

The logo for MNP, consisting of the letters 'MNP' in a bold, green, sans-serif font, set against a white rectangular background with rounded corners.A green rectangular stamp with rounded corners and a black border, containing the word 'RELEASED' in a bold, black, sans-serif font.

OXFORD COUNTY
Woodingford Lodge
Report to Ad Hoc Committee
January 8, 2014

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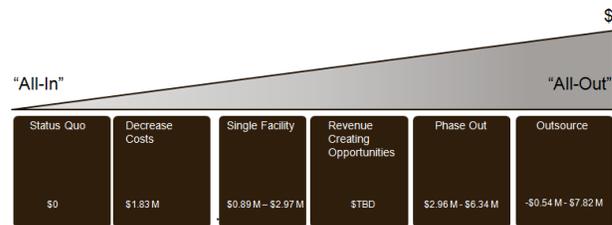
EXECUTIVE SUMMARY

Oxford County's (the County) long term care facility Woodingford Lodge (WFL) provides 228 beds in three locations: Woodstock, Ingersoll, and Tillsonburg. WFL employs 195 full-time equivalents at an annual budget of \$24.4 M, of which \$7.82 M is contributed by the County to close the funding gap between Ministry and other funding sources, and operating expenses.

In light of concerns about the impact on the County's budget, and the sustainability of the current operation given increasing costs, an assessment of the current operation was completed and a range of proposed service delivery options were identified that can both meet future service demands and reduce the budget impact on the County. The results suggest that alternative service delivery models, potentially coupled with efficiency opportunities, may provide future savings for WFL.

A continuum of options was considered:

1. Status Quo
2. Decrease Costs
3. Single Facility
4. Revenue Creating Opportunities
5. Outsource
6. Phase Out
7. Sell and Lease Back



The options were reviewed with Ad Hoc Committee in July 2013, and two options were selected for further analysis and development of an implementation strategy: Single Facility and Phase Out, described in this report. Also described in this report are potential repurposing options for the Tillsonburg and Ingersoll facilities was considered, as well as an overview of the meeting with the South West LHIN and Ministry of Health and Long Term Care.

This report is intended for the Ad Hoc Committee; it is anticipated that it will present its recommendations to the County Council in February 2014 for a decision regarding the future of service delivery at WFL.

PROJECT PRINCIPLES

The guiding principles for the Service Review were:

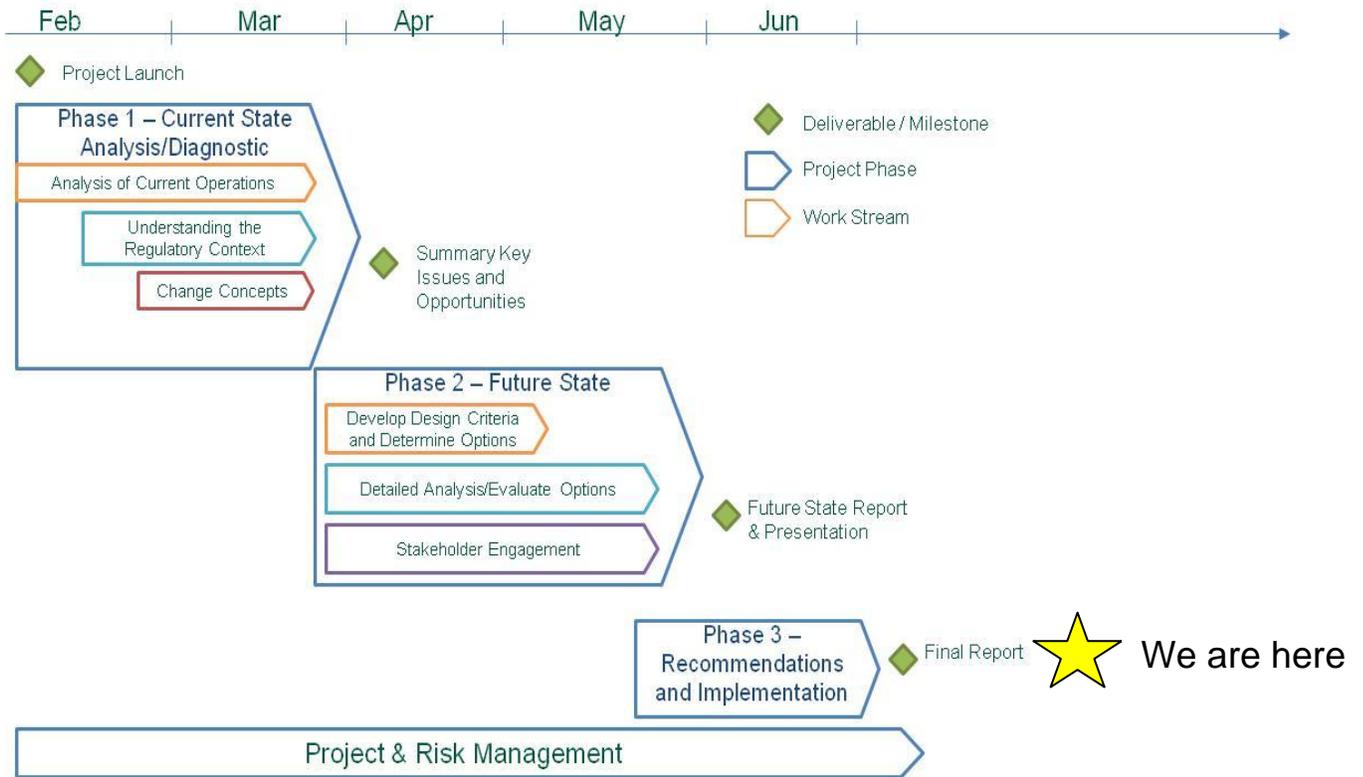
- There is a strong desire by all stakeholders to maintain the 228 Long Term Care (LTC) beds in the County
- There is limited appetite to sustain the status quo from an operating budget perspective and the requirement for subsidy by the County
- Alternative service delivery models in conjunction with potential efficiency opportunities will be considered as part of the Service Review (e.g. partnerships with other municipalities, health care providers, private, shared services, outsourcing)

These principles anchored the approach as open to the possibility of viable options and balanced consideration of potential for cost savings against maintaining beds in the County.

