

## Contact :

**Policy:** LTCH Occupancy Targets Policy**Date:** July 1, 2010  
as amended on January  
1, 2011 and January 1,  
2012 and January 1, 2013  
and January 1, 2014

## 1.1 Introduction

The *LTCH Level of Care Per Diem Funding Policy* outlines the funding approach, including rules and conditions, for the Level of Care (LOC) per diem paid to the licensee for each Long-Term Care (LTC) home. Whether a licensee receives the LOC per diem funding based on a number of licensed or approved beds in the home<sup>1</sup> will depend on what portion of those beds will be occupied during the year. The occupancy targets that need to be achieved in order to receive the LOC per diem funding based on the number of licensed or approved beds in the home varies by bed type. If a licensee fails to achieve the occupancy target, the LOC per diem funding, in most cases, will be paid based on actual resident days or the days that the resident actually occupied the beds in the home, in accordance with the rules and conditions set out in this policy.

## 2.1 Overview

Resident occupancy targets for the purpose of LOC per diem funding are set differently for long-stay and short-stay types of beds, and are subject to details set out in this policy. Briefly,

- Long-Stay Beds must achieve 97% occupancy to receive 100% of the LOC per diem funding;
- Short-stay respite beds will receive 100% of the LOC per diem funding regardless of the actual occupancy achieved;
- Convalescent care beds will receive 100% of the base (as defined in 4.1 below) LOC per diem funding regardless of the actual occupancy achieved but they must achieve a minimum occupancy rate of 80% to receive 100% of the Additional Subsidy (as defined in 4.1 below); and
- Interim short-stay beds must achieve 90% occupancy to receive 100% of the LOC per diem funding.

The sections below outline the detailed approach for calculating occupancy targets for the different types of beds in LTC homes. Specifically, there are three separate calculations to determine occupancy targets for the purpose of funding. In the first calculation Long-Stay Beds and short-stay respite beds are grouped together to set a single target referred to as '*target long-stay resident days*'. The second calculation sets the occupancy target for convalescent care days only and it is referred to as '*target convalescent care resident days*'. The third calculation sets the occupancy targets for the interim short-stay beds and it is referred to as '*target interim short-stay resident days*'.

Target calculations will be provided in the Subsidy Calculation Worksheet.

## 3.1 Funding Based on Target Long-Stay Resident Days

To receive the LOC per diem funding based on full occupancy, the actual occupancy of a home must not be less than the home's Target Long-Stay Resident Days.

To determine a home's Target Long-Stay Resident Days the following calculation is applied, using the terms as defined further below:

<sup>1</sup> Please note this will exclude beds in abeyance as they are not in operation.

$$\text{Maximum Resident Days} - (\text{Allowable Long-Stay Vacancy Days} + \text{Allowable Short-Stay Respite Resident Days}) = \text{Target Long-Stay Resident Days}$$

The terms set out in the above calculation are defined as follows:

**Maximum Resident Days:** The maximum resident days for a home are calculated by multiplying the number of beds in operation (operating capacity) by the number of days in the period under consideration. The number of beds in operation excludes beds in abeyance, convalescent care beds and interim beds and includes both Long-Stay Beds and short-stay respite beds provide they are part of the regular or temporary licensed or approved capacity of the home.

- ∞ There will be cases where the number of beds in operation in the home will vary during the year, e.g. when renovations, expansions or downsizing of the home are taking place.
- ∞ If two or more residents occupy a bed on the same day it is counted as one resident day.

**Allowable Long-Stay Vacancy Days:** The number of long-stay bed-days that the Ministry/LHIN will allow as vacancies for which funding is provided. The current allowable long-stay vacancy days are set at 3% of the home's Maximum Resident Days, as applicable.  
(i.e., Allowable Long-Stay Vacancy Days = 0.03 x Maximum Resident Days).

**Allowable Short-Stay Respite Resident Days:** The number of short-stay respite bed-days that the Ministry/LHIN will fund at the home.

**Target Long-Stay Resident Days:** The minimum number of resident days the licensee must provide service for long-stay residents to receive LOC per diem funding based on maximum resident days in the home as determined in accordance with the calculation set out in the box above. The target long-stay resident days are commonly referred to as the 'occupancy target'. For further details on calculating the target long-stay resident days refer to the "Technical Instructions and Guidelines for the Long-Term Care Home Subsidy Calculation Worksheet."

**Long-Stay Beds:** All licensed or approved Long-Stay Beds in the long-stay bed program, including long-stay program beds in a specialized unit.

The total number of maximum resident days, allowable long-stay vacancy days, allowable short-stay respite resident days and target long-stay resident days are calculated for each home annually by the Ministry or LHIN.

### 3.2 Funding Based on Actual Resident Days

#### Long-Stay Beds:

Subject to the exceptions set out below, a LTC home that does not achieve the home's Target Long-Stay Resident Days, or occupancy target, will be funded based on its actual long-stay resident days.

