



# The 1% Challenge

Reinvesting Our Resources in the Community

**Presentation to the CE LHIN Board**

**June 6, 2008**

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An aerial photograph of a ferry deck. The deck is filled with several white and red lifeboats. A small white pilot boat with the word "PILOT" on its side is moving through the water alongside the ferry, leaving a white wake. The water is dark grey with white foam from the wake.

# Creating Leverage for Health System Transformation

# The 1% Challenge

## *Meeting our Strategic Directions*

- The Central East LHIN and its health service providers will reallocate 1% of the 2007-08 Operation of Hospitals budget to community programs by fiscal year 2009-2010.
- This means that by no later than December 2010, a minimum of **\$10.3 million dollars** of 2007-08 hospital expenditures will have been reinvested/transferred to a CE LHIN funded community health service provider.

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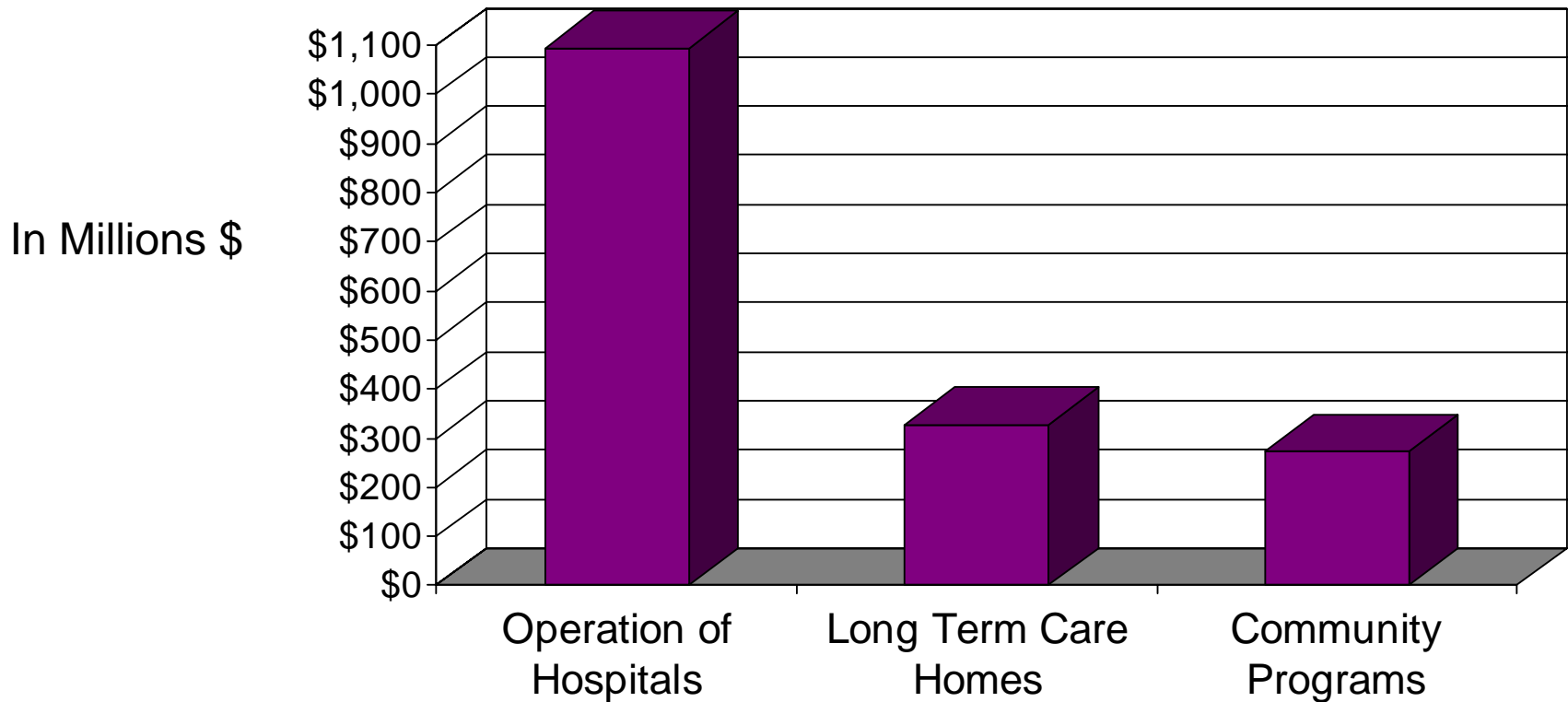
# Why?

