

To: Warden and Members of County Council

From: Director of Woodingford Lodge

Application for Long-Term Care Home Development

RECOMMENDATIONS

1. That Oxford County Council authorize the Chief Administrative Officer to submit an application to develop a minimum of 160 new long-term care beds in Ingersoll under the Province of Ontario's Long-Term Care Home Development Program.
2. And further, that Oxford County Council direct staff to work with the Ministry of Long-Term Care to explore additional long-term care bed needs in Oxford County, and opportunities to maximize efficiencies of existing County-operated homes through additional bed allocations.

REPORT HIGHLIGHTS

- There is a need for additional long-term care beds in Oxford County. As of March 14, 2022 there were 717 licensed beds in Oxford with 1,500 people on a waiting list.
- The Province of Ontario committed to creating 30,000 new long-term care beds by 2028 by inviting eligible parties to apply for capital funding to build and / or redevelop long-term care beds.
- Announcements have been made about new beds being built and / or redeveloped by private sector companies in Tavistock, Tillsonburg, and Woodstock which will bring the total upon completion of the works to 931.
- This report proposes submitting an application to develop new long-term care beds as part of developing a broader campus of care model in Ingersoll on the same property as the existing 34-bed Woodingford home and the Alexandra Hospital.
- Colliers Project Leaders will present supporting analysis of their feasibility review, based on a home equivalent in size and operations of the one currently operated in Woodstock with

160 beds, related to a potential application under the Ministry of Health and Long-Term Care Home Development Program.

Implementation Points

Upon Council resolution of the recommendation contained in this report, staff will submit an application to the province for funding to develop new long-term beds.

Pending Ministry approval of our application, the following project milestones provide an estimate timeline toward a potential “move in” date during the fall of 2028. Dates are based on using comparable municipal LTC projects as a reference.

Table 1 – Project Milestones

Project Milestone	Estimated Completion
Submit application to Ministry of Long-Term Care	February 2023
Allocation of new beds from MLTC	October 2023
Procure project consultants and background studies	January 2024
Complete preliminary design activities	April 2024
Complete design and obtain MLTC technical approvals	July 2025
Finalize construction procurement	October 2025
Construction	May 2028
Finalize deficiencies, furniture, fixtures and equipment delivery and installation	October 2028
First resident date	Fall 2028
<p>Note: there are various stages through the progression of these milestones, prior to Ministry approval to construct, at which Council can determine that the project is not viable and no further action be taken.</p>	

Financial Impact

Colliers Project Leaders of Ottawa, having extensive advisory and project management experience in the health services sector including seniors housing, long term care, community services, and municipal facilities, were retained by the County for an upset cost of \$13,500. The purpose of the engagement was to provide a comprehensive pre-project analysis and recommendations with focus on forecasted capital costs and overall project implementation timeline with project completion supporting an application submission under the Ministry’s Long-

Term Care Home Development Program, subject to County Council approval to proceed on that basis.

A high-level analysis of construction related costs for an additional 160 beds added to the existing 34-bed Woodingford Lodge site in Ingersoll has been completed by Colliers, resulting in an estimated cost of \$94.5 million. The scope of the new development includes in-house dietary and laundry services similar to those existing in the County’s 160-bed Woodingford Lodge facility in Woodstock.

Capital Costs

The preliminary design activities described above are required to refine the design and develop an accurate cost estimate and assist in determining viability of the project. Construction costs continue to be increasingly difficult to estimate due to price volatility in a period of inflation driven by economic uncertainty and supply chain challenges. The following are two recent examples of costs related to long term care home development in Ontario:

1. HJ McFarland Memorial Home, Prince Edward County
 - 160-bed home
 - 2019 estimate: \$62M
 - 2021 adjusted estimate: \$93.6M
2. Region of Durham, Pickering
 - 200-bed home
 - 2021 estimate: \$105M

Levy Impact

In order to assess feasibility for further planning and analysis for the County to develop more long-term care beds in addition to those that exist, Colliers has prepared a high-level estimated project cost of \$94.5 million. This figure has been used as a basis for estimating lifecycle costs of the building and operating costs associated with 160 additional long-term care beds. Table 2 illustrates the potential increase to the budget and levy requirement that would begin in 2028, taking all costs and revenues associated with construction, debt financing, and operating costs into account as well as a high-level view of potential savings to be achieved through economies of scale by consolidating the existing 34 beds in the forecast.

