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Understanding long-term care homes

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Sandra Lopes
Research Officer



HEALTH POLICY SERIES

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Summary

The population aged 85 and older is one of the fastest growing age groups in Canada.¹ While most will prefer to live at home, some individuals will require additional supports that can only be met in a residential setting. In Ontario, 71,000 people live in long-term care homes, and it is expected that the demand for long-term care will increase.² Members of Provincial Parliament are often approached by constituents who have questions about eligibility, waitlists, or the care that a resident should expect. Sometimes, the discussion leads to questions about how the system is regulated and funded. To assist in this discussion, this paper provides an overview of the system as it currently exists. It does not identify issues and challenges facing the system; though some recent reports highlighting these are summarized briefly.

Introduction

Long-term care homes offer services and accommodation in a supervised setting to adults requiring 24-hour nursing and personal care, including assistance with most or all daily activities. While available to all individuals in need of care over 18 years old, seniors are the dominant demographic in long-term care homes with an average age of admission of 83.³ (Retirement homes are not long-term care homes and are governed by different legislation.)

Long-term care is funded by the provincial government, with contributions from residents. While the Province has ultimate oversight responsibility for the sector, it licenses municipal, non-profit, and for-profit providers to supply services according to the standards and requirements set out in legislation.

There are 627 homes across the province of which approximately 57% are privately owned, 27% are non-profit/charitable, and 16% are publicly owned.⁴ Ontario has the highest proportion of privately run facilities in Canada.⁵ There are approximately 30 long-term care beds per 1,000 people aged 65 and older in Ontario; a higher rate than many other provinces including British Columbia and Quebec.⁶

In 2020/21, residents in the community waited a median of 188 days for a placement in a long-term care home, and those admitted from hospital waited 114 days.⁷ According to a 2019 Financial Accountability Office of Ontario (FAO) report on Ontario's long-term care program, the waitlist for long-term care grew by approximately 78% between 2011/12 and 2018/19. Despite anticipated investments in new and redeveloped beds, the FAO projects that the waitlist for long-term care will increase by 2,000 Ontarians over five years to approximately 36,900 in 2023-24.⁸

Legislative overview

The *Fixing Long-Term Care Act, 2021* and Ontario Regulation 246/22 provide the legislative framework for long-term care homes in Ontario. Part I of the Act highlights a fundamental principle:

a long-term care home is primarily the home of its residents and is to be operated so that it is a place where they may live with dignity and in security, safety and comfort and have their physical, psychological, social, spiritual and cultural needs adequately met.⁹

Part II outlines the Rights, Care and Services that must be provided in long-term care homes. It details a Resident's Bill of Rights that includes freedom from abuse and neglect and the right to: be treated with respect; have an optimal quality of life; be provided with quality of care; and, to be informed, participate and make a complaint. Every home is required to have a mission statement that is consistent with these rights. Sections 6 and 7 contain requirements related to the creation and maintenance of plans of care.

Sections 8 to 10 of the Act require that residents receive an average of four hours per day of direct care by nurses and personal support workers phased in over time and fully effective by March 2025. It also requires an average of 36 minutes of care per day provided by allied professionals (e.g. physiotherapists, social workers, occupational therapists) by March 2023. The Minister of Long-Term Care must report publicly on progress made to meet these targets. Subsequent sections provide further detail on the services that must be provided by the home, including the need to offer 24-hour nursing care and palliative care.

Homes are required to have a policy that outlines there is zero tolerance for abuse and neglect. The legislation requires homes to have a complaints process in place, and to report serious incidents to the Ministry of Long-Term Care. There are protections set out for whistleblowers, as well as provisions to minimize the use of restraints.

Part III specifies that every home is required to implement a continuous quality improvement initiative and conduct an annual survey of residents and their family/caregivers. Section 40 in this part specifies that the Minister may establish an Office of the Long-Term Care Homes Resident and Family Adviser. Section 44 enables the Minister to establish a Long-Term Care Quality Centre to support mission-driven organizations; and, advance and share research on innovative and evidence-informed person-centred models of care.

Part IV of the Act describes requirements relating to the admission of residents; Part V requires the establishment of a resident's council and a family council; Part VI outlines staffing, training and other requirements relating to the operation of the home; and, Part VII authorizes funding, sets conditions for funding, and limits charges to residents. The admission process and funding are described in further detail later in this paper.

