

# Chapter 1

## Section 1.08

# LHINs—Local Health Integration Networks

Follow-Up on VFM Section 3.08, 2015 Annual Report

RECOMMENDATION STATUS OVERVIEW					
	# of Actions Recommended	Status of Actions Recommended			
		Fully Implemented	In Process of Being Implemented	Little or No Progress	Will Not Be Implemented
Recommendation 1	3	2	1		
Recommendation 2	1		1		
Recommendation 3	2		2		
Recommendation 4	3	2	1		
Recommendation 5	2		2		
Recommendation 6	1	1			
Recommendation 7	2	1	1		
Recommendation 8	3	2		1	
Recommendation 9	3		3		
Recommendation 10	3	3			
Recommendation 11	3	1	2		
Recommendation 12	2		2		
Recommendation 13	1	1			
Recommendation 14	1			1	
Recommendation 15	1		1		
Recommendation 16	1	1			
Recommendation 17	1	1			
Recommendation 18	2		2		
Recommendation 19	1	1			
Recommendation 20	1	1			
<b>Total</b>	<b>37</b>	<b>17</b>	<b>18</b>	<b>2</b>	<b>0</b>
<b>%</b>	<b>100</b>	<b>46</b>	<b>49</b>	<b>5</b>	<b>0</b>

## Overall Conclusion

According to the information the Ministry of Health and Long-Term Care (Ministry) and the Local Health Integration Networks (LHINs) provided to us, as of May 31, 2017, 46% of the actions we recommended in our *2015 Annual Report* had been fully implemented. For instance, the Ministry was analyzing the reasons for the gaps in performance of LHINs and had clarified under what circumstances it, as opposed to the LHINs, is responsible for establishing common approaches to delivering health services. As well, the LHINs developed a framework to use for approving Urgent Priorities Fund applications to allow for consistent decision-making, and had established a common complaint-management process that clearly defined methods for informing the public on how to register complaints. The Ministry and the LHINs had made progress in implementing another 49% of the recommendations. For instance, the LHINs developed a framework for assessing the impact of integration initiatives but had not yet fully implemented it. As well, the Ministry was working toward undertaking a comprehensive review of performance indicators to assess the appropriateness of current indicators and consider any new or revised indicators to reflect changes in the health-care system. However, there had been little or no progress on other actions. For example, the LHINs, in collaboration with Health Quality Ontario, had done little to assess patients' satisfaction with their health-service providers and the extent to which they feel they are receiving quality services, and there had also been little work done by LHINs to identify opportunities to save costs through back-office integration among health-service providers.

The status of actions taken on each of our recommendations is described in this report.

## Background

Ontario's 14 Local Health Integration Networks (LHINs) were established by the *Local Health System Integration Act, 2006* (Act). LHINs began assuming their role in managing local health services in April 2007, under the responsibility of the Ministry of Health and Long-Term Care (Ministry), replacing the Ministry's seven regional offices and 16 district health councils. By July 2010, LHINs had fully assumed their role over public and private hospitals, long-term-care homes, Community Care Access Centres, community mental health and addiction agencies, community support service agencies, and community health centres. In the year ending March 31, 2017, LHINs provided health-care organizations within these six sectors a total of about \$26 billion in funding (\$25 billion in the 2014/15 fiscal year), which in both years represented slightly more than half of the provincial health-care budget.

Each LHIN is a not-for-profit Crown agency that covers a distinct region of Ontario. The regions vary in size and have different service delivery issues and health-service providers, and their populations have different health profiles. In the 2016/17 fiscal year, the operational expenditures of the 14 LHINs totalled \$90 million (as they did in the 2014/15 fiscal year), or about 0.4% of the Ministry's \$26 billion in LHIN funding (also 0.4% in the 2014/15 fiscal year). Most of these expenditures were for the health-care organizations that LHINs fund.

Under the Act, LHINs are responsible for “[achieving] an integrated health system and [enabling] local communities to make decisions about their local health systems.” The Act sets out the LHINs' obligation to plan, fund and integrate local health systems.

Our 2015 audit found that the Ministry had not clearly determined what would constitute an integrated health system, or by when it should be achieved. As well, the Ministry had not developed

ways to measure how effectively LHINs are performing as planners, funders and integrators of health care.

We also noted that if achieving their mandate to provide the right care at the right time consistently throughout the health system meant that LHINs should have met all expected performance levels that were measured, then they had not succeeded at the time of our audit in 2015. We found that, while province-wide performance in six of the 15 areas measured had improved from when the LHINs were created to 2015, in the remaining nine areas, performance had either stayed relatively consistent or had deteriorated since 2010 or earlier. For instance, a greater percentage of hospital days were used by patients who no longer needed acute care in a hospital setting for the year ending March 31, 2015, compared to 2007.

