



Long-Term Care Homes Program:

A Review of the Plan to Create 15,000 New Long-Term Care Beds in Ontario



Financial
Accountability
Office of Ontario

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Report outline

The Province has committed to add 15,000 new long-term care beds over five years (the LTC expansion).

This report:

1. Explains how long-term care is funded by the Province
2. Estimates the timing and cost of the LTC expansion
3. Analyzes how the LTC expansion will affect the wait list and wait times for long-term care
4. Discusses how individuals waiting for long-term care impact hospital capacity and hallway health care

Background: Long-Term Care in Ontario

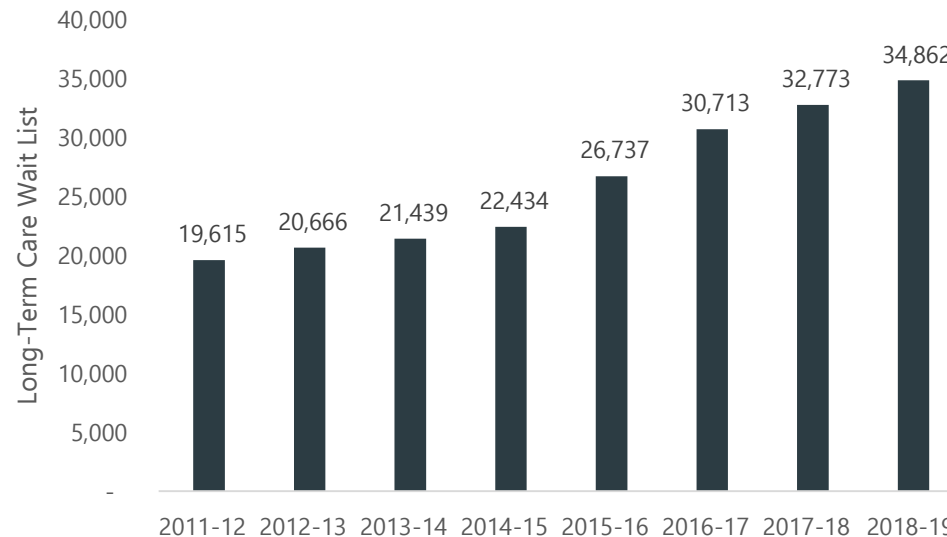
Long-term care in Ontario

- There are 626 long-term care homes in Ontario that house over 78,000 residents
- Most LTC residents are over the age of 75 and live with conditions that have compromised their health
- LTC homes must be licensed by the ministry and can be for-profit, not-for-profit or municipal organizations

The wait list for long-term care has increased

- In 2018-19, there were nearly 35,000 Ontarians on the wait list for long-term care, up from 19,600 in 2011-12

Long-term care wait list



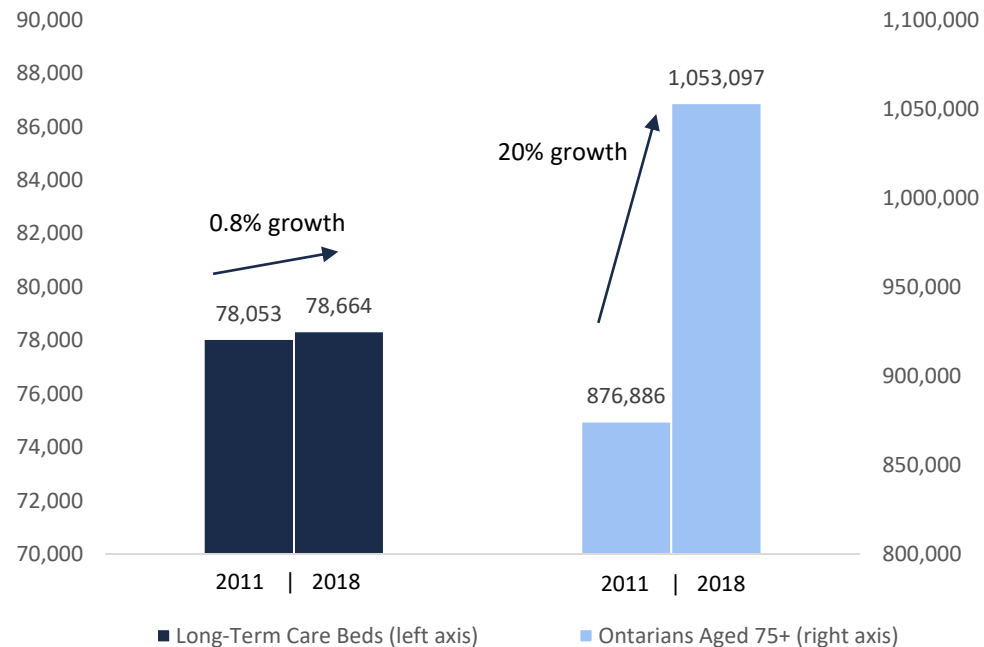
Source: Information provided to the FAO by MLTC.