#### **For 2011:**

Despite the rule that a LTC home that does not achieve the home's Target Long-Stay Resident Days will be funded based on actual long-stay resident days, for the interim period of January 1, 2011 to December 31, 2011 (Interim Period), the home will be funded based on its actual long-stay resident days + 3% of Maximum Resident Days (Interim Rate) if the following conditions are met:

- (a) the LTC home's Long-Stay Vacancy Days are greater than 3% and less than or equal to 15% of Maximum Resident Days; and
- (b) the LTC home is:
  - i. 'substantially compliant' with the Compliance Status Indicator in Schedule E of the Long-Term Care Home Service Accountability Agreement (L-SAA);
  - ii. not subject to a Suspension of Admissions directed by the Director under the *Long-Term Care Homes Act, 2007*;
  - iii. not subject to a Mandatory Management Order, unless:
    - (a) there is already a management company in place; and
    - (b) the Licensee has complied with every order issued by either an inspector or the Director in respect of the home; and

- iv. not subject to an Order Revoking a licence

If paragraph 6.1.1 or paragraph 6.1.5 applies to the LTC home, then Maximum Resident Days excludes Orientation and Fill-Rate Days and Occupancy Reduction Protection Days for the calculation of the Interim Rate during the Interim Period.

For the Interim Period where a LTC home is funded at the Interim Rate, every reference in a funding and financial management policy listed in Schedule F of the L-SAA to funding based on Actual Resident Days or actual occupancy will be read as actual resident days + 3% of Maximum Resident Days excluding Orientation and Fill-Rate days and Occupancy Reduction Protection days provided the LTC home licensee meets the conditions in 3.2 in respect of the LTC home. Note: The following L-SAA policies may be impacted:

*LTCH Level-of-Care Per Diem Funding Policy*  
*LTCH Reconciliation and Recovery Policy*  
*Funding Policy for Suspension of Admission Due to Outbreaks*

For the Interim Period where a LTC home is funded at the Interim Rate, the funding will not exceed funding based on Maximum Resident Days.

**For 2012:**

Despite the rule that a LTC home that does not achieve the home's Target Long-Stay Resident Days will be funded based on actual long-stay resident days, for the interim period of January 1, 2012 to December 31, 2012 (Interim Period 2012), the home will be funded based on its actual long-stay resident days plus 1% or 2% of Maximum Resident Days (Interim Rate 2012) if the following conditions are met:

- (a) The home will be funded based on its actual resident days plus 2% of its Maximum Resident Days if the LTC home's Long-Stay Vacancy Days are greater than 3% and less than or equal to 6% of Maximum Resident Days; or
- (b) The LTC home will be funded based on its actual resident days plus 1% of its Maximum Resident Days if the LTC home's Long-Stay Vacancy Days are greater than 6% and less than or equal to 10% of Maximum Resident Days;

and

- (c) The LTC home is:
  - i. 'substantially compliant' with the Compliance Status Indicator in Schedule E of the Long-Term Care Home Service Accountability Agreement (L-SAA);
  - ii. not subject to a Suspension of Admissions directed by the Director under the *Long-Term Care Homes Act, 2007*;
  - iii. not subject to a Mandatory Management Order, unless:
    - (a) there is already a management company in place; and
    - (b) the Licensee has complied with every order issued by either an inspector or the Director in respect of the home; and
  - iv. not subject to an Order Revoking a licence

and

- (d) The home receives endorsement from the LHIN. To receive the LHIN's endorsement, the licensee of the home must engage with the LHIN in 2012 to discuss the home's occupancy challenges and explore best practices and home-specific solutions. The LHIN's endorsement will be guided by, but not limited to, the following considerations related to the home's activities during the 2012 calendar year:
  - i. The long-term care home licensee's openness to work collaboratively with its LHIN to address occupancy challenges in the home;
  - ii. The long-term care home licensee's ability to reach an agreement with its LHIN as to the most likely reasons for the occupancy challenges in the home; and
  - iii. The long-term care home licensee's willingness to implement reasonable suggestions from the LHIN to improve occupancy in the home.

The LHIN must provide its endorsement to the Ministry by June 29, 2013. The ministry will not take into consideration any LHIN endorsement provided after June 29, 2013.

If paragraph 6.1.1 or paragraph 6.1.5 applies to the LTC home, then Maximum Resident Days excludes Orientation and Fill-Rate Days and Occupancy Reduction Protection Days for the calculation of the Interim Rate 2012 during the Interim Period 2012.

For the Interim Period 2012 where a LTC home is funded at the Interim Rate 2012, every reference in a funding and financial management policy listed in Schedule F of the L-SAA to funding based on Actual Resident Days or actual occupancy will be read as the Interim Rate 2012 excluding Orientation and Fill-Rate days and Occupancy Reduction Protection days provided the LTC home licensee meets the conditions in 3.2 for 2012 in respect of the LTC home. Note: The following L-SAA policies may be impacted:

*LTCH Level-of-Care Per Diem Funding Policy*

*LTCH Reconciliation and Recovery Policy*

*Funding Policy for Suspension of Admission Due to Outbreaks*

For the Interim Period 2012 where a LTC home is funded at the Interim Rate 2012, the funding will not exceed funding based on Maximum Resident Days.