Most LHINs performed below expected levels in the 2014/15 fiscal year; on average, LHINs achieved their respective local targets in only six of 15 performance areas. The best-performing LHIN met local targets in 10 areas, and four LHINs met only four. Provincial results that include all 14 LHINs showed that only four of 11 provincial targets that measure long-term goals were met. Other significant observations we made in 2015 included the following:

- Due to inconsistent and variable practices that still persisted across the province, patients faced inequities in accessing certain health services. These variances meant that, depending on where they live, some people experienced better access to better integrated health care than others, and some people were not receiving health care in the setting that best met their health needs and, sometimes, at a much higher cost than necessary.
- The Ministry took little action to hold LHINs accountable when they did not meet targets. This had contributed to performance issues persisting for years. For instance, one of the four LHINs we visited did not meet the wait-time target for MRI scans in six of the eight

years leading up to March 31, 2015. Another did not meet its hip-replacement wait-time target in seven of the last eight years. When an expected performance was not achieved in one year, the Ministry made the target more lax for the following year for some LHINs; yet, for other LHINs, the Ministry kept the target the same or made it more stringent.

- The performance gap among LHINs had widened over time in 10 of the 15 performance areas. For instance, patients in the worst-performing LHIN waited 194 days to receive semi-urgent cataract surgery in 2012, which was five times that of the best-performing LHINs. Three years later, this performance gap widened from five times to 31 times. The Ministry needed to better understand the reasons for the widening gap and implement changes to narrow that gap if it wanted to achieve the goal of ensuring health service levels do not vary significantly across the province.
- LHINs must better monitor health-service providers' performance. At the four LHINs we visited (Central, Hamilton Niagara Haldimand Brant, North East, and Toronto Central), we found that the quality of health service was not consistently monitored, performance information submitted by health-service providers (some of which contained errors) was not verified, and providers who did not perform well were not consistently dealt with in accordance with Ministry guidelines.
- Tracking of patient complaints lacked rigour and there was no common complaint-management process across LHINs, and LHINs did not always ensure that patient complaints are appropriately resolved. Across the province, three LHINs did not track complaints at all in 2014, or only partially tracked them.
- LHINs could not demonstrate that they have maximized economic efficiencies because the use of group purchasing and back-office integration differed across the LHINs we visited.

In our report, we recommended that the Ministry establish a clear picture of what a fully integrated health system looks like; analyze the reasons for the widening gap in the performance of LHINs in key performance areas; require LHINs to establish reasonable timelines to address performance gaps and monitor their progress; clarify with the LHINs what authority they have to reallocate funding among health-service providers; and finalize the annual funding each health-service provider will receive before the fiscal year begins or as early in the current fiscal year as possible.

We also recommended the LHINs take appropriate remedial action according to the severity and persistence of performance issues identified at health-service providers; establish a common complaint-management process; and develop and implement action plans with timelines to address the service gaps identified in all health services in their regions.

We made 20 recommendations, consisting of 37 actions needed for improvement, and received commitments from the Ministry and the four LHINs we visited during the audit that they would take action to address them.

## Status of Actions Taken on Recommendations

We conducted assurance work between April 1, 2017, and May 31, 2017. We obtained written representation from the Ministry of Health and Long-Term Care and the four Local Health Integration Networks (Central, Hamilton Niagara Haldimand Brant, North East, and Toronto Central) that, effective September 1, 2017, they had provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

## Performance Improved Only in Limited Areas over Time and Varies from One LHIN to the Next; Variation Widens over Time for Two-Thirds of Measured Areas

### Recommendation 1

*To minimize the differences in health service performance among Local Health Integration Networks (LHINs) across the province, the Ministry of Health and Long-Term Care, in conjunction with the LHINs, should:*

- *analyze the reasons for the widening gap in the performance of LHINs in key performance areas;*

**Status: Fully implemented.**

### Details

In our 2015 audit, we reported that the performance gap among LHINs from 2012 through 2015 increased in 10 of the 15 areas of performance selected by the Ministry for measuring the effectiveness of LHINs. For instance, in 2012, patients in the worst-performing LHIN waited 194 days, or five times that of the best-performing LHIN, to receive semi-urgent cataract surgery. Three years later, this performance gap widened from five times to 31 times. We noted that the Ministry needed to better understand the reasons for the widening gap in the performance of LHINs so it can take appropriate action to reduce the gaps. At the time of this follow-up, the Ministry was collecting a quarterly performance report from each LHIN that included an analysis of strengths and challenges that resulted in gaps in performance relative to other LHINs. The Ministry informed us that it analyzes these reports and follows up with LHINs to better understand challenges that they are facing in meeting performance targets.

- *establish the degree of variation it would consider acceptable among LHINs' performance in each measured performance area;*

**Status: Fully implemented.**

### Details

In our 2015 audit, we noted that the Ministry had a goal of reducing the performance gap among LHINs over time so that the level of health service does not vary significantly across the province, but the Ministry had not indicated what degree of variation it would consider acceptable in each of the performance areas. In the current Ministry-LHIN accountability agreement covering the 2015/16 to the 2017/18 fiscal years, the Ministry introduced provincial targets that are consistent for all LHINs.

