

2006 Long-Term Care Bed Allocation

**for the City of Kingston and
Hastings County**

Guidelines

Ministry of Health and Long-Term Care

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1.0 Introduction

Through the 2006 Long-Term Care Bed Allocations process, the Ministry of Health and Long-Term Care (MOHLTC) intends to allocate funding to eligible Applicants for the development of approximately 160 long-term care (LTC) beds in the city of Kingston and 192 in Hastings County. This Request for Applications is open to any party that might be interested in developing new long-term care homes in the designated areas.

If you are interested in obtaining approval for the development of LTC beds through this 2006 Allocations Application process, you should apply by following the process described in this document. This document should be read in conjunction with the *2006 Long-Term Care Bed Allocations Application Form* document.

The funding policy entitled "Policy for Construction Costs of Long-Term Care Facilities" (Construction Funding Policy) will apply to the newly allocated beds. This policy provides a single, consistent funding approach for capital construction costs and a set of mandatory design standards for both not-for-profit and for-profit long-term care homes.

It supersedes all other previous Ministry funding policies for construction of long-term care homes, and is the primary mechanism through which the Ministry will aid with the construction costs of all long-term care homes in the province. Under this policy, the Ministry will provide, upon completion of construction, a maximum of \$10.35 per bed per day of additional funding over a 20 year period. To obtain a copy of the Policy please contact the Ministry at the number/email noted above.

The deadline for applications will be November 10, 2006 and a decision will likely be made by December 2006. To be eligible for consideration, applicants must:

- Own, have an option to buy or lease, or have a long-term lease on land; and
- Demonstrate that they meet the Ministry's financial, development, and operational requirements

1.1 Purpose of Document

As part of the Ontario government's plan to address the needs of seniors the Ministry of Health and Long-Term Care (MOHLTC) is soliciting Applications for the development of long-term care (LTC) home beds in the city of Kingston and Hastings County.

The following is the number of beds available:

- 160 beds are to be allocated in the City of Kingston;
- 192 beds are to be allocated in Hastings County - 64 beds for Quinte West and 128 for South Hastings (preferred location in South Hastings is Belleville).

Please note that the Ministry will not consider Applications to develop Long-Term Care homes outside the municipal and county boundaries of these areas.

1.2 Submission of Application

The deadline for submission of Applications is November 10, 2006 at 5 p.m. Please note that the documentation required must be submitted in its entirety. Please submit one application per site.

In order to apply, you should:

- 1) Start by reading over the Application Guidelines and the Application Forms documents. Just taking a few moments to get a feeling for the “bigger picture” could help you to sort out the details. As you are reading, you may encounter phrases and terms with which you are unfamiliar, such as Applicant, Lead Team Member, Key Stakeholder, Affiliate, and others. Please refer to the Glossary at the end of the Application Guidelines for definitions of these terms.
- 2) Make sure you have all the reference material you will need. In particular, you should read carefully all relevant legislation and regulations, available through *Publications Ontario at 880 Bay Street, Toronto, Ontario M7A 1N8, [Telephone (416) 326-5300 or 1-800-668-9938]*

Some examples of information you might find useful can be found on the MOHLTC website:

http://www.health.gov.on.ca/english/providers/program/ltc_redev/dev_tools/devtools_mn.html

and include Awardee/Operator LTC Development Resources such as:

- a) the *Policy for Funding Construction Costs of Long-Term Care Facilities (April 1999)* (available from the Long-Term Care Planning and Renewal Branch or online at http://www.health.gov.on.ca/english/providers/program/ltc_redev/pdf/redev_construction_funding.pdf);
- b) the *Long-Term Care Facility Design Manual (dated May 1999)* (available from the LTCPRB or online at http://www.health.gov.on.ca/english/providers/program/ltc_redev/pdf/design_manual.pdf); and,
- c) a *Manual for Awardees/Operators in the Preparation for Occupancy (June 2003)* online at http://www.health.gov.on.ca/english/providers/program/ltc_redev/dev_tools/awardee_prep/awardee_mn.html

Other information you may find useful includes:

- a) the Residents' Bill of Rights, as stated in the province's *Nursing Homes Act, R.S.O. 1990*, the *Charitable Institutions Act*, and the *Homes for the Aged and Rest Homes Act*. (available from Publications Ontario); and,
 - b) the *Long-Term Care Facility Program Manual (amended September 1998)* (available from the LTC Division at 416-314-1137 for \$20).
- 3) Every package contains a CD-ROM with the Application in an electronic version (MSWord). Use this electronic form to complete your Application. You will not be able to submit electronically through the website, but you will be able to download the complete package in the same format provided on the CD-ROM.
 - 4) Begin working through the Application step by step. As you move through each area of the Application, refer to the Guidelines for details about why you are submitting certain information and how to complete the forms. Submit all the appropriate forms, documents and required information. Use the Final Checklist provided in Section VI in the Application Form to guide the organisation of your Application and as a final checklist to ensure that you have included the necessary pieces. Make sure all pages are consecutively numbered for ease of reference.
 - 5) Submit your Application via CD-ROM and hard copy. Submit your completed Application via CD-ROM using the format provided. For original documents such as deeds, letters etc. you can scan them and insert them in your electronic Application on CD-ROM. When preparing your Application for submission be sure to protect the CD-ROM with a bubble envelope.

