

BACKGROUND

- 4.1** The Continuing Care Branch of the Department of Health (DOH) provides access to:
- Adult Protection Services
 - Home Care
 - Long-term Care
- 4.2** The 2006-07 budget of the Continuing Care Branch was \$478.8 million. Of that amount, \$326.9 million (68.7%) related to Long-term Care. The long-term care program provides a range of services to individuals who can no longer live independently. These individuals, many of whom are seniors, receive accommodation, supervisory care, personal care and nursing services as required. Although there are three types of homes which fall under the long-term care umbrella - nursing homes, residential care facilities and community-based options - in 2006-07 88% (\$286 million) of the long-term care budget was allocated directly to nursing homes or homes for the aged (nursing homes).
- 4.3** Nova Scotia, like other provinces in Canada, has an aging population. In 2006, 14.1% of the Province's population was sixty-five or older. This percentage is expected to continue to grow and nearly double by 2026. Nova Scotia currently has the oldest population in Atlantic Canada and the third oldest in Canada. The growing population of seniors is expected to continue to strain the Province's health care resources. Ensuring seniors' health care requirements are met in the most economical way possible is a significant challenge facing the Province.
- 4.4** Individuals who meet certain admission requirements are eligible for placement to long-term care facilities including nursing homes and homes for the aged. These clients have needs for personal care, supervision, and nursing care which exceed the services offered by the Home Care program. In 2006-07 there were 76 licensed nursing homes in the Province. For-profit operators owned 20 while the remaining 56 were owned by not-for-profit organizations including municipalities (see Exhibit 4.1 for breakdown of Provincial beds between profit and not-for-profit operators). In the same year, there were 5,778 licensed nursing home beds in the Province (see Exhibit 4.2 for breakdown of beds by DHA).
- 4.5** Nursing homes are governed by the requirements of the Homes for Special Care Act and Regulations and detailed policies. The Continuing Care Branch has established offices in each health district in the Province. District staff are responsible for the intake, assessment and placement of clients in nursing homes while head office staff conduct mandatory annual inspections and license homes. The financial administration of the long-term care program is the responsibility of the Financial Services Branch of DOH.

- 4.6** Access to all licensed nursing homes in the Province is controlled by DOH through a Single Entry Access (SEA) system initiated in 2002. Under SEA, eligible clients are placed on a wait list based on the date a decision was made regarding the necessary level of care. The wait lists for all homes are maintained by DOH and clients can only gain entry to nursing homes through the SEA system. Once assessed and deemed eligible for placement in a nursing home, clients request to be placed on the wait list for their preferred homes as well as any others they would accept as alternatives. Clients are also prioritized based on specific criteria. The majority of clients are priority 3. Priorities 1 and 2 are placed ahead of 3 and relate to cases such as adult protection clients, peritoneal dialysis and spousal placements. Management has indicated that priority levels 1 and 2 combined total 11% of all clients.
- 4.7** In 2006-07, there were approximately 7,400 new assessments. When we completed our audit testing, there were 1,750 clients in the Province waiting for placement to a facility. Exhibit 4.3 provides a breakdown of the wait times experienced by clients who received initial placement to a facility between March 1, 2006 and February 28, 2007. The average wait time was 142 days from the date the care level classification decision was made to placement.
- 4.8** In January 2005, DOH implemented the new Cost of Care Initiative which significantly changed the way nursing homes are funded and how the required financial contribution from clients is determined. Prior to 2005, clients with the required financial resources contributed to all costs associated with their care in a nursing home. Since 2005, health-care costs for residents of nursing homes are borne by the Province but clients are still required to contribute to accommodation charges and personal expenses based on ability to pay.
- 4.9** DOH sets one standard accommodation charge each year based on the average operating costs of all homes. The maximum standard charge to be paid by clients for 2006-07 is \$75.50 per day. The financial contribution required from each client is based on an initial financial assessment using criteria established by DOH. DOH pays the portion of the accommodation charges in excess of the client's financial resources. Clients able to pay the full standard accommodation charge are permitted to retain all remaining income and assets. A budget for each home is approved by the Department of Health and paid bi-weekly. Accommodation costs and health care costs account for 26% and 74%, respectively, of the total costs of long-term care facilities.
- 4.10** In May 2006, the Minister of Health announced the *Continuing Care Strategy for Nova Scotia Shaping the Future of Continuing Care*. The strategy includes several initiatives to expand and improve the continuing care system in the Province. The action plans related to the strategy are expected to take ten years to complete; initiatives planned for the first four years are estimated to cost \$122 million. The strategy document is available on the DOH website at http://www.gov.ns.ca/health/ccs/Continuing_Care_Strategy06.pdf.
- 4.11** In February 2007, the Minister of Health announced 832 new long-term care beds for the Province, 721 replacement beds in nine aging facilities and the fast tracking

of 77 beds to help ease immediate pressures on the system. The new beds are to be distributed among the Province's health districts and contracts for development and operation of long-term care facilities are expected to be awarded through a request-for-proposal process starting in April 2007.

- 4.12 Our most recent audit of the long-term care program was reported in the 2003 Report of the Auditor General (Chapter 9). We followed up on implementation of our recommendations from that audit in the December 2006 Report of the Auditor General (Chapter 7).

