Long Term Care Covid-19 Commission Mtg.

Meeting with AdvantAge Ontario
on Tuesday, November 24, 2020

77 King Street West, Suite 2020
Toronto, Ontario M5K 1A1

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MEETING OF THE LONG-TERM CARE COVID-19 COMMISSION

--- Held via Zoom, with all participants attending remotely, on the 24th day of November, 2020, 10:00 a.m. to 11:30 a.m.

BEFORE:

The Honourable Frank N. Marrocco, Lead Commissioner
Angela Coke, Commissioner
Dr. Jack Kitts, Commissioner

PRESENTERS:

Lisa Levin, CEO, AdvantAge Ontario
Lynette Katsivo, Director of Public Policy, AdvantAge Ontario
Riaz Shaikh, Manager, Environmental Services, City of Toronto
Sue Graham-Nutter, CEO, Rekai Centres
Carolyn Clubine, Consultant and past Director, Seniors' Services Development. Region of Peel
Tim Siemens, CEO, Radiant Care, St. Catharines
Sean Keays, Directeur Général, Foyer Richelieu, Welland
Steven Harrison, CEO of Tri-County Mennonite Homes
Debbie Humphreys, Senior Director of Corporate and Public Affairs, AdvantAge Ontario

PARTICIPANTS:

Alison Drummond, Assistant Deputy Minister, Long-Term Care Commission Secretariat.
Ida Bianchi, Counsel, Long-Term Care Commission Secretariat
Sanjay Bahal, Team Lead for Operations, LTCC
Derek Lett, Policy Director, Long-Term Care

Commission Secretariat

John Callaghan, Gowling LLP

ALSO PRESENT:

Janet Belma, Stenographer/Transcriptionist

-- Upon commencing at 10:00 a.m.

LISA LEVIN: So it is 10 o'clock. So what I can do is share the screen now, and we can get started. And we do have one or two more people that might join, but they can just join as they come on.

COMMISSIONER FRANK MARROCCO (CHAIR): Okay. That's fine.

SUE GRAHAM NUTTER: Lisa, can I make a suggestion that we do an intro before you share screen so we can still see everybody?

LISA LEVIN: That's good idea, Sue. Okay.

COMMISSIONER FRANK MARROCCO (CHAIR): Well, let me -- let me sort of kick it off, and then please introduce everybody that you want to, and I'll skip -- I'll skip some of it because AdvantAge Ontario is familiar with what we are doing.

We've prepared, as you know, a first interim report. I should tell you we're thinking of issuing a second interim report looking for further immediate improvements that can be made to try to lessen the impact of Wave 2 or and prepare for Wave 3 if there is indeed one, which there very

well might be. So that's kind of where we're at.

The format is the same. We will ask questions, with your permission, as we go along. We have a reporter. There will be a transcript, and we will post the transcript on our website so that people that are interested can, sort of, follow our inquiries along and understand what we're doing on a day-to-day basis.

So with that, why don't you take over and introduce everyone, and then we're quite -- we're ready to listen when you're ready to present.

LISA LEVIN: Okay. Thank you very much. So just for the record, I'm Lisa Levin, CEO of AdvantAge Ontario, and I'm just going to call out people's names, and we'll let them introduce themselves. But I have some senior staff here with me today as well as some -- as well as a member of our Board, past Board Chair, and some other members who have expertise that we feel would be helpful for today's call.

So first, I'm going to ask that Sue -- and I also have Carolyn Clubine -- yeah, she's also a consultant working with us.

So, Sue, can you introduce yourself first, please?

SUE GRAHAM-NUTTER: Sure. Thanks, Lisa.

I'm Sue Graham-Nutter. I'm the CEO of the Rekai Centres. We are building a new long-term care home down by the Distillery District in downtown Toronto, and we, unfortunately, experienced COVID during the first wave and -- in both of our homes in downtown Toronto, but we have been very happily negative for six months now; so we're proud of our negative status.

LISA LEVIN: Okay. Great. And Sue is on our Board of Directors, and she also chairs our COVID-19 task force.

Tim, if you could introduce yourself, please. I think you're on mute, Tim. Although you don't look like you're on mute, but we can't hear you.

TIM SIEMENS: Hello.

LISA LEVIN: There. That's good.

TIM SIEMENS: Okay. Hi. My name's Tim Siemens. I'm the Chief Executive Officer of Radiant Care. We operate two full campuses of care in Niagara, in St. Catharines, and Niagara-on-the-Lake, combination of long-term care and housing and funded support of housing by the

Ministry. But Tabor Manor was one of the 611 homes redeveloped after 2019, and we opened a new home in 2013, and plus the manor recently on Friday received approval for another 38 beds, so we have a number of beds popped up now to build -- quadruple the size of our 41-bed long-term care home in Niagara-on-the-Lake to 160 beds, so our Board is all geared up and ready to go as the second round for us in terms of long-term care redevelopment, and I'm the past Board Chair of AdvantAge Ontario.

LISA LEVIN: Okay. Great. Thanks so much, Tim.

Riaz.

RIAZ SHAIKH: Hi. My name is Riaz Shaikh, and I am the manager of Environmental Services and manager of Capital Redevelopment on behalf of the City of Toronto, Senior Services and Long-Term Care. We -- I was responsible for the Kipling Acres project recently developed on the Kipling site. Happy to be part of this.

LISA LEVIN: Thank you.

Steven.

STEVEN HARRISON: We're always either muted or unmuted these days. Hi, I'm Dr. Steven Harrison. I'm the CEO at Tri-County Mennonite

Homes. We're a home. Our corporate office is in is in New Hamburg which is just west of Kitchener-Waterloo, in the region of Waterloo. We have two campuses of care. One is in New Hamburg. The other one is in Stratford. We were announced last Friday as well with an opportunity for 95 new beds and a redevelopment of 97 here in New Hamburg.

Our footprint has been 50 years in New Hamburg and 25 years in Stratford plus a couple of years on both of those, actually, so have been in the long-term care, retirement living, and seniors supported-living, independent-living environments with a campus model since inception, actually, 50 years ago. So I'm happy to be here to share information.

And just as an aside, not really related to all of this, we also offer a seniors program and group-home environment through the Ministry of Children, Community and Social Services, the new long term. We've been doing that for the better part of 25 years as well. We have 38 people living in our group homes and offer day supports, and they're all seniors who are dual-diagnosed usually, so a very exciting and interesting mix of supports and services.

LISA LEVIN: Okay. Great.

Sean.

SEAN KEAYS: Merci. Bonjour, Lisa. My name is Sean Keays. I'm CEO of Foyer Richelieu in Welland. We're the only fully designated French LTC in all Southern Ontario. We have independent living with the Résidence Richelieu, and we were blessed to get licenses that were well underway with the drawings to build a brand-new, state-of-the-art LTC with a hospice in it. That's a deal we've made with Hospice Niagara, and it will be one of the first points of -- along the four points of continuum of care in Canada when it's all done, and it will be fully bilingual. And I sit on the Minister Elliott's advisory council for Francophones as well.

LISA LEVIN: Okay. Fantastic.

And I'm just going to take the liberty to introduce my staff so that we can get through things quickly.

So, Debbie, if you can wave.

We have Debbie Humphreys, our Senior Director of Corporate and Public Affairs. And amongst many of her talents, she's also the Association historian, so if you have any questions

about pre-2000, even, Debbie knows a lot of that information as well as current.

Carolyn Clubine, if you could wave, is a consultant that we've retained to help us work with Capital Development and Redevelopment with our members, but Carolyn also has a long career and worked with the Region of Peel and is very well-versed in the entire long-term care world and beyond for seniors care.

And, Lynette Katsivo, if you could wave. She's, I think, been here before, yes, last time we presented, and she's our Director of Public Policy.

So I think that that is our whole group, and so I'm now going to share our presentation slides, and can everybody see them?

LYNETTE KATSIVO: Yes.

COMMISSIONER FRANK MARROCCO (CHAIR): I can.

LISA LEVIN: Okay. Great. So what we're going to do is different people are going to be presenting different slides, and so that way, we can have a variety of speakers and perspectives. We're going to start talking about the roots of long-term care, home design, sort of the history of

modernization growth and redevelopment in the sector, the current situation. And so that's the development piece.

And then we're going to just interject for a short period to talk about not-for-profit and municipal homes and the not-for-profit municipal difference.

Then we're going to go on to some capital development challenges and pandemic considerations for COVID design, and because we have this opportunity to speak with you today, we had a few more thoughts about COVID in particular and some concluding thoughts. So that is our outline.

