Chapter 2
Department of Social Development
Nursing Homes

Contents
Introduction ........................................................................................................... 9
Results in Brief ..................................................................................................... 12
Recommendations ............................................................................................... 12
Detailed Observations ......................................................................................... 17
Introduction

2.1 In New Brunswick, the life expectancy of an adult who reaches the age of 65 is 83 years of age for men and 86 for women\(^1\). As people live longer, they are at risk of declining health due to dementia, Alzheimer’s and other chronic diseases associated with old age. Seniors afflicted with these diseases will need assistance and care as they age, and some may be unable to live independently in their own home. Many of these individuals will require the services of a nursing home.

2.2 Nursing Home Services Branch of the Department of Social Development is responsible for the Nursing Home Program, with actual services being provided through licensed nursing homes. Services include resident care, resident support, plant and maintenance and general administration. Admissions to nursing homes must be approved by the Department.

2.3 Most nursing homes in the province are operated by not-for-profit boards and require significant government involvement. At March 31, 2015, there were three nursing homes in the province operated by a for-profit organization as part of integrated senior living campuses. These facilities operate more independently from the Province.

\(^1\) Statistics Canada, CANSIM, table 102-0512 *Life expectancy, at birth and at age 65, by sex and by province and territory*
All nursing homes are funded by a per diem based on the number of beds in their facility, and they receive payments from residents for their cost of care. Budgets and per diems are established annually and paid by the Department of Social Development. Any unusual or unexpected expenses by the non-profit nursing homes are also covered by the Department of Social Development.

In its strategic plan, the Department of Social Development states “we are facing unprecedented demands on our department from a challenging economy, from the increasing provincial budget deficit and from increasing demands for programs and services.” It goes on to say “a large aging senior demographic requiring services is a challenge to an already strained system.”

Given the mounting demand for senior care and the impacts it will have on New Brunswick, we were interested in determining the current situation in our Province concerning nursing homes and the capacity within the system to meet the growing demand for services. Our intent with this report is to provide objective information on the current status of nursing homes. We may conduct an audit at a later date.

This report looks at nursing home bed capacity in New Brunswick. In summary, there are several factors that are a cause for concern when talking about nursing home capacity in the Province.

Between 2000-2001 and 2015-2016, the budget for nursing home services increased 285%, far outpacing the overall growth of PNB expenditures (184%) during the same period. In addition, the portion of the Department of Social Development’s budget for nursing home services also grew, going from 17% in 2000-2001 to 28% in 2015-2016.

Nursing home infrastructure is also aging, requiring significant investments for maintenance, repair and

### Nursing homes operating at capacity while demand continues to grow

2.9 There is a lack of capacity in the nursing home system to meet current and future demand for nursing home beds. The average utilization rate of nursing home beds was almost 97% in 2014-2015. As the number of seniors continues to grow, there will be an increased demand for nursing home beds. Based on current use of nursing home beds and population projections by Statistics Canada (without considering any Department initiatives that could reduce demand), we estimated 10,776 nursing home beds could be needed in 2036. At March 31, 2015 there were 4,438 nursing home beds in the province.

### Limited public reporting on implementation and outcome of Department initiatives

2.10 There was limited performance information provided by the Department on the outcomes and overall implementation status of their Home First strategy and the 2011-2016 Nursing Home Renovation and Replacement Plan. The impact on these activities on the waitlists for nursing home beds is not reported to the public.

### Impact of long waitlist for nursing home beds

2.11 Due to the high demand for nursing home beds and the current lack of capacity, there are long waitlist for nursing home beds. The majority of people on the waitlists for a nursing home bed are doing their waiting in a hospital bed. In 2014-2015, these individuals waited an average of 3.8 months for placement. These individuals occupy approximately 20% of the acute care beds in New Brunswick hospitals. This has several impacts:

- The cost of care in a hospital bed is higher than that of a nursing home bed. We estimated an additional $40 million has been spent between 2010-2011 and 2014-2015 as a result of individuals waiting in hospital for a nursing home bed;

- It contributes to longer wait times in emergency rooms, longer wait times for elective surgeries and inefficient use of hospital resources; and

- The individual waiting for a nursing home placement could be receiving care that is more appropriate for their needs in a nursing home.

2.12 Exhibit 2.1 provides a snapshot of nursing home capacity in 2014-2015.
Exhibit 2.1 - Snapshot of Nursing Home Bed Capacity in 2014-2015, by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of beds</th>
<th>Number of individuals on waitlist for bed at 31 March 2015</th>
<th>Average wait time in hospital for a nursing home bed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moncton</td>
<td>1,099</td>
<td>136</td>
<td>7 months</td>
</tr>
<tr>
<td>Saint John</td>
<td>1,090</td>
<td>148</td>
<td>5.8 months</td>
</tr>
<tr>
<td>Fredericton</td>
<td>874</td>
<td>88</td>
<td>3.4 months</td>
</tr>
<tr>
<td>Edmundston</td>
<td>362</td>
<td>40</td>
<td>3 months</td>
</tr>
<tr>
<td>Campbellton</td>
<td>190</td>
<td>14</td>
<td>3.4 months</td>
</tr>
<tr>
<td>Bathurst / Acadian Peninsula</td>
<td>544</td>
<td>41</td>
<td>1.4 months</td>
</tr>
<tr>
<td>Miramichi</td>
<td>279</td>
<td>54</td>
<td>6.3 months</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,438</strong></td>
<td><strong>521</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Exhibit prepared by AGNB from figures provided by the Departments of Social Development and Health (unaudited)

2.13 From our examination of the rising demand for services and growing costs of senior care, we encourage the Departments of Social Development and Health to continue to work together to find solutions to alleviate the fiscal challenges, while ensuring seniors have access to the services they require. As a result of our work, we made three recommendations.

