

**ONTARIO NURSES' ASSOCIATION**

**SUBMISSION**

**ON**

**A Minor Capital Funding Program for Long-Term Care Homes Consultations**

**TO**

**MINISTRY OF LONG-TERM CARE**

**JANUARY 30, 2020**

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## **I. Recommendations**

ONA proposes the following recommendations for the design of a new minor capital funding program for long-term care.

1. Recognizing that long-term care home maintenance makes facilities livable and safe spaces for senior residents and staff, the government must ensure that program funding – at minimum – matches the current Structural Compliance Premium (SCP), reflects the true costs of minor capital repairs and upgrades, and keeps pace with inflationary increases. There should be no funding cuts for operators in the transition to this new program.
2. Ensure flexibility in program funding, including the promotion of new funding for safety infrastructure, technological innovations and upgrades to protect residents, nurses and other health-care professionals.
3. Equity and fairness must be overarching design principles. In particular, there must be funding equity between not-for-profit and for-profit homes across the sector.

## **II. Introduction**

The Ontario Nurses' Association (ONA) is the union representing 68,000 registered nurses (RNs) and health-care professionals, as well as 18,000 nursing student affiliates, providing care in hospitals, long-term care facilities, public health, the community, clinics and industry.

ONA represents RNs in approximately 314 long-term care facilities across Ontario. We welcome the opportunity to provide recommendations from the perspective of front-line nurses with respect to the design of a minor capital funding program for long-term care homes.

Foremost, ONA is calling on the provincial government to ensure the new program is adequately funded so that operators can maintain their homes. This is critical to ensuring that per diem funding continues to be allocated to staffing and direct resident care rather than building repairs. More broadly, ONA also advocates for systemic change in the sector to address the overarching issues of understaffing, underfunding and growing privatization.

Since September 1998, the Structural Compliance Premium (SCP) has provided supplementary provincial funding to long-term care home operators who are not eligible to receive redevelopment funding from the ministry, assist them to comply with relevant design standards.

In practice, the SCP funds long-term care homes for maintenance and repairs including, but not limited to, repair/replacement of roofing, windows, boilers, elevators, doors, generators or furnaces.

In July 2019, the provincial government announced that it would be terminating the SCP in August 2019. This announcement came as a surprise to operators and other stakeholders as we were not consulted. In the media and in public statements, many spoke out about the negative and potentially harmful impact of these cuts on seniors in Ontario.

Significantly, stakeholders have been clear that without the SCP, long-term care funding cannot support minor capital projects and, to make up for the funding shortfall, cuts to front-line staffing and direct care are inevitable.<sup>i</sup> This is truly alarming as the sector already faces chronic problems with understaffing and attracting RNs. Ontario needs more front-line RNs in long-term care – not less – to ensure high-quality and safe care.

Following widespread opposition, the provincial government reversed its decision in September 2019. The SCP has now been extended to March 3, 2020 while the government holds public consultations on a minor capital funding program. We thank the Minister of Long-Term Care, Merrilee Fullerton, for listening to stakeholders and changing course.

Nurses are on the front lines of health care – we know what needs to be done to fix hallway medicine, long-term care, and so many other challenges. We are committed to working with the government to address system challenges and develop long-term, sustainable solutions.

### **III. Adequate Program Funding**

Nurses know that for senior residents in long-term care, the home is *their* home. It matters for seniors' quality of life that their homes are well-maintained, updated, safe and secure. And, for over two decades, the SCP has been the vital funding source enabling operators to ensure that aging facilities are maintained.

In the transition to a new program, the government must ensure that program funding – at minimum – matches that of the current SCP, reflects the true costs of minor capital repairs and upgrades, and keeps pace with inflationary increases. There should be no funding cuts to operators in the transition to this new program.

What the government defines as 'minor capital projects' – such as repairs or replacements of roofs, doors, windows, flooring, electrical panels, etc. – are actually fairly major projects with

significant costs of tens of thousands of dollars, especially in larger facilities. We also recognize that, for many homes, funding available through the Other Accommodation envelope are already committed and cannot cover these significant capital costs.

Ontario's underinvestment in the long-term care sector is well-known, and was raised consistently before the recent Ontario Long-Term Care Homes Public Inquiry. This sector is reaching a crisis point as government funding has not kept up with the rising care needs of Ontario's rapidly increasing older population. For instance, in the Ontario Budget for 2019, funding for long-term care increased by only 1.7 per cent. This is less than the rate of inflation.

