

# Mississauga Halton LHIN

## Governance to Governance: Community Sector Focus

*Funding, Accountability & Governance  
"Raising our Bar"*



October 2, 2012

# Welcome and Introductions

Graeme Goebelle  
Board Chair  
Mississauga Halton LHIN

# Our Shared Roles & Expectations

As governors of health service providers we all share an obligation to:

- Ensure that our organizations have a client first approach and are doing their very best with the resources they have to better serve their clients.
- Ensure that our organizations do this in a fiscally and ethically responsible way.
- Understand the risks and opportunities that face our organizations and to do our best to mitigate those risks and seize those opportunities.

PLUS – Take a Health System’s View to:

- Ensure that our organizations are working more closely together; not only to improve our efficiencies, but to significantly enhance the quality and accessibility of the services we bring to our community.

# Agenda

## 1. **Share MH LHIN perspectives:**

- Heightening expectations for accountability throughout the system
- Evolution of system integration and the role of local governance
- Observations and experiences of local governance thus far
- Evolution of governance in response to heightened accountability
- LHIN Board's questions and concerns

## 2. **Dialogue and explore together:**

- How do HSPs currently satisfy requirements for “sufficient” governance?
- What do we feel is “sufficient” governance; what's most essential for all HSPs?
- What's reasonable to expect of HSP governance in striving for higher standards?
- How can HSPs be best supported to get to and maintain agreed standards?
- What are the options and consequences for HSPs that can't or choose not to provide agreed governance assurances?

## 3. **Next steps in setting and achieving an agreed standard of governance.**

# Heightened Expectations for Accountability

1. Public expectations of government
2. Government's expectations of LHINs
3. LHIN's expectations of HSPs
4. The emerging/evolving context for Community Service HSPs

# 1. Public expectations of government

- Excellent, accessible care and services
  - *When and where they are needed*
- Patient driven and focused improvements
  - *Patient is the client not government or agencies*
- Clear and measurable outcomes
  - *Connect changes and investments to measurable difference in the patient/client experience*
- Value for money
  - *Cost savings through reduced duplication and waste*
- Real accountability
  - *More responsible and transparent stewardship of tax payer money*

## 2. Government's expectations of LHINs

- **Compliance**
  - *To legislation, act and reporting requirements*
- **Strong fiscal stewardship**
  - *The government has entrusted each LHIN board to ensure the best possible services are provided and all funding is being used responsibly*
  - *Confidence that public funds are not being wasted*
- **Transformation**
  - *Integration and standardization across the provincial system – maximize quality of care in right settings*
- **Leadership**
  - *Advance provincial priorities throughout the province*
- **Local sensitivity and accountability**
  - *Enable local planning, service solutions and decision-making*

### 3. LHIN's expectations of HSPs

- Compliance
  - *To Service Accountability Agreements*
- Strong fiscal stewardship
  - *The public has entrusted each board to ensure the best possible services are provided and all funding is being used responsibly*
- Continuity
  - *Coordination, cooperation and standardization across the regional system – maximize efficiency and effectiveness*
- Leadership
  - *Advance provincial and LHIN priorities (IHSP)*
- Accountability
  - *Demonstration of local / HSP capacity in both operations and governance to give confidence to delegation and decision-making*

## 4. The emerging/evolving context for Community Service Providers

- History of often being undervalued in hospital-focused planning
- Recent recognition of importance and real value of community-based services to improve health care of the population and create a sustainable system
- Recognizing that integration of primary care and community service is essential to keeping people at home and away from institutional services and unnecessary use of emergency departments

## 4. The emerging/evolving context for Community Service Providers (cont'd)

- Continued growth of the importance of this sector
- New targeted investment being channelled to community sector with increased expectations for right sizing the system
- *With this heightened attention and investment comes much higher expectations regarding quality, leadership, coordination and accountability*

# Evolution of System Integration and the Role of Local Governance

# Evolution of System Integration and the Role of Local Governance

1. Local Health System Integration Act 2006 – LHSIA 2006
2. Transfer Payment Accountability Directive (TPAD)
3. Multi Sector Accountability Agreement (M-SAA)
4. Accreditation
5. Excellent Care for All Act (ECFA)
6. Guidelines for Community Health Service Providers  
Audits and Reviews
7. Governance “checklists”

# 1. Local Health System Integration Act

- Under Section 21 of the LHSIA, a LHIN has the authority, at any time, to direct a HSP to engage or allow a third party audit of its accounts or financial transactions by licensed auditors.
- Additionally, under Section 22(1) of the LHSIA, LHINs may require that any HSP to which the network provides funding, provide to the LHIN the plans, reports, financial statements and other information, other than personal health information as defined in the *Commitment to the Future of Medicare Act, 2004*, that the network requires for the purposes of exercising its powers and duties under LHSIA.

