

BACKGROUND

- 9.1** Long-term Care is a division of the Continuing Care Branch of the Department of Health (DOH). The majority of long-term care facilities are operated by non-profit owners with some operated on a for-profit basis. There are 71 nursing homes, 32 residential care facilities and 34 community-based options that provide Level I (some supervision and help with personal care) and Level II (nursing) care to residents. The Department of Health sets per diems for all facilities through the business planning process. Approximately 20% of residents are private pay and do not require financial assistance from DOH. The remaining 80% pay a portion of their per diem costs based on income, with DOH subsidizing the remainder.
- 9.2** Nursing homes and residential care facilities fall under the Homes for Special Care Act and are licensed by DOH. Facilities are required to comply with the terms of licensing agreements with the Department. Nursing homes are also required to provide a minimum of 2.25 hours of nursing care per resident per day. Community-based options are small facilities for up to three people who do not require nursing care. These facilities are not required to be licensed.
- 9.3** Budgeted expenditures for 2003-04 for the Long-term Care (LTC) program are \$222.5 million – an increase of \$18 million or 9% over 2002-03 budgeted expenditures. Actual expenditures for 2002-03 were \$199.6 million. Most of the budgeted increase for the program relates to wage and benefit increases and the Cost of Care Initiative through which government policy changes now exempt certain assets from the financial assessment process and government pays a portion of each resident's nursing costs, regardless of ability to pay (see paragraph 9.17 below). Exhibit 9.1 provides a summary of actual expenditures from 1999-2000 to current.
- 9.4** In 2000, DOH began centralizing access to home care and long-term care through Single Entry Access (SEA). Clients call a single phone number regardless of whether they need home care or long-term care. All applicants are now required to undergo an assessment of their care needs and financial status to determine the type of care required and ability to pay a portion of the related costs. Prior to that time, individual homes determined who was admitted to facilities and the individual's ability to pay could have influenced decisions. Under SEA, individuals are placed on a wait list based on care requirements and date of application.
- 9.5** Our last audit of the Long-term Care program was performed in two phases and reported in the 1997 and 1998 Reports of the Auditor General. We have followed up on our recommendations from those audits and included that information in this Report (see Exhibit 9.3).

9.6 The following are the principal observations from this audit.

- The Department of Health has made significant progress since our last audit of the Program. Business planning is now required at the facility level and budgets are approved on a more timely basis. The introduction of the Single Entry Access system has enabled the Department of Health to gather better information on wait lists. However, there is no comprehensive long-term strategic or operational plan for the Program and we recommend that one be prepared, and that the Department continue with its efforts to develop a funding formula for long-term care facilities.
- Significant improvements have been made in the financial assessment process with the creation of the Eligibility Review Unit (ERU). We have recommended additional enhancements to this process including better documentation of assessments conducted.
- Significant recommendations from our 1997 and 1998 audits which have not been addressed include the need for new legislation and regulations, periodic reassessment of residents' financial status and care needs, and the finalization of draft care standards. We have recommended that these outstanding recommendations be addressed.
- Improvements are needed to DOH's invoice approval process for billings from long-term care facilities. There are no policies to ensure consistent verification procedures among regions. We have recommended that common procedures be implemented to ensure all information on invoices is verified.
- The Department only has one performance indicator for the Long-term Care program and no outcome measures for facilities. To enhance accountability, we have recommended DOH develop indicators at the Department level as well as measures related to the services long-term care facilities provide.
- DOH originally estimated policy changes announced in November 2002 would cost \$6 million for fiscal 2003-04. Central government reduced this figure to \$3 million during the budget process. Department forecasts at the time this Report was written estimate costs will reach \$6 million by 2003-04 year end. We have recommended the Province ensure reasonable estimates of the costs of policy changes are calculated and included in the Estimates.
- The Department receives semi-annual financial forecasts from facilities. We have recommended DOH consider obtaining quarterly forecasts. The Department should also develop processes to monitor areas such as financial management, compliance, and economy and efficiency in LTC facilities.
- DOH funds facility mortgage payments over time through the per diem rates. At the time of our audit, Department staff were accumulating information to

estimate the total amount of outstanding facility loans and mortgages to be covered through future per diems. We have recommended the Department continue with efforts in this area.

AUDIT SCOPE

- 9.7** The objectives for this assignment were to:
- follow up on significant findings related to licensing, classification, financial assessment and funding from our 1997 and 1998 audits;
 - review and assess planning for the Long-term Care program including strategic planning, operational planning and budgeting;
 - review the financial assessment process and test a sample of assessments for compliance with legislation and policies;
 - review and assess the information available to management at DOH to support decisions on long-term care;
 - review and assess the accountability framework between nursing homes and DOH including any work done by internal audit in the homes;
 - determine whether controls over payments to facilities are adequate; and
 - review and assess DOH's processes for addressing recommendations of task forces, etc. formed to give advice in the long-term care area.
- 9.8** Our approach was based on interviews, and review of legislation, other documents and correspondence. The audit criteria were listed in our audit plan and discussed with management at the Department.