So I'm going to ask Carolyn if she could start talking about the history of long-term care development in Ontario.

CAROLYN CLUBINE: Okay. Thank you very much, Lisa. The long-term care sector in Ontario is a bit of a mishmash. It's come about through less deliberate planning and more by circumstance. So we thought we'd just give you a sense of how it came to be.

In the 1800s, municipalities were given the responsibility of looking after the poor and

infirmed in their communities, and there were a number of houses of refuge that were established before 1900. The Association formed in 1919, 101 years ago, and began to represent what then became homes for the aged and rest homes in the municipal mandate in the 1940s. They were under the Ministry of Community and Social Services as well as the charitable institutions which were the not-for-profit and charities that were running services for the same population.

Nursing homes came about around about the end of World War II. It was started primarily as for-profit family businesses, and it was necessary to regulate this as the number of homes began to take off in the '50s. And by 1990 -- by 1972, there was a Nursing Homes Act that was actually formulated. That's about the time that I first came into the long-term care sector as a high school student in 1972, so I've been around a while.

The long-term care sector creation then really started to take off with a need to bridge all three of these that were providing similar services. Funding model was developed. It was very different for each of the three streams and

became necessary to streamline how it would be funded and how clients receiving services would pay.

In 1998, the Conservative Government determined that 20,000 new beds will be needed, and they implemented the Competitive Good Process, which I will come back to in just a few minutes.

Allocations were given. The first home that was opened as a result of that was in 2001, and for the next several years, they began to take their place.

With that growth, then, it became really apparent that a Long-Term Care Homes Act was needed. The Bridging Legislation that was put in place in 1992 needed to be established in a much more significant way, and it was written in 2007 and then implemented in 2010 with a regulation model which came from American sources that used inspection protocols and risk frameworks.

COMMISSIONER FRANK MARROCCO (CHAIR): Ms. Clubine, can I just interrupt you for a minute? When do for-profit homes start to be a factor?

CAROLYN CLUBINE: M-hm. Yes. So the -- there were a number of homes in the pre-1998 era. The significant growth in the for-profit

sector came about as a result of that infusion of 20,000 beds back around '90, '98, and 2000, and some of those larger companies were really given a substantial component of the allocation that gave them their presence in the sector.

COMMISSIONER FRANK MARROCCO (CHAIR): Okay.

CAROLYN CLUBINE: Next slide. So there are different types of beds. We thought that we would just briefly give you a bit of background on them. They're -- in the 1998 introduction of the 20,000 beds, they also provided us a Design Standards Manual, and new beds that were created as a result of that design standards are referred to as new. A-beds were previously constructed, and they generally meet the design standards. They were all pre-1998 and reviewed by the Ministry to determine their configuration and alignment with the standards. Many of them in the municipal sector were actually buildings that had been renovated on existing aging infrastructure, and today, they are not eligible for construction funding subsidy.

The B-beds are where a resident home area doesn't really fully meet the standard.

And C-beds are those homes that we know today have experienced tremendous stress during COVID. Sorry. Did someone speak? No. Okay.

The very old stock was eliminated in 2009. Now, I've also mentioned that there is two types of licenses. One is that there's a time-limited allocation for not-for-profits and for-profits. Currently, they're offering 30-year allocations, but there's also this thing called approved beds which municipalities are given. The beds are granted without a time limit.

Next slide. So the redevelopment journey, just to go back and recap this, the D-beds were asked to be eliminated in 2002. The first time that there was an attempt to redevelop the B and C-homes was in 2009, but unfortunately, the offering wasn't very well regarded by the sector, and not much happened. Again, 2015, they revised the program. They changed the funding formula, but there was still a limited uptake in the sector.

So then in 2018, the Liberal Government provided a promise of 15,000 new beds and the redevelopment of all the older beds by 2025. Some of those new allocations were announced after a competitive process just before the election in

2018.

During the election period, the Conservatives promised 30,000 beds and the redevelopment of the older beds and about 50% of the older beds at that time.

Next slide. So just --

RIAZ SHAIKH: Sorry. Carolyn --

CAROLYN CLUBINE: Yeah.

RIAZ SHAIKH: This is the redevelopment site where I could add in about the City's homes?

CAROLYN CLUBINE: Go ahead.

RIAZ SHAIKH: So the City basically has approved the divisions, capital renewal plan, of course, pending budget approval for homes, so we had five homes which were following under BRC which were slated for redevelopment, and I'll talk a little bit about it briefly in the future slides.

But we did get funding for approval for GSR, which is the George Street Revitalization and the Carefree Lodge Project, which are two of our homes. We have submitted the Carefree Lodge, and we have not received any further communications yet. Thank you.

CAROLYN CLUBINE: Thanks, Riaz. So just to go back briefly and to the point that

Commissioner asked about what had happened in the timeframe where for-profit homes become established, this competitive process that was in 1998, 2000 included two rounds of competitive bidding with a guaranteed subsidy for 20 years with this construction funding subsidy of $10.35. Some municipalities, particularly the upper-tier municipalities took the opportunity to grow. And I've named four of the municipalities that had substantial growth during that period.

There wasn't a lot of participation by the not-for-profit sector, but as you'll see and as I mentioned earlier, the for-profit sector submitted and were granted significant number of the beds. This is where the Schlegels established, Extendicare grew tremendously, and Leisureworld was granted -- now they've become Sienna, but there was a large allocation that went to them as well.

Next slide.

TIM SIEMENS: Carolyn --

CAROLYN CLUBINE: Yes.

TIM SIEMENS: Tim Siemens here. To Slide 5, would it be worthwhile just providing a real high note on the disbursement and procurement of licenses?

CAROLYN CLUBINE: We haven't talked about the purchase of licenses at all in our slides yet, but, Tim, you make a good point that there is -- there has been a market for the sale of licenses over the years, and I don't know if you want to mention anything more about that particularly, Tim. Go ahead.

TIM SIEMENS: Sure. Specifically, that we draw a distinction between licensed beds and approved beds. There is a market for licensed beds, and for-profits are able to purchase bed licenses from other for-profits, but they're precluded in the Legislation, prevented in the Legislation from purchasing bed licenses from not-for-profits.

On the contrary, not-for-profits are able to purchase bed licenses from for-profits and not-for-profits, but approved beds that are granted to the municipality, approved beds are not able to be purchased or sold on the open market.

CAROLYN CLUBINE: Great points, Tim.

So just recapping the condition that we call redevelopment, there are approximately 30,000 beds in operation today that need to be redeveloped, so those are the B and C-beds that are

out of date with the current design standards. The funding's been identified by the governments for only 15,000 of the 30,000, and up to last week, about 78% of that 15,000 have been announced.

Going on to the next slide, I think it's -- Lisa's going to take over from here.

LISA LEVIN: Okay. So, yes, they just announced our fire alarm is being tested shortly, so anyhow, so this is the distribution of beds in terms of the for-profit versus not-for-profit sector. And as you can see, there are significantly more long-term care beds and homes in the for-profit sector than the not-for-profit. Eldcap is just a -- it's a bit of an anomaly. They're hospitals typically up North where they also have long-term care beds in them, so is the breakdown of the -- I guess you could call it the market share of not-for-profit and for-profit.

COMMISSIONER FRANK MARROCCO (CHAIR): So, Ms. Levin, just so I understand it, the for-profit segment is the largest segment, and that's roughly happened since the 1998 announcement or -- for 20,000 beds, I think it was.

LISA LEVIN: Yes.

COMMISSIONER FRANK MARROCCO (CHAIR):

But that -- so in -- since 1998, for-profits have really grown from virtually nothing to the largest segment of the market?

LISA LEVIN: Correct. That's my understanding, although I have to admit I wasn't in this particular business in those years.

But, Carolyn, that -- that's correct, right?

CAROLYN CLUBINE: I wouldn't say that they were non-existent for -- prior to 1998 at all. I think that their presence was a smaller portion.

TIM SIEMENS: Yes.

CAROLYN CLUBINE: I see Debbie as the expert's nodding her head there. So they were present for sure. They weren't the largest segment at that time.

Debbie.

DEBBIE HUMPHREYS: Yeah, I was going to say the same, not quite that they didn't have a presence at all, and I don't have the data right in front of me, but I remember for a long time it was --

And, Tim, you might remember, a 48-52% market share and in favour of not-for-profits, and after 1998, that flipped and has since changed.

TIM SIEMENS: Yes, absolutely.

COMMISSIONER FRANK MARROCCO (CHAIR): Okay.