Results in brief 2.14 Results in brief are presented in Exhibit 2.2

Recommendations 2.15 Our recommendations are presented in Exhibit 2.3.
Exhibit 2.2 – Results in Brief

Nursing Homes

Why Is This Important?

- Seniors with chronic diseases will need assistance and care as they age, and some may be unable to live independently in their own home.
- The number of seniors in New Brunswick is expected to double over the next 20 years.
- We wanted to determine the current situation in the province concerning nursing homes and the capacity within the system to meet the growing demand for services.

What We Found

Overall Conclusions

- Multi-faceted solution is needed to provide sustainable care and services in the future, not as simple as adding more nursing home beds to the existing system.
- Limited public performance reporting by the Department

Growing Costs are Not Sustainable

- Between 2000-01 and 2015-16, the budget for nursing home services almost tripled (285% increase) to $313 million.
- Nursing home infrastructure is aging, requiring an estimated $285 million for maintenance, repair and renewal.

Long Waitlist for Nursing Home Beds

- Majority of people are waiting in a hospital bed and waited an average of almost four months for placement in 2014-15.
- These individuals occupy approximately 20% of the acute care beds in NB hospitals.

Impacts:

- Estimated $40 million in additional costs in last 5 years for waiting in hospital;
- Contributing to longer wait times in hospitals and inefficient use of hospital resources, and;
- Individuals could be receiving different care more appropriate for their circumstances.

Nursing Homes Operating at Capacity

- Nursing homes operating on average at 98% capacity while demand continues to grow.
- Over 10,000 nursing home beds could be needed in 2036. There are currently over 4,000 nursing home beds in the province.

Limited Public Performance Reporting by the Department

- Regarding the outcomes and overall implementation status of its Home First strategy and the 2011-2016 Nursing Home Renovation and Replacement Plan.
- Impact of these activities on the waitlist for nursing home beds is not reported to the public.
## Exhibit 2.3 - Summary of Recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Department’s response</th>
<th>Target date for implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.33</strong> We recommend the Department of Social Development evaluate whether there is an economic benefit to providing nursing home beds under the public-private model versus the traditional model.</td>
<td>The Department analyzed and developed an RFQ/RFP model approach for nursing home services. This RFQ/RFP model was rolled out in 2014/15 for the procurement of 60 nursing home beds, and the contract was awarded during 2015/16. This approach was found to be more cost effective for a 60 bed nursing home that the traditional model.</td>
<td>June 2016</td>
</tr>
</tbody>
</table>
| **2.70** We recommend the Department of Social Development, in consultation with the Department of Health, develop a comprehensive long term plan to ensure the Province can continue to provide sustainable services to New Brunswick seniors. | **Response from Health**  
Our Department is committed to collaborate with the Department of Social Development on the development of a comprehensive long term plan that will ensure the provision of continued sustainable services for New Brunswick seniors.  

The Department of Health continues to work with the Department of Social Development on initiatives, such as the Home First Strategy and the Alternate Level of Care Collaborative Work Group, to increase and improve community-based services for seniors and to alleviate the inappropriate use of hospital beds. More information on these initiatives will be available over the next few months. | See response |
**Exhibit 2.3- Summary of Recommendations (continued)**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Department’s response</th>
<th>Target date for implementation</th>
</tr>
</thead>
</table>
| **2.70 (continued)** | **Response from Social Development**
The departments of Social Development and Health have been collaborating for a number of years to assure the provision of sustainable health and long term care services to seniors. This has included the implementation of Home First, a three-year plan to enhance healthy aging and care for all seniors in New Brunswick. It represents a shift away from nursing home care toward a greater focus on healthy, active aging, and on home and community-based care integrated across sectors and services. Many Home First initiatives have been rolled out in 2015-16 and more are being rolled out in the current year.

The two departments are also responsible for supporting the Council on Aging which has been tasked with developing an aging strategy for New Brunswick to address both short-term (1-3 years) sustainability and long-term (10 or more years) transformational change. As part of this exercise the Council will develop a vision for aging in New Brunswick. This vision will serve as the foundation for a framework that will guide action on issues affecting seniors and the aging experience in New Brunswick. The scope of this framework is to reach beyond government services and public policy to frame the roles and responsibilities of all stakeholders, including individuals, families, communities, service providers, researchers, business, and non-profit organizations. It should also reach beyond the care continuum and provision of services to a broader view of the aging experience, including health and wellness, family and social life, community participation, lifelong learning, employment, income, housing, and food security. These are all areas that impact healthy aging by affecting individual health and wellbeing, as well as society as a whole. | **In progress** |
### Exhibit 2.3- Summary of Recommendations (continued)

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Department’s response</th>
<th>Target date for implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.71 We also recommend the Department report publicly on the measures and outcomes of current and future initiatives as part of the comprehensive long term plan.</td>
<td><em>The department agrees with the recommendation to report publicly on the measures and outcomes of the current and future activities. Although the Home First strategy is in early stages of implementation, the Department of Social Development has reported publicly on its progress via the Main Estimates process and presentations to numerous community organizations. The Council on Aging will leverage considerable work that has already been completed by stakeholders and develop a sustainable strategy for aging in New Brunswick. This strategy will represent a wide range of partner perspectives and the engagement of seniors and stakeholders to facilitate the development of a framework that will guide all action on issues affecting seniors and the aging experience in New Brunswick. As part of the strategy, a communications and reporting plan will be developed.</em></td>
<td>In progress</td>
</tr>
</tbody>
</table>
Scope

2.16 Our work included:

- interviews with staff at the Departments of Social Development and Health;
- examining various reports available internally and externally by the Departments of Health and Social Development; and
- conducting research online.