RESULTS IN BRIEF

- 4.13 The following are our principal observations from this audit.
- The Homes for Special Care Act and Regulations are outdated and should be amended to reflect current standards and program changes such as the new Cost of Care Initiative and Single Entry Access.
 - We believe that DOH should continue its efforts and implement a funding formula for nursing homes to improve the efficiency and consistency of the funding process. The recent announcement of new bed construction increases the need for a fair, transparent funding formula as new service providers will likely be entering the system.
 - The accountability framework for nursing homes should be improved by establishing service agreements to more clearly set out performance expectations and reporting requirements for the nursing homes.
 - We examined documentation relating to the annual inspection and licensing process for homes. We noted several deficiencies and concluded that significant improvements are required to ensure that the process is effective in ensuring clients' care needs and legislative requirements are met.
 - Our testing of the accuracy of information in the SEAscape system found instances where the information was inaccurate. Since this information has the potential to affect decisions on placement, wait list position and level of care, we believe that DOH should develop and implement an effective quality assurance process for this information.
 - We tested placement decisions for a small sample of clients and identified four situations where clients appear to have been placed in nursing homes in a manner that was not consistent with DOH placement policies. We acknowledge that circumstances may exist in specific situations which would warrant exceptions to the placement policy but, in these cases, there was no supporting documentation to explain the rationale for placement of these clients before others on the wait list. We recommend that all exceptions to placement policies be specifically approved by DOH management.

AUDIT SCOPE

- 4.14** The objectives of this audit were to review and assess:
- processes to assess, prioritize, and place clients in nursing homes;
 - compliance with policies and procedures for placement of nursing home residents;
 - completeness and accuracy of wait list reports;
 - DOH's process for setting out performance expectations for nursing homes;
 - compliance with accountability reporting requirements for nursing homes;
 - systems for funding nursing homes;
 - processes for the annual licensing and monitoring of nursing homes; and
 - compliance with licensing requirements.
- 4.15** Our audit criteria were obtained from recognized sources including internal policies and procedures and legislation and were discussed with DOH management.
- 4.16** Our audit approach included interviews with DOH management, and examination of relevant policies, procedures, legislation and other documents as deemed necessary. Our audit procedures included detailed testing of the licensing, budgeting and payment processes for nursing homes. We also conducted testing for compliance with the nursing home application, wait list, and placement processes.
- 4.17** The scope of our audit did not include the home care program and we did not visit any nursing homes in the Province to review operations. We plan to audit other aspects of Continuing Care, such as the Home Care program and awarding of contracts for the new long-term care beds (see paragraph 4.11), later in 2007 and early 2008.

PRINCIPAL FINDINGS

Accountability and Performance Reporting

- 4.18** **Summary observations** - We assessed DOH's accountability framework for nursing homes. We concluded that service agreements should be established to more clearly set out performance expectations for all nursing homes, and that DOH should ensure nursing homes submit required information on a timely basis.

- 4.19** [Performance expectations for nursing homes](#) - Although the Homes for Special Care Act and Regulations include a number of provisions related to nursing homes (see paragraph 4.35), DOH has not yet established formal performance expectations for nursing homes. Management has indicated that, informally, nursing homes are expected to operate within the financial resources provided and to comply with appropriate legislation. Management has recognized the need to develop service-level agreements and are currently drafting an agreement which new facilities will be required to sign. Management indicated this new agreement will include formal performance expectations and reporting requirements and that there are plans to require all nursing homes in the Province to have similar agreements in the future. We believe such agreements will enhance the nursing homes' accountability to DOH and should be required for all nursing homes in the Province.

Recommendation 4.1

We recommend that DOH establish service agreements with all nursing homes which include performance expectations and reporting requirements.

- 4.20** [Nursing home reporting requirements](#) - DOH's annual budget letter to nursing homes (see paragraph 4.25) includes a requirement to submit audited financial statements each year. Management indicated they use this information to analyze and compare operating results, cost pressures and other issues on an equitable and consistent basis across the sector. These statements are to be submitted to DOH by July 31 and there are specific requirements relating to financial statement presentation and disclosure. To supplement the information provided by the financial statements, nursing homes are also required to provide an annual accountability report which provides further detail relating to the expenditures in the financial statements. Management indicated that they do not require nursing homes to submit copies of the external auditors' management letters. These annual letters include details of any control weaknesses and other findings during the financial statement audit. We believe these letters could provide important information to DOH with respect to financial management of the nursing homes and we recommend that DOH require nursing homes to submit these letters to DOH annually.
- 4.21** We tested documentation relating to 30 nursing homes to determine whether DOH reporting requirements were met. As a result of our testing, we noted the following:
- In 15 cases, the date the financial statements were received had not been documented.
 - In 7 cases, nursing homes had submitted financial statements after the July 31 deadline.

- In 8 cases, specific reporting requirements were not met by the nursing homes.
- In 5 cases, auditors had issued qualified auditors' reports related to depreciation policy, completeness of donation revenue, and accounting for accrued vacation pay.
- In 6 cases, the basis of accounting used to prepare the financial statements was not Generally Accepted Accounting Principles.
- In 5 cases, nursing homes had not submitted accountability reports.