**For 2013:**

Despite the rule that a LTC home that does not achieve the home's Target Long-Stay Resident Days will be funded based on actual long-stay resident days, for the interim period of January 1, 2013 to December 31, 2013 (Interim Period 2013), the home will be funded based on its actual long-stay resident days plus 1% or 2% of Maximum Resident Days (Interim Rate 2013) if the following conditions are met:

- (a) The home will be funded based on its actual resident days plus 2% of its Maximum Resident Days if the LTC home's Long-Stay Vacancy Days are greater than 3% and less than or equal to 6% of Maximum Resident Days; or
- (b) The LTC home will be funded based on its actual resident days plus 1% of its Maximum Resident Days if the LTC home's Long-Stay Vacancy Days are greater than 6% and less than or equal to 10% of Maximum Resident Days;

and

- (c) The LTC home is:
  - i. 'substantially compliant' with the Compliance Status Indicator in the applicable Schedule of the Long-Term Care Home Service Accountability Agreement (L-SAA);
  - ii. not subject to a Suspension of Admissions directed by the Director under the *Long-Term Care Homes Act, 2007*;
  - iii. not subject to a Mandatory Management Order, unless:
    - (a) there is already a management company in place; and
    - (b) the Licensee has complied with every order issued by either an inspector or the Director in respect of the home; and
  - iv. not subject to an Order Revoking a licence

and

- (d) The home receives endorsement from the LHIN. To receive the LHIN's endorsement, the licensee of the home must engage with the LHIN in 2013 to discuss the home's occupancy challenges and explore best practices and home-specific solutions. The LHIN's endorsement will be guided by, but not limited to, the following considerations related to the home's activities during the 2013 calendar year:
  - i. The long-term care home licensee's openness to work collaboratively with its LHIN to address occupancy challenges in the home;
  - ii. The long-term care home licensee's ability to reach an agreement with its LHIN as to the most likely reasons for the occupancy challenges in the home; and

- iii. The long-term care home licensee's willingness to implement reasonable suggestions from the LHIN to improve occupancy in the home.

The LHIN must provide its endorsement to the Ministry by May 30, 2014. The ministry will not take into consideration any LHIN endorsement provided after May 30, 2014.

If paragraph 6.1.1 or paragraph 6.1.5 applies to the LTC home, then Maximum Resident Days excludes Orientation and Fill-Rate Days and Occupancy Reduction Protection Days for the calculation of the Interim Rate 2013 during the Interim Period 2013.

For the Interim Period 2013 where a LTC home is funded at the Interim Rate 2013, every reference in a funding and financial management policy applicable to LTC homes to funding based on Actual Resident Days or actual occupancy will be read as the Interim Rate 2013 excluding Orientation and Fill-Rate days and Occupancy Reduction Protection days provided the LTC home licensee meets the conditions in 3.2 for 2013 in respect of the LTC home.

Note: The following policies may be impacted:

*LTCH Level-of-Care Per Diem Funding Policy*

*LTCH Reconciliation and Recovery Policy*

*Funding Policy for Suspension of Admission Due to Outbreaks*

For the Interim Period 2013 where a LTC home is funded at the Interim Rate 2013, the funding will not exceed funding based on Maximum Resident Days.

#### **Effective January 1, 2014:**

Effective January 1, 2014 and subject to meeting the conditions specified below, to the general rule that a LTC home that does not achieve the home's Target Long-Stay Resident Days will be funded solely based on its actual long-stay resident days, the following exceptions apply:

1. If the LTC home's Long-Stay Vacancy Days, are greater than 3% and less than or equal to 6% of Maximum Resident Days, the home will be funded based on its actual resident days plus 2% of its Maximum Resident Days.
2. If the LTC home's Long-Stay Vacancy Days are greater than 6% and less than or equal to 10% of Maximum Resident Days, the LTC home will be funded based on its actual resident days plus 1% of its Maximum Resident Days.

A LTC home will only fall within one of these two exceptions if all of the following conditions are met:

- a) The LTC home must be:
  - (i) 'substantially compliant' with the Compliance Status Indicator as defined in Appendix A of this policy;
  - (ii) not subject to a Suspension of Admissions directed by the Director under the *Long-Term Care Homes Act, 2007*;
  - (iii) not subject to a Mandatory Management Order, unless:
    - (a) there is already a management company in place; and
    - (b) the Licensee has complied with every order issued by either an inspector or the Director in respect of the home; and
  - (iv) not subject to an Order Revoking the home's licence.
- b) The LTC home and the Ministry receives endorsement for the application of an exception from the LHIN for the previous calendar year in which exception 1 or 2 applies to the LTC home.

To receive the LHIN's endorsement for the application of an exception, the licensee of the LTC home must engage with the LHIN when the home's occupancy during the year is at a level that will preclude it from achieving its Target Long-Stay Resident Days--The long-term care home licensee must formally submit a request to the LHIN by March 31<sup>st</sup> for endorsement of the application of an exception for the previous calendar year. This condition will not be met where the licensee submits a request to the LHIN after March 31<sup>st</sup> for the previous calendar year. The licensee's written request must document:

- i. A description of the LTC home's occupancy challenges and the causes
- ii. A detailed description of the specific steps the LTC home has taken to address those challenges
- iii. A commitment from the LTC home to implement recommendations between the LHIN and the LTC home to improve occupancy in the LTC home.

By May 30<sup>th</sup>, the LTC home and the Ministry receives endorsement for the application of an exception from the LHIN, in the form of the LHIN Endorsement Template attached as Appendix B to this policy. This condition will not be met for a calendar year where the LHIN provides endorsement to the Ministry after May 30<sup>th</sup> for the previous calendar year for which the exception applies.