- *set timelines for bringing the performance gaps among LHINs to acceptable levels.*

**Status: In the process of being implemented by March 2018.**

### Details

The current Ministry-LHIN accountability agreement covering the 2015/16 to the 2017/18 fiscal years has consistent provincial targets for all LHINs. The Ministry informed us that it expects all LHINs to demonstrate progress toward achieving these provincial targets by March 2018, which is the end of the term for the current agreement.

## None of the LHINs Were Able to Meet All Performance Targets and the Ministry Could Do More to Help LHINs Improve Their Performance

### Recommendation 2

*To help ensure that patients across the province receive targeted levels of care, the Local Health Integration Networks should better manage capacity and demand for community-based services and MRI scans within their individual regions.*

**Status: In the process of being implemented by December 2018.**

### Details

We noted in our 2015 audit that most LHINs performed below targeted levels in critical areas, such as repeat unscheduled emergency visits for patients

with mental-health or substance-abuse conditions within 30 days of a previous visit, and patients having to wait 28 days or more for non-urgent MRI scans. The Ministry and the LHINs cited lack of effective and available community-based mental-health and addiction services and inability to meet increasing demand for non-urgent MRI scans as reasons for these performance concerns. At the time of this follow-up, the LHINs were supporting the Ministry to develop a capacity-planning framework for home and community care. Individual LHINs had also begun conducting various capacity-planning initiatives. For example, two neighbouring LHINs and representatives from their health-service providers engaged a third-party firm to assess community needs and capacity and determine current and forecast gaps in service. With respect to MRI scans, the LHINs had also identified five practices to try and address demand and capacity issues within their individual catchment areas, including a central-intake model, a practitioner education session, and process improvement projects in areas such as booking and scheduling of MRIs. The LHINs informed us that implementing these practices would take time and that they expected work to be complete by December 2018.

### Recommendation 3

*To help ensure that patients across the province receive consistent levels of care, the Ministry of Health and Long-Term Care should:*

- *ensure that capacity and demand for community-based services and MRI scans are managed province-wide with consideration to existing resources;*

**Status: In the process of being implemented by December 2018.**

### Details

At the time of this follow-up, the Ministry had drafted a framework to guide capacity planning and help the Ministry and LHINs with decision-making for local services, including those that are

community-based. The Ministry was also assessing the usefulness of a capacity-planning and demand-prediction tool to assist with determining MRI funding requirements. In addition, the Ministry informed us that it was working with LHINs to evaluate and implement MRI efficiency practices, including those listed in **Recommendation 2**.

- *develop the provincial plan on health-care needs in rural and northern communities according to its commitment in 2007.*

**Status: In the process of being implemented by March 2018.**

#### Details

As part of a broader provincial plan on health-care needs in rural and northern communities, the Ministry announced in August 2016 \$2.5 million in funding over three years for five rural health-hub pilot sites, four of which are in northern communities. These health hubs are working to create systems that provide individuals with a full continuum of health services, and they are expected to improve access to health-care services. At the time of our follow-up, the Ministry was working with LHINs to engage various health-service providers to help in the implementation of these hubs, and expected all hubs to have developed a work plan by March 2018 that moves them toward becoming fully integrated with the health-care system.

#### Recommendation 4

*To ensure Local Health Integration Networks (LHINs) perform at desired levels, the Ministry of Health and Long-Term Care, in conjunction with the LHINs, should:*

- *communicate best practices observed in well-performing LHINs to LHINs that need intervention so the latter can identify potential solutions to performance shortfalls;*

**Status: Fully implemented.**

#### Details

As part of its quarterly reporting to the Ministry, each LHIN is expected to provide details on initiatives that have improved or are expected to improve performance. The Ministry makes each LHIN's quarterly report available to all the LHINs, thereby enabling all LHINs to review peer reports and identify initiatives that have improved performance.

- *assist LHINs in analyzing the root causes of performance gaps and determining appropriate action to address ongoing issues;*

**Status: Fully implemented.**

#### Details

As part of its quarterly reporting to the Ministry, each LHIN is expected to identify factors that have affected performance and outline initiatives that are under way to address performance issues. The Ministry informed us that it provides data analytics and policy research to LHINs and consults them on provincial priorities and strategies to address ongoing issues.

- *require LHINs to establish reasonable timelines to address performance gaps and monitor their progress accordingly.*

**Status: In the process of being implemented by March 2018.**

#### Details

As part of its quarterly reporting to the Ministry, each LHIN is expected to outline initiatives to improve performance gaps. The Ministry informed us that it monitors and discusses LHIN progress against these initiatives. As well, the Ministry set common performance targets for all LHINs in the current Ministry-LHIN accountability agreement and informed us that it expects all LHINs to demonstrate progress toward these targets by March 2018.