4.22 In order for information to be useful to DOH management in analyzing and comparing operating results, and making decisions, it must be timely, complete and prepared on a comparable basis. Our testing indicates improvements are needed to ensure information submitted by nursing homes possesses these attributes. We also noted some nursing homes have March 31 year ends which makes providing audited financial statements by July 31 more difficult than for those with December 31 year ends.

Recommendation 4.2

We recommend DOH ensure reporting requirements for all nursing homes are practical, and establish a process to ensure requirements are met and appropriate action taken if inconsistencies are identified. DOH should also require nursing homes to submit auditors' management letters for review.

Funding Nursing Homes

- 4.23** **Summary observations** - We reviewed the systems for setting budgets and providing payments to nursing homes. We determined that DOH had established processes in place but that improvements were required in certain areas. There is no funding formula for nursing homes and we recommend that DOH continue its efforts to implement one to reduce the inconsistencies in funding that currently exist.
- 4.24** **Annual budget process** - DOH determines a budget for each eligible facility on an annual basis. The budget process is detailed and includes spring and fall consultation sessions with representatives of the nursing homes. In December, each nursing home submits a business plan to DOH which includes funding requests for the upcoming year and capital requirements. This information is used by DOH to prepare its Estimates for the next fiscal year.
- 4.25** DOH maintains spreadsheets which detail the approved budget for each nursing home. The spreadsheet includes details of funding related to staff complement and salaries, operations, mortgages, capital requirements, profit margin where applicable, and recoveries. The spreadsheet is updated for cost pressures approved

as part of the DOH budget. Once the final budgets have been approved by DOH, nursing homes are notified by letter of funding including explanations for variances from the previous year. The funding letter does not specifically indicate that approved staffing levels must be maintained, but DOH management indicated during the audit that the expectation is that nursing homes maintain the approved staffing levels for resident care. However, some portability of funding among areas which do not impact resident care (e.g., administrative costs) is acceptable.

- 4.26** Salaries and benefits comprise approximately 75% of each nursing home's annual budget. Salaries related directly to resident care, such as Registered Nurses (RNs), Licensed Practical Nurses (LPNs), and Continuing Care Assistants (CCAs), represent a significant portion of total funded salaries at about 65%. The rates used for all salaries are approved by DOH and are consistent for all nursing homes. DOH has also established guidelines for resident care staffing ratios, including RNs, LPNs and CCAs.
- 4.27** DOH has not established a formula or guidelines with respect to specific operational funding provided to nursing homes in areas such as maintenance staff. Each year, DOH reviews the previous year's funding for operations and compares nursing homes, based on average funding per approved bed, to identify any funding gaps between nursing homes. If new operational funding is approved as part of the DOH budget, this amount is allocated to the nursing homes with the largest identified gaps when compared to the average.
- 4.28** We examined the supporting documentation for the calculation of the 2005-06 annual budget for 30 nursing homes. Our objective was to assess whether the budgeting process and DOH guidelines were followed. We concluded that the process and guidelines were generally followed although we did note instances where there were inconsistencies in the funded staffing ratios for certain nursing homes.
- 4.29** **Funding formula** - The 2003 Report of the Auditor General (page 146) included the following recommendation "We recommend that the DOH continue with its efforts to develop an overall funding formula for the Long-term Care program." The budgeting process continues to be complex and time consuming. Management indicated they would like to move to a funding formula and have been gathering and analyzing information with a goal of implementing a formula but an expected completion date has not been established. A new funding formula would include such factors as the acuity level of residents, square footage, age of facilities, and capital requirements. We believe that a funding formula would provide a more consistent and efficient method of determining funding for nursing homes especially in the areas of operational and capital funding and urge DOH to proceed with implementation in the near future. The recent announcement of new bed construction (see paragraph 4.11) increases the need for a fair, transparent funding formula as new service providers will likely be entering the system.

Recommendation 4.3

We recommend DOH continue its efforts to implement a funding formula for the long-term care program.

- 4.30** **Payments to nursing homes** - The nursing home's approved budget (see paragraph 4.24) is reduced by DOH's estimate of residents' required contributions toward accommodation costs for the year (see paragraph 4.9). The net amount is forwarded to nursing homes through bi-weekly payments throughout the year. The nursing homes also receive monthly reimbursement for payments made on behalf of residents for special needs, such as hearing aids, as defined in DOH policies. The nursing homes are required to submit monthly claims supporting special needs payments for approval by district staff prior to DOH reimbursement.
- 4.31** **Quarterly reconciliations** - Bi-weekly payments to nursing homes are based on DOH's approved budget for nursing homes less DOH estimates of residents' accommodation contributions. To ensure payments made are appropriate, DOH requires nursing homes to report actual resident movement information and residents' contributions monthly. This information is reconciled every three months to the estimates used to determine the nursing home's bi-weekly payment amount. Any differences between actual results and estimated amounts are either paid to or reimbursed by the nursing home. The results of the reconciliations are communicated to the nursing homes by a letter from DOH. The impact of the accommodation cost payment and reconciliation process is that DOH effectively guarantees the nursing homes they will receive all accommodation costs to which they are entitled.
- 4.32** We reviewed the detailed support for a 2005-06 quarterly reconciliation for 30 nursing homes. Although we found no errors in the reconciliations examined, we noted six nursing homes did not have up-to-date reconciliations. In three cases, the monthly reports required by the nursing homes had not been submitted. DOH management indicated they are aware of the delays and have been completing four to five quarters at a time in an attempt to eliminate the backlog.
- 4.33** We also noted that three nursing homes owed a balance to DOH as a result of the reconciliation process (\$92,000, \$169,000 and \$194,000, respectively). These amounts had been identified in January or February 2007 but, as of late March, DOH had not yet made arrangements with the nursing homes for repayment. Management indicated that they planned to call the nursing homes and request repayment, either by lump-sum cheque or reductions in bi-weekly funding.