The LHIN's endorsement must be guided by, but not limited to, the following considerations related to the home's activities during the calendar year that its occupancy is at a level that will preclude it from achieving its Target Long-Stay Resident Days:

- (i) The long-term care home licensee's openness to work collaboratively with its LHIN to address occupancy challenges in the home;
  - (ii) The long-term care home licensee's ability to reach an agreement with its LHIN as to the most likely reasons for the occupancy challenges in the home; and
  - (iii) The long-term care home licensee's ability to reach an agreement with its LHIN to implement reasonable suggestions from the LHIN to improve occupancy in the home;
- c) If paragraph 6.1.1 or 6.1.3.1 or paragraph 6.1.5 applies to the LTC home, then Maximum Resident Days excludes Orientation and Fill-Rate Days and Occupancy Reduction Protection Days for the calculation under exceptions 1 and 2 above.
- d) Where a LTC home is funded under exception 1 or 2, as applicable, the funding will not exceed funding based on Maximum Resident Days.

Effective January 1, 2014, if exception 1 or 2 applies to a LTC home, and every condition is met, every reference to funding based on Actual Resident Days or actual occupancy in a LTC home funding and financial management policy applicable to the LTC home will be read as the actual resident days or actual occupancy plus the applicable 1% or 2% of maximum resident days, excluding Orientation and Fill-Rate days and Occupancy Reduction Protection, for the period of time that the conditions for this application of this exception are met. Note: The following policies may be impacted:

*LTCH Level-of-Care Per Diem Funding Policy*  
*LTCH Reconciliation and Recovery Policy*  
*Funding Policy for Suspension of Admission Due to Outbreaks*  
*Designation/Revocation of Designation of Specialized Units Policy*

Short-Stay Respite Beds:

As outlined in the section above, the allowable short-stay respite resident days are subtracted in the calculation of the home's target long-stay resident days. Specifically, where a short-stay respite program exists, the number of resident days approved for the short-stay respite program is separate from the allowable 3% vacancy rate.

Short-stay respite beds receive LOC per diem funding based on allowable short-stay respite resident days regardless of the actual occupancy achieved. This means that short-stay respite beds are not required to meet a specific target for resident days to receive full funding.

However, occupancy levels for short-stay respite beds are monitored to inform approval of these beds for the following year. This means that if a home does not achieve the set target occupancy days these beds may not be approved the following year. The number of short-stay respite beds in a LHIN may be adjusted based on the demonstrated need that has been determined in the LHIN planning process. The current minimum occupancy threshold has been set by the Ministry at 50%. LHINs may increase the threshold for occupancy higher than the minimum set by the Ministry.

#### 4.1 Funding Based on Target Convalescent Care Resident Days

The maximum resident days and occupancy targets for convalescent care beds are calculated and monitored separately from other beds in a home.

Funding for convalescent care beds has two parts: 1) Base LOC per diem; and 2) Additional Subsidy. A licensee will be permitted to retain 100% of the base LOC per diem funding regardless of the actual occupancy of the convalescent care beds in the home. The Additional Subsidy varies according to occupancy in the convalescent care beds in the home.

- ☞ To receive the Additional Subsidy based on maximum convalescent care resident days the home must meet its target convalescent care resident days, which are set at 80% of the maximum convalescent care resident days.

To determine a home's Target Convalescent Care Resident Days the following calculation is applied,

$\frac{\text{Maximum Convalescent Care Resident Days} - \text{Allowable Convalescent Care Vacancy Days}}{\text{Target Convalescent Care Resident Days}}$
--

The terms set out in the above calculation are defined as follows:

**Maximum Convalescent Care Resident Days:** The maximum convalescent care resident days for a home are calculated by multiplying the number of convalescent care beds in operation (operating capacity) in the home by the number of days in the period under consideration.

The operating capacity is based on the number of convalescent care beds in operation for each period. The number is not to exceed the number of licensed or approved beds in a home. There will be cases where the number of beds in operation in the home will vary during the year, e.g., when renovations, expansions or downsizing of the home are taking place.

If two or more residents occupy a bed on the same day it is counted as one resident day.

**Allowable Convalescent Care Vacancy Days:** The number of convalescent care bed-days that the Ministry/LHIN will allow as vacancies for which funding (for the additional subsidy) is provided. The current allowable convalescent care vacancy days are set at 20% of the home's maximum convalescent care resident days. (i.e., Allowable Convalescent Care Vacancy Days = 0.20 x (Maximum Convalescent Care Resident Days).

**Target Convalescent Care Resident Days:** The minimum number of resident days the licensee must provide service to convalescent care residents to receive the Additional Subsidy based on maximum convalescent care resident days in the home. The target convalescent care resident days are commonly referred to as the 'convalescent care occupancy target'.

**Base Level of Care Per Diem:** means the total per diem subsidy as determined by the Ministry in effect for the period under consideration, and is comprised of the four funding components of the current funding model (Nursing and Personal Care (NPC) envelope, Program and Support Services (PSS) envelope, Raw Food (RF) envelope and Other Accommodation (OA) envelope). The Base Level of Care Per Diem represents the per diem amount that has not been modified by a Case Mix Index (CMI) adjustment.

**Additional Subsidy:** means the Additional Subsidy paid for designated Convalescent Care beds conditional on the home achieving the occupancy target for their designated Convalescent Care beds.

