

Long-Term Care Development Program - Planning

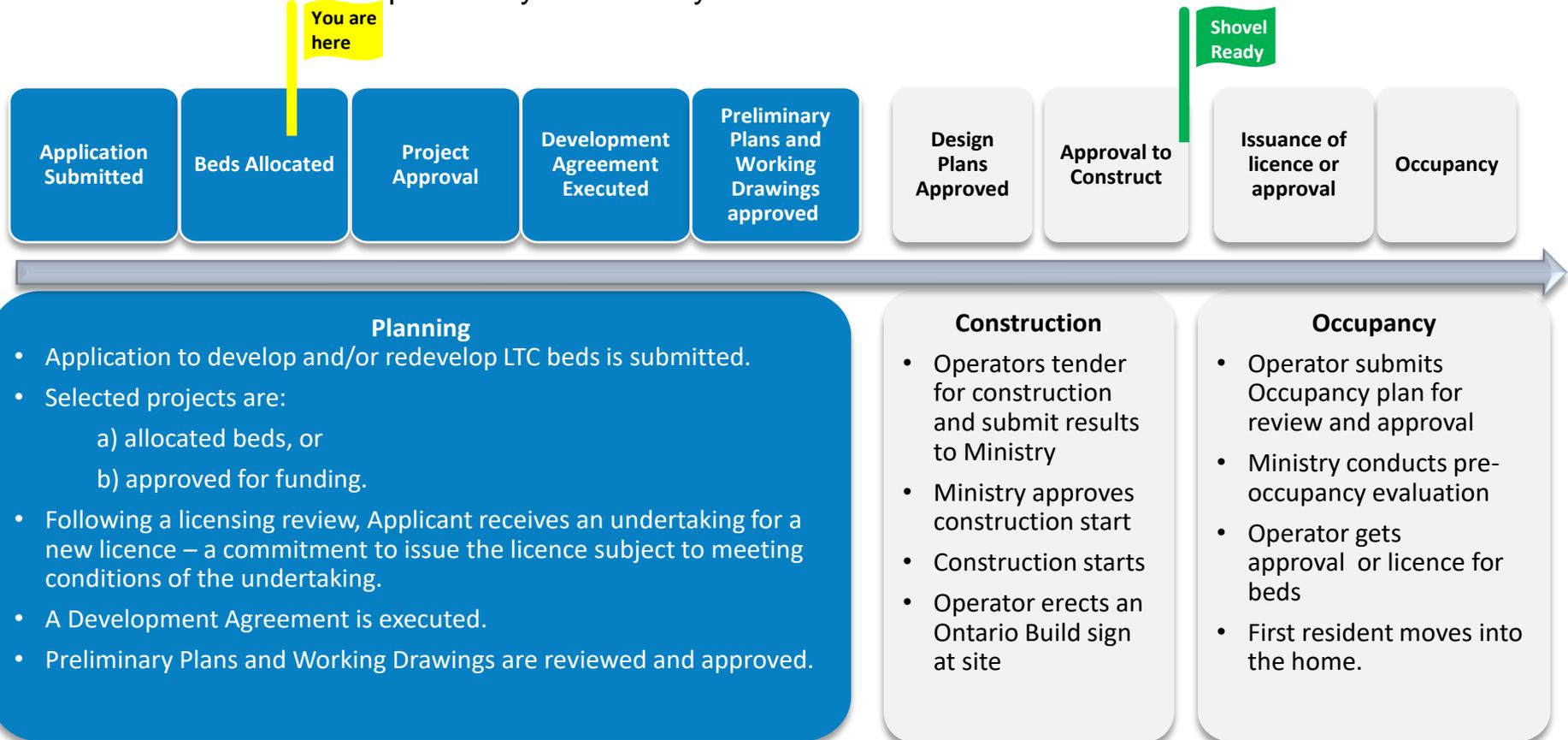
Information Session for New Project Allocations

Purpose

- **In March 2021, the Ontario Government allocated 11,707 beds comprised of new and redeveloping beds.**
- **A critical next step to advancing any (re)development project is informing Applicants of requirements to facilitate the progression of their project.**
- This presentation will provide:
 - An understanding of the licensing and capital planning/development processes in relation to development projects with a focus on the Planning phase.
 - Discussion of requisite components to be in place for any development project before Ministry of Long-Term Care (ministry) review.
 - Considerations for new and existing Operators that may impact the operation of their current and/or proposed long-term care home.
 - Identify next steps needed on part of Operators to commence the Planning process.
- Each project has a dedicated Project Manager and Licensing Program Coordinator from the Long-Term Care Capital Development Division to inform and support Applicants through required processes.