TIM SIEMENS: I think it would be fair to say that in the 1998, two -- sorry, 20,000 bed allocations, the for-profit operators walked away with the lion's share of those 20,000 beds and then offset things.

COMMISSIONER FRANK MARROCCO (CHAIR): And, Ms. Clubine, I apologize because I think this is a little bit different than what you asked, and I don't want to get to it in any great detail, but in terms of the business model, why is it profitable? Like, how do they make their money? On a per bed -- how do they make their money?

CAROLYN CLUBINE: I think this is --

COMMISSIONER FRANK MARROCCO (CHAIR): You know, if I'm investing -- let me -- if I'm investing --

CAROLYN CLUBINE: Yeah.

COMMISSIONER FRANK MARROCCO (CHAIR): -- I'm expecting a rate of return, I think. But how do I -- what am I looking forward to?

LISA LEVIN: So, Steve --

STEVEN HARRISON: Yeah, I can --

CAROLYN CLUBINE: Do you want to describe that?

STEVEN HARRISON: Sure. I can speak to that. And this comes up a little later in our presentation, sort of.

COMMISSIONER FRANK MARROCCO (CHAIR): Well, I'm happy to wait. I don't want to take you --

STEVEN HARRISON: I can certainly plant the seed now for you if that will help, and it might foster some different questions as we go forward.

I used to work previously for one of the for-profit organizations that does home care and long-term care in Ontario and across Canada. And basically, the notion is that there is a -- the EBITDA Contribution from the resources that are garnered through the provision of services, so basically a percentage on the bottom line, has to be kicked back to the shareholders and to the corporation. That is usually in the low double digits, but it is -- it is not inconsequential or insignificant. It can be anywhere up to 13% but usually ranges somewhere between 9.8 and 13% depending on the year, and that investment goes

back to the shareholder, so that's where their money comes from.

What it does do, however, now that I'm in the not-for-profit world, and that was -- my heart has always been in the community and not-for-profit world -- what it does is it puts financial pressure on the provision of services and allocation of resources towards other things.

Most recently, in COVID, there have been questions around the provision of PPE or infection control practices, updates to the homes, things like that.

Now, that is all still pending. I know that's part of what you're looking at, but certainly, a diversion of resources from the bottom line over to a shareholders' component is what has happened over the years, and I would believe that that probably has not changed up to this point.

COMMISSIONER FRANK MARROCCO (CHAIR): Is it considered a relatively safe investment? That double-digit rate of return, is that -- is that, if you get the licence, is that relatively certain, then, that you're going to get that kind of a return?

STEVEN HARRISON: As a staff person,

and I was -- I was vice president for operations for Canada, so it was -- it was a requirement. It was, kind of, the contribution back to the shareholders was the first thing that came off the bottom end, and then we worked our budgets backwards from there. So, yeah, it's a fairly safe bet.

COMMISSIONER FRANK MARROCCO (CHAIR): And is that over -- if it's a 30-year license, then that rate of return would be over the 30 years?

STEVEN HARRISON: Usually an annualised rate of return that's being contemplated.

COMMISSIONER FRANK MARROCCO (CHAIR): No, but each year, it would be pretty much a certainty for as long as you have the beds.

STEVEN HARRISON: Yes, that was -- that's their business model in the for-profit world, yeah.

COMMISSIONER FRANK MARROCCO (CHAIR): Okay. So the advantage for me is that -- I don't want to belabour this, but the advantage for me as an investor is I can get a fairly certain double-digit rate of return on my investment for an extended period of time?

STEVEN HARRISON: Correct. And I would

argue that up to the point where COVID-19 came along, that was a pretty sure bet, but COVID-19 pointed out, perhaps, some of the gaps that existed in that -- in that reallocation of resources when it comes to modernisation of homes or a continued investment into homes, things like that.

So up until recently, you know, it was a fairly certain investment model, if you want to call it that. I think with COVID-19 coming along, what it's done is poked a lot of holes in that -- in that philosophy and forced those for-profit homes to think a little differently about how to move forward. You know, speaking in strictly financial terms, if you delay your crude operational liabilities on your homes, you don't invest in infection control; you don't upgrade equipment, things like that, it looks great on the bottom line, but that snowballs you and eventually catches up.

COMMISSIONER FRANK MARROCCO (CHAIR): M-hm.

STEVEN HARRISON: And when you look across Canada -- I'm not going to pick on Ontario specifically, but when you look across Canada, predominately in the for-profit homes that are

experiencing outbreaks, the conversations that are coming back from unions, staff, even administration is lack of support around PPE, training, infection-control protocols, even infrastructure to support appropriate outbreak procedures.

So I think the narrative is starting to write itself as we -- as we crack the books open and take a look at the longer-term strategy.

COMMISSIONER FRANK MARROCCO (CHAIR): Okay. Thank you.

LISA LEVIN: So the bottom line is all homes get funded and regulated in the same way, but for-profit homes divert some of the money to the bottom line, whereas not-for-profit and municipal homes reinvest any surplus they have into operations.

COMMISSIONER FRANK MARROCCO (CHAIR): And as I understood it, Ms. Levin, that diversion takes place -- that that's the first thing that happens to that money.

LISA LEVIN: I don't know that because I've never --

COMMISSIONER FRANK MARROCCO (CHAIR): But I thought that's what -- that in terms of the allocation of the funds, the first thing is

allocated to ensuring the rate of return on the investment.

Did I have that right, Mr. Harrison?

STEVEN HARRISON: So that's the business model that's employed. Generally speaking, my experience when I worked with this company -- this would have been about ten years ago, eight, ten years ago -- that was very much the business model that we employed because that was the expectation, right? Shareholders and you're -- and when you had your annual meeting with your shareholders, you wanted to show that they had a healthy return on their investment.

Whether that is a forward-facing kind of business model that they shared openly or not is another question, but certainly on the internal side, that was definitely the model that we were told to work towards.

COMMISSIONER FRANK MARROCCO (CHAIR): Okay.

Sorry, Ms. Levin. Sorry for the interruption.

LISA LEVIN: That's okay. So this slide, just quickly, shows how beds are allocated regionally across the Province, and you're going to

be able to look at these slides afterwards. I just want to keep moving.

And in here, this is interesting. This shows the waitlist. So if you're going to go into a long-term care home or your family member is, you have to choose homes that you want to be on the waitlist for. And interestingly, 30% -- 32% of the waitlist are people selecting for-profit homes, and the remainder, which I would say consumer preference, which is 68%, choose not-for-profit or municipal homes.

COMMISSIONER JACK KITTS: Can I just ask -- could I just ask what would be the defining characteristic that would lead someone to choose one of those over the other?

LISA LEVIN: I would say word of mouth is a big thing that influences most consumer decisions, wanting to be with your own cultural community, understanding that the care seems to be better in those homes which we have more empirical evidence of in upcoming slides as opposed to just, you know, consumer preference, but we did want to show the consumer preference here.

COMMISSIONER JACK KITTS: Okay.

LISA LEVIN: And then when you look at

funding that's been awarded, it has been awarded in a different way for new beds. So this is funding that was announced recently. It was, I would say, somewhat of a reannouncement of funding. The Government just wanted to clarify that they increased the construction funding subsidy, which we were very supportive of, and then they indicated how many new beds and redeveloped beds were going to be covered by that.

And as you could see, 64% is going to for-profit, and then the remainder is going to municipal and not-for-profit.

COMMISSIONER FRANK MARROCCO (CHAIR): Does that reflect -- what does that reflect? Does that reflect a preference on -- by the Government for for-profit homes, or does it reflect something else?

LISA LEVIN: That's a really good question. I think it's a combination of things. Partly, it could definitely reflect a preference. It also, I think, reflects the fact that not -- that for-profit homes are very sophisticated in the way that they can apply. They have -- you know, the chains have departments, that this is what they do, whereas not-for-profit homes are disadvantaged

because they're individual stand-alone homes typically that don't have the same level of sophistication. And we really are trying to encourage Government to help us empower not-for-profit homes so that they can be more successful in their applications so that they provide stronger applications for long-term care because the people that operate the homes are very committed, excellent at caring, but they're not necessarily architects and developers, and people like Tim and Sue, for example, have had to educate themselves in this area and have done very well, but not every home can do that, and they need more help.

COMMISSIONER FRANK MARROCCO (CHAIR): So when you say additional funding, for-profit and not-for-profit homes have applied for funding, and this is the result of the application approval process.

LISA LEVIN: Yes.