PROJECT APPROACH

Our approach was divided into three project phases as shown below in Figure 1:

Figure 1



As visually depicted above, the corresponding subsections describe the work performed and the result of each phase in the project.

Phase 1 – Current State Analysis

Relevant background information was reviewed and individual interviews were held with the organization’s managers, County leadership and selected stakeholders. A review of comparable organizations was conducted, including efficiency opportunities and alternate service delivery options for municipal LTC. An analysis of WFL’s historical financial data was conducted, focussing in particular at the Ministry per diem funding and associated expenses within each funding envelope.

From the review of the context in which WFL operates, the “Factors of Influence” were defined; this included regulatory, and funding, amongst other factors. This allowed the project team to focus on two key areas – collection and analysis of information relevant to the factors of influence. The first phase of the project converged to describe the current state of the organization, including articulation of the strengths, issues and challenges, followed by analysis of findings.

Phase 2 – Future State

The second phase of the project included an assessment of potential alternative service options based on best practices, knowledge of the consultant and considering the factors of influence. From there, recommendations were developed for consideration. A report of results of the analysis of the current state and future options for WFL was prepared for presentation and review with the County representatives and the Ad Hoc Committee of Council. The Ad Hoc Committee selected two options for further assessment (see below for Options Analysis) and development of a high-level implementation strategy (see below for Implementation Roadmap).

Phase 3 – Recommendations and Implementation

This report includes an assessment and an implementation strategy for the two selected options (Single Facility and Phase out) for presentation to the Ad Hoc Committee. Once this is complete, the Ad Hoc Committee anticipates it will present its recommendations to the County Council for a decision regarding the future of service delivery at WFL. We recommend as the next step (outside the scope of this project) that the County develop a Business Case for the favourable option, including a detailed cost benefit analysis and risk assessment.

OPTIONS ANALYSIS

The following subsections describe each option, “Single Facility” and “Phase Out” and provide a rationale for recommendation and a proposed roadmap for successful implementation. For further details on the benefits and risks of each option – grouped into operational, financial, stakeholder and legislation/regulation themes – two detailed tables are included in Appendix A.

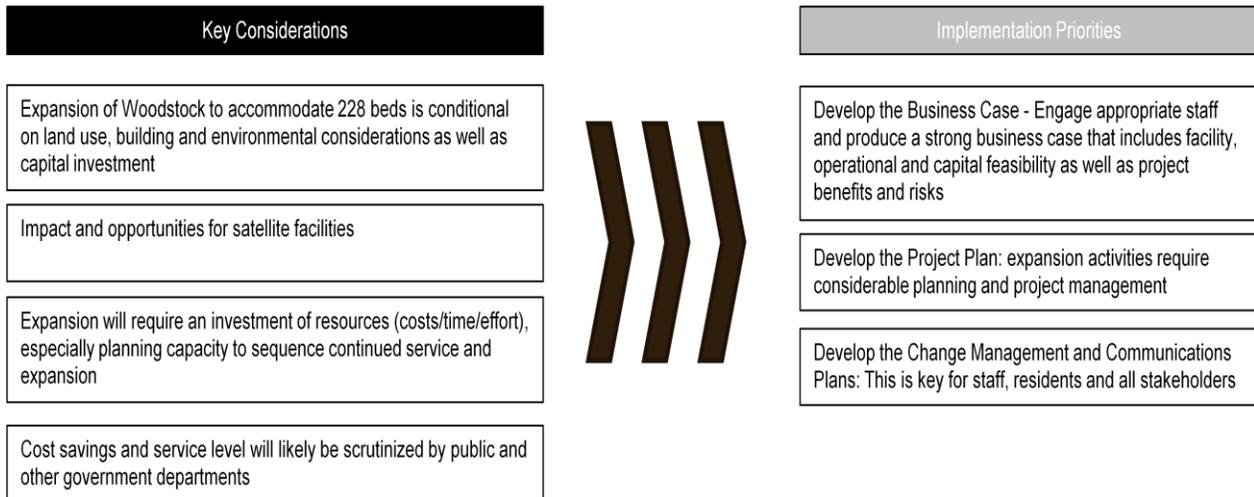
Single Facility Option

The Single Facility option means the County operates a single consolidated (228 beds) facility at the current WFL-Woodstock site; this option is referred to as “Single Facility (I)”. This can be achieved by a phased transfer of beds, equipment and staff from WFL-Tillsonburg and WFL-Ingersoll sites after the construction of two, 32 unit facilities (16 units on ground, and second floor with basements for storage) on the South-East and South-West corners of the WFL-Woodstock facility and an expansion of the accompanying parking and access infrastructure. Consolidation of all beds at one site provides opportunities for economies of scale and decreased operating expenses compared to operating three sites. The County could repurpose the WFL-Tillsonburg and WFL-Ingersoll sites as appropriate and in consideration of existing contractual requirements.

There is also an opportunity to operate a single facility (e.g. Woodstock) of 160 beds, and repurpose the other two facilities; this option is referred to as “Single Facility (II)”. Many of the considerations for this option are comparable to consolidation of all 228 beds in one facility, although with this option there is a reduction in the total number of LTC beds operated by the County and accompanying potential decreases in operating costs based on the number of beds operated.

Figure 2 describes implementation priorities that flow from key considerations inherent in this option.

Figure 2



Single Facility (I) provides an opportunity to maintain the current WFL service standards, and meets the project principles:

- Maintain 228 LTC beds in the County
- Decrease the operating costs for WFL

Single Facility (II) provides an opportunity to maintain the current WFL service standards at one facility, and meets the project principle of:

- Decreases the operating costs for WFL

Shown below is the Implementation Roadmap which describes a 5 year strategy with high-level action items that will guide the County to operating a single facility for LTC. At the 60 month mark, WFL would complete the “Implementation Stage” – where change management and its elements are introduced – and will have entered into the “Sustain Momentum Stage” – where the project should be positioned to assess what is necessary to close out the project and finalize the transition.