You must also provide hard copies in addition to the CD-ROM. Submit one (1) original bound, completed and appropriately signed Application package which includes all original forms and documents. In addition, submit three (3) bound copies of the complete original Application.

Please submit your completed original Application and three copies, plus the CD-ROM, to:

**Ministry of Health and Long-Term Care
Long-Term Care Planning and Renewal Branch
2006 LTC Bed Allocations
777 Bay St, 7th Floor
Toronto, Ontario
M5G 2E5**

Please note that:

- Applicants will receive a **confirmation of receipt** of their Application. If you do not receive this confirmation within 5 business days of delivery, please contact us at the numbers provided below.

- The costs of preparing and submitting your Application are solely your responsibility. The Ministry is not responsible for expenses incurred as part of the Application process.
- You may have hired an advisor/consultant to assist you in the preparation of your Application. It may be the case that the advisor/consultant you have hired is providing a similar service to another Applicant, or is submitting an Application him/herself. In order to protect yourself, in the case where the advisor/consultant is also an Applicant, or is providing service to another Applicant, you should ensure that they do not provide information about one Applicant to any other, and that they advise all Applicants of existing commitments to other Applicants.
- All Applications submitted to the Ministry are subject to the access provisions of the *Freedom of Information and Protection of Privacy Act* (the "Act"). The Act provides people with a right to access information in the control of the Ministry, subject to a limited set of exemptions. One such exemption concerns information that reveals a trade secret or scientific, technical, commercial, financial or labour relations information supplied, in confidence, by a third party, where disclosure of the information could reasonably be expected to result in certain harms.
- If you believe that any of the information you submit in connection with your Application reveals any trade secret or scientific, technical, commercial, financial or labour relations information belonging to you, and you wish to protect the confidentiality of such information, you should clearly mark this information "confidential". Doing so only indicates your desire to have the documents kept confidential. If the Ministry receives a request for information in connection with the Application, the Ministry will contact you so that you may, if you choose to, make representations concerning its release.

You will be required, in the Applicant's Declaration, to consent to the disclosure of information to the public of the following information:

- your name
- the number and location of proposed beds requested
- the type of building you propose
- key home design features of your proposed home

In addition, the Ministry may disclose the names of the successful Applicants and the number of long-term care home beds allocated.

You may contact municipal governments, hospitals, Community Care Access Centres or other organizations in order to obtain information to prepare the information requested in the Application Forms.

You can contact the Ministry regarding questions on the LTC Bed Application during regular business hours at:

Telephone: 416-326-5565
Toll Free: 1-877-767-8889
Fax: 416-326-5533

e-mail: Catherine.Park@moh.gov.on.ca

Your call will be returned within one business day.

1.3 Assessment of Applications

The Ministry will review all Applications on the basis provided in this section. Please note, however, that the Ministry provides no commitment that any beds will be allocated in this Application process or, that if an allocation or allocations are made they will be for the full number of beds in the area. The Ministry will consider applications for the allocation of all or some of the beds under consideration in the area. The Minister may vary the number of beds to be awarded, reject any or all Applications, offer to consider part of any application, request clarification or modification of any Application or seek further information regarding any Application.

The Ministry may allocate beds outside this process regardless of the progress of this process or any decision in this process to allocate or not allocate all, some or none of the beds under consideration. Filing of an Application will be considered acknowledgement of the Applicant's recognition and acceptance of the forgoing.

The Ministry will consider whether:

- 1) You have land suitable as a development site for a LTC home by June 30, 2007.

Only those Applicants who have submitted the appropriate evidence as described in Section 2.3 of this document will be considered eligible for an allocation.

- 2) You can demonstrate your ability to complete the construction by December 31, 2009.

You will need to provide a development timeline and a detailed planning report which shows all the expected approvals and activities involved in design and construction of your home culminating in a December 31, 2009 completion at the latest.

- 3) You can demonstrate the financial capacity to undertake the proposed project.

You will need to provide information about your financial capacity including sources of funds and debt load as well as your financial plan including operating, staffing and expenses in the formats identified in the Application Forms document.

- 4) You have the operational experience necessary to operate a long-term care home.

You will need to demonstrate, in the format identified in the Application Forms document, that you have the expertise and experience necessary to be licensed to operate your proposed long-term care home upon completion.

- 5) You have the ability to undertake the development, financing and operation of a long-term care home overall.

You will need to demonstrate, through the identification of the Lead Team Members involved in the development of your proposed project in the format identified in Section 1 of the Application Guidelines, whether you have the skills and experience to be successful in the LTC Bed Application process or whether you will need to assemble a team to support you.

Please note that if at any time following receipt of an allocation, an identified Lead Team Member is unable to provide the expertise and services to the Applicant as set out in the Application, you must advise the Ministry and satisfy the Ministry that the experience of the subsequent replacement Lead Team Member will be equal to or better than that of the original Lead Team Member proposed in your Application. The Ministry will not withhold approval of reasonable substitutions.