## 2. Transfer Payment Accountability Directive

- Details government expectations of ministries and classified agencies that provide transfer payments to ensure transfer payment recipients (HSPs) use public funds properly and prudently
- Mandatory that LHINs have a risk management framework and that they have oversight capacity to ensure transfer payment recipients are providing services for funds received.

# Transfer Payment Accountability Directive (*cont'd*)

## Before funds are flowed:

- Recipient must be a legal entity
- **Recipient must have governance structures and accountability processes to properly administer and manage public funds, and to provide services for which transfer payments are made.**
- Transfer payments are to be made only through specific transfer payment programs that have defined objectives, functions, eligibility criteria and recipient obligations.

# Transfer Payment Accountability Directive (*cont'd*)

LHINs must consider transfer payment recipient's capacity regarding:

- Expertise and experience necessary to discharge its responsibilities
- Appropriate governance and control structure in place
- Reliable financial reporting (relevant, accurate and timely)
- More...

### 3. M-SAA – What is it?

- The M-SAA is a service accountability agreement between the LHIN and a Health Service Provider (HSP).
- It clarifies that the HSP will be responsible for delivering on not only performance but also planning and integration towards the development of a health system.
- It is more than simply an agreement to purchase a basket of health services for an amount of funding.



# M-SAA - Principles

- Clearly articulates expectations of both parties.
- Ensures consistency to streamline processes
- Promotes fairness and equitable treatment of health service providers.
- Reflects clear accountabilities for HSPs and LHINs.
- One M-SAA for all community providers with a common framework, terminology and provisions.
- Tone of mutuality and collaboration overlaid by the LHIN's responsibility to demonstrate value for taxpayers money that has been provided for the delivery of health care.

# M-SAA Governance Expectations

## **Declaration of Compliance:**

Within 30 days of September 30 and March 31 of each Funding Year, the Board of Directors of the HSP will issue a declaration signed by its Chair declaring that the HSP has complied with the terms of this Agreement. The form of the declaration is set out in Schedule G and may be amended from time to time through the term of this Agreement.

## M-SAA Article 10.3 Governance:

- (a) The HSP represents warrants and covenants that it has established, and will maintain for the period during which the Agreement is in effect, policies and procedures:
- i. that set out a **code of conduct and ethical responsibilities** for all persons at all levels of the HSP's organization;
  - ii. to ensure the ongoing **effective functioning** of the HSP;
  - iii. for **effective and appropriate decision-making**;
  - iv. procedures for **effective and prudent risk-management**, including the identification and management of potential, actual and perceived conflicts of interest;
  - v. for the **prudent and effective management of the Funding**;
  - vi. to monitor and ensure the **accurate and timely fulfillment** of the HSP's obligations under this Agreement and the Act;
  - vii. to enable the preparation, approval and delivery of all Reports required pursuant to Article 8; and
  - viii. to **address complaints** about the provision of Services, the management or governance of the HSP.

# M-SAA

## **Article 10.3 Governance (*cont'd*):**

(b) The HSP represents and warrants that:

- i. it has, or will have within 60 days of the execution of this Agreement, a **Performance Agreement** with its CEO that ties the CEO's compensation plan to the CEO's performance;
- ii. it will take all reasonable care to ensure that its CEO complies with the Performance Agreement;
- iii. it will **enforce the HSP's rights** under the Performance Agreement; and
- iv. any compensation award provided to the CEO during the term of this Agreement will be pursuant to an evaluation of the CEO's performance under the Performance Agreement and the CEO's achievement of performance goals and performance improvement targets.

# M-SAA Schedule 3

## **LHIN Specific Performance Obligations:**

### 3.1 Governance

- HSP Boards to ensure that as part of their on-going comprehensive recruitment, orientation and development process for board members that they incorporate governance training utilizing current best practice knowledge. HSP to provide sign off during Q4 submission that the activity is in place.

### 3.2 Board Self-Assessment

- HSP is required to complete an annual Board self-assessment process. Evidence of this activity is to be reported yearly (Q4) to the LHIN.
- HSP to provide sign off during Q4 submission that the activity is in place.