Figure 3

Single Facility I & II – Woodingford Lodge Action Initiatives	
0-3 months	
Determine Repurpose: Work with stakeholders to determine the feasibility and will to repurpose the Woodingford Lodge facilities in Ingersoll and Tillsonburg.	Administrative
Council Approval: Develop communications to engage Council and seek support for decision based on findings of feasibility to repurpose buildings.	
Get Organized: Appoint a lead individual in charge of the transformation project, determine who will participate in the project team and convene members to launch the project with a charter that clearly outlines roles and responsibilities.	
Strategic Engagement: Engage early with Unions/bargaining agents and focus on transparency and building on relationship of trust.	
Ensure Availability (Single Facility I only): Determine available space or property for expanding Woodstock infrastructure capacity to operate 64 more beds, and check with regulations to address issues like building permits, environmental rules, etc.	Operational
Enable Management for Success: Schedule and hold meetings with management for all facilities to raise awareness for change - provide information and equip management with the information and confidence to manage change.	
Enable Management for Success: Schedule and hold meetings with management for all facilities to raise awareness for change - provide information and equip management with the information and confidence to manage change.	Financial
Prepare Messaging: Prepare communication for residents, families and website to explain the results of the Service Review and the future direction for Woodingford Lodge.	Operational/Stakeholder
3-12 months	
Repurpose Planning: determine a desired alternative use for Ingersoll and Tillsonburg facilities and develop business case/implementation plan for repurposing these facilities.	Administrative
Award the Construction Contract (Single Facility I only): Craft requests for proposal to expand Woodstock facility and award contract(s) and collaborate in plans with contractors to minimize interruption/disturbance and inconvenience to residents and staff both during for ongoing operation of Woodstock facility during build work phase.	
Develop Expansion Requirements: Work with administration to identify and plan to meet requirements for expanded infrastructure, programs and miscellaneous requirements that would allow the Woodstock facility to extend its service delivery to 68 additional beds from the satellite facilities (while taking into account sequence of activities to minimize interruption and disruption of ongoing services to current 160 residents, families and staff in Woodstock facility).	Operational
Enable Staff for Success: Schedule and hold meetings with staff at all facilities to raise awareness of change, answer questions and share available information and direction for change a long timeline.	
Detail Financial Impacts: (Single Facility I only) Determine detailed costs of contracting expansion and transition of residents and material to Woodstock facility and advise senior management of any concerns related to budget and ability to meet contractual-financial obligations; determine feasibility of desired alternative use for Ingersoll and Tillsonburg facilities. Is there an acceptable revenue source for repurposing the facilities? Use financial data to help decide on repurpose use.	Financial
Formulate Dialogue with Residents and Community: Implement communications for residents, families and public website, including answers to frequently asked questions. Enrol local news papers/radio (i.e., Sentinel Times, Ingersoll Times, Tillsonburg News, etc) in sharing information with public and creating opportunities for community discussion.	Operational/Stakeholder

12-36 months

Support Staff Transition: Work with Unions/bargaining agents and municipal staff from finance, HR, etc to manage and support transition of affected staff members to new employment opportunities.

Ensure Timely Completion of Expansion and Transfer (Single Facility I only): Monitor progress and performance of construction contractors, and arrange for transfer of residents and material from satellite facilities to new Woodstock facility. Address any shortcomings in contractor performance that might affect implementation timeline, quality of service to residents or work environment for staff involved in ongoing operations.

Sustain Service Delivery During Transition: Anticipate potential increase absenteeism among staff and options for adjusting operations at satellite facilities. Maintain quality standards and ensure resident care remains center focus of ongoing operations. (Single Facility I only) Work with contractors to minimize impact of expansion activities on resident experience. Provide staff with orientation and increased management support as move date approaches. Keep operating support departments informed of changes in administration.

Incorporate expanded Program/Service Delivery (Single Facility I only): Work with program leads to ensure that the full complement of residents has equal access to programs and services after the transition of additional beds occurs. Schedule and provide opportunities for integration of all residents at Woodstock home with an aim to ease adaptation to new people and new surroundings for original and new residents alike.

Financial Performance Measures for Transition: Establish and track financial performance (cost savings, budget vs. actual, and any unexpected costs) of transition to a single facility. Perform assessment during budgeting process for any probable inefficiencies or contingencies.

Work with Banks: Collaborate to ensure that debt repayment is managed and that the interest rates do not increase as a result of transition to a single facility.

Mitigate Risk of Negative Publicity: Monitor news outlets and build on relationships with contacts to ensure balanced and positive message is being heard. Update internet site to keep information current on progress and the fundamentals of Woodingford Lodge's new single facility.

Perform Outreach to Families: Personally contact families of residents to demonstrate commitment, listen to feedback and suggestions, and provide information about the impact of a single facility on their family member's level of care and how it impacts their extended family (i.e., drive time, public transportation, etc).

36-60 months

Report Success Story: Compile information and use a baseline year to show success of quality service and cost savings to both Woodingford Lodge and Oxford County as a whole.

Review Lessons Learned and Address Any Lingering Inefficiencies: Review lessons in operating an expanded facility and continually strive to streamline processes and iron-out inefficiencies. Pay attention to trends in staff morale and ensure to performance is managed – poor performance corrected and strong performance rewarded.

Compile Cost Savings: Demonstrate financially how much cost-savings were achieved (if any) during the transition period to a single facility. Also, capture the forecasted enduring cost-savings on an annual basis using 2012 actual figures as the baseline for analysis Provide this information to administration as required and as a strong evidence base for future discussions.

Conduct Survey of Families//Community: Conduct survey of Woodingford Lodge families and the surrounding community (including former Ingersoll and Tillsonburg facilities) to better understand the impacts on the client base (cost to economy, perceived inconvenience to residents, etc.).