COMMISSIONER FRANK MARROCCO (CHAIR): But there were -- correct me if I'm wrong because I don't know, and that's why I'm asking, although I'm sort of stating it, but I'm actually asking: The -- is it the fact that the for-profit and

not-for-profit applications for funding would have exceeded -- that there would be applications that are still pending or not approved, and so you could have approved more not-for-profit applications and, therefore, provided additional funding to the not-for-profit sector?

LISA LEVIN: Absolutely. I'm going to let Carolyn answer that because my friendly fire alarm is going off right now.

Carolyn, can you continue?

COMMISSIONER FRANK MARROCCO (CHAIR): Well, it must be a good question, then.

CAROLYN CLUBINE: So this slide shows you the result of announcements that were made from the 2018 round of applications. So applications went in from all types of sectors, and approvals are still in the pipeline, I think, but these are the ones that had been previously announced and actually then got a top-up with the new funding that was approved this summer.

So you're right in saying, you know, it would probably relate to the ones that were previously approved and not necessarily anything more than that.

LISA LEVIN: But there are many

not-for-profit applications, and we just did an analysis of the recent announcements, so the Government is choosing for-profit applications in the same geography over not-for-profits; so it's not necessarily that in some geographies there aren't any not-for-profits, and that's why the for-profits get picked.

I think Commissioner Kitts has a question?

COMMISSIONER FRANK MARROCCO (CHAIR): Yes, Commissioner Kitts.

COMMISSIONER JACK KITTS: Yeah, I'm just trying to understand what they're basing their approval process on because I would think that funding or costs would be large and quality of care. I think you're going to speak to quality of care in a bit.

But do the for-profit homes in their application process -- is there something about it costs the Government less to approve a for-profit home? Or I know you said the funding is the same whether you are or not.

So I'm just trying to figure out what would tip the scale, and I would think that finance and quality of care would be big ticket items in

terms of approval.

LISA LEVIN: I'm not sure the answer to that, and I don't know if anyone on the call that we have here can answer that question.

CAROLYN CLUBINE: I can just offer --

STEVEN HARRISON: I [indecipherable] offer a perspective. Go ahead, Carolyn.

CAROLYN CLUBINE: So I'll just very briefly offer that in the applications that went in in 2018, they did spend some time collecting information about the commitment to quality, but I think that at the end of the day, it was about the financial model, and certainly, what we see with the next round that had been just completed really focused on the financial model and the viability of the project rather than the quality of care.

COMMISSIONER FRANK MARROCCO (CHAIR): When you say the financial -- I appreciate, Mr. Harrison, but before you --

When you say the financial model, what do you mean?

CAROLYN CLUBINE: Simply that they can afford to do the redevelopment project, that they have an amount of equity that goes into the project, and that they have -- and a manageable

debt-service recovery that they can actually pay the expenses over the period of the license.

COMMISSIONER FRANK MARROCCO (CHAIR): Okay. And so they're competing with the not-for-profit applications by saying, we're better able to discharge the financial burden or obligation than the not-for-profit; therefore, we should get the funding. Is that --

STEVEN HARRISON: Well, I think -- I think if I can -- if I can add to that, I think it's -- the ability to financially dispose of the debt over the term of the licenses is higher with a for-profit simply because of their ability to leverage against -- leverage different financial models than not-for-profits.

So, as I mentioned at the beginning, we were just announced for a redevelopment and expansion of our home in New Hamburg. We've been here for 50 years, so we have no outstanding debt load other than, you know, regular debt associated with operating a home here in New Hamburg.

For us to move forward, our financials, even with that, we were able to demonstrate, you know, almost a hundred-million-dollar asset as an organization which we will have to leverage

approximately 65 cents against the dollar in order to build and expand our home.

That is the only thing that tipped the scale for us. If we were still carrying a mortgage or debt associated with our main facility or even our home in Stratford -- both are now debt free -- we would be hard pressed to meet the financial requirements.

And to Carolyn's earlier comments, I did my application for beds in March of 2020. The quality of care commentary that was required for the application was limited, if almost nonexistent, to be honest with you. We inserted it under comment sections, but it was -- 95% of it rolled against our financial capacity to actually sustain.

And I agree with the premise that that is remarkably important for organizations; however, we are also told in the same breath that this is about resident-centred care, and when the entire conversation revolves around your financial viability, it doesn't give you a whole a lot of opportunity to insert that commentary about resident-centred care or your commitment to that level of care or your community, and that is one place where we are at a deficit when we're

competing against for-profit homes because they didn't have to include any of that commentary into their conversation.

COMMISSIONER FRANK MARROCCO (CHAIR): Well, and it's not like you're going to close the home if the -- you're not going to close it down if there's a financial problem. You're going to have to have some sort of corporate reorganization. That's all -- that's all it -- that's not all, but that's what's going to happen.

TIM SIEMENS: A contributing caveat, too, is typically in the redevelopment of the long-term care homes, the cost of the building can be expressed in a number of ways, and in -- on the construction side, it's typically -- it's typical to talk about cost per bed.

And earlier in the presentation, there was an acknowledgement of the three different types of beds, municipal, not-for-profit, and for-profit beds. And typically -- and this may be a generalization --

Steven, maybe you could comment a little bit about this, but the cost of construction for municipal beds seems to be higher than the -- than the not-for-profits and certainly higher than

the for-profits, but that, I believe, is in the capitalization of the design materials, the construction materials. The for-profits build it for the exact timing of the license and the financing, and for -- not-for-profits and municipals tend to have a longer horizon, 40, 50 years out. So there is a difference at that level as well.

And, Steven, I don't know if you had a comment to confirm that general --

STEVEN HARRISON: Absolutely. I mean, my short -- and my very short answer to that is is we're looking at our own home. We're looking at a 45-year amortization rate across our expenditure, so, yeah, it is a very different model and capitalization model than the for-profits would use.

COMMISSIONER FRANK MARROCCO (CHAIR): I think the Commissioners have some questions.

COMMISSIONER JACK KITTS: Yeah, can I -- can I just see if I understood that whole conversation because I think it -- what I heard was that the Government funds every home the same whether it's not-for-profit, for-profit, or municipal. So the money going out to fund these

homes is the same.

The challenge is that the for-profit homes reduce the debt much quicker than the not-for-profit or municipal, and, therefore, in the long run, there's a significant financial advantage to the not-for-profit -- or sorry -- for-profit. Did I get that right?

SUE GRAHAM NUTTER: I don't know about that, Commissioner. It's Sue Graham-Nutter from the Rekai Centres. But certainly, the point that my colleagues Steven and Tim are making about our buildings are designed to last longer.

And I can give you an example: The Rekai Centre at Sherbourne, which is being rebuilt and we're moving it to the Rekai Centre at Cherry Place down at the Distillery District, we're repurposing the existing nursing home which still has quite a long lifespan to it for supportive housing to deal with the homeless situation in downtown Toronto, so -- but the fact our asset was built to last longer has certainly contributed to that discussion.

COMMISSIONER JACK KITTS: Okay. So the --

COMMISSIONER FRANK MARROCCO (CHAIR):

So -- okay.

COMMISSIONER JACK KITTS: Yes. So the debt, the time of debt isn't as significant if the asset is -- lasts longer; is that -- is that that what you're saying?

SUE GRAHAM NUTTER: Well, in our case, we've paid off our nursing home quite some time ago, so we're debt free, much like Steven, and so it's been very prudent management to get us to that point which I think is one of the reasons the Ministry allocated us beds.

But because we're a non-profit, rather than the selling the building, which would been an easy thing to do in downtown Toronto for a condo, we want to repurpose it for supportive housing because we know in downtown Toronto, many of the residents in long-term care homes are actually previously in shelters, so we're recognizing that.

But part of the reason, I believe, the Ministry has allocated us beds is, again, going back to our prudent finances.

COMMISSIONER FRANK MARROCCO (CHAIR): Commissioner Coke, you --

COMMISSIONER ANGELA COKE: Yeah, I just was interested in understanding how you would want

the Government to try and level the playing field or help build more capacity in this regard for the not-for-profit sector, and any thoughts about do you need to change some of the criteria for the approvals of these projects?

LISA LEVIN: Yeah, we would definitely want there to be a different criteria and a different process for not-for-profit and municipal homes and also more support provided to not-for-profit homes to help in them developing their application.

SEAN KEAYS: The other piece, if you don't mind me adding, Commissioners, is I think of our example, and this year in a COVID year, we'll have raised approximately $3 million in fund raising. And there's a slide that you'll see later that if you go to some of the big box for-profits, that's what you'll see for the minimum requirement of a build, meaning there might be one window for a shared room. You know, that way, somebody's got to cross through somebody's room to go to the washroom.

