

2011/12 Funding Re-allocations Presentation to Central East LHIN Board

October 26, 2011

Background

- Under the Local Health System Integration Act, 2006 (LHSIA) and the Ministry-LHIN Performance Agreement (MLPA), Local Health Integration Networks (LHINs) have authority to allocate and re-allocate some funding outlined in the agreement.
- The MLPA 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 of Health and Long-Term Care (MOHLTC or the Ministry) on December 31, 2011. Further re-allocation can occur in Q4, but only within sectors.
- To maximize use of all Central East LHIN funding, a review of year-end forecasts for providers and initiatives is conducted by staff. This review is based on a Central East LHIN survey during Q2 & Q3 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.

What Can Be Re-allocated

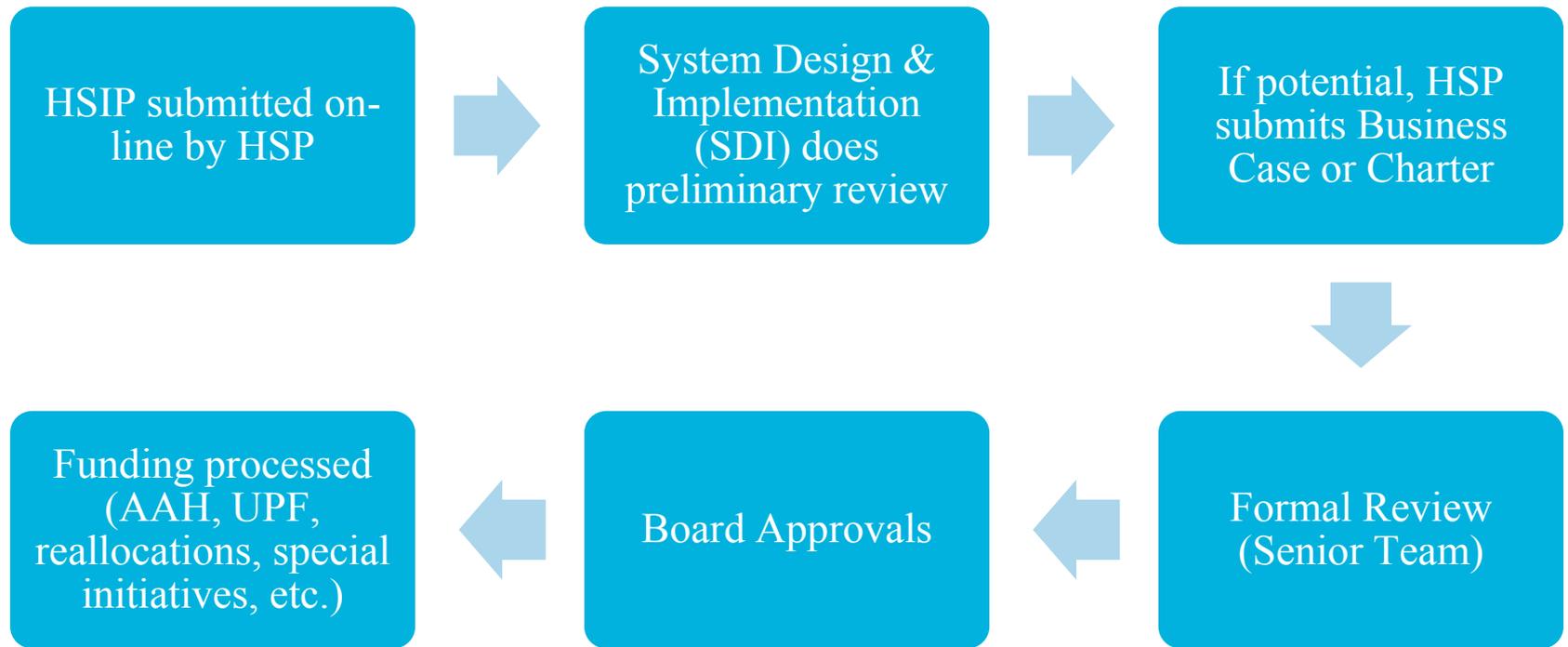
- To maximize the use of Central East LHIN funding, a review of year end forecasts for provider base allocations and various special funding initiatives is conducted by staff quarterly. Potential surpluses may be from:
 - Base annual allocations;
 - Aging at Home (AAH) projects;
 - Urgent Priority Funding (UPF) projects;
 - Other one-time funding; and
 - Dedicated funding (e.g. Community Health Centre [CHC] physician funding) with prior permission from MOHLTC.
- There are Ministry rules pertaining to some of these funding sources and in some cases further approval from the Ministry is required.

