# 2017/18 Health Service Provider Funding Allocations and Service Activity Targets

Central East Local Health Integration Network Board Meeting
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Presented By: System Finance and Performance Management

# Overview

- Introduction
- Scope of the 2017/18 Service Accountability Agreements Strategy
- Base Funding Allocations
- Community Services Base Funding and Service Activity
- Long-Term Care Home Base Funding and Service Activity
- Hospital and Specialty Psychiatric Hospital Base Funding and Service Activity
- 2017/18 Service Accountability Agreements Strategy – Next Steps

# Introduction

At the December 21, 2016, meeting of the Central East LHIN Board of Directors, staff presented an overview of the Service Accountability Agreement (SAA) Strategy.

A delegation of authority was obtained for the CEO and Board Chair to execute SAAs with the understanding that staff would report back to the Board on the status and details of any issues, including mitigation strategies and recommendations.

# Scope of the 2017/18 Service Accountability Agreements Strategy

# Scope of the 2017/18 SAA Strategy

The scope of the 2017/18 SAA Strategy included the following:

- 124 Unique Health Service Providers, some of which have multiple SAAs:
  - 56 Multi-Sector Service Accountability Agreements (MSAA) (1-year extension agreements, except The Scarborough Hospital [TSH] and Rouge Valley Health System [RVHS], whose current MSAAs extend to June 30, 2017);
  - 68 Long-Term Care Home Service Accountability Agreements (LSAA) (Amending Agreements containing refreshed schedules and minor amendments to the LSAA):
    - 9 of which are multi-home LSAA Amending Agreements representing 37 homes; and
    - 31 of which are single-home LSAA Amending Agreements; and
  - 9 Hospital Service Accountability Agreements (HSAA) (1-year extension agreements, except TSH and RVHS, whose current HSAAs extend to June 30, 2017).

- The Central East LHIN expects to receive sign-off from delegated authorities for all HSPs by March 31, 2017.

# Scope of the 2017/18 SAA Strategy (cont'd)

- Integral to the Central East LHIN's review of HSPs' planning submissions was:
  - the systematic application of a LHIN sub-region lens, which advances integrated systems of care at this level;
  - the use of HSP-authored Service Delivery Change Request Forms, which served as effective vehicles to investigate and discuss pressures, risks and opportunities in the context of MSAAs and HSAAs; and
  - reliance on quarterly MSAA and HSAA schedules that were updated throughout 2016/17.
- As of March 15:
  - 35 MSAAs have been signed by HSPs and returned to the Central East LHIN;
  - 63 LSAAs (covering 9 multi-home and 26 single home arrangements) have been signed and returned;
  - 2 HSAA extensions have been granted; and
  - 2 MSAA extensions have been granted.

# Base Funding Allocations

# Base Funding Allocations by Type

| Service Type | Opening Base Allocation April 1, 2016 | Opening Base Allocation April 1, 2017 | % Change |
|---|---|---|---|
| Community Care Access Centre Services | $286,964,704 | $310,552,133 | 8.2% |
| Community Support Services | $68,904,670 | $73,383,345 | 6.5% |
| Community Mental Health and Addictions Services | $64,695,702 | $66,668,026 | 3.0% |
| Community Health Centre Services | $30,575,781 | $31,640,085 | 3.5% |
| Long-Term Care Home Services | $444,558,284 | $451,681,942 | 1.6% |
| Hospital Services | $1,192,374,691* | $1,220,630,079 | 2.4% |
| Specialty Psychiatric Hospital Services | $117,692,037 | $120,003,326 | 2.0% |
| Hospital Municipal Taxes | $306,600 | $306,600 | 0.0% |
| **Total Allocated** | **$2,206,072,469** | **$2,274,865,536** | **3.1%** |
| **Total Unallocated – Urgent Priorities Funding** | **$3,683,298** | **$3,683,298** | **0.0%** |
| **Grand Total** | **$2,209,755,767** | **$2,278,548,834** | **3.1%** |

* Includes $1,666,900 for Bellwood Health Services, a private hospital, which relocated to the Toronto Central LHIN in December 2016