#### Recommendation 5

*To ensure that Local Health Integration Networks (LHINs) are assessed objectively and comprehensively*

on their operational effectiveness and for all health sectors that they manage, the Ministry of Health and Long-Term Care should:

- develop LHIN-specific performance targets that reflect current evidence-based benchmarks;

**Status: In the process of being completed by March 2018.**

#### Details

The Ministry informed us that it would be undertaking a comprehensive review of all performance indicators included in the current Ministry-LHIN accountability agreement and expected to complete this work by March 2018. This review is expected to assess the appropriateness of current indicators and consider any new or revised indicators to reflect changes in the health-care system, such as those resulting from the implementation of the *Patients First Act, 2016*.

- examine the appropriateness of including additional performance indicators not currently in those recommended by the Indicators Advisory Group and finalize the implementation of the performance indicators that measure non-hospital-sector performance as well as co-ordination of health services.

**Status: In the process of being implemented by March 2018.**

#### Details

The current Ministry-LHIN accountability agreement includes nine new performance indicators, some of which measure non-hospital-sector performance or co-ordination of health services. The following are some examples of new performance indicators:

- the percentage of home-care clients who received their nursing visit within five days of the date they were authorized for nursing services;
- the hospitalization rate for ambulatory-care-sensitive conditions (conditions that, if

treated correctly in the community, should likely not result in hospitalizations); and

- the percentage of acute-care patients who had a follow-up with a physician within seven days of discharge.

Another seven performance indicators were expanded to capture wait times for additional priority levels of surgeries, including cataract and cancer surgeries.

We noted that all changes to the performance indicators were consistent with recommendations made by the Indicators Advisory Group. The Ministry informed us that it would be completing a comprehensive review of all performance indicators by March 2018 and that this review may result in new and revised indicators.

#### Recommendation 6

*To better meet Local Health Integration Networks (LHINs)' mandate of integrating local health systems, the Ministry of Health and Long-Term Care should determine how best LHINs can manage the primary-care sector.*

**Status: Fully implemented.**

#### Details

Under the *Patients First Act, 2016*, which received royal assent in December 2016, the *Local Health System Integration Act, 2006* was amended to include LHIN primary care planning functions and expand the definition of a health-service provider under a LHIN to include family health teams; nurse practitioner-led clinics; Aboriginal Health Access Centres; entities providing primary care nursing services, maternal care or inter-professional primary care programs and services; hospices and other non-profit palliative care service providers; and, physiotherapy clinics. Thus, the LHINs have an expanded role with respect to primary care planning and performance improvement. This accountability relationship does not include primary-care physicians, which will remain the responsibility of the Ministry. All LHINs are now also required to participate in the development and implementation of health-promotion

strategies in co-operation with primary health-care services, public health services and community-based services. The *Local Health System Integration Act, 2006* amendment also includes a provision that, if proclaimed, could allow LHINs to support planning of primary-care services, including physician services, by requiring physicians to notify them of practice changes such as upcoming retirements or extended leaves, to ensure timely access and improve patient outcomes.

### Recommendation 7

*To ensure Ontario benefits from a fully integrated health system in the foreseeable future, the Ministry of Health and Long-Term Care should:*

- *establish a clear picture of what a fully integrated health system looks like, its milestones and final targets, and timelines for when LHINs should achieve those targets;*

**Status: In the process of being implemented by April 2018.**

### Details

In February 2015, the Ministry released the report *Patients First: Action Plan for Health Care*. This report contained broad goals of what a fully integrated health system would achieve. For example, the report looked at improving access to the right care, delivering better co-ordinated and integrated care in the community, and providing education and information to support people in making decisions about their health. As well, the *Patients First Act, 2016*, which was enacted in December 2016, allows for the legislative and structural changes to streamline and reduce administration of the health-care system, direct savings to patient care, and improve local connections between primary-care providers, interprofessional health-care teams, hospitals, public health, and home and community care. As part of the LHIN renewal, the Ministry established the following six high-level goals:

- effective integration of services and greater equity through sub-regions;

- timely access to, and better integration of, primary care;
- more consistent and accessible home and community care;
- stronger links to population and public health;
- services that meet the needs of Indigenous people; and
- inclusion of Indigenous voices in health-care planning.

At the time of this follow-up, the Ministry was working with the LHINs on the development of indicators for these six goals that will measure the success of an integrated health system. Examples under consideration include wait times for addiction treatment programs, percentage of health-service providers that actively offer French language services, and percentage of complaints acknowledged to the person who made the complaint within two, five and 10 business days. These indicators, however, do not measure activities that are not under the control of the LHINs, such as public health and most primary care. The Ministry expects that an updated set of indicators and, where necessary, targets, will be included in the accountability agreement between the Ministry and the LHINs effective April 1, 2018.