- Median wait times for long-term care increased from 99 days in 2011-12 to 152 days in 2018-19

Why has the wait list increased?

- Growth in Ontarians aged 75 and over has outpaced the growth of long-term care beds

Growth in elderly Ontarians has exceeded growth in the number of long-term care beds



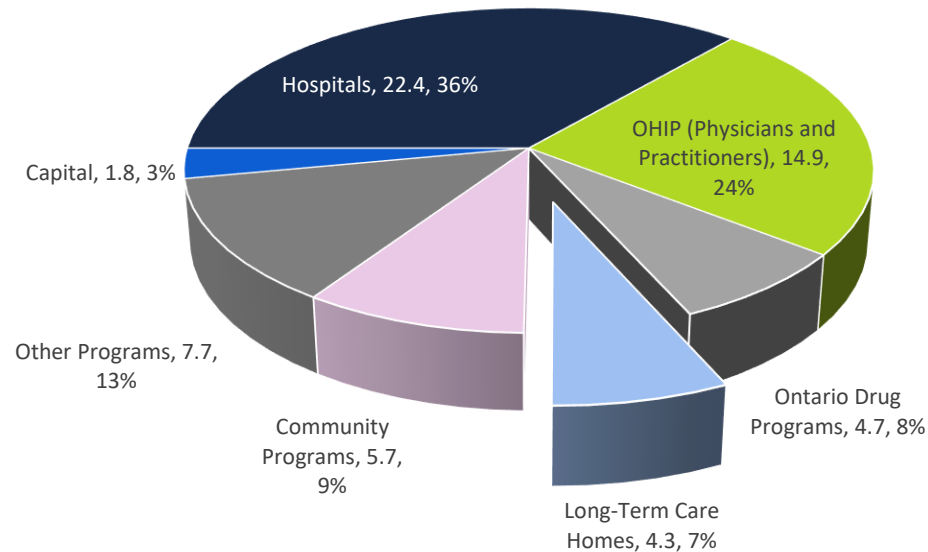
Source: Statistics Canada, Table 17-10-0005-01, Ministry of Finance, Ontario Population Projections 2018-2046, updated October 1, 2019, and information provided to the FAO by MLTC.

How Does the Province Fund Long-Term Care?

Long-term care homes program

- The Province funds long-term care through the long-term care homes program, spending \$4.3 billion in 2018-19

LTC homes program represented 7 per cent of total health sector spending in 2018-19 (\$ billions)



Source: 2018-19 Public Accounts of Ontario and information provided to the FAO by MLTC.

How LTC Spending Works

- LTC home operators receive payments:
 - from the Province, based on the number of beds in operation and type of services provided
 - from residents, to pay for accommodation (basic, semi-private and private)
- LTC home operators then remit the cost of basic accommodation back to the Province to offset some of the program cost

2018-19 long-term care homes program spending by category, \$ millions

Category	\$ millions	%
Nursing and Personal Care	2,919	50
Program and Support Services	279	5
Raw Food	268	5
Basic Accommodation	1,595	27
Total LOC Per Diem	5,062	87
Supplementary Funding Programs	764	13
Total Cost of Long-Term Care Homes Program	5,826	100
Less: Resident Co-payments	-1,537	
Net Cost to Province of Long-Term Care Homes Program	4,289	

Note: Excludes payments made by residents that are retained by LTC home operators (e.g. for semi-private and private rooms).

