Ontario Long Term Care Association presentation to the Standing Committee on Finance and Economic Affairs on the Ontario Budget 2022-23

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Good afternoon. My name is Donna Duncan, CEO of the Ontario Long Term Care Association. We represent 70% of Ontario's long-term care homes, including non-profit, private, municipal, northern, rural, and culturally specific homes, including First Nations.

I'm joined today by Brent Gingerich, Chair of the Board of OLTCA and chief executive officer of peopleCare Communities, along with Ruth McFarlane, vice chair of the OLTCA Board and chief executive officer of Durham Christian Homes. Thank you for the opportunity to address the Committee.

Ontario needs transformative change for our ageing population. With the government's continued support, we are working to transform long-term care so that the way homes are built, staffed, and operate focuses on meeting the needs of the people we are here to serve. However, as we face the first wave of our Baby Boom generation that is 75 years old today — and prepare to serve the population of Ontarians over the age of 80 that will double over the next 12 years — it is clear that we are not ready. We have much more work to do together.

Over the past two years, the pandemic exposed long-standing structural and systemic issues in Ontario's long-term care sector, including a critical human resource shortage, outdated buildings, and models of care no longer sufficient to meet the ever-increasing care needs of our residents.

While we are grateful for government recognition of these issues, unprecedented investments to increase direct care to an average of 4 hours per day per resident, and commitments to redevelop older buildings and create new long-term care capacity across Ontario, additional investments are required to stabilize and transform long-term care and seniors care in Ontario.

Pandemic costs

Over the past 2 years, Ontario's long-term care homes have battled COVID-19. In recent months, the highly transmissible Omicron variant has caused outbreaks in more than 60% of Ontario's long-term care homes. Our leadership and care teams have been doing everything to protect residents from the virus and support residents and families emotionally during this difficult time. The pandemic has been relentless and has taken its toll on our residents, families and staff.

The government made significant funding commitments to protect residents during previous waves of the pandemic. But today, as we fight this new wave, pandemic costs have exceeded original estimates and government disbursements. The 2021-22 costs are estimated to exceed funding commitments by more than $270 million, and are likely to grow further given the unprecedented number of homes in outbreak and escalating costs of agency staff and PPE. Homes are focused on protecting their residents and staff and spending whatever it takes, but many are facing financial instability as a result. They need assurance that these costs will be fully covered for 2021-22 and for 2022-23. Based on this year's spending trends, the cost for 2022-23 are estimated at $800 million.

Insurance is another significant factor. The insurance industry has made changes as a result of COVID. Without further government intervention, such as an insurance backstop, homes will not be able to carry the risk to operate without coverage for infectious diseases nor be able to carry increased premiums and deductibles.

In 2022-23, funding for long-term care must address the significant operating pressures facing all homes. Record inflation is increasing operating costs, with some costs growing faster than the general inflation rate of 5.2% (as of December 2021). Despite reduced insurance coverage, premiums have increased by an average of 50%. Energy costs rose by more than 19% in 2021. Food costs are rising by 5.7%, which does not capture the cost of the specialized needs of residents. At the same time, homes are struggling with reduced funding for pharmacy services (dating back to 2020) and other costs associated with caring for residents with highly complex care needs. Predictable and sustainable funding is fundamental to the recovery and transformation of our long-term care homes and to our ability to respond to the diverse and increasing needs of our residents.

Capital

We thank the government for its commitment to build 30,000 net new long-term care beds by 2028, and to redevelop the province's outdated long-term care homes. We are grateful for those projects that are moving ahead. Many homes, however, remain uncertain about moving forward with new developments in the current environment. Funding for capital has been frozen since 2020 while construction costs are soaring across all industries, including long-term care. Statistics Canada is reporting increased residential construction costs over 20% year-over-year in the third quarter, the highest year-over-year increase recorded since 2018. Funding needs to be updated on an ongoing basis to recognize the increasing costs of construction which are influenced by access to trades, increased insurance and bonding requirements, supply chain issues and duplicative approvals process between levels of government.

A sustainable provincial capital program that addresses each of these issues will ensure that Ontarians in communities across the province will have access to high quality long-term care.

OLTCA

Workforce

Our members are committed to building a high-quality, responsive long-term care system that puts residents and their families at the centre of our models of living and care. However, if we are to meet the needs of our residents of today and tomorrow, we must address our health human resource challenges. People are at the core of all that we do.

The government has made significant investments to increase resident care and has funded tuition and other supports for new nurses and PSWs. These are important commitments, but it will be years before these new staff, particularly nurses, will be qualified to work. A more flexible and innovative approach is required to allow homes to increase direct care based on the legislated targets. To address more urgent specialized care pressures, we are asking that internationally educated nurses be permitted to work in long-term care — with appropriate supervision — to allow them to meet their evidence of safe practice requirements for credentialling with the College of Nurses.

To support the engagement in long-term care of internationally educated nurses, other professionals, and new roles such as resident support assistants, we are also requesting the extension of measures currently provided for under the existing emergency orders that permit maximum staffing flexibility in homes. These measures will help us to build a new workforce.

Over the next year, leaders and staff in long-term care will implement the new legislation and regulations, support the introduction of thousands of new care team members, and navigate the recovery from the pressures of the pandemic. These new measures will require additional investments as we enhance infection prevention and control, medical oversight, enhanced medication management and quality outcomes.

Our existing workforce is exhausted after two years of the pandemic, and they need our support. Working together, we will be able to advance the changes we need today and for the future.

Thank you for your time. We welcome your questions.