Overview of the Long-Term Care Capital Development Process

- The timeline for each project is contingent on a number of factors, such as the size and scope of the project, and the completion of applicable requirements. Once land is secured and financing is or will be in place, it takes an average of 36 months to complete a project.
- After a long-term care home development project is complete, a new licence (for up to 30 years) or approval (no expiry) is issued upon meeting requirements in the *Long-Term Care Homes Act, 2007*, and other conditions stipulated by the ministry.



Long-Term Care Home Licensing

In accordance with the *Long-Term Care Homes Act, 2007*, long-term care homes/beds that are in development can only be operationalized upon issuance of a licence or a Municipal Approval by the ministry.

- The licensing review process runs concurrently with the capital development process.
- A decision to issue a licence or an approval can only be provided upon the completion of a licensing review.
 - Municipal homes receive an Approval with no term.
 - For-profit and non-profit licensees receive a licence with a fixed-term.
- Once all licensing activities are complete, the Director, Capital Planning Branch may issue a Licence Undertaking.
 - The Licence Undertaking confirms that a review has been completed and should all conditions of development and the undertaking be achieved, a licence will be issued to the home.
 - Note: An Undertaking for a municipal approval can also be provided should this be requested.
- The official licence/approval is issued once a licencing review is complete, the long-term care home is built and ready for occupancy.

Long-Term Care Home Licensing Review Snapshot

The *Long-Term Care Homes Act, 2007* is the primary legislation governing long-term care homes and provides the framework of the Long-Term Care Licensing Program.

The licensing review includes completing activities under the following requirement of the Act:

Legislative Requirement	Licensing Activities
s.96, s.97* Minister's Determinations	Minister determines if there is a need for beds and any restrictions to the licensee based on concentration of ownership and for-profit/non-profit sector balance.
s.106 Public Consultation	Public Meeting and/or Written Consultation is conducted by the Ministry.
s.98* Director's Determination	Director considers all information submitted by the Licensee (e.g., Licensee Attestation Form, Corporate documents, Financial documents).

These requirements are taken into consideration when the Director makes a final decision on the issuance of a Licence Undertaking, or by the Minister making a final decision to issue an approval.

NOTE:

- Depending on the type of licence activity and the requirements of the Act; some or all of the licensing activities noted above are included in the ministry's licence review process.

* S.97 and the Director's Determination under s.98 is not completed for municipal Approvals. However the activities under the Director's Determination are provided to the Minister to support their decision on the issuance of the Approval. Financial Reviews are not required for Municipal Approvals.



Licensing Review - Public Consultation

To inform the decision-making process, the ministry may hold a public consultation to gather opinions on a proposed licensing request. The consultation allows the ministry to consider the opinions of those potentially impacted by the request, and to gain a better understanding of the unique circumstances in each community.

Licensee submits Communication Plan



Director's decisions on Public Consultation



Public Consultation



Communication Plan outlines:

- the approach & timelines to notify all stakeholder (i.e. staff, residents, families, municipalities, LHIN, MPPs)
- The information that was/will be provided
- dates and modes of communication
- outcomes of the engagement process (supportive or not supportive).

Based on Licensee and Project information the Director makes a decision on:

- If a public consultation is required
- the format of the public consultation (public meeting and/or written consultation)
- Length of public consultation

The ministry will:

- schedule the public consultation
- print notices on the Public Consultation Registry and/or newspapers
- Chair public meeting if applicable

The Licensee will:

- Post any notices in their existing long-term care home
- Inform stakeholder of public consultation
- Attend public meeting

Licensing Review – Financial Review

The financial review is required to determine whether the proposed Licensee will be able to provide the services of a long-term care home to an acceptable manner of quality and on a sustained basis should the licence be approved. This entails an assessment of the financial capacity of the relevant persons/entities with respect to the operation of the long-term care home.