Recommendation 4.4

We recommend that DOH perform quarterly reconciliations and collect funding overpayments in a timely manner.

Licensing and Inspections

- 4.34** **Summary observations** - We assessed the annual licensing and inspection process for nursing homes and determined significant improvements are required to ensure the process is effective in ensuring residents' care needs and legislative requirements are met.
- 4.35** **Legislation** - The Homes for Special Care Act and Regulations include requirements for annual licensing and semi-annual inspections or visits of nursing homes. The Regulations include many specific requirements which must be met by nursing homes. DOH management informed us that many of the requirements in the Act and Regulations need to be updated as they do not reflect current standards. In addition, significant new DOH policies such as the Cost of Care Initiative and Single Entry Access are not reflected in the current legislation. Management has indicated they recognize the need to update the current legislation. However, DOH's focus on other significant initiatives in process has meant that updating legislation is not currently a priority for DOH. We emphasize the need to update legislation is urgent in this case as there have been significant changes in the program which are not in compliance with current legislation.

Recommendation 4.5

We recommend that DOH work towards having the House of Assembly update the Homes for Special Care Act and Regulations to ensure the legislative framework reflects current long-term care operations and standards.

- 4.36** **Annual licensing process** - As indicated in paragraph 4.35, all nursing homes are required to be licensed by DOH annually. The inspection and licensing process is key to ensuring residents receive quality care. We selected a sample of 30 nursing homes to determine if they were operating with a current license. All 30 files we examined indicated that the nursing homes were issued a one-year license and all licenses were current.
- 4.37** DOH can cancel, suspend, refuse to issue or re-issue a license to operate a nursing home. There have been no recent license cancellations or suspensions for any nursing homes. We noted that DOH has not established policies and procedures to govern the licensing function, and in particular, to set out conditions when licenses should not be granted to a nursing home or when a license should be issued for a period of less than a year. We understand that management plans to address this issue starting in 2007. At the time of our audit, the Fire Marshal had informed DOH he would be recommending one nursing home not be issued a license due to fire and safety deficiencies. DOH staff have been working with the Fire Marshal and the nursing home to address deficiencies contained in the Fire Marshal's report.
- 4.38** **Inspections of nursing homes** - DOH monitoring and evaluation staff are required to inspect nursing homes to ensure compliance with the Homes for Special Care

Act and Regulations, and to prepare and submit reports and recommendations for licensing of nursing homes. The inspections do not include a review of financial management, internal control, staffing or accreditation status of the nursing homes.

- 4.39** The timing of inspections is based on the expiry date of the nursing home's license. Visits to the nursing homes are generally unannounced. A detailed licensing questionnaire is completed by administration of the nursing home in advance of the inspection visit. Nursing homes are required to submit a number of documents with the licensing questionnaire. A licensing letter is written to the administrator of the nursing home at the conclusion of the inspection outlining areas of commendation as well as areas for improvement. The administrator is required to respond to DOH within 30 days outlining steps taken or planned to address the licensing letter's recommendations.
- 4.40** We examined DOH's inspection files related to 30 nursing homes to determine whether requirements under the regulations and DOH policies had been met. In all 30 cases, we concluded that an inspection had been performed within the last year but we observed several areas where the inspection process should be improved.
- Legislation requires an annual inspection supported by a second visit. In only one case was there evidence that a second visit had been completed during the year as required by legislation.
 - There are no policies and procedures relating to specific inspection procedures to be performed, the extent of the review to be conducted, required documentation of inspection files, or required monitoring of recommendations.
 - Many of the requirements detailed in the regulations, such as sufficient staffing levels, do not appear to be addressed as part of the inspection process.
 - Numerous documents required from nursing homes as part of the licensing questionnaire were not always submitted. Examples of documents not submitted include the Fire Marshall's annual inspection report, evidence of testing of emergency plans, and proof of liability insurance.
 - There is no documentation of which residents' files were examined and the criteria used to assess the contents of the files.
 - There is no review and analysis of actual resident care staffing levels in comparison to the numbers of staff funded.
 - Some nursing homes are accredited and inspected by the Canadian Council on Health Services Accreditation. These accreditation reports are not reviewed as part of the inspection process although they would include information relevant to this process.

- 4.41** The existence of a strong licensing and inspection process, which is functioning properly, is a key control to ensure that nursing homes are providing an appropriate level of care to residents and all DOH requirements are met, including important patient safety related processes. Our review of the licensing and inspection process revealed several deficiencies and we concluded significant improvements are required to ensure residents' care needs and DOH requirements are met. We understand that a two-year review of the standards and licensing process is scheduled to begin in spring 2007 as part of implementing the Continuing Care Strategy; this review may address the identified weaknesses.