2.17 Certain financial and statistical information presented in this report was compiled from information provided by others. It has not been audited or otherwise verified. Readers are cautioned that this financial and statistical information may not be appropriate for their purposes.

Detailed Observations

2.18 A sustainable system is one of the pillars for success of the Department’s Home First strategy. When we looked at the cost to provide nursing home services, it is evident why sustainability is such a critical component.

Growing costs are not sustainable

2.19 The Department plays several roles in funding of long term care services. The costs of long-term care services are not covered by Medicare. New Brunswick residents are normally responsible to pay for their long-term care.4 However, the Department can provide financial assistance to those who cannot afford to pay the costs of services. The Department also pays a per diem to nursing homes based on the number of beds in each nursing home. An aging population and an aging nursing home infrastructure have led to growing costs for nursing home care.

Increasing Nursing Home Services budget outpaces Province’s expense growth rate

2.20 We looked at the budget for nursing home services for the period of 2000-2001 to 2015-2016. As shown in Exhibit 2.4, the budget for nursing home services almost tripled (285%), increasing from $110 million in 2000-2001 to over $313 million in 2015-2016. In comparison, the budget of the Province during that same period grew by 184%. The growth of the budget for nursing home services is far outpacing the overall growth of provincial expenditures.

4 Standard Family Contribution Policy Booklet, Department of Social Development, April 2015
Exhibit 2.4 - Nursing Home Services Budgeted Expenditures, 2000-2001 to 2015-2016 (in millions)

The amount of funding designated for nursing home services is also increasing as a percentage of total expenditures of the Department. Exhibit 2.5 shows the portion of the Department’s budget dedicated to nursing home services has grown from 17% in 2000-2001 to 28% in 2015-2016.
Chapter 2  Nursing Homes

Exhibit 2.5 - Nursing Home Services Budget as a % of Total Departmental Budget, 2000-2001 to 2015-2016 (in millions)

Source: Exhibit prepared by AGNB from figures extracted from Main Estimates for the years 2000-2001 to 2015-2016 (unaudited)

All nursing home residents are subsidized 2.22 According to the Department of Social Development, the average cost of a nursing home bed is $229 per day for the 2014-2015 budget year. As shown in Exhibit 2.6, the contribution of a resident to the costs of care is capped at $113 per day, approximately half the average daily cost of a bed. The remaining amount is paid by the Department. Per the Department, the amount of $113 per day is intended to cover the cost of room and board services. The Department estimates that 13% of nursing home residents pay the maximum daily amount.

Exhibit 2.6 - Percentage of daily cost paid by the 13% of nursing home residents who pay the maximum daily amount for room and board services as set by the Department of Social Development

| Maximum contribution by resident of nursing home | $ 113 |
| Average budgeted 2014-2015 daily per diem paid by Department to nursing homes | $ 229 |
| % of cost covered by resident | 49% |

Source: Exhibit prepared by AGNB from figures provided by the Department of Social Development (unaudited)
2.23 For residents who cannot pay the maximum daily amount of $113 per day, the Department provides financial assistance to cover the shortfall between the amount they are required to pay and the amount they can afford to pay. In Exhibit 2.7, we look at the number of nursing home residents who receive financial assistance across the Province. In this exhibit, a subsidized bed is a nursing home bed for which the resident cannot pay the maximum daily amount for their care ($113 per day). We found the majority of nursing home residents receive financial assistance from the Department, ranging from 79% to 96% by region. On average, 87% of nursing home residents receive financial assistance to pay for their care in a nursing home.

Exhibit 2.7 - Total Number of Nursing Home Beds, Subsidized Beds by Region at 31 March 2015

Source: Exhibit prepared by AGNB from figures provided by the Department of Social Development (unaudited)

Unexpected repairs are increasing

2.24 Other items not included in the nursing homes budgets, such as unexpected repairs, are also paid by the Department. We found that the amount spent on repairs during the period of 2010-11 to 2014-15 increased by 74%,
from $0.7 million in 2010-11 to $1.3 million in 2014-15. These amounts are shown in Exhibit 2.8.

**Exhibit 2.8 - Unbudgeted Repairs to Nursing Homes 2010-2015**

Source: Exhibit prepared by AGNB from figures provided by the Department of Social Development (unaudited)

Note: Professional fees could include such items as fees charged by an engineer during a roof assessment

**Aging Nursing Home Infrastructure**

2.25 In 2009, the Department had 53 of its nursing homes inspected to assess the condition of the homes. Per the Department, the information was used to prioritize nursing home replacement and major capital repair projects. The homes were assessed and rated out of 450 for asset condition (100 points), space (100 points), safety (200 points) and energy efficiency (50 points). Their score out of 450 was equated to a % score out of 100. The lower the score, the poorer the condition of the facility.

2.26 In our review of these reports, we found that more than half of nursing homes (57%) scored between 51% and 75%. Other observations included:

- 14 of 53 homes (26%) were rated at 50% or less. Twelve of these homes were scheduled for repair in the *2011-2016 Nursing Home Renovation and Replacement Plan*.
- 9 of 53 homes (17%) were flagged with a risk warning and recommended for replacement. These
homes had a rating of 7% or less. All 9 of these homes are scheduled for replacement in the 2011-2016 Nursing Home Renovation and Replacement Plan.