Please refer to the *LTCH Convalescent Care Additional Subsidy Funding Summary* for the specific amount of funding that constitutes the Additional Subsidy at a specific point in time and the allocation of the subsidy to NPC, PSS and OA envelopes. The Additional Subsidy amounts are set by the Ministry and are updated by the Ministry from time to time.

The total number of maximum convalescent resident days, allowable convalescent care resident days and target convalescent care resident days are calculated for each home annually by the Ministry or LHIN.

#### 4.2 Funding Based on Actual Convalescent Care Resident Days

If a LTC home does not achieve its target convalescent care resident days, the additional subsidy funding will be based on the actual convalescent care resident days. For example, if a home achieves 40% occupancy in its convalescent care beds it will receive LOC funding based on the maximum convalescent care resident days but the additional subsidy funding will be based on 40% of the maximum convalescent care resident days.

In addition, if the overall convalescent care bed occupancy is below 50%, or such other level as the LHIN may determine, the licensee and the LHIN will meet to discuss reasons and next steps, which could include an assessment of the community's need for these convalescent care beds and a possible reduction of bed number in the convalescent care program, with a corresponding reduction in funding.

#### 5.1 **Funding Based on Target Interim Short-Stay Resident Days**

The maximum resident days and occupancy targets for interim short-stay beds are calculated and monitored separately from other beds in a home. To receive the LOC per diem funding based on full occupancy, the actual occupancy for interim short-stay beds must not be less than the home's Target Interim Short-Stay Resident Days.

To determine a home's Target Interim Short-Stay Resident Days the following calculation is applied:

$$\text{Maximum Interim Short-Stay Resident Days} - \text{Allowable Interim Short-Stay Vacancy Days} = \text{Target Interim Short-Stay Resident Days}$$

The terms set out in the above calculation are defined as follows:

**Maximum Interim Short-Stay Resident Days:** The maximum interim short-stay resident days for a home are calculated by multiplying the number of interim short-stay beds in operation (operating capacity) in the home by the number of days in the period under consideration.

- ∞ The operating capacity is based on the number of interim short-stay beds in operation for each period. The number is not to exceed the number of licensed or approved interim beds in a home. There will be cases where the number of interim beds in operation in the home will vary during the year. e.g., when renovations, expansions or downsizing of the home are taking place.
- ∞ If two or more residents occupy a bed on the same day it is counted as one resident day.

**Allowable Interim Short-Stay Vacancy Days:** The number of interim short-stay bed-days that the Ministry/LHIN will allow as vacancies for which funding is provided. The current allowable interim short-stay vacancy days are set at 10% of the home's maximum interim short-stay resident days. (i.e., Allowable Interim Short-Stay Vacancy Days = 0.10 x (Maximum Interim Short-Stay Resident Days).

**Target Interim Short-Stay Resident Days:** The minimum number of resident days the licensee must provide service to interim short-stay residents to receive funding based on maximum interim short-stay resident days in the home. The target interim short-stay resident days are commonly referred to as the 'interim short-stay occupancy target'.

The total number of maximum interim short-stay resident days, allowable interim short-stay resident days and target interim short-stay resident days are calculated for each home annually by the Ministry or LHIN.

#### 5.2 Funding Based on Actual Interim Short-Stay Resident Days

If a LTC home does not achieve its target interim short-stay resident days, funding will be based on the actual interim short-stay resident days.

## 6.1 Adjustments of Occupancy Targets

### 6.1.1 New and Redeveloped Beds Orientation and Fill Rate Period

Just before and after new or redeveloped beds begin operations, they may be provided with a period of orientation days (before the beds begin to operate) and fill rate days (after the beds begin to operate) when the beds are funded based on full capacity without regard to actual occupancy. Please refer to the Ministry's *Fill Rate Guidelines for New and Redeveloped/Retrofitted 'D' Long-Term Care Facilities* document for further details and other guidelines, as they are issued by the Ministry, on when these days apply. The Ministry/LHIN may adjust the home's occupancy targets to reflect the orientation and fill rate period for new and redeveloped beds, excluding convalescent care beds.

In the event that the orientation and fill rate period applies, the calculation of occupancy targets for the home changes. Specifically, orientation and fill rate days are subtracted from the maximum resident days to calculate the Target Long-Stay Resident days. In addition, orientation and fill rate days are excluded from the maximum resident days to calculate the Allowable Long-Stay Vacancy Days. Under this scenario the definition of allowable long-stay vacancy days is adjusted as follows:

Allowable Long-Stay Vacancy Days means the number of long-stay bed-days that the Ministry/LHIN will allow as vacancies for which funding is provided. The current allowable long-stay vacancy days are set at 3% of the home's Maximum Resident Days, less orientation and fill rate days i.e., Allowable Long-Stay Vacancy Days =  $0.03 \times (\text{Maximum Resident Days} - \text{Orientation and Fill Rate Days})$ .

To determine the Target Long-Stay Resident Days for the home with orientation and fill rate days the following calculation is applied:

$$\text{Maximum Resident Days} - (\text{Allowable Long-Stay Vacancy Days} + \text{Allowable Short-Stay Respite Resident Days excluding any such Days within Orientation and Fill Rate Period} + \text{Orientation and Fill Rate Days}) = \text{Target Long-Stay Resident Days}$$

The orientation and fill rate days are applied only for the allowable period. This means that they cannot be assigned to any other period. To achieve this, the calculation of actual long-stay resident days used to determine if the occupancy target has been met will exclude all such resident days during the orientation and fill rate period.