Recommendation 4.6

We recommend that DOH review and improve the licensing and inspection process to address deficiencies noted in paragraph 4.40 above.

- 4.42** **Complaints process** - The authority to investigate complaints against nursing homes and staff falls under the general provisions of the Homes for Special Care Act and Regulations and is the responsibility of inspection staff. Complaints received are included in a file for follow-up by inspection staff. Although DOH does not have formal policies and procedures with respect to documentation and investigation of complaints, an informal process does exist. We examined 11 complaints made and noted that in all cases documentation in the files indicated DOH had investigated. We noted there were differences in how the results of the 11 complaint investigations were reported to complainants. In 6 of the 11 cases, a letter was sent to the complainant. We understand DOH is in the process of developing policies and procedures related to this process as part of implementing the Continuing Care Strategy.

Single Entry Access and Wait Lists for Nursing Homes

- 4.43** **Summary observations** - We examined the adequacy of DOH's processes for placement of clients in nursing homes. The Department of Health assesses all applicants and maintains a wait list of eligible applicants for all licensed nursing homes in the Province using a computerized system known as SEAscape. We performed detailed testing of a sample of cases and found inaccuracies in some of the SEAscape data. This increases the risk that some individuals may not be placed in nursing homes in accordance with DOH placement policies. We tested 28 data fields in SEAscape. Data fields related to medical assessment information were excluded from testing. We also found a small number of cases where placement of residents did not appear to have followed DOH policies, although we acknowledge there may have been extenuating circumstances which had not been documented in the files. We have made recommendations for increased quality assurance in the SEAscape placement process.
- 4.44** **Intake process** - Clients requesting placement in a Provincial nursing home are required to go through the Single Entry Access system implemented by DOH in

2002. Clients, or their representatives, call a 1-800 number that is routed to one of four Intake Offices around the Province. To be eligible to receive services, each individual must have a valid Nova Scotia Provincial Health Card and agree to a functional assessment. Financial assessments are only done where the client does not wish to pay the maximum daily charge (see paragraph 4.9).

- 4.45** Due to the large volume of requests for functional assessments received by DOH (see paragraph 4.7), intake officers complete a Prioritization Assessment Tool (PAT). This provides a consistent method to determine the time frame in which the client should be assessed by the allocated care coordinator. For example, if the client is assessed as high priority, DOH policy requires the functional assessment be completed within 5 days.
- 4.46** **Client assessment process** - Assessments are usually completed in a face-to-face meeting where the client resides. The care coordinator completes the assessment using a tool, known as the MDS-HC. This is a minimum set of data which provides case workers with the information needed to make decisions on the level of care the client requires and whether placement in a nursing home is needed or whether home care or respite services may be more appropriate. The tool is endorsed by the Canadian Institute for Health Information.
- 4.47** Assessments which result in a requirement for long-term care placement are reviewed by Classification Officers. The date on which the care level decision is made determines the client's place on the wait list for a facility in conjunction with the individual's priority level assigned according to DOH guidelines. With the assistance of the care coordinator, clients choose a preferred facility as well as any alternates they will accept while waiting for placement in the preferred facility. They are placed on the wait lists for each facility chosen in chronological order with other clients at the same priority level.
- 4.48** The majority of clients are assessed at priority level 3. Only clients who are placed under Adult Protection (see paragraph 4.6) are assigned as priority 1 (urgent). Priority 2 classification is reserved for special placement cases, for example, when spouses request placement together.
- 4.49** We observed there are very specific, documented policies and procedures for the various stages of the intake and assessment processes. These include timelines for assessment and documentation and definitions for priority levels. This information is entered into a computer application called SEAscape which is the primary information system used to manage the intake, assessment and placement process. As noted below, during testing we found instances where some information was not posted to SEAscape.
- 4.50** We selected a random sample of 30 clients who had been assessed during the one-year period between February 1, 2006 and February 1, 2007. Our objective was to test whether DOH guidelines throughout the intake and assessment process were followed and whether information in SEAscape was accurate and complete. We tested 28 fields in SEAscape but did not examine the accuracy of the results of the functional assessment. Our findings are summarized below.

- The specific PAT (assessment tool) required by DOH policy was not used in three cases.
- In 13 cases, the PAT results were not included in the client's file so we could not assess whether SEAscape information was correct.
- In one case, the priority rating for assessment per the PAT was incorrectly recorded in SEAscape as low when it should have been medium.
- There were seven clients who were not assessed within the established timelines.
- In five cases, placement coordinators had not been assigned to the client as required by policy.
- In two cases, information to support the care level decision was not included in the client's file so we could not assess whether SEAscape information was correct.
- In one case, the level of care required per the client's assessment (NH1) was incorrectly recorded in SEAscape (NH2).
- In two cases, the client's gender was incorrectly recorded in SEAscape.

4.51 If DOH policies and procedures are not followed and information in the SEAscape system is inaccurate, there is a risk that improper decisions on placement, wait list position and care level may be made. While we recognize management uses some of the canned reports provided by SEAscape for monitoring, we believe that DOH should develop a formal internal quality assurance process to ensure compliance with policies and accuracy of management information in SEAscape.

Recommendation 4.7

We recommend DOH develop and implement a quality assurance process to help ensure compliance with policies and accuracy of SEAscape information.

