

Policy: LTCH Cash Flow Policy	As Amended and Effective	April 1, 2011	Released March 2012
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1.1 Introduction

The Cash Flow Policy outlines the basis for calculating payment of the Estimated Total Subsidy to long-term care homes, as well as the manner in which payment of funding is provided to licensees. The Estimated Total Subsidy is comprised of the Estimated Provincial Subsidy from a Local Health Integration Network (LHIN) and, as applicable, Non-Level of Care Funding from the Ministry of Health and Long-Term Care (Ministry) by way of a direct funding agreement between the Ministry and a licensee. Notwithstanding the payment of funding distributed between LHINs and Ministry, funding to Long-Term Care Homes, as outlined in this policy document, continues to follow established processes utilizing the same reports and notifications as in prior years.

1.2 Background

The majority of funding paid by a LHIN to a licensee for a Long-Term Care home is provided through the Level of Care Per Diem. The Level of Care Per Diem is funded from two sources: 1) revenue for accommodation charges from residents as co-payment fees, and 2) payments made by a LHIN to a licensee for the difference between the Level of Care Per Diem and the sum of the Resident Co-payment Revenue. In addition, licensees may be eligible for other Non-Level of Care Funding paid by a LHIN through the Long-Term Care Home/LHIN Service Accountability Agreement (L-SAA) or paid by the Ministry through a direct funding agreement. For the purpose of providing cash flow, funding is advanced to licensees in monthly payments based on estimates of funding.

1.3 Definitions

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. See the *LTCH Occupancy Targets Policy* Section 4.1 for information on occupancy targets for Convalescent Care beds.

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.

Basic Accommodation – in relation to a long-term care home, means lodging in a standard room in the home, housekeeping services, maintenance and use of the home, dietary services, laundry and linen services, administrative services and raw food.

Bed Class – means one of the bed categories Classified, Unclassified or Convalescent Care as identified on the licensee's Monthly Payment Calculation Notice.

Case Mix Index (CMI) – is a numeric value assigned to a long-term care home and is used as a measure of the average care requirements of residents in the long-term care home. The Case Mix Index is multiplied by the Base Level of Care Per Diem for the Nursing and Personal Care envelope only, and is

applied to a home's Classified Beds. For further information on resident care assessment and CMI calculations, please refer to the *LTCH Level of Care Per Diem Funding Policy*.

Classified Beds – refers to long-stay beds that are licensed or approved under the *Long-Term Care Homes Act, 2007* where the care needs of the residents occupying those beds have been assessed and a CMI has been assigned for the bed.

Convalescent Care Beds – refers to the beds that are licensed or approved under the *Long-Term Care Homes Act, 2007* and are designated for the Convalescent Care Program as short-stay supportive care beds and identified as Convalescent Care Beds in Schedule B of a licensee's Long-Term Care Home Service Accountability Agreement. Convalescent care beds receive the Level of Care Per Diem funding, as set in the *LTCH Level-of-Care Per Diem Funding Summary* for the applicable period. Convalescent care beds also receive an additional subsidy. 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 between NPC, PSS and OA envelopes. The Additional Subsidy amounts are set by the Ministry and are updated by the Ministry from time to time.

Estimated Provincial Subsidy – means an estimate of the monies payable to a licensee based on their Licensed Bed Capacity subject to the terms and conditions of funding and funding methodologies as outlined in the Long-Term Care Home/LHIN Service Accountability Agreement (L-SAA) and/or applicable Policy and calculated in accordance with Section 2.1 (i) through (iv) of the *LTCH Cash Flow Policy*. The Estimated Provincial Subsidy includes Level of Care Per Diem Funding net of the sum of estimated Resident Co-payment Revenue, Registered Practical Nurse Funding, Construction Funding Subsidy and, where applicable, any other Non-Level of Care Funding paid by a LHIN¹. In addition, beds that are not available for occupancy under a written permission of the Director under subsection 104 (3) of the *Long-Term Care Homes Act, 2007* will continue to receive Construction Funding Subsidy in accordance with the *Beds in Abeyance Policy*. The Estimated Provincial Subsidy for a licensee is stated on the Monthly Payment Calculation Notice and annual Fac05C Report available at www.fimdata.com/LTCHome.

