

September 13th , 2013

MEMORANDUM TO: NE LHIN Hospital CEOs

FROM: Martha Auchinleck, Senior Director, Health System Transformation and Implementation, NE LHIN

RE: North East LHIN Clinical Services Review Thank you and Update

**North East LHIN Clinical Services Review
Thank you and Update**

Thank you to those of you who attended our September 11 evening session where Mark Hundert of the Hay Group provided an overview of work-to-date on the North East LHIN's Clinical Services Review. Your input into the review is important and notes taking during the discussions have been fed back to Mark so he incorporates them into the review's next steps.

Attached, as promised, are the slides from last night's presentation.

Background

At this juncture, I would like to provide additional information on the review, outline opportunities that have been made for input to date, and provide you with information on engagement opportunities on the horizon.

Health System Funding Reform (HSFR) began in 2012/13. It has two components to the formula: Health Based Allocation Methodology (HBAM) and Quality-Based Procedures.

In year 1 of the implementation, four QBPs were implemented: primary hip replacements, primary knee replacements, cataract surgery and chronic kidney disease (CKD).

In year 2 (2013/14), six additional quality-based procedures were added: colonoscopy, chronic obstructive pulmonary disease (COPD), congestive heart failure (CHF), stroke, chemotherapy-systemic treatment and non-cardiac vascular.

When HSFR is fully implemented in 2014/15, 30% of hospital funding will be based on QBPs.

Since 2011, the Ministry has provided many educational sessions throughout the province. They also established clinical expert panels to develop handbooks for each of the QBPs. The handbooks are based on clinical evidence for best practices. The handbooks, updates and educational sessions are all available at www.hsimi.on.ca

Provincial Process

Health System Funding Reform is led by two Assistant Deputy Ministers: Don Young and Susan Fitzpatrick. The ADM's lead a provincial steering committee comprised of MOHLTC, LHIN, and hospital representatives who are focusing on the detailed components of health system funding.

In 2012 a Small Hospital Working Group (see attached membership) was established to look at the implications of QBPs on small hospitals (the definition of a small hospital is a hospital with less than 2700 acute weighted cases). The working group came up with two recommendations to phase in QBPs for small hospitals (instead of full implementation in 2013/14), including: (1) small hospitals should adopt the clinical pathways in 2012/13; (2) the "carve-out" and funding for small hospitals should be delayed until 2014/15 in order to give small hospitals time to adjust, plan and realign their services as needed given the impending QBPs.

North East LHIN Process

The NE LHIN, in consultation with hospitals, took a proactive approach and undertook a review of the QBPs for our LHIN. As a response to the rollout of QBPs to hospitals, and in recognition of the implications of the QBPs on our region's 21 small hospitals, in January of this year, the NE LHIN issued a RFP and engaged the Hay Group to undertake the Clinical Services Review. Mark Hundert of the Hay Group was then charged with leading an analysis of the current state, and developing potential future models based on the clinical handbooks, best practices, and access to care.

The objective of the review is to encompass a future vision of QBPs, an overview of the current system, development of a restructuring plan for QBP services, identification of risks, barriers, mitigating strategies, and an action plan to help implement the vision for the NE LHIN.

In June, one engagement per HUB was held with clinicians to gather input into the review.

Over the summer months, Mark and his team analyzed data, reviewed feedback received to date, and started to draft some parameters around proposed models.

Hospital CEOs received an overview of this work-to-date this past Wednesday.

A second round of clinician engagements will be held later this month and invitations from the Hay Group were sent to you last week (Nipissing and Sudbury, September 23; Cochrane, September 25; Algoma, October 1). You were asked within the emailed invitation, to ensure your hospital's clinicians attend the meeting. Please note that should you wish, hospital CEOs are also welcome to attend, although at this

point it is the voice of the clinicians that is sought.

In addition to providing regular updates on the process at the monthly small hospital meetings and the HUB hospital meetings, the session held September 11 was your opportunity to be engaged in the process to date and to ensure your feedback was captured on this transformational work underway across the province.

Following this next round of engagements, the LHIN will seek your input once again on what's been heard to date and the proposed models for QBPs. We envision that a recommended model will go to our Board of Directors early in 2014. In the meantime, I encourage your active participation in engagement sessions as well as that of your clinicians.

The membership of the steering committee that is providing direction on the clinical services review is attached below. Please do not hesitate to contact any member to seek clarification or to provide your further input.

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