

**COMMUNITY SERVICES DIVISION
SENIOR SERVICES DEPARTMENT**

CORE SERVICES REVIEW

BENCH MARKING

In order to obtain information for comparative purposes, several Homes were approached and asked to share their data for this review. The need to compare “like” Homes limited the appropriate information to those Homes operating as Class A Facilities, which all three of Lambton’s Homes are. Although a limited number of responses were received, three good comparators did respond and have been used for purposes of staffing levels.

The Ontario Association of Non-Profit Homes and Services for Seniors (OANHSS) report commissioned in 2004 also provided comparative data from 43 municipal homes across the province although the majority of the facilities were Class D Homes.

Ontario Municipal CAO’s Benchmarking Initiative is working on Long Term Care benchmarking although the County is not a member of this organization.

Staffing

- Appendix A compares the staffing levels of the County’s three Homes to a Private Home, a Charitable Home and another Municipal Home. The graphs are broken down by type of activity and by Weekdays vs Weekends.
- With the exception of Activation and Housekeeping, Laundry and Maintenance on the weekends in the Charitable Home, the County’s three Homes all have higher staffing levels than the privately operated Home and the Charitable Home.
- In the areas of Nursing and Activation, the County’s Homes also have higher staffing levels than the other municipally operated Home.

- North Lambton staffing ratios indicate a higher level of staffing in dietary and housekeeping, laundry and maintenance than any of the other comparators, including the other County Homes but that is due to the ongoing renovations and the need for extra staff to maintain services.

Total Costs

- None of the comparators provided their operating cost data.
- Appendix B compares the operating costs for the County’s three Homes to the information obtained through the 2004 OAHNSS Report.
- The Chart highlights significant expenditure variations between the average municipal Home and the County’s three Homes in the areas of Nursing and Personal Care and Program and Support Services. Some of these variations are due to the fact that the majority of comparators were Class D facilities while the County’s Homes are all Class A facilities.
- The Chart also highlights expenditure variations amongst the three County Homes.
- The Western Warden’s caucus had also recently directed the CAO’s to collect data related to number of hours of nursing care per resident, staffing levels and the levy subsidy provided by the municipality to their long term care homes in order to provide some basic comparison data for the municipalities to use in evaluating the level of care provided.

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BEST PRACTICES

- All Long Term Care Homes are monitored on a regular basis through the Ministry. Compliance inspections are carried out several times a year by Ministry officials and all complaints are also investigated by the Ministry. The standards under which all Homes operate are very stringent and continue to be revised as new best practices in the care of the elderly are developed.
- The Ontario Centre for Municipal Best Practices has currently only produced Best Practice Reports in the areas of Roads, Transit, Waste Management, Water and Sewer

PROVINCIAL FUNDING COMMITMENTS

- The current Provincial government made a 2003 election promise to increase funding for direct care and services to residents by \$6,000 per resident per year or \$16.44 per resident per day. To date, the increases received have totaled \$5.25 per resident per day. Based on Lambton County's bed count (338) the remaining increase of \$11.19 would translate into over \$1.3 million dollars of additional revenue.
- In addition, standards of care have increased and the Ministry continues to mandate additional requirements that increase operating costs.

ALTERNATIVE SOURCES OF DELIVERY

- Option 1 – Reduce the Number of Homes Operated
- Option 2 – Review Staffing Levels
- Option 3 – Other

• Option 1 - Reduce the Number of Homes Operated

The current legislation states that “Every municipality is required to establish and maintain a minimum of one home for the aged”. There is

no requirement under the Homes for the Aged and Rest Home Act to operate more than one home.

Prior to the transfer of MGM to the County in 1991, the County operated only two homes – LMV and North Lambton.

During previous discussions with the Ministry related to the requirement to provide a minimum of one Home, the Ministry has stated that the obligation should be viewed as one to provide adequate facilities for all residents in need. Currently there are a total of 980 beds across the County and a waiting list of approximately 120. There would therefore appear to be an adequate number of beds available to meet the needs of our residents. The impact of closing one Home would depend on what the Ministry did with the empty beds.

The County does not actually have the ability to “sell” a Home since unlike the private sector, the County does not “own” the beds. The facility would have to be closed and the beds returned to the Province to redistribute in whatever manner they determined was appropriate and then the physical building and property could be sold.

The County could contract out the operation of one or more of the Homes through a Request for Proposals (RFP). The catch to this is that any private operator would be required to honour the current union contracts since they all contain “no contracting out” clauses. One of the advantages the private sector has over public sector operators is labour costs and that advantage would be lost should they have to assume our costs.

Along the same general idea, the County could contract out just the administrative management of Homes. Currently all three Homes share administration costs through centralized accounts payable, purchasing, and receivables as well as sharing responsibilities for Occupational Health and Safety, policy and procedure development, quality assurance

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programs and nutritional standards. The potential savings from this option are likely minimal since some management would still be required to oversee the contract and the upfront costs of implementing such a change would be substantial.