Estimated Total Subsidy – means the Estimated Provincial Subsidy plus an estimate of the monies payable by the Ministry to a qualifying licensee under a direct funding agreement for Non-Level of Care Funding, subject to the terms and conditions of funding and/or funding methodologies as outlined in the direct funding agreement and/or applicable Policy, and calculated in accordance with Section 2.1 of this policy. The Estimated Total Subsidy for a licensee is stated on the Monthly Payment Calculation Notice and annual Fac05C Report available at www.fimdata.com/LTCHome.

Interim Short-Stay Bed – means a bed in a long-term care home under the interim bed short-stay program.

Level of Care (LOC) Per Diem – means the total per diem subsidy in effect for the period under consideration and is comprised of the four funding envelope components (Nursing and Personal Care (NPC), Program and Support Services (PSS), Raw Food (RF) and Other Accommodation (OA)) of the current funding model. Of the four envelopes, only the Base Level of Care Per Diem in the Nursing and Personal Care envelope is subject to adjustment by the CMI. Please refer to the *LTCH Level of Care Per Diem Funding Policy* for further information.

Licensed Bed Capacity – means the total licensed or approved beds under the *Long-Term Care Homes Act, 2007* excluding beds that are not available for occupancy under a written permission of the Director under subsection 104 (3) of the *Long-Term Care Homes Act, 2007*.

Licensee - means the holder of a licence issued under the *Long-Term Care Homes Act, 2007*, and includes the municipality or municipalities or board of management that maintains a municipal home, joint home or First Nations home.

L-SAA (Long-Term Care Home/LHIN Service Accountability Agreement) – means the service accountability agreement between a licensee of a long-term care home and a LHIN required by section 20 of the *Local Health System Integration Act, 2006*.

¹ Please refer to Section 2.1 (i) though (iv) of this policy for the calculation of Estimated Provincial Subsidy.

Low Occupancy Homes – means long-term care homes where the actual occupancy, excluding Convalescent Care Beds and Interim Short Stay Beds, for the period January 1 to September 30, as reported on the home's most recent submission of the In-Year Revenue/Occupancy Report, is 80% or less. Low Occupancy Homes are subject to an Occupancy Factor adjustment to their Level of Care Per Diem funding. Please refer to the *LTCH Occupancy Targets Policy* and Section 2.2.4 of the *LTCH Reconciliation and Recovery Policy* for further information.

Maximum Resident Days – means the sum of the Licensed Bed Capacity (operating capacity) multiplied by the number of days in operation for each funding period. The operating capacity is based on the number of beds in operation for each period, as agreed to by the licensee and the LHIN and/or Ministry. See the *LTCH Occupancy Targets Policy* and the "Technical Instructions and Guidelines for the Long-Term Care Home Subsidy Calculation Worksheet" for further details on calculating Maximum Resident Days for Long-Stay, Short-Say Respite, Convalescent Care and Interim Short-Stay beds.

Non-Level of Care Funding - means supplementary funding streams, each with distinct terms and conditions provided to qualifying licensees, and excludes the Level of Care Per Diems. Although some supplementary funding may be distributed among the envelopes as set out in the terms and conditions of funding, it does not form part of the Level of Care Per Diems. Non-Level of Care funding may be paid to a licensee by a LHIN through the L-SAA or by the Ministry through a direct funding agreement. Non-Level of Care Funding includes, but is not limited to, Construction Funding Subsidy and Registered Practical Nurse Initiative, which are paid by a LHIN, and High Wage Transition Funding, Pay Equity Funding and/or Equalization Adjustment, Municipal Tax Allowance Funding, Accreditation Funding, Physician On-Call Funding, Structural Compliance Premium, MDS Early Adopter Funding, High Intensity Needs Funding, and Laboratory Services Funding, which are paid by the Ministry, except where paid by a LHIN and calculated as part of the Estimated Provincial Subsidy in accordance with the L-SAA. Non-Level of Care Funding initiatives may be amended, terminated and/or initiated from time to time as the result of changes to policy that provides the specific rules in respect of each form of funding.