- *require that LHINs develop performance measures and targets to meet the goals they propose in their three-year strategic plans, and report on their results.*

**Status: Fully implemented.**

### Details

Each year, LHINs are required to submit an Annual Business Plan describing how they will implement the health-care strategies outlined in their Integrated Health Service Plans. At the time of this follow-up, these business plans included the identification of performance measures to assess the progress that the LHIN has made each year. The LHINs' annual reports to the Minister of Health and Long-Term Care included the results of these performance measures.



## LHINs' Oversight of Health Service Providers Needs Strengthening

### Recommendation 8

To help improve patient care and quality of health services, Local Health Integration Networks, in collaboration with Health Quality Ontario, should:

- assess patients' satisfaction with their health-service providers and the extent to which they feel they are receiving quality services;

**Status: Little or no progress.**

### Details

In our 2015 audit, we noted that while LHINs were required to undertake strategies to improve patient care, they seldom measured the quality of health services. Two of the four LHINs we visited took steps to measure patient satisfaction, but the other two did not. In August 2016, the Ontario Patient Experience Measurement Committee, an advisory committee co-chaired by Health Quality Ontario (an agency created in 2005 to provide advice to the Ministry of Health and Long-Term Care on the quality of health care) and the LHINs, released the Ontario Patient Experience Measurement Strategy. This strategy identified a number of recommendations for improving the measurement of patient experience, including developing a co-ordinated provincial reporting strategy for patient experience across sectors. Our review of the strategy found that there was a significant amount of work that needed to be done and that it would take place over a span of four years, with all sectors measuring patient experience by 2020. At the time of this follow-up, the LHINs informed us that Health Quality Ontario had begun work to identify and develop a set of indicators to measure patient experience and that the work was ongoing.

- assess whether a quality improvement plan should be required of all health-service providers;

**Status: Fully implemented.**

### Details

A quality improvement plan is a documented set of quality commitments that a health-care organization makes each year to its patients, clients, residents, staff and community. The *Excellent Care for All Act, 2010* (Act) requires certain health-care organizations to submit quality improvement plans to Health Quality Ontario. Under the Act, all hospitals, long-term-care homes, Community Care Access Centres and other primary-care organizations (such as community health centres), but not mental-health and addiction agencies and community support service agencies (which are also overseen by LHINs), are to prepare quality improvement plans and submit them to Health Quality Ontario. In May 2016, representatives from both Health Quality Ontario and the LHINs worked together to identify ways to complement the quality and performance tools already in use. The working group made several recommendations to better align quality improvement plans with health-service-provider accountability agreements. Senior management at the LHINs subsequently agreed to implement these recommendations, which include requiring all health-service providers under the oversight of LHINs to either submit a quality improvement plan to Health Quality Ontario and the LHIN or to be engaged in quality improvement initiatives and capacity building.

- ensure health-service providers implement the actions contained in the quality improvement plans.

**Status: Fully implemented.**

### Details

In our 2015 audit, we noted that neither the LHINs nor Health Quality Ontario ensured that health-service providers implement the actions identified in the submitted quality improvement plans. At the time of this follow-up, Health Quality Ontario was reporting back to LHINs on the progress of quality initiatives and providing a high-level analysis of results. The LHINs informed us that they are able to run queries to determine the progress and results of

quality initiatives by health-service providers using a tool available on Health Quality Ontario's website.

### Recommendation 9

To ensure that performance issues of health-service providers are addressed in an appropriate and timely manner, Local Health Integration Networks (LHINs) should:

- clarify with the Ministry of Health and Long-Term Care whose responsibility it is to verify data submitted by health-service providers; if it is the LHINs' responsibility, verify on a sample basis information submitted by health-service providers;

**Status: In the process of being implemented by December 2018.**

#### Details

In our 2015 audit, we found that neither the Ministry nor the LHINs were routinely verifying that data submitted by health-service providers was accurate and reliable. Subsequent to our audit, the LHINs developed a data quality oversight framework that clarified responsibilities with respect to data and highlighted areas for improvement. At the time of this follow-up, this framework identified the Ministry as having the primary responsibility to verify data submitted by health-service providers, while LHINs had a secondary responsibility with respect to assessing the reasonableness of data submitted. Further work to implement this recommendation has been put on hold due to changes in LHINs resulting from the *Patients First Act, 2016* and an upcoming review of the Ministry-LHIN Accountability Agreement terms and indicators. The LHINs informed us that they expected to implement this recommendation by December 2018.