- In 2009, total amount of $206 million was identified as needed over the next 25 years for capital renewal. This could include improvements to the architectural, mechanical and electrical components of the nursing homes to extend the life of these facilities.

**Condition of majority of nursing homes is rated 50% to 75%**

2.27 Exhibit 2.9 displays the range of condition ratings for nursing homes at the time of inspection in 2009. The Exhibit shows the majority of homes were rated between 50% and 75%, while a small number were rated at the high end (>75%) and low end (<10%).

![Distribution of Facility Condition Ratings (April 2009)](image)

Source: Exhibit prepared by AGNB from condition reports provided by the Department of Social Development (unaudited)

**Average age of nursing home is 26 years**

2.28 We also noted that, for the homes assessed in 2009, the average age of the homes was 26.4 years. The oldest home was 63 years old. That home is scheduled to be replaced per the 2011-2016 Nursing Home Renovation and Replacement Plan. Exhibit 2.10 displays the range of building age for nursing homes assessed in 2009. The Exhibit shows that the majority of homes were between 25 and 45 years old.
In 2008, the Department of Social Development partnered with Shannex New Brunswick to pilot a public-private initiative to open 216 new nursing home beds in order to address the waiting list and bed shortages. This partnership represented a new model for supplying nursing home beds, consisting of three separate five-year contracts signed in April 2008.

In the 2009 Report of the Auditor General, we reported our findings following a review of the decisions and conditions surrounding the partnership with Shannex. That report recommended the Department assess the success of the pilot project with Shannex.

In its response to our follow-up in 2013, the Department of Social Development reported the Shannex facilities had been evaluated on:

- resident outcomes (extent to which nursing home is meeting its service and care goals for reach resident, quality of resident care, etc.);
- system outcomes (extent to which nursing home is meeting service standards); and
- nursing and care staff outcomes (stability of staffing, quality of work life, work environment and
As a result of our follow-up work in 2013, we found that the evaluation carried out by the Department assessed the service delivery and working conditions of the Shannex facilities. However, the essence of our recommendation was the need to assess the success of the pilot project. While it is important that the Department be able to evaluate Shannex’s ability to provide the required level of service, there should also have been an evaluation of whether this service delivery model was more economical than the traditional non-profit nursing home model. As a result of this important evaluation still not being completed, and as a result of the continued interest in alternative service delivery models for long term care solutions, we are restating the incomplete part of our prior recommendation from 2009.

**Recommendation**

2.33 We recommend the Department of Social Development evaluate whether there is an economic benefit to providing nursing home beds under the public-private model versus the traditional model.

**Strategy**

2.34 In response to the growing need for nursing home beds, the Department of Social Development developed the 2011-2016 Nursing Home Renovation and Replacement Plan. It was based on a review of the previous 2009 Nursing Home Renovation and Replacement Plan which was revised in order to find cost savings and efficiencies, and to improve the Province’s aging nursing home infrastructure. The review consisted of a demographic review, an assessment of existing facility conditions and a review of design standards. The results of the review were used to allocate nursing home beds by region. The plan indicated the following was required to meet the needs of New Brunswick seniors 75 years of age and older in 2021:

- addition of 354 new nursing home beds;
- replacement\(^5\) of 711 nursing home beds;

\(^5\) A replacement refers to an existing nursing home being replaced by a new home with the same number of beds.
• renovation\(^6\) of 133 nursing home beds; and
• reduction in the average construction cost from $333,000 per bed to $235,000 per bed, as well as overall reduction in total construction costs of $110 million.\(^7\)

The plan also calls for the addition of 704 beds for clients with Alzheimer’s and other dementias, called “specialized care beds”. The plan calls for a “phased addition of these new beds, beginning in regions where the nursing home waitlist is relatively high and there are no existing beds for clients with Alzheimer’s and other dementias (...) to support a gradual increase in the supply of these beds.”

2.35 The total investment required for nursing home construction projects as per the 2011-2016 Nursing Home Renovation and Replacement Plan was estimated to be $285 million. The multi-phase plan will be implemented over a five-year period of 2011-2016.

2.36 The Department has not publicly reported on the overall implementation status of the plan and the impact, if any, on the waitlist for nursing home beds.

**Home First**

2.37 The Department also issued a Home First strategy in 2014, re-launched in 2015 following the election. The strategy is a three-year plan to “enhance healthy aging and care for all seniors in New Brunswick. (...) The Home First strategy (...) represents a fundamental change in philosophy and practice whereby hospital admissions, lengthy hospital stays and transfers directly from hospital to residential facilities are considered last resort options, only after all other community-based options have been fully explored.”

2.38 The strategy includes 36 initiatives to “support seniors to live in their own homes and continue to be part of their communities”. There were no target implementation dates for the initiatives, nor specific performance targets, included in the publicly reported Home First strategy. The

---

\(^6\) A renovation refers to parts of a nursing home that are renovated, upgraded or repaired.

\(^7\) 2011-2016 Nursing Home Renovation and Replacement Plan, Department of Social Development
implementation status and outcomes of the numerous initiatives have not been publicly reported by the Department in its annual report or on its website.