# Community Services Base Funding and Service Activity

# Community Services Base Allocations

| Community Services | Opening Base Allocation April 1, 2016 | Opening Base Allocation April 1, 2017 | % Change |
|---|---|---|---|
| Community Care Access Centre (CCAC) Services | $286,964,704 | $310,552,133 | 8.2% |
| Community Support Services (CSS) | $68,904,670 | $73,383,345 | 6.5% |
| Community Mental Health and Addictions (CMHA) Services | $64,695,702 | $66,668,026 | 3.0% |
| Community Health Centre (CHC) Services | $30,575,781 | $31,640,085 | 3.5% |
| **Total** | **$451,140,857** | **$482,243,589** | **6.9%** |

# Community Services Base Allocations

The $31M year-over-year positive variance in funding for community services is attributable to new funding for key initiatives, including:

- $10,322,700 – Community Care Access Centre (CCAC) Levels of Care funding;
- $4,314,900 – 2016/17 Community Investment Strategy − LHIN Local Priorities funding;
- $3,842,800 – Personal Support Services (PSS) Wage Enhancement funding;
- $2,580,700 – CCAC Respite Services funding;
- $2,358,900 – CCAC Health Based Allocation Model (HBAM) funding;
- $890,162 – Behavioural Supports Ontario (BSO) funding;
- $804,600 – Recruitment and retention of physicians funding for Community Health Centres;
- $259,700 – Funding to increase the provision of support services for persons with visual impairment; and
- $114,200 – Visiting hospice volunteer services funding.

# Service Activity – Community Care Access Centre

| Community Care Access Centre Service Activity | 2016/17 Targets | 2017/18 Targets | Year-over-Year Absolute Change | Year-over-Year Percentage Change |
|---|---|---|---|---|
| Full Time Equivalents | 816.45 | 827.40 | 10.95 | 1.3% |
| Visits | 1,077,100 | 1,123,254 | 46,154 | 4.3% |
| Not Uniquely Identified Service Recipient Interactions | 3,768 | 3,768 | 0 | 0.0% |
| Hours of Care | 3,427,065 | 3,809,845 | 382,780 | 11.2% |
| Individuals Served | 175,828 | 180,189 | 4,361 | 2.5% |
| Group Sessions | 81 | 121 | 40 | 49.4% |
| Group Participant Attendances | 0 | 700 | 700 | N/A |
| Service Provider Group Interactions | 0 | 1,000 | 1,000 | N/A |

# Service Activity – CSS, CMHA, and CHC

- In the Central East LHIN, 42 discrete HSPs provide Community Support Services (CSS), including meals on wheels, friendly visiting, adult day programs, assisted living services, supportive housing, telehomecare, and telephone reassurance.

- 21 discrete HSPs provide Community Mental Health and Addictions (CMHA) services, including care coordination, group therapy, psychiatry, and psychology services.

- 6 Community Health Centres (CHC) provide comprehensive primary care and community-based services, including patient education for diabetes.

# Service Activity – CSS, CMHA, and CHC (cont'd)

- The aggregated service activity targets for the provision of CSS, CMHA, and CHC services in 2016/17 and 2017/18 are depicted on slide #16.

- Year-over-year changes are due mainly to:

  - the 2016/17 Community Investment Strategy;
  - approved in-year Service Delivery Change Request forms; and
  - 2017/18 MSAA negotiations.

# Service Activity – CSS, CMHA, and CHC (cont'd)

- Largely as a result of two HSPs reviewing current reporting standards, there were significant changes in three service activity targets:
  - One CSS HSP requested to remove the target for Visits (43,642) in the Social and Congregate Dining Functional Centre because this statistic is not mandatory;
  - The same CSS HSP also requested to remove the target for Attendance Days (29,800) from the Transportation Functional Centre for the same reason; and
  - Another CSS HSP requested to remove the target for Not Uniquely Identified Service Recipient Interactions (NUISRI) (20,000) in the Psycho-Geriatric Functional Centre, as it now registers all individuals it serves, which makes any target for NUISRI logically unnecessary.
- The removal of the above targets from two MSAAs is a change to reporting, not a change of service; both HSPs continue to provide LHIN-funded services in the affected Functional Centres.