Where we'll invest more, potentially 75 to 80 square feet more per resident throughout the home, and that costs more. So to get those dollars

sometimes might take a little bit more time than the meaning -- the reason why maybe we're not as preferred.

LISA LEVIN: We also think that the Government should make a statement that -- I'm just going to jump ahead for a moment, and then I'll go back again -- that long-term care home bed allocations and redevelopment applications should be prioritised for not-for-profit and municipal long-term care home beds given the consumer preference. And I still want to get to our slides, if we can, about the not-for-profit difference because there's a lot of studies that show that not-for-profit and municipal homes have much higher quality of care.

So if we only have 15 minutes left, although we're happy to stay longer --

COMMISSIONER FRANK MARROCCO (CHAIR): Well --

LISA LEVIN: -- if you could.

COMMISSIONER FRANK MARROCCO (CHAIR): Well, I think we -- we've taken up a lot of your time with our questions, so, you know, we can go a little longer if we have to.

LISA LEVIN: Yay. Okay. That would be

good. All right. So now I've moved around. I don't remember where we were.

Okay. So I'm going to go on now, if that's okay. So we just wanted to make a note about a recent trend which is that hospitals have been getting a lot of the new allocations, and so there's a number of long-term care home applications that are, sort of, in the hopper, and a number of our members have applications that haven't been approved yet for development or redevelopment.

But this government has worked with hospitals to come up with some rapid-build projects which looks like it could be a good way to get things built quickly. These homes are funded, I'd like you to note, at 90 to 100% of the capital development costs, whereas other long-term care homes are funded at 40 to 60%, which for non-profit homes means they have to fund raise significant amounts of money which they have varying capacities to do and for municipalities means they need to, you know, tax the citizens in their area.

These projects also include modular construction, Ministry zoning orders so that they'll be successful in getting through quickly,

and they are very large which will be good because they will be able to serve a lot of people. But we really are hoping the hospitals will work to make the homes home-like and not, you know, large, large I guess you could say, institutional types of buildings. So --

CAROLYN CLUBINE: I didn't speak to this one, Lisa, but I think we've done that one already. The next slide.

LISA LEVIN: Okay.

CAROLYN CLUBINE: We'll just go on from there.

LISA LEVIN: Okay. So go ahead, Carolyn. So this is the one --

CAROLYN CLUBINE: Yeah, so the --

LISA LEVIN: Yeah.

CAROLYN CLUBINE: I'm sorry. There was an announcement last Friday. This is the allocation that came out for new beds. There was also an announcement that related to the redevelopment of some buildings, but we've just summarized the allocation there that, again, favours the for-profit homes in the distribution.

Back to you -- or back to Riaz.

RIAZ SHAIKH: Yeah, so I'm going to

talk about the municipal homes because the municipal homes basically are within -- and I'll speak for the City of Toronto. As you'll see in the slide, 17% of the long-term care homes are operated by municipalities providing roughly 21% of the beds, and as you would see from the municipal or southern municipalities and the northern municipalities, there's a difference because the southern municipalities operate several homes under an LTC, and the northern municipalities are under a joint Board of management by participating municipalities.

So there's a significant contribution for municipalities. We have an increased demand for long-term care resulting from an aging population. You look at the demographics of the City of Toronto again. A lot of seniors and people are aging. The City currently has -- the City of Toronto has 10 long-term care homes. We provide roughly 2,641 beds, and five of our homes are slated to be redeveloped now, and City Council continues to provide increased interest on seniors-services focus. So that's why that's quite important.

Next slide. So, again, this goes about

to say investment closer to home and high quality of care and for everyone. So I'll speak to the LHIN first. The plan is really to keep the beds in close proximity to their current location which is really maintained within the same LHIN as there's been some discussion on that as a result.

And when we talk about the services, we recently completed a project at Kipling Acres which offered a lot of services in one place. For example, we had a daycare -- a seniors wellness centre. We had a children's daycare and an adult day program all within that home.

The new GSR Project what we are looking at which talks, again, to having a lot of services is going to have 378 long-term care beds. It's got a hundred shelter beds, 130 transitional assisted living beds, and 21 affordable housing beds in addition to a campus-of-care kind of thing.

We are also looking at, as a part of that, to have a specialized unit for the transition for homeless individuals into the home, so that becomes a kind of a transition home for various services that the City offers.

And we can certainly incorporate community service needs to make these new homes a

community hub for City service delivery at least for the City of Toronto.

Anything else to add, Lisa?

LISA LEVIN: I think you did a really great recap of that, Riaz, and just can you remind me again how many redevelopment applications do you have that have not yet been approved by the Province?

RIAZ SHAIKH: So we had five altogether. We got funding approval from the City for two, and then we are waiting for one from the Ministry.

LISA LEVIN: So just to stress, Commissioners, that there are 30,000 beds that need to be redeveloped by 2025 or the homes will be closed, and there's only 15,000 that are in the allocation from the Government. So we need to make sure that homes are not going to have to be closed in 2025. And we know that Government is now looking at some funding to potentially help homes get sprinklers which is one of the reasons that they really do need to be redeveloped.

And it was just announced yesterday that there will be some funding for not-for-profit homes from the Federal program, and we're hoping

that this will be a help to the situation.

SUE GRAHAM NUTTER: Maybe, Lisa, I could just jump in. Just -- I don't want to be too Toronto-centric, but there are 50 -- 5,789 people on the waitlist in the City of Toronto for any home in the city currently, and there are 2,227 beds that are slated to leave by 2025 which will mean that there will be roughly 10,000 people looking for a long-term care bed in the City of Toronto in four years. And I'm sorry. They're the Toronto-centric comments, but I don't know the data for Ontario.

LISA LEVIN: Okay. So, Steven, are you doing this slide now?

STEVEN HARRISON: I can. I mean, I think we talked about a fair bit of this, but just a little context about not-for-profit homes: Of course, there's the quote that's in the preamble to the Long-Term Care Act for -- from 2007 before you. I think that kind of lays out a good foundation stone upon which not-for-profits have found themselves in the business of long-term care.

I can speak for my own home, and I think it's broadly speaking, it applies to most not-for-profit homes, you know, where, here in our

home, we are very much fundamentally rooted in our community. We are probably the largest employer in our small township right now, in our county. We are the only not-for-profit home or any long-term care home, actually, in our entire township.

We have both a cultural and religious affiliation to our community. We are steeped in Mennonite heritage here as an organization, but more broadly speaking, the Mennonite philosophy for the community.

And, you know, whenever there's something going on from a tractor rally to, you know, picking apples to drive through the country to look at the colours in a world where you can do those kinds of things, our residents and our staff in our community rally around, and we're usually a starting point for that.

We have been, right from the Day 1, a campus-of-care model, so we have independent living for seniors, retirement home living, long-term care here in New Hamburg. On top of that, we partner with other organizations for adult day programs. As I mentioned early, we also run a developmental services program throughout the region which is adult-day programs for individuals who are --

either have a developmental service need or are dually diagnosed, and we also have group homes to support that.

In extension to that, also in Stratford, we have a co-located church on our site, and we have a hospice in the back -- in the back part of our property which we sold the property to the hospice as they were looking to develop in the community because it is, again, the next step of the continuum of care. So we're deeply rooted in the community that we -- that we find ourselves in, and you will see examples of a ton of different programs. This is just a smattering of those companion services that exist in --

LISA LEVIN: One of the benefits are, for example, cross-subsidization, so you could, for example, have life-lease housing, which many of our members do, or not-for-profit retirement housing on your campus and take the surplus from that and reinvest it into your long-term care.

STEVEN HARRISON: So when we were talking about creative financial models, that's one of them that we've -- we and many others have had the opportunity to employ.

We were -- you were asking questions

earlier about financials and things like that, and, I mean, we, as not-for-profits, usually reinvest our surplus monies whether it's much like Sue and ourselves have to pay down debt a little faster, invest into expanded programming, whatever that is. We are -- we are a hundred percent committed and our funding goes directly back to the services we provide whether it's infrastructure or into heightened services for our residents in our community.

There is the challenge of that, of course, because, you know, the ability to roll dollars over from year to year is sometimes limited, if not impossible. So when you have to tackle large infrastructure projects, elevator replacements, sprinkler upgrades, you know, whatever it is -- these days, it's infection control requirements -- all of those things get a little more challenging when you're trying to manage that within your operational framework on a year-to-year basis.

