

4.04—Long-Term Care Facilities Activity

(Follow-up to VFM Section 3.04, 2002 Annual Report)

BACKGROUND

Long-term-care facilities provide care and services to individuals who are unable to live independently at home and require the availability of round-the-clock nursing service to meet their daily nursing and personal care needs. These facilities comprise nursing homes and homes for the aged. Private rest homes and retirement homes are not covered by the Long-Term Care Facility Activity and do not receive ministry funding.

The Ministry's key responsibility regarding the operations of long-term-care facilities is to ensure that they are delivering services to residents in accordance with their service agreements with the Ministry and in compliance with applicable legislation and ministry policies. For the 2003/04 fiscal year, long-term-care facilities received approximately \$2.1 billion in funding from the Ministry (\$1.6 billion in 2001/02) and approximately \$985 million in accommodation payments from residents (\$793 million in 2001/02).

In 2002, we concluded that, in certain significant respects, the Ministry did not have all of the necessary procedures in place to ensure that long-term-care resources were managed with due regard for economy and efficiency and that long-term-care facilities were complying with applicable ministry policies. A number of our concerns were also reported on in our *1995 Annual Report*. Our main concerns were as follows:

- The Ministry had not developed facility staffing standards or models for staff mixes for providing quality care. Accordingly, the Ministry did not have a sufficient basis for determining appropriate levels of funding.
- The Ministry had not addressed the results of a 2001 consulting report that noted that residents of Ontario's long-term-care facilities received fewer nursing and therapy services than those in similar jurisdictions with similar populations.
- Although the Ministry inspected all long-term-care facilities in 2001, it did not adjust the depth of its inspections for facilities with a history of failing to meet ministry quality standards. We also noted that, contrary to legislation, none of the nursing homes in Ontario had current ministry-issued licences at the time of our audit. At least 15% of licences had expired more than one-and-a-half years earlier. As well, most nursing homes that opened after 1998 had never been issued a licence.

- The Ministry was not adequately tracking complaints, unusual occurrences, and outbreaks of contagious diseases to identify and resolve systemic problems.
- Surplus funds were not being recovered from facilities on a timely basis. Ministry delays in completing reconciliations for the 1999 calendar year resulted in approximately \$5 million in interest expenses being passed on to the taxpayers.

We also concluded that the Ministry's procedures for providing accountability to the public and ensuring that facilities provide services efficiently and effectively were impaired by:

- insufficient financial information from facilities to allow the Ministry to determine whether funds had been used in accordance with the Ministry's expectations; and
- the lack of outcome measures to address the appropriateness of services provided, including the quality of care received by residents.

Through its long-term-care redevelopment project, the Ministry allocated funding to build new long-term-care facilities containing approximately 20,000 new beds to regions of the province where the need for additional beds was the greatest. The Ministry was also providing financial assistance to ensure existing facilities meet minimum structural and environmental standards. However, the Ministry did not have a process in place for periodically reviewing whether its target of 100 beds per 1,000 individuals aged 75 and over was appropriate.

We made a number of recommendations for improvement and received commitments from the Ministry that it would take action to address our concerns.

CURRENT STATUS OF RECOMMENDATIONS

According to information obtained from the Ministry of Health and Long-Term Care, some progress has been made on implementing the recommendations in our *2002 Annual Report*. The current status of action on each of our recommendations is as follows.

MONITORING QUALITY OF CARE

Annual Inspections

Recommendation

To help ensure that long-term-care facilities meet the assessed needs of each of their residents, the Ministry should:

- *ensure senior management assesses the results of annual facility inspections for possible corrective and preventive action;*

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- *implement a formalized risk-assessment approach for its annual inspections that concentrates on facilities with a history of non-compliance and prioritizes inspection procedures;*
 - *ensure consistency in the application of standards;*
 - *establish acceptable notification periods and conduct surprise inspections of high-risk facilities to reduce the risk that facilities will “prepare” for an inspection; and*
 - *evaluate the experience and skills required to inspect facility operations and ensure the appropriate mix of specialists is available.*

Current Status

The Ministry informed us that the following actions had been taken with respect to our recommendation at the time of our follow-up:

- Regional Directors were assessing inspection results for corrective and preventative actions where required.
- In addition, in February 2003, a Corporate Enforcement Unit—with the responsibility of monitoring high-risk facilities and co-ordinating the Ministry’s enforcement activities—was created. The Ministry also indicated that improvements had been made in formalizing a risk-based approach for annual inspections.