- take appropriate remedial action according to the severity and persistence of performance issues;

**Status: In the process of being implemented by December 2018.**

#### Details

In our 2015 audit, we noted that the four LHINs we visited predominantly discussed and shared information with health-service providers (as opposed to ensuring that performance issues were resolved), even for performance issues that were of long standing. The LHINs explained that they used this strategy because they wanted to maintain a positive working relationship with their health-service providers, who are not directly governed by the LHINs, and to work with them to identify solutions. In December 2016, the LHINs developed a performance oversight and performance management framework that recommended focusing work on performance issues in areas of high risk. These frameworks do not set out specific policies or practices that must be consistent across the province; each LHIN continues to have the independence to manage performance issues and take remedial action as it sees fit. The LHINs informed us that further work on this recommendation would continue as part of the ongoing changes due to the *Patients First Act, 2016* and an upcoming review of the Ministry-LHIN accountability agreement terms and indicators, and that the recommendation would be implemented by December 2018.

- follow up with health-service providers to ensure they provide explanations of performance shortfalls and take effective corrective actions to resolve issues according to a committed timeline.

**Status: In the process of being implemented by December 2018.**

#### Details

The performance oversight and performance management frameworks developed by the LHINs in 2016 identify principles and elements for LHINs to consider when following up with health-service providers on performance shortfalls. At the time of our follow-up, the LHINs had put further work on this recommendation on hold as a result of ongoing changes due to the *Patients First Act, 2016* and an upcoming review of the Ministry-LHIN accountability agreement terms and indicators, and

expected to implement this recommendation by December 2018.

### Recommendation 10

*To ensure patients receive quality health services, and to facilitate collaboration between Local Health Integration Networks (LHINs) and the Patient Ombudsman, LHINs should:*

- *establish a common complaint-management process that, among other things, clearly defines the methods for informing the public on how to register complaints;*

**Status: Fully implemented.**

#### Details

In our 2015 audit, we noted that all LHIN CEOs had agreed in 2014 that LHINs should manage patient complaints consistently but had not yet established a common complaint-management system. In December 2016, the LHINs developed and approved for use the Pan-LHIN Model for Complaints Management that provided LHINs with guidelines and tools to address complaints consistently. At the time of this follow-up, all LHINs had clearly defined on their websites how individuals could register complaints with the LHIN. All LHINs also included a website link and/or details about the role of the Patient Ombudsman.

- *implement processes to determine whether health service providers have established policies and procedures to address and satisfactorily resolve patient complaints;*

**Status: Fully implemented.**

#### Details

All health-service providers in the community and long-term-care sectors must submit to their LHIN an annual declaration of compliance indicating their fulfilment of service accountability agreement requirements, which includes a requirement to “address complaints about the provision of services, the management or governance of the health-service provider.” Hospitals are required under the

*Excellent Care for All Act, 2010* to have a patient-relations process in place for receiving, reviewing and addressing complaints from patients and caregivers. Hospitals agree to follow all applicable legislation in their signed agreement with the LHIN.

- *clarify the working relationship between LHINs and the incoming Patient Ombudsman.*

**Status: Fully implemented.**

#### Details

The Patient Ombudsman began receiving and responding to complaints from patients about public hospitals, long-term-care homes and Community Care Access Centres (which were transitioned to LHINs during this follow-up) in July 2016. In summer 2016, the LHINs consulted with the Patient Ombudsman as part of the development of the Pan-LHIN Model for Patient Complaints Management. The LHINs informed us that this consultation helped clarify the working relationship between the two parties, specifically noting that the LHINs will continue to have a role in addressing patient complaints for all LHIN health-service providers.

## Processes Used to Plan and Integrate the Health System Need Improvement

### Recommendation 11

*To best meet the patients’ health-care needs, Local Health Integration Networks should:*

- *assess the effectiveness of each community engagement activity as required by the LHIN Community Engagement Guidelines and Toolkit issued by the Ministry of Health and Long-Term Care;*

**Status: Fully implemented.**

#### Details

We noted in our 2015 audit that the Ministry’s 2011 *LHIN Community Engagement Guidelines and Toolkit* required LHINs to evaluate the success of their engagement activities, but we found that only

one of the four LHINs we visited consistently evaluated their community-engagement activities in the three-year period ending in March 2015. In June 2016, the LHINs revised the guidelines to better align with current best practices and re-released it with the title *LHIN Community Engagement Guidelines—Revised*. The revised guidelines include a requirement for LHINs to evaluate engagement activities for effectiveness. To assist with tracking and evaluation of these activities, the LHINs developed and began using a tracking sheet that captures details such as the purpose of the engagement, the number of participants, feedback from participants and engagement evaluation results.

- *begin to collect, over a reasonable time period, the data needed to determine the existing capacity of all health services in their regions;*  
**Status: In the process of being implemented by December 2017.**

#### Details

In our 2015 audit, we noted that concerns had been raised about insufficient capacity planning in the areas of palliative care, home and community care, and rehabilitative services. At the time of this follow-up, the LHINs were supporting the Ministry in developing a capacity planning framework for home and community care. All LHINs had also established processes for capacity management, and some LHINs had also begun conducting various capacity planning initiatives. For example, two neighbouring LHINs and representatives from their health-service providers engaged a third-party firm to assess community needs and capacity and use that information to determine current and forecast gaps in service. The LHINs informed us that they expected to undertake more capacity planning initiatives by December 2017.

