

*Administration of the Long-Term Care
Subsidization Act*

Annual Report
2014/2015

Table of Contents

Overview	3
Long-Term Care Subsidization Program.....	3
Mandate.....	4
Year in Review.....	4
Staffing Summary.....	5
Organizational Chart (Long-Term Care Subsidization Program).....	5
Statistical Review	6

August 7, 2017

The Honourable Frank Lewis
Lieutenant Governor
Province of Prince Edward Island
PO Box 846
Charlottetown, PE C1A 7L9

May It Please Your Honour:

As Minister of Health and Wellness, it is my privilege to present the Annual Report of the administration of the *Long-Term Care Subsidization Act* for the fiscal year ended March 31, 2015. As well as reporting on the administration of the Long-Term Care Subsidization Program, this report satisfies the requirements under Section 15 of the *Long-Term Care Subsidization Act*.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert Henderson", with a long, sweeping underline.

Robert Henderson
Minister of Health and Wellness

August 7, 2017

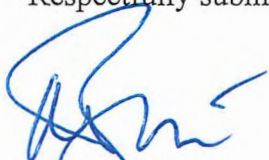
The Honourable Robert Henderson
Minister of Health and Wellness
Province of Prince Edward Island
105 Rochford Street, 4th Floor North
PO Box 2000
Charlottetown PE C1A 7N8

Honourable Minister:

It is my pleasure to submit the Annual Report on the administration of the *Long-Term Care Subsidization Act* for the fiscal year ended March 31, 2015 on behalf of the Health PEI Board of Directors.

Health PEI is responsible for the operation and delivery of the vast majority of health services on Prince Edward Island, including services related to long-term care. This Annual Report provides information on the Long-Term Care Subsidization Program and the administration of the *Long-Term Care Subsidization Act*.

Respectfully submitted,



Michael Mayne
CEO, Health PEI

Overview

The *Long-Term Care Subsidization Act* and Regulations form the legal framework for the provision of accommodation subsidies within the Long-Term Care Subsidization Program. Therefore, this annual report will include information on the Long-Term Care Subsidization Program as well as the administration of this Act.

Long-Term Care Subsidization Program

Long-term care is provided in nursing homes and includes nursing care, accommodation (room and board) services, personal care as well as rehabilitative and medical services.

Nursing homes include:

- a) publicly operated nursing homes/manors;
- b) licensed private nursing homes; and,
- c) licensed nursing care beds in combined nursing/community care facilities.

Government enhanced its Long-Term Care Subsidization Program with the enactment of the *Long-Term Care Subsidization Act* on January 1, 2007. The enhancements included:

- i. residents in approved nursing homes had their health care costs paid by government but would continue to be responsible for the “accommodation” portion of their cost;
- ii. residents who do not have the financial ability to pay for their “accommodation costs” would have the opportunity to apply for assistance under the Long-Term Care Subsidization Program; and,
- iii. the application for subsidization would be based on an “income test” only, to determine the applicant’s ability to pay, eliminating the need for individuals to use their assets in paying for nursing home accommodations.

As a result of these changes to the Long-Term Care Subsidization Program, government pays for the health care costs in all nursing homes for all residents. Nursing home residents pay for their “accommodation costs” to the extent that they can afford based on their net income as determined by the Canada Revenue Agency.

Mandate

The *Long-Term Care Subsidization Act* is under the authority of the Minister of Health and Wellness and is administered by Health PEI. The Long-Term Care Subsidization Program provides:

- funding for the basic health care services for all residents in private nursing homes; and,
- financial assistance (subsidy) to persons who do not have sufficient income to pay their accommodation costs in a nursing home or public manor.

Residents who are determined, through a financial assessment process, as not having sufficient income to pay their accommodation costs are eligible for subsidization within the program. Health PEI pays the shortfall between the resident's actual income and the defined accommodation rate. Accommodation rates of \$77.60/day and \$80.73/day applied to subsidized residents of public manors and private nursing homes respectively in the 2014/2015 fiscal year.

Year in Review

The 2014/15 fiscal year is the first full year that the Long-Term Care Subsidy Program was fully computerized. All applications and assessments were completed in electronic form.

On April 1, 2014, there were 802 residents in nursing homes subsidized under the *Long-Term Care Subsidization Act*. During the 2014/2015 fiscal year, 475 individuals applied for subsidization. A total of 381 applications were approved while 94 individuals were determined to be ineligible due to having sufficient income to pay their full cost of nursing home accommodations. As of March 31, 2015, there were 878 residents participating in the Long-Term Care Subsidization Program.

In addition to the assessments noted above, staff conducted 242 annual financial reviews of residents who continued to be receiving the accommodation subsidy from the previous year(s).

The number of individuals waiting for long-term care remained relatively constant throughout the year, averaging 115. As of March 31, 2015, our 19 long-term care facilities were operating a total of 1141 nursing care beds.

Section 8 of the *Long-Term Care Subsidization Act* provides the opportunity for individuals to appeal decisions related to the amount of subsidy provided. No appeals were brought before the Financial Assistance Appeal Panel during the year.

