

Long Term Care Minor Capital Funding Policy	Original Publish Date	April 1, 2020
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## 1.0 Introduction

The Long-Term Care (LTC) Minor Capital Funding Policy outlines the conditions and processes for Minor Capital (MC) funding to support LTC home licensees (as defined in the *Long-Term Care Homes Act, 2007 – LTCHA*) (“Licensee”) in maintaining their homes in an optimal state of repair while ensuring the safety of their residents. This Funding Policy is the primary Applicable Ministry Policy Document in respect of the LTC Minor Capital Funding Program under Schedule A of the Letter of Agreement for Ministry Direct Funding to LTC Homes (Direct Funding Agreement, or DFA) between each LTC Licensee and the ministry.

## 2.0 Funding Eligibility

2.1 Subject to section 2.2, MC funding under this policy is provided to each Licensee of an LTC home with an Eligible Bed. An **Eligible Bed** is a licensed or approved bed in respect of which the Licensee does not receive:

- *Construction Funding Subsidy (CFS)* – which for the purposes of this Policy includes any per diem construction funding paid under a development agreement with the ministry (or MOHLTC) under the *LTCH Policy for Funding Construction Costs of Long-Term Care Homes – April 1999*, or the *Construction Funding Subsidy Policy for Long-Term Care Homes, 2019*, or any earlier or subsequent variations of such policies (or grant funding paid in lieu of such per diem funding for the full period in respect of which the corresponding per diem funding would have been paid as determined by the ministry), or
- Structural Compliance Premium (SCP) funding paid under the *Structural Compliance Premiums for Self-Funded Renewal Projects, 2009*.

Beds in abeyance, interim beds under a temporary licence, beds under a temporary emergency licence, and Elderly Capital Assistance Program (ELDCAP) beds are not Eligible Beds

Despite anything in this Policy, or Ministry correspondence that does not expressly indicate otherwise, beds that are not Eligible Beds as of April 1, 2020, shall not become Eligible Beds unless and until the ministry confirms in writing that such beds (or a portion of such beds) are authorized to become Eligible Beds.

An **Eligible Home** is a Licensee operating Eligible Beds.

- 2.2 From April 1, 2020 to March 31, 2021 only Licensees of Eligible Beds that were recipients of Structural Compliance Premium funding under the *Policy for Funding Construction Costs of Long-Term Care Homes – April 1999* (SCP, 1999), that was discontinued on March 31, 2020, will be eligible for MC funding.
- 2.3 Effective April 1, 2021, MC funding will be expanded to include the remainder of eligible beds referenced in section 2.1 above.

**3.0 Funding Methodology and Payment of Funding**

Licensees with Eligible Bed(s) will receive MC funding from the Ministry in accordance with the terms and conditions of this policy, subject to the terms and conditions of the Letter of Agreement for Ministry Direct Funding to LTC Homes between the Licensee and the Ministry.

As noted in section 2.1, the first year of MC funding (Year 1), will be allocated to former recipients of the SCP-1999 in an amount equal to their SCP-1999 funding previously paid immediately prior to April 1, 2020.

As outlined in Table 1 below, beginning in second year of MC funding (Year 2), subject to the terms and conditions set out in this policy, MC funding will consist of a fixed amount of \$5,000 for each eligible LTC home and a per diem amount for each of the home’s eligible beds.

The funding approach will be gradually phased-in over a period of four years Sections 3.1 to 3.4 provide complete details on the conditions for homes to determine their MC funding amounts.

Table 1. Summary of Phased-In MC Funding Approach

<b>Descriptions</b>	<b>Year 1</b> April 1, 2020 to March 31, 2021	<b>Year 2</b> April 1, 2021 to March 31, 2022	<b>Year 3</b> April 1, 2022 to March 31, 2023	<b>Year 4</b> April 1, 2023 to March 31, 2024
Phase-out Mitigation Approach for prior SCP-1999 Recipients  <i>(Over the four-year mitigation period, prior SCP-1999 recipients will receive MC funding that is not less than the following percentages of the SCP-1999 funding that was paid for the home in the 2019-20 funding year)</i>	100%	75%	50%	0%
Fixed Amount  <i>As noted above, prior SCP-1999 recipients will receive the</i>	N/A	\$5,000 per home	\$5,000 per home	\$5,000 per home

<p><i>greater of: the amount as determined by the respective mitigation approach or the fixed plus per diem amount.</i></p> <p><i>All Eligible Homes will transition to the fixed plus per diem amount by April 1, 2024.</i></p>				
Phased in Per diem	N/A	+\$1.17	+\$1.42	+\$1.42

3.1 **Year 1 – Period from April 1, 2020 to March 31, 2021.** Eligible Homes that received SCP-1999 as of March 31, 2020 will receive MC funding in an amount that is equal to their SCP funding previously paid for the home immediately prior to April 1, 2020. No other homes will receive MC funding for Year 1.

The table below depicts MC funding for Year 1:

LTC Home Name	Eligible Beds	Year 1 MC Funding
<b>LTC Home X</b> (former SCP-1999 recipient)	100	\$100,000
<b>LTC Home Y</b> (home with eligible beds that did not previously receive SCP-1999)	100	\$0 (Not eligible in Year 1)

3.2 **Year 2 – Period from April 1, 2021 to March 31, 2022:** Eligible Homes that received funding pursuant to section 3.1 and operate Eligible Beds will receive the greater of:

- (a) 75% of prior MC funding provided pursuant to section 3.1, or
- (b) \$5,000 for the year plus \$1.17 per day per Eligible Bed (PDPEB).

