

Long-Term Care Home Accountability Planning Submission (LAPS)

Answers to Frequently Asked Questions

Version 3.0—November 26, 2009

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PART A: GENERAL QUESTIONS

A1: Is it possible to have an icon or button on the LAPS form tab in Financial Information Management (FIM) DATA for administrators to click to indicate that the information has been confirmed and approved for submission?

We are unable to make this accommodation at this time.

A2: What is the process for new Long-Term Care Homes (LTCHs) that are operational after April 1, 2010?

LTCHs that open after April 1, 2010 will require a new funding agreement with their LHIN. An operator anticipating opening a new home should contact their LHIN to start the agreement development process.

A3. Where do LTCHs identify the potential costs involved in implementation of the *Long-Term Care Homes Act, 2007* (LTCHA)?

The LTCHA has not been proclaimed in force as of the date of release of this document. The LTCH should use the narrative (situation analysis) to identify any significant issues that the LTCH may have during the term of the agreement together with mitigating strategies, including the potential costs of implementing the LTCHA should it be proclaimed into force.

A4. Provide examples of what service changes need LHIN approval and describe the process that LHINs will use to review the request for service changes.

LHINs are interested in service changes that will have a program/system impact as opposed to changes that may affect individual residents. Examples may include changes to services such as operation of a drop in centre, services to meet language or cultural characteristics of the residents or community or a psychogeriatric service that is available to all residents who need it.

Where a home is proposing changes to services that do not receive dedicated funding, the LTCH must notify the LHIN of the proposed changes and anticipated local system impact. Any changes to services offered with dedicated funding through the Aging at Home (AAH) or Urgent Priority Fund (UPF) must meet the conditions and requirements as set out in the current funding agreement.

A5. In the narrative portion, what is the definition of community linkages?

A community linkage includes any group(s) that the LTCH works collaboratively with to support service delivery for residents of the home or people in the community. Examples of linkages include the Alzheimer Society, a local community seniors program, local school for intergenerational programs etc.

A6. The Description of Services document makes reference to a number of services provided. Please provide definitions and/or examples of these.

a. Additional service commitments included in the agreement for new bed awards (1987 to 1998)

Examples of specific commitments included in agreements for the award of new LTC beds may have included target populations to be served i.e., services for young disabled, specialized dementia care services or services supporting a specific cultural group. It should be noted that where an operator identifies an “additional service commitment”, the operator is not automatically given a designation of specialized unit pursuant to section 39 of the *Long-Term Care Homes Act, 2007* once that Act is proclaimed into force.

b. Service groups

Service groups may include other health service providers (HSPs) in the community or volunteer service clubs i.e., Lions, Kinsmen, United Way.

c. Advisory council

Advisory councils would include local committees of service providers to support services in the community, resident and family advisory committees. Some advisory councils may be aligned with regional government or the LHIN.

d. Community boards

Community boards would include involvement and alignment with a community organization's Board of Directors.

A7. The “Home Level Transition Template Nursing and Personal Care Funding Estimator” issued by the Ministry at a RUG training session in November referenced a 2% annual increase. Should LTCHs be using the 2% estimate to fill out the LAPS forms?

LTCHs should not be using the estimate number for the purpose of filling out the LAPS forms. In the footnote at the bottom of the document, it is clearly noted that “2% is a hypothetical number used of modeling purposes. Actual funding increments are subject to Ministry budget processes”.

PART B: FUNDING QUESTIONS

- B1. In regards to pay equity, if we take the payment notice amount multiplied by 12 months it does not equal the amount shown in line 11 of Table C. Is this something that we should ask to be changed?**

The amount in the payment notice may be different than the 2006 reconciled amounts. The final amounts are those that have been reconciled after year-end. Payment notice amounts can vary between months based on a timing difference and changes to funding. The differences will be small, and will not significantly affect the reconciliation or the home's strategy to balance.

Line PE105 in the 2006 Overall Reconciliation shows the approved annualized pay equity funding allocated by envelope on a go-forward basis effective 2007. The amount from line PE105 will be brought forward to the 2007 Overall Reconciliation. Once the 2007 Overall Reconciliation is finalized, and if there is a variance between the payment notice amount multiplied by 12 months and the amount shown on line PE105, FMB will make the appropriate adjustment (retroactive, if applicable) to the monthly payment notice.

- B2. Are LTCHs expected to reduce services in order to produce a balanced budget?**

Service reduction should be the last resort. Part of a LTCH's balancing strategy may be to increase its revenue contribution from other sources or to make service changes that will not put residents at risk.

If a home elects to show other revenue to get to a balanced position, that revenue shall not become an obligation for the home for future funding years.

The LTCH may use the narrative (situation analysis) to identify any significant issues that the LTCH may have to deal with during the term of the agreement, including service changes, together with mitigating strategies.

- B3. How will the reconciliation process change when LTCHs are funded by the LHINS?**

The reconciliation process will not change now that the LHINs are responsible for funding. The Ministry will continue to process the annual reconciliation as they have in the past, but the LHINs now have a role in the process. Given that the LHINs are now responsible for the service agreement and funding of homes, a home's final reconciliation will be reviewed and approved by its LHIN before any payment or recovery action is taken by the Ministry.

- B4. A LTCH will be opening new redeveloped beds in November 2009 and some more in August 2010 and will begin to receive the Construction Funding Subsidy. Should this new funding in Table D be included as estimates?**

A LTCH can elect to provide this information if it has supporting documentation from the Ministry. If a home provides an estimate of additional revenue, there should be a corresponding adjustment to estimated costs.

B5. Should LTCHs list services provided to the community that have been funded under a previous M-SAA agreement?

Yes, please list all services that are provided to the community through the LTCH.

B6. A LTCH opened in October 2009, and therefore has no September payment notice. How will this home prepare the LAPS?

These agreements will be handled on a case-by-case basis between the LTCH and the LHIN as well as with the Ministry. Information needed to populate the forms will be provided to the home by the Ministry.

B7. GAAP accounting does not capture cash flow expenses such as mortgage principle and capital. Therefore, you are not getting a true picture of a LTCH's finances. How does a home get recognition for its capital costs?

If the revenue on Table B of the Financial Summary includes funding which is used by an operator to offset both principle repayment and interest expense for capital, the expense line (28) must also reflect principal repayment and interest expense. Where the capital expenditures are greater than the associated revenue in Table B, the LTCH can report additional revenue to offset. It is acknowledged that this is an exception to GAAP.

Other planned capital expenditures may be noted in the Narratives section under Business Assumptions. This information is only provided to the LHINs for information purposes so they can better understand the home's financial situation.