1.4 What If My Application is Successful?

If you are successful in this process, you will be required to enter into a Development Agreement (“Agreement”) with the Ministry in a form satisfactory to the Ministry as a condition of receiving the allocation. This Agreement sets out your rights and responsibilities and the Ministry’s rights and responsibilities with regard to the development of the long-term care beds. A sample Development Agreement is at the back of this document.

You will be expected to carry out and complete the project in accordance with the Agreement so that it is ready for occupancy December 31, 2009. Staff of the Ministry of Health and Long-Term Care will work with you to achieve this objective.

A sample Agreement is appended at the back of the Application Forms document.

If you are a successful Applicant, you will be required to sign a Development Agreement within 10 business days of receiving the final document from the Ministry for signature. If you do not enter into the Development Agreement in a form satisfactory to the Ministry within that time frame, the Ministry may withdraw the allocation.

If you have developed the home in accordance with the terms and conditions of the Development Agreement and you have met the legislative requirements, the Ministry will issue you a license or an approval to operate the long-term care home.

Provincial funding for the construction will begin once you are licensed or approved to operate, have entered into the Service Agreement and have admitted the first resident into the home. The Ministry will provide, upon completion of construction, a maximum of \$10.35 per bed per day of additional funding over a 20 year period.

2.0 Instructions for Completing the Application

The Application consists of several key Sections all of which must be completed in their entirety using the format identified in the Application for LTC Beds Application Forms document. These Sections are:

- General Information
- Project Concept
- Evidence of Your Right to Land
- Development Timelines
- Financial Information
- Operational Experience
- Declarations

2.1 General Information

Organizational Information:

This Section provides the Ministry with information about you and your Lead Team Members for the proposed project.

We will need to know basic information about you, such as your organization name, your legal business name (if different), and how to contact you.

We need to know that you are legally constituted to do business in Ontario, or that you are permitted to do business in Ontario under the Extra-Provincial Corporations Act. You will need to submit proof of your legal status as part of the Application.

We also ask specific questions about the project, such as number of beds.

Throughout the document you will see references to the term “Applicant” and “Lead Team Member”. It is important for you to have a clear understanding of these terms and how they relate to your Application. Please check the Glossary for a definition of each.

Type of Home:

The Ministry is providing funding for new beds only. New beds are either:

- a) Beds for a new long-term care home; or
- b) Beds that will be connected to a non long-term care home, such as a retirement home, a supportive housing facility or a hospital.

2.2 Project Information

This part allows you to describe your proposed project in more detail. The Application Forms document identifies a two (2) page limit for each of the following three components.

Project Overview:

This is where you can introduce yourself and give us a general description of the project and some highlights of your project concept. You may want to discuss the mix of preferred and regular accommodations and some of the unique features of your proposal in this section.

Site Description:

Tell us about your site and why it is suitable for a long-term care home. We will also require a site history and a title search as well as details about the site - for example, its location, size, current land use designation, and what kind of development it would currently support.

Home Description:

With reference to the type of home you are intending to develop please describe the layout proposed, the principal design features and physical highlights of the home as well as your proposed construction model.

2.3 Evidence of Your Right to Land

You must identify the site you propose to develop under the 2006 LTC Bed Application process and provide a legal description of the site, if available. If you cannot provide a legal description of the site you must provide a description in sufficient detail to establish

the exact and identifiable location of the site. In order to be eligible to receive an allocation, you must establish that you have a right to the land you have put forward in your Application. This evidence must be provided when you submit your Application.

There are four possible scenarios that will be considered to meet the eligibility requirement to “acquire a site” as of the date you submit your Application. Each scenario is presented here followed by the evidence required to demonstrate it. The right to land must be in the favour of the Applicant, as it is the Applicant who, if successful in receiving an allocation, will enter into the Development Agreement.

For the purpose of this Section, the Applicant includes an affiliate as affiliate is defined in the Business Corporations Act (Ontario) (‘OBCA’). If the Applicant establishes its interest in land through an affiliate, as affiliate is defined in the OBCA, the Applicant’s lawyer’s opinion must also state that the Applicant and the Affiliate are affiliates within the meaning of the OBCA. For clarity, the land interest must be held by the Applicant or its OBCA affiliate. The Ministry will not accept any other analogous arrangement such as partnership, trust, or non-profit association having the interest in the land.

For the purposes of the 2006 LTC Bed Application process, “acquisition of a site” means the following:

1. Being a registered owner of a site.

Evidence Required

- (a) a copy of the registered deed; and
- (b) a Certificate of Title from the Applicant’s lawyer, in the form attached in Section V of the Application Forms document

2a. Having a lease of a site, such lease to be for a minimum term of 20 years from the date the first resident is to be admitted to the long-term care home under the Development Agreement, notice of which lease has been registered.

