



L E O N A R D  
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& ASSOCIATES INC.

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***Understanding Local Health  
Integration Networks:  
October 13<sup>th</sup>, 2004***

# Local Health Integration Networks: Building a True System LHIN Bulletins

From the Ministry of Health and Long-Term Care webpage

[www.health.gov.on.ca](http://www.health.gov.on.ca), accessed on October 12<sup>th</sup>, 2004

- “This first bulletin is intended to inform healthcare providers and Ontario citizens about the government’s plans to better integrate and coordinate health services at a the local level. It will inform you about how **we are bringing together the planning and delivery of healthcare services within set geographic boundaries**. We call the new system Local Health Integration Networks (LHINs)”
- **Why LHINs?**
  - “We need to make better use of - at the local level - the strengths and advantages of Ontario's vast healthcare community. Despite many successful individual efforts at integration, healthcare providers still operate in an extremely complex environment, dominated by sector-specific silos. Consider that Ontario's healthcare system is comprised of:


• 155 hospitals	581 long-term care facilities
• 42 Community Care Access Centres	37 local Boards of Public Health
• 55 Community Health Centres	70 community and public health labs
• 600 Community Support Service Agencies	353 mental health agencies
• 150 addictions agencies	5 Health Intelligence Units
• 16 District Health Councils	7 Regional Ministry offices “

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- Today, the individual Ontarian must navigate a system that has numerous unaligned programs and services, as well as conflicting and overlapping boundaries. A common set of boundaries across the system will facilitate the proper integration of healthcare services and will ease the movement of people across the continuum of care so that they get the best care, in the most appropriate setting, when they need it. Local Health Integration Networks provide both the vision and the enabling structure to achieve these goals.
- **Local Health Integration Networks (LHINs) will be 14 community-based organizations with a unique mandate to plan, coordinate, integrate, manage, and fund care at the local level within their defined geographic areas.**

# On the Record: Notes from the Ministry of Health and Long-Term Care

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- **Mapping the 14 LHINs**
  - The 14 LHIN geographic boundaries were created to reflect local areas where people naturally seek health care.
  - These were determined by using evidence-based methodology in collaboration with the Institute for Clinical Evaluative Sciences (ICES).
  - **The boundaries are permeable for patient care. People will continue to be able to choose their health care provider as they do today.**
  - **All 14 LHINs contain at least one high volume hospital.**

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- **Governance and Accountability**

- LHINs will be organizations governed by an appointed Board of Directors and bound by performance agreements with the Ministry. The Boards will be appointed by an Order-in-Council. Board members will be selected using a merit-based process, with all candidates assessed for fit between skills and abilities of the prospective appointee and the needs of each individual LHIN. The appointment process will be transparent and consistent - with clear and understandable guidelines applied consistently to all Board appointments.
- Board members will be expected to possess relevant expertise, experience, leadership skills, and have an understanding of local health issues, needs and priorities.

# On the Record: Hon. George Smitherman; September 9<sup>th</sup> – Market Square

- “LHINs differ from what people tend to think of as regionalization in four fundamental ways:
- Our plan will respect and support local governance of health delivery organizations
- LHINs will not directly provide services
- While our government will provide strong and sure leadership, LHINs will be built alongside community voices.
- There will not be hard boundaries for patients. My mother who lives in Ravenna can still go to the doctor in Etobicoke
- Patients need a system that is accountable for delivering Quality Results”

# **On the Record: Submission to Priorities and Planning Board of Cabinet on Implementation of Local Health**

## **Networks:**

- The development of the Local Health Networks arises out of the 5<sup>th</sup> strategy identified within MOHLTC Transformation Project. This strategy encompasses “increased accountability, reduced growth curve to sustain health care, multiyear funding, integration through local health networks, managing drug growth, standardization, incenting quality initiatives and quality work environments, investments in e-health and capital infrastructures.”