Occupancy Factor – means the percentage applied to adjust the bed count, excluding Convalescent Care Beds and Interim Short Stay Beds, to approximate the actual occupancy plus 10% of the home, and thereby affecting the Level of Care Per Diem funding payment. The Occupancy Factor applies only to those Low Occupancy homes where the actual occupancy (excluding Convalescent Care Beds and Interim Short Stay Beds) for the period January 1 to September 30, as reported on the most recent In-Year Revenue/Occupancy Report, is 80% or less. The Occupancy Factor is calculated as the home's actual occupancy (excluding Convalescent Care Beds and Interim Short Stay Beds) from the most recent In-Year Revenue/Occupancy Report plus 10%. For homes that achieve average occupancy of greater than 80% on their most recent In-Year Revenue/Occupancy Report, the Occupancy Factor is not applicable and licensees will be cash-flowed their estimated Level of Care Per Diem funding based on an occupancy level equal to 100%. Please refer to the *LTCH Occupancy Targets Policy* for further information on Low Occupancy homes.

Occupancy Targets – means the minimum number of resident days a licensee must provide service for residents based on the bed type identified in Schedule B of the licensee's L-SAA as either Long-Stay, Short-Stay Respite, Interim Short-Stay or Convalescent Care to receive their Level of Care Per Diem funding, and Additional Subsidy as applicable, based on Maximum Resident Days. Please refer to the *LTCH Occupancy Targets Policy* and the "Technical Instructions and Guidelines for the Long-Term Care Home Subsidy Calculation Worksheet" for further details on calculating Occupancy Targets.

Preferred Accommodation – in relation to a long-term care home, means lodging in private accommodation in the home, or semi-private accommodation in the home, housekeeping services, maintenance and use of the home, dietary services, laundry and linen services, administrative services and raw food.

Replacement "D" Beds - means long-term care beds that have been rebuilt to the new mandatory design standards as set out in the 1998 "Long-Term Care Home Design Manual" to replace a home's outdated long-term care beds that were identified by the Ministry as in need of replacement and classified as Category "D" beds.

Resident Co-payment Revenue – means the sum of basic accommodation fees a licensee may charge residents for a bed, subject to the maximum rates outlined in the *Long-Term Care Homes Act, 2007* for

the type of accommodation the resident occupies and subject to the following rules. Reductions in basic accommodation charges are only permitted for residents residing in basic accommodation for whom the Director has provided a reduced rate in accordance with Ontario Regulation 79/10 under the *Long-Term Care Homes Act, 2007*.² For residents in preferred accommodation, including Veterans' Priority Access Long-Term Care (VLTC) residents, Resident Co-payment Revenue is the amount calculated using the maximum rate outlined in the *Long-Term Care Homes Act, 2007* for basic accommodation. For residents in basic accommodation who have not applied for a rate reduction in accordance with O. Reg. 79/10 under the *Long-Term Care Homes Act, 2007*, including residents occupying Interim Short-Stay Basic beds, Resident Co-payment Revenue is the amount calculated using the maximum rate in the *Long-Term Care Homes Act, 2007* for basic accommodation. For residents in basic accommodation who have applied for a rate reduction in accordance with O. Reg. 79/10 under the *Long-Term Care Homes Act, 2007*, including residents occupying Interim Short-Stay Basic beds, Resident Co-payment Revenue is the amount calculated using the rate determined by the Director in accordance with Regulation 79/10 under the *Long-Term Care Homes Act, 2007*, pursuant to the rate reduction application process in accordance with the *Long-Term Care Homes Act, 2007* and the *Guide for Rate Reductions*. Where a rate reduction has been calculated using the rate determined by the Director in accordance with O. Reg. 79/10, a LHIN will provide the difference in funding to a licensee between the Level of Care Per Diem funding and the Resident Co-payment rate as determined by the Director. For Short-Stay Respite residents, Resident Co-payment Revenue is the amount calculated using the maximum rate for short-stay accommodation in the *Long-Term Care Homes Act, 2007*. For Long-stay residents who occupy designated Convalescent Care Beds during the Orientation Period only, the co-payment and preferred accommodation fees charged by licensees shall be considered as basic accommodation revenue during reconciliation.