It is critical that the government listen to sector stakeholders who are exceedingly clear that there is *no* capacity in the sector to supplement any shortfalls in provincial funding for building repairs and upgrades. The government must ensure adequate program funding so operators can maintain their homes and so that seniors can live in dignity and with security.

#### **IV. Funding Flexibility**

ONA supports flexibility with respect to the types of projects that are funded through this program, rather than a prescriptive list. Flexibility is important because every home has unique needs, depending on its residents and communities.

We encourage the government to include within this program funding for projects related to safety infrastructure, technological innovations and upgrades to protect residents, nurses and other health-care professionals. This could include nurse call systems, wireless infrastructure for devices/personal alarms (linked to security with GPS and two-way voice communication) and/or other safety infrastructure.

For years, ONA has been sounding the alarm about the rising levels of violence in health-care settings across the province. In today's long-term care homes, there are chronic problems with understaffing. In addition, RNs care for residents with more complex care needs and increased responsive behaviours related to dementia and Alzheimer's disease, than the residents of the past. New funding for safety systems and upgrades will help to keep this sector safe for residents, which means it will be safer for nurses and other health-care professionals too.

#### **V. Equity and Fairness in Program Design**

Equity and fairness must be overarching principles in the design of the new program. In particular, there must be funding equity between not-for-profit and for-profit homes across the sector.

Historically, the SCP has been criticized for applying unevenly across the sector. Not-for-profit homes have received less SCP funding because they receive grants from the province to construct their facilities. Whereas for-profit homes, by comparison, received higher funding despite being significantly funded by the government.

The Ontario Auditor General's 2002 Annual Report provided evidence of funding inequity. The Auditor General found that "because the province had funded 50% of the original construction costs of charitable and municipal homes, per diem premiums for these facilities were apparently reduced by 50%; but premiums were not reduced for nursing homes that, prior to 1996, received provincial funding through debt servicing and compliance premiums to partially compensate them for the cost of construction."<sup>ii</sup> As a recommendation, the Auditor General called on the government to review the SCPs to ensure that they are equitable and achieving their intent.<sup>iii</sup>

In addition, a report of the City of Toronto's Community Services Committee from 2002<sup>iv</sup> found that not-for-profit facilities were disadvantaged by the SCP's resource allocation methodology. The report found that for-profit nursing homes often received 100% of premiums whereas not-for-profit providers received a prorated amount. The report argued that this "exacerbates funding inequities in the system."<sup>v</sup>

The creation of a new minor capital funding program provides an opportunity to learn from the past and ensure that this critical funding is distributed fairly and equitably across the sector.

## **VI. Conclusion**

During the Long-Term Care Homes Public Inquiry, Commissioner Eileen Gillese heard and agreed with ONA's belief that systemic issues demand a systemic response.

We applaud the government for listening to stakeholder concerns regarding the elimination of the SCP, a move that would have negatively impacted direct resident care. We are hopeful that this new program will be adequately funded, equitable distributed across the sector and help to make long-term care a better living space for residents.

Moving forward, nurses offer our expertise to government so that we can work collaboratively to address the issues raised in the Ontario Long-Term Care Homes Public Inquiry report and its recommendations – starting with a long-term staffing strategy and addressing underfunding.

The time for action to meet the needs of older Ontarians is now.

## Endnotes

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<sup>i</sup> CBC News. (2019) Rural communities facing 'stark choice' over care home cuts. Retrieved from <https://www.cbc.ca/news/canada/ottawa/long-term-care-supplemental-fund-1.5193394>. CTV News. (2019) Sturgeon Falls long-term care home upset over funding cuts. Retrieved from <https://northernontario.ctvnews.ca/sturgeon-falls-long-term-care-home-upset-over-funding-cuts-1.4592386>. Toronto.com. (2019) Families fear care will decline at North York's Villa Colombo. Retrieved from <https://www.toronto.com/news-story/9552844-families-fear-care-will-decline-at-north-york-s-villa-colombo/>.

<sup>ii</sup> Office of the Auditor General of Ontario (AG). Annual Report (2002). Retrieved from <http://www.auditor.on.ca/en/content/annualreports/arreports/en02/304en02.pdf>

<sup>iii</sup> Ibid.

<sup>iv</sup> City of Toronto Community Services Committee. *Ontario Long-Term Care Facility Funding Announcement*. Toronto; 2002:6-7. Retrieved from <https://www.toronto.ca/legdocs/2002/agendas/council/cc021001/cms8rpt/cl005.pdf>. Accessed January 14, 2020.

<sup>v</sup> Ibid.