- Generate local investments to rapidly expand capacity of community services in order to support the overall transformation of the local health system as found in the CE LHIN Integrated Health Service Plan;
- Better align the provision of health services between hospital and community providers, with a focus on appropriateness of access and quality of care
- Improve shared accountability for performance between hospital and community based providers by pooling resources for joint outcomes; and
- Enhance the sustainability of health services and expenditures with the CE LHIN.

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# What This Means...

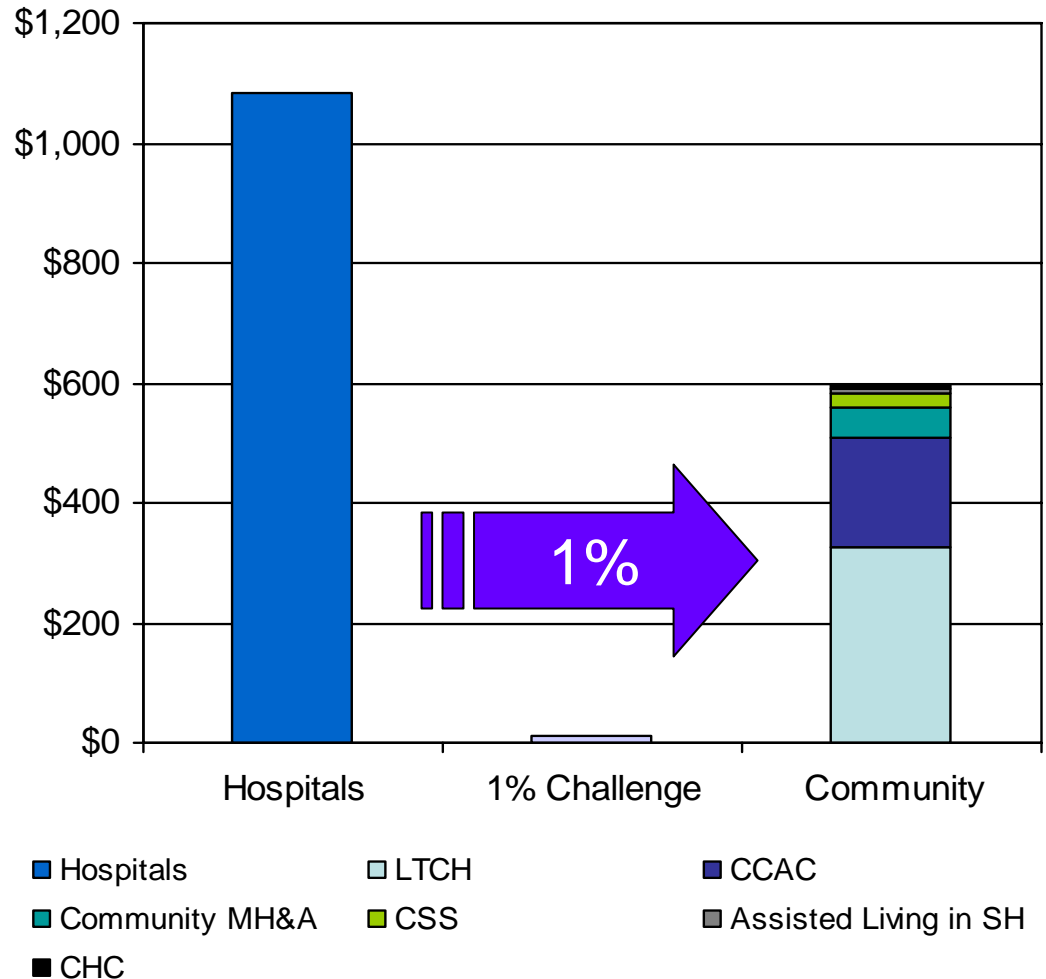
