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Comments on

Proposed Initial Draft Regulation

Retirement Homes Act, 2010

Submitted by the Ontario Homes for Special Needs Association

March 31, 2011

To: Retirement Homes Project
Ontario Senior's Secretariat
777 Bay Street, 6th floor
Toronto, Ontario M7A 1J4

Sent by email: rhconsultations@ontario.ca

INDEX

Review of Retirement Homes Act Draft Regulations
Ontario Homes for Special Needs Association

The Ontario Homes for Special Needs Association (OHSNA) is not opposed to the intent and purpose of the RHA, namely, to bring a regulatory framework to the previously unregulated retirement home sector. However, the OHSNA is opposed to the Retirement Homes Act (RHA) applying to Domiciliary Hostels (DH) and Homes for Special Care (HSC). DHs and HSCs are not retirement homes. DHs are already regulated at the municipal level overseen by the Ministry of Community and Social Services (COMSOC). HSCs are regulated by the Ministry of Health (MOH). Applying a regulatory framework intended for retirement homes will have very negative impacts on the residents of DHs and HSC. It will very likely have the unintended consequence of driving our non-subsidized and/or subsidized low income seniors 65 and over suffering with a mental illness out of an already licensed and regulated care environment.

It is vital to note that the great majority of residents in DHs and HSCs are subsidized at a fixed per diem rate of $47.75 mandated by the provincial government. The costs of implementing the Retirement Homes Act and its regulations will be impossible (Appendix A) for these homes. It is therefore imperative that these facilities be specifically excluded in Section 3(2) of the regulations in order to ensure that there are no interruptions to services for all our residents.

If such a change is not made to the regulations then facilities may face closure or will need to terminate residency for some elderly non-subsidized clients, many who have called these facilities home for a number of years. For programs that have proven to be a solution to homelessness, this would be an unfortunate consequence. Our clients reside with us as we are a unique program that meets their needs. Alternative housing just does not exist for these low income seniors and those suffering with mental health issues. These individuals will then be unnecessarily returning to our hospital emergency wards, long term care facilities, the court system and/or eventually homeless.

Seniors residing in Domiciliary Hostel/Homes for Special Care are provided a per diem of $47.75. At current rates, our facilities will be unable to afford to meet the cost of complying with all of the Act and its regulations. The perverse impact will be that our low income seniors will be forced out to fend for themselves.

Background

Ontario Homes for Special Needs Association membership is voluntary consisting of homes and residential care facilities that are funded through the Domiciliary Hostel Program, the Homes for Special Care Program, and the Habitat Homes in Toronto. Most Residents are subsidized to reside in these facilities at a per diem of $47.75. There are income and asset tests to qualify for such subsidy.

Domiciliary Hostels have agreements and standards with their local municipalities or regions which meet or normally exceed provincially mandated minimums. There are approximately 5,000 subsidized beds provided within facilities having 7,000 beds in total. Please see the

attached St. Michaels study summary (Appendix B) for more information. Homes in the Prescott-Russell Region differ in that they provide services to an elderly population exclusively.

The Homes for Special Care program is governed under the Homes for Special Care Act. There are approximately 1,600 beds under this program. These homes provide services to essentially the same population as the Domiciliary Hostel program but must meet mental health requirements

The Concern

Confusion exists in both Government and by homeowners as to the impact the Retirement Homes Act will have on facilities where residents who privately pay (i.e. not subsidized) and are 65 years old or over fall. Homes that have the prescribed amount of clients (6) or more have clients that are intermingled with subsidized residents within the same facility, which is governed and licenced as a DH or an HSC.

Please see the attached summary (Appendix C) presented at various meetings with the Ontario Seniors Secretariat and Ministry for seniors.

We were told that these Hybrid homes would not be exempted from the Act because:

a) These seniors do not have oversight;
b) Our standards do not include the area of individual care plans.

With respect to a), this is not correct. The regulatory standards that apply to subsidized residents apply to all residents in a facility regardless of whether they are subsidized or not.

With respect to b) individual care plan standards are not required nor are they necessary under the currently government sanctioned rules. If the government wants to venture into this, this should be developed with the authorities that currently oversee these programs (COMSOC and MOH). It is important to note that these programs are already under funded. Mandated individual care plans would require additional government funds (Appendix D).

Recommendations

1(a) Threshold for Exemption
Regulations should exempt DH and HSC facilities entirely if they are providing subsidized services to at least 50% of residents. Subsidized residents are under the oversight of municipal partners or the Ministry of Health. They are currently exempt already under the RHA.

1(b) Two Year Moratorium
If the Seniors Secretariat (OSS) will not accept recommendation 1(a) above it is imperative that it provides a temporary moratorium of two years to determine the impact of the RHA on the residents of the DH and HSC sector and to allow the governing ministries to secure any necessary funding to keep these homes open. Officials from OSS and other government ministries have indicated that they do not know how many homes and residents exist that would fall under the new RHA regulatory regime. Given that serious consequences may result,

specifically, low-income seniors are likely to be displaced; it is incumbent that the government investigates the impacts through a census of homes and of the residents to whom this new regime would apply. The new Retirement Homes Regulatory Authority can be a vehicle to gather and collect this important information.

2) Per Diem Increase

If the DHs and HSCs are not exempt as recommended above, the government must provide additional funding to comply with the RHA. OHSNA calculates that an immediate per diem increase of $14.68 to $21.22 is necessary for our facilities to comply with the Act. This represents an increase of up to 44.4% over the current per diem of $47.75.

3) Create a special license class

The Act provides for different classes of license. If recommendations to exempt are ignored, the OHSNA recommends that a distinct license class be created. This Domiciliary Hostel/Homes for Special Care Class should be based upon the current standards that DHs and HSC comply with currently. These are set by the municipalities/regions equal to or exceeding provincial mandates where the majority of residents are subsidized.

Without implementation of the above recommendations, many of our facilities will be forced to either close or terminate residency for our private pay seniors, increasing homelessness for these individuals suffering with mental illness as well as adding more demand to the currently overwhelmened Long Term Care sector.

Other Recommendations

Regardless of whether hybrid homes continue to be included in these regulations, OHSNA recommends the following additional points.

1) DHs and HSC be included in Alternative Housing options

Section 63(3) mandates information about alternatives to retirement homes be given to residents. Domiciliary Hostels and Homes for Special Care Programs are not included in the prescribed list. We believe that all housing information should be shared including Domiciliary Hostels and Homes for Special Care Programs.