### 6.1.2 Interim Beds Orientation and Fill Rate Period

Similarly to section 6.1.1, just before and after interim beds begin operations, they may be provided with a period of orientation (before the beds begin to operate) and fill rate days (after the beds begin to operate) when the beds are funded based on full capacity without regard to actual occupancy. Please refer to the *LTCH Fill Rate Guidelines for New Interim LTC Beds* document for further details and other guidelines on when these days apply. The Ministry/LHIN may adjust the home's occupancy targets to reflect the orientation and fill rate period for new interim beds, excluding convalescent care beds.

In the event that the orientation and fill rate period applies the calculation of occupancy targets for the home changes. Specifically, orientation and fill rate days are subtracted from the maximum interim short-stay resident days to calculate the Target Interim Short-Stay Resident days. In addition, orientation and fill rate days are excluded from the maximum interim short-stay resident days to calculate the Allowable Interim Short-Stay Vacancy Days. Under this scenario the definition of allowable Interim Short-Stay Vacancy Days is adjusted as follows:

Allowable Interim Short-Stay Vacancy Days means the number of interim short-stay bed-days that the Ministry/LHIN will allow as vacancies for which funding is provided. The current allowable interim short-stay vacancy days are set at 10% of the home's Maximum Interim Short-Stay Resident Days, less orientation and fill rate days, i.e., Allowable Interim Short-Stay Vacancy Days =  $0.10 \times (\text{Maximum Interim Short-Stay Resident Days} - \text{Orientation and Fill Rate Days})$ .

To determine the Target Interim Short-Stay Resident Days for the home with orientation and fill rate days the following calculation is applied:

$$\text{Maximum Interim Short-Stay Resident Days} - (\text{Allowable Interim Short-Stay Vacancy} + \text{Orientation and Fill Rate Days}) = \text{Target Interim Short-Stay Resident Days}$$

The orientation and fill rate days are applied only for the allowable period. This means that they cannot be assigned to any other period. To achieve this, the calculation of actual interim short-stay resident days used to determine if the occupancy targets has been met will exclude all such resident days during the orientation and fill rate period.

### 6.1.3 Convalescent Care Beds Orientation Period

The first 90 days of the operation of the new convalescent care program is considered an orientation period and the occupancy rate during this time period is excluded from the calculation of the target convalescent care resident days. The licensee will therefore be entitled to retain the Additional Subsidy for this 90-day period, subject to reconciliation.

In the event that the orientation period applies the calculation of convalescent care occupancy targets for the home changes. Specifically, the orientation days are subtracted from the maximum convalescent care resident days to calculate the target convalescent care resident days. In addition, the orientation days are excluded in the calculation of the allowable convalescent care vacancy day. (See formula below for precise detail).

Where orientation days apply the definition of allowable convalescent care vacancy days is adjusted as follows:

Allowable Convalescent Care Vacancy Days means the number of convalescent care bed-days that the Ministry/LHIN will allow as vacancies for which funding is provided. The current allowable convalescent care vacancy days are set at 20% of the home's Maximum Resident Days, less orientation days.  
(i.e., Allowable Convalescent Care Vacancy Days = 0.20 x (Maximum Resident Days – Orientation Days).

To determine the Target Convalescent Care Resident Days for the home with orientation days the following calculation is applied:

$$\text{Maximum Convalescent Care Resident Days} - (\text{Allowable Convalescent Care Vacancy Days} + \text{Orientation Period Days}) = \text{Target Convalescent Care Resident Days}$$

The orientation days are applied only for the allowable period. This means that that they cannot be assigned to any other period. To achieve this, the calculation of actual convalescent care resident days used to determine if the occupancy target has been met will exclude all such resident days during the orientation period.

#### 6.1.3.1 Designated Specialized Unit Long-Stay Beds Fill Rate Period

The first 90 days from the date the Director under the *Long-Term Care Homes Act, 2007* designates a new specialized unit with Long-Stay Beds to commence operating is considered the fill rate period for the specialized unit when the beds in the unit are funded based on full capacity (100% occupancy) without regard to actual occupancy.

The fill rate days, determined to be the number of approved beds multiplied by the days in the fill rate period, are subtracted from the Maximum Resident Days to calculate the Target Long-Stay Resident Days. In addition, fill rate days are excluded from the Maximum Resident Days to calculate the Allowable Long-Stay Vacancy Days.

Where fill rate days apply to designated Specialized Unit Long-Stay Beds, the definition of Allowable Long-Stay Vacancy days is adjusted as follows:

Allowable Long-Stay Vacancy Days means the number of long-stay bed-days, including designated specialized unit long-stay bed-days, that the Ministry/LHIN will allow as vacancies for which funding is provided. The current Allowable Long Stay Vacancy Days are set at 3% of the home's Maximum Resident Days, less fill rate days.

(i.e., Allowable Long Stay Vacancy Days =  $0.03 \times (\text{Maximum Resident Days} - \text{Fill Rate Days})$ ).

The fill rate days are applied only for the 90-day period starting on the date the Director designates the specialized unit to begin operating. This means that they cannot be assigned to any other period. To achieve this, the calculation of actual long-stay resident days, including actual designated specialized unit long-stay resident days, used to determine if the occupancy target has been met will exclude all such resident days during the fill rate period.