Resident Co-payment Revenue Per Diem Rate Estimate – means an estimate of the average daily Resident Co-payment Revenue (basic portion only) based on the actual Resident Co-payment Revenue as reported on the licensee's most recent submission of the In-Year Revenue/Occupancy Report. Please refer to Sec. 2.2.4 (iv) and (v) of the *LTCH Reconciliation and Recovery Policy* document for further details.

Short-Stay Respite Care Beds – means a bed that is licensed or approved under the *Long-Term Care Homes Act, 2007*, and designated as a bed in the short-stay respite care program. The purpose of the short-stay respite care program in a long-term care home is to provide temporary care for individuals whose caregivers require temporary relief from their care-giving duties. Level of Care Per Diem Funding for Short-Stay Respite Care Beds is provided at Maximum Resident Days regardless of actual occupancy rates achieved. However, actual occupancy rates are monitored and continued participation in the Short-Stay Respite Program may depend on actual occupancy rates achieved for the period under consideration.³ To determine the actual occupancy rate for Short-Stay Respite Care Beds, the day of admission may be included in the count of Actual Resident Days, but the day of discharge may not in accordance with O. Reg. 79/10 Sec. 256 (3) whereby a resident is required to pay a charge for accommodation on the day of admission and is not required to pay a charge for accommodation on the day of discharge.

Target Long-Stay Resident Days – means the minimum number of resident days a licensee must provide service for long stay residents to receive their Level of Care Per Diem funding based on Maximum Resident Days. Please refer to the *LTCH Occupancy Targets Policy* and the "Technical Instructions and Guidelines for the Long-Term Care Home Subsidy Calculation Worksheet" for further details on calculating Target Long-Stay Resident Days.

Unclassified Beds – are new licensed or approved long-term care beds under the *Long-Term Care Homes Act, 2007*, where, for the purposes of case mix adjustment, the care needs of the new residents have not been calculated. Unclassified beds are funded at the base Level of Care Per Diem in effect for that period as set in the *LTCH Level-of-Care Per Diem Funding Summary*. The Level of Care Per Diem funding is set at a CMI of 1.0.

Veterans' Priority Access Long-Term Care (VLTC) Bed – means a long-term care bed that is a) occupied by a Veteran⁴; b) now vacant and being held for a Veteran⁵ who is eligible for a Veterans

² For further information on reductions to basic accommodation charges, please refer to the *Guide for Rate Reductions*.

³ Please refer to the *LTCH Occupancy Targets Policy* for further information on Short -Stay Respite Care Beds.

⁴ Veteran has the same meaning as defined in Section 7 of O. Reg. 79/10 of the *Long-Term Care Homes Act, 2007*.

Priority Access Long-Term Care (VLTC) Bed, for a period of 5 days under subparagraph 185 (1) (f) (i) of O. Reg 79/10 of the *Long-Term Care Homes Act, 2007*, provided a Veteran is on the waiting list for a bed; or c) being held for a Veteran for allowable absences in accordance with O. Reg. 79/10 under the *Long-Term Care Homes Act, 2007*.