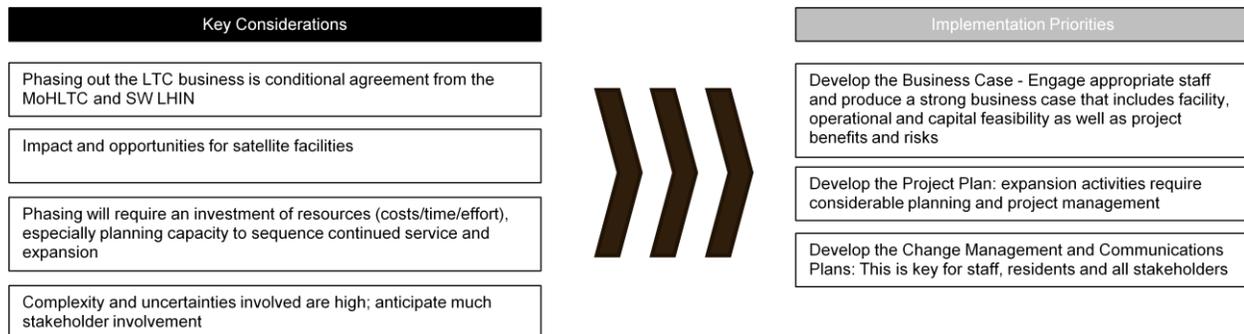
Administrative**Operational****Financial****Operational/Stakeholder****Administrative****Operational****Financial****Operational/Stakeholder**

Phase Out Option

The Phase Out option is characterized by steadily reducing the number of LTC facilities owned and operated by the County, with a view to transferring the operation of the 228 LTC beds to other operators. Using a phased approach, the County could repurpose one satellite facility (either WFL-Tillsonburg or WFL-Ingersoll) at a time or partner with a private operator, with the desired end state for the County to exit the LTC business.

Figure 4 describes implementation priorities that flow from key considerations inherent in this option.

Figure 4



The Phase Out option provides an opportunity to meet the project principles:

- Maintain 228 LTC beds in the County
- Decrease the operating costs for WFL

The Phase Out option accepts certain risks in regard to maintaining the 228 LTC beds in the County, and meets the financial concerns with the operating costs of the facilities.

The Phase Out option offers potential for significant cost savings for the County. It is a broader alternative so it's possible to work outsourcing into the solution at various phases, which also provides the advantage of providing time for course adjustments and more informed decisions as the phases are implemented. Unlike the single facility option, there is no requirement for securing capital funds for renovation at Woodstock.

The Implementation Roadmap provides a high-level 5 year strategy with high-level action initiatives that will guide Oxford County in moving the project forward by focusing efforts on actions that will aid in “Phasing-out” operation of WFL. At the 60 month mark, the WFL is complete the “Implementation Stage” – where change management and its elements are introduced - and will have entered into the “Sustain Momentum Stage” – where the project should be positioned to assess what is necessary to close out the project and finalize the transition.

Figure 5

Phase Out – Woodingford Lodge Action Initiatives	
0-3 months	
Determine Partnership or Repurpose: Work with stakeholders to determine the feasibility and will to work with a cost-sharing partner in offering service delivery for the Tillsonburg or Ingersoll facility; or alternatively, to repurpose the facility and reduce service by 34 beds.	Administrative
Council Approval: Develop communications to engage Council and seek support for decision based on findings of determining ability to enter a Partnership or Repurpose situation.	
Strategic Engagement: Engage early with Unions/bargaining agents and focus on transparency and building on relationship of trust.	
Get Organized: Appoint a lead individual in charge of the transformation project, determine who will participate in the project team and convene members to launch the project with a charter that clearly outlines roles and responsibilities.	
Enable Management for Success: Schedule and hold meetings with management for all facilities to raise awareness for change - provide information and equip management with the information and confidence to manage change.	Operational
Better Understand the Numbers: Perform a preliminary cost and benefit analysis of repurposing one of the satellite facilities; Assess financial implications for cost-sharing partnership.	Financial
Prepare Messaging: Prepare communication for residents, families and website to explain the results of the Service Review and the future direction for Woodingford Lodge.	Operational/Stakeholder
3-12 months	
Partner: Identify interested partner(s) to jointly share cost-burden and complete process to enter agreement into partnership for one satellite facility.	Administrative
Re-purpose (Alternative): If partnership not possible, determine a desired alternative use for Ingersoll and Tillsonburg facilities and develop business case/implementation plan for repurposing these facilities.	
Strategic Engagement: Engage early with Unions/bargaining agents and focus on transparency and building on relationship of trust. (Continuation from 0-3month)	
Partnership Orientation: If entering a cost-sharing partnership at one facility, schedule planning meetings between management at satellite facility and partner organization. Agree on action plan and time frame to implement new partnership arrangement. Allow for learning curve, but also emphasize goals for quality standards.	Operational
Enable Staff for Success: Schedule and hold meetings with staff to raise awareness of change answer questions and share available information and direction for change along timeline.	Financial
Detail Financial Impacts: Determine detailed costs of chosen method of transitioning to two county-operated facilities (partnership or repurpose) and advise senior management of any concerns related to budget and ability to meet contractual-financial obligations.	
Formulate Dialogue with Residents and Community: Implement communications for residents, families and public website, including answers to frequently asked questions. Enrol local news papers/radio (i.e., Sentinel Times, Ingersoll Times, Tillsonburg News, etc) in sharing information with public and creating opportunities for community discussion.	
Perform Outreach to Families: Personally contact families of residents to demonstrate commitment, listen to feedback and suggestions, and provide information about the impact of decisions made as part of phase out implementation.	Operational/Stakeholder
12-36 months	

