



# 2019 Operating and Capital Budget Presentation January 15<sup>th</sup>, 2019

Lionel Towns, Executive Director

# Our Home: Demographics

- ▶ The information below provides the age demographic of our Residents in 2018:

Age Groups	Number of Residents
0- 50	3
51 – 60	5
61 – 70	23
71 – 80	41
81 – 90	115
91 – 100	65
100+	4

# Special Therapy Programs

- ▶ Music and Memories – 46 Residents using iPods at any time; 938 participants in 2017
- ▶ Group Music Therapy sessions – Level 3 and in Riverside Special Care twice monthly
- ▶ Intergenerational “Personal Stories through Puppetry” project
- ▶ Many community partners share their musical talents throughout each month
- ▶ Robotic pet therapy

# LGBTQ Diversity Awareness

- ▶ Committee of Management has endorsed the mandate of an LGBTQ Diversity Awareness Committee
- ▶ Goal is to support the goal of creating and leading a sustained culture of opportunity, equity and inclusivity for individuals of all sexual orientations, gender identities and gender expressions.





# 2019 Operating Budget Projections

- ▶ 2019/2020 Per diem revenue - not announced until June 2019
- ▶ Case Mix Index (CMI) funding projected to decrease by \$115,000 + in 2019
- ▶ Cumulative decrease in CMI funding since 2012 is over \$2.4M
- ▶ May be well into 2019 before any funding is known due to the Ministry of Health's stated need to wait for the Provincial budget

## 2019 Operating Budget Challenges

- ▶ CMI projected to decrease by at least 1.3% - \$115,000
- ▶ Standard step/grid increases to front line and administration wages - 410,000
- ▶ Benefit increases - 60,000
- ▶ General inflation on non-personnel expenses - 49,000

Total of known 2019 Operating Budget Pressures - \$634,000

## 2019 Operating Budget Offsets

- ▶ **Cumulative Admin. Cost Reductions** (17%) \$375,700
  
- ▶ Expected Increase in Per Diem Funding - 175,000
  
- ▶ Expected Decrease in Professional Fees - 35,000
  
- Total of known 2019 Operating Budget Offsets - \$584,000

## Responses to Operating Budget Pressure

- ▶ Thorough examination of all areas of Fairhaven operations
- ▶ Management positions, part-time hours reduced
- ▶ Non-wage expenses held constant for three years or reduced (office supplies, nursing supplies, education and training, new/replacement equipment, memberships, etc.)
- ▶ Extensive use of group purchasing (Silvergroup, co-op tenders with City) and independent tenders
- ▶ Smaller measures taken as well (reusing, and donation of, office supplies)



## Requested Operating Budget Funding

- ▶ Fairhaven's 2019 requested municipal support is \$1.675M (2/3 City - \$1,116,667, 1/3 County - \$558,333)
- ▶ **Unchanged from 2018 municipal operating budget request**
- ▶ Latest benchmarking data (2016) indicates average of over \$4.5M in municipal support for a home with 256 beds (based on per Resident/per day so comparing “apples to apples” between Homes)

## **Fairhaven Operations – Efficiency and Accountability**

- ▶ Benchmarking studies confirm that Fairhaven expenses, in all survey categories, continue to be among sector's lowest (Nursing, Programs and Raw Food and Other Accommodations are all well below both the 50<sup>th</sup> percentile and mean of the municipal subsector of LTC)
- ▶ Fairhaven has initiated approximately 100 separate email exchanges and letters to Ministry of Health and Long Term Care (MOHLTC) and government officials advocating for funding reform
- ▶ Executive Director (ED) works closely with Assistant Deputy Minister Brian Pollard on Ministry committees

## **Renewed City and County Support - Capital**

- ▶ Ministry of Health and Long Term Care does not provide funding for capital equipment or staff training
- ▶ Indexed support of City and County has been critically important in sustaining year to year operations but it has not replaced the need for Province to address long term care Homes' future capital needs
- ▶ Total capital support requested from the City, for 2019, is \$216,447

# Sector Lobbying and Networking

- ▶ Executive Director is a member of:
  - AdvantAge Ontario Benchmarking Committee
  - AdvantAge Ontario's Financial Fundamentals Workshop (facilitator)
  - AdvantAge Ontario Municipal Advisory Committee
  - MOHLTC Long Term Care Case Mix Index Technical Working Group
  - MOHLTC Finance Committee
  - MOHLTC Funding Reform Committee
  - Long term care working group with Eastern Ontario Wardens caucus

# Future of Long Term Care Funding

- ▶ Fairhaven is appreciative of City and County's acknowledgement of all municipal Homes' need for operating budget support
- ▶ Present and future challenges:
  - Ministry PD funding is static and does not cover inflation or bargained wage increases – policy is not expected to change
  - No Ministry plans to increase the Case Mix Index funding “pot”
  - “Caps” on components of funding remain an entrenched part of provincial transfer calculations
  - Increasing expectations regarding Resident care, etc. make future financial planning a challenge
- ▶ Fairhaven will continue to take all possible measures to offset insufficient Provincial funding and minimize its effect on the City and County of Peterborough