Table 2 – 2029 Estimated Budget and Levy Impacts

	Existing 34 Beds (\$millions)	160 New Beds (\$millions)	2029 Total Cost (\$millions)
Revenues			
Operating and capital	\$3.9	\$18.2	\$22.1
Expenses			
Operating and capital	6.7	27.9	34.6
Debt – 160 new bed facility	-	6.3	6.3

	Existing 34 Beds (\$millions)	160 New Beds (\$millions)	2029 Total Cost (\$millions)
Levy	\$2.8	\$16.0	\$18.8
Debt retirement obligations are amortized over 25 years to align with the 25-year construction per/bed/diem subsidy as part of the Long-Term Care Home Development Program			

Long Term Care Home Development Funding

The provincial government has invited all eligible parties interested in building and redeveloping long term care beds to apply for funding under this program as an incentive to increase bed capacity. All applicants must be licenced or approved to operate a long-term care home under the *Fixing Long Term Care Homes Act, 2021* (passed April 11, 2022) and its associated regulations. Eligible applicants include for-profit, non-profit or municipal organizations.

Financial viability is one of the key criteria used to evaluate the proposed LTC development projects. The applicant must be able to demonstrate financial viability by ensuring that:

- Sufficient funds (i.e. equity and financing) are in place to support the project; and
- Sufficient cashflow is available to service the debt.

The ministry will use historical financial performance to evaluate cashflow using industry norms and assumptions such as debt service charge ratio – does the home have a track record of generating the required surpluses. The ministry’s review and evaluation will also include geographic capacity and community needs; and compliance with licensing requirements.

The funding program determines applicants’ eligibility under a *Construction Funding Subsidy Policy for Long Term Care Homes, 2019*. Development funding provided to eligible operators under this policy includes three funding components:

- Construction funding subsidy per diem (CFS per diem);
- Development grant; and
- Planning grant.

The Town of Ingersoll is considered a mid-size population centre for the purposes of determining the amount of funding a home development of up to 160 beds would be eligible for and, as such, all three of the aforementioned funding components would apply – refer to Table 3 for estimated calculations.

Table 3 – Estimated Provincial Funding with Assumptions

Funding Component	Calculation	Annual
Construction funding subsidy (CFS) per diem ¹	\$21.28/bed/diem	\$1.2 million
		One Time
Planning grant ²	\$250,000	\$0.25 million

Development grant ³	10% of eligible construction costs up to a maximum of \$24,923 per bed	\$3.99 million
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Assumptions:

¹CFS will be paid monthly for a period of 25 consecutive years – assumed full capacity 365 days/year

²Set amount for all non-profit homes to assist with planning

³Calculation is based on maximum grant allocation of \$24,923/bed net of the \$250,000 Planning Grant with cannot cause the Development Grant to exceed its maximum amount

Funding Summary

Table 4 identifies the funding sources for the overall estimated project costs of \$94.5 million.

Table 4 – Funding Summary

Funding Source	\$million	%
Construction funding subsidy (CFS) per diem	\$31	32.9
Planning and Development grants	4	4.2
County	59.5	62.9
Total Estimated Project Costs	\$94.5	100.0%

Communications

In preparation for this report to County Council, preliminary discussions with certain key local stakeholders were necessary, which included:

- Town of Ingersoll (host municipality)
- Alexandra Hospital (land owner)
- Upper Thames River Conservation Authority

Discussions focused on determining high-level “go / no go” feasibility strictly for the purpose of submitting an application. Further discussion will be required, subject to County Council’s decision to proceed with an application and a more comprehensive feasibility analysis.

Strategic Plan (2020-2022)



<i>WORKS WELL TOGETHER</i>	<i>WELL CONNECTED</i>	<i>SHAPES THE FUTURE</i>	<i>INFORMS & ENGAGES</i>	<i>PERFORMS & DELIVERS</i>	<i>POSITIVE IMPACT</i>
1.ii.		3.iii			

DISCUSSION

Background

The Ministry of Long-Term Care’s 2021-2022 strategic plan is simultaneously focussed on recovery from the COVID-19 pandemic and the ongoing modernization of the sector. The modernization is built on four strategic pillars:

1. Integration of long-term care within the broader care continuum
2. Quality of care
3. Performance, oversight, and accountability
4. Physical infrastructure

To foster development, create new spaces, and upgrade existing older spaces to modern design standards, the MLTC introduced the Long-Term Care Development Program. The Program prioritizes the need to increase care capacity by creating 30,000 net new beds in the next decade, building new long-term care beds across the province, based on geographic demand and community need. Prioritization is being given to increasing access to basic accommodation beds.