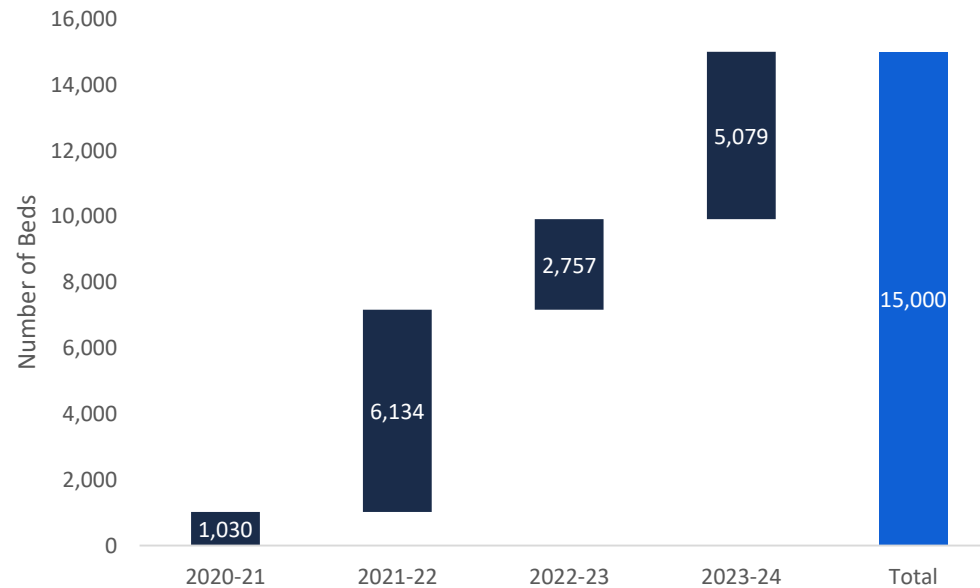
Source: Information provided to the FAO by MLTC.

Timing and Cost of the LTC Expansion

LTC expansion timing

- To date, the Province has allocated 7,889 of the 15,000 beds
- If the remaining beds are allocated by March 2021, all 15,000 beds could be in service by 2023-24

FAO projection of number of new LTC beds in service by fiscal year



Source: FAO analysis of information provided by MLTC.

LTC expansion cost

- The 15,000 new beds will not impact the budget balance until each bed comes into service
- Once a bed comes into service, the Province subsidizes the construction of the bed over 25 years
- LTC homes program spending will increase by a total of \$1.7 billion over five years, as new beds come into service

15,000 new beds will increase LTC homes program spending by \$1.7 billion over five years

(\$ millions)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
LTC homes program spending increase for 15,000 new LTC beds	0	14	350	505	863	1,732

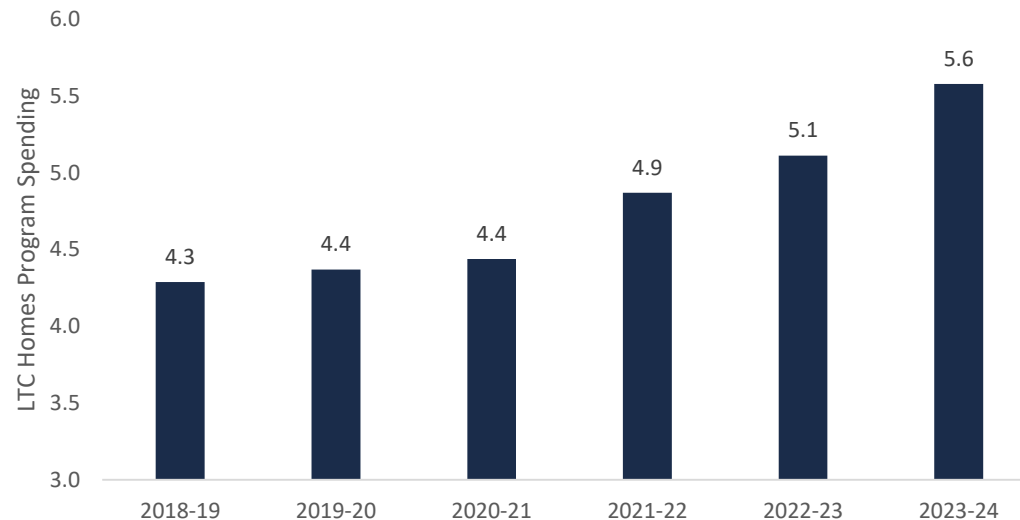
Source: FAO

- Once all 15,000 beds are in service provincial spending will increase by an ongoing annual amount of approximately \$970 million