As a first step in the development of a risk management framework, a preliminary exercise was conducted to screen all long-term-care facilities using a standard set of risk indicators in order to identify those long-term-care facilities that would require enhanced risk reviews. The enhanced risk reviews for all facilities thus identified were completed in June 2004. According to the Ministry, ongoing work will be done on the risk management framework in order to improve its effectiveness, and the framework will be used on a continual basis.

- Care program and service standards were being redrafted to ensure consistency in application. All ministry Compliance and Enforcement staff were to receive training based on the new standards, and an information system to support standardized compliance reporting was being tested.
- Effective January 1, 2004, all compliance inspections and investigations were being conducted without advance notice to the facility.
- Regional Directors were ensuring that compliance and enforcement staff had the appropriate experience, skills, and qualifications. The Ministry was also strengthening a multi-disciplinary approach to inspections involving registered nurses, registered dietitians, and environmental specialists.

Health and Safety of Residents

Recommendation

To better protect the health and safety of residents of long-term-care facilities, the Ministry should ensure that all:

- *complaints are investigated and responded to in a timely manner;*
- *unusual occurrences and outbreaks of contagious infections are reported to the Ministry and recorded in its Facility Monitoring Information System on a timely basis; and*
- *complaints, unusual occurrences, and outbreaks of contagious infections are assessed in relationship to annual facility inspection results to identify and resolve systemic problems.*

Current Status

In addition to the regular channels through which the Ministry receives complaints, a toll-free number (1-866-434-0144) was established to receive and register complaints and comments regarding long-term-care residents and facilities. According to the Ministry, an initial response standard of two business days is in place and will be maintained.

According to the Ministry, all facilities had begun recording all unusual occurrences in the Facility Monitoring Information System by June 2002. All regions began recording these occurrences on a monthly basis in 2003. By March 2004, all regions had begun recording outbreaks of contagious diseases in the system.

The Ministry advised us that it was analyzing the information stored in the Facility Monitoring Information System to better identify and resolve any systemic problems. In addition, to ensure that infection control systems are in place and to prevent future recurrences, ministry staff review complaints, unusual occurrences, and outbreaks (including contagious infections) as part of the annual review process for each facility. The Ministry had also issued SARS directives for long-term-care facilities and standards for comprehensive infection control programs for certain respiratory illnesses in non-acute-care institutions such as long-term-care facilities.

Facility Licences and Service Agreements

Recommendation

To help ensure that ministry policies and legislation regarding long-term-care facilities are followed and that long-term-care service providers understand their responsibilities, the Ministry should ensure that all long-term-care facilities have valid service agreements and that each facility's compliance status is taken into account.

The Ministry should also ensure that all nursing homes have valid licences as required by legislation.

Current Status

The Ministry indicated that service agreements covering the year 2004 were distributed to facility operators in January 2004 for execution.

The Ministry also indicated that all licences were current and remained up to date and that ongoing renewals occur throughout the year.

PER DIEM FUNDING

Level-of-care Classifications

Recommendation

To help ensure fairness in the levels of funding provided to long-term-care facilities, the Ministry should adjust funding where warranted as a result of any level-of-care classification audit in accordance with its policy.

Current Status

According to the Ministry, since April 2003 a policy has been in place whereby funding is adjusted upward or downward where warranted as a result of level-of-care classification audits.

Reasonableness of Per Diem Funding

Recommendation

To help ensure that the funding provided to long-term-care facilities is sufficient to provide the level of care required by residents and that the assessed needs of residents are being met, the Ministry should:

- *verify the reasonableness of the current standard rates for each funding category and develop standards to measure the efficiency of facilities providing services;*
- *track staff-to-resident ratios, the number of registered-nursing hours per resident, and the mix of registered to non-registered nursing staff and determine whether the levels of care provided are meeting the assessed needs of residents; and*
- *develop appropriate staffing standards for long-term-care facilities.*

Current Status

In August 2002, the Ministry announced a \$100-million increase to the nursing and personal care funding envelope; and on July 1, 2003, it increased funding to

long-term-care facilities by an additional \$100 million across all funding envelopes to “improve resident care, programming and overall quality of life.”

The Ministry advised us that in March 2003 it distributed a survey to determine how each facility spent the August 2002 \$100-million increase. The results of the survey have been posted on the Ministry’s Web site and indicated that the facilities increased their staffing and care levels, time spent with residents, and quality programming. The Ministry also indicated that the appropriate level of funding is determined by the annual classification assessments that identify residents’ level-of-care requirements. Each year funding is adjusted according to changes in the resident population’s care requirements.

