



STAFF REPORT ACTION REQUIRED

Request for Authorization to Execute Service Accountability Agreements

Date:	May 7, 2010
To:	Community Development and Recreation Committee
From:	General Manager, Long-Term Care Homes & Services
Ward:	All
Reference Number:	

SUMMARY

In the past, annual service agreements for provincially funded health services were signed between the Ministry of Health and Long-Term Care (MOHLTC) and the applicable health service provider. With the evolution of the Local Health Integration Networks (LHINs), the MOHLTC has transferred the authority for service agreements to the LHINs. Each health service provider in Ontario will now be required by law to enter into formal service accountability agreements with the applicable LHIN for the health service(s) provided. A standardized service accountability agreement for use within the long-term care sector has been developed and is expected to be released shortly. These new service accountability agreements must be executed on or before the date that the *Long-Term Care Homes Act, 2007*, is proclaimed into force (July 1, 2010) as a condition of funding. Delegation of financial signing authority to the General Manager, Long-Term Care Homes and Services to enter into the mandatory service accountability agreements is being recommended.

RECOMMENDATIONS

The General Manager, Long-Term Care Homes and Services recommends that:

1. the General Manager, Long-Term Care Homes and Services, be given authority to execute the required standard Service Accountability Agreements on behalf of the City of Toronto for the operation of the City's long-term care homes and community programs with the five Local Health Integration Networks; and
2. the appropriate City of Toronto Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

There are no financial implications arising from this report.

ISSUE BACKGROUND

In accordance with the *Long-Term Care Statute Law Amendment Act, 1993*, the Province of Ontario introduced a requirement for Homes for the Aged to enter into formal service agreements as a prerequisite to receiving provincial subsidy. On September 28, 1994, Metropolitan Toronto Council approved Clause No. 9 of Report No. 13 of the Community Services and Housing Committee entitled "Service Agreements - Homes for the Aged", that authorized the General Manager, Homes for the Aged to execute the required standard Service Agreements with the Province of Ontario for the operation of the homes on behalf of the Municipality.

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 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. The standardized Long-Term Care Home Service Accountability Agreement (L-SAA) is in the process of being finalized for immediate implementation.

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 are 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)*.

The LTCHA received Royal Assent on June 4, 2007, and notice has been given that it will be proclaimed into force on July 1, 2010. 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. The L-SAA was being developed within the context of the LTCHA, with an intention to reconcile 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 coincide with the date of proclamation of the LTCHA. 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 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. 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 required. The L-SAA schedules will be completed based upon the current LAPS information.

The LHINs in collaboration with the MOHLTC established an L-SAA Steering Committee to oversee the development of the new Agreement. In addition, a Long-Term Care Sector Consultation Team was formed with members of the LTC sector associations and their members. The LTC sector associations involved included the Association of Municipalities of Ontario (AMO), the Ontario Association of Non-Profit Homes and Services for Seniors (OANHSS), the Ontario Long Term Care Association (OLTCA), the Ontario Hospital Association (OHA), and a senior City of Toronto Long-Term Care Homes and Services (LTCHS) staff representative in accordance with the Toronto–Ontario Co-operation and Consultation Agreement.

LTCHS worked closely throughout the consultation process with Toronto Legal Services and Corporate Finance Insurance & Risk Management. As part of this process, Toronto Legal Services, Corporate Finance and LTCHS identified certain issues and potential risks inherent in the Agreement. As a result of concerns raised by the City of Toronto, a number of changes were negotiated and incorporated into the template agreement. While there are some points where further revision would have been desirable, the draft service accountability agreement is now in a form and content acceptable to LTCHS.

The service 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.

CONTACT

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SIGNATURE

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