LTC homes program spending forecast

- LTC homes program spending projected to accelerate in 2021-22 as over 6,000 beds are expected to come into service in that year

LTC homes program spending forecast (\$ billions)



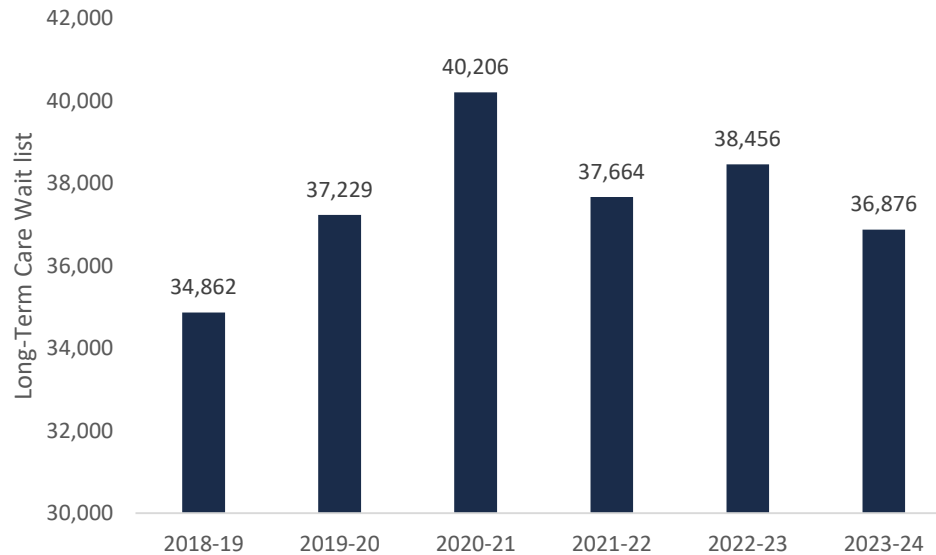
Source: FAO

Effect on the LTC Wait List and Wait Times

LTC wait list projection

- The wait list is projected to increase over the next five years despite 15,000 new beds
- The wait list is expected to peak in 2020-21, before most of the new beds are opened
- High growth in Ontarians aged 75 and over will lead to long-term care demand outpacing the 15,000 new beds

LTC wait list projected to increase to 36,900 Ontarians by 2023-24

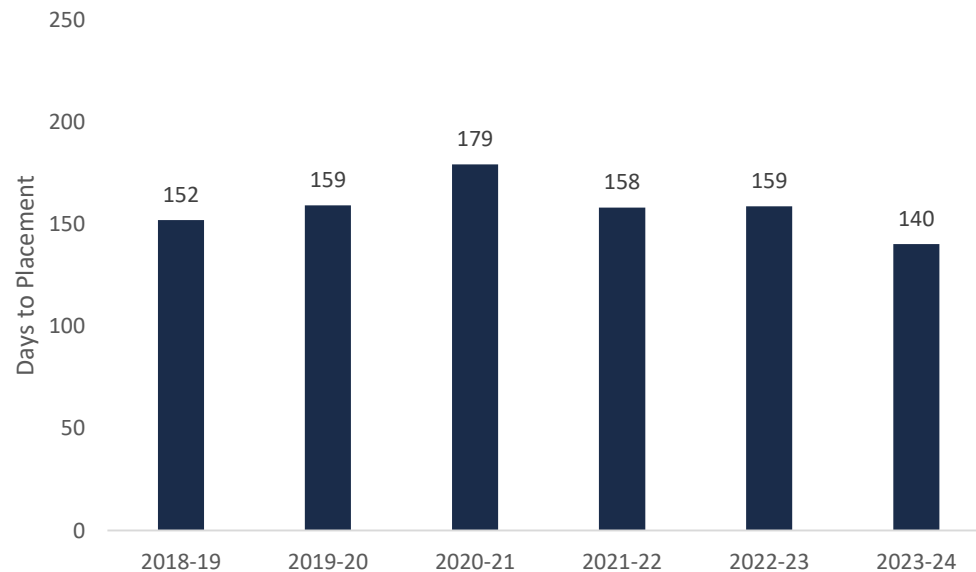


Source: FAO

LTC wait times projection

- The FAO projects a decrease in wait times by 2023-24, due to a higher turnover of beds