4.52 The intake process also includes clients requesting home care services and not placement in nursing homes. We tested a sample of 15 clients who were assessed in the past 12 months but not included on our placed listing or on the wait list. All of those sample clients were assessed for home care only and correctly identified as such in SEAscape.

4.53 [Nursing home placement and wait list management](#) - Wait lists for all licensed facilities are monitored and managed by DOH. When a bed becomes available, the facility contacts the placement coordinator for the area who determines which client is next on the wait list and fits the criteria for the bed. Criteria include

gender, care level, security requirements, etc. The facilities cannot fill the available beds without contacting DOH but they can transfer their clients internally from one bed to another.

- 4.54** To ensure fair and consistent treatment of wait-listed clients, DOH has developed policies and guidelines to assist in managing the wait lists. Clients are to remain on the wait list for their preferred facility until they are placed or voluntarily withdraw their request. Clients who are offered placement in one of their chosen facilities but refuse the offer are removed from all wait lists and are required to reapply. They will then be placed on the wait list at the new application date.
- 4.55** When a client accepts the offer in a preferred facility, acceptance is recorded in the SEAScape application. This automatically removes the client from all other wait lists. If the client accepts an offer from a facility on the alternates list, the client will remain on the preferred facility's wait list but be removed from the accepted facility's wait list. We tested this process and found that all of our test cases were appropriately removed from the wait lists based on the offer accepted.
- 4.56** Clients in hospital who are assessed as needing long-term care placement are usually considered to be priority 3 clients; however, they are required to accept the conditions of the *First Available Bed Provision*. This provision allows the client to be placed in the next available bed within any suitable facility that is within 100 kilometers of the preferred community. Should the client decide to remain in hospital while waiting for placement and not agree to the Provision; the District Health Authorities may charge the client a per-diem.
- 4.57** The District Health Authorities also have the ability to apply to DOH for a variance. The variance policy states that if a hospital is experiencing a shortage of beds and cannot meet standard service levels, the patients waiting at that hospital for long-term placement can be moved to the top of the placement wait list for their priority level.
- 4.58** Clients who require immediate or urgent assistance have two formal options for placement. Clients who meet strict criteria can be placed under the Adult Protection Act and clients who are in hospital but medically discharged are subject to the *First Available Bed Provision* (see paragraph 4.56). DOH is currently developing a formal *Urgent Exception to Placement Policy* to assist clients who are in crisis but do not require placement under the Adult Protection Act.
- 4.59** Of the 30 clients we selected for testing (see paragraph 4.50), 15 had been placed in nursing homes and 15 were still on the wait list. For those 15 clients who had been placed, our objective was to assess whether DOH placement policies were followed. We attempted to determine whether they had been at the top of the wait list for that particular bed at the time of placement. For example, because the majority of rooms are occupied by two residents, the next available bed may only be appropriate for a male or female depending on the gender of the current occupant. As a result, the client who meets the gender criteria and is the highest on the wait list should be offered the bed according to DOH policies.

4.60 Although historical wait list information is not readily available through the SEAscape system, we were able to obtain the raw data needed to recreate the wait lists at the time of placement for these 15 clients. We wished to determine whether these clients had been placed in accordance with DOH policies according to date of eligibility and priority levels in SEAscape. We found the following instances where placement policies did not appear to have been followed:

- In two cases, clients were placed before others who were next on the wait list and no explanation was documented in SEAscape, or subsequently provided to us.
- There was one client who was placed in a nursing home bed even though assessed as requiring a bed in a residential care facility.
- In one case, a client was placed in a dementia bed although the client had not been assessed as requiring that type of bed.

4.61 Our testing indicated that DOH nursing home placement policies may not have been complied with in all cases. We acknowledge that extenuating circumstances may have existed at the time of placement which might have warranted exceptions to policy but there was no documentation supporting the decisions and no explanations were provided by DOH staff. We believe that policies should be followed and, if exceptions are warranted, the rationale should be clearly documented and approved by appropriate DOH management.

Recommendation 4.8

We recommend DOH establish a process to review placement decisions made by staff. Management should specifically approve all cases where exceptions are made to the policy and clearly document the rationale for the action taken.

4.62 We noted that DOH management does not formally monitor the client wait list for placement in nursing homes and no aged report is prepared. We believe this is important management information and should be more closely monitored. Management has stated that, starting June 1, 2007, DOH will publicly report average wait times for placement in long-term care facilities including specific wait times by facility.