For example, the following table depicts MC funding for a home that previously received SCP-1999 funding in the 2019-20 funding year:

LTC Home Name	Eligible Beds	Year 1 MC Funding	Phased MC Funding Approach For Year 2 – Greater of:		Year 2 MC Funding
			Minimum of 75% of Year 1 MC Funding Allocation	\$5000 + \$1.17 PDPEB	
<b>LTC Home X</b> (former SCP-1999 recipient)	100	\$100,000	\$75,000	\$47,705	\$75,000
<b>LTC Home Y</b> (home with eligible beds that did not previously receive SCP-1999)	100	N/A	N/A	\$47,705	\$47,705

3.2.1 An Eligible Home that did not receive funding pursuant to section 3.1 (i.e., Year 1) and operates Eligible Beds will receive \$5,000 plus \$1.17 PDPEB in Year 2.

3.3 **Year 3 – Period from April 1, 2022 to March 31, 2023:** An Eligible Home that received funding pursuant to section 3.1 and operates Eligible Beds will receive the greater of:

- (a) 50% of the MC funding provided pursuant to section 3.1, or
- (b) \$5,000 for the year plus \$1.42 PDPEB.

For example, the following table depicts MC funding for a home that previously received SCP-1999 funding in the 2019-20 funding year over the phase-in period:

LTC Home Name	Eligible Beds	Year 1 MC Funding	Year 2 MC Funding	Phased MC Funding Approach For Year 3 – Greater of:		Year 3 MC Funding
				Minimum of 50% of April 1, 2020 Allocation	\$5000 + \$1.42 PDPEB	
LTC Home X (former SCP-1999 recipient)	100	\$100,000	\$75,000	\$50,000	\$56,830	\$56,830
LTC Home Y (home with eligible beds that did not previously receive SCP-1999)	100	N/A	\$47,705	N/A	\$56,830	\$56,830

3.3.1 An Eligible Home that did not receive funding under section 3. 1 (i.e. in Year 1) and operates Eligible Beds will receive \$5,000 plus \$1.42 PDPEB in Year 3.

3.4 **Year 4 – Effective April 1, 2023** each Eligible Home will receive \$5,000 for the year plus \$1.42 PDPEB.

For example:

LTC Home Name	Eligible Beds	Year 1 MC Funding	Year 2 MC Funding	Year 3 MC Funding	MC Funding for Year 4 Includes both of the following:		Year 4 MC Funding
					Base allocation	\$1.42 PDPEB	
LTC Home X (former SCP-1999 recipient)	100	\$100,000	\$75,000	\$56,830	\$5,000	\$51,830	\$56,830
LTC Home Y (home with eligible beds that did not previously receive SCP-1999)	100	N/A	\$47,705	\$56,830	\$5,000	\$51,830	\$56,830

3.5 Regarding the payment of funding, there will be no changes in Year 1 from previous SCP-1999 funding levels. Starting in Year 2, if the fixed amount plus per diem approach provides an Eligible Home with more funding than 75% of their SCP-1999 funding previously paid for the home immediately prior to April 1, 2020, the fixed amount of \$5,000 per year will be paid out in monthly installments

and the funding will be pro-rated to \$3,750 over the 9-month period from April 1, 2021 to December 31, 2021 and the remaining \$1,250 will be paid out from January 1 to March 31, 2022.

#### 4.0 Terms and Conditions of Funding

Minor Capital funding may only be expended by an Eligible Home on capital repairs or replacements that are required to:

- 4.01 maintain the LTC home and/or properties in a state of good repair
  - 4.02 respond to new and/or updated LTC regulatory standards
  - 4.03 promote resident comfort, safety and security; or
  - 4.04 protect the integrity of LTC programs and services
- 4.1 Subject to sections 4.0, and 4.3, MC funding may only be spent on one or more of the following capital expenditures:
- 4.1.1 Sprinkler repair, installation or replacement
  - 4.1.2 Roof repair or replacement
  - 4.1.3 Electrical system repair or replacement
  - 4.1.4 Wireless nurse call system repair, installation or replacement
  - 4.1.5 Siding and insulation repair, installation or replacement
  - 4.1.6 Heating or cooling system/air conditioning unit(s) purchase, repair, installation or placement
  - 4.1.7 Wall/door protection and guard installation, repair or replacement
  - 4.1.8 Flooring repair, installation or replacement
  - 4.1.9 Lighting upgrades, repair installation or replacement
  - 4.1.10 Renovations to accommodate program changes or enhanced patient safety
  - 4.1.11 Other expenditures within the scope of section 4.0 may be considered at ministry discretion through requests submitted to [ltc.info@ontario.ca](mailto:ltc.info@ontario.ca).
- 4.2 Routine maintenance is excluded from eligible expenditures. Examples of routine maintenance include seasonal servicing or annual testing of equipment or systems, or routine repairs of equipment such as repair of washroom fixtures.
- 4.3 To maintain continuous eligibility for MC funding, LTC homes must meet the accountability and reporting requirements outlined in section 5.0.

**5.0 Reporting Requirements and Accountability for Funding**

- 5.1 Each LTC Licensee is required to report the expenditures funded from their Minor Capital allocation in a separate line in Section I in the Licensee's audited LTCH Annual Report for a defined 12-month period in accordance with the form and manner set out in the *"LTCH Annual Report Technical Instructions and Guidelines"*.
- 5.2 Unused funds will be recovered as part of the annual reconciliation process. Please refer to section 3.5.