#### 6.1.4 Suspension of Admissions due to Outbreaks

In the event of suspension of admission due to an outbreak in the home the occupancy targets for a home may be adjusted. Please refer to the *LTCH Funding Policy for Suspension of Admissions Due to Outbreaks* document for further details.

#### 6.1.5 Occupancy Reduction Protection (ORP) Period

Under certain circumstances the LHIN/ministry may approve an occupancy reduction protection period during which time modified occupancy and funding rules apply. Please see the *LTCH Non-Capital Occupancy Reduction Protection Guidelines* for further details on these rules. For the purpose of calculating the occupancy targets for the home, the bed days to which occupancy reduction protection applies will be subtracted from the calculation of the home's occupancy target. In addition, allowable vacancy days will also exclude occupancy reduction protection days in calculating the target resident days for homes with occupancy reduction protection period (please see below the amended definition of the allowable vacancy days for each calculation, as applicable).

To determine the Target Long-Stay Resident Days for the home with occupancy reduction protection period the following calculation is applied:

$$\text{Maximum Resident Days} - (\text{Allowable Long-Stay Vacancy Days} + \text{Allowable Short-Stay Respite Resident Days} + \text{Occupancy Reduction Protection Days}) = \text{Target Long-Stay Resident Days}$$

Where Allowable Long-Stay Vacancy Days =  $0.03 \times (\text{Maximum Resident Days} - \text{Occupancy Reduction Protection Days})$

To determine the Target Convalescent Care Resident Days for the home with occupancy reduction protection period the following calculation is applied:

$$\text{Maximum Convalescent Care Resident Days} - (\text{Allowable Convalescent Care Vacancy Days} + \text{Occupancy Reduction Protection Days}) = \text{Target Convalescent Care Resident Days}$$

Where Allowable Convalescent Care Vacancy Days =  $0.20 \times (\text{Maximum Convalescent Care Resident Days} - \text{Occupancy Reduction Protection Days})$

To determine the Target Interim Short-Stay Resident Days for the home with occupancy reduction protection period the following calculation is applied:

$$\text{Maximum Interim Short-Stay Resident Days} - (\text{Allowable Interim Short-Stay Vacancy Days} + \text{Occupancy Reduction Protection Days}) = \text{Target Interim Short-Stay Resident Days}$$

Where Allowable Interim Short-Stay Vacancy Days =  $0.10 \times (\text{Maximum Interim Short-Stay Resident Days} - \text{Occupancy Reduction Protection Days})$

## 7.1 Reconciliation Rules

This policy must be read in conjunction with the *LTCH Level of Care Per Diem Funding Policy, Eligible Expenditures for LTCHs*, and the *LTCH Reconciliation and Recovery Policy*, among others. As in addition to occupancy targets rules the funding is also subject to other conditions of funding, i.e., reconciliation rules.

### 8.1 Examples: Calculation of Occupancy Targets for the Purpose of Funding

#### Example 1:

Occupancy targets for a LTC home with 100 Long-Stay Beds

The target resident days for a home with 100 Long-Stay Beds would be 35,405

Maximum Resident Days – (Allowable Long-Stay Vacancy Days + Allowable Short-Stay Respite Resident Days) = Long-Stay Target Resident Days

$$36,500 - (1,095 + 0) = 35,405$$

Maximum long-stay resident days are 36,500 (100 beds x 365 days)

Allowable long-stay vacancy is 3% of maximum long-stay resident days = 1,095 (36,500 x 0.03)

Allowable short-stay respite resident days is 0 (the home has no short-stay respite beds)

Target long-stay days is 36,500 – 1,095 = 35,405

#### Example 2:

Occupancy targets for a LTC home with 98 Long-Stay Beds and 2 short-stay respite beds

The target resident days for a home with 98 Long-Stay Beds and 2 short-stay respite beds is 34,675

Maximum Resident Days – (Allowable Long-Stay Vacancy Days + Allowable Shot-Stay Respite Resident Days) = Long-Stay Target Resident Days

$$36,500 - (1,095 + 730) = 34,675$$

Maximum long-stay resident days are 36,500 (100 beds x 365 days)

Allowable long-stay vacancy is 3% of maximum long stay resident days = 1,095 (36,500 x 0.03)

Allowable short-stay respite resident days is 730 (2 x 365)

Target long-stay days is 36,500 – (1,095 + 730) = 34,675

## 9.1 Cash Flow Management for Low Occupancy

### Purpose

Low Occupancy Funding policy provides additional rules for cash flow management for licensees with homes that have low occupancy.

### Objective

The objective of Low Occupancy Funding is to allow the continuation of the delivery of quality care and service levels to resident in LTC homes with low occupancy rates while improving the licensee's cash management strategy for the home.

#### Applicability

For the purpose of initial cash flow, and subject to subsequent reconciliation, homes that achieve an average occupancy level of greater than 80% are paid LOC funding at a rate equal to 100%. Homes with reported average occupancy level of 80% or below, as measured by the most recent Revenue Occupancy Report, will receive monthly funding based on their actual occupancy level plus 10%. This applies to cash flow long-stay bed only. Convalescent care and interim short-stay beds will continue to receive cash flow at 100%.