This option would also likely garner a great deal of public interest. The County has in the past, (1988) considered the issue of selling or closing one or more of its Homes. There was a very strong public protest in response to the suggestion at that time and Council backed away from the idea. Prior to implementing any of the suggestions in this option, public consultation would need to be undertaken to identify those areas where the public is prepared to accept an alternate form of service delivery.

It is not recommended that this option be further developed.

• Option 2 - Review Staffing Levels

Since wage and benefit costs comprise 80% of the Homes' operating costs the Homes, the one area to look at for cost reductions is staffing levels.

As was noted in the benchmarking results, the County's staffing levels are higher than the private sector and higher than some other municipal Homes.

There two main reasons for the higher levels:

- i) All three Homes' Ontario Nurses Associations (ONA) contracts contain staffing ratios requiring a certain number of Registered Nurses (RN's) for every Registered Practical Nurse (RPN's). The MGM ratio, which is the most unfavourable, was the result of an arbitrator's award in the early 90's. The ratios are:

MGM:	5 RN's for every 2 RPN's
LMV:	3 RN's for every 7 RPN's
North Lambton:	3 RN's for every 2 RPN's

Currently it is a requirement of the Ministry that every Home have a minimum of one RN on site 24 hours per day. Given the necessity of maintaining the above ratios our costs are higher than the norm. As of April 2005, an RN was paid 40% more than an RPN.

- ii) The former Twilight Haven was a 190 bed Home and when LMV was built, it was downsized to 125 beds. The reduction of 65 beds would normally have resulted in a reduction in staff but that did not happen in 1993. Staffing levels at LMV remain higher than at the other two Homes.

• Option 3 - Other

Since the 1995 OANHSS report, staff have undertaken to address some of the other issues noted in the report.

- i) Raw Food Costs - The cost of producing the meals for outside agencies has now been addressed and the price adjusted accordingly on a regular basis.
- ii) Dietary – The County Homes have reviewed the system previously used to purchase food and develop menus. Through an investigation and RFP process, the County has now changed food supply companies. The current supplier provides menus, costing and nutritional analysis. 80% of food purchases are completed through this supplier.
- iii) Laundry and Linen – Due to the ongoing renovations at North Lambton and the fact that the new MGM was not completed at the time, an RFP for laundry and linen services was put out in 2004. This service has always been contracted out and therefore the union contracts were not an issue. The new RFP allowed the Homes to secure a three year contract for linen services from a local provider at a savings of \$.63 per kg of laundry.

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Recommendations

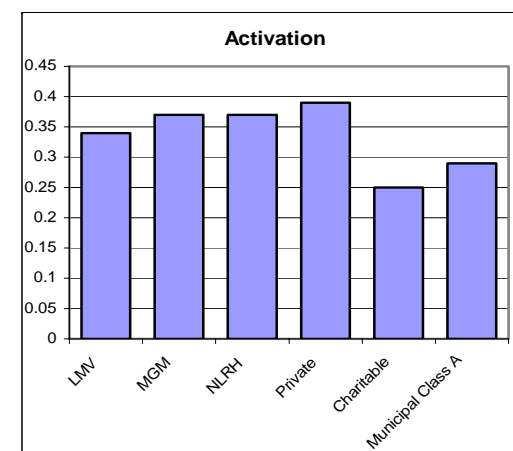
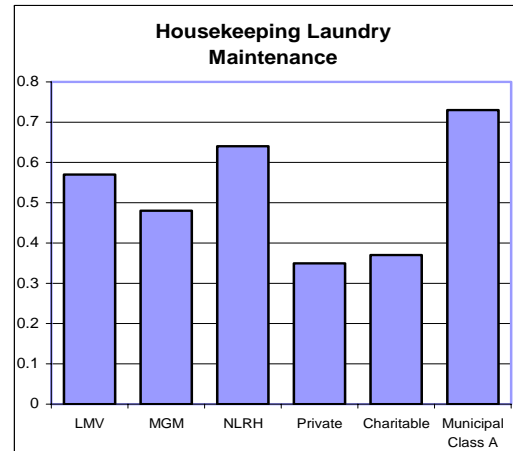
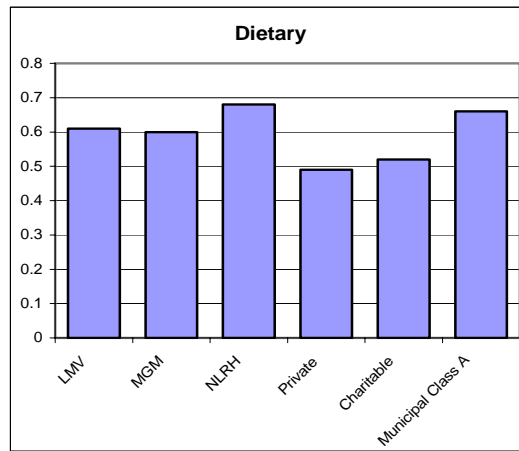
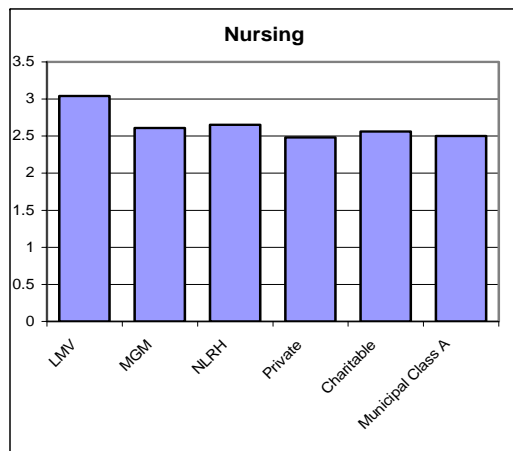
Option 2 offers the best potential for savings and efficiencies. It is recommended that a long-term staffing plan that examines the differences in quality of care and reviews the staffing allocations among the three Homes be prepared. The plan should consider the possibility of reallocating staff in order to ensure equitable staffing levels and workloads in the three Homes, without compromising resident care or safety. The plan should also address ways to ensure the Unions' input is received as well as provide an opportunity for public consultation.