# Service Activity – CSS, CMHA, and CHC (cont'd)

| Service Activity | Initial 2016/17 Targets | Initial 2017/18 Targets | Year-over-Year Absolute Change | Year-over-Year Percentage Change |
|---|---|---|---|---|
| Full Time Equivalents | 2,153.01 | 2,247.79 | 94.78 | 4.4% |
| Visits | 1,219,439 | 1,184,287 | -35,152 | -2.9% |
| Not Uniquely Identified Service Recipient Interactions | 116,364 | 97,793 | -18,571 | -16.0% |
| Hours of Care | 1,304,141 | 1,365,153 | 61,012 | 4.7% |
| Inpatient/Resident Days | 622,245 | 672,358 | 50,113 | 8.1% |
| Individuals Served | 219,206 | 223,386 | 4,180 | 1.9% |
| Attendance Days | 932,680 | 914,582 | -18,098 | -1.9% |
| Group Sessions | 18,205 | 22,009 | 3,804 | 20.9% |
| Meals Delivered | 356,650 | 359,351 | 2,701 | 0.8% |
| Group Participant Attendances | 151,250 | 168,721 | 17,471 | 11.6% |
| Service Provider Interactions | 489,143 | 553,076 | 63,933 | 13.1% |
| Service Provider Group Interactions | 35,177 | 38,513 | 3,336 | 9.5% |
| Mental Health Sessions | 6,912 | 7,195 | 283 | 4.1% |

# Service Activity Changes – Impact of 2016/17 Community Investment Strategy on CSS, CMHA, and CHC

- 2016/17 Community Investment funding was designed to increase the service levels of eligible HSPs providing CSS, and CMHA and CHC services in the context of advancing integrated systems of care.
- Targeted investments were made to address wait-lists in two CSS areas: Adult Day Programs and Assisted Living Service for High-Risk Seniors.
- Funding equivalent to 1% of 2015/16 LHIN base funding was allocated to eligible providers of CSS, CMHA and CHC services:
  - which performed above the 2015/16 performance corridor in 40% or more of their MSAA activities; and/or
  - implemented at least one Comprehensive Care Plan in the 4th Quarter of 2015/16.
- In the case of a Durham North East HSP, as shown on slide 20, its Hours of Care target had been consistently difficult to meet given the historical and present cost of the service for which it was contracted to deliver. The HSP presented the Central East LHIN with cost information and service delivery details which corroborated the need to adjust the target downward to an attainable level.

# Aggregated Incremental Service Activity Target Increases due to the 2016/17 Community Investment Strategy

| Service Activity | Incremental Increase in Target |
|---|---|
| Visits | 20,252 |
| Not Uniquely Identified Service Recipient Interactions | 4,576 |
| Hours of Care | 37,381 |
| Inpatient/Resident Days | 44,528 |
| Individuals Served | 4,940 |
| Attendance Days | 10,536 |
| Group Sessions | 1,059 |
| Meals Delivered | 2,321 |
| Group Participant Attendances | 1,858 |
| Service Provider Interactions | 63,757 |
| Service Provider Group Interactions | 2,685 |

# Aggregated Incremental Service Activity Target Increases by Service Type due to the 2016/17 Community Investment Strategy

| Service Activity Statistic | Broad Service Type | | |
|---|---|---|---|
| | CMHA | CHC | CSS |
| Visits | 9,101 | 0 | 11,161 |
| Not Uniquely Identified Service Recipient Interactions | 3,592 | 140 | 994 |
| Hours of Care | 3,970 | 178 | 33,411 |
| Inpatient/Resident Days | 4,745 | 0 | 39,783 |
| Individuals Served | 1,022 | 110 | 3,812 |
| Attendance Days | 2,503 | 340 | 7,693 |
| Group Sessions | 805 | 250 | 71 |
| Meals Delivered | 0 | 0 | 2,321 |
| Group Participant Attendances | 805 | 554 | 625 |
| Service Provider Interactions | 63,014 | 846 | 280 |
| Service Provider Group Interactions | 335 | 2,335 | 0 |

