

2009/10 Funding Reallocations Presentation to CE LHIN Board

December 15, 2009

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Background

- Under the LHSIA and the MLAA, LHINS have authority to allocate and re-allocate funding outlined in the agreement. This funding includes health service provider (HSP) base budgets, special initiative allocations, and the LHIN operations budget. There are rules pertaining to these authorities, and in some cases a further approval from the Ministry is required.
- The MLAA specifies that the last opportunity to re-allocate (base or one-time) between sectors occurs at Quarter 3 reporting, which is due to the Ministry on December 31, 2009.
- To maximize use of all Central East funding, a review of year-end forecasts for providers and initiatives is being conducted by staff. This review is based on a Central East LHIN survey for this information, and not on the final Q3 report submitted by providers as part of their regular reporting to the LHINs.
- In preparation for the **one-time** re-allocation of the surpluses, staff have also been collecting information on all potential unfunded pressures and investment opportunities.

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Criteria for Re-allocation

In order to re-allocate the above surplus funding a prioritization framework must be applied.

The following criteria were used to determine recommended re-allocation strategies:

- The need/initiative must require one-time funding for 2009-10 only;
- Re-allocation to sectors with few peers (e.g. CCAC and CHC) will be prioritized;
- The receiving HSP must have the ability to expend the entire re-allocated amount within the fiscal year (with the exception of some hospital activity);
- There is alignment with Central East LHIN priorities and strategies
 - current IHSP strategies of MH&A, Chronic Disease Prevention & Management, Seniors);
 - New IHSP strategies reduced ER times and Vascular Disease impact;
 - Wait time strategy; and
- Outputs, outcomes and/or performance requirements will be attached to the funding.

What Can Be Re-allocated

- To maximize the use of CE LHIN funding, a review of year end forecasts for providers base allocations and various special funding initiatives is conducted by staff quarterly. Potential surpluses may be from:
 - Aging at Home projects
 - Urgent Priority projects
 - Pay for Results projects
 - Base annual or one-time funding
 - Other special one-time funding initiatives
- A preliminary estimate of the potential amounts to be reallocated will be completed based on a CE LHIN survey request. (HSPs to submit by December 11, 2009).

Where Can It Be Re-allocated

One-time reallocations of the surpluses may be used for potential unfunded pressures and investment opportunities such as:

- Health System Improvement Pre-proposals (HSIP);
- Aging At Home one-time start-up initiatives;
- HSPs pressures beyond control of the HSP;
- Minor capital requirements;
- Other one-time investments that align to CE LHIN priorities.

Current Estimate of Re-allocation Funds

| Sector/Initiative | Notes | Estimation |
|-------------------|--|------------|
| HSP – CCAC | Projecting a deficit | N/A |
| HSP – CHC | Physician Salary Surplus is restricted | TBD |
| HSP – MH&A | Historically a small surplus | TBD |
| HSP – CSS | Historically a small surplus | TBD |
| HSP - Hospitals | All funding has been redistributed | N/A |
| HSP - LTCHs | See Note 1 | N/A |
| Aging at Home | Year 2 estimated surplus is restricted to AAH initiatives | TBD |
| Urgent Priorities | Estimates likely to be used to meet ED/ALC pressures | TBD |
| Pay for Results | Currently all funding has been allocated or planned for reallocation | N/A |
| Totals | | |

Note 1: The Ministry identifies surplus in the Long-Term Care sector through review of occupied beds returns. At this time the Ministry has retained this surplus for the CCIMS (Community Care Information Management System)

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Potential Reallocation Investments

| Sector/Initiative | Notes | Estimation |
|-------------------|---|------------|
| HSP – CCAC | <ul style="list-style-type: none"> • Additional hip and knee rehabilitation • Enhancement of Nursing wound protocol | TBD |
| HSP – CHC | <ul style="list-style-type: none"> • Dental Suite pilot project | TBD |
| HSP – MH&A | <ul style="list-style-type: none"> • Unknown – pending | TBD |
| HSP – CSS | <ul style="list-style-type: none"> • Four Counties and Others | TBD |
| HSP - Hospitals | <ul style="list-style-type: none"> • Additional CT / MRI volumes | TBD |
| Aging at Home | Unknown – pending | TBD |
| HSIPs/priorities | Unknown – pending | TBD |
| Totals | | |

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