Evidence Required

- (a) a copy of the signed lease; and
- (b) a legal opinion from the Applicant’s lawyer to the effect that the signed lease is a legally binding lease between the Applicant and the landlord for a term of not less than 20 years from the date the first resident shall be admitted under the Development Agreement, and the lease or notice of lease has been registered in the applicable land registry office.

2b. Having an agreement to lease a site, with the term of lease to be for a minimum term of 20 years from the date the first resident is to be admitted to the long-term care home under the Development Agreement.

Evidence Required

- (a) a copy of the signed agreement to lease; and
- (b) a legal opinion from the Applicant's lawyer to the effect that the signed agreement to lease is a legally binding agreement to lease for a term of not less than 20 years from the date the first resident shall be admitted to the long-term care home under the Development Agreement.

- 3. Having a purchase agreement for a site**, to include all the necessary terms and conditions for a binding purchase agreement (e.g., legal description, price, closing date, any conditions).

Evidence Required

- (a) a copy of the signed purchase agreement; and
- (b) a legal opinion from the Applicant's lawyer to the effect that the signed purchase agreement is a legally binding agreement for the Applicant to purchase the land described in the agreement.

- 4. Option to purchase a site**, to include the following:

- (a) option to be irrevocable by the vendor until the date of exercise of the option required by the Development Agreement (i.e. on or before the fifth business day after the day the Ministry delivers the fully executed Development Agreement to the Applicant); and
- (b) a binding purchase agreement or agreement to purchase will arise upon the exercise of the option, such agreement to include all the necessary terms and conditions for a binding purchase agreement (e.g., legal description, price, closing date, any conditions).

Evidence Required

- (a) a copy of the signed option to purchase; and
- (b) a legal opinion from the Applicant's lawyer to the effect that:
 - (i) the option is irrevocable by the vendor until the date of exercise of the option required by the Development Agreement (i.e. on or before the fifth business day after the day the Ministry delivers the fully executed Development Agreement to the Applicant); and
 - (ii) a binding purchase agreement or agreement to purchase will arise upon the exercise of the option, such agreement to include all the necessary terms and conditions for a binding purchase agreement (e.g., legal description, price, closing date, any conditions).

In all cases, the Ministry must be satisfied that the proposed site has the potential to be suitable for a long-term care home.

2.4 Financial Information

The information requested in this section will assist the Ministry in assessing your financial capacity to undertake the proposed project.

There are six (6) Schedules required in this section labeled F1 – F6 and they can be found in the Application Forms document.

The information requested in this section will assist the Ministry, for the purposes of the LTC Bed Application process (and not for any other purpose), in assessing you and/or your Lead Team Members': financial capacity to undertake the proposed project; financing experience; and understanding of the financing and funding requirements of the proposed project.

The schedules that you are required to complete may also depend on whether you are a For-Profit or Not-for-Profit. The following table identifies the schedules you need to complete based on the type of organization and the nature of the project.

For-Profit	F1 through F6 Notes: F2 only needs to be completed if information is not in Audited Financial Statement. F3 only needs to be completed if debt has been issued and rated in the past 5 years or if information is not in Audited Financial Statement.
Not-for-Profit	F1 through F6 excluding F3

F1 Sources of Funds:

You are required to provide a detailed description of the proposed source of funds for the project including the amount of equity, fundraising, debt financing (as applicable) and/or other sources of funds by type including a description, amount and repayment terms for debt financing (see Schedule F1).

Section A - The equity section of the schedule will include the name of the investor, the type of equity (common shares, preferred shares, etc) including any dividend terms and conditions (e.g. a dividend restriction), restrictions, if any and the amount.

Section B - The fundraising section of the Schedules F1 will likely only apply to not-for-profit entities. Details of the fundraising will include the source of

fundraising or initiative, the type (which refers to details surrounding the nature of the fundraising), the anticipated timing and duration of individual initiatives, and finally the amount anticipated to be raised by each initiative is to be provided.

Section C - The debt section of the schedule will apply to you only if you propose to finance the project by borrowing funds (in the case of private entities and not-for-profits). This section should list the sources of debt, type of debt, rates and terms and the amount.

Section D - The other sources of funds section of the schedule would include details of any other proposed sources of funds for the project. These would include such items as donations and grants. Please indicate the source of funds, type, timing and amount of other sources of funds.

Section E - The total fund sources (equity, fundraising, debt and other) should equal the total construction cost including interest. The construction or interim financing for the project should not be included on this schedule as it is part of Schedule F6 – The ProForma Development Schedule.

F2 Financial Capacity:

The financial capacity for different types of entities (i.e. For-Profit and Not-For-Profit) is demonstrated by differing evidence as follows:

For-Profit entities:

Profitability and stability of earnings and shareholder's equity, cash flow, ability to service debt payments, unused debt capacity, commitments and contingencies and debt ratings.

Not-for-Profit Entities:

Fundraising ability, stability of sources of cash and fund balances, cash flow, commitments and contingencies, unused debt capacity and ability to service debt payments.