# Aggregated Incremental Service Activity Target Increases by LHIN Sub-Region due to the 2016/17 Community Investment Strategy

| Service Activity Statistic | LHIN Sub-Region | | | | | | |
|---|---|---|---|---|---|---|---|
| | Scarborough North | Scarborough South | Durham West | Durham North East | Northumberland County | Peterborough City and County | Haliburton and Kawartha Lakes |
| Visits | 3,192 | 1,876 | 5,966 | 5,797 | 448 | 1,151 | 1,822 |
| Not Uniquely Identified Service Recipient Interactions | 145 | 0 | 3,377 | 294 | 60 | 700 | 0 |
| Hours of Care | 23,781 | 3,810 | 3,970 | -7,393 | 3,777 | 8,477 | 959 |
| Inpatient/Resident Days | 19,400 | 3,291 | 3,728 | 8,155 | 2,170 | 7,035 | 749 |
| Individuals Served | 737 | 1,744 | 123 | 1,003 | 120 | 517 | 476 |
| Attendance Days | 2,285 | 249 | 2,204 | 2,940 | 2,040 | 638 | 180 |
| Group Sessions | 0 | 96 | 203 | 260 | 132 | 128 | 240 |
| Meals Delivered | 220 | 1,250 | 0 | 1 | 0 | 0 | 850 |
| Group Participant Attendances | 250 | 2 | 0 | 105 | 25 | 540 | 936 |
| Service Provider Interactions | 314 | 76 | 36,148 | 1,584 | 0 | 918 | 24,717 |
| Service Provider Group Interactions | 0 | 2,227 | 249 | 33 | 0 | 0 | 176 |

# Service Activity Changes – Impact of Service Delivery Change Requests on CSS, CMHA, and CHC

- The Central East LHIN requires an HSP to submit a Service Delivery Change Request (SDCR) form for adjustments it seeks to its MSAA targets or to move funding between or among Functional Centres.

- The following slide summarizes the overall impact of SDCRs received from 14 HSPs that were actioned in-year and in preparation for the 2017/18 MSAA negotiations.

- Slide #15 previously explained decreases in Visits and Attendance Days.

- A single HSP submitted an SDCR form to reduce Group Participant Attendances by 9,000 to correct a long-standing data error in its MSAA.

- A single HSP submitted an SDCR form to decrease Service Provider Interactions (SPI) by 20,000 based on actual performance and demonstrated lack of capacity.

# 2016/17 Approved In-year Service Delivery Change Requests

| Service Activity Statistic | Increases | Decreases | Net Change |
|---|---|---|---|
| Full Time Equivalents | 0.5 | -0.35 | 0.15 |
| Visits | 350 | -56,793 | -56,443 |
| Not Uniquely Identified Service Recipient Interactions | 5,360 | -1,168 | 4,192 |
| Individuals Served | 325 | -3,123 | -2,798 |
| Attendance Days | 7,090 | -38,179 | -31,089 |
| Group Sessions | 1,308 | -41 | 1,267 |
| Group Participant Attendances | 5,660 | -11,922 | -6,262 |
| Service Provider Interactions | 19,000 | -22,075 | -3,075 |
| Service Provider Group Interactions | 0 | -40 | -40 |

# Long-Term Care Home Base Funding and Service Activity

# Long-Term Care Home Base Funding and Service Activity

| Service Type | Opening Base Allocation April 1, 2016 | Opening Base Allocation April 1, 2017 |
|---|---|---|
| Long Term Care | $444,558,284 | $451,681,942 |

LTC Homes are funded on a MOHLTC-determined per-diem basis which is affected by a range of factors, including:

- resident needs and acuity (Case Mix Index);
- applicable construction subsidy;
- occupancy (minimum occupancy of 97% for regular long stay beds, and 50% for respite beds); and
- subsidies for additional physiotherapy and other services (for convalescent care beds).