And as we develop our surpluses, they're usually towards larger projects which can sometimes take several years to accumulate the resource to do through surplus generation.

Governance, you will hear constantly in the not-for-profit sector that the governance model is usually rooted deeply in our community. Our organization, and many other not-for-profits, are no different than that. Our Board members are from the community. They know the community well. They are great advocates for seniors care amongst other things and usually just system of care in the community, and it is a great opportunity for us.

It is also sometimes, in the more rural communities, a little bit limiting when you're competing with a large Lego village just down the road for us or just down the road in Kitchener from us, or you're dealing with Extendicares and large organizations like that because they come with a much more sophisticated approach to things, and as Lisa mentioned, you know, entire committees that are responsible -- and staffing complements that are responsible for fundraising or grant proposal development, things like that.

We do this stuff here, as myself as the CEO and my team, we sit down and, kind of, hash through these things. And where we can bring supports in, we do, but it's hard to compete sometimes with those larger organizations. So to

bolster the sector and more broadly not-for-profit long-term care, it would be great to have some recognition from the Province and also maybe some support to try and drive that development forward, invest in the model.

Next slide, please. And I think there's lots of evidence. There's this slide, and there's another one that's going to talk a little bit more detail about some of the research that exists out there. We are -- I guess the best way I can put it is in the -- in having worked in both for-profit and not-for-profit care around seniors, I can speak to this personally as well as professionally. We invest ourselves as an organization not only time and money, but we invest ourselves differently than they do in the for-profit world, and I think the recognition for the not-for-profit and municipal models of care, because they are significantly different than the for-profit models of care, needs to be recognized and weighted appropriately when we're looking at applications for beds, resources behind them, everything else.

The one thing that has caught me completely off guard, I guess, if you want to call

it that way, having done work in the acute care sector as well, is the overreliance on the not-for-profit long-term care homes to come -- and municipal homes to come up with the resources to actually deliver service.

So if you look at the acute care world, they're heavily funded from a capital perspective. We are not, and although there have been some recent changes, we're still light years behind where the acute care sector is, and I get it. That's enshrined in the Canada Health Act and everything else, but a recognition that things have changed over the last 50 years, and maybe an investment needs to be reimagined would be helpful because the evidence clearly lays itself out over the last ten years that there is an intrinsic value in the not-for-profit model of care for the residents' overall well-being that you -- that's just not materializing in the for-profit world, and I'll stop there in the interests of time.

SUE GRAHAM NUTTER: Steven, if I could just jump in on your slide there, you note the municipal and non-profit homes are innovators and service delivery leaders on Butterfly, et cetera. And we know our good friends out in Peel Region

have led the way with the Butterfly example for emotion-based care which we in Toronto at the Rekai Centre will be adapting as well for emotion-based care.

And to give you a further example of the innovation, when we open our new home, we will have a dialysis centre on the main floor with nine stations for both long-term care residents and for those living in the community.

We're also opening the Rekai College which will deal with PSW education, and we are also looking at the first, what we call, an ER for the frail and elderly to try and divert the seniors living in downtown Toronto away from the ERs at the hospitals and have their sometimes more minor but still important slip and falls, urinary tract infections, et cetera, dealt with in a different setting.

So I think the innovation that Steven is referring to that we offer in the non-profit and municipal sector is very important to the care of our seniors.

TIM SIEMENS: If I may just add one more comment. At Tabor Manor here in St. Catharines we, having built a new long-term

care home in 2003 -- 2013 and decanted all the residents from the old long-term care home through an innovative partnership with our local academic partner Niagara College, we, at our expense, retrofitted a portion of our old vacant long-term care home into a living lab, a living classroom for Niagara College so that they can bring their PSW students here and learn right on site in a campus-of-care in old rooms, resident rooms that are now converted into resident rooms for -- as a classroom.

And being on a campus-of-care, the PSWs, as part of their training, can have their clinical placements here in our community with supportive housing and long-term care.

So we're thinking -- trying to think outside the box in creative innovative ways to impact the next big issue, and that's the health human resources on the supply and demand side through innovative partnerships.

SUE GRAHAM NUTTER: Yes, Tim, if I could just pick up on that.

Tim and I have worked closely on this PSW education model with community colleges in our respective communities, and a new piece I haven't

shared, Tim, but I'm sure the Commission will be interested is two weeks ago, the Department of Employment and Social Development Canada changed the national occupation classifications. Their call NOCs. I don't want to get into the weeds here, but basically, until two weeks ago, PSWs were considered unskilled.

That has changed, and now that will open up the doors to many more people who want to come into Canada to be PSWs and to work in healthcare, and without that change, we would not be able to deal with the growing number of seniors that Riaz alluded to in his comments. But it was the non-profit sector that drove this major discussion with the Department of Employment Social Development and Immigration Canada.

LISA LEVIN: If I could just finish off this slide here, and then I want to do a quick time check. I just wanted to put on the record that the evidence from the long-term care sector is rich and robust and recent studies and systemic reviews reviewing hundreds of studies over the last two decades have shown that on average, quality of care is consistently better in not-for-profit than for-profit long-term care facilities. And when I

say not-for-profit, I mean not-for-profit and municipal.

So not-for-profit and municipal homes are found to have higher staffing levels leading to higher staffing hours, so the data is here on the slide: a higher staff skill mix, lower mortality rates; lower staff turnover, lower pressure ulcer prevalence, lower hospital admissions, and lower inappropriate use of psychoactive medications.

So I'm not talking about one study or two studies. I'm talking about hundreds of studies have shown this in Canada and the U.S. and beyond.

So, Commissioners, I want to do a bit of a time check now so that we can use the rest of the time as efficiently as possible.

First of all, how much time can you give us? How much more time?

COMMISSIONER FRANK MARROCCO (CHAIR): How much time -- well, I'm not going to answer that directly. How much time do you need to finish your presentation?

LISA LEVIN: Another half an hour would be really good.

COMMISSIONER FRANK MARROCCO (CHAIR): We may have to -- we can go for a while, but we may

have to try to pick up --

LISA LEVIN: Okay.

COMMISSIONER FRANK MARROCCO (CHAIR): I don't know whether the other Commissioners, whether -- what your view is on that, but we may have to try to complete this in a different way.

LISA LEVIN: Sure. Okay. I'm going to try and fly through some of them now, though, and I'm going to make the decision --

COMMISSIONER FRANK MARROCCO (CHAIR): Commissioner Kitts.

LISA LEVIN: Yeah.

COMMISSIONER JACK KITTS: I'm concerned that the having to rush through will take away any of the questions, and so I see you have a lot of slides left to go through, and I don't know whether it will be more benefit for us to go through the slides or maybe more benefit for us to get through the questions because we have the slides now.

So I have a couple of questions, one on your last slide. But the first question is, I think you -- one of you -- one of you said there seems to be a trend to providing licenses to hospitals to build long-term care homes.

Can I -- can I just ask, are the -- who

are the hospitals partnering with? Not-for-profit? Municipal? Or profit? And does this change in trend give you any thoughts about change in your business model?

LISA LEVIN: That's a really good question, Commissioner Kitts. So we find that typically hospitals in larger urban areas tend to use -- tend to outsource the management of their operations to companies which, for the most part, for-profit companies, in fact, if all -- in most cases, such as Extendicare.

And in smaller areas, hospitals tend to manage the homes themselves. So one of the examples would be Arnprior Health manages the Grove. So we have some members that are in smaller municipalities or towns, and they -- they're dual.

But typically, larger hospitals outsource the management to another company, and -- but I think partly that could be because of concerns regarding wage harmonisation because wages are and funding is higher in the hospital sector than it is in the long-term care sector, and so I personally think that's why they -- that occurs which does reduce the benefit of having a campus-of-care if you have a completely separate

organization which is the long-term care home.

I also think that under these models, we know that the Government has announced in one case with North York General that a certain number of ALC patients can be transferred over to the long-term care home, and so I think that's why -- that's part of the reason why some of the hospitals like this model. I don't know if anyone else has anymore --

COMMISSIONER JACK KITTS: But just are the hospitals, are you saying, preferentially partnering with the -- with what I think you're saying in the application process, is a business model that has an advantage other the application for not-for-profit?

CAROLYN CLUBINE: There's a couple of things I could say. One is in the slide that Lisa showed about the recent announcements that there is a different funding formula for those large hospitals, the rapid builds.