## 4. Accreditation

### **M-SAA Schedule 3**

### **LHIN Specific Performance Obligations:**

#### 3.3 Accreditation

- That all HSPs engage with an Accreditation body (provincial or national) with initial accreditation to be completed by September 30, 2013. Once accredited HSP is required to maintain accreditation and to inform the LHIN each time accreditation is awarded.

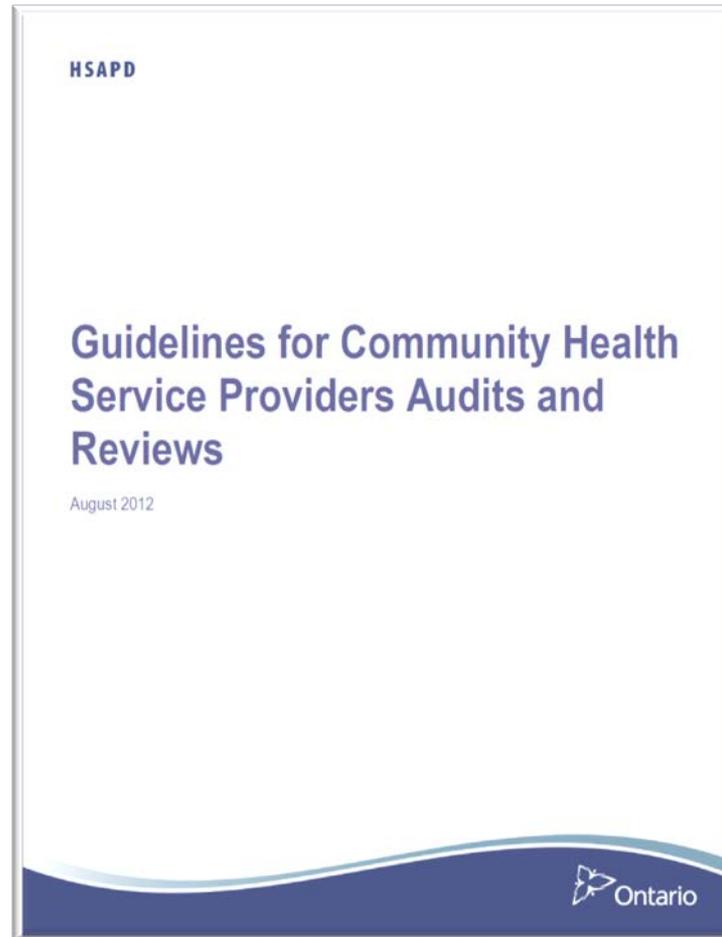
## 5. Excellent Care for all Act (ECFA), 2010

Establishes a number of requirements for health care organizations, **starting first with hospitals** who are required to:

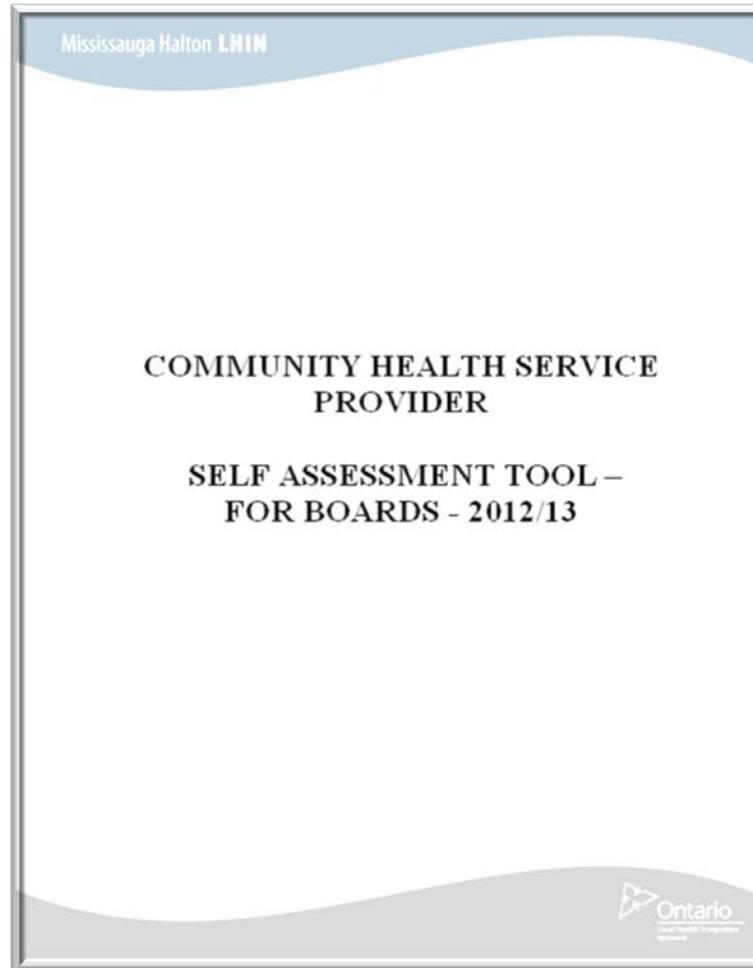
- Establish **quality committees** of the board
- Develop and make publicly available **annual quality improvement plans**
- Ensure that **executive compensation** is tied to success of quality improvement plan
- Carry out **patient, client, and caregiver surveys**
- Carry out **employee / care provider surveys**
- Have a **patient relations process**
- Have a **patient declaration of values**