All long-term care homes in Ontario must be licensed or approved by the Ministry of Long-Term Care as outlined in Part VIII of the Act. The licensing review process includes:

- a determination of need, based on the public interest;
- the ability to impose restrictions to avoid ownership concentration and encourage sector balance (i.e., between non-profit and for-profit operators);
- an assessment of past regulatory compliance or competency;
- a financial review; and
- public consultations.¹⁰

Licences are issued for a fixed-term which cannot exceed 30 years.

Part IX outlines requirements relating to Municipal and First Nations homes.

Part X of the Act addresses compliance and enforcement. Each home must be inspected at least once a year, and during these inspections the inspector may meet with the Residents' Council or the Family Council, inspect the premises, review documentation, and speak with persons on the premises.

If a home is found to be non-compliant, an inspector must take at least one of the following actions:

- issue a written notification to the licensee;
- order a licensee to do anything or refrain from doing something, or to allow employees or contractors to perform work in the home to achieve compliance within specified timelines;
- issue a notice of administrative penalty; or,
- issue a written notification and refer the matter to the Director for further action.¹¹

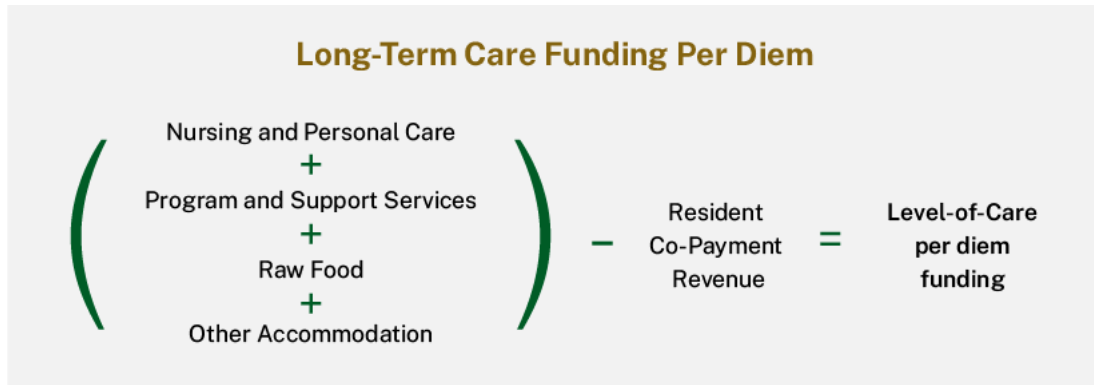
Fines for non-compliance are set for individuals at \$200,000 for a first offence and \$400,000 for a second offence; and for corporations at \$500,000 for a first offence and \$1 million for a second offence.¹² The Act gives the Ministry the authority to suspend a licence and make an order providing for the long-term care home to be occupied and operated by a long-term care home supervisor.¹³

Funding

According to the Ministry of Long-Term Care Briefing Book 2022-2023, the Ministry will spend 7.1 billion in 2022-23 on both the operation of homes and funding for development of new and redesigned homes.¹⁴

Operational

Most operational long-term care funding is allocated to long-term care homes based on a per diem rate minus resident co-payments. The rate includes four components, often called envelopes (see the figure below). The Ministry of Long-Term Care sets the level of funding at uniform rates, regardless of the type of operator. Ontario Health funds homes as set out by Ministry policy, and holds homes accountable for operational, performance and funding expectations through Service Accountability Agreements and other funding and performance agreements.¹⁵



Per diem funding is standardized for all new beds, though the Nursing and Personal Care component may be adjusted for patient acuity once residents are admitted.¹⁶ Additional per diem funding is offered to those homes offering convalescent care beds and behavioural specialized unit beds.¹⁷ Long-term care homes with fewer than 64 beds receive a lump sum of \$180,000 and larger homes receive \$106,000 to hire and or retain direct care staff.¹⁸

Since April 1, 2019, a global per diem increase to the level-of-care per diem funding has been provided to long-term care homes. The global increase provides additional funding which can be allocated at the discretion of the home, though only 32% of this funding may be allocated to Other Accommodation.¹⁹