But besides that, hospitals aren't interested in doing the operations, so they do look for this thing called management companies. Now, we haven't provided a slide to give you any background on it, but a management company is a

prerequisite for anyone who's new in the operation of long-term care home, and the only companies that are really in the market today to offer management company services are these large chains, so Sienna and Extendicare are the ones that come to my mind right now. I think Rykka is another one. There are no substantial players from the not-for-profit sector that are positioned to do this management company work.

SUE GRAHAM NUTTER: You're quite right, Carolyn. The UHN, the Bickle site is managed by Extendicare and responsive management has been responsible for Eatonville and Hawthorne, I believe, as well. So I don't know of a single non-profit. I think Yee Hong's just getting into the business for management, but I don't know of any non-profit that's doing it.

TIM SIEMENS: I --

COMMISSIONER JACK KITTS: Okay. Thank you.

TIM SIEMENS: The health system of -- for eight hospitals, and we would lose about a million dollars a year. We would self-operate an LTC, and it would basically go in our -- it's a rounding error for a half-a-billion-dollar

operating budget, so, you know for me, that's almost like a tax on the hospital where they have to either build debt or take it out of their operating to cover that cost.

I see it being successful in smaller towns where it might be a hospital of 18 beds, and then they add 128 LTC biggest employer and there's economies there, but I understand the ALC benefit. But when I see ones operating and losing a million or more a year, that's -- you know, doesn't make sense to me.

LISA LEVIN: I was wondering if I could quickly talk about long-term care pharmacy funding if you're thinking of doing another report or recommendation because this is a pressing issue.

And I'm not sure if you're aware of this, but the Ministry reduced long-term care pharmacy funding starting in 2019, and it's intended to continue to be reduced until 2023. And it's very complicated to explain the changes, but basically, it's gone from a fee-for-service model to a capitation model which we actually agree with.

But in translation, there's been significant funding cuts in the bottom line to long-term care pharmacy. And so in the first year,

34% of the funding was cut to long-term care pharmacy providers who provide pharmacy services in long-term care homes, and the cuts are scheduled to occur again January 1st.

So we surveyed our members and asked them about the impact of the reduction in services since the cuts, and what they've said is that there's a reduction in the frequency of audits and medication reviews. There's a decreased access to pharmacists, and it's not just because of COVID. And homes have had to absorb many pharmacy-related costs, and as well, staff have had to -- like, nursing staff have had to take on more tasks.

And so we'd be happy to talk about this with you further, but we want to make sure that these funding cuts don't continue on January 1st and, ultimately, that they don't continue at all.

We think the move to the capitation model makes sense, but the loss of funding to the sector cannot really go on especially in the middle of a pandemic.

The other issue is I'm not sure if you're aware of the insurance issue facing the sector which I would say is our Number 1 issue right now, which is that homes cannot get new

insurance -- or new operators cannot get insurance, and existing operators are being told that their insurance is going to be limited significantly, and although -- actually, this has been updated -- although Bill 218 has now been passed, it's going to take some time for insurance companies to come around and make changes.

So in the meantime, we need to have some kind of a backstop or else we are literally going to have long-term care homes that have to close as soon as January 1st. So this --

SUE GRAHAM NUTTER: Maybe, Lisa, I could jump in on this issue.

LISA LEVIN: Yeah.

CAROLYN CLUBINE: Basically, we're one of the homes where the insurance company has said that we're lucky our DNO covers us for 2021, but our new general liability insurance as of Jan 1 -- and we're not alone; there are many, many homes in this position -- will no longer cover a long-term care home for pandemic or COVID-19-related claims starting in 2021. That's a significant risk.

And, of course, we all have Boards of Directors to whom we report which means they won't be covered either. And, of course, under the LTC

Act, personal assets could be seized if there's no coverage here and then there's a successful claim.

So this is a significant issue, and there's only one or two companies, and they're not taking on new business in Canada right now, so I just wanted to, sort of, raise that for the Commission's attention that Bill 218 did deal with liability issue commencing March 17th, but it didn't deal with the exclusion of coverage for pandemic or COVID-19 going forward.

SEAN KEAYS: Lisa, do you mind if I speak to the French slides because they're actually in French; I'm not sure if everybody could read them. We don't need to go to them, but if you don't mind.

And Mr. -- Commissioners Kitts, we have a mutual friend, Mariette Carrier-Fraser, so you might hear a little bit of her and me.

COMMISSIONER JACK KITTS: That's excellent. Say hello to her for me.

SEAN KEAYS: Absolutely. So we did research with an actuarial company, and we found out through Statistics Canada there's about a hundred thousand Francophones in the Golden Horseshoe, and that's basically what wraps around

from Peterborough, Barrie, all the way through Toronto down to Niagara, Hamilton, Kitchener, and all those great areas. And we realize that there's about six beds per thousand people in Ontario, so six LTC beds per thousand population where the Francophone it's about one, so six times more.

And just to consider that because, you know, the question Mariette would bring up, Mr. Kitts, is, why are dedicated LTC beds necessary to serve the Francophone population, and you know she'll say, you know, we're one of the founding languages, and at the end of the day, there is significant data that shows early death, decline in mobility, and a lot of other things in regards to misdiagnoses related to burden on healthcare system from social isolation.

And McMaster, on the next slide, did an incredible meta-analysis of 148 studies that show exactly that, that social isolation, you know, shows that seniors are increased risk of dying sooner and more likely to experience a decline in their mobility compared to those who aren't.

So just to keep that in mind. You know, it's -- there's not always a great Francophone at the table, but I know Mariette

speaks highly of this Committee, and just to keep us in mind in the allocation of new beds.

COMMISSIONER JACK KITTS: Well, thank you, Mr. Keays, and we did hear from the CEO of the Montfort Hospital as well about the inequity in the number of beds available to the Francophones, so thank you.

SEAN KEAYS: Merci.

LISA LEVIN: So any more questions? We are happy to answer.

COMMISSIONER JACK KITTS: I was going to ask about the quality. As you've -- as you know, it's very important for us because a lot of this is about the quality of care, so I noticed that in your supporting data that most of the metrics or indicators were from 2005 and 2015.

Can I just ask, is there a -- I guess, I don't know if it's a regulation or a policy or a mandate -- for homes to measure certain metrics of quality and report them as performance reports to their Boards, like, or -- and/or the Government?

LISA LEVIN: Yes, there's data that goes to CIHI. I don't know which one of the members wants to talk --

SUE GRAHAM NUTTER: I can jump in here,

Lisa, if you want.

There's the Long-Term Care Home Performance Reports, and they are now -- they're going -- I believe they've gone public on the website as of April 1st, so every single home in Ontario, there are six indicators that we are all reviewed on pressure ulcers, use of psycho -- the medications, falls, et cetera, and they score us, you know, red, green, and yellow. And that's all publicly available now.

And I think almost all homes would report through their CEO to their Board where they stand on the indicators, whether they're up or down, and then we actually compared them against other homes in the city, so it's a very important indicator. I'm glad you raised that. I think it's an important consideration.

TIM SIEMENS: Also through local --

COMMISSIONER FRANK MARROCCO (CHAIR): Is there a -- oh, sorry. Go ahead, Mr. Siemens.

TIM SIEMENS: Also through the local health integration, networks were required to have quality improvement plans for long-term care and other funded programs for the Ministry. So homes will have continuous quality improvement plans that

are working on quality improvement plans that are reportable to the LHIN and the Ministry of Long-Term Care.

COMMISSIONER FRANK MARROCCO (CHAIR): I guess that raises a question for me, though. Do you think that there needs to be more of inspections or compliance mechanisms around how people are answering and representing what they're doing and what they have?

LISA LEVIN: So are you suggesting that, perhaps, an audit of the data that is presented? Because to some extent, it's a bit of an honour system.

COMMISSIONER FRANK MARROCCO (CHAIR): Well, that's what I'm -- I mean, I'm just wondering generally about inspections and compliance, and this provides a fairly concrete example because who knows whether the response you're getting reflects the optimistic view of the executive director of the particular home or reality.

LISA LEVIN: Well, I think that's -- there should be auditing of the data that is presented so that it's not just dependent on the goodwill of the home.

Sue, what were you going to say?

SUE GRAHAM NUTTER: The data comes from the raw (phonetic) coordinators who then put it in, and it goes to CIHI. So there are a number of people who are contributing to the data. Like, all the staff would be contributing their documentation per resident, and then it moves up to CIHI, and that's where the data comes from. So I think the indicators, I believe, are pretty solid in terms of their documentation.