The LTC Home Development Program is designed to address the Ministry’s objective of increasing care capacity by delivering on the Government’s commitment of creating 30,000 net new beds in the next decade by building new long-term care beds across the province, based on geographic demand and community need.

Successful applications must address three key components:

1. Location and local need
2. Financing and design
3. Specialty programming and impact

LTC Homes in Oxford County

There are currently eight long-term care homes in Oxford County, five for-profit homes and three municipal homes:

- Caessant Care Nursing Home, Woodstock
- Secord Trails Care Community, Ingersoll
- Maple Manor Nursing Home, Tillsonburg
- Maples Home for Seniors, Tavistock
- PeopleCare, Tavistock
- Woodingford Lodge, Ingersoll

- Woodingford Lodge, Tillsonburg
- Woodingford Lodge, Woodstock

LTC Beds in Oxford County

Within the existing eight homes there are 228 municipal beds and 493 for-profit beds.

Approximately 50% of existing beds in Oxford are classified (structural classification) as C-Beds, which means they do not meet the Ministry’s current design standards for long-term care homes, and the licences for these beds are set to expire in 2025. All beds at Woodingford Lodge are classified as A-Beds.

To date, the province has announced a total of 214 new beds and 238 redeveloped beds for Oxford County. This will result in a total of 935 beds meeting current standards in Oxford upon completion of the works announced – refer to Table 3. This however, does not include the potential loss of approximately 200 C-beds (and the jobs associated with them) should they not be redeveloped by the end of 2025.

Table 3 – LTC Beds in Oxford County

Long-Term Care Home	Current*		Announced**		Total upon completion of works announced
	Licensed Beds	C Beds	New Beds	Redeveloped Beds	
Woodstock	323	95	26	138	349
Tillsonburg	137	61	160	-	297
Tavistock	143	143	28	100	171
Ingersoll	114	80	-	-	114
TOTAL	717	379	214	238	931

*From Ontario Health Coalition <https://www.ontariohealthcoalition.ca/wp-content/uploads/LTC-Design-Classification-August-2019.pdf>

**From <https://erniehardemanmpp.com/2022/04/07/ontario-building-new-long-term-care-beds-in-woodstock/>

Comments

The Need for More Beds in Oxford

The number of seniors in Ontario aged 65 and over is projected to almost double from 2.6 million, or 17.6 per cent of the population in 2020 to 4.5 million, or 22.2 per cent of the population by 2046¹.

¹ Source: Ontario Population Projections <https://www.ontario.ca/page/ontario-population-projections>

Oxford County’s overall population grew 9.9% from 2016 to 2021. This is almost double the population growth rate in Canada (5.2%) and just under double that of Ontario (5.8%)². It far exceeds the 4.9% population growth seen in the previous 5-year period from 2011 to 2016³.

Detailed population data from the 2021 Census has not yet been released, however, data from the 2016 Census shows that people 65 years and over represented just under 19% of Oxford’s population in 2016³.

Long-Term Care Bed Waiting List

South West Home and Community Care Support Services (formerly SW LHIN) long-term care homes waiting list information. Table 4 shows the total number of people waiting to get into a LTC home as of March 22, 2022.

Table 4 – LTC Bed Waitlist in Oxford County

Accommodation Type	Oxford	Woodingford	% Choosing Woodingford Lodge
Basic	955	644	67%
Semi-Private	509	392	77%
Private	591	591	74%
TOTAL*	1500	1048	70%

**people can be on the waitlist for multiple accommodation types.*

² Source: 2021 Census Profile, 2021 Census of Population <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/index.cfm?Lang=E>

³ Source: 2016 Census Profile, 2016 Census <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>

Location

Taking the geographic distribution of existing beds in Oxford County and adding in the number of new and redeveloped beds already announced by the Province reveals the location where new and / or redeveloped beds are yet to be approved for. Of all locations currently hosting long-term care homes / beds, Ingersoll has the least number of beds at 114.

As of the writing of this Report, staff are not aware of any for-profit or non-profit interest in submitting an application to develop or redevelop beds in the Town of Ingersoll.

The County's application to the Province's Long-Term Care Home Development Program will propose 325 Thames Street South in Ingersoll as the site of choice. This site, at the corner of Thames St. S. and Noxon Street, hosts the existing 34-bed Woodingford Lodge home as well as Alexandra Hospital.

No other suitable locations have been identified at this time.

