FEB 10 2006

Mayor Larry DiIanni
City of Hamilton
71 Main Street West
Hamilton ON L8P 4Y5

Dear Mayor DiIanni:

Thank you for your letter of January 4, 2006, to the Honourable George Smitherman, Minister of Health and Long-Term Care, in which you requested that the short-term Sustainability Grant Program (SGP) be extended to cover the period from April 1, 2005, to the completion of the redevelopment project in 2006.

As you are aware, the SGP was scheduled to end on December 31, 2004, and was extended until March 31, 2005. Effective April 1, 2005, the Occupancy Based Funding (OBF) program replaced the SGP.

On November 25, 2005, the Ministry of Health and Long-Term Care (MOHLTC) provided a response to Lynda Secord, Administrator of Wentworth Lodge, with respect to her inquiry regarding the possibility of extending the SGP beyond March 31, 2005. For your reference, I have attached a copy of that communication.

I draw your attention to the additional funding provided to Wentworth Lodge as it relates directly to the redevelopment project. For example, under the Occupancy Reduction Protection (ORP) program, Wentworth Lodge would be entitled to approximately $349,000 for the 2005 year. This support is intended to assist with unavoidable costs for the 13 beds that were approved for downsizing. The ORP program and the OBF program, which Wentworth Lodge is currently eligible for, are in addition to the level of care funding provided to Wentworth Lodge.
Mayor Larry Dilanni

I understand and appreciate your position with respect to the financial pressures being faced by Wentworth Lodge; however, the ministry’s position remains the same as was previously communicated to Ms. Secord.

Sincerely,

[Signature]

John McKinley
Assistant Deputy Minister

Enclosure:

c: The Honourable Marie Bouthrogianni, Minister of Intergovernmental Affairs
    Ted McMeekin, MPP, Ancaster-Dundas-Flamborough-Aldershot
    Councilor Art Samson, City of Hamilton
    Councilor Brian McHattie, City of Hamilton
    Donna Rubin, Chief Executive Officer, OANHSS
    Pat Mandy, CEO, Hamilton Niagara Haldimand Brant LHIN
Hello Ms Secord:

I am in receipt of your e-mail correspondence with my predecessor, George Zegarac, about the financial pressures being faced by Wentworth Lodge.

My understanding is that the Ministry has provided quite a bit of additional funding to Wentworth Lodge over the past few years, over and above the funding that the home would have been eligible for using normal occupancy and levels of care calculations.

Additional funding from: Occupancy Reduction Protection for your planned downsizing; enhanced Transitional Support; Short Term Sustainability Grant Program; and Occupancy Based Funding Program, have combined to make Wentworth Lodge eligible for the following additional funding amounts:

- 2002 $128,538
- 2003 $560,337
- 2004 $474,236
- 2005 $611,499 (as of Sept. 30)

The change from the provisions of the old Short Term Sustainability Grant Program to the new Occupancy Based Funding Program was intended to reduce our funding of empty beds while still providing operators with a funding cushion to deal with occupancy fluctuations.

I understand that despite the additional assistance from the Ministry, Wentworth Lodge is still facing some funding pressures this year. I would encourage you to look for further efficiencies in your operation that might reduce your deficit. An analysis of waitlist and occupancy data shows that utilization is steadily growing in Hamilton, and it is likely that the combination of this trend and the completion of your redevelopment will put your project in a good position to move forward into the future.

Joanne for John McKinley

Joanne MacDonald
Executive Assistant
Community Health Division
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