With respect to inspections, we move to a complaint and CIS-based one about two years ago, I guess it was, so that if you are considered, sort of, a green home, then you may not see an RQI inspector have a full RQI, but if you are having complaints, they actually check on the complaints fairly regularly, actually. They come into the home. It -- they're -- it's not done on the phone. It's actually in the home even during COVID.

COMMISSIONER FRANK MARROCCO (CHAIR): Okay.

RIAZ SHAIKH: And, sorry, to add to that, Sue is also the health quality. Ontario is the Provincial lead on this.

COMMISSIONER JACK KITTS: So can I just ask, so when the indicators aren't good, and I

would specifically look to the IPAC compliance and PPE in the first wave of the pandemic, I suspect that those would be indicators of quality or performance in a home and similar staffing, who's the initial accountable person for having that in order in the homes?

LISA LEVIN: Oh, I mean, it would be the long-term care administrator and the director of care who would be responsible. I think we also need to, in the case of the pandemic, consider the fact that homes lost a significant number of staff when they went into outbreak particularly in Wave 1, but to some extent as well in Wave 2, and that's not necessarily because the home was, you know, not doing its job in terms of staffing.

And same with IPAC, homes were just not prepared for this kind of a pandemic. They were supposed to be prepared by having a certain number of supplies, but no one could have ever guessed that it would be as extensive as it has become.

SUE GRAHAM NUTTER: There was also an issue with respect to staffing. We separated our staffing between our two homes on March 16th. Normally, they would flow back and forth between the homes so they could have full-time employment

between two homes, but because the -- actually before Directive 3, we did it proactively. But when you do that, you cause a problem where you don't have a full-time job in each home.

So the Directive 3 caused that singular -- single employer was a great initiative from an IPAC perspective, but it was hard administratively because you didn't have the budget to actually create all these full-time jobs for staff.

And, frankly, if you do create the full-time jobs, which we've done now -- we have a lot of full-time jobs -- there's an issue where they have to work weekends. It's mathematically impossible to do it any other way.

LISA LEVIN: I also want to strongly stress that this sector has been underfunded and over-regulated for many years. The answers of many governments have been to put more and more regulations on long-term care, but without the funding, the resources, and the human resources, operators will not be able to meet these requirements.

So we just -- I would strongly urge that the answers are not necessarily more

regulation, but it's looking at the funding to make sure that homes have the resources and having health-human resource strategies in place so that homes have help in being able to get adequate staffing.

COMMISSIONER JACK KITTS: I would -- the indicators are the first -- one of the first signs that something needs to be done about staffing or needs to be done about IPAC or whatever. And so the first -- I guess the first line of defence is the leadership in the home.

It goes from there to -- I think someone said, perhaps, the LHIN or the region and then to the Province and some of the data goes to CIHI.

I'm just wondering where in that flow is the responsibility to say there's clearly not enough funding or there's some other issue here? Is that -- is that the flow of information, and is it -- is it fluid and reflective of what's happening in the homes?

LISA LEVIN: Well, I mean, we have been asking for years generally for more funding for the sector, and it hasn't been listened to.

I think the flow of the information,

Commissioner Kitts, depends on the particular indicator. So, for example, if it's an inspection, then the Ministry of Long-Term Care would get that information first if it's a long-term care inspection.

The CIHI data, I actually am not sure. I think it goes to the LHIN, but -- so the LHIN has a part of it, or Ontario Health, and the Ministry of Long-Term Care has another part. But we have homes before COVID that have been in extreme crisis particularly in Northern Ontario. If you look at some of the inspection reports in Northern Ontario, a lot of the negative reports are because they have a crisis. They cannot find staff.

And now that crisis has extended, before COVID, even more broadly throughout Ontario, and now with COVID, it's taken it up another level.

COMMISSIONER JACK KITTS: Okay. Thank you.

SEAN KEAYS: Maybe just to add on the French piece, we actually operate to keep our double heritage and to recruit and all our signage translation, and we don't get any extra funding for that, but that's something that a true French provider will do, you know, to ensure that we keep

that double heritage.

COMMISSIONER JACK KITTS: Thank you.

SUE GRAHAM NUTTER: Lisa, could we speak about the development charges, how it effects the building of a new home? I don't know if that's of interest to the Commissioners, but it's a significant line item.

COMMISSIONER ANGELA COKE: Can I just ask a question before you move on to that topic?

CAROLYN CLUBINE: Sure.

COMMISSIONER ANGELA COKE: Just related to, you talked about the six indicators that you're measured on. From your point of view, are these the right measures? Are these the right things to be looking at, and do they give a full enough picture about how people are doing broadly, or not?

SUE GRAHAM NUTTER: That's a great question, and actually, I was reflecting after Commissioner Kitts commented on leadership, et cetera. The six indicators I referred to are clinical indicators: falls, pressure ulcers, et cetera.

An indicator of staffing is not included, has not been historically included in those indicators. It is included in our

prepandemic assessment planning now that goes to the LHIN, but it hasn't been a standing indicator for the -- on those six indicators. And staffing, as we all know, is critical, and PPE is not reflected either. That's in the prepandemic assessment planning, but not in the -- if you -- if you look at the Long-Term Care Home Performance Reports, which is online, I believe, now, PPE and staffing are not reflected, so a great question.

COMMISSIONER FRANK MARROCCO (CHAIR): All right. So what did you -- where did you want to go next?

SUE GRAHAM NUTTER: I just wanted to raise the issue for the Commission's knowledge on development charges with respect to the building of long-term care homes.

All the non-profits and the for-profits, actually, have to pay what's called DCs, development charges. They're significant. In the City of Toronto, they're $21,743 per bed. So in the case of the new Rekai Centre, we're looking at a development charge bill of almost $8 million to be paid to the City of Toronto, whereas hospitals don't pay DCs at all.

I think, Commissioner Kitts, you could

confirm that from the Ottawa experience.

And yet long-term care homes are clearly part of the healthcare continuum, so we've been advocating with the Ministry and with each of our municipalities to exempt long-term care homes which will facilitate more building of long-term care if we're not paying these heavy DCs.

And by the way, at this point, the DCs are payable when you pull the building permit, so that's a heavy cost right up front. I just wanted to draw that to the Commission's attention.

COMMISSIONER JACK KITTS: Thank you.

LISA LEVIN: Are there any other questions?

COMMISSIONER FRANK MARROCCO (CHAIR): No, I don't think so, Ms. Levin, not right now.

LISA LEVIN: Okay. So it was a little scattered because we did bring a lot of content. We'd be happy to come back at any point in time to present on any of these topics or other ones to help you --

COMMISSIONER FRANK MARROCCO (CHAIR): Well, just let me just say, we might take you up on that. We go through -- and we'll go through all the slides, and we may have more questions, and

thank you for the offer.

LISA LEVIN: Any time. So thank you very much for listening to us today.

Our last ask is that long-term care be placed first in line for residents and staff for the vaccine. I understand there's a task force that's being set up to do that now to determine the roll-out of the vaccine which we're happy to be able to discuss.

And just thank you very much for the important work that you're doing, and we're happy to help in any way.

And thank you to our members and staff for attending today as well.

COMMISSIONER FRANK MARROCCO (CHAIR): Well, you know, hopefully all of you can gather from the questions that we are quite -- we were quite engaged with what you were telling us, and it was filling in a certain amount of information for us which we had been speculating about. So thank you for a very thoughtful presentation as far as your presentation is concerned.

As I said, we will go through each of the slides, and we -- we're kind of like those relatives that move in and never leave. You know,

we may be back. You know --

LISA LEVIN: The antiques. We have --

COMMISSIONER FRANK MARROCCO (CHAIR): In any event --

LISA LEVIN: -- a room for you, each one of you.

TIM SIEMENS: For the kind of association that welcomes home family members.

COMMISSIONER FRANK MARROCCO (CHAIR): I was going to say that was probably maybe the wrong analogy to use, or maybe it was the right one. In any event, thanks very much, and we -- we'll -- it's been very helpful.

LISA LEVIN: Take care.

COMMISSIONER JACK KITTS: Thank you. Thank you all.

COMMISSIONER ANGELA COKE: Thank you.

STEVEN HARRISON: Thank you very much, everybody.

COMMISSIONER JACK KITTS: Thank you.

-- Adjourned at 11:31 a.m.

REPORTER'S CERTIFICATE

I, JANET BELMA, CSR, Certified Shorthand Reporter, certify:

That the foregoing proceedings were taken before me at the time and place therein set forth;

That all remarks made at the time were recorded stenographically by me and were thereafter transcribed;

That the foregoing is a true and correct transcript of my shorthand notes so taken.

Dated this 25th day of November, 2020.

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