PRINCIPAL FINDINGS

Planning

- 9.9** **Strategic planning** - DOH does not have a formal strategic plan at this time. The Department has identified five high level strategic principles for 2003-04 - quality, access, wellness, accountability, and sustainability. DOH also has a number of strategic directions which have not been formally documented. Staff informed us these will eventually form the basis of the 2001-06 strategic plan. The strategic directions are supported by strategic priorities and related initiatives and are tracked quarterly by a central group at the Department to determine progress. Department staff informed us that strategic priorities are considered during the planning process and input from stakeholders is obtained through fall and spring sector consultations as part of the business planning and budgeting process.

- 9.10** **Reporting** - In addition to the quarterly tracking by a central group at DOH, the Department also prepares quarterly reports to Treasury and Policy Board summarizing progress on strategic initiatives. These reports identify the initiative, impact of changes and proposed timing. See Exhibit 9.2 for the Continuing Care Section from the *Quarterly Projection Report to Treasury and Policy Board (October 2003 to March 2004)*.
- 9.11** **Devolution to District Health Authorities** - Eventually, DOH intends to devolve long-term care to the District Health Authorities (DHAs). In preparation for this, DOH has developed a draft Affiliation Agreement that addresses how homes will work with DHAs. The Department plans to make LTC funding non-portable when the program is first devolved. DOH will retain certain functions such as monitoring and evaluation, licensing and financial assessment. At the time of our audit, the Department was waiting for government approval and had no definite date for devolution of the Long-term Care program.

Recommendation 9.1

We recommend that the Department prepare strategic and operational/business plans for the Long-term Care program.

- 9.12** **Business planning process for facilities** - Each fall, DOH forwards a document – *Business Plan Requirements and Guide* – to LTC facilities. This guide includes the timeline for submission of business plans to the Department and approval of facility budgets. Templates for the provision of financial information such as salaries, detailed operational costs and capital are included. This is a comprehensive document which provides good direction to facilities regarding the Department’s requirements. We reviewed business plans submitted by two long-term care facilities and noted that they were prepared in accordance with DOH’s guidelines, utilizing the required templates for financial information. The Department has made efforts to standardize the information received from facilities and continues to make progress in this area with the introduction of required templates for audited financial statements (see paragraph 9.39).
- 9.13** Once facility plans have been received by DOH, Department staff prepare summaries for use in the budget process. Occupancy rates are also calculated for use in planning. Cost pressures are ranked into three categories based on a set of predetermined criteria such as whether the issue is a Departmental priority or is required by legislation or regulations. This ranking process helps the Department determine which increases can be funded this year and which will be deferred to another year. Senior staff at DOH meet to review the business plans, summaries and cost pressure information. Once the Long-term Care program budget has been determined, staff prepare budget letters for the various facilities stating the approved per diem for the upcoming fiscal year and breaking down the facility budget to show approved staff, operational costs and any capital programs approved. DOH does not use a funding formula for long-term care and the

preparation of facility budgets on a line-by-line basis is a time consuming exercise. Department staff informed us the development of an overall funding formula is one of DOH's strategic initiatives. Staff indicated the Department has been moving towards this by developing funding standards for components of the overall funding in areas such as salaries, benefits and equipment.

Recommendation 9.2

We recommend that DOH continue with its efforts to develop an overall funding formula for the Long-term Care program.

- 9.14** DOH has considerably improved the budget process for long-term care since our last audit. In the past, facility per diems were often not available until very late in the fiscal year. For the past couple of years, budget letters, including per diem rates, have gone out April 1. Budget letters detail approved staffing and facilities must comply with minimum DOH staffing requirements.
- 9.15** **Funding** - Although significant progress has been made in business planning, there is still work to be done. DOH staff informed us that the Department does not fund deficits of nursing homes. However, at the end of the 2002-03 fiscal year, DOH decided to make a one-time payment of \$1.7 million to nursing homes to contribute towards deficits for that year. The budget for 2003-04 increased by \$18 million over the prior year. However most of this related to specific increases for 2003-04, such as DOH's plan to fund a portion of nursing care costs (see paragraph 9.17 below) and negotiated salary increases. Base funding for facility operations increased by \$1.1 million. The average per diem requested by facilities in 2003-04 business plans was \$154.80. The average approved per diem on April 1, 2003 was \$151.68. Base funding for facility operations was a problem for a number of years and facilities often had to borrow funds to continue operating. Department staff noted this situation has changed over the past two to three years. Although past underfunding and related loan payments continue to put pressure on facilities, finance staff at DOH believe that the 2003-04 budgets for facilities are 'manageable'. Facilities must have DOH approval to undertake any capital projects such as renovations.
- 9.16** Facility spending is closely monitored by the Department through the approval and payment of per diems. At the time of our audit, DOH had not received all audited financial statements of facilities for 2002-03 and as a result, could not provide information on the number of facilities with deficits.
- 9.17** DOH is also experiencing additional cost pressures in 2003-04. In November 2002, DOH announced the Cost of Care Initiative. This plan exempts certain assets from the financial assessment process that determines the amount seniors will need to contribute to their care costs. The Department also announced reductions in the daily per diem rates paid by private pay residents as well as plans for future reductions. The per diem rates paid to facilities have not been reduced but the

Province has begun to partially subsidize private pay residents. An information sheet on DOH's website notes that "after April, 2007, you will be expected to pay only the accommodation portion of long term care." At that time, the Province will cover the nursing care portion of costs for all residents regardless of their ability to pay.

