

dialogue

July 26, 2007

A bi-weekly update on issues
affecting health care in Ontario

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Hospital planning cycle begins with release of 2008/10 guide

Planning submissions to be negotiated with LHINs

This year's planning process for hospitals has begun with the June 30th release of the Hospital Annual Planning Submission (HAPS) Guide.

This will be the first time the hospital planning and accountability agreements will be directly negotiated with the local health integration networks (LHINs). No longer between the ministry and the hospital*, the new hospital service accountability agreements (H-SAAs) will be the final product of a nine-month process starting with the HAPS.

The new agreements will also be for two years, rather than one, with an opportunity to reopen the document to changes after the first year.

The guide outlines where hospitals are expected to place their priorities, especially when money is tight.

List of specific ideas hidden

Noticeably absent in this year's guide is the lengthy appendix of sample cuts, amalgamations and revenue strategies to achieve a balanced budget. While the list of such examples has been enhanced, it has also been placed on a password-protected site only accessible to hospital officials. Past examples have included reductions in avoidable admissions, shorter lengths of stay, and consolidation of regional lab and administrative services.

Hospitals needing to balance their budgets must still follow the seven

step priority list of actions. That list begins with raising additional revenues and finishes with cuts to core clinical services. While cuts to clinical services are at the bottom of the list, the recent political fall out from hospitals that have cut key services has led to considerable new guidelines.

Focus on changes to clinical services

Within step seven of the priority list there is now a nine-step ascending order of cuts to clinical services, beginning with ambulatory care and finishing with core inpatient services.

The hospital must have LHIN approval before any changes in clinical services can be made. Hospital proposals to the LHIN must answer a series of questions around the impact of the cuts, ranging from human resources implications to how public access to these services will be addressed. The hospital must also show it engaged in a consultation process around the proposal.

The revised rules include a preliminary stage to any new changes to health care delivery. The Health Service Improvement Pre-Proposal (H-SIP) will not be considered formal notice of a proposed integration, allowing the LHIN to gauge such proposals without the required disclosure to the public under the LHIN Act.

This is also the first year that the HAPS outlines circumstances under

which hospitals can submit deficit budgets, allowing the LHINs to evaluate the situation on a case-by-case basis.

Recognizing the high cost of developing, monitoring and reaching established performance targets, the LHINs have agreed to establish a committee to review the usefulness of collecting specific data and establishing such targets. It is acknowledgement of the pressure the accountability agreements have placed on hospital resources.

Mental Health Funding

While there are areas of hospital mental health funding that are protected, such as in-patient and outpatient mental health programs, the HAPS continues to suggest hospitals can save money by reducing any additional funding to these programs from their global budgets.

The ministry is also keeping a heavy hand on mental health, stating it will advise the LHIN on the number and type of forensic mental health beds and associated services that need to be provided. The ministry will also designate which hospitals will provide forensic mental health services.

Hospitals are required to submit their HAPS by October 31, 2007. These submissions will be reviewed, leading to the signing of new accountability agreements by the end of March, 2008.

To download the HAPS Guide, go to www.jpcc.org

* The LHINs were previously "at the table" for the last round.