Figure 1: LTCH Level-of-Care Per Diem Funding Summary, April 2022

Envelopes	Examples of Eligible Expenses	Funding
Nursing and Personal Care	Salaries, benefits, training, and necessary equipment for active direct care staff such as nurses and personal support workers.	\$103.88*
Program and Support Services	Salaries, benefits, training, and necessary equipment for active staff such as physiotherapists, speech-language therapists, and occupational therapists.	\$12.24
Raw Food	Food, drink, and therapeutic food supplements.	\$11.00
Other Accommodation	Salaries, benefits, and training for administrative staff and costs associated with housekeeping, laundry, dietary services, and property maintenance.	\$56.52*
Sub Total		\$183.64
2022/23 Global Increase		\$7.38
Total		\$191.02

*includes supplementary per diem

Source: Ministry of Long-Term Care, [LTCH Level-of-Care Per Diem Funding Summary](#), April 1, 2022.

Resident co-payments are set by regulation and are standard across the province, but vary depending on a resident's length of stay and room preference. For example, the maximum co-payment is \$63.73 per day or \$1,938.46 per month for a long-stay resident in basic accommodation. Residents without sufficient income to pay for a basic room may qualify for a subsidy. Optional services (e.g., telephone, cable TV, and hairdressing) are available for a fee.²⁰

To help homes meet the targets set by legislation for hours of direct care, the Ministry provides a staffing supplement on a per month, per bed basis. Effective December 2022 to March 2023, homes will receive \$679.35 per eligible bed, per month to increase the direct care provided by nurses and personal support workers; and \$128.00 per bed, per month to increase the direct care provided by allied health professionals.²¹ The Ministry has also

developed the Supporting Professional Growth Fund which offers \$11.13 per bed, per month, to support employee education and training.²²

Municipal homes generally receive supplemental funding from municipal governments. An oft-cited study prepared by the Association of Municipalities of Ontario (AMO) in 2011 found that municipal governments collectively supplemented provincial funding of homes by an estimated \$300 million per year across Ontario.²³ Non-profit homes may also raise additional funding through fundraising efforts.²⁴ Both municipal and non-profit homes may benefit from tax advantages that are unavailable to private homes.²⁵

Private long-term care homes may make a profit from fees charged for preferred accommodations, optional programs and services, and any savings achieved in the Other Accommodation funding envelope. Provincial funding allocated for other per diem envelopes must be reconciled at the end of the year with unspent funds returned to the government.²⁶

Development

To receive provincial funding to build new beds or renovate older rooms, an operator/licensee must enter into a development agreement with the Ministry of Long-Term Care.²⁷ The operator/licensee would then be eligible to receive:

- a per diem construction funding subsidy that varies based on market size and home size and which may include a fixed time-limited top-up (part of which is convertible to a construction grant for eligible non-profit homes); and
- a development grant that is intended to help cover upfront costs such as eligible construction costs, land costs and development charges.²⁸

Non-profit homes are also eligible for a one-time planning grant. The construction funding subsidy is paid to the operator on a monthly basis for a period of 25 years.²⁹

Figure 2: Maximum Construction Funding Subsidy per diem and development grant, November 2022

Components of per diem and development grant	Large urban	Urban	Mid-size	Rural
Base Per Diem	\$23.78	\$20.53	\$20.53	\$ 20.78
Small home (up to 96 beds)	+\$1.50	+\$1.50	+\$1.50	+\$1.50
Medium-sized home (97 beds up to and including 160 beds)	+\$0.75	+\$0.75	+\$0.75	+\$0.75
Large home (161 beds+)	+\$0.00	+\$0.00	+\$0.00	+\$0.00
Maximum top-up (if eligible)	+\$35.00	+\$35.00	+\$35.00	+\$35.00
Maximum per diem	\$60.28	\$57.03	\$57.03	\$57.28
Development grant development	17%	17%	10%	12%
Maximum development grant per bed	\$51,376	\$47,926	\$24,923	\$29,246

Source: Ministry of Long-Term Care, [Long-term Care Home Capital Development Funding Policy, 2022](#), November 2022, p. 10.

The per diem (including the top-up) must be used by the operator to support an agreed upon scheduled repayment of any loans or other financing arrangements to pay for the construction of the beds. The operator may use the remaining amounts for other purposes (these “other purposes” do not appear to be further described).³⁰

The government has committed to building 15,000 new beds and redeveloping 15,000 existing beds over a five-year period ending in 2028.³¹

Eligibility and placement

To qualify for admission to a LTC home, an individual must be 18 years or older, have a valid Ontario health card, and have care needs that cannot be met by a combination of community-based services and other arrangements. Residents must require 24-hour nursing, frequent assistance with daily living, or frequent supervision. Additional eligibility criteria also exist for veterans, for redevelopment transfers, and for the spouse or partner of a resident.