## 6. New Audit Policy (posted on LHIN website)



# 7. Governance “checklist” Draft





**OBSERVATIONS**

# Local Governance

# Some Observations of Local Governance, Thus Far

- Considerable variation in the quality and capacity of governance in the community services sector
- Many HSPs' still struggle with what's expected of them regarding "integration" and governors haven't determined how to engage in these discussions and decisions
- LHIN model has not yet fully determined how to address this gap and risk in the system transformation agenda
- There is less and less tolerance for leadership and governance in the health sector as a whole that is not best practice
- Good governance is no longer an aspiration; it's a requirement

# Evolution of Governance in Response to Heightening Accountability

- LHINs are intensifying their expectations on HSP Boards to demonstrate sound and reliable governance
- CEOs and EDs, alone, can not make the structural, system and people changes needed to raise the governance capacity of their Boards
- Volunteer board members feeling more and more pressure and less and less confident about their futures; this is causing increased frustration and resistance to system goals
- Boards have been given tools, time and opportunity to improve but too many still lag behind
- This is causing a lack of confidence at all levels of government that the critical role and transformation in this sector can be achieved

# Mississauga Halton LHIN Board

## *Questions & Concerns*



# MH LHIN Board: *Questions & Concerns*

- How do we better assure ourselves that HSP governance is sufficient in all of our HSPs?
- What is sufficient governance for us in our LHIN? What will be our "standards" for HSP governance?
- What is reasonable to expect of our HSP governors and agencies?
- How do we support our HSPs to be successful? What do they need; what's reasonable for us to provide; where else can they turn?
- What if our HSPs cannot/do not meet what we all ultimately agree to be "sufficient" governance standards; what are the options; for them and for the LHIN?

# HSP Governors

*Perspectives & Input*

## Good Dialogue Practice

1. Take a few minutes on your own to form your perspective to each question; write your key points down so you can be succinct when sharing them.
2. Share what you've written with your colleagues and then listen to what they have written down. Hear everyone's perspectives before having a conversation.
3. After hearing everyone, explore the perspectives together; look for similarities and patterns

# Group Discussion #1

- What does your agency do *now* to demonstrate/satisfy the LHIN that "sufficient" governance is in place?
- What do you feel is “sufficient” governance; what are the most essential aspects of governance that you feel should be in place and be demonstrated to be in place for all agencies in our LHIN?

## Group Discussion #2

- What is reasonable to expect of you, as HSP governors in striving to get to and stay at the agreed (sufficient) level of governance capacity?
- What kind of support do you need to get to and stay at the agreed (sufficient) level of governance capacity?

## Group Discussion #3

- If your (or any other) agency determines that it isn't able to provide these (sufficient) governance assurances; what options do you feel you have; what options are practical ?

## Next Steps

- Establishment of a Governance Consultation Group.
- First task is to set out to resolve these questions, together:
  1. What will we all accept as sufficient governance for our LHIN/sector?
  2. What will we accept as reasonable means for assuring the LHIN that this sufficient governance is and can remain in place?
  3. What mechanisms need to be in place to support HSPs to get there &/or resolve problems if they can't?
- *MH LHIN will provide support resources to the Governance Consulting Group to begin working on these issues.*

## Next Steps

- If you are interested in volunteering to be a member of the MH LHIN Governance Consultation Group please send an email to:

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Executive Lead Governance and Quality Improvement



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# Thank You for attending today's session

You can find a copy of this presentation at:

[www.mississaugahaltonhin.on.ca](http://www.mississaugahaltonhin.on.ca)

*Community Engagement*