F3 List of Debt:

For-profit entities who have issued debt in the past 5 years are required to complete Schedules F3. These schedules provide a list of debt ratings for private placements and publicly issued debt (if available) including a description of the debt, the debt rating, and the name of the rating agency. The terms of the debt should be included in the description section of these schedules. If the debt is not rated, Schedule F3 does not need to be completed.

F4 Financing/Fundraising Experience:

By filling out this Schedule, you assist the Ministry in determining if you and/or your Lead Team Members have the ability to raise and manage the financing/funding required for a project of the size and complexity contemplated in your Application. It is important that the individual(s) identified from within your Lead Team Members who have the financing and/or fundraising experience will be available to work on the funding for the proposed project. Consequently, the experience provided should identify which individual had the experience and specify their role in the project you are applying for under the LTC Bed Application process.

It should be noted that experience does not necessarily have to be provided by those providing financial statements but may be supplied by another Lead Team Member, a member of the Board of Directors (in the case of not-for-profit entities), or other individual(s) who is/are a part of either the Applicant or a Lead Team Member and who will be involved in the funding of the proposed project. It is necessary that whoever you identify have an assigned role, based on their experience, in this Application. Also, be aware that the experience does not have to be specific to long-term care but could include other projects of a similar scope and size.

If a significant portion of the funds is to be provided through fundraising initiatives then the experience provided should include fundraising initiatives to demonstrate that either you or your Lead Team Members or both have successful experience in fundraising.

Part I - Financing Experience

Part I of the Schedule should be completed for financing experience, including a description of the project, where financing was obtained, the total project cost, period and type of financing, amount, terms of financing, who was responsible for the financing, their roles, and a reference. The description should outline the nature of the project, its location, and when the project was started/built/bought. The terms of financing should include the lender, the rate, repayment terms, amortization period (in the case of a mortgage), and any other relevant terms.

Part II – Fundraising Experience

Part II of Schedule F4 should be completed if the relevant experience is a fundraising initiative. This section of the schedule should include a description of the fundraising initiative including the overall objective, type of fundraising and purpose for fundraising. In addition, the fundraising goal, amount raised related to the particular initiative and the duration of fundraising should also be provided.

F5 & F6 Budget & Proforma Introduction:

The Ministry needs to know that you can demonstrate an understanding of the financial, funding, and business requirements of the proposed project by providing an appropriate and comprehensive financial plan.

The financial plan consists of completing Schedule F5 & Schedule F6 together with a written/annotated explanation of the content of the schedules, including key assumptions, inputs, parameters, and relationships between key variables. Care should be taken to ensure that all components of the Land and Development, and Operating Plans are included and where applicable are cross-referenced to the relevant schedule.

F5 Proposed Operating Budget:

The information provided in *Schedule F5 - Proposed Operating Budget* should provide the net cash flow from operations for the proposed project. The schedule includes the first two years of operation. Our assumption is that the second year will represent a stable picture of your ongoing operations. **To the extent that the revenues and expenses are not representative of future revenues and expenses, this should be disclosed in the narrative to the schedule.**

The occupancy projection is provided in the first section of Schedule F5. This summary includes the total number of beds by type of accommodation (i.e. basic, semi-private and private). The occupancy figures should be consistent with the operating plan you have provided.

Expense Projections are summarized by category i.e. Nursing, Programming, Accommodation, and Other.

Revenue Projections are calculated based on the occupancy summary and the approved accommodation rates. Basic Accommodation revenues are calculated by multiplying the number of resident days (calculated in the occupancy section of the schedule) times the daily basic co-payment rate of \$49.76.

Semi-private accommodation revenues are calculated by multiplying the average number of semi-private rooms occupied in a year, multiplied by 365, times the semi-private preferred accommodation rate of \$8.

Private accommodation revenues are calculated by multiplying the number of private rooms occupied in a year, times 365, times the private preferred accommodation rate of \$18.

Ministry of Health Funding:

Nursing and personal care funding is equal to the lesser of:

- a) The Ministry's co-payment currently set at \$70.52 per diem multiplied by the resident days; and
- b) the anticipated amount spent by the operator on nursing and personal care.

In year two, the Nursing and Personal Care annual funding entitlement is adjusted for CMI. For budget purposes assume a CMI value of 100.

Program and support services funding is equal to the lesser of:

- a) the Ministry's co-payment currently set at \$6.82 per diem times resident days; and
- b) the anticipated amount spent by the operator for these services.

Other accommodation funding is equal to:

- a) the number of resident days times the Ministry's funding level of \$45.20. If occupancy meets or exceeds 97%, then the number of resident days is calculated based on the total number of beds (not just those occupied) multiplied by 365 times \$45.20. For example if the occupancy level was 98%, then the resident days would be calculated based on 100% occupancy.

Raw food funding is equal to the lesser of:

- I. the Ministry's co-payment currently set at \$5.46 per diem times the resident days; and
- II. the anticipated amount spent by the operator for raw food.

Miscellaneous revenue should include any other revenue that the Applicant anticipates receiving for accommodation and other revenue that the Applicant anticipates receiving during the operation of the project. (Each type of miscellaneous revenue should be separately disclosed in the narrative to the schedule). This could include such items as hair styling. The nature and description of this income should be included in the narrative to the schedule.