- 9.18** The LTC policy changes announced in November 2002 have resulted in higher costs to the Department than budgeted. Department staff originally estimated these changes would cost \$6 million for 2003-04 but central government only approved a \$3 million increase related to these changes. Department forecasts at the time this Report was written estimate these changes will cost approximately \$6 million for fiscal 2003-04. Since new residents are required to contribute less than in the past, they require public assistance sooner. LTC facilities have also experienced higher than average occupancy rates. DOH calculates occupancy rates each year as part of the budget process. Traditionally these rates had been stable at 98.5%. For the first six months of 2003-04, occupancy rates ranged from 99.5% to 99.7%. Since DOH costs for LTC are based on a per diem cost per resident, increased occupancy rates have a significant impact.

Recommendation 9.3

We recommend that the Province ensure reasonable estimates of the costs of policy changes are calculated and included in the Estimates. These estimates should be available before policy changes are approved.

- 9.19** **Capital projects** - The business plan guide provides templates for capital projects. Facilities are asked to rank capital projects based on a set of predetermined criteria such as impact on resident safety. DOH reviews this ranking when assessing capital requests. For 2004-05, capital guidelines for larger projects have changed. Anything involving new square footage, new beds, replacement facilities and major retrofits will be submitted separately from the business planning process and formally presented to the Department by the facility.
- 9.20** During 2000-01 and 2001-02, DOH funded LTC capital projects through one-time capital grant payments which were expensed in the year they were paid. In 2002-03, DOH returned to the Department's traditional capital funding methodology of financing projects over a period of time. Where applicable, per diem rates include operational costs of the facility as well as a capital component. Facility mortgage payments continue to be included in per diem rates as they have been historically. At the time of our audit, Department staff were compiling information to estimate the total amount of outstanding facility loans and mortgages to be covered through future per diems.

Recommendation 9.4

We recommend that DOH continue with its efforts to accumulate total outstanding facility loans and mortgages for long term-care facilities. This outstanding amount should be monitored for financial planning purposes.

- 9.21** DOH staff informed us that the Department did not receive any funding for capital projects in the long-term care area for 2003-04. As a result, DOH had to allocate \$2.1 million in funding from its operational budget to capital projects for LTC facilities.
- 9.22** **Task Force reports** - DOH does not have a formal process in place to respond to task force reports on long-term care. As reports are issued, staff within the Continuing Care Division at DOH are assigned responsibility to review and respond to the recommendations. Responses to reports may be informal and are not always written.

Recommendation 9.5

We recommend that DOH issue formal, written responses to the recommendations of Task Forces and other groups engaged to review long-term care.

Accountability

- 9.23** **Roles and responsibilities** - There appears to be a good understanding of the roles and responsibilities of the Department of Health and long-term care facilities. Although there are no formal agreements, the relationship has evolved over time and is well understood by both parties. Department staff noted that the annual licensing process ensures that facilities are fulfilling requirements related to resident safety, staffing and other areas. Responsibility for visits to facilities is assigned to one of DOH's regional offices based on the facility location. For planning visits to facilities, these offices maintain lists showing when licenses expire. The regional offices ensure licensing visits are completed and make recommendations on whether an annual or interim license should be issued depending on whether deficiencies were identified.
- 9.24** DOH staff noted the business plan and budget represent a type of financial agreement between facilities and the Department. Sector consultations form part of the business planning process in the spring and fall. During the year, as policy changes or clarifications are required, DOH sends bulletins to facilities detailing these changes.
- 9.25** Required reporting from long-term care facilities to DOH consists primarily of financial information. Although Homes for Special Care Regulations require quarterly reporting by facilities, DOH staff informed us that this reporting

requirement is outdated (see Recommendation 9.10 regarding the need for new legislation and regulations). The information previously provided by quarterly reports is now available to DOH directly from the Single Entry Access system. Facilities are also required to comply with licensing requirements but are not required to report on whether compliance is achieved.

- 9.26** As noted above, there are no formal accountability agreements between the Department and facilities. DOH has developed a draft affiliation agreement to be used by District Health Authorities and facilities following devolution of the LTC Program (see paragraph 9.11 of this Report). If devolution is not implemented in the near future, DOH will need to implement affiliation agreements between the Department and facilities or an accountability framework to set out a formal understanding of roles and responsibilities of each party.