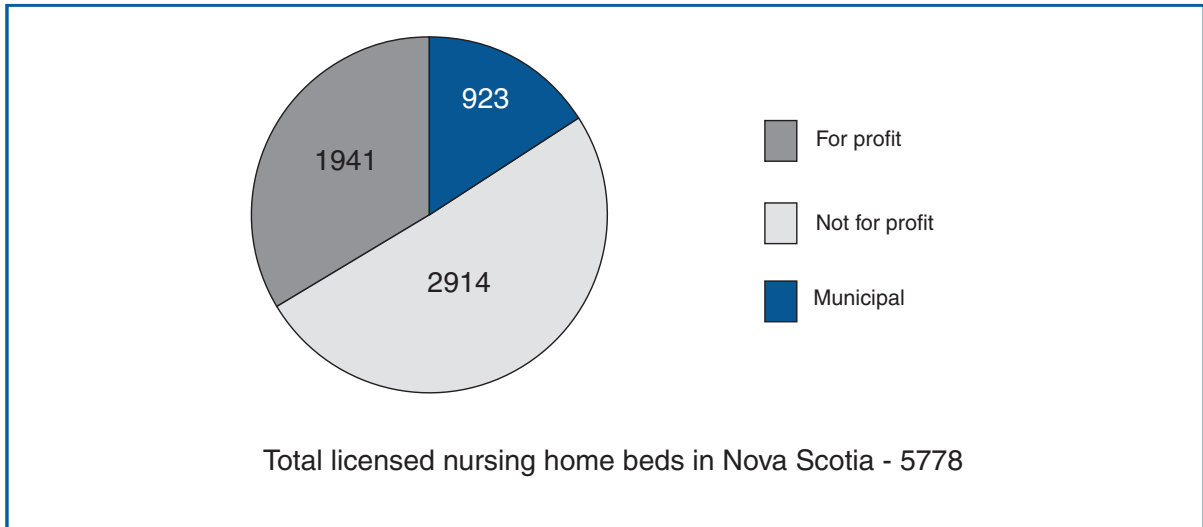
4.63 [Information technology controls related to SEAscape system](#) - As indicated in paragraph 4.49, all information related to the intake, assessment and placement of clients in nursing homes is entered into SEAscape. Management indicated that reports from SEAscape are used to help ensure compliance with Departmental policies and to monitor and report on Branch operations including wait list management. We reviewed certain aspects of the general information technology control environment related to the SEAscape system. We did not perform a complete review of the information technology control environment. We found

the Department of Health does not have a formal business continuity plan related to the SEAscape system, and has not analyzed the associated risks. DOH management indicated they are in the process of developing a business continuity plan which will incorporate an assessment of risks.

CONCLUDING REMARKS

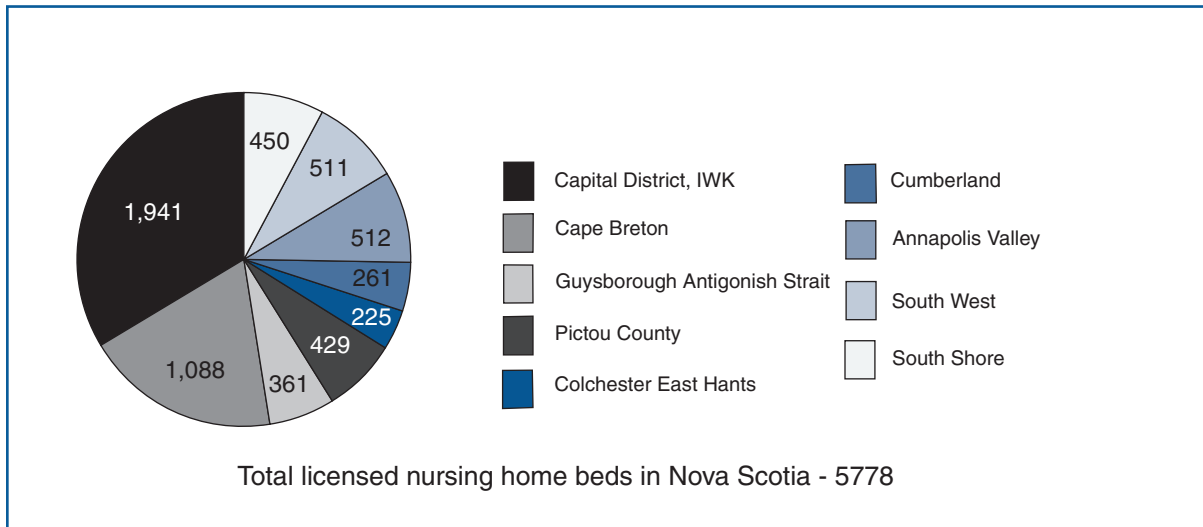
- 4.64** In 2003 we recommended that DOH improve processes related to funding and accountability of nursing homes. These recommendations have not yet been addressed and we encourage DOH to implement the necessary improvements. We acknowledge that there have been significant changes within the long-term care program since our last audit. Major initiatives such as Cost of Care, Single Entry Access, the Continuing Care Strategy and plans for additional beds have been DOH's primary focus.
- 4.65** DOH's annual licensing and inspection process is the primary control over quality of care in nursing homes and compliance with requirements of legislation and policies. We identified several weaknesses in the current process that need to be addressed to ensure it is effective in meeting its objectives.
- 4.66** This was our first audit of the Single Entry Access process for nursing homes. The information in the database must be accurate to ensure the process is transparent and effective in placing clients according to DOH policies. Our testing of the information related to a small sample of clients processed through the system identified a number of errors in the database and some cases where it appeared clients were not placed according to policies. Explanations of the reasons for policy exceptions had not been documented. We believe there is an immediate need to establish a quality control process over the data in the system and to document management approval of exceptions to policy.
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Nursing Home Beds in Nova Scotia, Profit and Not-for-Profit