2.1 Annual Estimated Total Subsidy

The annual Estimated Total Subsidy for cash flow purposes is the sum of the Estimated Provincial Subsidy paid by a LHIN plus the Non-Level of Care Funding provided by the Ministry through direct funding agreements. The Estimated Total Subsidy is calculated by deducting the estimated Resident Co-payment Revenue from the Level of Care Per Diem funding, the result of which is added to the Non-Level of Care funding, as applicable to each licensee. For the purpose of determining this calculation, the following methodology will be applied:

- (i) The estimated Resident Co-payment Revenue is determined by multiplying the licensee's Resident Co-payment Revenue Per Diem Rate Estimate by the Licensed Bed Capacity (excluding Convalescent Care Beds) multiplied by 365 days.⁶ The Resident Co-payment Revenue Per Diem Rate Estimate for each licensee is based on their most recent In-Year Revenue/Occupancy Report submission and may be adjusted within the 12 month period. Please refer to the *LTCH Reconciliation and Recovery Policy* section 2.2.4 (iv) and (v) for further details on calculating Resident Revenue Per Diem Estimates.

Estimated Resident Co-payment Revenue Calculation:

Resident Revenue Per Diem Rate Estimate x (Licensed Classified + Unclassified Beds) x 365 Days

- (ii) To determine the Level of Care Per Diem funding,
 - a. Licensed beds will be divided into the bed categories Classified, Unclassified or Convalescent Care.
 - o For Classified beds, the Level of Care Per Diem is determined by multiplying the Base Level of Care Per Diem for the NPC envelope by the home's Case Mix Index (CMI). The product is added to the PSS per diem, the RF per diem and the OA per diem.
 - o For Unclassified beds, the Level of Care Per Diem is equal to the Base Level of Care Per Diem.
 - o For Convalescent Care beds, the Base Level of Care Per Diem is added to the Additional Subsidy.
 - b. the total Level of Care Per Diem by bed category calculated in accordance with Section 2.1 (ii) (a) is multiplied by the Licensed Bed Capacity for each bed category,
 - c. the Occupancy Factor, applicable only to Low Occupancy homes, is then applied to the funding formula. Low Occupancy homes will have their Level of Care Per Diem funding adjusted based on their most recent In-Year Revenue/Occupancy Report's actual occupancy plus 10% (Occupancy Factor).⁷ See the *LTCH Occupancy Target*

⁵ Ibid.

⁶ Revenue from residents for accommodation charges may not exceed the maximum monthly rates in accordance with the *Long-Term Care Homes Act, 2007* regardless of the number of days in a month. As such, the estimated Resident Co-payment Revenue is calculated by multiplying the maximum daily rate times 365 days, regardless of the number of days in a year, which is the same as multiplying the maximum monthly rate times 12 months.

⁷ Although licensees may receive their Level of Care Per Diem funding at estimated occupancy rates that are greater than the actual occupancy rate achieved by the home, licensees that fail to achieve their Occupancy Target may be subject to adjustments to their Level of Care Per Diem funding through the In-Year Revenue/Occupancy Report and

Policy for further details on calculating Target Long-Stay Resident Days and Occupancy Targets.

- d. the result of the calculations in accordance with Section 2.1 (ii) (a) through (c) is multiplied by 365 days, or 366 days in the case of a leap year. Where the Level of Care Per Diem rates change within the calendar year, the year may be divided into periods that represent the interval of time for which the Level of Care Per Diem rate remains the same. Steps (a) through (c) of Section 2.1 (ii) are calculated for each period for which the Level of Care Per Diem rates change. The sum of the periods will equal 365 days, or in the case of a leap year, 366 days.
- e. the sum of the Level of Care Per Diem funding for each bed category is used to determine the licensee's Total Estimated Level of Care Per Diem Funding.