2) Definitions of Abuse, Zero Tolerance

The regulations on abuse exempts abusive residents considered to be incompetent. The OHSNA recommends the removal of this exemption. Home operators need the ability to evict residents who may be deemed incompetent to protect other residents. These matters must be taken seriously as all residents have a right to be and feel safe. At times emotional and verbal abuse can end in physical abuse while bullying can end in someone living in fear. Facilities must be able to deal with this type of abuse of which termination/eviction may be required. Legal recourse to do so is compromised by such a definition.

3) Police Checks

It is often not feasible for facilities to postpone hiring staff until a police check is completed and received. This can take up to 4 weeks, placing the facility in a position of being understaffed.

4) As noted in Appendix A

We recommend that the Regulation require the home to obtain a copy of the receipt for the police check and have the employee sign the disclosure as in section 13(3).

We would be pleased to meet and discuss this with you at your convenience.

Appendix A

Review of Proposed Initial Draft Regulations: February 22, 2011
Preformed by: Ontario Homes for Special Needs Association

This is an analysis by section. We have split the costs between homes up to 20 beds (averaged) and over 20 beds.
Note: We are including only those sections we currently see as having a direct impact on our programs at this time
Costing is incomplete owing to unknowns and interpretation.

Page	Section	Comments	Estimated Costs up to & including 20 Beds	Over 20 Beds
Intro				
1	Last Para.	Costs of future phases to be born on facilities e.g.. Insurance, emergency funds etc Costs are unknown and maybe extensive. We cannot pass these along to our low income residents	Unknown	Unknown
2	Para 2	Domiciliary Hostels and HSC provide assistance with activities of daily living and medication management These costs are included in fees and per diem. We cannot charge extra, this is not an option. This is one reason we are financially strained and cannot assume extra costs.		
2	Para 3	Our facilities provide services as per our Standards.		
2	Para 4	This paragraph aptly recognizes the Domiciliary Hostels (DH) and Homes for Special Care (HSC) and the fact that we do not come under the Act. Since residents are subsidized based on an income and asset test we may have individuals that reside with us and pay us out of their funds. We may also be at our maximum subsidized bed count. These residents share rooms and common areas with our subsidized residents, one cannot differentiate. These facilities or premises are still to be considered DH or HSC as our standards relate to all residents. Since the Retirement Homes Act has neglected to include specifics regarding hybrids they now need to be included in the body of the Regulations. Homes where over 50% of residents are subsidized are to be excluded We need to ensure that our taxpayers dollars are not being used for interpretation of the Act and its regulations These facilities rely on the subsidy to survive. **Section 3 (2) Needs to include the above specification**		
2	Para 5	OHSNA not part of roundtable, more input from low income operators needed		
21	**3(2)**	Excludes premises or parts of premises where there is already oversight, residential treatment programs or supportive housing programs. The Dom and HSC should be included as we are both. The Regulation should include: Those premises where more that 50% of the residents are subsidized through programs funded by the government, such us the Domiciliary Hostel or Homes for Special Care program.		
25	10	Residents are to be given Care Home Information Package, Tenancy Agreement, and much information in section 10. Will require professional input, increased printing costs, Regulation states that all residents must be provided it. Most do not come under the RHA. This will be confusing to our residents and will cause issues for inspectors.	$ 3,000.00	$ 6,000.00
26	11 12	Posting this information in a Dom or HSC will be misleading as it does not pertain to all or most residents. Inspectors time will be spent on issues relating to the DH or HSC programs and this is beyond their mandate. Resident Council meetings will be confusing for all.		
27/28	13(1)	Conducted always before hiring. This may take a few weeks or may not be available (recent immigrant) and it is not practical for the facility to be short staffed. Places residents/staff at risk. Proof of Police Check should be provided to employer and 13(3) should be obtained under these circumstances. Our programs cannot be left short staffed. This is understood and most require proof that the check has been requested.		
29	14(2)(3)	Costs to provide annual training? Mental Stimulation, Complaints, Dementia Care, Abuse. Initial Staff Training: Based on 8 staff 12 hours materials and course costs Based on 35 staff 7 hours materials and course costs (Reduced hours as staff do receive training in some areas, CPI etc.)	$ 7,850.00	$ 23,500.00
29	14(5)	Annual training As above 5 hours, done internally (does not take into account staff turnover)	$ 1,300.00	$ 5,100.00
33	21	Residents may bring in hazardous substances, this and what to do must be recognized in the Regulations		

Page 2	Section	Comments	Estimated Costs up to & including 20 Beds	Over 20 Beds
34	24	All procedures are for the retirement home to do. This is an area where interpretation is needed. Issues are systemic and Ministry of Labour should be consulted. Typically clients that pose a risk or are at risk should be formed, and hospitalized. Police intervention unknown	Unknown	Unknown
34/35/ 36/37	25-26-27	Expertise/time/ required to meet standards. Many homes have a plan but they may not be complete.	$ 5,000.00	$ 10,000.00
38	28(8)(a)	Printing of information e.g.: annual vaccinations, infection control protocol and etc. who prints and writes this up. If the Home is fully responsible. Information to be given to residents, families, and visitors.	$ 1,000.00	$ 3,000.00
40	30(d)	A member of a college supervises the administration. Smaller homes (less than 50 beds) cannot afford to hire a nurse. Staff are trained by Pharmacy. The hours needed by a Nurse to constitute supervise not specified. Estimate is based on Part Time staffing, availability unknown. 20 hours/week at $30.00 per hour plus 17% employer costs.	$ 36,504.00	$ 36,504.00
45	42(1)	This is a specialized area and the impact of this is difficult to determine. Residents are usually placed in LTC facilities. We did include some costs in staff training above.		
46	43(1)	Our facilities provide very limited wound care. Residents are mobile. CCAC provides care while on LTC list.		
50	48,49(1)	Care Plan needs to be approved by or under the supervision of a College of Nurses. or Physicians and Surgeons. Assumes that in the approving person, reviews all documents, meets with client/family, reviews plans at least every six months, ensures plan is implemented, and etc. The Nurse is best to be a staff member. Estimated a part time Nurse as in s 30(d) For larger firms extra staffing is needed as nurses work mostly on the floor and do not have extra time	$ 36,504.00	$ 36,504.00
50	50(1)	As part of this Regulation and section 63 of the Act, The Domiciliary Hostel, Homes for Special Care and Supportive Housing should be mentioned as alternative housing.		
55	57	Gives no other alternative than maintaining a Trust Bank Account. Some homes maintain cash for residents. As clients utilize funds often or on a daily basis. Funds provided when needed, on a monthly basis. This is a viable option. If this arrangement is agreed to by the resident and/or Power of Attorney, it should be acceptable and noted in Regulations that a Trust Bank Account need not be maintained by the home. . Records of deposits and drawings should be maintained. If a resident wants an audit of the account it should be at their expense, not the homes, when cash is maintained at the residents request.		
55	57(2)	Should be changed to include that monies can be maintained on site as long as funds are insured and up to a maximum of $1,000.00		
58	57(11)	Audit of Trust Bank Account required as Registrars request. Term of engagement are to ensure Regulations are being met. Cost about $225.00/ hr estimate 1 hour per resident plus HST. Smaller homes est. 9 Residents, larger Homes est. 20 residents	$ 2,300.00	$ 5,100.00
58	, 58,59	As we post these in our facilities, Inspectors and Residents will be confused as this impacts the minority of residents.		
RHA 29	60	Resident Room to Staff Communication System	$ 15,000.00	$ 35,000.00
General		Policies and procedures need to be evaluated and changed to meet the Regulations Quality Control and updating needed. The above Nursing Costs include these added costs.		
TOTAL		Not all costs are included in the above and this should be seen as the minimum cost incurred	$ 108,458.00	$ 160,708.00
		While it is difficult to determing the impact on the per diem at this time we are using an average of 14/30 beds subsidize	14.00	30.00
			$ 7,747.00	$ 5,356.93
		Number of days	$ 365.00	$ 365.00
			$ 21.22	$ 14.68