Eligibility is currently determined by care coordinators working at Local Health Integration Networks (LHINs) operating under the rebranded title of Home and Community Care Support Services. In February 2019, the Ministry of Health announced reforms to the organization and delivery of health care services in Ontario, including the creation of Ontario Health Teams. Ontario Health Teams will allow patients to receive all their care from one team, including but not limited to home care services and long-term care home placements.³² As of December 2022, there were 54 teams in place, and four more with applications being reviewed. Once all 58 teams are established there will be full provincial coverage.³³ A timeline for when these teams will be providing coordination services for long-term care does not yet appear to be available.

Waitlist process

Once a person has been determined to be eligible for admission to a long-term care home, a placement coordinator at a Home and Community Care Support Services organization provides the individual with information about the length of waitlists, approximate times for admission, and vacancies. An individual can choose up to five homes.

The placement coordinator then contacts the relevant licensees to approve the applicant unless the home lacks the physical facilities or nursing expertise. If approved, the person is added to the home's waitlist.

When a bed becomes available, the person must accept the placement or risk being removed from all waitlists.³⁴ If the available bed is in a home not ranked as an individual's first choice, the individual is able to move to their first choice when a bed becomes available there.

Priority on the waitlist

Waitlist prioritization is based on criteria outlined in regulations. In general, individuals with the highest care needs are given priority. A person's position on a waitlist may change as a result of changes to the individual's circumstances or the addition of new individuals who qualify for a higher position on the waitlist.

Figure 3 –Waitlist Priority for Long-Stay Beds in Long Term Care Homes

Waitlist Category	Summary of Criteria	Ranking within Category
Exchange	Exchange of individuals between long-term care homes	By time of application to home
Re-admission	Residents who were discharged for specific reasons (e.g.s.: requested discharge due to pandemic, extended medical absence)	By date of original admission
1 — Crisis	Includes persons designated alternate level of care patients in hospitals and persons requiring an immediate admission due to a crisis arising from their condition or circumstances	By urgency of need
2 — Spouse/Partner Reunification	Persons with care needs and spouse/partner is a resident in the home	By date of spouse/partner's admission
2.1 — Former Specialized Unit and High Acuity Priority Access Bed Residents	Residents of specialized units or high acuity priority access beds who no longer require specialized care, and want to move to a different home than the one they were in prior to moving to the unit	By time of application to home
3A and 3B —Religious, ethnic or linguistic origin	Applicant (or spouse/partner) matches the religious/ethnic and linguistic origin of the home	By time of application to home
4A and 4B—Others	Includes those requiring/receiving high levels of home care and “well” spouses/partners of existing residents.	By time of application to home

Source: [Ontario Regulation 246/22: General](#), ss. 187 to 198.

Alternate level of care patients

Patients who are designated as requiring “alternate level of care” may be charged \$400 a day by hospitals if they do not leave hospital within 24 hours of being discharged.³⁵ Patients in hospital must accept a placement offer for a long-term care home or risk being charged the daily rate, even if the long-term care home is not their first choice. Patients can be offered a home that is up to 70km from their preferred location in most parts of Ontario or up to 150km if they live in the north. As noted in Figure 3 above, these patients are given “crisis” priority on waitlists.³⁶

Staffing and care provided

Each home must have a designated administrator who is responsible for its management.³⁷ It also must have a Director of Nursing and Personal Care who is a registered nurse and is responsible for supervising and directing the nursing and personal care staff.³⁸

Direct care to residents is primarily provided by personal support workers, while registered nursing staff (RNs, RPNs and nurse practitioners) provide the second-largest amount of direct care. Allied health professionals such as registered social workers and physiotherapists also offer their services. As noted above, legislation has set targets for the average hours of care provided by this staff.³⁹

Within 24 hours of admission, a long-term care home is required to develop an initial plan to address the immediate health and safety needs of its newest resident. The home must then undertake assessments within 14 days, and use this information to prepare a written plan within 21 days. Plans set goals and provide clear directions to staff and other caregivers regarding the resident’s care. Ontario Regulation 246/22 outlines requirements related to these plans including interdisciplinary assessment, documentation, assessment and reassessment, involvement of the resident, and resident consent.

