



STAFF REPORT INFORMATION ONLY

Long-Term Care Home Service Accountability Agreement (L-SAA)

Date:	March 10, 2010
To:	Advisory Committee on Long-Term Care Homes & Services
From:	General Manager, Long-Term Care Homes & Services
Ward:	All
Reference Number:	

SUMMARY

Each Long-Term Care Home in Ontario is required by law to enter into a formal service accountability agreement with their Local Health Integration Network. A common template of a service accountability agreement for use with the long-term care sector is currently under development. It is expected that the new legal agreements will take effect on the date that the *Long-Term Care Homes Act, 2007*, comes into force.

Financial Impact

There are no financial implications arising from this report.

ISSUE BACKGROUND

The introduction of 14 Local Health Integration Networks (LHINs) was a key component of the provincial government's plan to transform the delivery of health care in Ontario. On April 1, 2007, LHINs assumed full responsibility for planning, funding and integrating health services in their geographic areas, pursuant to the terms of the *Local Health System Integration Act, 2006* (LHSIA).

LHSIA was created to support the achievement of an integrated health system that will improve the health of Ontarians through (i) better access to high quality health services; (ii) coordinated health care in local health systems and across the province; and (iii) effective and efficient management of the health system at the local level. LHSIA provides the LHINs with a number of tools to achieve integration in the system. One of these tools is funding. LHSIA requires that the accountability for the funding provided by the Ministry of Health and Long-Term Care (MOHLTC) to the LHINs be closely aligned with the accountability for the funding provided by LHINs to health service providers.

Each of the 14 LHINs and the Ministry of Health and Long-Term Care finalized and signed Accountability Agreements. The Ministry-LHIN Accountability Agreement (MLAA) sets out obligations on the part of both the Ministry and LHINs in fulfilling their mandates to plan, integrate, and fund local health care services for a three-year period. It also sets out the system performance objectives that the LHIN must achieve.

In accordance with the requirements of the *Commitment to the Future of Medicare Act, 2004*, each LHIN was required to enter into service accountability agreements (SAAs) with the health service providers (HSPs) they fund in compliance with the timetable set out in O.Reg. 279/07. Hospital SAAs (H-SAAs) were negotiated for 2008-10. Multi-sector SAAs (M-SAAs) were negotiated with community support services, community care access centres, community health centres and community mental health and addictions agencies for 2009-11. Work is now underway to develop a common template for a Long-Term Care Home Service Accountability Agreement (L-SAA) that LHINs will use to negotiate terms of service with each long-term care (LTC) home HSP.

COMMENTS

As part of the Provincial Government's health reform agenda, the *Local Health System Integration Act, 2006*, was passed into law on March 1, 2006. The *Act* gave new powers to 14 Local Health Integration Networks throughout Ontario to plan, integrate and fund local health systems (including hospitals, long-term care homes, community health services, home care, community care access centres, mental health and addiction services and community health centres).

Pursuant to the requirements of the *Commitment to the Future of Medicare Act, 2004* (CFMA), LHINs were required to provide formal notice to long-term care HSPs that they intended to enter into a service accountability agreement. The CFMA states that after notice is given, the LHIN and the HSP shall negotiate the terms of a service accountability agreement and enter into the agreement within the applicable time period, which is ninety days if entering into the SAA for the first time.

To support the negotiation of the L-SAAs, each LTC home was required to submit a planning document known as the Long-Term Care Home Accountability Planning Submission (LAPS). The terms and conditions of the L-SAA will be aligned with the terms and conditions of the MLAA which are designed to enable and facilitate the achievement of system goals. Central themes of the LAPS are service planning, measurement and evaluation of health services, and organizational performance. The LAPS together with the L-SAA form the basis of a multi-year funding and planning framework. Both the LAPS and the L-SAA will cover a three-year period.

The L-SAAs and LAPS are important changes for the LTC homes sector and for the LHINs. These documents emphasize the important role the sector must play in the transformation of the Ontario health system. It is recognized, however, that significant change is already underway in LTC, not the least of which is the anticipated proclamation of the *Long-Term Care Homes Act, 2007* (LTCHA).

On October 3, 2006, the provincial government introduced the new LTCHA under Bill 140. The LTCHA received Royal Assent on June 4, 2007, but will not be proclaimed into force until all of the regulations necessary to carry out the *Act* are drafted, consulted on and finalized. When proclaimed into force, this *Act* will replace the three existing pieces of legislation governing long-term care homes: *Nursing Homes Act*, *Homes for the Aged and Rest Homes Act*, and *Charitable Institutions Act*.

LHINs were expected to enter into SAAs with LTC homes by March 31, 2010. However, as the L-SAA is being developed within the context of the LTCHA, it had always been the intention that there would be alignment between the date of proclamation of the LTCHA and the start date for the L-SAA. Accordingly, signing of the L-SAA with LTC homes will occur on the date of proclamation. The current MOHLTC funding service agreements between the LTC home operators and the LHINs will continue to be in force until the date of proclamation of the LTCHA.

The L-SAA is significantly different than the previous MOHLTC funding service agreement. The table below sets out the major changes between previous MOHLTC funding service agreements and the L-SAA.

MOHLTC Funding Agreement	L-SAA
Focus on operational oversight.	Focus on performance and accountability.
Focus on organizational activities.	Focus on the system and deliverables with an emphasis on collaboration, cooperation and integration activities within the LHIN.
Agreements linked to activity measures.	Agreements linked to performance and outcome measures.
Agreements not aligned with provincial program and priorities.	Agreements aligned with provincial planning and priorities, the MLAA, and LHIN Integrated Health Service Plans (IHSP).
Annual agreement (currently 'evergreen').	Three-year agreement.
No operational change proposals.	No operational change proposals, however, requirement to notify and discuss with LHIN changes affecting the services provided.
Different terms and conditions for each health care sector.	Consistent approach for all health care sectors.

In addition to the LTCHA, other important changes affecting the LTCH sector include the implementation of interRAI MDS, the piloting of the Ontario Healthcare Reporting Standards (OHRS)/Management Information System (MIS), compliance transformation,

the Ontario Health Quality Council (OHQC) public reporting initiative, the implementation of recommendations from the People Caring for People report, and the LTC Homes Renewal Strategy and other development projects. Given these changes, the LAPS and the L-SAA emphasize the use of planning, funding and performance processes that already exist in the sector.

The LAPS together with the L-SAA form the basis of a funding and planning framework. LAPS were submitted by LTC homes to the LHINs on November 20, 2009 or shortly thereafter. The LHINs are currently reviewing the LAPS in preparation for negotiating L-SAAs. Although the signing of the L-SAA has been delayed from the original March 31, 2010 date, an overall refresh of the LAPS information is not expected to take place in advance of completing the L-SAAs. The L-SAA schedules will be completed based upon the current LAPS information.

The accountability agreements outline the responsibilities of local health service providers and the LHIN, set activity and financial targets, lay out expectations for ongoing development and service delivery and provide benchmarks so that providers and the LHIN can measure performance year over year. The L-SAA will focus on accountability and performance and will be an integral component to the ongoing effort to improve health system performance and provide high-quality, resident-centered care.

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SIGNATURE

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