## **The proposed LHN will be responsible for:**

- Planning, reporting and evaluating
- Integrating and coordinating care
- Funding and allocating resources

## **Other benefits of the LHN include:**

- Improved navigation and access to quality services for health care consumers.
- Increased capacity to respond to unique need of communities
- Improved accountability

# On the Record: Submission to Priorities and Planning Board of Cabinet on Implementation of Local Health Networks:

## Scope of Function Q & A

- 1) **What is proposed scope?** Planning, reporting, evaluating, integrating, coordinating services through funding and allocating resources. They will help to create a true local system.
- 2) **What happens to DHCs?** Their functions will be integrated into LHN
- 3) **What about CCACs?** MOHLTC currently is looking at how this can best be done. All or any functions of CCACs may potentially be rolled into LHN.
- 4) **Role of LHN in funding out of institutions and community based care, what about incentive for efficiency?** LHN primarily will be set up as an agency with regulation under Development Corporations Act. In this phase they will not have the ability to transfer funding out of current silos. They will earn this ability to transfer funds across silos when the government passes special legislation and they demonstrate that they have the capacity to deal with their functions. Once they are able, LHN will be responsible for determining how to best meet the need of the area, within MOHLTC accountability agreement.

# On the Record: Submission to Priorities and Planning Board of Cabinet on Implementation of Local Health Networks:

## Outcomes/Implications – Q & A

1. What are the fiscal implications? Longer term flattening of cost curve and more equitable distribution of funds across the province
2. What are some of the risks? Risks are identified as the following:
  1. Contentious definition of boundaries.
  2. Resources remain constrained in silos until funding legislation occurs
  3. Investment in change is needed up front so that long-term efficiencies may be realized
  4. Lack of integrated information systems.
  5. Apprehension among providers, concerning loss of autonomy through forced integration.
  6. Negative reaction to LHN funding and allocating role in performance monitoring and reporting (building on reaction to Bill 6)
  7. Stakeholder resistance to change.
  8. Insufficient local capacity to assume responsibilities
  9. Public Servants fight for their jobs (Len Domino, Oct 2004)

# On the Record: Submission to Priorities and Planning Board of Cabinet on Implementation of Local Health Networks:

3. What “mitigation” strategies are planned? The following strategies are planned to reduce risk:
- a) Communication strategy about patient and evidence basis for boundaries and permit fine-tuning over time.
  - b) Be clear that the boundaries do not restrict patient choices.
  - c) Create transitional strategies (new \$ to flow through LHN)
  - d) Multiyear funding to enable planning for transformation with assurance of financial stability.
  - e) Provision of transition supports, including development of integration information systems, community development, incentives for education and training
  - f) Respect the autonomy of existing providers – local boards will remain intact (local organizations eg. Hospitals, will maintain their own boards)
  - g) Engage local leadership, and champions.

# Timetable for the LHIN initiative

- “The critical path has been laid out. We have three more years in our mandate. The election date is fixed. We are going to roll out LHIN in a ‘stepwise’ fashion. We will have objectives for the first year, second year, and third year. We don’t want to wait for the results of our first term work to materialized in the second term.”
- Once the framework is in place we’d like to roll this out. This is important change, difficult change- and this Minister will not derailed.”

# Government's Needs Concerning Integrated Health Networks

- “One of our main objectives for LHIN is synergy; it’s about gathering all the data and being able to use it in a meaningful way.”
- “We are looking to overhaul the system. Each institution we fund should have a specific job, and a certain responsibility. Hospitals should not be getting into the business of long-term care: it feels as if we are dealing with patients in 50 different places.”
- “With LHIN, we want integration to be seamless – we need everyone to use best practices, right now best practices are not being used consistently throughout the province.”

# Government's Needs Concerning Integrated Health Networks

- “We have some hospitals that enable CCAC’s to come right into the building – by the time the patient is ready to go home, it’s a seamless transition. That may happen in a hospital in Toronto, but the same practice doesn't happen in other hospitals: and often its because there is very little coordination between the CEO of the hospital and the Executive Director of the CCAC.
- “We want CEOs of hospitals, sitting at the same table as directors from CCACs. We can’t afford to have the inconsistencies between Health Care Providers because of personality conflicts, they should all be using best practices.”
- “We need accountability in the systems: we need to be able to measure who is providing what service: we need to be able to control how the service is provided...”

