

Local Health Integration Network / Health Service Provider Governance Resource and Toolkit for Voluntary Integration Initiatives

MODULE 3: Health service provider Board leadership, supports and tools

VERSION 1

WHY THIS TOOLKIT WAS DEVELOPED

The *Local Health System Integration Act, 2006* has resulted in two levels of governance of the local health system:

- system level governance – the responsibility of the LHIN – and
- organizational level governance – the responsibility of the health service provider.

This has led to new expectations by the Ministry and the LHINs about how services will be planned, managed and delivered.

THE PROCESS OF CREATING OF THIS TOOLKIT

Several local health integration networks (LHINs) and health service provider associations decided to work together to create guidelines for the roles of these LHINs, based on their current practices and processes. as well as the roles of health service provider boards, in voluntary integration.

This led to the creation of a Governance Resource and Toolkit for Voluntary Integration Initiatives in September 2008.

THE PURPOSE OF THIS TOOLKIT

This Toolkit is intended to support health service provider Boards in:

- **understanding their roles and responsibilities**
- **providing leadership to their organizations**
- **developing strategies to work with one another and with LHIN Boards on voluntary integration initiatives.**

The full Toolkit is on-line at:

<http://www.centrollhin.on.ca/page.aspx?id=3860>

THE CONTENTS OF THE TOOLKIT

Part 1: Relationship between LHIN and health service provider Boards in voluntary integration

The legislative requirements for voluntary integration initiatives

This is what Module 1 describes

LHIN expectations for board oversight, decision making processes and community engagement

This is what Module 2 describes

Part 2: Health service provider Board leadership, supports and tools

This is what the current presentation ("Module 2") describes

CHECKLISTS, TIP LISTS AND TOOLS

- Sample board policy to support voluntary integration **(p.33)**
- Checklist for board accountability for voluntary integration **(p. 34)**
- Checklist for board review of strategic plan alignment with LHIN IHSP and potential integration opportunities **(p.35)**
- Factors that could influence board-to-board involvement **(p. 40)**
- Checklist for board review of a voluntary integration initiative **(p. 43)**
- Sample terms of reference for a Joint Board Task Force **(p. 44)**
- Seven challenges to successful integration **(p. 45)**
- Nine success factors for board collaboration **(p.49)**
- Tips for facilitating successful meetings **(p. 50)**
- Sample guidelines for working together on a joint task force **(p. 51)**
- Sample partnering agreement **(pp. 57-62)**
- Questions to ask when developing a voluntary integration initiative, to ensure a performance measurement plan **(p. 64)**

A FIRST STEP IN IDENTIFYING INTEGRATION OPPORTUNITIES

Under the Act, each health service provider must identify opportunities for integration. As a first step, each Board should establish a Board policy* that:

- **outlines the Board's commitment to working with the LHIN, other health service providers and the community to integrate services**
- **defines the Board's role in policy-making, decision-making and oversight re: voluntary integration initiatives**
- **identifies the extent of authority for voluntary integration initiatives delegated to the CEO/ Executive Director.**

*** A sample board policy is found on page 33 of the Toolkit**

WHO GETS INVOLVED?

Most voluntary integration initiatives will be identified, developed and implemented at the operational level, involving:

- **management teams**
- **direct service providers**
- **planning staff.**

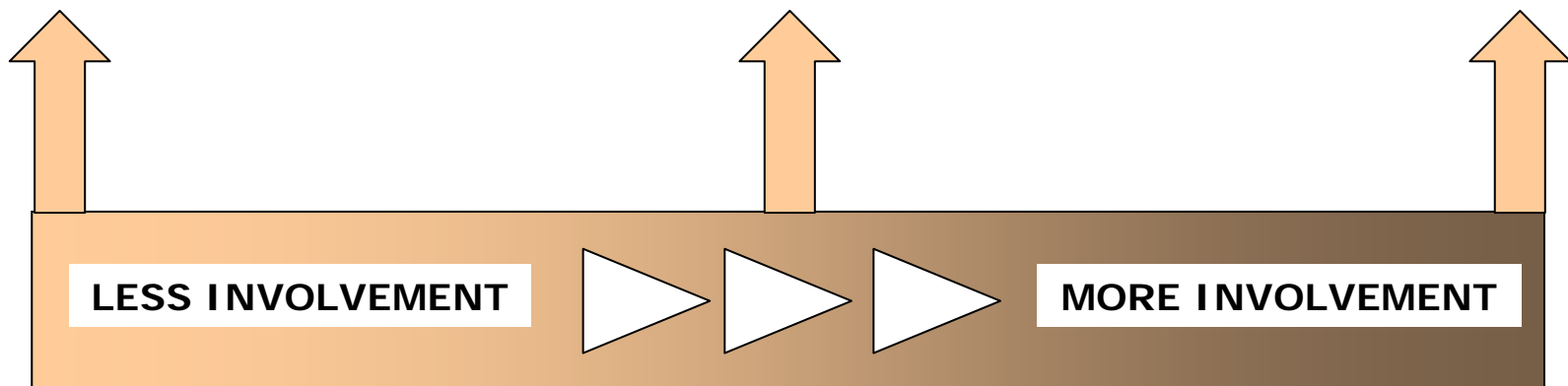
But some initiatives require collaboration and direct interaction between participating providers at the Board level, supported by their operational teams.

A CONTINUUM OF BOARD INVOLVEMENT IN VOLUNTARY INTEGRATION INITIATIVES

Voluntary initiatives initiated by management should always be approved by participating Boards before submission of a Notice of Integration to the LHIN.

Boards should be fully involved in voluntary integration initiatives that affect the organization's basic mission.

Board to Board involvement in identifying, developing & implementing an initiative is appropriate when integration is complex, difficult or significant.



CHALLENGES TO SUCCESSFUL INTEGRATION THAT MUST BE ADDRESSED

- 1. Resistance to loss of power and control**
- 2. Lack of common agreed upon integration goals**
- 3. Lack of coordination among the participants and between participants and the LHIN**
- 4. Premature disclosure of plans to the public during planning and feasibility stages**
- 5. Lack of understanding of the funding mechanisms and how they will need to be adjusted**
- 6. Lack of information system compatibility**
- 7. Lack of a human resources plan**
- 8. Under-estimating the breadth and value of community engagement.**

NINE SUCCESS FACTORS FOR BOARD COLLABORATION ON VOLUNTARY INTEGRATION INITIATIVES

- 1. Board reps who are consensus builders, team players, strategic and system thinkers, and who commit the time to collaborate**
- 2. Get to know each other as individuals**
- 3. Learn about each other's integration goals and expectations for dialogue (from the Board's perspective)**
- 4. Recognize and discuss concerns and vulnerabilities related to the mission/mandate, history, size and profile of organizations, differences in organizational culture and priorities or differences in organizational resources and authority**

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NINE SUCCESS FACTORS FOR BOARD COLLABORATION ON VOLUNTARY INTEGRATION INITIATIVES (CONTINUED)

5. **Where a Joint Board Task Force is established, develop:**
 - (a) **guidelines/rules for the Joint Board Task Force to foster a level playing field, bring interests together and build trust**
 - (b) **Terms of Reference that define roles of Board representatives and their CEO/Executive Director/management teams for the voluntary integration initiative and that identify membership, deliverables and timelines for approval by Boards**
6. **Provide staff and other resources to support Board interaction. If necessary, use an external facilitator to help Board representatives to participate fully and equally**

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NINE SUCCESS FACTORS FOR BOARD COLLABORATION ON VOLUNTARY INTEGRATION INITIATIVES (CONTINUED)

- 7. Develop a shared vision of the desired outcome of the integration, to give focus and unity of purpose**

- 8. Consider developing a partnering agreement that reflects the undertakings of the participants to the voluntary integration initiative for approval by Boards**

- 9. Consider establishing a mutually agreed process for joint communication to the Boards and others at key stages of the process**

THE RANGE OF INTEGRATION MECHANISMS

- **Coordinating Services and Interactions**
- **Partnering with Others to Provide Services**
 - *Advisory Committee Model*
 - *Joint Venture/Partnering Model*
 - *Shared Services Corporate Governance Model*
- **Transfer, Merger or Amalgamation of Services, Operations or Entities**
- **Starting or Ceasing to Provide a Service**
- **Cease to Operate**

Each mechanism involves legal and risk management issues that should be discussed with legal counsel and other advisors, with particular reference to human resources issues arising from collective agreements and legislation.