Appendix B

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CENTRE FOR RESEARCH ON INNER CITY HEALTH

2009 CRICH SUMMARY REPORT:
Survey of Domiciliary Hostel Program Tenants in Ontario

KEY MESSAGES:

1 Most tenants in Ontario Domiciliary Hostels are younger than 65.

2 Most tenants face significant physical health problems, mental health problems, or developmental disabilities. Serious mental illness is prevalent.

3 Over a third of tenants have a history of homelessness. The average tenant has lived in a Domiciliary Hostel for 5 years. This suggests that those at risk of homelessness are able to remain housed in Domiciliary Hostels.

4 Participation in community life and social/recreational activities outside the Hostel is extremely limited, and participation in the paid workforce is almost zero.

5 Domiciliary Hostel staff assist tenants in a number of ways, including helping with medications, accompanying them on health visits, and providing social support.

6 Most tenants feel socially well-connected to family, friends, and Hostel staff. About one-quarter of tenants have little contact with friends or family.

7 Tenants perceive the quality of their housing to be quite good. Most express a preference to stay at their current residence.

This is a summary of the 2009 Survey of Domiciliary Hostel Program Tenants in Ontario.

The purpose of the survey was to generate a comprehensive portrait of tenants who live in Ontario's Domiciliary Hostels so that service planning and policy development can be responsive to tenants' needs.

Who is this summary for?

- People who are involved in service planning or service provision in the Ontario Domiciliary Hostels Program.
- Tenants in the Ontario Domiciliary Hostels Program and their families and friends.

The survey was funded by:

The Ministry of Health and Long-Term Care and the Ministry of Community and Social Services, through the Ontario Mental Health Foundation.

Project Advisory Committee:

- Consolidated Municipal Service Managers
- District Social Service Administration Boards
- Habitat Services
- Ministry of Community and Social Services
- Ministry of Health and Long-Term Care
- Ontario Domiciliary Hostels Tenants' Association
- Ontario Homes for Special Needs Association

This summary is based on the following report:

Hwang, S., Chiu, S., and Wilkins, E. 2009. A Survey of Domiciliary Hostel Program Tenants in Ontario: Final Report.

Downloadable at **www.crich.ca**

Please see the back cover for information about how the survey was conducted.

1. Who Lives in Domiciliary Hostels in Ontario?

The Domiciliary Hostel Program was established in the 1970s to provide housing to low-income seniors who did not require regular nursing home care.

Today, the typical Domiciliary Hostel tenant has a very different profile and very different service needs.

Most tenants are ***not*** elderly – the average age is 55. Most tenants ***do*** experience significant physical health problems.

In addition, three-quarters of tenants have been diagnosed with a mental health issue and about half suffer serious mental illness. Close to one-third of tenants in Domiciliary Hostels have been diagnosed with developmental disabilities and/or learning disabilities.

Most tenants are *not* elderly.

Over three-quarters of tenants surveyed for this study were under the age of 65. Tenants ***under*** 65 are more likely to be men, while tenants ***over*** 65 are more likely to be women. Based on this survey, the typical Domiciliary Hostel tenant is 55 years old, white, male, English-speaking, single/never married, and Canadian-born.

Most tenants experience mental health problems. *Serious mental illness* is very prevalent in Domiciliary Hostels.

Nearly three-quarters of respondents said they had been diagnosed with at least one mental health issue. Half of all tenants have been diagnosed with at least one of the following: schizophrenia, psychosis, bipolar affective disorder (manic-depressive illness), or manic disorder. Four out of ten tenants see a psychiatrist regularly. Notably, substance use is quite rare among tenants. Most tenants said they had not used alcohol or drugs in the past three years. Non-seniors are nearly four times as likely to experience serious mental illness.

Most tenants have problems with mobility, self-care, and have chronic health problems.

Tenants' overall sense of health and well-being is substantially lower than the Canadian average – however, tenants reported high satisfaction with the health care they receive. The most common health problems include arthritis/rheumatism/joint problems, high blood pressure, diabetes, asthma, chronic bronchitis/emphysema, epilepsy/seizures, anemia, heart attack, and stroke.

Non-seniors and seniors have different health problems.

More seniors reported heart attack, stroke, and mobility problems. Epilepsy/seizures, asthma, and diabetes are more commonly reported by non-seniors. Most tenants have a family doctor and almost every tenant takes a prescribed medication.

Close to one-third of tenants have a developmental disability, learning disability, or other disability. Developmental disabilities are prevalent (21%).

Tenants with developmental disabilities have lower mental health status than other tenants; however their physical health status is about the same. The mean age of tenants with developmental disabilities is 50 years old. These tenants are more likely to have Hostel staff accompany them to health visits and help them with medications.

Over three-quarters of tenants are registered with either Ontario Disability Support Program or Ontario Works.

Over one-third of tenants have a history of homelessness.

The average tenant has lived in a Domiciliary Hostel for 5 years. This suggests that those at risk of homelessness are able to remain housed in Domiciliary Hostels.

Most tenants feel socially connected; however, close to one-quarter of tenants had very little recent contact with family or friends.