Payment of Invoices from Facilities

- 9.27** Long-term care facilities provide detailed monthly billings to DOH showing the residents for that month, number of days being claimed and the per diem rate for that facility. Invoices are submitted to DOH's regional offices for verification before being forwarded to the Department's central office for approval and payment. Regional offices are responsible for verifying that all residents billed on facility invoices were residents during that month. Invoices also include special needs residents may have such as ambulance trips, wheelchairs and glasses. Regional offices are required to agree these special needs to supporting documentation before approving the invoice.
- 9.28** We tested 40 monthly invoices from facilities around the Province by reviewing the information on file at central DOH. We did not visit regional offices. The results of our testing showed significant documentation problems with the invoice approval process. Although regional offices are required to verify the information on facility invoices, there are no standard procedures to be followed and central Department staff are not sure of the extent or consistency of invoice verification by regional offices. For example, we were unable to determine from central Department staff the processes used by regional offices to verify new residents and to ensure deceased residents are removed from billings on a timely basis. At the time this Report was written, central Department staff were meeting with regions to determine processes in place and assess where improvements are required.

Recommendation 9.6

We recommend that DOH work with its regional offices to develop standard procedures for invoice approval that include verifying new residents, ensuring deceased residents are removed from billings, ensuring mathematical accuracy, and regional and central office approval of invoices before payment. We also recommend that the Department develop a system to monitor compliance with these procedures.

Financial Assessment

- 9.29** **Establishment of Eligibility Review Unit** - When we last performed an audit of financial assessment for long-term care, each region had its own process. There were no standard policies to ensure consistency. The same staff were responsible for assessing an individual's care needs and financial status, and any ongoing contact that was required with the residents. In August 2001, DOH formed a central group - Eligibility Review Unit (ERU) - to complete financial assessments. By May 2002, the ERU completed all new financial assessments Province-wide. This Unit has developed written policies and staff are trained in the financial assessment process. ERU management informed us periodic file reviews are completed to ensure policies have been followed.
- 9.30** Individuals applying for financial assistance when entering a long-term care facility complete an application with the Care Coordinator in their area. This information is then forwarded to the ERU along with supporting documentation such as copies of tax returns and bank records. An Eligibility Review Officer completes the financial assessment by reviewing the bank records, tax returns and other supporting documentation. When a decision has been made, an eligibility letter is forwarded to the applicant. Once the applicant signs the eligibility letter, the information is sent to a Placement Officer. These staff are responsible for filling vacancies in facilities from the wait list.
- 9.31** During our audit, we tested 60 financial assessment files. Significant improvements have been made to the financial assessment process by the ERU. Additional required improvements include documentation of procedures completed by ERU staff and ensuring all related evidence is on file.
- 9.32** In some of the files we tested there was no evidence to show that a property search was completed or all bank withdrawals followed up. ERU staff informed us that property searches where undeclared property is not found and notes on individual bank withdrawals are often not included in the file.
- 9.33** We also noted that the ERU regularly accepts handwritten income tax forms as evidence of income. Staff informed us that the Notice of Assessment from the Canada Customs and Revenue Agency often does not contain sufficient detail for financial assessment purposes. Seven of the 60 files tested only had one year of income tax information on file.
- 9.34** Documentation problems were discussed with the ERU and management subsequently implemented a file closure checklist to ensure all procedures completed during the assessment process are properly documented and all paper work is included.
- 9.35** ERU management noted that policies and procedures to deal with non-compliance with the financial assessment process need to be developed. There is currently no standard procedure when families or applicants are not providing required information or otherwise delaying the assessment process. Some of these

applicants may already be LTC residents who have entered a facility from hospital, after their care needs have been determined pending a financial assessment. We were informed that the ERU plans to work on developing these procedures during 2003-04.

Recommendation 9.7

We recommend that the Eligibility Review Unit of DOH:

- ensure all procedures completed during the financial assessment process are documented;
 - obtain official Notices of Assessment or electronic data from Canada Customs and Revenue Agency in addition to copies of income tax returns to ensure income information on file is accurate; and
 - develop policies to address non-compliance with the financial assessment process.
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Information Available to Support Decisions

- 9.36** **SEAscape data** - With the implementation of the Single Entry Access system, DOH now has data available which would have been obtained from long-term care facilities or regional offices in the past. The SEAscape software includes data on clients who are waiting, priority for entering a facility and information on numbers waiting in each district. Information from SEAscape has allowed DOH to develop better wait lists. In the past, many people were on wait lists at several facilities which made it difficult to determine the total number of people waiting. Additionally, people often put their names on wait lists anticipating the need for care in the future. With the introduction of SEA, only those applicants who require placement based on care needs are wait listed.
- 9.37** DOH's March 2003 *Your Health Matters* notes that the number of people eligible and waiting for long-term care beds dropped by 23% between May 2002 and March 2003. This is attributed in part to the use of professionals to assess care needs. Assessors may be able to suggest alternative arrangements for seniors that allow them to remain in their own homes. Having a single wait list for all facilities also helped to reduce the wait list by accurately reflecting the number of people waiting.
- 9.38** SEAscape software does not allow the Department to manipulate the data and produce customized reports. DOH staff are working with a Decision Support System that takes SEAscape data and allows custom reports to be developed. The Department is working on reports including average waiting times at initial admission by facility and average age at initial LTC placement.
- 9.39** **Facility financial information** - DOH has financial information from facilities gathered through the business planning process. Beginning with the year ended March 31, 2003, DOH is requiring all long-term care facilities to provide audited financial statements. Prior to this, most facilities had audited statements but they