It is also recommended that all items under Option 3 continue to be reviewed on an ongoing basis to ensure the service is provided in the most efficient manner possible.

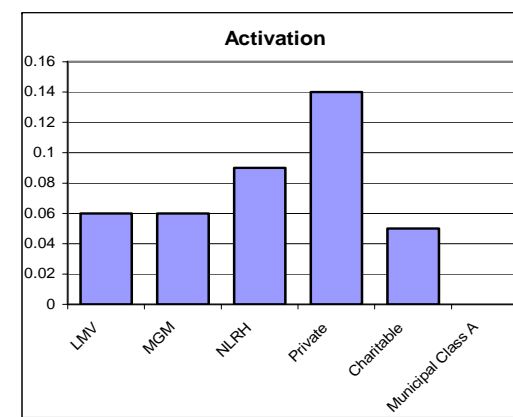
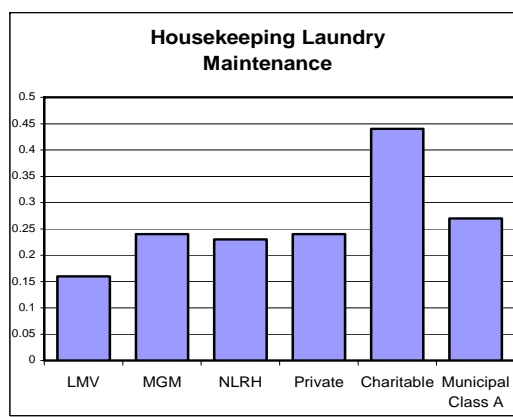
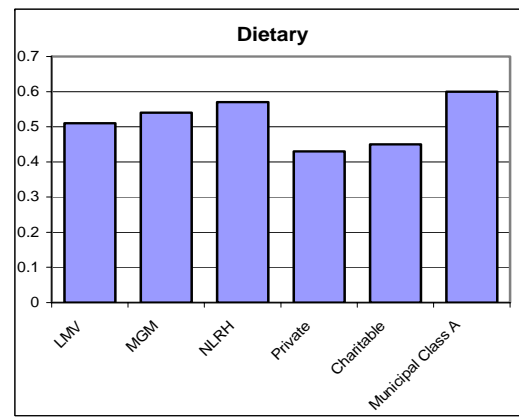
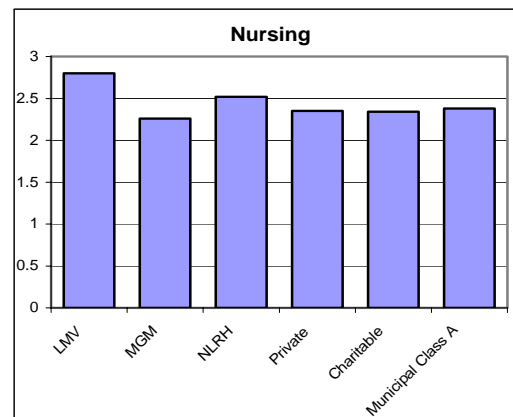
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WEEKDAYS



WEEKENDS



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APPENDIX B
OPERATING COSTS 2003**

EXPENSE CATEGORY	LMV	MGM	NLRH	MOH FUNDING	MEDIAN EXPENDITURES MUNICIPAL HOMES
Nursing and Personal Care	93.12	85.76	79.85	62.95	80.63
Program and Support Services	6.91	7.82	7.40	5.58	6.15
Raw Food	4.75	5.80	5.90	4.87	5.48
Accomodations:					
Dietary Expenses	14.73	17.68	15.71		14.58
Laundry & Linen	4.21	4.02	4.45		4.28
Housekeeping	7.12	8.23	8.51		8.64
Building & Property	4.54	3.23	2.51		4.89
General Administration	8.37	6.98	6.84		9.32
Facility Costs	<u>6.85</u>	<u>3.62</u>	<u>5.41</u>		<u>n/a</u>
Total Accomodations	45.82	43.76	43.43	42.01	48.17
Total Home Costs	150.60	143.14	136.58	115.41	140.43
Funding Envelope Overspent	35.19	27.73	21.17		25.02