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REPORT
Regional Council

DATE: August 18, 2010

REPORT TITLE: **VERA M. DAVIS COMMUNITY CARE CENTRE NURSING HOME LICENSE**

FROM: Janette Smith, Commissioner of Health Services

RECOMMENDATION

That the Vera M. Davis Community Care Centre - Davis Centre be licensed as a 64 bed long-term care home under the *Long-Term Care Homes Act, 2007;*

And further, that the long-term care home license for the Davis Centre be issued to Peel Housing Corporation;

And further, that The Regional Municipality of Peel continue to operate the Davis Centre on behalf of Peel Housing Corporation;

And further, that the CW LHIN and the Ministry of Health and Long-Term Care be directed to refer all reports related to the provision of service, funding and performance improvement to the Region of Peel - Davis Centre.

REPORT HIGHLIGHTS

- In 1984, the Davis Centre located at 80 Allan Drive, Bolton, Ontario was opened. It is comprised of 64 beds, 40 of which were designated as nursing home beds under the *Nursing Homes Act* with the remaining 24 beds as approved beds under the *Charitable Institutions Act.* Peel Housing Corporation was the licensee for the 40 nursing home beds while The Regional Municipality of Peel held the Provincial approval for the 24 beds operated under the *Charitable Institutions Act.*
- On July 1, 2010 *the Long-Term Care Homes Act, 2007* was proclaimed in force. This *Act* repeals the *Homes for the Aged and Rest Homes Act*, the *Nursing Homes Act*, and the *Charitable Institutions Act* to become the one single legislative authority governing long-term care homes in Ontario.
- Within the province, there are a number of homes that have more than one designation. In these cases the Ministry of Health and Long-Term Care has decided that it will use the majority of beds in each home to determine the designation for all the beds.
- As a consequence of this direction from the Ministry, the Davis Centre is to now be a licensed long-term care home under the *Long-Term Care Homes Act, 2007* with the license issued to Peel Housing Corporation.
- As a result of the designation of all 64 beds as a licensed long-term care home with Peel Housing Corporation as the licensee there will be requirement to pay property taxes of approximately $13,000.00 per year.

DISCUSSION

1. Background

In 1984, the Davis Centre located at 80 Allan Drive, Bolton, Ontario was opened. It is comprised of 64 beds, 40 of which were designated as nursing home beds under the *Nursing Homes Act* with the remaining 24 beds as approved beds under the *Charitable Institutions Act.* Peel Housing Corporation was the licensee for the 40 nursing home beds while The Regional Municipality of Peel held the provincial approval for the 24 beds operated under the *Charitable Institutions Act.*

In 1984 Peel Non-Profit Housing Corporation, as it then was known, and The Regional Municipality of Peel entered into a lease and management agreement for the Davis Centre. This agreement has been renewed over the years and in 2007, it was amended to transfer full responsibility for the operation, maintenance and the administration of the reserve fund of the Davis Centre to the Region of Peel. The ownership of the facility has remained with Peel Housing Corporation to permit the continued use of the existing operating licence and avoid provincial costs associated with land transfer tax required to legally change ownership of the land.

a) Long-Term Care Homes Act, 2007

On July 1, 2010 the *Long-Term Care Homes Act, 2007* was proclaimed in force. This *Act* repeals the *Homes for the Aged and Rest Homes Act*, the *Nursing Homes Act*, and the *Charitable Institutions Act* to become the one single legislative authority governing long- term care homes in Ontario. Within the province, there are a number of homes that have more than one designation. In these cases the Ministry of Health and Long-Term Care has decided that it will use the majority of beds in each home to determine the designation for all the beds. This will have financial and legal implications for the Davis Centre.

An advantage of this is that the license beds have a market value. One licence will also reduce the administrative work load for the Davis Centre; additionally by eliminating the current dual reporting requirements for financial statements to the province and LHIN as streamlining internal operating practices. However, as previously noted to Council in a June 2010 report, the new legislation has increased the administrative burden for all five of the Region of Peel Long Term Care Homes.

b) Long-Term Care Home Service Accountability Agreement ("L-SAA")

The Province of Ontario through the enactment of the *Local Health System Integration Act* made Local Health Integration Networks ("LHINS") accountable to the Minister of Health and Long-Term Care for the performance of local health systems and health services. The Central West LHIN is responsible for the planning, funding and integration of health care services, including the Davis Centre Long Term care home.

A Health Service Provider ("HSP") is the owner and operator of a long-term care home pursuant to the authority of a licence or approval under the *Long-Term Care Homes Act.* It is possible however for this provider to enter into a management contract of the long-term care home subject to the approval of the Ministry.

By law the LHIN is required to enter into a service accountability agreement that enables it to meet its obligations with providers that it proposes to fund. The L-SAA is the legal

agreement between the long term-care home and the LHIN. The agreement replaces the prior Service Agreement and covers a three-year period term of July 1, 2010 to March 31, 2013. Prior to July 1, 2010, when the *Long-Term Care Homes Act, 2007* was proclaimed in force, there were two Service Agreements for the Davis Centre.

At the June 24, 2010 meeting of Regional Council Recommendation GC-155-2010 was approved by Resolution 2010-615 authorizing the duly authorized signing officers of the Regional Corporation to execute the 2010-2013 L-SAA.

Peel Housing Corporation also executed the L-SAA forwarded by the CW LHIN.

After the L-SAAs for the Davis Centre were executed by Peel Housing Corporation and The Regional Municipality of Peel, the Ministry of Health and Long-Term Care advised the CW LHIN that there is to be only one licence or approval per long-term care home. The Ministry advised that the previous designation with the majority of beds would govern the new designation.

As a consequence of this direction from the Ministry, the Davis Centre is to now be a licensed long-term care home under the *Long-Term Care Homes Act, 2007* with the licence issued to Peel Housing Corporation.

2. Proposed Direction

Based on the updated information provided through the Ministry of Health and Long-Term Care:

- Peel Housing Corporation be advised that the Ministry of Health and Long-Term Care has directed that there shall be only one licence or approval per long-term care home and that this will be completed as licensed beds with Peel Housing Corporation for the Davis Centre.
- Peel Housing Corporation be requested to execute a L-SAA with the CW LHIN.
- The Regional Municipality of Peel continue to operate the Davis Centre on behalf of Peel Housing Corporation.
- The 1984 lease and management agreement, as amended that was entered into with what is now Peel Housing Corporation and The Regional Municipality of Peel be reviewed to determine if there need be any modifications made to the agreement to bring it into compliance with the *Long-Term Care Homes Act, 2007* and the regulation issued under the Act.
- That the CW LHIN be directed to refer all reports related to the provision of service, funding and performance improvement to the Region of Peel - Davis Centre.

FINANCIAL IMPLICATIONS

The amalgamation of the nursing home and the charitable home for the aged at the Davis Centre has resulted in an estimated $69,297 decrease in revenue for the remainder of 2010. This is attributed to the loss in funding that was allocated on a per home basis, in which would be eliminated due to the two homes now being operated under the one long-term care home licence issued to Peel Housing Corporation. The Level of Care adjusted per diem funding for resident care have also been changed to the nursing home rates which have contributed to the decrease in revenue. This loss of revenue will be absorbed in the current budget through the remainder of 2010.

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The long- term care home will also incur an additional $13,000 in property tax annually that will be 85 per cent funded by the Ministry. The impact on the 2011 revenue will be included as part of the 2011 budget request.

ACTING
Janette Smith
Commissioner of Health Services

Approved for Submission:

D. Szwarc, Chief Administrative Officer

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