**Alternate Level of Care (ALC) Collaborative Group**

2.39 Following the NB Alternate Level of Care (ALC) summit in October 2015 to address alternate levels of care in New Brunswick hospitals, an ALC collaborative work group was created in order to address the issues. “Alternate level of care” patients are patients who no longer require acute care but remain in a hospital bed while waiting for a placement or a service that is more appropriate to their needs. An individual waiting in a hospital for a nursing home bed is an example of an ALC patient. The “Reducing ALC Bed Days Collaborative Workgroup” is a workgroup that includes members from the Departments of Health and Social Development, as well as both regional health authorities. Its key objective is to develop an action plan to address ALC challenges. Its scope is to include activities across the healthcare continuum with a focus on activities and initiatives to address challenges and future actions. Its goal is to implement all initiatives by April 1, 2018.

**Nursing home bed capacity**

2.40 One of the challenges facing the Department is nursing home bed capacity. At March 31, 2015, there were 4,222 beds in 61 nursing homes across all regions of the Province. There are also three private facilities with a total of 216 beds. Exhibit 2.11 shows the distribution of these beds by region. The majority of beds (69%) are located in the Province’s three largest cities.
Exhibit 2.11 - Distribution of 4,438 Nursing Home Beds (private and not-for-profit) by region in 2014-2015

Source: Exhibit prepared by AGNB from figures provided by the Department of Social Development (unaudited)

Low vacancy 2.41 Based on the information provided by the Department, vacancies in nursing homes are low. Between April 2009 and March 2015, the average bed utilization rate (occupancy rate) in New Brunswick nursing homes was 98.1% at the same time the wait list for nursing home beds was at its peak. The average annual bed utilization rate for the period of April 2009 to March 2015 is shown in Exhibit 2.12.
We also looked at utilization by region to identify any regional differences. Though the average utilization rate for 2013-2014 and 2014-2015 is above 95%, we can see in Exhibit 2.13 there are areas where the utilization rate was below the average, such as Restigouche.
The utilization rate may never be 100% at a particular point in time because of vacancies for “allowable” reasons such as:

- flu outbreak (no new admissions are made during an outbreak to prevent the spread of sickness);
- renovations and repairs occurring at the home;
- aggressive patients that require a private room; or
- death of a resident (i.e. a nursing home has up to 48 hours to make the bed available to a new resident).

Per the Department, effective September 1, 2015 the only allowable reason for a vacant bed will be the 48 hour window following the death of a resident. This could affect the utilization rate.

Existing beds and new beds planned

We also looked at the current location of nursing home beds in comparison to the planned added capacity as a result of the 2011-2016 Nursing Home Renovation and Replacement Plan as well as the waitlist for a nursing home bed. Our results are shown in Exhibit 2.14.
Exhibit 2.14 - Number of People on Waitlist for a Nursing Home Bed and Planned New Nursing Home Beds as at 31 March 2015, by region

Source: Exhibit prepared by AGNB from figures provided by the Department of Social Development (unaudited)

Note: There are no new beds planned for the Restigouche and Acadian Peninsula regions at 31 March 2015

NHRRP: 2011-2016 Nursing Home Renovation and Replacement Plan

2.45 Exhibit 2.14 shows the waitlist is higher in the province’s three largest cities; Moncton is receiving the greatest number of new nursing home beds by far. Though Moncton and Saint John have a similar number of existing nursing home beds and waitlist, Moncton will receive six times more new nursing home beds than Saint John. This allocation resulted from a demographic review carried out by the Department.

Growing number of seniors 2.46 New Brunswickers are getting older. New Brunswick now has the second largest proportion of seniors in Canada and the number of seniors in New Brunswick is expected
to double over the next 20 years. Exhibit 2.15 shows the proportion of New Brunswick’s population aged 65 and older in 2001, 2006, 2011, and the numbers projected for 2016 and 2036. The proportion of the population aged 65 and older in the province is projected to increase from 16.5% in 2011 to 29.4% in 2036.

**Exhibit 2.15 - Proportion of New Brunswick Population Aged 65 and Older.**

<table>
<thead>
<tr>
<th>Proportion of New Brunswick Population Aged 65 and Older</th>
<th>2001</th>
<th>2006</th>
<th>2011</th>
<th>2016*</th>
<th>2036*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total New Brunswick population</td>
<td>729,500</td>
<td>729,995</td>
<td>751,171</td>
<td>772,200</td>
<td>822,200</td>
</tr>
<tr>
<td>Aged 65 and older</td>
<td>98,940</td>
<td>107,650</td>
<td>123,630</td>
<td>150,000</td>
<td>241,300</td>
</tr>
<tr>
<td>Proportion aged 65 and older</td>
<td>13.6%</td>
<td>14.7%</td>
<td>16.5%</td>
<td>19.4%</td>
<td>29.4%</td>
</tr>
</tbody>
</table>

*projected figures

2.47 According to the Department of Social Development, over 80% of nursing home residents are over the age of 75. We looked at the growth in that demographic in Exhibit 2.16.

---

8 2011-2016 Nursing Home Renovation and Replacement Plan, Department of Social Development
10 Statistics Canada website, 2001 Census, Provincial and Territorial Profiles – New Brunswick
Exhibit 2.16 - Proportion of New Brunswick population aged 75 and older.


2.48 We can see the proportion of New Brunswickers aged 75 and older will double between 2016 and 2036, going from 62,100 individuals (8.0%) in 2016 to 134,700 (16.4%) in 2036. In the demographic review of the 2011-2016 Nursing Home Renovation and Replacement Plan, the Department noted that 8% of the New Brunswick population aged 75 and older currently use a nursing home bed. An increase in that population will inevitably lead to an increase in the need for nursing home beds. Based on our calculations, without considering the impact of any department initiatives that could reduce demand, we estimated 10,776 nursing home beds could be needed in 2036 (134,700 x 8%). As at March 31, 2015 there were 4,438 nursing home beds in NB.