- *develop and implement action plans with timelines to address the service gaps identified.*  
**Status: In the process of being implemented by December 2018.**

#### Details

In our 2015 audit, we identified a LHIN that noted in its 2013/14 annual business plan that it did not know whether there were service gaps in the delivery of community health services in its region. At the time of this follow-up, the LHINs informed us that they were in the process of building community profiles for each of their sub-regions, which included identifying service needs, availability and gaps by December 2017, and implementing action plans with timelines to address the service gaps identified by December 2018.

#### Recommendation 12

*To ensure that best practices are effectively identified and shared, Local Health Integration Networks should:*

- *develop guidelines and training to evaluate whether projects result in best practices;*  
**Status: In the process of being implemented by December 2017.**

#### Details

In December 2016, the LHINs developed the Leading Practices Framework. This framework draws on several tools already in use in Canada and other countries and builds on work done by Health Quality Ontario to create a common tool for evaluating new practices for their appropriateness to be used across the province. The framework suggests bringing together successful practices from individual LHINs and conducting an assessment to determine which practices should be endorsed for use across other LHINs. The LHINs informed us that they expected to fully implement the framework by the end of 2017.

- *establish a protocol to use for sharing best practices.*  
**Status: In the process of being implemented by December 2017.**

### Details

The Leading Practices Framework, developed in December 2016, establishes formal methods and protocols to share best practices. The LHINs informed us that there will be revisions made to address changes in the LHIN organizational structure resulting from the *Patients First Act, 2016* before implementing the framework by December 2017.

### Recommendation 13

*To reduce the variation in the experiences of patients, the Ministry of Health and Long-Term Care should clarify under what circumstances it, as opposed to the Local Health Integration Networks, is responsible for establishing common approaches to delivering health services.*

**Status: Fully implemented.**

### Details

In our 2015 audit, we found that while both the Ministry and the LHINs had shared responsibility in developing standardized responses to common issues and services in some areas, some LHINs were using inconsistent approaches for other health service areas because standardized approaches were lacking. At the time of this follow-up, the Ministry informed us that while its role is primarily to provide direction and priorities for the health-care sector, in some situations it may issue provincial standards for the delivery of health services. This has been clarified through changes to the *Local Health System Integration Act, 2006*, which now enables the Minister of Health and Long-Term Care to issue provincial standards for the provision of health services that are provided or arranged by LHINs or health-service providers where the Minister considers it to be in the public interest to do so.

### Recommendation 14

*To ensure that health services across Ontario are delivered as cost efficiently as possible, Local Health Integration Networks should identify further group-purchasing and back-office integration opportunities*

*in the various health sectors, and implement these cost-saving practices.*

**Status: Little or no progress.**

### Details

In our 2015 audit, we found that the use of group purchasing and back-office integration (that is, integrating or consolidating the administrative and business operations of LHINs and/or health-service providers) differed across the four LHINs we visited.

In the case of group purchasing, the Ontario Government established the Healthcare Sector Supply Chain Strategy Expert Panel in April 2016 to recommend a province-wide supply chain strategy for health care, analyze the strategic procurement structures in place to understand their current capabilities and opportunities, and recommend a model for health-care providers to participate in with associated costing and savings, along with an implementation plan. In May 2017, the Expert Panel submitted a report to the government, which included 12 recommendations. These recommendations, if adopted, are intended to transform Ontario's health-care supply chain over the next three years, and include establishing an integrated organization that serves all publicly funded health-care organizations, and requiring all LHINs, publicly funded hospitals and home and community-funded service providers to fully participate in the integrated supply chain. At the time of the follow-up, the Ministry was reviewing the Expert Panel's recommendations.

In the case of back-office integration, at the time of this follow-up, the LHINs informed us that they continue to support and rely on health-service providers to implement back-office integration when cost savings, improved quality and/or increased capacity can be realized. We still believe that LHINs should have greater involvement in this area as part of their mandate to integrate the health system. Even though the *Patients First Act, 2016* allows for regulatory changes to allow Health Shared Services Ontario to provide shared services to both LHINs and other health-service providers, at the time

of our follow-up it was only mandated to provide shared services to LHINs.

### Recommendation 15

*To ensure integration initiatives improve local health systems and to help identify the most effective types of approaches to integration, Local Health Integration Networks should measure the impact that each integration initiative has on LHIN service levels and costs.*

**Status: In the process of being implemented by September 2017.**

#### Details

In December 2016, the LHINs created the Framework for Assessing the Impact of Integration Activities. This framework directs LHINs to evaluate what positive and negative impacts an integration initiative had on the following:

- persons and populations;
- health-service providers; and
- system dynamics, such as demand and sustainability.

