



Corporation of the County of Grey Committee Report

Report LTCR-SS-26-12

To: Chair Milne and Members of the Social Services Committee
From: Lynne Johnson, Director of Long Term Care
Meeting Date: November 14, 2012
Subject: Funding Changes

Recommendation(s)

THAT Report LTCR-SS-26-12 regarding High Intensity Needs Funding Change be received.

Background

Currently long-term care homes have a rigid envelope system for funding. The spending rules are highly prescriptive and several reporting mechanisms are administratively burdensome.

To address these challenges, the Ministry of Health and Long-Term Care recently announced changes that support an outcome focused system of funding that provides resources targeted at improving the quality of resident care. This strategy provides four changes including:

- Balancing the use of funds across the Nursing and Personal Care (NPC), Program and Support Services (PSS) and Raw Food Envelopes,
- Removal of caps on Medical Director and Incontinence Supply lines,
- Removal of pre-approvals and caps on equipment purchases,
- Reforming the High Intensity Needs fund.

The area that will most directly impact the County homes is the reformation of the High Intensity Needs fund.

High Intensity Needs Funding

The current high intensity needs fund (HIN) is an open ended claims based process. The approval process is tedious and time consuming. Record keeping, pre-approvals and a delay in receiving reimbursement all add to the administrative burden and the complexity of the program.

The HIN program was introduced in the 1990's. The purpose was to provide supplemental financing for medically complex residents and therefore alleviate some Alternate Level of Care

pressures in the acute care sector. The Ministry has now identified that there is no evidence that links the HIN to acuity levels and there has been an inequable distribution of money across the province.

Effective January 2013, each home will receive a set per diem of \$0.63 for nursing and personal care and \$0.12 towards raw food. The new program is an outcome focused system of funding. It allows homes to target resources at improving quality of resident care which will provide homes greater autonomy to respond to local circumstances and resident needs. There is increased flexibility, at the home level, in how the additional funding can be spent. Funding under the current system is only applicable for treatment. Under the new system preventative measures are eligible which should assist homes in improving resident care over the long term.

Impact

Funding increases are effective January 1, 2013. As a result, homes will be responsible for many expenses that were previously charged to HIN including:

- Wound Care
- Vital Pain Management
- Intravenous Medication Delivery
- Staff Training
- Ostomy Supplies
- Oxygen Supplies
- Assessments
- Enteral Feeds

Claims based funding will still be available for some items such as supplementary staffing, transportation for dialysis and exceptional wound care further defined as chronic and intractable. With the new model, homes will be required to share in the cost of the claim. The Ministry will cover 95% with the home being responsible for 5%. The following table identifies the additional revenue the homes will receive under the new model.

Funding increase effective January 1, 2013	Nursing and Personal Care \$0.63 per diem	Raw Food \$0.12 per diem
Grey Gables	\$15,000	\$2,900
Lee Manor	\$34,500	\$6,600
Rockwood Terrace	\$23,000	\$4,400

It is difficult to anticipate or predict the level of claims homes may experience. The recently announced funding, along with qualified claims based funding, would be sufficient to maintain the current level of care for the existing resident population. There is also recognition that resident needs can change at any time and an increase in complexity would cause a strain on the funding envelope.

Financial / Staffing / Legal / Information Technology Considerations

Funding for high intensity needs is changing from a claims based model to a per diem and partial claims based model. It is difficult to establish the long term impact of this change. To assist in gaining a better understanding of any potential impact or benefit, all revenue and expenses associated with HIN will be tracked separately for the next year. This will allow the homes to monitor usage and identify the amount of funding that is used for treatment and the amount that is available for prevention.

Link to Strategic Goals / Priorities

A core value of the Corporation of the County of Grey is Fiscal Responsibility. By monitoring and evaluating the changes to the High Intensity Needs program, homes will identify the resources necessary to meet resident needs.

Respectfully submitted,

Lynne Johnson
Director