Investment in nursing home beds

2.49 Over the years, there has been some investment in nursing home bed capacity in the Province, as shown in Exhibit 2.17. The Exhibit shows the number of nursing home beds increased from 4,106 in 2002-2003 to 4,438 in 2014-2015, an increase of 332 beds or 8.1%. The most significant increase was in 2010 when an additional 216 beds were added as a result of the opening of three private nursing homes (i.e. the Shannex facilities in Fredericton, Riverview and Quispamsis). The planned addition of 354
Chapter 2  
Nursing Homes

beds as part of the 2011-2016 Nursing Home Renovation and Replacement Plan would be the largest recent investment.

Exhibit 2.17  -  Number of nursing home beds from 2002-2003 to 2014-2015, all regions

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>4,106</td>
</tr>
<tr>
<td>2003-04</td>
<td>4,106</td>
</tr>
<tr>
<td>2004-05</td>
<td>4,106</td>
</tr>
<tr>
<td>2005-06</td>
<td>4,106</td>
</tr>
<tr>
<td>2006-07</td>
<td>4,106</td>
</tr>
<tr>
<td>2007-08</td>
<td>4,106</td>
</tr>
<tr>
<td>2008-09</td>
<td>4,106</td>
</tr>
<tr>
<td>2009-10</td>
<td>4,106</td>
</tr>
<tr>
<td>2010-11</td>
<td>4,106</td>
</tr>
<tr>
<td>2011-12</td>
<td>4,106</td>
</tr>
<tr>
<td>2012-13</td>
<td>4,106</td>
</tr>
<tr>
<td>2013-14</td>
<td>4,106</td>
</tr>
<tr>
<td>2014-15</td>
<td>4,438</td>
</tr>
</tbody>
</table>

Source: Exhibit prepared by AGNB from figures provided by the Department of Social Development (unaudited)

Nursing Home Waitlist

2.50 Because of the high demand, there are waitlists for a nursing home bed in every region. In Exhibit 2.18 prepared by the Department of Social Development, we can see the growth in the waitlist between April 1997 and October 2015.
2.51 Exhibit 2.18 shows the waitlist for a nursing home bed began increasing in 2000, with a marked increase starting in 2005. We also observed significant peaks in demand between 2009 and 2013.

2.52 According to the Department, many of the spikes in the waitlist can be attributed to policy changes. The Department noted the following client contribution policy changes that affected the waitlist numbers:

- In 1999, government reversed a policy that considered the home as an asset when calculating a client’s contribution to the cost of residential long term care services;
- In 2003, government approved changes to the contribution policy to disregard the veteran’s disability pension and the spousal portion when client contributions are calculated;
- Between 2003 and 2005, the daily cost of care as paid by residents increased an average of 9%;
- In 2004 and 2005, policy changes were made to allow spouses at home to keep more of the family’s
savings, monthly income and assets;

- In 2006, nursing home residents were no longer required to pay all their nursing home costs. Responsibility was limited to room and board, with contribution capped at $70/day. In addition, assets were removed from the financial calculation determining the resident’s contribution. This seems to have had the biggest impact on the waitlist numbers; and

- Since the peak in 2009, the waitlist has varied in response to opening of additional beds and expansion of other long term care services such as home support, special care homes and specialized care beds.

Seniors wait in hospitals for nursing home beds

2.53 The individuals on the waitlist for a nursing home bed can be in their home, at a special care home or, in the majority of cases, in a hospital bed. Exhibit 2.19 shows the total waitlist and where individuals on the waitlist “were located” between April 2012 and April 2015. We can see that over 60% of people waiting for a nursing home bed were in the hospital.

Exhibit 2.19 - Nursing Home Waitlist April 2012 to April 2015

Source: Exhibit prepared by AGNB from figures provided by the Department of Social Development (unaudited)
2.54 Exhibit 2.19 shows that during the period between April 2012 and April 2015, between 367 and 548 individuals were waiting in hospitals each month for a nursing home bed.

2.55 We also looked specifically at the number of people waiting for a nursing home bed in a hospital for the period from December 2009 to March 2015. The trend line shows an overall decline during that period of the number of people waiting for a nursing home bed while in the hospital. This can be seen in Exhibit 2.20.

Exhibit 2.20 - Number of People Waiting for a Nursing Home Bed in Hospital, December 2009 to April 2015

Source: Exhibit prepared by Department of Social Development, edited and updated for 2015 by AGNB from figures provided by the Department of Social Development (unaudited)

2.56 We also observed the average waiting time, in days, for a nursing home bed varies by region. In its July 2015 report, the New Brunswick Health Council reported the following average wait times for nursing home placement. The wait times are shown in Exhibit 2.21.
### Exhibit 2.21 - Average wait time for a nursing home placement

<table>
<thead>
<tr>
<th>Region</th>
<th>Average wait time (in days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moncton</td>
<td>73</td>
</tr>
<tr>
<td>Saint John</td>
<td>131</td>
</tr>
<tr>
<td>Fredericton</td>
<td>62</td>
</tr>
<tr>
<td>Madawaska</td>
<td>65</td>
</tr>
<tr>
<td>Restigouche</td>
<td>162</td>
</tr>
<tr>
<td>Bathurst/Acadian Peninsula</td>
<td>106</td>
</tr>
<tr>
<td>Miramichi</td>
<td>89</td>
</tr>
</tbody>
</table>


2.57 The wait times and the number of people on the waitlist are having an effect on New Brunswick hospitals. A high number of people waiting for alternate care in hospitals are taking beds that would otherwise be used for acute care.\(^{14}\) This is a contributing factor to long wait times in emergency rooms\(^ {15}\), long wait times for elective surgeries and inappropriate use of hospital resources\(^ {16}\), to name a few. Also, the patients could be receiving care that is more appropriate for their needs in another facility.

