

The Corporation of the City of Kawartha Lakes

Council Report

Report Number HS2017-006

Date: November 28, 2017

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier: All

Subject: Victoria Manor Management Agreement

Author Name and Title: Rod Sutherland, Director, Human Services

Recommendation(s):

RESOLVED THAT Report HS2017-005, **Victoria Manor Management Contract Renewal**, be received; and

THAT the agreement between the Corporation of the City of Kawartha Lakes and Sienna Senior Living Inc. for the Victoria Manor Management Contract, attached substantially in the form of Appendix A to Report HS2017-006, be approved; and

THAT the Mayor and City Clerk be authorized to execute any documents and agreements required by the approval of this agreement;

THAT the necessary by-law to authorize execution of the agreement be brought forward for adoption.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

The City is the owner of Victoria Manor, a 166-bed Long-Term Care Home in Lindsay. Under the Long-Term Care Homes Act, the City is required to operate a long-term care home.

Every southern municipality that is an upper or single-tier municipality shall establish and maintain a municipal home and may establish and maintain municipal homes in addition to the home that is required. 2007, c.8, s.119 (1).

Since January 3, 2012 the City has contracted with Sienna Senior Living Inc., and its predecessors (Specialty Care and Leisureworld), for day to day management operations for Victoria Manor.

The decision to contract with Sienna under a Full Service Management Model was largely driven by the increasing complexity of owning and managing a Long-Term Care facility. Managing changes to Long-Term Care legislation, regulations and care requires extensive resources that municipalities are challenged to provide when operating a single facility without the appropriate related expertise corporately. Changes within the sector in the past decade include:

- The introduction of the Long Term Care Homes Act in July 2010
- Standardized assessment and care planning process
- Electronic documentation
- Implementation of the Residents First quality improvement program
- New funding model for Long Term Care
- Local Health Integration Network (LHIN) Accountability Agreements
- Financial and statistical reporting changes
- Behavioural support program requirements
- Increase in resident complexity and acuity of care needs
- Introduction of the Enhanced Long-Term Care Homes Renewal Strategy

The Ontario Long-Term Care Association provides the following profile of Ontario's long-term care residents (2015-2016):

- 97% of residents need help with daily activities such as getting out of bed, eating, or toileting; 1 in 3 are highly or entirely dependent on staff
- 97% of residents have two or more chronic conditions such as arthritis or heart disease
- 90% have some form of cognitive impairment; 1 in 3 are severely impaired
- 46% exhibit some level of aggressive behaviour related to their cognitive impairment or mental health condition
- 61% take 10 or more different prescription medications
- 58% use a wheelchair

- 40% have a mood disorder such as anxiety, depression, bipolar disorder, or schizophrenia
- 38% need monitoring for an acute medical condition

The Canadian Institute for Health Information (CIHI) provides the following profile for 2015-2016 specific to Victoria Manor residents:

- 49.0% older than 85
- 5.5% younger than 65
- 73.1% of residents are female
- 72.6% residents with dementia
- 10.4% residents with congestive heart failure

As previously reported through reports HS2016-006 and HS2017-002, the City has been reviewing the Management Agreement with Sienna (the Agreement). The term of the Agreement was due to expire January 3, 2017; however, an extension to August 31, 2017 was approved by both parties to facilitate the review and recommendations regarding renewal. The current Agreement includes an automatic five-year renewal if not revised or otherwise terminated. The Agreement also permits revisions at any time with the consent of both parties and the approval of the Ministry of Health and Long-Term Care (MOHLTC).

Rationale:

The review of the Agreement included a review of Sienna's performance in operating Victoria Manor, the budget requirements for the home and the actual language of the Agreement. The City Solicitor and the City's Insurance Risk Management Coordinator participated in the review. External legal counsel and the City's insurer also reviewed the Agreement relating to insurance requirements.

Operationally, Sienna provides full management services and support to the City in the following areas:

- Administration
- Long-Term Care Procedures
- Financial Management
- Human Resources Management
- Nursing Support
- Dietary and Nutritional Care Services
- Recreation and Leisure Programs Support
- Quality and Risk Management
- Environmental (Building Services) Support
- Staff Learning and Development

Supports vary from on-site, full time services such as the Administrator, to access to the expertise of Sienna's resources. Sienna owns and operates 35 Long-Term Care Homes and 15 Retirement Homes in Ontario, in addition to 15 facilities in British Columbia.

In March 2015 Victoria Manor implemented its new Vision, Mission and Values.

Our Vision:

To awaken our communities to the positive possibilities of life's next chapters.

Our Mission:

To help you live fully, every day

Our Values:

Respect: We value each other. From our clients and residents to our coworkers, we take the time to appreciate each person's story, understand their perspective, and recognize their contribution.

Passion: This job isn't for everybody. We love working with older people. We feel it's a privilege to have them in our lives, and there's nothing more important to us than their safety and well-being.