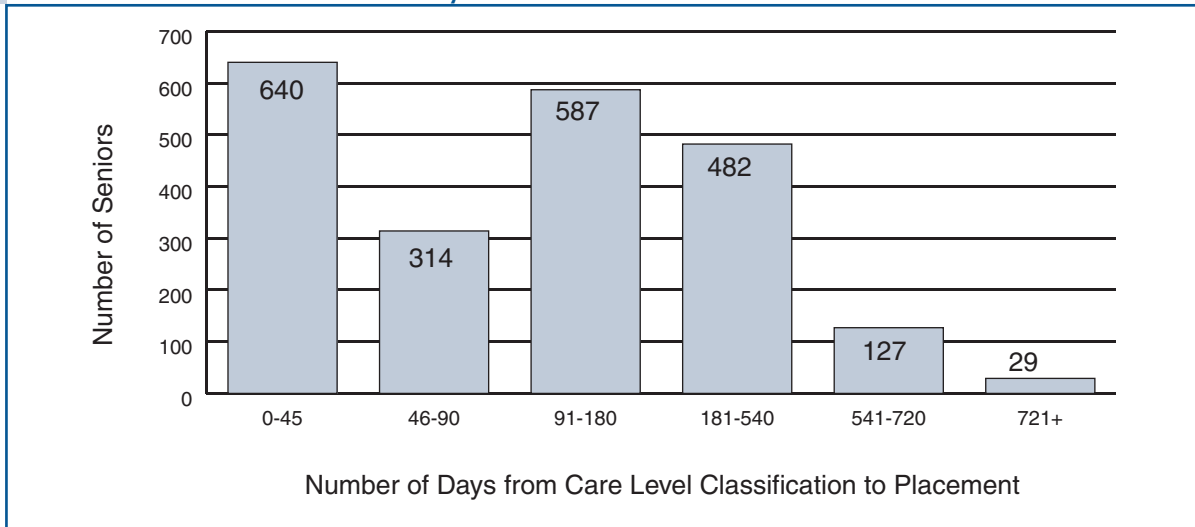
Source: Department of Health

Nursing Home Beds, by District Health Authority



Source: Department of Health

Wait Time Statistics for Seniors placed in Nursing Homes March 1, 2006 to February 28, 2007



Source: Created by Office of the Auditor General using a database provided by Department of Health. We did not audit the completeness of the database.

Note: This data relates to clients who received their initial placement to a nursing home between March 1, 2006 and February 28, 2007.

DEPARTMENT OF HEALTH'S RESPONSE

Recommendation 4.1

We recommend that DOH establish service agreements with all nursing homes which include performance expectations and reporting requirements.

Response #1 - DOH is in the process of developing service agreement for use with future owner/operators of new and replacement long term care beds. These agreements will be implemented with the awarding of the LTC beds in the current Request for Proposal closing summer 2007. Additionally, plans are being develop for future implementation to existing providers.

Recommendation 4.2

We recommend DOH ensure reporting requirements for all nursing homes are practical, and establish a process to ensure requirements are met and appropriate action taken if inconsistencies are identified. DOH should also require homes to submit auditors' management letters for review.

Response #2 - DOH is currently preparing a process to ensure reporting requirements are identified for LTC facilities and to ensure they are submitted regularly. We plan to implement this process over the next two years as we prepare for the licensing of the new LTC facilities. It will be connected to the licensing requirements for both the new and existing facilities.

Recommendation 4.3

We recommend DOH continue its efforts to implement a funding formula for the Long-term Care program.

Response #3 - DOH supports this recommendation and is currently working on the development of a funding formula for the Long-term Care program.

Recommendation 4.4

We recommend that DOH perform quarterly reconciliations and collect funding overpayments in a timely manner.

Response #4 - DOH concurs with this recommendation. The process for reconciliation has been established, and we intend to implement quarterly reconciliation and collection funding in 2007-2008.

Recommendation 4.5

We recommend that DOH work towards having the House of Assembly update the Homes for

Special Care Act and Regulations to ensure the legislative framework reflects current long-term care operations and standards.

Response #5 - DOH agrees with this recommendation. DOH recognizes the importance of updating the Homes for Special Care Act and Regulations. Work on new legislation for long term care is scheduled to begin in 2008-09.

Recommendation 4.6

We recommend that DOH review and improve the licensing and inspection process to address the deficiencies noted in paragraph 4.40 above.

Response #6 - DOH agrees with the above recommendations. The Monitoring and Evaluation team, responsible for licensing, is taking formalized training in the regulatory processes throughout May, 2007. Following this training a new licensing process will be developed which will include requirements to address the items identified in paragraph 4.40, including analysis of resident care staffing and a mechanism to record and audit all required reports. It is anticipated that this new process will be implemented in 2008-09.

Recommendation 4.7

We recommend DOH develop and implement a quality assurance process to help ensure compliance with policies and accuracy of SEAScape information.

Response #7 - DOH agrees with this recommendation. A quality assurance process has been developed which will be implemented in 2007-08

Recommendation 4.8

We recommend DOH establish a process to review placement decisions made by staff. Management should specifically approve all cases where exceptions are made to the policy and clearly document the rationale for the action taken.

Response #8 - DOH agrees with this recommendation and recognizes the need to review both the placement process, and placement decisions made by staff which appear to deviate from the placement process. Documentation standards have just been completed and are to be implemented in 2007 and will include requirements for documenting exceptions.