Financial Document Requirements



- Licensee at minimum must provide documents listed on the *Financial Checklist for Development Projects*.
- Project that also involve licence transfer and change in controlling interest will need to provide additional documents outlined in the *Financial Requirements for Long-Term Care Home Licensing Applications*.

Licensee submission of Financial Documents



- Licensee will submit financial materials for the ministries review.
- Ministry will review the initial submission and identify if information is missing and/or additional clarification/documentation is required.

Ministry review of Financial Documents



- Upon receipt of all required documents the ministry conducts the official financial review.
- Depending on the results of the review, the ministry may request additional clarification/documentation or request further work from the Licensee before the financial review is considered complete.

Project Readiness and Approval Pathway

The pathway for approval will vary by application. Applicant and project details are the key determinants of the extent to which licensing processes need to be completed before or concurrent to acquiring project approval.

- The licensing review process for a project will commence upon confirming:
 - Land is secured.
 - Funds are in place or will be in place to complete the project.
 - Any other outstanding details (e.g. council approval) are in place.
- Ministry criteria used to determine the depth of information required before a project can be recommend for approval include:
 - Applicant's experience of operating a long-term care home in Ontario.
 - Whether the Applicant is seeking an approval or a licence.
 - Financial risks that may be associated with a project.
 - Relocation of beds and/or closure of a long-term care due to relocation of beds.

Approval of Long-Term Care Development Application/Project

Ministry approval of a project confirms that funding for redevelopment/development of beds has been approved. Acquiring approval of a project is a significant milestone and is the gateway for Operators to proceed to the Development Agreement process.

- **Project approval does not constitute the issuance of a licence or approval for long-term care beds, an undertaking to issue such a licence or Approval or the approval of any transfer of a licence under the *Long-Term Care Homes Act, 2007*.**
- Ministry approval of your development project is required before the remaining components of the Planning Phase can be completed and proceeding to the Construction Phase.
- Once a project is approved and the Operator is ready to proceed with the development project, the ministry will initiate the Development Agreement process.
- Depending on the project details, completion of outstanding licensing components and activities may continue after project approval is achieved. However, it should be noted that approval to start construction will not be provided until all components of the licensing review are completed.

Development Agreement

The ministry's Development Agreement is the transfer payment agreement indicating the terms and conditions with which an Operator must comply in order to receive funding for a long-term care (re)development project.

- Execution of the Development Agreement can only occur once a project has received approval from the ministry.
- The Development Agreement template was last revised in March 2021 to reflect the modernized *Long-Term Care Home Capital Development Funding Policy 2020*, which replaced the *Construction Funding Subsidy Policy for Long-Term Care Homes, 2019*.
- A template of the Development Agreement can be provided to the Operator in advance.
- The Operator will provide details about the procurement model (general contractor or construction manager) and project schedule to inform the Development Agreement.

Submission of Planning and Working Drawings

To proceed to the procurement for construction, the Operator must submit and obtain approval of Preliminary Plans and Working Drawings.

- Preliminary Plans and a proposed Operational Plan, if required, must be submitted to the ministry in accordance with the Long-Term Care Home Preliminary Plans Submission Standards
 - For projects that will be built in phases, the Operational Plan must include a clear description of all the phases including: the number of phases, any reduction in beds in each phase, the approximate projected start and end dates for each phase, and the number of residents moving to other areas of the home for 1 night or more
- Following the review, feedback, and, if necessary, revisions of the Preliminary Plans, Working Drawings and an Operational Plan, must be submitted to the ministry in accordance with the Long-Term Care Home Preliminary Plans Submission Standards
- With the approval of Preliminary Plans and Working Drawings, the Operator will be able to proceed to procurement of construction.

Project Considerations – Management Contract

A licensee of a long-term care home shall not allow anyone else to manage the home except pursuant to a written contract approved by the Director as per s.110 of the *Long-Term Care Homes Act, 2007*.