Classified Beds Level of Care Funding Subtotal Calculation:

$$\begin{aligned} &(\text{NPC Per Diem} \times \text{Home's CMI}) + \text{PSS Per Diem} + \text{RF Per Diem} + \text{OA Per Diem} = \\ &\quad \text{Total LOC Per Diem for Classified Beds} \\ &\text{Total LOC Per Diem for Classified Beds} \times \# \text{ Licensed Classified Beds} \times \text{Occupancy} \\ &\quad \text{Factor} \times \# \text{ Days} = \text{Classified Beds Level of Care Subtotal} \end{aligned}$$

Unclassified Beds Level of Care Funding Subtotal Calculation:

$$\begin{aligned} &\text{NPC Per Diem} + \text{PSS Per Diem} + \text{RF Per Diem} + \text{OA Per Diem} = \text{Total LOC Per} \\ &\quad \text{Diem for Unclassified Beds} \\ &\text{Total LOC Per Diem for Unclassified Beds} \times \# \text{ Licensed Unclassified Beds} \times \\ &\quad \text{Occupancy Factor} \times \# \text{ Days} = \text{Unclassified Beds Level of Care Subtotal} \end{aligned}$$

* applicable only on Low Occupancy Homes

Convalescent Care Beds Level of Care Funding Subtotal Calculation:

$$\begin{aligned} &\text{NPC Per Diem} + \text{PSS Per Diem} + \text{RF Per Diem} + \text{OA Per Diem} + \\ &\quad \text{Additional Subsidy} = \text{Total LOC Per Diem for Convalescent Care Beds} \\ &\text{Total LOC Per Diem for Convalescent Care Beds} \times \# \text{ of Licensed Convalescent} \\ &\quad \text{Care Beds} \times \# \text{ Days} = \text{Convalescent Care Beds Level of Care Subtotal} \end{aligned}$$

Total Estimated Level of Care Per Diem Funding:

$$\begin{aligned} &\text{Classified Beds Level of Care Subtotal} + \text{Unclassified Beds Level of Care Subtotal} \\ &+ \text{Convalescent Care Beds Level of Care Subtotal} = \text{Total Estimated Level of Care} \\ &\quad \text{Funding} \end{aligned}$$

- (iii) The Registered Practical Nurse and/or, as applicable, Construction Funding Subsidy, will be based on the applicable funding formula as outlined in the L-SAA and/or applicable Policy. Each applicable component of the Registered Practical Nurse funding and/or Construction Funding Subsidy received by a qualifying licensee from a LHIN will be specified on the licensee's Monthly Payment Calculation Notice. Registered Practical Nurse funding and/or Construction Funding Subsidy is not considered to form part of the

Level of Care Per Diem. It may, however, be allocated among the envelopes as outlined in the terms and conditions of funding.

- (iv) Where agreed to by a LHIN, Non-Level of Care Funding, other than the funding referred to in (iii) above, may be paid by a LHIN in accordance with applicable Ministry policy specific to that type of Non-Level of Care Funding. The calculation of Section 2.1 (i) through (iv) of this policy document equals the Estimated Provincial Subsidy.

Estimated Provincial Subsidy:

Total Estimated Level of Care Per Diem Funding – Resident Co-Payment Revenue Estimate + Registered Practical Nurse Funding + Construction Funding Subsidy + Other Non-Level of Care Funding paid by a LHIN = Total Estimated Provincial Subsidy

- (v) Other Non-Level of Care funding provided by the Ministry through a direct funding agreement will be calculated in accordance with the applicable funding formula as outlined in the direct funding agreement and/or applicable Policy. Each applicable component of the Non-Level of Care funding received by a qualifying licensee will be specified on the licensee's Monthly Payment Calculation Notice. Non-Level of Care Funding is not considered to form part of the Level of Care Per Diem. It may, however, be allocated among the envelopes as outlined in the terms and conditions of funding.