Teamwork: To honour someone's voice and advocate for their choice, it's up to every one of us to communicate, collaborate, and support one another. We're in this together – coworkers, volunteers, physicians and healthcare providers, suppliers, communities, families, clients, and residents.

Responsibility: Holding ourselves to the highest standards of safety and quality is only the beginning. If we see a problem or an opportunity, we own it. If we say we'll do something, we do it. "Not my job" is not in our vocabulary.

Growth: We are always pushing ourselves – to learn, to develop, to find a better way and we strive to help our clients, residents and staff grow, encouraging them to stretch and do more than they might have thought possible.

Highlights of Sienna's progress and initiatives over the past five years are listed below, in the areas of Quality and Compliance, People and Finances.

Quality and Compliance

Deliverables and outcomes include:

- Provide comprehensive monthly management services reports in collaboration with the Director of Human Services based on the provision

of regular meetings, reporting requirements, and ongoing communication with the Committee of Management.

- Completion, submission, and posting of MOHLTC documents, including Long-Term Care Home Accountability Planning Submissions (LAPS), Long-Term Care Service Accountability Agreements (LSAA), and Quality Improvement Plans (QIP).
- Promotional programs including monthly newsletters, Let's Connect Customer Feedback program, Sienna Mission, Vision, Values, and Creed.
- Of the 9 Publically Reported Indicators reported in Q4 2016, 4 are at or better than provincial average.
- Implemented person-centred, social model of care.
- Achieved the Three Year status, the highest level of accreditation status from the International Commission on Accreditation of Rehabilitation Facilities (CARF) in 2016.

Resident satisfaction surveys are completed annually. Results from 2014 through 2016, based on overall satisfaction were 78%, 88% and 89% respectively.

Family satisfaction surveys were completed starting in 2015, with 2015 and 2016 overall satisfaction results being 83% and 82% respectively.

People (Human Resources)

Deliverables and outcomes include:

- The Administrator has been with the home for four years offering continuity of leadership.
- Consistency of staffing to maximize scope of practice for Registered Nurses, Registered Practical Nurses, and Personal Support Workers as well as enhance quality of care to residents and their families.
- Facilitate employee satisfaction surveys with the result of exceptional engagement/satisfaction scores.
- Provide expert advice on all matters related to long term care operations, funding, and policy.
- Support training such as 100% of staff trained in Gentle Persuasive Approach, 100% of staff trained in Abuse and Neglect and Resident Rights; Registered Staff training on approaches to understanding and enhancing care for individuals with complex physical and cognitive/mental health needs and behavioural changes.

Employee Engagement surveys have also completed on an annual basis starting in 2013. Conducted by an external provider, the overall job satisfaction results from 2013 to 2016 are 63.7%, 77.6%, 79.3% and 77.3% respectively.

Workplace Safety and Insurance Board related (WSIB) expenses have declined in each of the past three years, from \$227,007 in 2013 to \$98,246 in 2016

through effective practices. The City is a Schedule 2 WSIB employer, meaning that the full cost of benefits is paid by the City, in addition to an administration fee.

There are three bargaining units with staff in Victoria Manor: the Canadian Union of Public Employees (CUPE) Local 855, CUPE Local 1167, and the Ontario Nurses Association (ONA). CUPE 855 has the least number of employees at the home, with just two positions: Receptionists and Senior Accounts Clerk. The negotiation of CUPE 855 contracts has remained with the City's Corporate Services Department as the vast majority of positions are outside Victoria Manor. CUPE 1167 represents primarily Personal Support Workers, Registered Practical Nurses, Maintenance, Dietary, Recreation and Life Enrichment staff. The ONA bargaining unit includes all Registered Nurses.

City staff participate in negotiations with Sienna and City Council retains the ratification authority for all collective agreements as Owner.

Finances

Table 1 below identifies the municipal tax support (Operating and Capital) budgeted since 2012 as well as the actual tax support required from 2012 to 2016. In 2012 and 2013 Victoria Manor borrowed \$700,000 and \$232,542 respectively from the City's Working Capital Reserve. The repayment to the reserve began in 2016 at \$169,655 per year for five years.

Table 1: Budgeted Tax Support 2012 to 2017 (Operating and Capital)

	Budgeted Tax Support	Actual
2012	1,007,875 ¹	1,005,512
2013	540,417 ¹	410,981
2014	467,722	383,454
2015	491,476	386,719
2016	679,871 ²	627,670
2017	1,005,875 ²	n/a

¹ Included revenue by way of a loan from Working Capital Reserve in 2012 and 2013 budgets of \$700,000 and \$232,542 respectively.

² Budgeted expenses for 2016 through 2020 include an annual repayment to the City's Working Capital Reserve of \$169,655.