The Operational Income flow will be calculated by deducting total expenses from total revenues.

Other sources and uses of funds are added/deducted from the operating cash flow to determine the net operating cash flow. Other sources and uses of funds could include such items as debt service, capital cost and other sources of cash (not previously disclosed). For the purposes of the Proposed Operating Budget, the debt service

should be calculated based on the anticipated payments in years 1 and 2. This item should be consistent with Schedule F1 - Sources of Funds. The capital cost, other sources of cash and any other adjustments should be described and explained in the narrative to the schedule.

F6 Development ProForma:

The information provided in Schedule F6- Development ProForma should calculate the proposed total development costs for the proposed project. The Development ProForma has four components: Land, Construction, Soft Costs, and Interest.

These components are broken down further into categories (e.g., acquisition and carrying costs). You are to provide the total anticipated costs by category. Total development costs are then calculated by adding the totals for the four components together.

The cost per square foot and cost per bed are determined on a per category basis by dividing the total cost by the total square feet and the total number of beds respectively.

2.5 Development

Can you demonstrate your ability to complete the construction in compliance with the Ministry's LTC Facility Design Manual and open the beds by December 31, 2009.

Development Timeline/Workplan:

Schedule D1 of the Application Forms is a required workplan that incorporates key activities and milestones for obtaining anticipated approvals. It is strongly recommended that you carefully review the Ministry's Design Manual to assess the Ministry's approvals and approval timeframes prior to developing your proposed workplan. You may develop your own format for representing timelines, however, the format must identify the anticipated key activities and milestones, with start dates, duration, and end dates indicated in Schedule D1. **You are to assume that the Ministry's allocation notice will be issued in December 2006.**

Proposed Project Schedule (Schedule E in Development Agreement):

The Ministry's Development Agreement, the Schedule 'E', represents the key commitment dates agreed to between the Ministry and the successful Applicant. You are required to complete a proposed Schedule E in its entirety as part of the Application. **You are to assume that the Ministry's allocation notice will be issued in December 2006.** If the Ministry decides that you are a successful Applicant, this

proposed Schedule E will be incorporated into the Development Agreement **as submitted in your Application.**

Detailed Planning Report:

You are required to submit a current (no more than 1 year old) planning report on the proposed site development approvals prepared and signed by a professional planner outlining at a minimum the following items:

- (a) The site's current development status (e.g., OP designation zoning designation, etc); and
- (b) The land use approvals required to enable a long-term care home, of the size and design proposed, to be developed; and
- (c) Identification of issues with the proposed land or approvals related to the site; and
- (d) An assessment of the timeframes required to secure the necessary land use approvals including an assessment the potential Ontario Municipal Board appeals, approval agency response, and other conditions precedent to land use approvals required for your proposed long-term care home.

Custom Design Features (optional):

You are requested to identify any structural design features in Schedule D4 of your proposed long-term care home that will exceed the *LTC Facility Design Manual* (May 1999) requirements and directly benefit the residents. Examples could include structural design features exceeding minimum space requirements for resident bedrooms, dining rooms and/or lounges/program and activity areas. Should your application be successful, any commitments will be included in your Development Agreement (DA).

2.6 LTC Operations Experience:

You will be required to complete Schedule O1 to explain your organization's long-term care operational experience or how you will operate this long-term care home including your plans for occupancy.

Schedule O1 – Experience Developing Programs and Operating Structure:

You must complete Schedule O1 for similar projects, which can be either long-term care homes or other projects of similar size and scope. Schedule O1 asks you to describe:

- The project/home
- The timeframe of the involvement
- The home type

- The number of staff employed by the home
- The number of residents in the home
- The role of the individual identified in developing the programs for or operating the home
- The role of the identified individual in your current proposal, for whom you are providing reference(s).

2.7 **Declarations**

This section contains declarations that are to be completed by the Applicant and/or Lead Team Members. Consult the table below to identify who should complete each declaration and attach as part of your Application.

1) **Applicant's Declarations: (Applicant to complete Declarations 1, 2 and 3)**

Applicant's Declarations
Declaration #1: Applicant Declaration
Declaration #2: Applicant Conflict of Interest Declaration
Declaration #3: Applicant Tax Compliance Declaration

2) **Lead Team Member's Declarations: (each Lead Team Member who is an Individual to complete Declarations 4 and 5. Each Lead Team Member who is an Entity to complete Declarations 6 and 7)**

A. Lead Team Member's Declarations Where Team Member is An Individual
Declaration #4: Lead Team Member Declaration-Individual
Declaration #5: Lead Team Member Conflict of Interest Declaration-Individual

B. Lead Team Member's Declarations Where Team Member is An Entity
Declaration #6: Lead Team Member Declaration-Entity
Declaration #7: Lead Team Member Conflict of Interest Declaration-Entity

3.0 Appendices

3.1 Legislative Considerations for Licensing and Approval of LTC Beds

The Ministry of Health and Long-Term Care is responsible for the licensing and approval of all long-term care home beds in both nursing homes and homes for the aged. The following is a summary of some of the key sections of the Acts, which refer to long-term care home bed licensing, approvals, and the related responsibilities of the Ministry of Health and Long-Term Care. Please be advised that these are just summaries of the listed sections. For a full understanding of the legislative considerations, you must consult the legislation itself.