Estimated Total Subsidy:

Estimated Provincial Subsidy + Non-Level of Care Funding = Estimated Total Subsidy

2.2 Monthly Cash Flow Calculation

For the purpose of continuity, each monthly operating cash flow is based on approximately one-twelfth of the Estimated Total Subsidy, unless otherwise stipulated. The monthly payment may be subject to adjustments in accordance with Section 2.4.

Each month, the Monthly Payment Calculation Notice will be made available on or about the 15th of the month and posted at www.fimdata.com/LTCHome. Licensees may access their Monthly Payment Calculation Notice using their user name and pass code.

2.3 Estimated Total Subsidy and Cash Flow Calculation for Beds Opened During the Calendar Year

For each bed that is opened during the calendar year, the Estimated Provincial Subsidy paid by a LHIN to a licensee is determined to be equal to the difference between the estimated Resident Co-payment Revenue and the Level of Care Per Diem funding in effect for the period as applicable to each bed category, multiplied by the applicable Maximum Resident Days as determined by the start date of the funding. The result is added to the Registered Practical Nursing funding and, if applicable, Construction Funding Subsidy. In addition, where agreed to by a LHIN, other Non-Level of Care Funding may be paid by a LHIN in accordance with Ministry's policy applicable to that type of Non-Level of Care Funding.

To determine the Estimated Total Subsidy, the Estimated Provincial Subsidy is added to the Non-Level of Care funding paid by the Ministry through a direct funding agreement, as applicable, subject to the terms

and conditions of funding and/or direct funding agreements between the Minister and a licensee and/or applicable policy.

The start date of the funding will be the day following the successful pre-occupancy review and occupancy approval by the Ministry, together with a confirmation of the admission date of the first resident.⁸ Commencing the admission date of the first resident,⁹ licensees will be funded their Estimated Provincial Subsidy plus the applicable number of approved orientation days¹⁰. In the case of category “D” facility beds that have been redeveloped/retrofitted, the start date of funding will commence 14 days prior to the successful pre-occupancy review and occupancy approval by the Ministry.¹¹

To calculate the first monthly payment, the funding for the first month will be prorated based on the number of days between the start date of funding and the last day of the month, as follows:

- (i) The Resident Co-payment Revenue Per Diem Rate Estimate¹² multiplied by the number of days between the start date of the funding and the last day of the month.
- (ii) To determine the Level of Care funding,
 - a. Licensed beds will be divided into the bed categories Classified, Unclassified or Convalescent Care.
 - For Classified beds, the Level of Care Per Diem is determined by multiplying the Base Level of Care Per Diem for the NPC envelope by the home's Case Mix Index (CMI). The product is added to the PSS per diem, the RF per diem and the OA per diem.
 - For Unclassified beds, the Level of Care Per Diem is equal to the Base Level of Care Per Diem.
 - For Convalescent Care beds, the Base Level of Care Per Diem is added to the Additional Subsidy.
 - b. the total Level of Care Per Diem calculated in accordance with Section 2.3 (ii) (a) is multiplied by the Licensed Bed Capacity for each bed category,
 - c. the result of the calculations in accordance with Section 2.3 (ii) (a) and (b) are multiplied by the number of days between the start date of funding and the last day of the month,
 - d. the sum of the Level of Care Per Diem funding for each bed category is used to determine the licensee's Total Estimated Level of Care Per Diem Funding.
- (iii) The Registered Practical Nurse and/or, as applicable, Construction Funding Subsidy, will be based on the applicable funding formula as outlined in the L-SAA and/or applicable Policy. Each applicable component of the Registered Practical Nurse funding or Construction Funding Subsidy received by a qualifying licensee from a LHIN will be calculated based on the number of days between the start date of the funding and the last day of the month.
- (iv) Where agreed to by a LHIN, any other Non-Level of Care Funding may be paid by the LHIN in accordance with the Ministry's policy applicable to that type of Non-Level of Care

⁸ Please refer to the “Manual for Awardees/Operators in the Preparation for Occupancy” for further information on the pre-occupancy review and occupancy approval process. The Manual also provides the required template for ‘Confirmation of Admission of First Resident’.