Nearly 8 in 10 tenants agreed with the statements, "I have family and friends who help me feel safe, secure, and happy", and "I provide support to my friends and/or my family." 50% of tenants had contact at least once a week with close friends or family members. The majority said they could talk to friends, family members, and Domiciliary Hostel operators about personal issues, and most had friends both inside and outside the Domiciliary Hostel. However, 20-25% of tenants reported no contact with either friends or family members during the past month.

Tenants reported *very low* involvement in community life activities outside the Domiciliary Hostel.

For example:

- 96% do not participate in the paid workforce.
- 85% never/rarely attended a movie.
- 85% never/rarely visited a drop-in centre.
- 81% never/rarely visited a library.
- 72% never/rarely attended a church/place of worship.
- 71% never/rarely visited a park.

Most tenants experience personal autonomy and feel able to express their opinions about Hostel life and policies.

More than three-quarters said they could choose how to spend their own money and when to go to bed at night. A similar number said they felt able to register complaints and to disagree with staff. However, fewer than half said regular house meetings were scheduled for tenants to voice concerns.

Tenants gave Domiciliary Hostels high marks for 'housing quality'.

Tenants rated six dimensions of housing quality: comfort, safety, spaciousness, privacy, friendliness, and overall quality. The mean score for overall housing quality was "77 out of 100".

Good friendships, good food, and good atmosphere matter most to tenants.

Most tenants said they enjoyed things about Hostel living, in particular, good meals, friendly relations with other tenants and staff, activities, and the general atmosphere and human contact available at the Hostel. About half of respondents said there were things they disliked about living at the Hostel, including problems or conflicts with other tenants, the meals or size of meals, lack of freedom, lack of discipline, uncaring or unfriendly staff, and noisy/crowded living spaces.

Overall, tenants in Domiciliary Hostels feel socially connected, have positive relations with friends, family, and Hostel staff, and feel they can exercise personal choice. They have positive perceptions about the quality of Domiciliary Hostel housing, and most would prefer to stay in their Domiciliary Hostel. However, tenants experience very limited engagement in community life outside of the Domiciliary Hostel. Almost none participate in the paid workforce. Lack of participation in activities outside the Hostel may be due to tenants' significant physical and mental health challenges.

Continued on back page

On average, tenants have lived in their current Domiciliary Hostel setting for 5 years.

There was no single or dominant pathway that tenants followed to enter the Domiciliary Hostel Program.

Referrals were made by community agencies, health care providers, family/friends, or, less frequently, by a previous Domiciliary Hostel.

Prior to living in a Domiciliary Hostel, most tenants had lived either in their own/family house or apartment (56%) or at another Domiciliary Hostel (17%).

Tenants' main reasons for moving from their previous residence were health-related (44%).

Tenants reported mental health (18%) or physical health needs (14%) or requiring assistance with daily living (12%) as reasons for moving from their previous residence. Tenants also moved because their previous living situation had changed (27%), for example, due to domestic instability or a family death, or because the former residence was no longer available.

Hostel staff/operators provide personal support services and help tenants to access health services.

43% of tenants said they received help from support workers/Hostel staff in accessing community services and/or attending health care appointments. In addition, most tenants receive help with taking medications, either from Domiciliary Hostel staff/operators (64%) or nurses working at the Domiciliary Hostel (32%). Tenants with a support worker tend to be younger than age 65, and are more likely to have a serious mental illness, or to have a developmental disability. Seniors are most likely to receive home visits from a family doctor.

Most tenants want to stay at the Domiciliary Hostel.

About two-thirds of tenants expressed a preference to stay at their current Domiciliary Hostel. Among the remaining third of tenants, 70% wished to move to an apartment or house of their own, or any type of independent housing. 11% wished to move to another Domiciliary Hostel.

About Ontario's Domiciliary Hostels

- 4,700 Ontarians live in Domiciliary Hostels.
- Approximately 200 Domiciliary Hostels are in operation in Ontario.
- Hostels range in size from 1 bed to 108 beds. The average Domiciliary Hostel contains 35 beds.
- Domiciliary Hostels are owner-operated.
- For more information on Ontario's Domiciliary Hostels Program, contact your local municipality. For a list of municipalities in Ontario please visit the Association of Ontario Municipalities' web site at **www.amo.on.ca**.

About this survey

258 randomly selected Domiciliary Hostel tenants participated in this survey. Results are accurate to within plus or minus 6%, 19 times out of 20. Interviews were conducted in either English or French, at Domiciliary Hostels in the 8 largest Consolidated Municipal Service Manager (CMSM) areas in Ontario. Wherever possible, survey questions were based on previously validated indicators.

There are certain limitations to this study. In particular, the survey may underestimate the overall level of illness or disability among Domiciliary Hostel tenants. Also, the findings may not apply to the CMSMs that were not included in the sample.

The survey questionnaire and the long report documenting research methods and complete findings are downloadable at **www.crich.ca**.

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CENTRE FOR RESEARCH ON INNER CITY HEALTH

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Appendix C

THE PROBLEM

Domicilary Hostels and Homes for Special Care (HSC) are exempt from the Retirement Homes Act (RHA) and are inspected and regulated by municipalities or the Ministry of Health. However, approximately 20 – 25% of the over 300 homes in the province are "hybrid homes", which also provide accommodation to a limited number of private paying residents.

If the RHA is applied to hybrid homes, both the operators of these facilities and the provincial government will face significant challenges. These homes are already financially strained and many homes will not be in a financial position to meet the new standards of the RHA. In addition, the homes will be subject to two regulatory regimes: the Retirement Homes Act (RHA) and the various municipal/provincial regulations. This duplication will likely prove to be overly burdensome for operators. Finally, unlike in the retirement home sector, neither the municipalities nor the provincial ministries are likely to opt out of their regulatory space, so the duplication will be permanent.

THE SOLUTION

Regulations should be enacted to exclude facilities which house a majority of Domicilary Hostel and Homes for Special Care residents and a minority of private pay residents from the Retirement Homes Act.

BACKGROUND

The Domicilary Hostel Program has been in existence for over 25 years. It is a discretionary program for mentally and physically challenged adults, persons suffering from addictions and alcohol dependency as well as a myriad of other diagnoses. Most of these individuals are also financially challenged and are dependant of ODSP, disability payments or welfare to survive. In Prescott-Russell homes cater to the frail elderly.