Residents or their caregivers who are concerned about the care being received at a home and who would like to make a complaint are asked to distinguish between urgent and non-urgent complaints. For urgent requests, they are asked to call the Long-Term Care Family Support and Action Line (1-866-434-0144). For non-urgent requests, individuals are asked to use the home’s internal complaint mechanism before contacting the Action Line. If an individual is not satisfied with the resolution after contacting the Action Line they can contact the Patient Ombudsman.⁴⁰

Recent reports

The COVID-19 pandemic had a devastating impact on many long-term care homes, resulting in increased public scrutiny. However, even prior to the pandemic, concerns were raised about staffing, abuse and neglect of residents, and lengthy waitlists. While, this research

paper does not provide an account of these issues, a few reports that may be of interest are highlighted here:

- (July 2019) [Public Inquiry into the Safety and Security of Residents in the Long-Term Care Homes System](#) – This inquiry followed the conviction a registered nurse who had murdered and assaulted long-term care residents between 2007 and 2016. The inquiry was called “to determine the events and contributing factors leading to the offences and make recommendations to avoid similar tragedies within the long-term care system.”⁴¹
- (July 2020) [Long-Term Care Staffing Study Report](#) – This study was undertaken to address a recommendation of the public inquiry. The report concludes that: 1) the number of staff working in long-term care needs to increase and more funding is required to achieve that goal; 2) the culture of long-term care needs to change at both the system and individual home level; 3) the workload and working conditions must get better to retain staff and improve care; 4) excellence in long-term care requires effective leadership and access to specialized expertise; and 5) the sector should prepare the right people for employment in long-term care and provide opportunities for learning and growth.⁴²
- (April 2021) [Ontario’s Long-Term Care COVID-19 Commission Final Report](#) – This Commission investigated the spread of COVID-19 in long-term care homes, how residents, staff and family were impacted, and the adequacy of measures taken to prevent, isolate and contain the virus. The report describes long-standing concerns relating to staffing, quality of care, oversight, funding and infrastructure. It provides 85 recommendations on a broad range of topics including pandemic preparedness, infection control, staffing, quality of care, funding, home construction and design, accountability and transparency, and, inspections and enforcements.⁴³

Notes

¹ Statistics Canada, [A portrait of Canada's growing population aged 85 and older from the 2021 Census](#), April 27, 2022. Unless otherwise noted, all links were last accessed on January 18, 2023.

² Ministry of Long-Term Care, *Estimates Briefing Book, 2022-2023*, p. 58.

³ Ministry of Long-Term Care, *Estimates Briefing Book, 2022-2023*, p. 58.

⁴ Ministry of Long-Term Care, *Estimates Briefing Book, 2022-2023*, p.58 and Canadian Institute for Health Information, [Long-term care homes in Canada: How many and who owns them?](#), June 10, 2021.

⁵ Canadian Institute for Health Information, [Long-term care homes in Canada: How many and who owns them?](#), June 10, 2021.

⁶ Canadian Institute for Health Information, [How many long-term care beds are there in Canada?](#), June 10, 2021.

⁷ Health Quality Ontario, [Wait Times for Long-Term Care Homes](#).

⁸ Financial Accountability Office of Ontario, [Long-Term Care Homes Program: A Review of the Plan to Create 15,000 New Long-Term Care Beds in Ontario](#), 2019. p. 1 and p. 3.

⁹ *Fixing Long-Term Care Act, 2021*, s. 1.

¹⁰ Ministry of Long Term Care, [Long-Term Care Homes](#). See also *Fixing Long-Term Care Act, 2021*, ss. 99-101 and 109.

¹¹ *Fixing Long-Term Care Act, 2021*, s. 154.

¹² *Fixing Long-Term Care Act, 2021*, s. 192.

¹³ *Fixing Long-Term Care Act, 2021*, s. 159.

¹⁴ Ministry of Long-Term Care, *Estimates Briefing Book, 2022-2023*, p. 62.

¹⁵ Ministry of Long-Term Care, [Long-term care homes level-of-care per diem, occupancy and acuity-adjustment funding policy](#), p. 2 and [Ministry of Long-Term Care - Ontario Health Accountability Agreement](#), December 1, 2021- March 31, 2024.