Appendix C provides a comparison of tax support across Homes in 40 municipalities in 2016. While Victoria Manor is at the very low end of the scale for tax support in comparison with other municipal homes in Ontario, this alone is not a measure of financial success. Monitoring the value for the money that is spent is a more applicable measure.

The fees associated with the Full Service Management Model are consistent with administration fees across the sector at no more than 5%. The updated agreement maintains the existing approach with fees calculated annually. Applying the revised agreement to the 2016 budget and actual expenditures, fees would total approximately \$514,720. The cost associated with the employment of the Administrator, a Sienna employee, is borne fully by Sienna. The annual salary and benefits for an Administrator position, were it to be a City employee, would be approximately \$150,000.

Revisions to the Agreement

The proposed revisions to the existing agreement primarily formalize operational changes that have evolved or been identified through its first term. Language changes are being made in a number of areas to incorporate those changes. These changes, which do not substantially change the intent or scope of the agreement include:

- Reflecting the current legal name of the Manager: Sienna Senior Living Inc.
- The Agreement includes the previous termination language related to default as well as adding the ability of either party to terminate the Agreement with 90 days' written notice. The Agreement may also be amended during the term by mutual agreement.
- The term is for five years, from December 2017 to December 2022, at the end of which the City will be required to assess the requirement for a new competitive bid process.
- Clarification on a number of areas for Scope of Work in an appended Schedule A to the Agreement (Appendix B to this report). Based on experiences through the initial term, the Scope of Work or responsibilities of both parties is further clarified in areas of financial reporting, Human Resources, training and development and the Administrator.
- The timing of budget recommendations has been changed to better reflect the City's budget calendar.
- Clarity regarding insurance requirements.

Recommendation

The first term of the Agreement for management services has focused largely on developing new policies and procedures and establishing new values and culture at Victoria Manor. The extensive legislative compliance required under the Long-

Term Care Homes Act was a key rationale for the initial purchase of management services.

In an environment of expected continuous improvement and enhancements, the continuity and stability of operations for residents and their families and employees provided through renewing this Agreement is recommended by staff and the Victoria Manor Committee of Management.

It is recognized that there are further opportunities that can be pursued, building on the progress described above. City staff will continue to work with Sienna staff and the Committee of Management toward continued progress.

A key opportunity for the City in the renewal of the Agreement is the potential redevelopment of Victoria Manor under the Province's Enhanced Long-Term Care Homes Renewal Strategy. The expertise and resources available through Sienna are considered a significant benefit as an application to redevelop is being considered.

The attached proposed agreement is shown as substantially complete as the City Solicitor and Sienna's solicitor are finalizing some language at the time of completion of this report. There is no material or substantive changes to be made in finalizing the agreement for execution. Once executed, the Agreement requires review and approval by the MOHLTCs Long-Term Care Licensing Branch. An Agreement to Approve a Management Contract will be executed between all three parties.

Other Alternatives Considered:

Two primary options could be considered: the City could resume full and direct management of Victoria Manor, or the City could conduct another procurement process to select the Management organization.

The option of resuming full and direct management of the home, as was in place prior to 2012, is not recommended by staff or the Committee of Management as the expertise and capacity that was created and is in place with a qualified Management organization would be lost. Municipalities, in particular those with one Home, have limited capacity to support the effective and efficient operations of a long-term care facility.

The option of conducting another procurement process is not recommended by staff or the Committee of Management. The intent of the original Agreement with an external long-term care organization included creating long-term stability within the home through the renewal clause.

The review of the Agreement with Sienna has identified operation processes to improve and these will be implemented. The Agreement requires continual reporting and monitoring of the level and quality of care for residents and the

services provided by Sienna. The short- and long-term benefits of retaining the services of Sienna are believed to be greater than any potential changes that could result from a further procurement process.

The intent of contracting for the Full Service Management Model in 2012 was to create long-term sustainability and stability in the operation of Victoria Manor. The continuation of the Agreement with Sienna supports this. The Agreement retains appropriate monitoring language and allows for termination due to poor performance or for any other reason with notice should the City decide to change the management arrangements or if the City is not satisfied with the quality of services.

Financial/Operation Impacts:

The City's total tax support for Victoria Manor since 2012 is listed in Table 1. The development of the Victoria Manor Operating and Capital budgets follow the City's Budget Calendar and is completed in consultation with the Committee of Management. The budgets are approved by Council.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

The effective and efficient operation of Victoria Manor relates directly to the City's Strategic Goal #2 of An Exceptional Quality of Life.

Consultations:

City Solicitor
Insurance Risk Management Coordinator
Sienna Senior Living Inc.
Victoria Manor Committee of Management

Attachments:

Appendix A: Proposed Management Agreement with Sienna



Appendix A
Agreement for attach

Appendix B: Schedule A to the Management Agreement: Scope of Work



Appendix B - Scope
of Work.pdf

Appendix C: Municipal Long Term Care Home Tax Support Comparison



Appendix C -
Municipal Home Tax S

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