The Ministry of Community and Social Services provides Domicilary Hostels with a maximum per diem of $47.75 per resident. This payment is cost shared with participating municipalities at a rate of 80% provincial and 20% municipal (80/20). Homes for Special Care clients are subsidized 100% by the Ministry of Health and Long Term Care.

Private paying residents are typically charged a very low rate which is similar to that of the HSC and Dom Hostel Program. These residents are intermingled with domiciliary residents and are provided the same services and treated in the same manor. As a result, it is virtually impossible to tell the difference between the two types of residents. Therefore, were the new standards to apply to private pay residents, they would be very difficult to implement.

Dom homes and HSCs are already financially strained because of the extremely low per diem rate from which they operate. If these homes are forced to comply with new standards tailored for retirement homes, many homes will not be in a financial position to do so. If these homes are unable meet the new standards, they will be forced to either close, evict their private pay tenants, or operate in contravention of the Act. This will have the unintended consequence of displacing persons who are already at the margins of society. These persons may end up homeless or in the already overburdened health system. The cost of taking care of this displaced population in a hospital setting will be far more costly than it is now.

Appendix D

Raymond Chabot Grant Thornton Consulting Inc.

REPORT

Ontario Homes for Special Needs Association

Rate Renewal

March 14, 2007

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Table of Contents

Executive Summary

The Ontario Homes for Special Needs Association (OHSNA) is a not-for-profit association that represents the concerns of owner/operators of residential care facilities that provide services under the Homes for Special Care and Domiciliary Hostel Programs. The domiciliary hostel operators provide services in accordance with the service agreement with Municipalities, which until now has outlined basic service standards as well as legislative requirements.

Unlike homes for Special Care Facilities, which are funded by the Ministry of Health, Domiciliary Hostels are funded by the Ministry of Community and Social Services (COMSOC) and by the participating municipality (80/20 split). Accommodation rates are set by contractual agreement between COMSOC, the municipality and the operator. Until 2000, the rate was $34.50 per day. It was increased in 2004 to the rate of $41.20 per day per resident. In June 2006, this rate increased to $45.00.

Background

Domiciliary hostels were initially created as a municipal response to meet the housing need of impoverished frail/elderly adults. In more recent years, the program has evolved to become permanent housing for vulnerable adults with a wide range of special service needs, such as persons with mental illness, physical and/or developmental disabilities and/or frail elderly who, in the absence of such support, are likely to experience significant health and related difficulties and lose their housing. Under the domiciliary hostel program, there are approximately 310 facilities with over 6,000 residents

Objective

On behalf of the OHSNA, Raymond Chabot Grant Thornton Consulting Inc., was contracted to conduct a limited study involving the review and analysis of information concerning the operation of the domiciliary hostels, background reports and studies and seven Income and Expense statements (for varying fiscal periods) for operators in various regions of Ontario. Raymond Chabot Grant Thornton Consulting Inc. was also provided with the new Domiciliary Hostel Standards, issued by the Ministry of Social Services in September 2006, that will be part of the agreements in the ensuing years.

The objective of this limited study was to generate an overview of the funding and current funding levels of domiciliary hostels to determine if the current resident per diem rate of $45.00 is adequate to provide reasonable accommodation, personal support and services to residents and to assess the impact of the new standards on the rate structure.

It is the intention of this study to prompt a province-wide analysis of domiciliary hostel funding to ensure that adequate and sustainable funding is made available for reasonable care and quality of life for residents. The information presented in this study will be brought forth at a meeting with Provincial Minister.

Scope

Due to the short timeframe for the development of the report, the President of the OHSNA provided us with information that was readily available. However, we were able to perform some analysis which provides insights on the current and proposed resident per diem rate.

Approach, Methodology and Analysis

Raymond Chabot Grant Thornton Consulting Inc. reviewed the financial information provided by seven Hostel operators and grouped the seven operators based on the resident days, which were calculated by dividing the resident per diem rate into the revenues as indicated in the income and expense statements. This information allowed the consulting team to group the operations into four categories to determine the impact of synergies of size. After comparing the cost results for each category we determined that, based on this limited information, most operators' expenses were within the same relative range regardless of the operator's operation size.

Expense items were then calculated as a percentage of revenue (resident rate per day) for each of the seven operators. It should be noted that the time period of the financial information varies from operator to operator.

From this information the Olympic average percentage rate was calculated (i.e. deleted the highest and lowest percentage and developed the average of the percentage by expense category) for each expense item in order to determine an approximate allocation of the resident per diem rate amongst the various expense categories.

The Olympic average cost percentage was then applied to the resident per diem rate to demonstrate the allocation of the resident per diem rate to the cost components. The allocation of the resident per diem rate to the applicable cost component was undertaken for the current resident per diem rate of $45.00. A significant portion of the resident per diem rate relates to labour, food and maintenance.

A theoretical rate was also calculated which reflects various adjustments to the current resident per diem rate of $45.00 to account for management fees, inflation, a pending increase to minimum wages and improved standards.

Conclusion

Based on the limited information, it would seem that operators will provide services and facilities equal to the amount provided in the current resident per diem rate. However, it should be noted that from the analysis we conducted the current rate for the Domiciliary Hostels is much lower than the lowest proposed rate for Emergency housing (by $9.50) and is only 35% of the rate for Nursing care. This is not reasonable given the extra care and services provided by Domiciliary Hostels as compared to Emergency housing operations. This extra care and associated services relate more closely to Nursing care and therefore warrants an increase of the current resident per diem rate of $45.00. Further to this, we have developed a theoretical rate of $61.76 which might account for management fees, inflation, a pending increase to minimum wages and improved standards.

Recommendations

As the Domiciliary Hostel program is a permanent program which provides care for residents other issues need to be addressed such as long-term program financing from one level of government with province wide standards so that all Ontario residents are treated equally.

Proper financing and maintenance of facilities, standard levels of remuneration for the operators with a maximum ceiling, and the level of interest on facility financing should be allowed. In addition, a program should be implemented to ensure that operators spend the funding in alignment with the standards and the allocation percentages of the resident per diem rate. Raymond Chabot Grant Thornton Consulting Inc. recommends that a detailed study of the Domiciliary Hostel program be conducted including benchmarking of cost percentages prior to the implementation of new standards and then a comparison of those percentages post implementation.

Introduction

Ontario Homes for Special Needs Association

The Ontario Homes for Special Needs Association (OHSNA) is a not-for-profit association that represents the concerns of owner/operators of residential care facilities that provide services under the Homes for Special Care and Domiciliary Hostel Programs. Their clients require the services that they provide owing to the severity of their mental illness, cognitive impairments, acquired/organic brain injuries or the frail elderly. These individuals have not had the opportunity to build an income or asset base that allows them to pay for the services that they require. Under the domiciliary hostel program, there are approximately 310 facilities with over 6,000 residents.