¹⁶ Ministry of Long-Term Care, [Long-term care homes level-of-care per diem, occupancy and acuity-adjustment funding policy](#), April 1, 2021, p. 4.

¹⁷ Ministry of Long-Term Care, [Long-term Care Homes Level-of-Care Per Diem Summary](#), April 1, 2022.

¹⁸ Ministry of Long-Term Care, [Long-term Care Homes Level-of-Care Per Diem Summary](#), April 1, 2022.

¹⁹ Ministry of Long-Term Care, ["Overview of Long-Term Care Funding – Level of Care Funding Envelopes and Reconciliation Process,"](#) p. 4 and Ministry of Long-Term Care, [Long-term care homes level-of-care per diem, occupancy and acuity-adjustment funding policy](#), April 1, 2021, p. 7.

²⁰ Ministry of Long-Term Care, [Paying for long-term care](#).

²¹ Ministry of Long-Term Care, [Policy: Updated 2022-2023 Long-Term Care Staffing Increase](#), November 2022.

²² Between December 1, 2022 and March 31, 2023 the fund will also provide \$4.35 on a per bed basis. Ministry of Long-Term Care, [Ontario's Long-Term Care Staffing Plan \(2021-2025\): Investments to Increase Direct Care Time for Residents and the Supporting Professional Growth Fund, Frequently Asked Questions \(Fiscal Year Two funding: 2022-23\)](#), November 2022, p. 10.

²³ Association of Municipalities of Ontario, [Coming of Age: The Municipal Role in Caring for Ontario's Seniors](#), June 2011, p. 5.

²⁴ Office of the Auditor General of Ontario, ["Food and Nutrition in Long-Term-Care Homes," 2019 Value-for-Money Audit](#), Volume 1, Chapter 3.05, p. 301.

²⁵ The Honourable Frank N. Marrocco, Angela Coke, and Dr. Jack Kitts, ["Ontario's Long-Term Care COVID-19 Commission Final Report,"](#) April 30, 2021, p. 81.

- ²⁶ Ministry of Long-Term Care, "[Overview of Long-Term Care Funding – Level of Care Funding Envelopes and Reconciliation Process](#)," p. 5 and p. 11.
- ²⁷ Funding may be provided all or in part through another agency as set out in the applicable Development Agreement. Ministry of Long-Term Care, [Long-term care Home Capital Development Funding Policy, 2022](#), p. 3
- ²⁸ Ministry of Long-Term Care, [Long-term care Home Capital Development Funding Policy, 2022](#), p. 5.
- ²⁹ Ministry of Long-Term Care, [Long-term care Home Capital Development Funding Policy, 2022](#), p. 6.
- ³⁰ Ministry of Long-Term Care, [Long-term care Home Capital Development Funding Policy, 2022](#), p. 14.
- ³¹ Ministry of Long-Term Care, *Estimates Briefing Book, 2022-2023*, p. 59.
- ³² Ontario, [Ontario Health Teams: Guidance for Health Care Providers and Organizations](#), p. 22.
- ³³ Ministry of Health, [Ontario Health Teams](#).
- ³⁴ Ontario Regulation 246/22: General, s. 184.
- ³⁵ R.R.O. 1990, Regulation 965: Hospital Management, s. 16, under the *Public Hospitals Act*.
- ³⁶ *Fixing Long-Term Care Act, 2021*, s. 60.1 and Ontario Regulation 246/22: General, ss. 204.1, 204.2 and 204.3.
- ³⁷ *Fixing Long-Term Care Act, 2021*, s. 76.
- ³⁸ *Fixing Long-Term Care Act, 2021*, s. 77.
- ³⁹ Ministry of Long-Term Care, [Long-term care staffing study](#), July 30, 2020.
- ⁴⁰ Ontario, [Long-term care home complaint process](#).
- ⁴¹ Honourable Eileen E. Gillese, Commissioner of the Long-Term Care Homes Public Inquiry, [Public Inquiry into the Safety and Security of Residents in the Long-Term Care Homes System](#), 2019.
- ⁴² Ministry of Long-Term Care, [Long-term care staffing study](#), July 30, 2020.
- ⁴³ The Honourable Frank N. Marrocco, Angela Coke, and Dr. Jack Kitts, "Ontario's Long-Term Care COVID-19 Commission Final Report," April 30, 2021.