## 2007-08 Opening Accounts for CE LHIN



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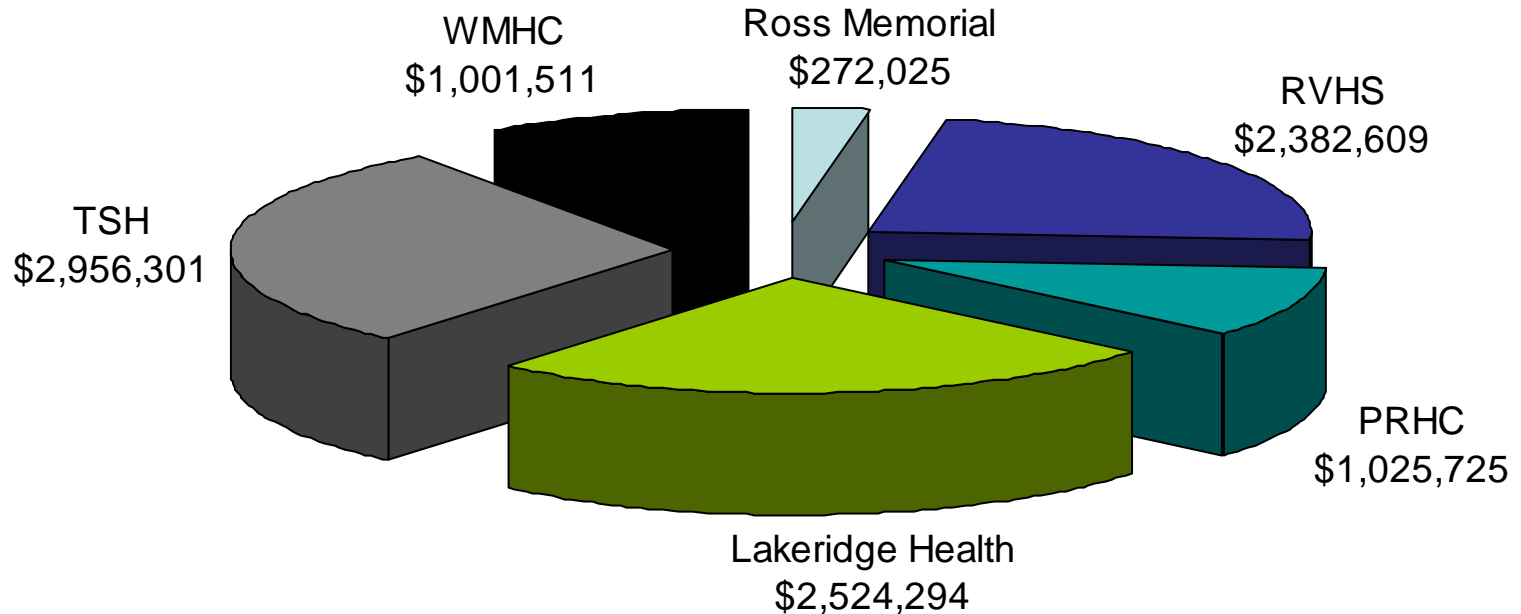
# What this Means....

- 1% of the Hospitals Budget represents \$10.3 Million
- Annual Expenditures on other CE LHIN Programs
  - CHCs: \$7.9M
  - Assisted Living: \$9.7M
  - Community Support Services: \$25M



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# Hospital Specific Targets



A “fair share approach” was determined by a hospital’s overall share of current CE LHIN expenditures on public & psychiatric hospitals with adjustments made to account for a hospital’s average rurality score. Higher rurality scores reduced a hospital’s “fair share.”