FAO projection for median time to placement (wait time) for a long-term care bed



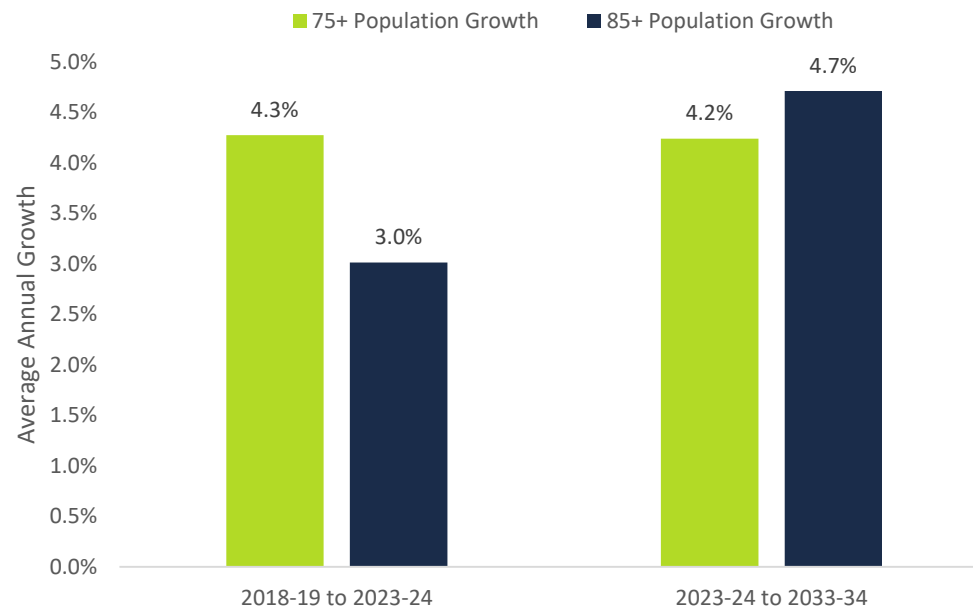
Source: FAO

Long-Term Implications

Long-term implications

- Beyond 2023-24, high growth in the number of elderly Ontarians will continue
- To maintain the projected wait list at 36,900 Ontarians, the Province would need to add 55,000 more LTC beds by 2033-34

Growth in Ontarians aged 85 and over will accelerate over the long-term



Source: FAO analysis of Ministry of Finance, Ontario Population Projections 2018-2046, updated October 1, 2019.

Impact on Hallway Health Care

LTC wait times contribute to hallway health care

- “Hallway health care” refers to the estimated 1,000 patients waiting for a hospital bed in an unconventional space on an average day
- Patients are in unconventional spaces because hospital beds are occupied by patients waiting to go elsewhere (e.g. long-term care or rehabilitation facility)
- In November 2018, over 4,600 of the Province’s 34,000 hospital beds were occupied by patients waiting to go elsewhere

Patients waiting for an LTC bed more costly in hospitals than in long-term care

- In 2017-18, patients waiting in hospitals for a long-term care placement occupied 340,000 hospital bed days
- Each day a patient remains in hospital while waiting for a long-term care bed costs the Province approximately \$500 more than if the patient was in long-term care
- In 2017-18, patients waiting in hospitals for long-term care beds cost the Province approximately \$170 million

Will the LTC expansion help end hallway health care?

- New LTC beds are being placed in areas of the Province with the longest LTC wait lists and most hospital capacity occupied by patients waiting for an LTC placement
- However, the FAO projects that the wait list and wait times for LTC will peak in 2020-21
 - This implies that, in the absence of other health sector changes, the problem of hallway health care will get worse over the next two years
- By 2023-24, the FAO projects that wait times will drop below 2018-19 levels
 - If this also reduces the number of hospital bed days occupied by patients waiting for an LTC bed, then, all else being equal, there could be an improvement in hallway health care by 2023-24

Thank you

For media inquiries, please contact:

Kim Curley

647-528-0180

kcurley@fao-on.org

fao

Financial
Accountability
Office of Ontario

2 Bloor Street West
Suite 900
Toronto, Ontario
M4W 3E2
416.644.0702
fao-on.org
info@fao-on.org