Where Can It Be Re-allocated

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

- Health System Improvement Pre-proposals (HSIP);
- AAH one-time start-up initiatives;
- Health Service Provider (HSP) pressures beyond control of the HSP;
- Minor capital requirements;
- One-time integration costs; and
- Other one-time investments that align to Central East LHIN/MOHLTC priorities/strategies.

HSIP Process



Criteria for Re-allocation

In order to re-allocate the surplus funding the following criteria must be satisfied:

1. The need/initiative must require **one-time funding** for 2011-12 only.
2. Re-allocation to sectors with few peers (e.g. Community Care Access Centre [CCAC] and CHC) will be prioritized.
3. The receiving HSP must have the ability to expend the entire re-allocated amount within the current fiscal year.
4. There is alignment with Central East LHIN/MOHLTC priorities and strategies. For example:
 - Current Integrated Health Service Plan (IHSP) strategies
 - reduction of impact of Vascular Disease; and
 - reduction of Emergency Room wait times
 - Other IHSP strategies (i.e. Chronic Disease Prevention & Management, mental health, primary care, frail seniors, Alternate Level of Care [ALC], etc.);
 - Reduction of Surgical and Diagnostic Imaging Wait Times
5. Accountabilities (i.e. outputs and/or outcomes) will be attached to the funding.

Current Estimate of Re-allocation Funds

Sector/Initiative	Notes	Estimation
HSP – CCAC	Projecting a balanced position	N/A
HSP – CHC	Physician Salary Surplus requires prior approval by MOHLTC Regular operating surplus	\$ 2.6 M \$ 300 K
HSP – MH&A	Historically a small surplus	TBD
HSP – CSS	Historically a small surplus	\$ 100 K
HSP - Hospitals	2007/08 Growth Funding available for re-allocation	\$ 143 K
HSP - LTCHs	LHIN's access to the Annual Revenue Occupancy still outstanding	TBD
Aging at Home	2011/12 estimated surplus is restricted to AAH initiatives	TBD
Urgent Priorities	Estimates likely to be used to meet ED/ALC pressures	\$ 647 K
Pay for Results	Currently all funding has been allocated or planned for reallocation	N/A
TOTAL		\$ 3.79 M

This preliminary estimate of the potential amounts to be reallocated is based on a survey completed September 15, 2011 (with a second survey is to be completed by December 15 to finalize the surplus amounts)

Potential Reallocation Investment Requests

Sector/Initiative	Notes	Estimation
HSP – CCAC	• TBD	TBD
HSP – CHC	<ul style="list-style-type: none"> • Dental Suite project (Port Hope) • Additional Service Hours (Oshawa) • DEC Expansion (Port Hope) • Other CHC Requests • Additional Nursing (Scarborough) • Expansion at Youth Centre 	<ul style="list-style-type: none"> \$ 30 K \$ 100 K \$ 150K \$ 80 K \$ 170 K \$ 600K
HSP – MH&A	• Unknown – pending	TBD
HSP – CSS	• Unknown - Pending	TBD
HSP - Hospitals	<ul style="list-style-type: none"> • Additional CT / MRI volumes • Vascular Programs (TSH & PRHC) • Additional UPF projects • Additional Wait Times volumes • SUBMIT project (Phase II) 	<ul style="list-style-type: none"> TBD \$360 K \$287 K TBD \$ 450 K
Aging at Home	Unknown – pending	TBD
HSIPs/priorities	Unknown – pending	TBD
TOTAL (to date)		\$ 2.227 M

MOTION

Whereas Central East LHIN must inform the Ministry of any sector-to-sector re-allocations by December 31, 2011 and the complete details of all such reallocations have not been finalized; and

Whereas some re-allocation funding has already been identified and outcomes can be maximized if re-allocations begin immediately; and

Whereas Central East LHIN staff follow a re-allocation strategy that outlines the decision-making process for such reallocations.

Be it resolved that the Central East LHIN Board approve the 2011/12 re-allocation strategy, and further, that staff report back on final reallocations in Q4.