Ministry Requirements

- The Director's approval of the management contract (MC) will be required as part of s.110 of the Act.
- A MC is required before new licensees can operate a long-term care home.

Submission Requirements

- The ministry will provide the Licensee:
- MC Checklist outlining the minimum requirements that must be included in the MC
 - Invoice for fees to process MC approval

Timelines

- The approval of the MC will be completed concurrent to the licensing review.
- The management contract is not needed for project approval but will be a condition of any undertaking where applicable (i.e. this process should be initiated no later than 6-8 months before the opening of the home)
 - The approval of the management contract will be aligned with the issuance of the Licence or Approval.

Project Considerations – Occupancy Reduction Protection

The Occupancy Reduction Protection policy seeks to support those Operators during downsizing by partially preserving funding and thereby allowing Operators to maintain adequate staffing levels to ensure resident comfort and safety during a specific period.

- The Occupancy Reduction Protection (ORP) Policy applies to Operators that are redeveloping beds and need to close beds temporarily to facilitate redevelopment; or
- Operators need to close long-term care beds permanently for example when a home is closing, transferring licences to another Operator, when a permanent closure of beds is needed to facilitate the redevelopment of the home, or when there is a closure of interim beds that have operated for a temporary period in order to alleviate local alternative levels of care pressures.
- Ministry approval must be obtained by the Operator prior to the beginning of any downsizing period for which ORP is claimed or regular occupancy rules will apply
- Beds approved to be unoccupied during the ORP period may not be filled during the approved ORP period without written approval from the ministry.
- To apply, an ORP business case must be submitted by the Operator to OH and receive OH support followed by ministry approval prior to beginning any downsizing period.

Project Considerations – Beds in Abeyance

If applicable, applicants should ensure that existing beds that cannot be occupied due to the redevelopment project are identified and approved to be in abeyance before the start of construction.

- Beds in Abeyance (BIA) are licensed or approved long-term care Home beds (other than Occupancy Reduction Protection Beds) that are unoccupied and unavailable for occupancy for 14 consecutive days or more by written permission of the Director under s. 104(3) of the *Long-Term Care Homes Act, 2007*.
- BIA are approved by the Director for temporary withdrawal from the Long-Term Care Home operations and funding system on the condition that they must be returned to the system within a specified period or surrendered to the ministry.
- Beds can only be put into abeyance when there is a reasonable expectation that they will return to occupancy.
- The BIA Policy provides the framework and sets out the procedures for decision-making regarding applications for placing and retaining long-term care home beds (other than ORP Beds) in abeyance.
- The Operator will submit their BIA application to Ontario Health (OH), who will then provide this application and OH's recommendation for the ministry's consideration.

Key Next Steps – Applicant Checklist

All projects must have:

1. An executed Development Agreement to proceed with the implementation of the project.
2. An undertaking for a licence in place before a project can be approved to start construction (with the exception of Municipal projects)

Project Requirements

- ❑ Resolve any outstanding requirements of the application
 - ❑ Complete Licensee attestation
 - ❑ Confirmation of Licensee Corporate Structure
 - ❑ Management Contract Review Requested (as applicable)
- ❑ Land is secured (Purchase and Sale Agreement or MOU)
- ❑ Communications Plan submitted to the Ministry
- ❑ Financial Review materials submitted to the Ministry
 - ❑ Financing and sources of funding secured
 - ❑ Fundraising goals met
- ❑ Bed in Abeyance Application submitted (if applicable)
- ❑ Designated Specialized Unit Proposals (if applicable)
- ❑ Execution of a Development Agreement
 - ❑ Provide information on project schedule and phasing (if applicable)
 - ❑ Review, sign and return the Development Agreement to the ministry within ten days
- ❑ Approval of Preliminary Plans
 - ❑ Submit a Preliminary Plan and to ensure the plans comply with 2015 Design Standards.
- ❑ Approval of Working Drawings
 - ❑ Submission of Working Drawings and obtaining ministry approval
 - ❑ Ministry approval of Preliminary Plans and Working Drawings must be obtained to proceed to tendering.

Should you have any additional questions, please contact your Project Manager.

For licensing specific inquiries, please contact your Licensing Program Coordinator.

