

# Planning and Acquiring Nursing Home Beds

## Department of Seniors and Long-term Care

### Key Messages

- Although Department developed an 11-step facility development approval process, audit found concerning weaknesses
- Lack of evidence to support decision to renovate or build over 1,000 nursing home beds
- Failing to properly monitor nursing home projects under construction
- Not following provincial *Public Procurement Act* for 4,053 replacement beds
- New nursing homes going through procurement process bypass important approval process steps
- Lack of formal mortgage process resulted in a one-year payment delay for a facility that was occupied, operational, and receiving funding
- Inaccurate public reporting of construction status of new and replacement nursing homes

### Why We Did This Audit

- Government announced 5,700 new and replacement nursing home beds will be completed by 2032
- \$8.6 billion, 25-year commitment made to long-term care service providers throughout the province
- It's been over a decade since the province committed to such a large investment in nursing home facilities
- Newly created Department responsible for major initiative will impact senior care for decades
- As of October 2024, Nova Scotia has 7,405 nursing home beds in over 102 facilities and a waitlist of 1,861 individuals

### No Evidence to Support Approximately 1,000 of the 5,700 New and Replacement Nursing Home Beds

- Evidence to support need and location decisions about new and replacement nursing home beds announced between 2019 and 2022 could not be provided

### Key Inputs Used to Assess Bed Need and Location were Out of Date or Could Not be Verified

- Data used for the rationale behind nursing homes requiring replacement beds could not be verified
- Replacement bed assessment relied on incomplete facility condition assessments and had outdated infection control index on some building components
- The Department did not consider smaller and Nova Scotia Health (NSH) owned facilities when selecting nursing homes for replacement
- Residents of some nursing homes continue to share washrooms and bedrooms

### The Department Conducted Reasonable Projections to Assess the Future Demand for Nursing Homes

- Demand to outpace supply even after factoring in new and replacement nursing home beds
- The Department completed adequate work to determine current bed inventories
- The Department selected facility sites that agreed to nursing home demand projections

### **Procurement Act Not Followed For Replacement Nursing Home Beds**

- Most nursing home beds were not competitively procured as required by *Public Procurement Act*
- Process for replacement facilities follows right-of-first-refusal process as opposed to following Nova Scotia's Procurement Act

### **Contracts Reviewed Have Provisions to Demonstrate Value for Money, but There is Room for Improvement**

- Contracts signed with service providers show evidence of value for money
- Mortgage repayment start date not defined; a facility received government funding for a year before beginning to pay back its mortgage
- Department does not review signed contracts between service providers and third parties; change order process not defined

### **The Department is Failing to Monitor New and Replacement Facilities Under Construction**

- The Department has a construction approval process in place, but testing shows it is not following the process
- Department unable to provide almost half (44%) of the required support used to monitor the construction approval process
- New nursing homes going through the RFP process are allowed to bypass many important first steps of the approval process

### **Public Reporting at the Time of Our Audit Did Not Reflect Progress to Date**

- The progress updates website used by the Department did not reflect progress at time of audit
- Public website did not match internal construction schedules