# Government's Needs Concerning Integrated Health Networks

- “The main drive for the transformation file in Health is to break down the silos in Health Care.”
- “We think LHIN will provide us with better governance and accountability in the system. The Minister believes that it is time for us to break the silos and empower communities”
- “We keep running into the same issues. Everyone speaks different languages in Health. In short, there is no integration in the system.”
- “We need to integrate all aspects of Health Care: we need to roll in the various parts including Acute Care and Long-Term care.”
- “The electorate expects us to show them results. They’ll ask us at the end of our term to report back with what we’ve achieved in Health Care. We need to provide them with a report.”

# Government's Needs Concerning Integrated Health Networks

- “The public doesn’t care if it doesn’t effect their daily lives. If the stakeholders aren’t buying in that’s where there will be a push back. Just look at the Harris -Eves Government and their education reforms.”
- “One of our political concerns is that on the patient level we don’t want them to see the effects of the LHIN transition”
- “When the announcement comes we would hope that you can endorse the principles. We need you [the stakeholders] to say ‘this is what was needed – changing the delivery of Health Care is important!’”
- “We envision this file as a crisis management portfolio. Change is difficult and often resisted. We will need to liaise with different groups to identify opportunities and threats.”

# Independent Boards

- “We have said this in the past and we’ll say it again, we are not in the business of dissolving boards. We are looking for accountability and we are concerned about quality. We are staying away from governance issues . . . however, if the Hospital CEOs sees the hospital boards as inefficient and would like to work with LHIN instead, we would like to empower the hospitals to do that.”
- “We view the LHINs as an opportunity for hospitals.”
- “We no longer want the Hospital CEOs to dictate the system. It’s clear that Health Care will be better served in the community.”

# Independent Boards

- “The hospital’s role and the CEO’s role should be to provide care. They should not be caught up in having to sell every program and initiative to the hospital’s board.”
- “Our primary concern is hospitals. We want to free up the hospitals to do what they do best!”
- “Hospitals are meant to do two things: surgery and procedures. Everything else can be done in the communities.”

# Hospitals

- The CEO of a Hospital was advocating to the government that there was a shortage in staff and that the hospital was having a tough time retaining the staff. We added 10% to their budgets to help the situation.”
- “I got a phone call telling me that the 10% we gave them, went into giving administration a raise!....”
- “The CEO was on the radio complaining about the funding shortage. We called in and asked him if the 10% that was added to his budget was used to give a raise for the administration. He flat out denied it...”

# Hospitals

- “The host was smart, and went to verify the story with the Hospital’s board member. The board member had a different story, she indicated that the administration worked hard and it was decided that they deserved a raise.”
- “The Hospital had to re-cant their story!”
- “What did they think that we wouldn’t find out about this?”

# Hospitals

- “I know Smitherman, I sat next to George..... He’s the best and absolutely committed and smart. We have some great Cabinet Ministers - but he’s the best... Our challenge is that 47 cents of every dollar we spend goes into Health. We have no control of how any of this money is spent. Doctors have a billing number and they just bill.”
- “We hope to wrestle with this and gain some control over how the money is spent. Every time people ask us why we need Bill 8: Smitherman’s answer is the Hospital Story: that example has been in almost all his speeches.”

# District Health Councils

- “LHIN’s will try to tackle some of this; interwoven in the LHIN will be CCAC’s and Hospitals. District Health Councils don’t do anything; they just don’t want to get involved they’ll also be part of the transformation agenda.”
- “Often the suggestions made by District Health Councils sit collecting some dust in some shelf in the Ministry.”

# Summary

The Final Role of LHIN Remains in Flux.

- Boss/Servant
- Boundaries
- Appointment of Board + CEO
- Allocation of Resources – 49/51
- Service
- CCAC – 14/28
- Role of MOHLTC Staff: 1,200 jobs