OPTION #1: COORDINATING SERVICES AND INTERACTIONS

This involves informal collaboration between participants for any or all of these purposes:

- **coordinating services**
- **eliminating duplication, including program transfers to eliminate duplication**
- **becoming more effective and efficient**
- **improving health care encounters and outcomes for patients/clients.**

OPTION #2: PARTNERING WITH OTHERS TO PROVIDE SERVICES

This involves a formal arrangement (usually via a contract) between and among the participants. Health service providers retain their identities (i.e. their corporate structure is not affected). Partnering can involve three variants:

- Advisory Committee Model**
- Joint Venture/Partnering Model**
- Shared Services Corporate Governance Model**

FIRST PARTNERSHIP VARIANT: ADVISORY COMMITTEE MODEL

Health service providers and others could establish an Advisory Committee of staff, management and community members, and develop a process for the Committee to advise participants on providing a service.

A contract is not required, but a Board resolution and Terms of Reference for the Committee are advisable.

SECOND PARTNERSHIP VARIANT: JOINT VENTURE/PARTNERING MODEL

Health service providers and other persons/entities could enter into a formal joint venture or “partnering” arrangement to provide a service.

A true partnership is created when parties enter into an arrangement to make a profit. If health service providers are not-for-profit they do not form a legal partnership: they create a partnering arrangement.

The relationship of the participants is established by contract and subject to applicable laws.

THIRD PARTNERSHIP VARIANT: SHARED SERVICES CORPORATE GOVERNANCE MODEL

Health service providers and other persons/entities could incorporate a not-for-profit shared services corporation to govern and manage a service.

It would be a legal entity separate from the participants, which are its members. Participants control the corporation through election of directors.

OPTION #3: TRANSFER, MERGER OR AMALGAMATION OF SERVICES, OPERATIONS OR ENTITIES

AMALGAMATION:

Amalgamation of service providers or other corporate entities under the *Corporations Act* (Ontario), who have the same or similar objects and who continue operations as a single corporation under terms and conditions of an amalgamation agreement.

ASSET TRANSFER:

Transfer by a health service provider or other person/entity of some or all its assets to another. It could be preceded by incorporation of a new corporation to which assets are transferred. The transfer could be followed by the winding up or dissolution of a transferring entity.

**OPTION #4:
STARTING OR CEASING TO PROVIDE A SERVICE**

A health service provider might simply start to provide a service when the LHIN provides it with new funding for the new service

or

a health service provider might simply cease to provide a service when the LHIN no longer provides funding for the service.

OPTION #5: CEASE TO OPERATE

A health service provider might cease to operate, wind up its business and dissolve as a result of any of the foregoing integration possibilities.

MEASURING SUCCESS: GOALS AND INDICATORS

A successful voluntary integration initiative:

- must be guided by key success factors for collaboration
- must be monitored to ensure its goals are met and that adjustments are made when goals are not fully realized.

Goals form the basis for the development of key performance indicators.

Key performance indicators are monitored on completion of the integration.

PERFORMANCE INDICATORS AND THE BASICS

Key performance indicators can address basics such as:

- **impact of the program from the perspective of the resources applied**
- **productivity improvement**
- **quality enhancement**
- **greater ease of public access and satisfaction.**

OTHER AVAILABLE RESOURCES

Starting on page 67, the Toolkit provides extensive additional resources and material.

As well, appendices to the toolkit, accessible at <http://www.centralhin.on.ca/page.aspx?id=4204>, provide valuable resources.