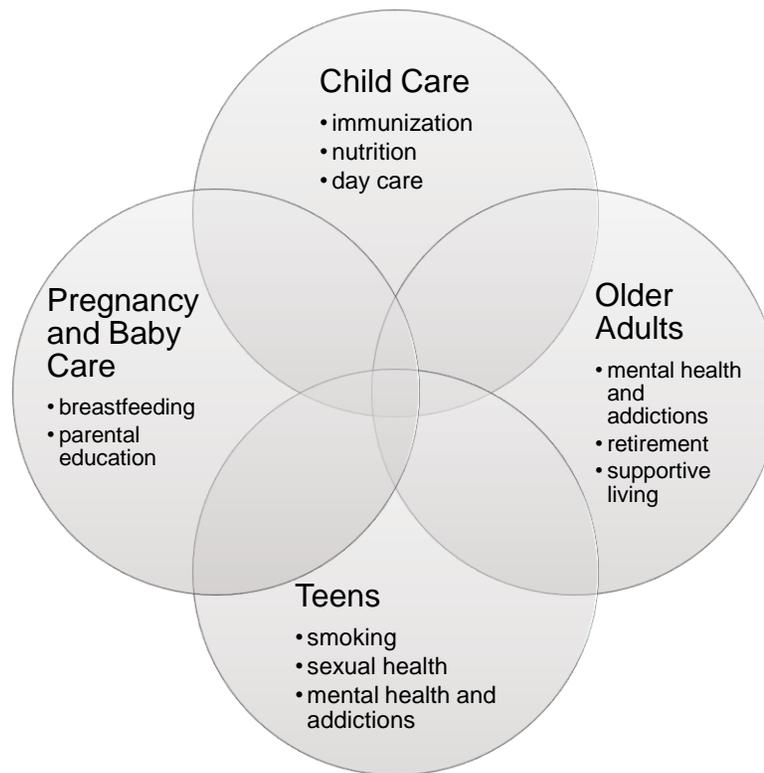
Support Staff Transition: Work with Unions/bargaining agents and municipal staff from finance, HR, etc to manage and support transition of affected staff members to new employment opportunities.	Administrative
Partner: Identify interested partner(s) to jointly share cost-burden and complete process to enter agreement into partnership for one satellite facility. (Continuation from 3-12month)	
Strong Coordination: provide strong coordination efforts between departments, council, and SW LHIN and Ministry to keep abreast of changes in the legislative and regulatory realm that might have considerable impact on the success of privatizing LTC in Oxford County.	
Strategic Engagement: Engage early with Unions/bargaining agents and focus on transparency and building on relationship of trust. (Continuation from 3-12months)	
Sustain Service Delivery During Transition: Anticipate potential increase absenteeism among staff and options for adjusting operations at satellite facilities. Maintain quality standards and ensure resident care remains center focus of ongoing operations. Provide staff with orientation and increased management support as key milestone dates approach. Keep operating support departments informed of changes in administration.	Operational
Mitigate Risk of Negative Publicity: Monitor news outlets and build on relationships with contacts to ensure balanced and positive message is being heard. Update internet site to keep information current on progress and the new arrangements.	
Enable Staff for Success: Schedule and hold meetings with staff to raise awareness of change, and answer questions/share available information and direction for change along timeline. (Continuation from 3-12months)	Financial
Detail Financial Impacts: Determine detailed costs of chosen method of transitioning to two county-operated facilities (partnership, repurpose) and advise senior management of any concerns related to budget and ability to meet contractual-financial obligations (Continuation from 3-12 months)	
Formulate Dialogue with Residents and Community: Implement communications for residents, families and public website, including answers to frequently asked questions. Enrol local news papers/radio (i.e., Sentinel Times, Ingersoll Times, Tillsonburg News, etc) in sharing information with public and creating opportunities for community discussion. Perform Outreach to Families: Personally contact families of residents to demonstrate commitment, listen to feedback and suggestions, and provide information about the impact of decisions made as part of phase out implementation. (Continuation from 3-12months)	Operational/Stakeholder
36-60 months	
Support Staff Transition: Work with Unions/bargaining agents and municipal staff from finance, HR, etc to manage and support transition of affected staff members to new employment opportunities. (Continuation from 12-36months)	Administrative
Assess Opportunities to Transition to Partner or Repurpose second satellite facility: At the 38 month mark, begin dialogue about when to transition to a single facility or to completely phase-out of LTC business.	
Review Lessons Learned and Address Any Lingering Inefficiencies with Partnership/Repurpose: Review lessons in operating an expanded facility and continually strive to streamline processes and iron-out inefficiencies. Pay attention to trends in staff morale and ensure to performance is managed – poor performance corrected and strong performance rewarded.	Operational
Compile Cost Savings: Demonstrate financially how much cost-savings were achieved (if any) during the transition period to a two facilities. Also, capture the forecasted enduring cost-savings on an annual basis using 2012 actual figures as the baseline for analysis Provide this information to administration as required and as a strong evidence base for future discussions.	Financial
Conduct Survey of Families//Community: Conduct survey of Woodingford Lodge families and the surrounding community (including former Ingersoll and Tillsonburg facilities) to better understand the impacts on the client base (cost to economy, perceived inconvenience to residents, etc.).	Operational/Stakeholder

COMMUNITY ISSUES FOR RE-PURPOSING

This section illustrates a number of significant community needs that could be considered when determining the appropriate re-purposed use of both the Tillsonburg and Ingersoll facilities. Not to belabour the point, however, these considerations must be reviewed with various stakeholders to determine the availability of provincial, and non-profit funding, service delivery options, and community needs. This is necessary to determine a comprehensive view of the value offering to the community.

Figure 6 outlines a variety of community needs that could be considered as part of the re-purposing strategy

Figure 6:



DISCUSSIONS WITH MOHLTC/SWLHIN

This section summarizes the discussion with MoHLTC/SWLHIN counterparts on December 4, 2013.

Oxford County:

- Appreciated the opportunity to discuss its Long Term Care(LTC) Service Review with the MoHLTC/SWLHIN and is encouraged by the open dialogue;
- Identified opportunities that may present viable solutions to optimize costs while building sustainable LTC in our community;
- Is encouraged by the collective support it has received from MoHLTC/SWLHIN, along with their understanding of the root need and cost issues of LTC.

Below is a summary of issues for follow-up discussion with MoHLTC and SWLHIN:

- Requirement to engage Health Capital;
- Update of SWLHIN LTC demand analysis for Oxford County;
- Ability to use current subsidy as part of transfer/sale and “top up” with future expanded Ministry capital program for current B and C facilities;
- Possible transfer of capital subsidy with Woodingford expansion to 228 beds
- Possible transfer/Ministry sale of 68 approved beds to private licensed beds, and use of 68 satellite approved beds in a County process to incent private sector consolidation (ideally in Ingersoll and Tillsonburg communities) with a view of at least retaining current number of beds in Oxford County;
- Potential role for Not-for-profit organizations;
- Potential timing of Ministry (Health Capital) capital funding program for B and C facilities;
- Consideration of revising mandatory municipal LTC participation (allow option similar to Northern Ontario municipalities); and,
- Consideration of key drivers to cost of care issues facing LTC operations in future operating subsidy planning.

Oxford County has planned a follow up meeting for January 2014 to discuss these points. In addition to MoHLTC and SWLHIN, representatives from MoHLTC Health Capital will be invited.

STATUS QUO TO OPTIONS COMPARISON OF ESTIMATED NET COST

Using a scenario approach, the magnitude of cost savings associated with each of the options was determined based on stated assumptions using “actual 2012” financial information, the capital debt repayment schedule, estimates of expanding the facilities at WFL-Woodstock, and some data about repurposing satellite sites using a ‘*supportive living*’ scenario applied to options (b) and (c).