⁹ If the admission date of the first resident is not the day immediately following the Pre Occupancy Review and occupancy approval by the Ministry, the confirmation date of the admission of the first resident shall be the start date of the funding.

¹⁰ Please refer to the “Fill Rate Guidelines for New and Redeveloped/Retrofitted “D” Long-Term Care Facilities”, the *LTCH Occupancy Targets Policy* and the *LTCH Fill Rate Guidelines for New Interim LTC Beds* for further information on orientation days and fill rate periods.

¹¹ Please refer to the “Fill Rate Guidelines for New and Redeveloped/Retrofitted “D” Long-Term Care Facilities” document for further details.

¹² For new homes, the Ministry, on behalf of the LHINs, will determine the applicable Resident Co-payment Revenue Per Diem Rate Estimate.

Funding. Each applicable component of any other Non-Level of Care Funding received by a qualifying licensee from a LHIN will be calculated based on the number of days between the start date of the funding and the last day of the month.

- (v) Other Non-Level of Care funding provided by the Ministry through a direct funding agreement will be calculated in accordance with the applicable funding formula as outlined in the direct funding agreement and/or applicable Policy and will be calculated based on the number of days between the start date of funding and the last day of the month.

Following the first month, the Estimated Total Subsidy will be paid using the formula in accordance with Section 2.3 above. However, each monthly instalment will represent the full month's subsidy for each of the months remaining between the first day of the month following the start date of funding and December 31 of that year, subject to adjustments in accordance with section 2.4 as they may apply.

2.4 In-Year Adjustments to Monthly Cash Flow

Periodically, adjustments may be made to the monthly cash flow during a year in accordance with the L-SAA and/or any other direct funding agreement between the Minister and a licensee and/or as a result of terms and conditions stipulated by the Minister on payment of funding.

Licensees will be advised of adjustments to their cash flow on their Monthly Payment Calculation Notice or by other means as specified in the applicable Policy and/or report submission instructions.

3.1 Direct Deposit of Monthly Payments

All licensees will receive their monthly cash payment in Canadian funds by direct deposit to an account in the name of the licensee at a Canadian Financial Institution in accordance with the L-SAA.

4.1 References to Other Policy Documents and Technical Instructions and Guidelines

For further information, please refer to:

Policy –

Beds in Abeyance Policy

Convalescent Care Program

Eligible Expenditures for LTC Homes Policy

Fill Rate Guidelines for New and Redeveloped/Retrofitted “D” Long-Term Care Facilities

Guide for Rate Reductions

LTCH Bad Debt Reimbursement Policy

LTCH Fill Rate Guidelines for New Interim LTC Beds

LTCH Funding Policy for Suspension of Admissions due to Outbreaks

LTCH Furnishings and Equipment Management Policy

LTCH Level of Care Per Diem Funding Policy

LTCH Level of Care Per Diem Funding Summary

LTCH Municipal Tax Allowance Policy

LTCH Non-Capital Occupancy Reduction Protection Guidelines

LTCH Occupancy Targets Policy

LTCH Reconciliation and Recovery Policy

Policy for Funding Construction Costs of Long-Term Care Homes

Registered Practical Nurses in Long-Term Care Homes Initiative Funding Policy

Technical Instructions and Guidelines¹³ -

Manual for Awardees/Operators in the Preparation for Occupancy

Municipal Tax Allowance Application Instructions

¹³ Report submission instructions and technical instructions and guidelines are issued annually. Consult the applicable document in effect for the period for which the report data is being submitted and reconciled.

In-Year Revenue/Occupancy Report Submission Instructions
Long-Term Care Home Annual Report Technical Instructions and Guidelines
Long-Term Care Home Subsidy Calculation Worksheet Technical Instructions and Guidelines