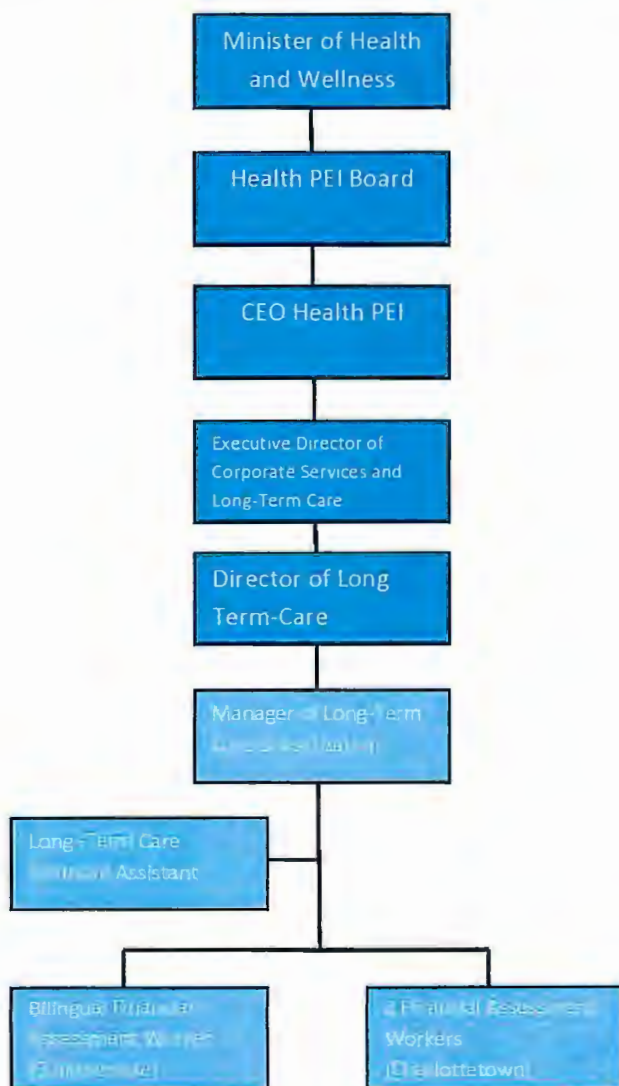
Staffing Summary

The Long-Term Care Subsidization Program is administered by Health PEI under the direction of the Executive Director of Corporate Services and Long-Term Care. The Manager of Long-Term Care Subsidization reports to the Director of Long-Term Care and manages the operations.

There are four full time staff positions consisting of three financial assessors and one administrative support person.

Total staffing budget for 2014/2015 was \$312,000 and included salaries, benefits, travel and telephone costs.

Organizational Chart – Long-Term Care Subsidization Program



Statistical Review

The Long-Term Care Subsidization Program provides a subsidy to eligible nursing home residents when the resident's net income is insufficient to pay for the full accommodation costs subsequent to admission to a long-term care facility. An individual's subsidy is equal to the approved accommodation charge less the person's net income. Health PEI paid out \$ 4.46 million to private nursing homes in accommodation payments for subsidized residents this fiscal year. Figure 1.0 is a breakdown of all funding sources nursing care residents utilized to pay for their accommodation costs. Under the Long-Term Care Subsidization Program, 76.6% received an accommodation subsidy, 17.4% paid the full accommodation costs and 6% were funded through Veterans Affairs Canada (VAC) or a third party insurance provider.

Figure 1.0 - Percentage of Participation in LTC Subsidization Program (FY 2014/15)

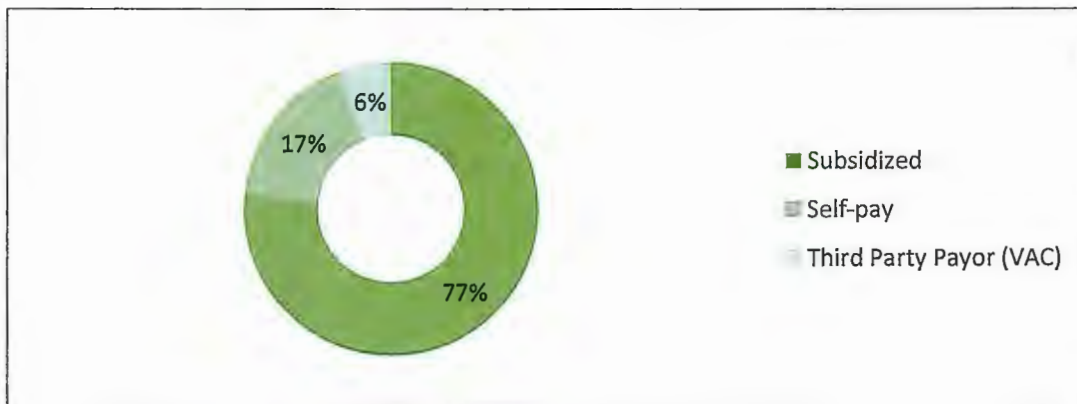


Figure 2.0 illustrates the Long-Term Care Subsidization Program participation rates since the *Long-Term Care Subsidization Act* came into effect on January 1, 2007.

Figure 2.0 - LTC Subsidization Program Participation Rates

