



## **Cost Comparison of Two Models of Accommodation:**

### **The Long-Term Care Institutional Model vs the Non-Profit, Community Based System of Residential Options Available for Those Who Have a Disability**

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<https://www.seniorsactionontario.com/>

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#### **Summary**

*The cost effectiveness project reviewed a sample of non-profit agencies providing community based residential supports and services for people who have a developmental disability and who have a range of personal support requirements. These results were compared to costs for the institutional long term care system for elders as outlined in government directives. The review was based on sample data from six (6) developmental services agencies supporting a total of 808 people in a variety of fully supported small homes and other more individualized residential options. The non-profit agencies were located in different regions of the province and served rural and urban areas. In addition, the project reviewed the 2013/14 Cost Profile Report by Ministry of Community and Social Services (MCSS) that determined unit costs for services across the developmental services sector for further comparison of data and findings.*

*Summary findings indicate that the development of a range of non-profit operated, community based, and appropriately staffed small accommodation options is a viable cost model for consideration by policy makers and politicians for frail elderly citizens who cannot remain at home.*

#### **Background and Context**

Alternatives to large, congregate, long-term care (LTC) institutions (often called nursing homes) for frail and elderly citizens is a necessity for developing a 21<sup>st</sup> century eldercare system in Ontario. Institutional care is an archaic model of care that has been abandoned by most other social groups requiring accommodation and care. Previous SSAO papers have outlined the rationale for these alternatives and described various options. Various home care models have been advanced by SSAO as a very important and desired alternative by seniors themselves to LTC institutions.

It is recognized, however, that some elders will require out of home residential accommodation as remaining in one's own home, even if desired, may not be an option. SSAO has advanced the idea of a non-profit community-based accommodation system of small, shared homes and a

variety of supported independent living options in apartments and condominiums with appropriate levels of staffing as an alternative to the existing LTC institutional system.

People who have developmental disability have utilized a dispersed, community based, small home and supported living model of accommodation operated by non-profit corporations for over 40 years. People being assisted in this Developmental Service (DS) system include those who need modest to extensive support for a range of personal needs including attendant care, health care and assistance due to behavioural issues. This type of assistance is in addition to support that facilitates people's roles, citizenship and engagement in their community.

### **Rationale for Smaller Settings**

SSAO has outlined harmful effects of the institutional model and for-profit governance of congregate care in previous papers (see SSAO website). The pandemic, however, has shone a bright light on the need for smaller, community based and more dispersed types of residential accommodation for elders.

Congregating large numbers of devalued people in institutions such as LTC nursing homes has had a significant impact on the mortality rate during the pandemic. As of this writing, there have been over 3,800 deaths in long term care institutions (and still rising) of a total resident population of 78,000. In the non-profit, community based, developmental service system's residential options approximately 20 people have died (including 6 who died in a 42 bed "mini-institution") of approximately 19,000 people using these accommodation options in 2020/21.<sup>1</sup>

The results noted here suggest that congregation of people has a deleterious effect on infection and mortality.

### **Project Parameters**

The 2021 SSAO review invited six (6) Developmental Service agencies to submit expenditures including administrative costs associated with four (4) different accommodation options:

Supported Independent Living (SIL): Services and supports provided include support for persons residing alone, or living independently in a family or caregiver housing; supports for activities of daily living such as assisting a person with personal hygiene, dressing, grooming, meal preparation, administration of medication, and includes training related to money management using public transportation, and other life skills

Group Living: 24/7 support for 3 or more people

Shared Home Family Model: Services and supports provided by the agency in host living settings include contracting with host families to provide accommodation and supports for

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<sup>1</sup> <https://ottawacitizen.com/news/local-news/their-lives-hang-in-the-balance-calls-build-to-prioritize-people-with-developmental-disabilities-for-covid-19-vaccination>

activities of daily living; host family training and case management; screening and recruitment of families; home visits.

Intensive Residential Services and Treatment: 24/7 staffing support for 1-2 individuals

These options represent the majority of out of home residential alternatives used by people who have a developmental disability. Current information indicates that over 19,000 people with disabilities use these residential options.