Initial discussions have taken place with the Town of Ingersoll, Alexandra Hospital, and Upper Thames River Conservation Authority to gauge interest in the opportunity. No major concerns were raised that would prevent the submission of an application based on the information provided in this Report. These stakeholders will continue to play a key role in the project moving forward.

Design

Upon receipt of bed allocation by the Province, preliminary design work would be carried out to refine the various design aspects required for the project. Any detailed design brought forth to Council for consideration would be in accordance with the Long-Term Care Homes Design Manual, 2015.

Cost estimates in the Financial Impact section of this Report include the creation of specialty beds that not only address challenges in long-term care, but in the broader health care system by using a population-based approach to services and capacity, alleviating pressure on other health care providers such as hospitals and Oxford County's Paramedic Services. Optimizing capacity and resources of the complex care required by our most vulnerable include hosting:

- Diversional beds: working with Paramedic Services and our local hospitals to divert emergency room visits to long-term care homes, where the home is best positioned to provide the care needed.
- Transitional beds: working with our local hospitals to host short-term stays when long-term care homes are the 'best match' provider of care.



- Behavioural beds: working with multiple community partners to provide care for increasingly complex care plan needs; Woodingford Lodge is recognized as a leader for its behavioural supports team and programming.

“Campus of Care”

Campuses of care are uniquely positioned to advance the broader goals of system change and transformation. Campuses support underserved, high-needs populations, and have robust networks of partnerships.

There is no single campus blueprint: they come in different shapes and sizes reflecting local needs and resources. The common factor is a mix of community-based health and social supports, along with LTC beds, at a particular geographic location, typically to provide care for older persons with multiple chronic needs.

The identified site in Ingersoll provides the opportunity to work with the Town of Ingersoll and Alexandra Hospital, along with yet-to-be-identified partners, to take a “campus of care” approach to development of new long-term care beds.

Supporting Investment in Long-Term Care: Oxford County 2022 Budget Survey

Oxford County’s 2022 Budget Survey returned both quantitative and qualitative feedback in support for investing in Woodingford Lodge.

- 35.5% of Oxford residents surveyed support enhancements to Woodingford Lodge.

Qualitative comments include:

- *“Given the past 18 months, it has been very clear that only municipally funded LTC homes provided adequate supports and services to keep residents safe and well provided for. There is a crisis with limited quality beds available in modern facilities that meet current standards. Our community requires more investments in this area.”*
- *“Maybe we need to increase funding to create more beds. If the wait list wasn't so long to begin with people might not go on it as quick. With the waitlist for Woodingford Lodge so long an increase to municipal LTC beds is needed.”*
- *“More beds needed!”*
- *“Need to ensure we are planning for future needs - in advance of needing them.”*
- *“The waiting list should be all you need to see that we have a significant need in our community.”*
- *“The system seems to be seriously lacking if that many folks are relegated to a waiting list. To the extent that it can, the County needs to pressure or lobby the Province of Ontario to provide funding for more beds.”*

“Within the long-term care sector, not-for-profit homes are the closest aligned to Canadians’ belief in public health care. That’s why more than two-thirds of Ontarians, or 68 per cent, list not-for-profit, municipally-owned and charitable homes as their first choice for care. We strongly encourage the provincial government to reflect that choice when they decide whether to allocate any of those 10,000 new beds to for-profit operators.”

-AdvantAge Ontario

Conclusions

The Province of Ontario's commitment to develop 30,000 new long-term care beds is a timely opportunity for Oxford. Demographic data shows that we have both current and future needs for additional beds. Current waitlists show the need for more beds. Feedback from the County's 2022 Budget Survey shows support for investment in more beds. COVID-19 has shown that the County operates three facilities that provide safe, high-quality care.

New beds will help reduce wait times for a long-term care bed, ease hospital capacity pressures, ensure every resident can experience the best possible quality of life, supported by safe, high-quality care.

As a licensee of a 160 bed home in Woodstock, Woodingford Lodge has built a strong foundation of knowledge and experience operating a long-term care home of this scope. An additional 160 bed home owned and operated by the County will create more than 200 permanent jobs, positively impacting the communities and economies of the Town and County.

SIGNATURES

Report Author:

Original signed by

Dennis Guy
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Departmental Approval:

Original signed by

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Approved for submission:

Original signed by

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ATTACHMENT

Attachment 1: Oxford County New LTC Bed Application - Project Update - P1701-436561984-6
(1.0) Colliers' presentation, dated January 25, 2023