

July 23, 2020

Re: New Long-Term Care Minor Capital Program

Dear Long-Term Care Home Licensees:

This letter is further to the recent letter from the Honourable Dr. Merrilee Fullerton, Minister of Long-Term Care, informing you that the Ministry of Long-Term Care (“the ministry”) is launching a new Minor Capital Program (the program) to support long-term care home operators in maintaining their homes in an optimal state of repair while ensuring the safety of their residents.

The new program effectively replaces the Structural Compliance Premium, 1999 (SCP-1999), paid under the *Policy for Funding Construction Costs of Long-Term Care Facilities, April 1999*. The new program is targeted to former SCP-1999 recipients and other long-term care homes with beds not already receiving other forms of capital funding (e.g. the Construction Funding Subsidy (CFS) paid under a development agreement between the operator and the ministry, or the Structural Compliance Premium, 2009 (SCP-2009), paid under the *Structural Compliance Premiums for Self-Funded Renewal Projects, 2009*. To ensure there is no gap in funding, the new program will be effective April 1, 2020 to coincide with the discontinuance of the SCP-1999, and will be phased in over four years.

The ministry is committing up to \$22.8 million to the program. Funding will be provided to eligible operators who are party to a Letter of Agreement for Ministry Direct Funding to Long-Term Care Homes (Direct Funding Agreement, or DFA).

Funding Approach

To help long-term care homes plan and adjust for future minor capital priorities, the program will be phased in over four years:

- In Year 1, the program will be targeted only to homes that received SCP-1999 as of March 31, 2020. These homes will receive the same allocation as their 2019-20 SCP-1999 payment. No other homes will receive MC funding for Year 1.
- In Years 2 through 4, funding will be expanded through the phased-in approach to include former SCP-1999 recipients as well as other long-term care homes with eligible beds, defined as beds not receiving any other capital-related funding (either the CFS or the SCP-2009) as of March 31, 2020.

Once the new funding model is fully phased-in, eligible homes will receive a \$5,000 base allocation, plus a \$1.42 per diem amount for each eligible bed. The \$5,000 base allocation will ensure all eligible licensees receive a minimum allocation which will help ensure smaller homes with fewer beds are supported, while the per diem portion will help support larger homes.

Expenditure Eligibility Criteria

The new program includes expenditure eligibility criteria that enables the funding to be used for minor capital projects designed to improve or extend the life of existing facilities. Homes will have the flexibility to choose how they use their annual allocation within the list of eligible minor capital expenditures.

All eligible homes that could install cooling during the summer of 2020 to ensure that residents do not have to congregate for cooling purposes should consider this a priority for the use of the allocated funding.

Details of the phased-in funding approach, the expenditure eligibility criteria, as well as terms and conditions, and accountability requirements are outlined in the enclosed/attached *Long-Term Care Minor Capital Program Funding Policy*. This policy is also accessible on the ministry's public website in the near future.

Effective April 1, 2020, the Policy is the primary Applicable Ministry Policy Document in respect of the Long-Term Care Minor Capital Funding Program under Schedule A of the Letter of Agreement for Ministry Direct Funding to Long-Term Care Homes (Direct Funding Agreement, or DFA) between each long-term care operator and the ministry.

If you have any questions or require further information, please contact the ministry by e-mail at LTC.Info@ontario.ca.

Thank you for your continued service and dedication in support of our government's commitment to transforming long-term care in Ontario, particularly during this unprecedented time as we work together to implement enhanced measures to stop the spread of COVID-19 in long-term care homes.

Sincerely,



Sheila Bristo
Assistant Deputy Minister
Long-Term Care Operations Division
Ministry of Long-Term Care

Enclosure

c:

Richard Steele, Deputy Minister, Ministry of Long-Term Care
Donna Duncan, Chief Executive Officer, Ontario Long-Term Care Home Association
Lisa Levin, Chief Executive Officer, Advantage Ontario
Scott McLeod, CEO, Central Region, Local Health Integration Network
Renato Discenza, CEO, East Region, Local Health Integration Network
Dr. Rhonda Crocker Ellacott, CEO, North Region, Local Health Integration Network
Tess Romain, CEO, Toronto Region, Local Health Integration Network
Bruce Lauckner, CEO, West Region, Local Health Integration Network
Brian Pollard, Assistant Deputy Minister, Long-Term Care Capital Development Division
Janet Hope, Director, Long-Term Care Policy Division
Jim Yuill, Director, Financial Management Branch
Abby Dwosh, Director, Programs and Funding Branch
Jeffrey Graham, A/Director, Fiscal Oversight & Performance Branch