In 2013/14 the MCSS comprehensive Cost Profile Report indicated that over 16,000 people with disabilities used these community based residential options operated by 190 different non-profit agencies.

LTC costs were drawn from public documents that define the per diem rates paid to all nursing home operators in addition to other subsidies that affect out of home residential care such as construction subsidies and resident co-payments.

In regard to the actual people being supported in this review it is understood that, in general terms, the type and amount of personal care and support required is similar between those who live in LTC facilities and those who reside in the developmental service residential system. It is also understood that community-based nursing and health services can and are being provided to people with developmental disabilities in their homes or by generic health services. It is further noted that LTC institutional care is primarily custodial care. It should also be noted that some 2000 - 3,000 of people who have a developmental disability are now residents of LTC facilities instead of using the MCSS DS system's accommodation options.

## **Findings**

In this SSAO review of current expenditures from six (6) non-profit developmental service (DS) agencies the aggregate totals confirmed expenditures of \$57M for 808 people in the four (4) community-based residential options with an overall per diem of \$194 including administration costs.

The 2013/14 Ministry of Community and Social Services DS Cost Profile Report confirmed aggregate expenditures of \$1.1B in the same four (4) categories of residential options for 16,061 people indicating an overall per diem of \$190. It is unclear in this reporting if central administration costs are included. These costs are typically 10% of approved expenditures.

Long term care directives indicate that operating costs are subsidized by four (4) funding envelopes that total \$182.23 per diem<sup>2</sup>. The funding envelopes are, nursing and personal care, program and support services, raw food, and other accommodation expenditures. Additional top up funding is offered for a staffing supplement, behavioral specialized beds, and other.

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<sup>2</sup>[http://www.health.gov.on.ca/en/public/programs/ltc/docs/level\\_of\\_care\\_per\\_diem\\_funding\\_summary\\_201908.pdf](http://www.health.gov.on.ca/en/public/programs/ltc/docs/level_of_care_per_diem_funding_summary_201908.pdf)

Non-profit LTC operators are provided with a \$250,000 one-time grant for design or redevelopment of facilities. A construction subsidy based on a development agreement is also provided. This subsidy is on a scale between \$18.03 to a max of 23.78 per diem / per bed / per year for 25 years. For example, a 96-bed facility could receive a construction subsidy of \$684,000 annually or about \$17M over the 25 years<sup>3</sup>.

LTC operators also receive co-payments from residents based on type of accommodation from 62.18/day for basic accommodation (\$1,891/month) to 88.82/day for private long stay accommodation (2,701/month)<sup>4</sup>. Rates will increase July 1, 2021.

It should also be noted for purposes of comparison that the costs for LTC will rise significantly in the next few years. The current PC government has committed to increase staffing and daily direct care contact time with residents by 60% over the next 4 years from a generally accepted guideline today of approximately 2.5 hours per day to 4 hours per day by 2024/25<sup>5</sup>.

### **Summary Conclusion**

**Given the above noted expenditures and related findings the development and operational costs of a non-profit residential system of small, dispersed, community-based, and fully staffed residential options for people who have a developmental disability compare favourably to the LTC institutional model. The model of DS accommodation could be extended to elders who cannot stay in their own home or who currently would like to leave LTC institutions (nursing homes).**

The costs of the two systems (LTC and DS) are comparable especially when LTC subsidies and promised increases are taken in to account.

SSAO continues to promote proven alternatives to the outdated institutional and custodial model of care for seniors who may not be able to live at home as their needs and circumstances change.

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<sup>3</sup> [http://www.health.gov.on.ca/en/public/programs/ltc/docs/policy\\_funding\\_constructioncosts.pdf](http://www.health.gov.on.ca/en/public/programs/ltc/docs/policy_funding_constructioncosts.pdf)

<sup>4</sup> <https://www.ontario.ca/page/get-help-paying-long-term-care>

<sup>5</sup> <https://news.ontario.ca/en/release/59030/province-increasing-direct-care-for-long-term-care-residents-to-four-hours-per-day>