2.58 In addition, the cost of care to the Province and to the individual varies depending on where the individual is located. As shown in Exhibit 2.22, the average cost of care (nursing unit care) in a hospital for an Alternative Level of Care (ALC) patient in an acute care bed is 32% higher than the average daily cost of care in a nursing home ($229) and almost three times higher than a special care home ($81). The cost to residents also varies, and subsidies can be

---

\(^{14}\) Hospital care involves many types of care such as acute care, emergency care and rehabilitation care. Acute care refers to inpatient care necessary for treatment of disease or severe episode of illness for a short period of time with the goal of discharging patients as soon as they are stable.


provided for those who are unable to pay the full amount.

Exhibit 2.22 - Daily cost of care for ALC patients in 2015

<table>
<thead>
<tr>
<th></th>
<th>Average daily cost of care for ALC patients</th>
<th>Daily resident per diem for cost of care of ALC patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Care Home</td>
<td>$81.00</td>
<td>Up to $77.00</td>
</tr>
<tr>
<td>Specialized Care Beds</td>
<td>$127.00</td>
<td>Up to $83.00</td>
</tr>
<tr>
<td>Nursing Home</td>
<td>$229.00</td>
<td>Up to $113.00</td>
</tr>
<tr>
<td>Hospital³</td>
<td>$303.00</td>
<td>$40.00 or $141.00</td>
</tr>
</tbody>
</table>

¹ This is the fee charged to a medically discharged patient who has been deemed appropriate for long term care by the Dept. of Social Development. Thirty days after being medically discharged, the amount of $40 is charged; if a patient refuses to participate in the long term care assessment, or refuses (more than once) an offer of appropriate services, the rate of $141 will be applied.

Source: Exhibit prepared by AGNB based on information provided by the Departments of Social Development and Health (unaudited)

1 - As at April 1, 2016
2 - As at Oct 1, 2015
3- The Department of Health has established several hospital bed rates for different level of hospital patient care. We selected the rate for nursing unit costs that is most reflective of services provided to individuals waiting in hospital to be transferred to a nursing home.

2.59 The percentage of acute care hospital beds used by patients who are waiting for placement in alternate care is rising, and is much higher than the national average, as shown in Exhibit 2.23. Alternate levels of care can include nursing homes, special care homes, rehabilitation, or other.
Exhibit 2.23 - Percentage of acute care hospital days used by patients who no longer require acute care but are waiting to be discharged to a setting more appropriate to their needs, as compared to the national average

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NB Hospital % of ALC days</td>
<td>20.7%</td>
<td>22.5%</td>
<td>20.5%</td>
<td>23%</td>
<td>24.3%</td>
<td>25.9%</td>
</tr>
<tr>
<td>National average</td>
<td>13.7%</td>
<td>14.1%</td>
<td>12.9%</td>
<td>13.6%</td>
<td>13.5%</td>
<td>14.11%</td>
</tr>
</tbody>
</table>

Source: Exhibit prepared by AGNB from figures appearing in the 2013-2014 and 2014-2015 Annual Reports of the Department of Health (unaudited)

Approximately 20% of acute care hospital beds used by people waiting for a nursing home bed

Approximately 20% of acute care hospital beds used by people waiting for a nursing home bed

We examined these figures more closely to establish the percentage of acute care hospital beds used for individuals who are waiting to be transferred to a nursing home. We looked at the figures for April for the years 2011 to 2015. Our findings can be found in Exhibit 2.24.

Exhibit 2.24 - Percentage of acute care hospital days used by patients who no longer require acute care but are waiting to be discharged to a nursing home.

<table>
<thead>
<tr>
<th></th>
<th>Apr-2011</th>
<th>Apr-2012</th>
<th>Apr-2013</th>
<th>Apr-2014</th>
<th>Apr-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of acute care beds in operation during the month of April</td>
<td>2,135</td>
<td>2,175</td>
<td>2,216</td>
<td>2,220</td>
<td>2,026</td>
</tr>
<tr>
<td>Number of people in hospital on waitlist for nursing home bed at April 30</td>
<td>496</td>
<td>452</td>
<td>510</td>
<td>399</td>
<td>367</td>
</tr>
<tr>
<td>% acute care hospitals beds taken by nursing home waitlist</td>
<td>23%</td>
<td>21%</td>
<td>23%</td>
<td>18%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: Exhibit prepared by AGNB from figures provided by the Departments of Health and Social Development (unaudited)

