recovered</td>
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<td>• Consultation to increase CMI</td>
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<td>• Hire nursing students</td>
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<td>• Review opportunities for rental revenues for hairdresser, barber, other revenues sources yet to be</td>
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<td>determined.</td>
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<td>• Alternative service delivery for OT at ML</td>
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<td>• Charge to residents for additional services (ADP assessments)</td>
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<td>• Ensure competitive process, as per City purchasing policies eg RFP for Food, several outstanding</td>
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<td>agreements</td>
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<td>• Full access to High Intensity Needs funding</td>
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<td>• Opportunity for Pilots</td>
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<td>• Supportive Housing Opportunities</td>
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<td>• Opportunities for Strategic Partnerships-OW, employment, Alzheimer’s</td>
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<td>• Review of revenues from Volunteers</td>
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<td>• Alternative service delivery-cafeteria</td>
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<td>• Increased user fees (meals on wheels), Adult Day Care</td>
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<td>• Ensure total cost recovery for meals-on-wheels, clothing repair</td>
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<td>• Review potential for charging banking fees as permitted by MOHLTC</td>
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<td>Ensure compliance with all present and future legislated and quality</td>
<td>100% compliance with all MOH (Ministry of Health) standards by September 30, 2007</td>
<td>Recruitment of Director of Food Services</td>
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<td>standards.</td>
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<td>Follow up on any new &amp; ongoing requirements as per the April Annual Review</td>
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<td>Quarterly status updates provided to GM on requirements and findings</td>
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<td>Quarterly status updates on safety indicators.</td>
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<td>Implementation of Accreditation Recommendations by August 31, 2007</td>
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<td>Submission of interim plan demonstrating achievements of 6 identified factors (medication, patient</td>
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<td>safety, PA’s)</td>
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<td>Review of recommendations, develop plan to incorporate where feasible (including establishment of</td>
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<td>work groups/assignments</td>
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<td>Quarterly review of Accreditation Plan</td>
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<td>Wentworth Lodge to being Accreditation process for 2008</td>
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| Completion of Vision/Mission, Strategic Plan, & Alignment with Departmental/Corporate Strategic Plan | • Planning day with new Management team-December 2007  
• Consultation with staff & residents  
• Revision to the Strat/Business Plan  
• Alignment with Corporate/Departmental Plan |  
| The establishment of a positive & supportive working environment | Provide opportunities on an ongoing basis to improve communications between management & staff as well as between coworkers. | • Regular staff meetings: Departmental specific eg. Food Services; Discipline specific eg. RN, HCA; Unit/RHA meetings; Quarterly staff meetings(with Administrator)  
• Administrator to attend staff meetings (all staff initially) & then as required (yearly)  
• Review of Harassment & Discrimination Policy with all staff (It Starts with You)  
• Assistance from Strategic Services staff (as required)  
• Quarterly staff meetings (with Administrator)  
• Monthly (bimonthly) labour management meetings  
• Tracking of grievances & stages at which resolved  
• Orientation/training from Labour Relations for Management/Supervisor members  
• Bi-Monthly newsletter  
• Open door policy (management)  
• Management by Walking Around (revisit)  
• Staff input/feedback  
• Proactive Recruitment strategies (students, networking, job fairs) |
| Improved participation rate at both Lodges in Peoples Practices Initiatives |  | • Regular attendance by Macassa rep to PP committee & wellness committee (and other workgroups as indicated)  
• Representative from Wentworth Lodge (explore options)  
• Standing item at all management & team meetings  
• Regular bulletins & postings  
• Brainstorming on ways to get the message out (labour relations meeting agenda)  
• Tracking of participation rates where feasible |
| Full Participation in the Employee Survey |  | • Employee Survey plan completed by December 2007 (both Lodges)  
• Verification/Action Plan  
• Establishment of Lodge employee survey committee  
• Synergies between other committees (workload) and employee survey committee |
| Consistent & effective performance management |  | • Administrator/Director/Manager develop a performance appraisal schedule  
• Training is provided to management team (Mary Agro) as required  
• All staff have performance appraisals by end of 2008 (nursing) |
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| Decreased rate of absenteeism (illness, work accommodation & WSIB) | Develop an Absenteeism plan (target, indicators, outcomes, costs) | • Review provincial comparators for absenteeism (LTC sector)  
• Establish current rate (both Lodges)  
• Ensure appropriate tracking of all absences  
• Participate in Corporate Work Accommodation committee  
• Develop proactive work accommodation plan for temporary placements (within Lodges-6-8 weeks)  
• Monthly meeting with LR & Return to work  
• Preventative measures as required when identified through WSIB  
• Ergonomic review/plan/budget to mitigate potential injuries  
• Increased capital request for ergonomic needs as per the plan developed by S2  
• Quarterly review of absenteeism data  
• Involve union & staff representatives to provide feedback on ways to decrease absenteeism  
• Review/modify AMSP system & conduct agreed upon meetings with the appropriate staff |
| Improved Information Management Processes | Develop an information management (IT technology) plan for the Lodges (consultant) | • Consult with Strategic Services  
• Implement the Scheduling Software  
• Demonstration of care planning & resident software documentation  
• RFP for resident assessment/care planning documentation  
• Capital funding request 2008/2009  
• Potential participation in Ministry pilot |
| Business Process Review of Business Office & interface with direct programs | Recruitment of 1 CQI/Educator FTE | • Tracking current activities  
• Consult Strategic Services  
• Decrease manual tracking, duplication  
• Link recommendations to technology requirements |
| Support and enhance CQI/Education Programs at both Lodges. | | • Review recommendations of Accreditation & Compliance review  
• Develop plan with input from both management teams  
• Work in collaboration with Infection Control Nurse, NP, physicians (where indicated)  
• Responsible for Mandatory in-service (corporate, departmental, & lodges), ethics, quality assurance, pandemic plan, co-ordination of policy & procedures.  
• Meet bi-monthly with Health Care Advisory Committee at Macassa Lodge to address Resident Care, Pharmacy, Infection Control and Ethical issues. |
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| Advocate with the community, City Council, and the Provincial Government on policy, program & legislative solutions to ensure the financial sustainability as well as an enhanced quality of resident’s care is maintained for Long Term Care Facilities in Ontario. | Establish ongoing communication on policy issues with Council Work closely with the Family & Resident Council and associated organizations Establish networks & group advocacy initiatives in Ontario | • Direction from Council on status of two homes • Regular Council reports on policy/advocacy issues (eg LTC act, decreased revenue-prioritize issues/legislative agenda • Involvement & support to Family & Resident Council • Quarterly Q.I. reports to Committee • Monthly meetings of OANHSS Region 2 Administrators, Halton committee-networking, collective advocacy • Liaise regularly with OANHSS (Marg Ringland) • Update for JP for urban commissioners • Briefing notes for City Manager for AMO workgroups • Investigate role of Seniors Advisory Committee (workgroup from Council • Participation on the Hamilton Council on Aging • Participation in LHIN 4 GAIN(Geriatric Access and Integration Network)