All numbers related to the gap between revenues and expenses, currently closed by Oxford County budget.

Figure 7 compares the total of Operating and Capital cost projections over a three year period (2013-2016). The assumptions are shown in Appendix C and are labelled as row/column, e.g. assumption 1(a) relates to Operating Costs Today.

Figure 7

	(a) Today (Status Quo)	(b) Single Facility (I) (224 beds @ Woodstock)	(c) Single Facility (II) (160 beds @ Woodstock)	(d) Phase Out (0 beds)
1. Operating Costs	-\$6,236,696	-\$5,479,153	-\$4,000,547	\$0
2. Capital Costs	-\$1,587,196	-\$859,955	-\$859,955	\$0
Capital Adjustments				
3. One-time Capital investment (\$) costs to expand Woodingford Lodge at Woodstock site	\$0	-\$17,000,000	\$0	\$0
4. Loss of capital debt repayment subsidy @ \$10.35/per diem for Tillsonburg and Ingersoll.	\$0	-\$257,576	-\$257,576	\$0
5. Continue to pay capital debt repayment schedule for Tillsonburg and Ingersoll.	\$0	-\$984,817	-\$984,817	\$0
6. Continue to pay capital debt repayment schedule for all three facilities.	\$0	\$0	\$0	-\$2,450,856
Re-Purpose Adjustments				
7. Operating Costs ('supportive living' re-purpose)	\$0	-\$495,202	-\$495,202	-\$495,202
Total (2012)	-\$7,823,892	-\$7,323,925	-\$6,598,097	-\$2,946,058
Total (2013)	-\$7,818,142	-\$9,376,703	-\$6,578,685	-\$2,940,308
Total (2014)	-\$7,784,734	-\$9,323,882	-\$6,545,276	-\$2,906,900
Total (2015)	-\$7,749,893	-\$9,289,042	-\$6,510,436	-\$2,872,059
Total (2016)	-\$7,716,151	-\$9,255,300	-\$6,476,694	-\$2,838,317

CONCLUSION

From a cost savings perspective for Oxford County, exiting the LTC business provides the greatest impact in the long term. Phasing out operations of the LTC beds will eventually result in no cost to the County, once the capital loans are repaid. This financial impact can be considered in conjunction with the risk of what happens to the 228 LTC beds; by exiting the business, there is some risk that the Ministry or LHIN may shift the beds to elsewhere in south western Ontario.

Consolidation of the LTC into one facility provides economies of scale from an operational perspective; however the requirement to pay the capital loan on all facilities and the impact of additional loans for the refurbishment of Woodstock should all beds be moved to one location may not result in much budgetary impact for Oxford compared to today. By operating one facility at Woodstock with a reduced number of beds based on closing the two satellite facilities, Oxford can reduce its LTC budget by nearly \$2M annually; however there remains the risk these beds will be moved from the County. Further reductions to budget may occur should the Tillsonburg and Ingersoll facilities be repurposed.

On consideration of the above information, it is recommended that detailed business cases be developed for each option to determine the short term and long term impacts.

APPENDIX A

Single Facility (I & II)

	Benefits	RISKS
OPERATIONAL	<p>Reflects positive attributes of the alternative that contribute to likelihood of business success as determined by decision criteria (guiding principles) to lower operating costs, keep total beds, and deliver good service</p> <p>LTC Service Provision</p> <ul style="list-style-type: none"> Residents and families can expect continuity with familiar living environment Oxford County maintains operational control over 228 beds Continued provision of current standard of service for 228 beds Continued pride in protecting a highly regarded public service for the County <p>Resourcing</p> <ul style="list-style-type: none"> Through economies of scale, fewer resources will be required for certain areas of the operation, such as administration and maintenance Consolidation of resources may provide staff scheduling efficiencies Ability to leverage Woodstock services for all 228 beds, such as food and laundry, thereby reducing duplicative services currently required at the satellites Opportunities for resourcing for programs or services offered from the satellite facilities should Oxford County maintain the assets Requirement to maintain all three facilities during the 	<p>Reflects known negative or complicating attributes related to guiding principles. In addition, captures a selection of risk themes according to perceived likelihood and impact on Woodingford Lodge operations and Oxford County's oversight role</p> <p>LTC Service Provision</p> <ul style="list-style-type: none"> Temporary interruption/inconvenience to Woodstock facility operations through expansion/business continuity <p>Resourcing</p> <ul style="list-style-type: none"> Culture and ability to implement change within Woodingford Lodge may not be supportive of the required transformation – also, steps to manage change may be insufficient to ensure a successful outcome Planned reduction in total number of staff following consolidation of the three facilities Woodingford Lodge staff may be dissatisfied with their working conditions during the expansion, creating an inability to develop and maintain a productive work force, and could lead to increased staff turnover <p>Expansion Project</p> <ul style="list-style-type: none"> Feasibility of physical expansion of existing Woodstock facility and impact on current operation Contractors may not be appropriately identified/managed, which could lead to adverse consequences due to poor performance /negative public image – also, possible that contractor may not adhere to its contractual obligations Contractual obligation regarding the satellite facilities, e.g. with local hospitals may constrain opportunities Demands compliance with building /environmental regulations governing land-use Transformation may fail to achieve the benefits projected in the business case that supported this option
FINANCIAL	<p>Potential Savings (projections based on 2012 actuals)</p> <ul style="list-style-type: none"> Reduce non-nursing staff hours, estimate potential 33% cost savings (up to \$252K/yr (PSS) and \$198K/yr) Reduce operational support costs by bringing services into Woodingford Lodge/outourcing; estimate 20% savings (up to \$190k) Reduce reserve (up to \$455K/yr (NPC) and \$106K/yr) based on efficiencies Eliminate dietary purchased services (up to \$768K/yr) Eliminate laundry purchased services (up to \$102K/yr) Reduce debt repayment (up to \$897,000/decreasing yearly) <p>TOTAL: \$3.0M</p> <p>Potential One Time Cash Benefit</p> <ul style="list-style-type: none"> Gain cash value from disposal of the satellite facilities (market value) <p>Potential Revenue</p> <ul style="list-style-type: none"> Should Oxford County maintain the satellite facilities, there are revenue-generation opportunities through leasing or provision of funded programs 	<p>Potential Savings</p> <ul style="list-style-type: none"> May be considerably less than estimated May be unable to identify buyer for satellite facilities <p>Costs</p> <ul style="list-style-type: none"> Must secure the necessary financing to expand the Woodstock facility Potential for increased costs to existing operation during expansion <p>Impact on Funding</p> <ul style="list-style-type: none"> May trigger loss of \$10.50 per diem debt repayment revenues from the Ministry for each of the satellite facilities, i.e. Uncertainty regarding transferability of capital debt subsidy from the satellites to the expanded facility Consolidation may impact per diem revenues from the Ministry
STAKEHOLDERS	<p>LTC Service Provision</p> <ul style="list-style-type: none"> Positive impact on community stakeholders as continue to run 228 beds in the community Presence of existing private operators in Ingersoll and Tillsonburg may reduce local service impact of moving beds to Woodstock <p>Resourcing</p> <ul style="list-style-type: none"> Repurposing of satellite facilities has potential to enhance the continuum of care with related services for local residents Renovation and expansion activities provide temporary employment opportunity to contractors in the community 	<p>LTC Service Provision</p> <ul style="list-style-type: none"> Residents will need to move and adapt to entirely new surroundings Residents and families may not be satisfied with the services provided in a larger facility Transition to single facility may not be aligned with and reflective of the demographic trend of the population served Adverse public opinion or media coverage regarding Woodingford Lodge may arise from discontent <p>Resourcing</p> <ul style="list-style-type: none"> Facility expansion may involve decreased parking, increased traffic and other impacts to community Bargaining agent impact on decreasing number of staff Volunteers (e.g. those currently working at satellite will work in Woodstock) Direct service providers to satellite facilities will be affected Cost savings and service level will likely be scrutinized by public and other government departments
LEGISLATION/REGULATION	<ul style="list-style-type: none"> Long Term Care Homes Act - obligation for Oxford County to operate a LTC facility is met Opportunity to leverage system wide changes (i.e. capital improvement projects for LTC) 	<ul style="list-style-type: none"> Requirement for Ministry and LHIN approval Collaboration with bargaining agent for impacted workers will influence decisions Property Contracts with Alexandra Hospital and Tillsonburg Memorial Hospital may restrict decisions on disposal of assets