The domiciliary hostel operators provide services in accordance with the service agreement with Municipalities, which until now has outlined basic service standards as well as legislative requirements. The Housing branch partners with the Employment and Financial Assistance branch to provide intake, assessment and ongoing monitoring of personal and financial eligibility for subsidized residency. Individuals applying for subsidies are self-referred or referred by families, doctors, hospitals, and other community agencies.

Unlike Homes for Special Care Facilities, which are funded by the Ministry of Health, Domiciliary Hostels are funded by the Ministry of Community and Social Services (COMSOC) and by the participating municipality (80/20 split). The funding is discretionary. If either COMSOC or the municipality opt out the program ceases to exist.

Accommodation rates are set by contractual agreement between COMSOC, the municipality and the operator. The contract is cancellable on 30 days notice. Until 2000, the rate was $34.50 per day. It was increased in 2004 to the rate of $41.20 per day per resident. In June 2006, this rate increased to $45.00.

Background

In the late 1950s, municipalities began to provide financial support for impoverished adults living in unregulated lodging or boarding homes. In the early 1970s, the province began to develop more formalized policies to help support adults who would be otherwise homeless with shelter and basic needs in lieu of direct financial assistance.

Domiciliary hostels were initially created as a municipal response to meet the housing need of impoverished frail/elderly adults. In more recent years, the program has evolved to become permanent housing for vulnerable adults with a wide range of special service needs, such as persons with mental illness, physical and/or developmental disabilities and/or frail elderly.

Domiciliary hostels provide permanent housing, personal support and some assistance with activities of daily living to vulnerable adults in the community who, in the absence of such support, are likely to experience significant health and related difficulties and lose their housing. Residents of domiciliary hostels are typically living with psychiatric or developmental impairments and/or are frail and elderly. For many frail elderly persons it is a matter of no longer being able to live on their own and not yet qualifying for placement in long-term care facilities.

Domiciliary hostels are one form of housing in a range of housing that assists vulnerable adults to live in a community. Eligibility for the domiciliary hostel program can generally be considered from two

perspectives: the individual's functional abilities including their need for support with activities of daily living; and, their need for affordable housing.
The following principles underlie the domiciliary hostel program:

- Government, community and individuals have a shared interest in the appropriate housing of vulnerable adults living in their community
- As service system managers for homelessness, CMSMs/DSSABs have the authority to purchase the domiciliary hostel services that best meet their local needs; and
- Funding for the domiciliary hostel program is used for the purposes intended.

It is the objective of the domiciliary hostel program to provide:

- A residential living environment that is safe and supportive for all tenants;
- A client-focused environment where tenants are supported in a manner that meets individual needs; and
- Permanent housing insofar as it continues to meet the tenant's needs.

Unlike emergency shelters/hostels that are intended to provide only temporary accommodation, housing funded under the domiciliary hostel program is intended to provide permanent housing.

In the past, much of the housing provided by the domiciliary hostel program was viewed as residential and/or custodial in nature. Stakeholder groups representing vulnerable adults have been widely critical of this traditional model for its tendency to provide the same services to all tenants in the same manner, regardless of level of ability and/or independence (e.g. a tenant wanting to learn basic skills like meal preparation may be prevented from doing so as cooking for oneself may not be an option due to home operation restrictions).

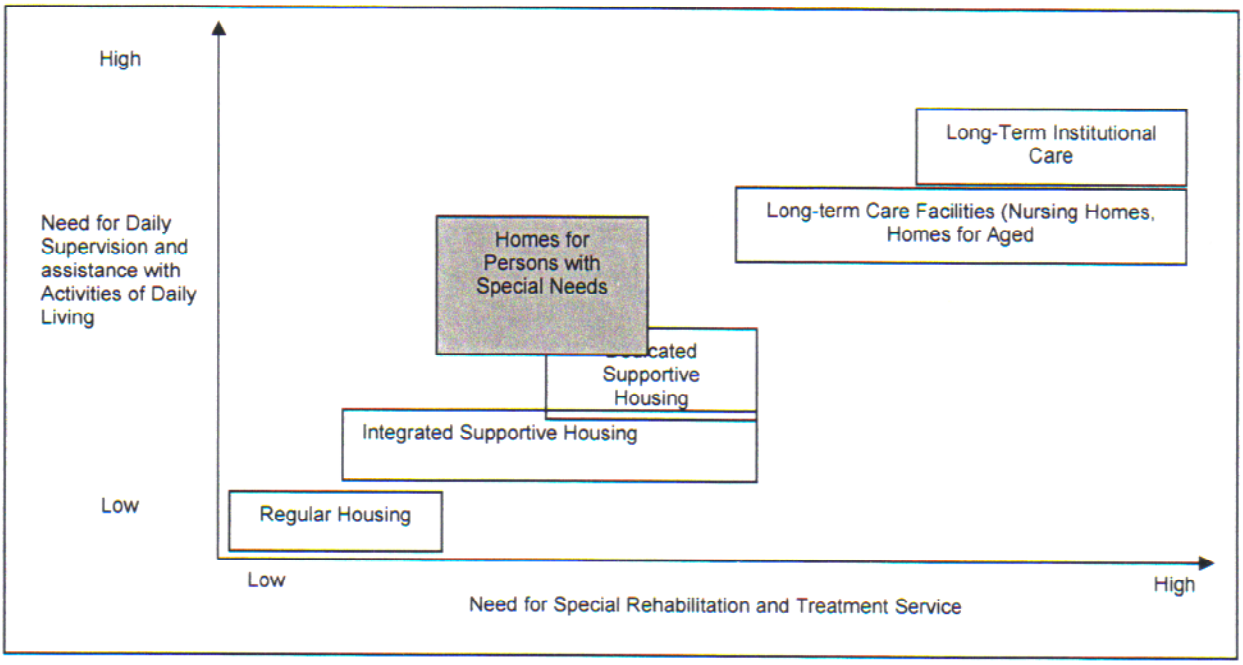
With the divestiture or closing of some psychiatric facilities and the aging of the population, more people with increasingly severe mental illnesses are going to residential care facilities that serve people with "special needs" which included domiciliary hostels. Therefore, greater resources to deal with their needs and issues are needed. Numerous studies and the experiences of the OHSNA have provided evidence that they are no longer providers of simple housing. Residents are people with mental health challenges.