The Ministry also indicated that, while it funds facilities using a resident-needs-based funding formula, facility operators are required to ensure staffing mixes and patterns are sufficient to meet the needs of residents. Nevertheless, the Ministry informed us that to enhance its ability to assess resident care and staffing needs and to identify resource requirements, it was reviewing the implementation of the common assessment instrument, known as the Minimum Data Set.

As for the development of staffing standards, the Ministry informed us that, commencing in 2004, it had strengthened the reporting requirements in service agreements. The 2004 service agreement introduced a provision that enables the Ministry to request that facility operators provide information regarding levels of service, staffing, and any other matter relating to the operation of a facility. The Ministry further stated that during annual reviews and other inspections, compliance staff monitor and evaluate staffing patterns of facilities. The means of evaluating staffing patterns include:

- determining staff deployment using a tool that captures numbers of all registered and non-registered staff in all resident floors and/or care areas;
- assessing in depth the care needed by and provided to residents using a standardized provincial assessment tool that gathers the relevant information;
- observing resident grooming, positioning, call-bell access, and so on, by walking through all resident areas; and
- reviewing call-bell response times.

Annual Reconciliations

Recommendation

To help ensure surplus funding to long-term-care facilities is accurately identified and returned to the province on a timely basis, the Ministry should ensure that:

- *audited financial information provided by facilities meets ministry needs; and*
- *reconciliations are completed and surpluses recovered on a timely basis.*

Current Status

The Ministry indicated that it reviews each year the audited annual reconciliation report submitted by each facility to ensure that it is meeting the Ministry's needs. The Ministry also indicated that—in response to a report from the Parliamentary Assistant to the Minister of Health and Long-Term Care—it is planning a funding and accountability review of the Long-term Care Facility Activity.

According to the Ministry, the annual financial reports for 2002 were reconciled by December 31, 2003, and surplus funding for ineligible items was recovered. The Ministry also indicated that annual financial reports for the year 2003 would be reconciled by December 31, 2004.

THE LONG-TERM CARE REDEVELOPMENT PROJECT

Supply of Long-term-care Beds

Recommendation

To help ensure that the need for long-term-care beds is met on a timely basis, the Ministry should:

- *conduct research to determine whether its target of 100 beds per 1,000 individuals aged 75 and over is appropriate; and*
- *develop a strategy to address the results of the research.*

Current Status

According to the Ministry, at the time of our follow-up policy work was being conducted on a Seniors Health Strategy, which “will review the full range of services available to seniors and make recommendations about programmatic responses.” Completion of the Strategy was scheduled for the summer of 2004.

Capital Redevelopment Plan

Recommendation

The Ministry should ensure that the per diem paid to long-term-care facilities for capital construction are consistent with the actual construction costs incurred.

Current Status

The Ministry indicated that it had developed and implemented guidelines for consistent review and approval of audited statements of final capital costs that are submitted by facility operators. The Ministry also indicated that it was closely monitoring and following up with facility operators in order to ensure that the per diems paid to facilities (over a 20-year period) to cover the cost of capital construction are consistent with the actual construction costs incurred.

ALLOCATION OF NEW BEDS

Recommendation

To help demonstrate that awards for new long-term-care beds are based on a fair and open process that is consistently and objectively applied, the Ministry should ensure that the justification for all decisions is properly documented.

Current Status

The Ministry indicated that it would ensure that the justification for all decisions is properly documented.

Structural Compliance

Recommendation

To help ensure that funding for structural compliance is fair and to encourage facilities to meet the new design standards, the Ministry should:

- *ensure all facilities are properly classified;*
- *review the structural compliance premiums to ensure that they are equitable and are achieving their intent; and*
- *consider providing incentives for facilities to upgrade their classifications.*

Current Status

The Ministry advised us that it was developing policies on asset management and facility renewal that would consider the recommendations in the Provincial Auditor's report. The policies were to be completed in late 2004.

PERFORMANCE MEASURES

Recommendation

To provide better accountability to the public and to help ensure that services of long-term-care facilities are provided efficiently and effectively, the Ministry should:

- *establish program goals, performance measures, and benchmarks and use them to assess performance;*
- *take corrective action where necessary; and*
- *report publicly on performance achieved.*

Current Status

The Ministry informed us that its work on developing a risk management framework includes data review and analysis and the identification of performance measures

relating to achieving objectives, including the objectives relating to quality of care and levels of service in facilities. The framework is intended to help ministry staff assess and manage risk in long-term-care facilities, provide feedback to operators as quickly as possible, and establish “consumer-friendly public status reporting.” Until such reporting is established, the primary reporting requirement is that each facility publicly post compliance reports of annual reviews and special visits.