were not required. Facilities are now also required to present financial statement information in a common format, either in the body of the statements or an appendix. This policy ensures DOH has greater detail on operational costs of facilities and that the financial statement auditors have examined this detailed information. During 2002-03, DOH also implemented a policy requiring facilities to provide semi-annual forecasts after six months and at year end starting with September 30, 2002. We examined this process and found that the majority of September 30, 2002 forecasts were received by DOH. For those forecasts that were outstanding, DOH staff informed us facility business planning information was used instead. DOH has informed facilities that 2002-03 audited financial statements and September 30, 2003 forecasts must be received by the Department before 2004-05 business plans and 2003-04 per diem adjustments will be finalized.

- 9.40** During our 1998 audit of LTC, we noted the need for detailed audits of the financial management functions of homes, including compliance with policies and due regard for economy and efficiency (see paragraph 11.40 of that Report). These audits are necessary to determine whether the facilities are well managed. At that time, DOH's internal audit group was planning to expand the scope of its facility audits. However in 2001, a Corporate Internal Audit group for all of government was formed. There have not been any detailed operational or broad scope audits of LTC facilities since that time.

Recommendation 9.8

We recommend that DOH increase its financial monitoring of facilities and consider requesting forecast information on a quarterly basis. DOH should also consider whether processes are required to monitor areas such as financial management, internal controls, compliance with policies, and due regard for economy and efficiency in LTC facilities.

- 9.41** The information available to DOH management provides a good foundation to support decisions on long-term care. DOH has seen benefits from the information gathered in the form of more accurate wait lists. This, along with improvements to the financial reporting process, should provide a good basis for the Department to make decisions regarding future needs such as bed planning. At the time of our audit, Department staff were working on a bed planning report as part of DOH's health services planning initiative. This report was expected to be available sometime during fall 2003.
- 9.42** **Lack of performance indicators** - Significant improvements are required in the area of performance indicators for the Long-term Care program. The 2003-04 Business Plan for the Department has a section on outcome measures which includes "access to quality long term care services" and "amount of time clients wait for services" as outcome measures. As noted in paragraph 9.36, information on wait times is available from SEAscape. DOH does not have any other indicators for the

Department related to long-term care and there are no performance indicators for facilities.

Recommendation 9.9

We recommend that DOH develop performance indicators for the Long-term Care program. These indicators should include measures at the Department level as well as measures related to the services long-term care facilities provide. Requiring facilities to periodically report standard performance measures would enhance their accountability to the Department.

Follow-Up from Prior Audits

9.43 During our audit, we followed up on significant findings related to licensing, classification, financial assessment and funding from our 1997 and 1998 audits. 19 of 26 recommendations resulting from those audits have been completed or are in progress (see Exhibit 9.3). The following significant recommendations have not been implemented.

- In 1998, we noted that legislation surrounding nursing homes should be reviewed to ensure it better reflected current practices. The Homes for Special Care Act was proclaimed in the 1970's. DOH staff have informed us that new legislation is one of the Department's strategic priorities.
- In 1997, we noted that DOH did not have policies requiring periodic reassessments of residents' care needs and financial situation. There has been no policy development in this area. Currently, DOH is relying on facilities or family members to inform them of changes in a resident's care needs or financial status. Many current residents of long-term care facilities had financial assessments completed under the old system, prior to the establishment of the ERU and the development of common policies for all assessments.
- Draft care standards which had been developed at the time of our 1998 audit have not been finalized. These standards would provide DOH with a useful tool for developing outcome measures for long-term care facilities.

Recommendation 9.10

We recommend that DOH review the remaining recommendations from our 1997 and 1998 audits, including:

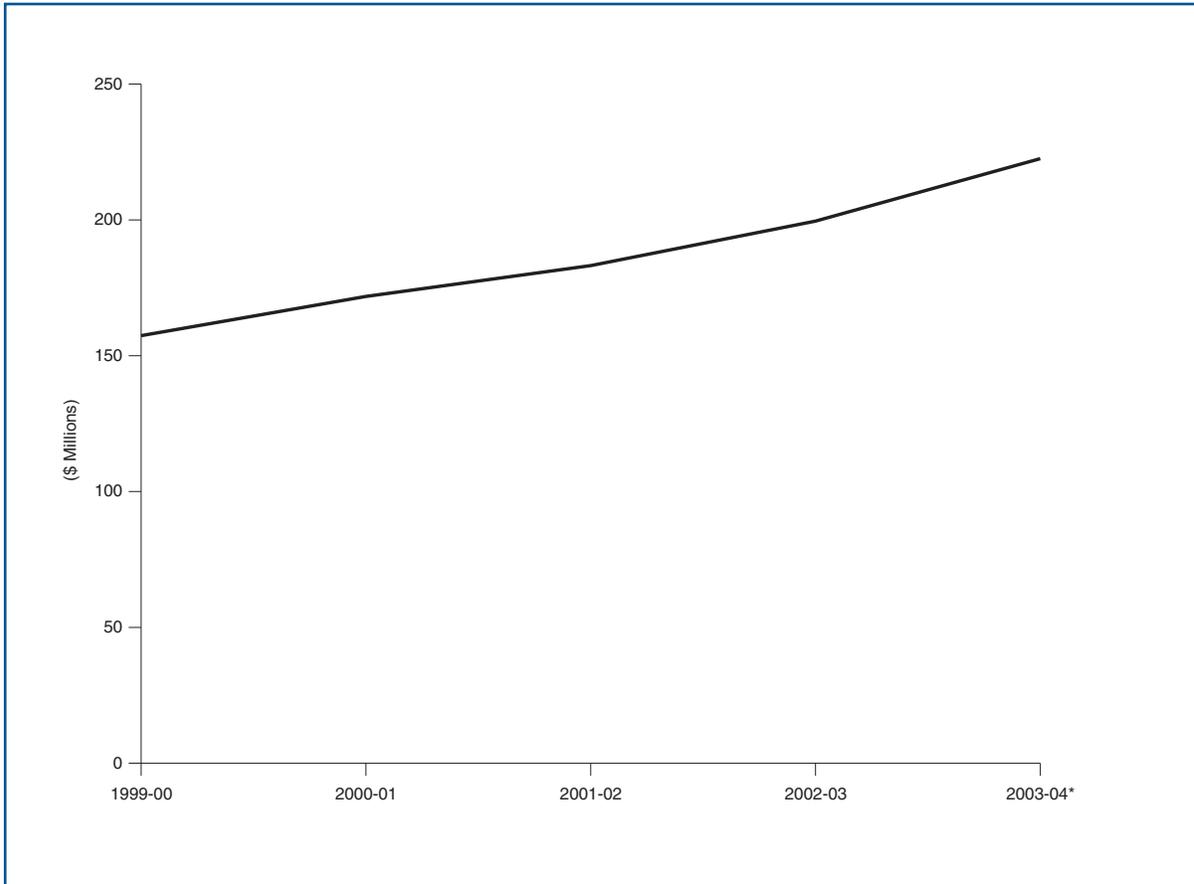
- new long-term care legislation and regulations;
 - requirements for periodic reassessments of residents' care needs and financial status; and
 - care standards.
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CONCLUDING REMARKS

- 9.44** DOH has made significant progress in business planning and budgeting for facilities, the applicant financial assessment process and accumulation of wait list information. Facilities now have budget letters which state approved per diems on April 1 rather than several months into the fiscal year as had been the practice.
- 9.45** There is a need to improve the longer-term and annual planning for the program and to accurately estimate costs for any changes in policy that are being considered. The resource implications should be studied and known prior to decision making. Although the Department has made significant progress since our last audit, there are still significant fiscal challenges associated with this program.
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Long-term Care Costs - 1999-2000 to 2003-04

Exhibit 9.1



*Estimate

Quarterly Projection Report to Treasury and Policy Board (October 2003 to March 2004) - Continuing Care Section

Exhibit 9.2

Activity (Identify activity)	Expected Impact (Identify expected impact - intended and potential unintended)	Proposed Timing (Specify the proposed timing)
Health Services Planning Steering Committee (Phase II) Continuing Care consultation. This is a capacity study of Long Term Care, Home Care, and other Continuing Care Services.	Benchmarks are recommended for various services by DHA, with projections of numbers of beds and “places” out to 2016. The reaction of the continuing care section has been positive to this initiative.	Forums of continuing care providers were hosted by DOH in June 2003 in Halifax and Sydney.
27 existing classifications of continuing care have been grouped into six categories for planning purposes. TPB approved the dissemination of this planning methodology in the Spring of 2003.	Written report is almost finalized; currently, the inventory of “places” and the data sources are being updated prior to publication of the report.	No public release of this document is planned.
Transition of Home Care to the District Health Authorities.	Facilitates integration of acute and home care services, making care more seamless; staff and contractual relationships will be devolved from DOH to DHAs.	Awaiting Cabinet confirmation
Challenging Behavior Program	Funding in 2003-04 budget enables development of education component of Challenging Behavior Strategy.	Fall 2003.
Development of a new Continuing Care Act; legislative policy development currently underway.	Update and revision of old Homes for Special Care Act to facilitate more complete integration of the continuing care sector.	To be determined.
Develop a provincial approach to palliative care across the continuum.	Will provide direction to DOH, DHAs and IWK. Will provide direction to business planning process. Will improve access to palliative care services. Will develop standards based on “best available evidence”. Will improve integration of service delivery. Additional funding required.	Preliminary recommendations due December 2003. Project to be completed no later than December 2004.