APPENDIX B

Phase Out

	Benefits Reflects positive attributes of the alternative that contribute to likelihood of business success as determined by decision criteria (guiding principles) to lower operating costs, keep total beds, and deliver good service	RISKS Reflects known negative or complicating attributes related to guiding principles. In addition, captures a selection of risk themes according to perceived likelihood and impact on Woodingford Lodge operations and Oxford County's oversight role
OPERATIONAL	<p>LTC Service Provision</p> <ul style="list-style-type: none"> Residents and families could expect continuity with familiar living environment if same facilities were maintained by new operators Continued provision of current standard of service for 228 beds <p>Resourcing</p> <ul style="list-style-type: none"> Opportunities for resourcing for programs or services offered from the satellite facilities should Oxford County maintain the assets 	<p>LTC Service Provision</p> <ul style="list-style-type: none"> Oxford County phasing out of business of LTC operations Partnership introduces new operational variables that will influence service delivery <p>Resourcing</p> <ul style="list-style-type: none"> Culture and ability to implement change within Woodingford Lodge may not be supportive of the required transformation – also, steps to manage change may be insufficient to ensure a successful outcome Impact on staffing (bargaining agent): Pay structure and difference between union/non-union workers would be barrier for private operators or partnerships. Woodingford Lodge staff may be dissatisfied with their working conditions during the changes, creating an inability to develop and maintain a productive work force, and could lead to increased staff turnover <p>Procurement Project</p> <ul style="list-style-type: none"> Requirement to develop RFP selection criteria Feasibility of changes and impact on current operations Contractual obligation regarding the satellite facilities, e.g. with local hospitals may constrain opportunities Transformation may fail to achieve the benefits projected in the business case that supported this option
FINANCIAL	<p>Potential Savings (projections based on 2012 actuals)</p> <ul style="list-style-type: none"> Eliminate net budget of both satellite facilities (up to \$2.96M/yr), then eventually Woodstock also (up to \$7.28M/yr) <p>Potential One Time Cash Benefit</p> <ul style="list-style-type: none"> Gain cash value from disposal of the facilities (market value) <p>Potential Revenue</p> <ul style="list-style-type: none"> Should Oxford County maintain the satellite facilities, there are revenue-generation opportunities Potential to stimulate revitalization of facilities through leasing or provision of funded programs 	<p>Potential Savings</p> <ul style="list-style-type: none"> May be considerably less than estimated May be unable to identify buyer for the facilities and operations <p>Costs</p> <ul style="list-style-type: none"> Depending on private operator arrangement, the County may incur transaction costs or management fees Severance and exit costs not defined <p>Impact on Funding</p> <ul style="list-style-type: none"> May trigger loss of \$10.50 per diem debt repayment revenues from the Ministry for each of the satellite facilities, i.e. Uncertainty regarding transferability of capital debt subsidy from the satellites to the expanded facility Consolidation may impact per diem revenues from the Ministry during the transition
STAKEHOLDERS	<p>LTC Service Provision</p> <ul style="list-style-type: none"> Positive impact on community stakeholders as continue to run 228 beds in the community Presence of existing private operators in Ingersoll and Tillsonburg may reduce local service impact of moving beds to Woodstock <p>Resourcing</p> <ul style="list-style-type: none"> Repurposing of satellite facilities has potential to enhance the continuum of care with related services for local residents Renovation and expansion activities provide temporary employment opportunity to contractors in the community 	<p>LTC Service Provision</p> <ul style="list-style-type: none"> Residents could need to move and adapt to entirely new surroundings Residents and families may not be satisfied with the services provided by the new operators Risks that MOHLTC shifts the beds out of the County Adverse public opinion or media coverage may arise from discontent <p>Resourcing</p> <ul style="list-style-type: none"> Bargaining agent impact on changes Volunteers may no longer be required by new operators Direct service providers to satellite facilities will be affected Cost savings and service level will likely be scrutinized by public and other government departments
LEGISLATION/ REGULATION	<ul style="list-style-type: none"> Opportunity to leverage system wide changes (i.e. capital improvement projects for LTC) Risk that MOHLTC could shift beds elsewhere in the province 	<ul style="list-style-type: none"> Requirement for Ministry and LHIN approval Collaboration with bargaining agent for impacted workers will influence decisions Property Contracts with Alexandra Hospital and Tillsonburg Memorial Hospital may restrict decisions on disposal of assets Long Term Care Homes Act - obligation for Oxford County to operate a LTC facility is not met

APPENDIX C – COST ASSUMPTIONS

OPERATING COSTS

Assumption 1 (a): Based on Consolidated 2012 Actuals operating costs.