However, in the event that occupancy increases by more than 5% and that increased occupancy is maintained for more than one month, homes are advised to consult with their LHIN regarding an increase in monthly payments.

Please refer to the *LTCH Cash Flow Policy* for further information on the cash flow approach.

#### Recovery Standards

Please refer to the *LTCH Reconciliation and Recovery Policy* on the current process and standards for recoveries of surplus funds.

## Appendix A

### Compliance Status Indicator

#### 1. Description of the Compliance Indicator

The Health service provider (the “HSP”) in the Long Term Care Home (the “Home”) must ensure that residents receive appropriate and safe clinical care. The Compliance Indicator is a measure that sets a target or level of expected performance of an HSP in twelve areas of key risk described in section 3 below. An HSP will be either “substantially compliant” with the Compliance Indicator or “chronically non-compliant” with the Compliance Indicator. A determination that an HSP is chronically non-compliant with the Compliance Indicator is an indication that the required care and services for residents of the Home continue to not be met and/or there is a serious threat to the health, safety and welfare of the residents. The compliance indicator status of an HSP in respect of a Home is determined by the outcome of the Ministry of Health and Long Term Care (MOHLTC) inspection process in relation to the legislative and regulatory requirements of **Long Term Care Home Act, 2007** (“Act”).

#### 2. Definitions

The Compliance indicator measures an HSP’s performance in twelve areas of risk at a Home. An HSP will be determined to be either;

- a) Substantially compliant in twelve key risk areas; or
- b) Chronically non-compliant in one or more of the twelve key risk areas.

“Chronically non-compliant” is defined as two or more findings by a MOHLTC Inspector of non-compliance with requirements of either the Act or O. Reg. 79/10 in the same key risk area where:

- (a) The severity and/or scope of the first instance of non-compliance and/or the compliance history of the HSP warranted an Order being issued under the Act, and;
- (b) The second or successive finding of non-compliance under the Act or O.Reg.79/10 is a result of a failure on the part of the HSP to rectify the first finding of non-compliance that resulted in the original Order being issued.

#### 3. Key Risk Areas and the corresponding Legislative / Regulation reference

Risk Area	Legislative/Regulation reference <b>Act:</b> Long Term Care Homes Act; <b>Reg:</b> O. Reg. 79/10
Injury that results in transfer or admission to hospital	<b>Act:</b> s. 19; ss 3(1)2 ; ss 3(1)3; s.6
Medication Incidents	<b>Reg.:</b> s.135; s. 131
Missing resident	<b>Act:</b> s. 19; ss. 2(1)3; s. 6(7)
Environmental hazards	<b>Act:</b> s.5; ss 3(1)5; ss 15(2).
Infection Control	<b>Act:</b> s. 86 <b>Reg:</b> s. 229
Alleged/actual abuse/assault	<b>Act:</b> ss 19(1); ss 3(1)2; ss 3(1)3. <b>Reg:</b> ss 97(1) & (2); s. 98, s. 99
Pressure ulcers	<b>Reg:</b> ss 48(1)2; s. 30; s. 50
Presence of daily physical restraints	<b>Act:</b> ss3(1)13; s. 29; ss 30(1)1-5; ss 31(1),(2) and (3); <b>Reg :</b> s. 110; s. 112
Weight loss management	<b>Act:</b> s. 11 <b>Reg :</b> s. 68; s. 69; ss. 71(2)(3) and (7)
Continence care and bowel management	<b>Reg:</b> s. 30, 48, 41
Falls	<b>Reg:</b> s. 30; ss48(1)1; s. 49
Behavioural symptoms affecting others	<b>Reg:</b> s 54; s. 55.

**Appendix B**

**LHIN Endorsement**

**Date:**

**Memorandum To:** Performance Improvement and Compliance Branch, Ministry of Health and Long-Term Care

**CC:** LHIN Liaison Branch, Financial Management Branch

**From:** Name of LHIN  
Name of LHIN official and title submitting endorsement

**Re:** LHIN endorsement for funding relief due to occupancy rates

**For:** Calendar year xxxx, covering the period January to December (year).

As required by the LTCH Occupancy Targets Policy, the following 2 time-sensitive funding conditions have been met:

1. The LHIN received formal submission(s) from the LTCH licensees(s) listed below prior to March 31, 20xx requesting LHIN endorsement for an exception from the rule that a LTC home that does not achieve the home's Target Long-Stay Resident Days will be funded solely based on its actual long-stay resident days.
2. The LHIN has ensured this endorsement submission is received by the ministry before May 30<sup>th</sup> for the previous calendar year. \*

The following Long-Term Care Home(s) self-identified with the LHIN as experiencing, or being at risk of experiencing, occupancy challenges. They have participated in the interim funding relief process with the LHIN, including an action plan to improve their occupancy rates and are recommended for funding relief.

The following chart (Table 1) lists the participating homes endorsed by the LHIN for funding relief:

Name of LTCH	Facility Number	Occupancy Rate self-reported to the LHIN for the period	Agreement in place to implement recommendations between the LHIN and the LTC home  Yes/No	Recommended for Interim Funding Relief (Endorsed by the LHIN)  Yes/No

\_\_\_\_\_  
Signature

**\*IMPORTANT NOTE:** Late submissions received by the ministry from the LHIN after May 30 for the previous calendar year will not be accepted.