Long-term Care: Follow-Up On Status Of Recommendations From 1997 and 1998 Audits

Exhibit 9.3

Paragraph	Recommendation from 1997 Report	Status
6.8, 6.38 to 6.41	The lack of standardized policies in a number of areas related to LTC facilities has led to inconsistencies across the Province.	Completed The introduction of Single Entry Access (SEA) has enabled greater consistency in assessing care needs by using a common assessment tool. All applicants must undergo a financial assessment by a newly formed central group - the Eligibility Review Unit (ERU).
6.15	The Classification and Assessments manual did not fully describe the current process for classification and assessment.	Completed As noted, SEA policies deal with the classification process and the ERU has policies for financial assessment.
6.18	Verification of income and assets was not performed consistently throughout the province.	Completed The ERU has enabled the Department to ensure greater consistency by centralizing the financial assessment process. ERU staff are separate from the Care Coordinators who assess care needs of applicants.
6.21	Possible financial contributions from relatives were also considered in the assessment of financial need. We recommended that policies and procedures be developed in this area.	Completed ERU policies and DOH's website provide information on whether assets are included or exempt from the financial assessment process.
6.22	There were no requirements for periodic reassessment of a resident's financial situation and caseworkers relied on staff in homes to inform them of changes in a resident's financial position. We recommended roles and responsibilities for the reassessment process be clarified and the development of policies and procedures requiring regular review of financial data.	No Change There are no policies dealing with periodic reassessment of financial status. The Department relies on facilities and clients to notify them of changes in financial status. We have again recommended that DOH review our recommendation from our prior audit and determine a plan of action. See recommendation 9.10 of this Report.
6.26, 6.27	A Manual in use in 1997 required periodic reassessments of care needs. Caseworkers were responsible for completing these reviews but due to volume of caseload for each worker, there was no time for reassessments and no system to track whether reviews had been completed. We recommended policies be developed to ensure periodic reviews of care needs.	No Change The manual used in 1997 which required periodic reassessments is no longer utilized. We have recommended DOH review our prior recommendation, determine whether periodic reviews are needed and develop a plan of action. See recommendation 9.10 of this Report.

Paragraph	Recommendation from 1997 Report	Status
6.30, 6.33	Designated residences were not treated consistently across the Province when sold. We recommended that policies and perhaps changes to legislation were needed to ensure consistent treatment of proceeds on disposition of a designated residence.	<p>Completed</p> <p>In November 2002, DOH announced changes which included automatic designation of applicant's residence and ability to transfer designated residence to spouse and subsequently sell without any impact on the resident's financial contributions. If the residence is disposed of while in the resident's name, the proceeds must be applied to costs of care.</p>
6.29, 6.32, 6.33	Under Section 8 of the Social Assistance Act a designated residence was not included in the financial assessment process whereas funds in investments were included. We recommended that legislation and policies be reviewed and expanded to address these issues.	<p>In Progress</p> <p>Changes introduced in November 2002 resulted in additional assets being exempt from the financial assessment process (cottages, one vehicle, etc.). There are still inconsistencies in that certain investments are considered in calculating the contribution to costs of care while others are not.</p>
6.34 to 6.37	Interim standards for Community-based options (CBOs) required program plans and regular monitoring. (CBOs were under the Department of Community Services at this time. DOH now has responsibility for CBOs serving DOH clients.)	<p>No Change</p> <p>Interim standards for CBOs were tabled in the House but not finalized. DOH requires the CBOs they are involved with to follow these interim standards.</p>
6.38	The Classifications and Assessments Manual used at the time of our audit was not always consistent with existing practices. We recommended that the manual be updated.	<p>Completed</p> <p>See response to paragraphs 6.8 and 6.38 to 6.41 in this exhibit.</p>