Assumption 1 (b): The current per diem costs and revenues for Woodstock (which are lower than either Tillsonburg or Ingersoll) were calculated and applied to all 224 beds that would be consolidated at Woodstock.

Assumption 1 (c): Based on WFL-Woodstock 2012 Actuals operating costs for 160 beds

Assumption 1 (d): No operating costs because WFL is no longer operated by the County (end state, i.e., when all LTC beds operated by another party).

CAPITAL COSTS

Assumption 2 (a): Based on Consolidated 2012 Actuals.

Assumption 2(b): Based on current WFL-Woodstock 2012 Actuals related to capital costs

Assumption 2 (c): Based on WFL-Woodstock 2012 Actuals related to capital costs.

Assumption 2 (d): No capital costs because WFL is no longer operated by the County (end state, i.e., when all LTC beds operated by another party and loan term completed). See Assumption 6(d) for phasing out capital cost.

CAPITAL ADJUSTMENT (row 3).

Assumption 3 (a): Not applicable.

Assumption 3 (b): Based on cost estimate of \$17M (22/08/2013,14:48) to build two (2) stacked thirty-two unit (32=2x16) facilities (sacrificing four units for operations efficiency). Site servicing (access and parking etc) for 64 units is estimated at \$15-\$17M (~ \$300 per square foot).

Assumption 3 (c): Not applicable.

Assumption 3 (d): Not applicable.

CAPITAL ADJUSTMENT (row 4).

Assumption 4 (a): Not applicable.

Assumption 4 (b): Based on WFL-Tillsonburg and WFL-Ingersoll 2012 Actuals for Debt Repayment Revenue (\$128,788 x 2). Assume that the County would not receive this capital debt repayment revenue for the two satellite facilities if they are no longer operated by the County as LTC facilities.

Assumption 4 (c): Based on WFL-Tillsonburg and WFL-Ingersoll 2012 Actuals for Debt Repayment Revenue (\$128,788 x 2). Assume that the County would not receive this \$10.35 per diem capital debt repayment 17 Woodingford Lodge Service Review – Report to the Ad Hoc Committee

revenue for the two satellite facilities if they are no longer operated by the County as LTC facilities.
Assumption 4 (d): Not applicable.

CAPITAL ADJUSTMENT (row 5).

Assumption 5 (a): Not applicable.

Assumption 5 (b): Based on WFL-Tillsonburg and WFL-Ingersoll 2012 Actuals related to Debt Repayment Operating Expenses (-\$476,546 and -\$508,271), from the Per Diem Report 2013. Assume that the County will still need to pay off the bank loans for the remainder of the loan terms.

Assumption 5 (c): Based on WFL-Tillsonburg and WFL-Ingersoll 2012 Actuals related to Debt Repayment Operating Expenses (-\$476,546 and -\$508,271), from the Per Diem Report 2013. Assume that the County will still need to pay off the bank loans for the remainder of the loan terms.

Assumption 5 (d): Not applicable.

CAPITAL ADJUSTMENT (row 6).

Assumption 6 (a): Not applicable

Assumption 6 (b): Not applicable

Assumption 6 (c): Not applicable

Assumption 6 (d): Based on WFL-Tillsonburg, WFL-Ingersoll and WFL-Woodstock 2012 Actuals related to Debt Repayment Operating Expenses (-\$476,546, -\$508,271 and -\$1,466,039), from the Per Diem Report 2013. Assume that the County will still need to pay off the bank loans for the remainder of the loan terms.

RE-PURPOSE ADJUSTMENT 1.

Assumption 7 (a): Not Applicable.

Assumption 7 (b): For the “Supported Living” re-purposing option, the worst case is 28 beds/facility (converted to all singles) without any ODSP clients as residents because of the way the housing programs and ODSP work. The operating expense estimate for each 28-bed facility is ([28 beds x \$47.75/day x 365 days + \$150k annually to break even] x 2 facilities) for a total gross operating cost of \$1,276,010. This is based on current not-for profit operations. Given the Provincial operating subsidy through housing is 80% on \$47.75/bed-day (56 beds annual provincial subsidy is \$780,808/year), the estimated net operating cost for re-purposing is \$495,202.

Assumption 7 (c): For the “Supported Living” re-purposing option, the worst case is 28 beds/facility (converted to all singles) without any ODSP clients as residents because of the way the housing programs and ODSP work. The operating expense estimate for each 28-bed facility is ([28 beds x \$47.75/day x 365 days + \$150k annually to break even] x 2 facilities) for a total gross operating cost of \$1,276,010. This is based on current not-for profit operations. Given the Provincial operating subsidy through housing is 80% on \$47.75/bed-day (56 beds annual provincial subsidy is \$780,808/year), the estimated net operating cost for re-purposing is \$495,202.

Assumption 7 (d): For the “Supported Living” re-purposing option, our worst case is 28 beds/facility (convert to all singles) without any ODSP clients as residents because of the way the housing programs and ODSP work. Our operating expense estimate for each 28-bed facility is ([28 beds x \$47.75/day x 365 days + \$150k annually to break even] x 2 facilities) for a total gross operating cost of \$1,276,010. This is based on current

not-for profit operations we contract with. Given the Provincial operating subsidy through housing is 80% on \$47.75/bed-day (56 beds annual provincial subsidy is \$780,808/year), our estimated net operating cost for re-purposing is \$495,202.

TOTAL ADJUSTMENTS

Assumption 8: Each of the capital debt repayment operating expenses for each option will continue to follow the Debt Repayment Schedule provided.

Assumption 9: No adjustments were made for annual funding or expenses increases for the purposes of the model, hence the net budget shows a decrease from 2012 to 2016.



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