Best practice evidence in the provision of housing and support promotes fostering a level of independence for all individuals, including vulnerable adults, in order to facilitate housing retention. In addition, research has demonstrated that the qualities and features of housing settings that produce positive outcomes for vulnerable adults include: social support, good housing quality, favourable locations in the community, privacy, a small number of tenants and tenant control and choice.[1]

Housing stability for vulnerable adults is more likely to occur when individuals are supported with appropriate levels of assistance in activities of daily living; with a mix of structured and un-structured activities that help to foster independence; and, with making linkages to additional rehabilitation, treatment and support services in the community. The ideology that domiciliary hostels provide a residential/custodial care environment to maintain a maximum level of functioning is outdated. In many cases, care considerably overshadows the housing component. It should be emphasized that it is the needs of "seriously mentally ill" that are being addressed and the care involved in meeting those needs is not a simple task. The Domiciliary Hostel program is an integral part of the health care system, providing essential services.

[1] Parkinsom s, Nelson G, Horgan S (1999). From housing to homes: A review of the literature on housing approaches for psychiatric consumer survivors. Canadian Journal of Community Mental Health. 18, 1, 45-64

The following chart represents what is currently offered by domiciliary hostels with enhanced deliverables to address the above-noted needs, fair funding and government regulations and standards:



Source: Homes for Persons with Special Needs – Consultation Backgrounder, Ministry of Health & Long-term Care and the Ministry of Community and Social Services September 2000

In comparison to other forms of housing, the funding for Domiciliary Hostels sits in the middle range between Nursing Homes and Emergency Shelters as outlined in the following table:

Type of Facility	Funding Per Day per Person
Nursing Homes	$130.00
OHSNA Homes Domiciliary Hostels - CURRENT	$45.00
Emergency Shelters – PROPOSED - fewer than 20 beds[2]	$85.95
Emergency Shelters PROPOSED - between 20 and 49 beds[2]	$68.80
Emergency Shelters PROPOSED - with 50 or more beds[2]	$54.50

[2] Emergency Hostel Task Force Report – Final Report December 2005

Objective

On behalf of the OHSNA, Raymond Chabot Grant Thornton Consulting Inc., was contracted to conduct a limited study involving the review and analysis of information concerning the operation of the domiciliary hostels, background reports and studies and seven Income and Expense statements (for varying fiscal periods) for operators in various regions of Ontario. Raymond Chabot Grant Thornton Consulting Inc. was also provided with the new Domiciliary Hostel Standards, issued by the Ministry of Social Services in September 2006, that will be part of the agreements in the ensuing years.

The objective of this limited study was to generate an overview of the funding and current funding levels of domiciliary hostels to determine if the current resident per diem rate of $45.00 is adequate to provide reasonable accommodation, personal support and services to residents and to assess the impact of the new standards on the rate structure.

It is the intention of this study to prompt a province-wide analysis of domiciliary hostel funding to ensure that adequate and sustainable funding is made available for reasonable care and quality of life for residents. The information presented in this study will be brought forth at meetings with the Provincial Officials including the Minister.

Scope

Due to the short timeframe for the development of the report, the President of the OHSNA provided us with information that was readily available. In this regard, the financial information provided was from a limited number of operators as presented. The available documentation is not statistically representative nor have we assessed the financial information provided. However, we were able to perform some analysis which provides insights on the current and proposed resident per diem rate.

Methodology, Approach and Analysis

Raymond Chabot Grant Thornton Consulting Inc. reviewed the financial information provided by seven Hostel operators. Originally, we anticipated grouping the financial information into the Regions in which services are provided as the Municipalities' decision impacts the operators in that Region. We then attempted to group the operators by resident size into the following categories (i.e. fewer than 20 beds, between 20 beds and 49 and more than 50 beds) in order to align with the Emergency Hostel Task Force Report. However, neither of these scenarios was possible due to the limited financial information we received for each Hostel operator.

We therefore grouped the seven operators based on the resident days, provided by operator, as outlined in the following table:

	Millwood Manor	Pilgrim's Provident Inc.	Doon Valley Manor	Victoria Manor Ltd.	Edgewood Care Centre	Residence A&C Champagne	Sunrise Lodge
Year	Oct. 31-05	Dec-06	Dec. 31-05	Jan.31-06	Apr. 30-06	Mar-05	Sep-04
Patient Days							
Revenues	970,901.00	205,639.48	238,094.80	757,941.00	2,062,989.67	421,716.00	131,788.00
Rate/Patient	41.00	43.10	41.20	41.20	41.20	40.30	40.00
Patient Days	23,680.51	4,771.22	5,779.00	18,396.63	50,072.56	10,464.42	3,294.70

We calculated the resident days by dividing the resident per diem rate into the revenues as indicated in the income and expense statements. This information allowed the consulting team to group the operations into four categories. By grouping the operators into comparable resident days the team could determine the impact of synergies of size. By calculating the resident days we did not have to address vacancies.

After comparing the cost results for each category we determined that, based on this limited information, most operators' expenses were within the same relative range regardless of the operator's operation size.

The following table identifies the expense items as a percentage of revenue (resident rate per day) for each of the seven operators for which we were provided statements. It should be noted that the time period of the financial information varies from operator to operator. From this information we then calculated the Olympic average percentage rate (i.e. deleted the highest and lowest percentage and developed the average of the percentage by expense category) for each expense item in order to determine an approximate allocation of the resident per diem rate amongst the various expense categories.

Expense Item	Victoria Manor Ltd.	Millwood Manor	Residence A&C Champagne	Doon Valley Manor	Pilgrim's Provident Inc.	Sunrise Lodge	Edgewood Care Centre	Normalized Rate (1)
Financial Statement Date	31-Jan-06	31-Oct-05	Mar-06	31-Dec-05	Dec-06	Sep-04	30-Apr-06	
	% Revenue	% Revenue	% Revenue	% Revenue	% Revenue	% Revenue	% Revenue	% Revenue
Labour	53%	44%	26%	30%	45%	31%	34%	37%
Food	10%	10%	12%	22%	11%	12%	11%	11%
Utilities	7%	7%	5%	5%	6%	14%	4%	6%
Maintenance	3%	5%	13%	4%	7%	9%	8%	6%
Amortization	5%	7%	7%	6%		5%	5%	6%
Insurance	1%	1%	1%	1%	2%	5%	1%	1%
Property Taxes	4%	3%	2%	2%	3%	3%	3%	3%
Interest	11%	9%	9%	4%	12%		8%	9%
Other	8%	7%	18%	4%	27%	23%	13%	14%
Management Fees	4%	5%					13%	7%
Total								100%

The Olympic average cost percentage was then applied to the resident per diem rate to demonstrate the allocation of the resident per diem rate to the cost components. The allocation of the resident per diem rate to the applicable cost component was undertaken for the current resident per diem rate of $45.00 as depicted in the following table. As can be seen, a significant portion of the resident per diem rate relates to labour, food and maintenance. Further analysis shows the following:

Labour
The allocation of the current resident per diem rate of $45.00 allows for approximately $16.65 in labour costs per resident per day. If a location is opened 24 hours a day this would mean the hourly rate per day per resident is approximately $.69/hour.