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# Scope: Promoting our Priorities

- Limited to CE LHIN-funded Health Service Providers are included in this initiative.
- Opportunities must align to the CE LHIN IHSP
  - **Priorities for Change:**
    - Seamless Care for Seniors
    - Mental Health and Addictions
    - Chronic Disease Prevention and Management
    - Wait Times (including Alternate Level of Care and Emergency Departments)
  - **Enablers:**
    - E-Health
    - Primary Health Care
    - Rehabilitation Services
    - Transportation

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# How?

- Rather than adopting a prescriptive approach, CE LHIN funded health service providers will be responsible for identifying the local re-investment opportunities that best suit the needs of their communities.
- This is consistent with the *Local Health System Integration Act* that requires health service providers to identify “**voluntary integration opportunities.**”

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# Exploring Opportunities

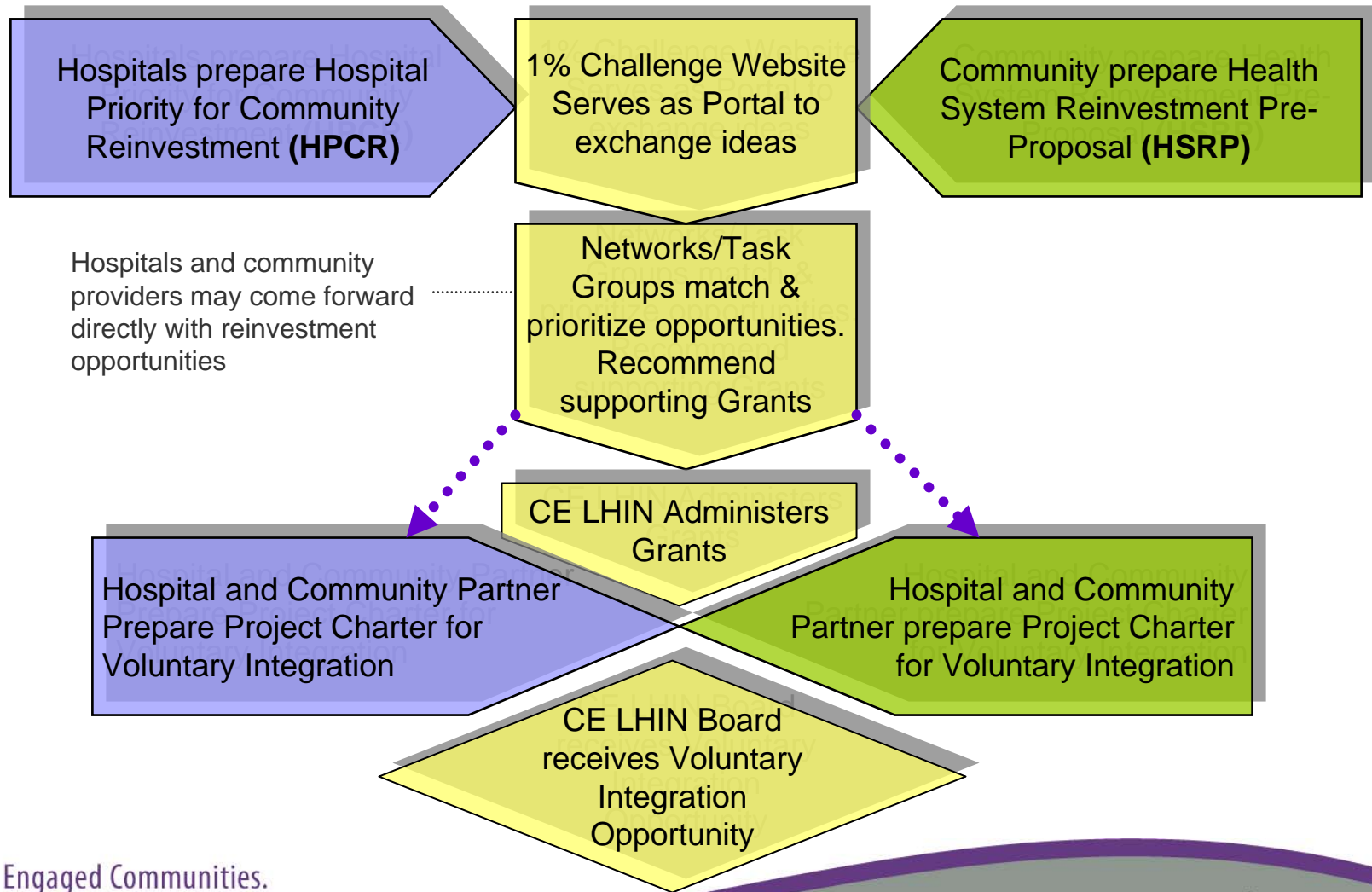
Hospitals may consider:

- What current services do they currently provide that are better suited for community delivery? Can those services be delivered at a lower cost, allowing savings to be directed back to core hospital services?
- What services are not being provided in the community that are providing an adverse impact on quality of care and hospital operations? Will investments in community result in better hospital performance (i.e., cost avoidance, better care)?
- What accountabilities must be in place to ensure the expected outcome of the investment?

***This is not about sending a cheque to the community. Its about changing the way care is better provided, making it more efficient & more effective.***

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# The Process



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# Incentives to Support Integration

To propel this initiative, the following incentive will be made available to the partnering health service providers:

- A **one-time financial grant** to support the development/implementation of the Priority Project Charter not to exceed either 10% of the total annual reinvestment or \$10,000.
- The prioritization and distribution of these grants will be upon the advice of CE LHIN Networks and/or Working Groups to CE LHIN Senior Management.
- Grants will be determined on the complexity of the project including type and number of health service providers. The **CE LHIN Decision Making Framework** will be used to prioritize opportunities.
- The CE LHIN will be responsible for the dispersement of these grants to applicable health service providers.
- Not all reinvestment opportunities will be supported through a financial grant. Hospitals will still be encouraged to reach their 1% Challenge targets irrespective of these financial grants.
- Should the Project Charter/Voluntary Integration not be brought forward to the CE LHIN for decision, the CE LHIN reserves the right to recover all or part of the financial grant.