# Long-Term Care Home Base Funding and Service Activity (cont'd)

- The Central East LHIN funds 68 Long-Term Care (LTC) Homes to operate 9,692 beds. These beds include:
  - 9,503 long-stay beds;
  - 107 convalescent care beds;
  - 51 respite beds;
  - 20 interim beds; and
  - 11 beds in abeyance.
- LSAAs do not include volume targets, and 2017/18 indicator targets (debt service coverage ratio and total margin) remained at 2016/17 levels.

# Hospital and Specialty Psychiatric Hospital Base Funding and Service Activity

# Hospital and Specialty Psychiatric Hospital Services Funding

- Depending on the hospital, the components of the opening funding allocation can include:
  - Global Base funding, which is a fixed payment amount allocated to a hospital to cover operating expenses for a year;
  - Health Based Allocation Model (HBAM) funding, which is determined by projections of future service levels based on several factors including:
    1. Population age, gender, growth projection;
    2. Socioeconomic status;
    3. Clinical acuity; and
    4. Hospital market share (where people receive care);
  - Quality-Based Procedure (QBP) funding, which supports the provision of surgical, diagnostic, or clinical procedures intended to achieve a specific patient outcome (e.g., hip surgery); and
  - Provincial Program funding, which includes specialized Cardiac and Bariatric funding in the case of the Central East LHIN.

# Hospital and Specialty Psychiatric Hospital Services Funding (cont'd)

- Since 2012/13, the first year of Health System Funding Reform, initial opening allocations change during the course of every fiscal year as a result of MOHLTC-led methodology refinements. The opening allocations are intended for cash-flow purposes and will be finalized in-year.
- Details of 2016/17 and 2017/18 opening allocations for hospital and specialty hospital services are shown on the next slide.
- The $30M year-over-year variance reflects the net effect of the transfer of Bellwood Health Services from the Central East to the Toronto Central LHIN, and new funding, including for the following key initiatives:
  - Increases in Health System Funding Reform (HSFR) Growth Funding, which reflects the population and demographic trends of the Central East LHIN area;
  - In-year Non-HSFR Global Funding Investments related to high-growth, medium-sized hospitals, and small hospital funding increases; and
  - Post-Construction Operating Plan funding increases

# Hospital and Specialty Psychiatric Hospital Services Funding (cont'd)

| Hospital | Opening Base Allocation April 1, 2016 | Opening Base Allocation April 1, 2017 | Year-over-Year Percentage Change |
|---|---|---|---|
| Bellwood Health Services (BHS) | $1,666,900 | $0 | N/A |
| Campbellford Memorial Hospital (CMH) | $13,692,290 | $13,966,090 | 2.0% |
| Haliburton Highlands Health Services (HHHS) | $8,836,868 | $9,013,668 | 2.0% |
| Northumberland Hills Hospital (NHH) | $39,393,548 | $41,110,681 | 4.4% |
| Lakeridge Health (LH) | $328,152,786 | $333,418,753* | 1.6% |
| Peterborough Regional Health Centre (PRHC) | $217,598,134 | $222,579,482 | 2.3% |
| Ross Memorial Hospital (RMH) | $62,543,958 | $63,676,126 | 1.8% |
| Rouge Valley Health System (RVHS) | $263,067,966 | $271,112,576* | 3.1% |
| The Scarborough Hospital (TSH) | $257,422,241 | $265,752,703* | 3.2% |
| Ontario Shores Centre for Mental Health Sciences (OSCMHS) | $117,692,037 | $120,003,326 | 2.0% |
| **Total** | $1,310,066,728 | $1,340,633,405 | 2.3% |

*The funding for this hospital does not reflect the revenue implications associated with the amalgamation of the Centenary site of the Rouge Valley Health System (RVHS) with The Scarborough Hospital, nor the asset transfer of the Ajax-Pickering site of the RVHS to Lakeridge Health in December 2016.

# Hospital and Specialty Psychiatric Hospital Services Funding (cont'd)

In addition to base funding, Central East LHIN hospitals also receive significant one-time funding.