Average length of stay is between 3 and 4 months

Average length of stay is between 3 and 4 months

Exhibit 2.24 shows the percentage of acute care hospital beds taken up by people who are waiting for a placement in a nursing home varied between 18% and 23% on the dates we examined. We also looked at how long individuals were in a hospital bed before being transferred to a nursing home and the cost associated with the wait. Exhibit 2.25 looks at the number of cases, the average length of stay, and the average additional cost of patients that were transferred from a hospital bed to a nursing home.
Exhibit 2.25 - Number of cases, average length of stay, average cost and estimated annual excess cost of individuals transferred from hospital to nursing home

| Number of cases, average length of stay and average cost of individuals transferred from hospital to nursing home |
|--------------------------------------------------|--------|--------|--------|--------|--------|
| Number of cases | 778 | 709 | 663 | 750 | 796 |
| Average length of stay in days | 111 | 99 | 108 | 118 | 114 |
| Average daily cost in hospital¹ | $341 | $320 | $324 | $317 | $303 |
| Average daily cost in nursing home | $200 | $211 | $220 | $229 | $229 |
| Estimated annual excess cost of hospital over nursing home (in millions) | $12.16 | $7.69 | $7.43 | $7.76 | $6.71 |

Source: Exhibit prepared by AGNB from figures provided by the Departments of Health and Social Development (unaudited)

¹ The Department of Health has established several hospital bed rates for different levels of hospital patient care. We selected the rate for nursing unit costs that is most reflective of services provided to individuals waiting in hospital to be transferred to a nursing home.

2.62 In Exhibit 2.25, we can see that each year, between 600 and 800 people were waiting from three to four months in hospital for a placement in a nursing home. We estimated, based on the difference in average daily cost of care, an additional $41.8 million has been spent in hospitals during the period from 2010-2011 to 2014-2015 as a result of individuals waiting in hospital for placement in a nursing home.

2.63 In Exhibit 2.25, we can see that the number of cases and the length of stay are relatively stable in the five years examined. When we examined the data by region for the five-year period of 2010-2011 to 2014-2015, as shown in Exhibit 2.26, we can see clear distinctions between different regions of the province.
Exhibit 2.26 - Number of cases and average length of stay (in months) of individuals transferred from hospital to nursing homes, 2010-2011 to 2014-2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of cases</td>
<td>Avg LOS in months</td>
<td>Number of cases</td>
<td>Avg LOS in months</td>
<td>Number of cases</td>
</tr>
<tr>
<td>Moncton</td>
<td>186</td>
<td>6.2</td>
<td>190</td>
<td>7.8</td>
<td>163</td>
</tr>
<tr>
<td>Saint John</td>
<td>182</td>
<td>5.3</td>
<td>125</td>
<td>3.0</td>
<td>110</td>
</tr>
<tr>
<td>Fredericton</td>
<td>218</td>
<td>3.2</td>
<td>161</td>
<td>2.8</td>
<td>161</td>
</tr>
<tr>
<td>Edmundston</td>
<td>43</td>
<td>4.3</td>
<td>64</td>
<td>2.7</td>
<td>63</td>
</tr>
<tr>
<td>Campbellton</td>
<td>17</td>
<td>4.4</td>
<td>32</td>
<td>2.8</td>
<td>22</td>
</tr>
<tr>
<td>Bathurst</td>
<td>80</td>
<td>2.4</td>
<td>89</td>
<td>1.5</td>
<td>113</td>
</tr>
<tr>
<td>Miramichi</td>
<td>52</td>
<td>4.1</td>
<td>48</td>
<td>4.6</td>
<td>31</td>
</tr>
</tbody>
</table>

LOS: Length of stay
Source: Exhibit prepared by AGNB from figures provided by the Department of Health (unaudited)

In Moncton, Saint John and Miramichi, people must wait approximately six months in hospital for placement in a nursing home

2.64 In Exhibit 2.26 we can see that individuals in the Moncton, Miramichi and Saint John regions had the longest average wait time for a nursing home placement in 2014-2015. During that year, 242 individuals waited over 6 months in a hospital for placement. During that same period, the Bathurst region had the lowest average wait time at 1.4 months. Exhibit 2.26 also shows this trend was not unique to 2014-2015. Moncton and Bathurst consistently had the highest and lowest (respectively) average length of stay in months for the period of 2010-2011 to 2014-2015.

Overall comments

2.65 The province is facing significant challenges over the next 20 years as the proportion of New Brunswickers aged 75 and older will double and the number of nursing home beds needed could be over 10,000. Approximately 20% of acute care beds in hospitals are being taken by individuals who are waiting for placement in a nursing home, which has led to additional costs in excess of $40 million between 2010 and 2015.

2.66 The Department of Social Development has taken a number of measures to address the pending problems as a result of New Brunswick’s changing demographics, including:

- 2011-2016 Nursing Home Renovation and Replacement Plan;
• Increased budget to nursing home services budget;
• Alternative Level of Care (ALC) Collaborative
  Group initiatives; and
• Home First strategy.

2.67 The Department has not yet demonstrated how these
initiatives will address the situation that by 2036 the senior
population in New Brunswick will have doubled.

2.68 The solution to providing sustainable care in the future
is not as simple as adding more nursing home beds to the
existing system. Instead, a multi-faceted solution is needed
that involves nursing homes, other long term care facilities,
in-home care, family support or other options to serve New
Brunswick seniors.

2.69 From our examination of the rising demand for services
and costs of senior care, we encourage the Departments of
Social Development and Health to continue working
together to find solutions to alleviate the fiscal challenges
while ensuring seniors receive the services they require.

Recommendations

2.70 We recommend the Department of Social
   Development, in consultation with the Department of
   Health, develop a comprehensive long term plan to
   ensure the Province can continue to provide sustainable
   services to New Brunswick seniors.

2.71 We also recommend the Department report publicly
   on the measures and outcomes of current and future
   initiatives as part of the comprehensive long term plan.