Paragraph	Recommendation from 1998 Report	Status
11.7, 11.13	Nursing homes and homes for the aged were inspected on an annual basis. Legislation requires semi-annual inspections for nursing homes and annual for homes for the aged.	<p>In Progress</p> <p>Regulations do not specifically define an inspection as the formalized licensing process. In addition to annual visits, Long-term Care Advisors from DOH are in the homes on a regular basis. DOH management feel these visits satisfy the inspection requirement and acknowledge that the Department needs to ensure more formal documentation of these visits.</p>
11.17	Many aspects of regulations were not detailed in the licensing tool which is used during facility inspections to ensure compliance with DOH requirements. Management of the LTC Division indicated legislation should be revised. A time frame for this review had not been established.	<p>No Change</p> <p>The licensing tool currently used does not address all Regulatory requirements. Legislation has not been updated since our last audit. DOH management informed us that new Continuing Care legislation is one of the Department's strategic priorities but there is no definite timeline for new legislation and related Regulations. We recommended that this be addressed. See recommendation 9.10 of this Report.</p>
11.19	A draft document had been developed outlining standards of care in facilities and addressing areas such as governance, administration and physical environment. We urged the Department of Health to finalize this draft as it is necessary to set standards to measure facility outcomes.	<p>No Change</p> <p>The draft standards were not finalized. There has been restructuring in the Continuing Care Branch and there are plans to make further changes. Under the proposed structure, a Director of Policy and Standards will be responsible for the development of these care standards.</p>
11.20	Facilities are required to submit emergency plans to the Minister. We were informed that copies of plans are kept in homes which is not consistent with Regulations.	<p>In Progress</p> <p>Emergency plans are not treated consistently across the Province. Some regional offices retain copies while others check to ensure plans exist but do not keep copies.</p>
11.20	The annual health inspection required by Regulations was being performed by the Department of Agriculture and Marketing. Only 45% of files we reviewed had evidence of the health inspection. We were informed a process was being developed to ensure LTC receives copies of all health inspection reports.	<p>Completed</p> <p>During the licensing inspection, facilities have to provide health inspection reports to the LTC Advisor. Although the tool does not specifically state copies are required, it does require noting the date of the report, any deficiencies, etc.</p>

Paragraph	Recommendation from 1998 Report	Status
11.22	There were no guidelines for length of interim licenses issued in cases where deficiencies were noted during the inspection process. We recommended guidelines be developed recommending interim license terms related to certain deficiencies.	In Progress Although there have been some informal discussions among regions regarding appropriate lengths of interim licenses, formal guidelines have not been established.
11.7, 11.27	Although budget requests were submitted each year, annual budgets and per diems for homes were based on historical funding of the home rather than established guidelines. We noted that inefficiencies built into the budget would continue to be included. DOH informed us that the budget process was to be strengthened.	In Progress For 2002-03 and 2003-04, facility per diem rates have been approved by April 1. Improvements have been made to the business planning process and budgets are based on more standardized criteria. Department staff informed us that the development of a funding formula for LTC is one of the DOH's strategic initiatives. We have recommended the Department continue its efforts in this area (recommendation 9.2 of this Report).
11.26	Legislation does not require audited financial statements to be submitted although the Department has been attempting to introduce this requirement. We urge the Department to continue with this initiative and to use the financial statements as a starting point for establishing a reporting framework for financial results to enable the Department to make meaningful comparisons between budgeted and actual results and comparisons among facilities.	In Progress Legislation has not changed but, starting with the 2002-03 fiscal year, DOH requires all facilities to provide audited financial statements based on a standard format to facilitate comparisons.
11.28, 11.41	We recommended the Department review existing staffing guidelines as a starting point for more detailed guidelines which would outline what would be funded and how it would be calculated. We noted that the Department should ensure homes are using funds in accordance with the approved staffing complement outlined in the budget letter.	Completed Homes have to staff to levels required by DOH. Staff levels and related funding are based on hours of care per resident.
11.7, 11.34	Effective per diem rates are not established prior to the start of the fiscal year.	Completed Approved per diem rates were available April 1 for 2002-03 and 2003-04.

Paragraph	Recommendation from 1998 Report	Status
11.35	In some cases, claims had not been signed by the appropriate official. Claims should not be processed for payment unless they are appropriately signed.	No Change We tested a sample of 40 claims by facilities and noted significant documentation problems with the invoice approval process. See paragraph 9.28 of this Report.
11.40	No detailed audits had been conducted since 1994 to review financial management functions of homes, compliance with guidelines or due regard for economy and efficiency.	No Change As noted in paragraph 9.40 of this Report, government's Corporate Internal Audit Group was formed in 2001 and there have not been detailed operational or broad scope audits of LTC facilities since that time.
11.7, 11.43	The Department should establish an accountability framework for its relationship with the homes. Documented goals for performance and monitoring and reporting on those goals should be an integral part of the framework.	In Progress There is a good understanding of the roles and responsibilities of DOH and LTC facilities but the Department needs to improve performance reporting. There is only one performance indicator for the LTC program and it does not relate to facilities. We have recommended this be addressed. See Recommendation 9.9 of this report.
11.7, 11.46	Wait lists were maintained regionally and did not always include private paying clients.	Completed All applicants, regardless of ability to pay, must have their care needs and financial status assessed and be placed on a wait list maintained by DOH for placement.
11.7, 11.50	We noted the need for the Department to perform a comprehensive review and analysis of all available data to forecast future long-term care bed needs.	In Progress The introduction of SEA has enabled the department to develop better wait lists. The report from Health Services Planning Phase II will provide a methodology for planning future bed requirements.
11.56, 11.57	We noted the need for a formal written policy outlining procedures to be followed when investigating complaints and a need for guidelines detailing appropriate action based on the nature and frequency of complaints at a facility.	In Progress A complaint procedure was developed after our last audit but is not used Province-wide. This issue is being reviewed. There is a common form for complaints and regional office staff are beginning to look at common procedures.