- $11.5M in initial one-time funding will be provided to hospitals for the Emergency Department Pay for Results (ED P4R) program to address wait time challenges.
- Rural Health Hub one-time funding has been identified to support health care delivery across the continuum of care within a rural geography. Funding of $200,000 is expected in each of 2016/17 and 2017/18.
- The Small and Rural Hospital Transformation Fund ($723,200 in 2016/17) is intended to improve collaboration between small and rural hospital care and community care.
- Sexual Assault and Domestic Violence funding is provided by the Ministry of Health and Long-Term Care to support identified providers in the delivery of these essential services

# Hospital and Specialty Psychiatric Hospital Service Volume Changes

Material year-over-year changes in several aggregate service volumes can be explained as follows:

- Complex Continuing Care – Weighted Patient Days – actual patient days remain unchanged, but the acuity of care (case mix index) provided has declined over the last few years resulting in a reduced weight per patient day;
- Acute Inpatient – Weighted Cases – slight increase due to one hospital's Post-Construction Operating Plan activity;
- Day Surgery – Weighted Visits – increase also due to one hospital's Post-Construction Operating Plan activity;
- Mental Health – Weighted Patient Days – reflective of the fact that actual paediatric mental health days are now reported under paediatrics as per Ontario Health Care Reporting Standards (OHRS), and no longer included in Mental Health weighted days; and
- Ambulatory Care – Visits – increase due to revised reporting by one hospital of its Adolescent Program and another hospital's Post-Construction Operating Plan activity.

# Hospitals' Aggregated Key Service Volume Targets

| Key Service Volumes | Initial 2016/17 Targets | Initial 2017/18 Targets | Net Change |
|---|---|---|---|
| Emergency Department (Weighted Cases) | 29,620 | 29,583 | -37 |
| Complex Continuing Care (RUG Weighted Patient Days) | 83,250 | 79,900 | -3,350 |
| Acute Inpatient (Weighted Cases) | 126,350 | 128,350 | 2,000 |
| Day Surgery (Weighted Visits) - Excluding endoscopy | 21,430 | 22,790 | 1,360 |
| Mental Health Inpatient (Weighted Patient Days) | 198,700 | 195,921 | -2,779 |
| Rehab Inpatient (Weighted Cases) | 3,440 | 3,450 | 10 |
| Ambulatory Care (Visits) [excl. ER] | 1,093,958 | 1,135,890 | 41,932 |

# Hospital Accountability Targets

2017/18 HSAAs also includes other specific performance targets related to:

- Total Margin and Current Ratio: All hospitals have submitted Hospital Planning Accountability Submissions in a balanced or surplus position;

- Wait Time Strategy Volumes: Prior to 2016/17, wait time volumes were funded as a combination of both base volumes and incremental one-time volumes. Beginning in 2016/17, all wait time volumes were classified as base volumes. As a result, the targets have been updated in 2017/18 to reflect the reporting change, and include all volumes.

- With respect to other aspects of hospital performance, the 2017/18 targets remain unchanged from the 2016/17 targets in the following areas:
  - Emergency Department (ED) and Alternate Level of Care (ALC) Wait Time;
  - Mental Health and Substance Abuse Repeat Visits to the ED;
  - Readmissions for specified Case Mix Groups;
  - Patient Safety – Hospital Acquired Clostridium Difficile Infection; and
  - Palliative Care – Patients Discharged Home.

# 2017/18 Service Accountability Agreements Strategy – Next Steps

# 2017/18 SAA Strategy – Next Steps

- Finalize any outstanding Service Accountability Agreements by March 31, 2017.
- Report back to the Central East LHIN Board of Directors any major variances and/or issues with finalizing MSAA/HSAA or LSAAs in April, including:
  - A final report of approved 2016/17 Service Delivery Change Requests;
  - Any updates to base funding and associated activity associated with the integration of hospitals in the Scarborough and Durham regions; and
  - Any updates associated with the proposed transfer of the Central East CCAC to the Central East LHIN.

# Questions?