These evaluations can take the form of self-reported impacts from health-service providers or a formal program evaluation; the method of evaluation would vary depending on the integration initiative. At the time of this follow-up, the framework had been shared across the LHINs, and implementation was expected by September 2017. The LHINs informed us that they would inform health-service providers about the framework shortly after it is implemented.

## Funding Process Needs Improvement to Better Meet Patient Needs

### Recommendation 16

*To ensure that Local Health Integration Networks (LHINs) appropriately facilitate areas of health care to address local needs, the Ministry of Health and Long-Term Care (the Ministry) should clarify with the LHINs what authority they have to reallocate funding among health-service providers, and inform them*

*that they can negotiate the use of dedicated funding with the Ministry.*

**Status: Fully implemented.**

#### Details

In the 2015–2018 Ministry-LHIN Accountability Agreement, the Ministry re-emphasized the LHINs' ability to reallocate unused dedicated funding to another service if prior approval from the Ministry is received.

### Recommendation 17

*To ensure health-service providers can properly plan to meet patient-care needs, the Ministry of Health and Long-Term Care, in conjunction with the Local Health Integration Networks, should finalize the annual funding each health-service provider will receive before the fiscal year begins or as early in the current fiscal year as possible.*

**Status: Fully implemented.**

#### Details

Our 2015 audit found that the Ministry had given LHINs funding for specific initiatives late into the fiscal year, resulting in amounts having to be returned to the Ministry as a result of LHINs and health-service providers not having enough time to fully implement the initiatives. In the 2016/17 fiscal year, the Ministry improved the timing of funding notifications to the LHINs and informed us that it is continually working with LHINs to confirm new funding amounts as early as possible.

### Recommendation 18

*To ensure that the share of the Urgent Priorities Fund allocated to each Local Health Integration Network reflects current patient needs, the Ministry of Health and Long-Term Care should:*

- ensure the amount allocated to the Fund is appropriate considering overall funding increases over time;

**Status: In the process of being implemented by March 2018.**

### Details

In our 2015 audit, we reported that the funds allocated to the Urgent Priorities Fund to cover all 14 LHINs had remained constant at \$50 million since the Fund's inception, while funding to health-service providers had increased by 12% (inflation-adjusted) between 2008 and 2015. At the time of this follow-up, the Ministry was in the process of reviewing the Urgent Priorities Fund as a result of changes to the LHIN mandate in the *Patients First Act, 2016*. The Ministry informed us that this review, expected to be completed by March 2018, would include determining whether the amount allocated to the Fund is appropriate.

- *regularly revise the allocation on the basis of current population and/or other relevant information.*

**Status: In the process of being implemented by March 2018.**

### Details

In our 2015 audit, we noted that each LHIN's annual allocation from the Fund was based on the population information the Ministry had when the Fund was created in 2007, but that the populations within the LHINs had changed since then. At the time of this follow-up, the Ministry was in the process of reviewing the Fund as a result of changes to the LHIN mandate in the *Patients First Act, 2016*. The Ministry informed us that in this review it would consider whether to take current population and other relevant information into account in allocating Fund amounts among the LHINs.

### Recommendation 19

*To ensure health-service providers spend funding from the Urgent Priorities Fund only on patient services, as the Fund requires, Local Health Integration Networks should follow a consistent decision-making process and approve applications only on the basis of established criteria.*

**Status: Fully implemented.**

### Details

We noted in our 2015 audit that one of the four LHINs we visited used a different decision-making framework than the other three, which adopted a standard framework developed by the LHIN Collaborative. In the 2016/17 fiscal year, the Urgent Priorities Fund guidelines were changed from requiring that the Fund be used for direct-patient services to allowing the Fund to be used for any of the services defined in the *Local Health System Integration Act, 2006*. In May 2016, all LHIN CEOs reviewed and reapproved the standard framework. The LHINs indicated that each LHIN had ensured that its internal decision-making processes aligned to the standard framework.

## LHIN Boundaries Need Revisiting

### Recommendation 20

*To ensure the division of the Local Health Integration Networks (LHINs) is conducive to effective planning and integrating of local health-care services, the Ministry of Health and Long-Term Care should review existing LHIN boundaries.*

**Status: Fully implemented.**

### Details

Our 2015 audit found that LHIN boundaries were formed in 2006 and had not been reviewed since. In September 2016, the Ministry required LHINs to submit recommendations for the creation of sub-regions within their boundaries. These sub-regions are expected to allow the LHINs to identify local community priorities and tailor initiatives to them. The Ministry endorsed the LHIN sub-region submissions in January 2017, and all LHINs were required to publicly post maps that identify their sub-regions, in accordance with the requirements outlined in the *Patients First Act, 2016*. At the time of this follow-up, all LHINs had complied and had posted maps of their sub-regions on their websites. While this process did not include a formal review of LHIN boundaries, the Ministry informed us that the development of sub-regions would assist with identifying potential changes to boundaries in the future.