Nursing Homes Act

The sections of the *Nursing Homes act, R.S.O. 1990, Chap. N.7.* which set out the Ministry's responsibilities with respect to the operation of long-term care home beds in a nursing home are:

Section 4:

This section provides that the establishment, operation or maintenance of a nursing home is prohibited except under the authority of a license issued by the Director appointed by the Minister of Health and Long-Term Care.

Subsection 5 (4):

When considering whether it is in the public interest to grant a license to operate nursing home beds, this subsection specifically requires the Minister of Health and Long-Term Care to take into account such factors as the licensed nursing bed capacity in the area of the proposed operation in contrast to other areas of the province. In addition, the availability of other relevant health care facilities, and present and foreseeable demand for nursing home facilities both internal and external to an area of the proposed operation must be considered.

Subsection 5 (7):

Under this subsection, the Director may refuse to issue a license to operate a nursing home where, in the Director's opinion:

- (a) the proposed nursing home or its operation would contravene the Act or regulations or any other legislation or by-law;
- (b) there are reasonable grounds for the belief, based on the past conduct of the applicant, that the home will not be operated in accordance with the law, and with honesty and integrity;
- (c) the applicant, or the officers or directors or the persons with controlling interest of a corporate applicant are not competent to operate a nursing home in a responsible manner in accordance with the Act or regulations or are not in a position to furnish or provide the required services; or

- (d) the past conduct of the applicant or its officers, directors, or persons with controlling interest in a corporate applicant affords reasonable grounds to believe that the nursing home will be operated in a manner that is prejudicial to the health, safety, or welfare of its residents.

Section 12:

This section of the Act requires that a public meeting be conducted to provide an opportunity to the public to give oral and/or written submissions to the Director or Ministry representatives regarding a proposal to establish a nursing home in the area. Under subsection 12 (10), all submissions received must be considered by the Director before a decision concerning the establishment of a nursing home in an affected area is made.

Charitable Institutions Act

Under section 2 of the *Charitable Institutions Act*, the Minister may approve a charitable corporation to operate a home where the Minister is satisfied that the corporation is financially capable of establishing, maintaining and operating an approved charitable home for the aged and that its affairs are carried on under competent management in good faith for charitable purposes.

Section 3 of the Act provides that the Minister may approve any part of a building or buildings as a member of the class of charitable institutions, where the Minister is satisfied that the building is suitable for providing accommodation as a charitable institution in accordance with the Act and regulations.

Section 3.1 of the Act sets out the same fundamental principle as in the *Homes for the Aged and Rest Homes Act*, the facility is the home of the residents and, as such, is to be operated in such a way that the physical, psychological, social, cultural and spiritual needs of each of its residents are adequately met.

Likewise, the rights of the residents are taken into account when considering the issue of bed distribution and approval to operate long-term care facility beds in a charitable home. Those rights include the right to be properly sheltered, fed, clothed, groomed and cared for in a safe and clean environment and are deemed to be set out in the contract between the facility and the resident.

3.2 Disqualification

The Ministry may, in its sole discretion, disqualify an Applicant at any time during the Application process if:

- The Application contains false information or the Applicant, or any Lead Team Member, misrepresents any information provided in the Application;
- The Applicant, or any Lead Team Member, fails to submit, complete or fully execute one or more of the Application requirements;
- The Applicant, or any Lead Team Member, fails to co-operate with the Ministry of Health and Long-Term Care in its attempt to verify or clarify any information provided in the Application;
- The Application reveals, in the opinion of the Ministry, a conflict of interest;
- The Applicant fails to comply with any law of the Province of Ontario or of Canada;
- The conduct of the Applicant or its Lead Team Member(s) affords the Ministry reasonable grounds for belief that the proposed home will not be operated in accordance with the Law and with honesty and integrity including:
 - The Applicant, or any Lead Team Member, has been convicted of a criminal offence under the following parts of the Criminal Code of Canada, 1991 for which a pardon has not been granted:
 - Part V – Sexual Offences
 - Part VIII – Offences Against the Person
 - Part IX – Fraudulent Offences relating to Contracts or Trade; or
 - Part X – Offences Against the Rights of Property;
 - The Applicant has, in the past, had its long-term care home taken over under the Health Facilities Special Orders Act, the Charitable Institutions Act, or the Homes for the Aged and Rest Homes Act;
 - The Applicant has at anytime after January 1st, 1997 been the subject of MOHLTC enforcement proceedings as administered by the Ministry of Health and Long-Term Care;
 - The Applicant, or any Lead Team Member, has declared bankruptcy or made a voluntary assignment in bankruptcy in the last five years;
 - The Applicant, or any Lead Team Member has improperly contacted the people identified in section 3.2.1 ; or
 - The Applicant, or any Lead Team Member, contacts other potential Applicants in order to lessen competition between Applicants and deprives the Ministry of a competitive and open process.