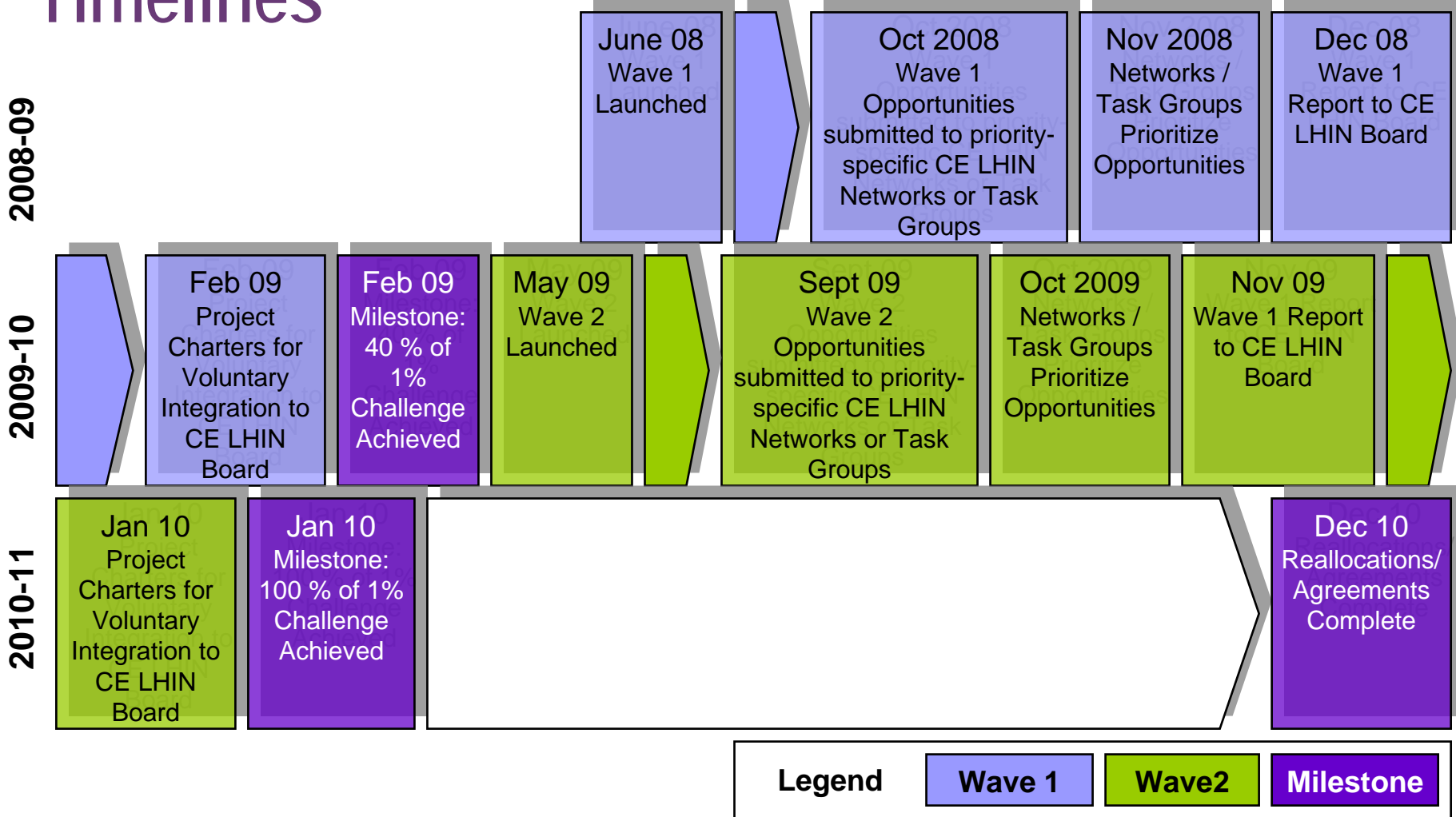
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# Budget for Incentives

	Wave One	Wave Two	Total
Seamless Care For Seniors Network	15,000	30,000	45,000
Chronic Disease Prevention and Management Network	20,000	35,000	55,000
Mental Health and Addictions Network	20,000	35,000	55,000
Wait Times Network	20,000	30,000	50,000
Primary Care Working Group	15,000	30,000	45,000
<b>TOTALS</b>			<b>250,000</b>

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# Timelines



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# Project Dependencies and Success Factors

## Dependencies Include:

- Board to Board Engagement Process
- CE LHIN Hospital Clinical Services Plan
- Health Service Provider “Service Accountability Agreements” (SAA)
- CE LHIN Annual Service Plan
- Central East Project Management Office
- ALC, ED and Rehabilitation Task Groups and Reports

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## Success Factors

- CE LHIN and health service provider boards engaged
- Effective communications strategy and early engagement of stakeholders
- Development of tools and incentives to support integration
- Create synergies with other LHIN initiatives, specifically the Aging at Home Strategy

# Measurements of Success

## Outputs

- # of hospital and community proposals submitted
- # of proposals matched
- # of Project Charters for Voluntary Integration brought to the CE LHIN
- Total % and \$ of reinvestments identified
- Total % and \$ of reinvestments completed
- Total savings to health system (e.g., hospitals).

**Outcomes.** Measurements are expected to include:

- Hospitalization Rate for Ambulatory Care Sensitive Conditions
- Reduced hospital length of stay.
- Decreased return visits to ED
- Rate of ED visits that could be managed elsewhere
- Number and percent of Alternate Level of Care days



# Endorsement Required

- CE LHIN Senior Management Request the endorsement of the Board Finance Committee to present the 1% Challenge Project Plan to the full Board (June 6).
- These timelines are recommended in order to capitalize on Board to Board engagement strategy and the Annual Symposium (June 16-18).