Food
The allocation of the current resident per diem rate of $45.00 to food expenses is approximately $4.95 per resident per day.

Maintenance
Approximately $2.70 per resident per day is allocated to repairs and maintenance for the current resident per diem rate of $45.00. Many of these buildings require constant upkeep to provide residents with a clean and safe environment.

Through our review of the documentation provided it was noted that agreements can be cancelled upon 30 days which could have implication on a decision by operators to undertake major maintenance and facility improvements as they might not be able to recoup these longer-term costs.

Category	Normalized Percentage (1)	Resident Per Diem Rate of $45.00
Labour	37%	16.65
Food	11%	4.95
Utilities	6%	2.70
Maintenance	6%	2.70
Amortization	6%	2.70
Insurance	1%	0.45
Property Taxes	3%	1.35
Interest	9%	4.05
Other	14%	6.30
Management Fees	7%	3.15
Total	**100%**	**45.00**

Notes:
(1) The normalized percentage is calculated by taking the Olympic Average of the percentages of all seven operators. The highest and lowest percentages are removed and then the average is calculated.

* Calculations are made from the operator's financial information. No validation of information was performed.

The following table provides an analysis which calculates a proposed theoretical rate which reflects various adjustments to the current resident per diem rate of $45.00. These adjustments include:

- an allowance for management fees;
- the increase in costs that will result from the requirement to implement the new standards by April 1, 2007;
- the proposed increase in minimum wage in Ontario from $8.00/hour to $10.00/hour; and
- recognizes an increase due to annual inflation.

Theoretical Resident Per Diem Rate	
Current Rate	45.00
Management Fee (1)	4.50
Increase in rate to reflect increased standards (40 new standards) (2)	6.75
Increase in minimum wage (3)	4.16
Inflation (4)	1.35
	61.76

Notes:

(1)In charitable organizations, management fees generally represent 20% of the cost. We are suggesting that the current management fee rate be increased by at least 10% to be more reflective of industry standards

(2) We are assuming that there would be an increase of approximately 15% of the resident per diem rate in order to reflect the necessary costs that will be incurred to implement the 40 new standards. This is an estimate to determine the actual impact of the new standards.

(3) Discussions have been occurring regarding raising the new minimum wage from $8/hour to $10/hour. This is a 25% increase and this increase should be reflected in the resident per diem rate. The amount is calculated at follows:

Current % for labour	37%	
Current portion of the $45	16.65	(2)
Proposed increase of 25% ($16.65*1.25)	20.81	(1)
Proposed increase in resident per diem rate	4.16	(1)-(2)

(4) Recognizes an increase due to inflation using a 3% factor. See Annex A for inflation rates of goods required by operators.

Conclusion

Based on the limited information, it would seem that operators will provide services and facilities equal to the amount provided in the current resident per diem rate. Although in the past, some have incurred costs in excess of the rate and as a result have deficits this is not a sustainable concept. Without formal standards; food, labour and facilities are provided at a level that the rate would provide for. Some of the operators included in our review did not take management fees. The operators benefit in these cases through potential capital gains and the subsidization of mortgage interest expense which is covered by the resident per diem rate.

From the analysis the current rate for the Domiciliary Hostels is much lower than the lowest proposed rate for Emergency housing (by 9.50) and is only 35% of the rate for Nursing care. This is not reasonable given the extra care and services provided by Domiciliary Hostels as compared to Emergency housing operations. This extra care and associated services relate more closely to Nursing care and therefore warrant an increase of the current resident per diem rate of $45.00. Furthermore, when you analyze the allocation of the rate to cost per resident per day, it would appear that labour and food allocations for example, are minimum amounts. We have developed a theoretical rate of $61.76 which might account for management fees, inflation, a pending increase to minimum wages and improved standards.

As the agreements can be cancelled upon 30 days notice, operators are therefore reluctant to undertake major maintenance or facility improvements given that they might not be able to recoup these costs. Therefore, a longer-term agreement is necessary to ensure operators are able to undertake appropriate maintenance and improvement of these facilities and recoup these costs in the rate overtime. The cancellation of a longer-term agreement should only occur where the operator does not comply with the standards required.

Recommendations

As the Domiciliary Hostel program is a permanent program which provides care for residents other issues need to be addressed such as long-term program financing from one level of government with province wide standards so that all Ontario residents are treated equally.

Proper financing and maintenance of facilities, standard levels of remuneration for the operators with a maximum ceiling, and the level of interest on facility financing should be allowed. In addition, a program should be implemented to ensure that operators spend the funding in alignment with the standards and the allocation percentages of the resident per diem rate. Raymond Chabot Grant Thornton Consulting Inc. recommends that a detailed study of the Domiciliary Hostel program be conducted including benchmarking of cost percentages prior to the implementation of new standards and then a comparison of those percentages post implementation.

Guidelines for Budget Preparations

Estimated Cost Changes – October 2005 to September 2006

Item	% Increase
Grocery	3
Fresh Vegetables & Fruit	5
Dairy Products	4
Ice Cream Novelties	4
Bakery Products	3
Meats – Overall Average	5
Poulty	4
Eggs	5
Fish	4.5
Juices	3
Coffee	5
Tea	3
Soft Drinks – Cans and Syrup	3
Bagged Snacks – Potato Chips, Cheese Sticks, Pretzels	3
Packaging and Disposables	10
Nutritional Supplements	3
Cleaning Supplies	3
Linen & Laundry	3
Uniforms	3
Gasoline	2
Vehicle Leasing	3
Maintenance & Repairs	3
Service Contract – Maintenance Contract on Equipment etc.	2
Travel	2
Heating & Electricity	5
Telephone – Local Service	2
Telephone – Long Distance, Fax	0
Stationary Supplies	0
Office Equipment	2
Postage	2
Office Equipment – Repairs	3
External Courier	3