3.2.1 Contact during the Application Process

If you, or any Team Member, contacts a staff person of the Ministry of Health and Long -Term Care about their Application package, the process or Application requirements, he/she will be asked to directly contact the Long-Term Care Planning and Renewal Branch.

Applicants may discuss with each other, or with potential Applicants, whether they are going to be Team Members for the purpose of submitting a joint Application. Applicants however may not collude with each other, or with potential Applicants, in order to lessen competition between Applicants and deprive the Ministry of the benefit of a competitive and open process.

With respect to the 2006 allocation process, the Application requirements, or their Application, you and your Team Members are not permitted to contact:

- Any staff of the Premier of Ontario's office or the Ontario Cabinet Office
- Any member of the Provincial Parliament or
- Any members of Cabinet, including the Minister of Health and Long-Term Care, or their staff or advisors.

3.3 Glossary

Advisor/Consultant: means a person who, or an entity that, is not a Lead Team Member and has provided advice or assistance to an Applicant in the preparation of its Application.

Affiliate: means individuals, sole proprietorships, corporations, and partnerships/limited partnerships which are controlled by or control the applicant either directly or indirectly through equity contributions, debt, profit sharing or otherwise defined under the Business Corporations Act (Ontario).

Applicant: means the person or entity that will operate the home when it is complete, that applies for a LTC Bed Application and that will enter into the Development Agreement with the Ministry.

Application: means an application submitted by an Applicant for an allocation under the LTC Bed Application process.

Case Mix Index (CMI): is based on the Case Mix Measure, which is a measure of the actual care requirements of all of the residents in a home, and is reflected as a numerical value in order to compare one home to another. All of the Case Mix Measure values are grouped to come up with a provincial average. The provincial average Case Mix Measure is then used to calculate the Case Mix Index for each long-term care home through an established formula. The Case Mix Index is also reflected as a numerical value and represents the aggregate nursing and personal care needs of the residents in each home in relation to the provincial average. The Case Mix Index value is used in the Province's funding formula to determine the annual funding entitlement which the home will receive for nursing and personal care services. A Case Mix Index value of "100" represents the provincial average mix of long-term care home residents. The Case Mix Index values will differ for each home because of the variations in the care requirements of residents, and may be above or below the "100" average value. Homes with lower or higher Case Mix Index values receive proportionately lower or higher funding levels in relation to the average.

Custom Design Features: mean structural features that will exceed the *LTC Facility Design Manual* (May 1999) requirements and directly benefit the residents. Examples could include exceeding minimum space requirements for resident bedrooms, dining rooms and/or lounges/program and activity areas.

Enforcement Monitoring involves the scrutiny of home operations using a team approach within the disciplines of Nursing, Environmental Health and Dietary Care, in the event of on-going serious non-compliance with the Service Agreement, the Long Term Care Facility Program Manual and applicable legislation. The monitoring also includes all other sanctions available. These include, for example suspension of admission, revocation of the license, withdrawal of funds, take-over of operations and prosecution.

The Ministry also maintains a public website on the performance of long-term care homes during a specified reporting period.

www.health.gov.on.ca/english/public/program/ltc/26_reporting.html.

This site includes the *Inspection Findings* (reports issued by the Ministry of Health and Long-Term Care), any *Verified Concerns*, and a comparison of *Inspection Findings and Verified Concerns*, side-by-side, for up to five homes at a time.

Key Stakeholder: The definition of Key Stakeholder depends on the status of organization leading the Applicant. Specifically:

Profit entities: Key Stakeholders are those who are proposed to hold an equity interest in the project, those proposed to operate the project, and others having decision-making authority with respect to the project.

Not-for-profit entities: Key Stakeholders are those operating the project, those responsible for major fundraising initiatives and others having decision-making authority with respect to the project.

LTC: means Long-Term Care

Ministry's timeframe: for the purposes of the LTC Bed Application means by December 31, 2009.

MOHLTC: means the Ontario Ministry of Health and Long-Term Care

New: in reference to the LTC Bed Application, refers to any one of the following:

- beds for a new LTC home
- beds to be connected to a non LTC home, e.g., retirement home, supportive housing, etc

Project: means the development of a long-term care home by the Applicant.

Service Agreement: means the Long-Term Care Facility Service Agreement referred to in s.20.13 of the *Nursing Homes Act*, s.28 of the *Homes for the Aged and Rest Homes Act* and section 9 of the *Charitable Institutions Act*.

Site History: means a history of the site, outlining the prior uses to which the site or properties have been put to, including those that may have an impact upon future development and land uses. For example, a former industrial or manufacturing site may, depending upon the nature of the industry, require extensive soil remediation in order to be suitable for a residential or industrial use.

Lead Team Member: means an individual or entity that has agreed to provide assistance and services to the Applicant to enable it to successfully complete the project if an allocation is made to the Applicant and has provided his/her/its written confirmation of its intention to do so.

3.4 *Sample Development Agreement*

This document is a separate attachment.