Long-Term Care Home Service Accountability Agreement Frequently Asked Questions

VERSION 4.0
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Introduction

This FAQ document has been prepared for use by both LHINs and health service providers in the Long-Term Care sector. It is organized around the topics addressed in the L-SAA. Cross references have been provided to facilitate finding answers to common questions.

A brief glossary of terms used in this document has been included for ease of reference. The definitions are consistent with those used in the L-SAA.

Glossary

Accountability Agreement means the Ministry/LHIN Accountability Agreement.
Act means the *Long-Term Care Homes Act, 2007* and any regulations made under that Act.
CFMA means the *Commitment to the Future of Medicare Act, 2004.*
HSP refers to "health service provider" and in the context of the L-SAA, means the holder of the licence or approval under the Act and the entity that enters into the L-SAA with a LHIN.
H-SAA means the Hospital Service Accountability Agreement.
LHSIA means the *Local Health System Integration Act, 2006.*
L-SAA means Long-Term Care Home Service Accountability Agreement.
LTC means Long-Term Care.
LTCH means the Long-Term Care home licensed or approved under the relevant legislation.
Ministry means Ministry of Health and Long-Term Care.
M-SAA means Multi-Sectoral Service Accountability Agreement.
SAA means Service Accountability Agreement.

A. General Questions about the L-SAA Template

1. *Why must I enter into an agreement with the LHINs?*
It is a statutory requirement. LHSIA requires each LHIN to have a SAA with each HSP that it funds.

2. *Why can't we use the same agreement we currently have?*
The current agreement was negotiated between the Ministry and the HSP. It does not reflect LHIN responsibilities and obligations under the law, nor does it reflect the new Act that will govern LTCH operators when it comes into force.

3. *How was the L-SAA developed?*
The L-SAA represents the third iteration of a SAA. The first was the H-SAA and the second was the M-SAA. Each new SAA has built on the previous one and incorporates provisions to reflect the LHINs' experiences with the previous SAAs.

The L-SAA continues the LHINs' attempt to develop SAAs that share a common framework, common terminology and common provisions. The LHINs do not have the resources to manage hundreds of contracts that differ across the sectors. Contract management is simplified and more equitable if all SAAs use the same definitions, are structured the same way, and have the same or very similar provisions to address recurring issues.

The L-SAA was developed through a Steering Committee with representation from the Ministry and the LHINs, using the M-SAA as a starting point and incorporating sector specific provisions from current LTC sector funding agreements. Drafts of the L-SAA were shared with the sector for comment and feedback prior to finalizing it.

4. *What are the key differences between the current agreements and the L-SAA?*
(a) The L-SAA is structured differently. All terms and conditions that are common to all HSPs are in the fixed section of the agreement. Terms and conditions that are, or could be variable appear in the schedules.

(b) The L-SAA reflects the LHINs' responsibility and authority to fund HSPs along with the LHINs' obligations in respect of system planning and integration. The L-SAA aligns the LHIN's rights and obligations under LHSIA and the Accountability Agreement with the LHIN's expectations of the HSPs.

5. *Will some parts of the L-SAA vary from LHIN to LHIN and from HSP to HSP?*
No. Once the template – i.e. the content of the formal agreement and the format of the schedules is finalized, the template will not change. The content in some of the schedules could vary from LHIN to LHIN and between HSPs. This simply recognizes that different sectors and different providers within a given sector provide different services. It also recognizes that the local circumstances of a given LHIN may require a schedule to contain local requirements.

6. *I already have a service accountability agreement with the LHINs. Why can't the LHIN just add the LTCH provisions to my existing agreement*?
It is a long term goal of the LHINs to have one SAA with each HSP, regardless of the services provided. To achieve that goal the LHINs first need to get all HSPs on substantially similar SAA.

7. ***What happens if I don't sign the Agreement?***
LHSIA requires the LHIN to have a SAA in place before it provides any funding to an HSP.

8. ***What would happen to the template L-SAA if there are changes between the proposed draft initial regulation under the Act that has been posted for public consultation and the final approved regulation signed by the Lieutenant Governor in Council under the Act?***
The L-SAA may need to be amended. See Article 14.2 in the L-SAA for this purpose.

9. ***What is the role of the Ministry in relation to the L-SAA?***
The Ministry assisted in the development of the L-SAA. In addition, LHSIA states that when a LHIN provides funding to an HSP, the terms and conditions of the SAA must be aligned with the LHIN's obligations to the Ministry in the Accountability Agreement. As a result, if the Ministry imposes sector specific obligations on the LHIN in the Accountability Agreement, these obligations will be reflected in the L-SAA.

10. ***Is the template L-SAA aligned with the current Accountability Agreement or the new one?***
The L-SAA is aligned with the Accountability Agreement in effect to March 31, 2010. In the event adjustments are necessary as a result of the new Accountability Agreement, they will be made, in so far as possible, before the L-SAA is signed. Otherwise, the amendments will be made after the L-SAA is signed.

11. ***When and how can the L-SAA be altered in the future?***
The L-SAA has a three year term. It can be amended at any time during its term with the agreement of the parties. However, while it is unlikely that the template will be amended before the expiration of the three year term, the terms of the L-SAA allow a LHIN and an HSP to amend the schedules mid-term to adapt to changing circumstances; for example, to add services, increase funding, adjust performance targets, reflect changes in government policy, etc.

12. ***How does the L-SAA reflect principles of fairness and equity?***
The L-SAA treats all HSPs in the LTC sector in the same manner. It attempts to streamline and clarify obligations attached to receipt of public funding. The provisions relating to performance management focus on achieving goals, not penalizing failure. The L-SAA enables the LHIN and its HSPs to be accountable to the public for the expenditure of public funds. It recognizes that strong HSPs are critical to a well functioning health system and recognizes that a LHIN's success is heavily dependant on the success of a LHIN's HSPs.

13. ***We had believed that the financial tables completed in the LAPS forms would be part of the schedules attached to the L-SAA. Why was it decided not to include these tables in the L-SAA schedules? Why did we complete these tables if the information was not to be used?***
The information originally provided in the financial tables were funding estimates based upon funding levels known as of September 2009. There have been several changes that affect the revenue provided to LTCHs and it is anticipated that there will be ongoing adjustments to the funding levels to LTCHs.

The information provided through the LAPS process was of great value to educate and inform the LHINs as to the characteristics and operation of the LTCH. This information will be used by LHIN staff for planning purposes to assist future activities with the LTCHs in their area.

14. ***Are LTCHs still required to show that they are able to manage with a balanced budget? How will this be demonstrated?***
Yes. It is a condition of funding that all LTCHs must achieve an annual balanced budget.

15. ***Will the information on the LAPS financial tables uploaded by the Ministry of Health be refreshed over time?***
No. The financial tables completed during the LAPS process will not be refreshed.

16. ***What if the number of short stay, convalescent care or interim beds operated by our LTCH has changed since the information was provided in the LAPS document? How will this information be updated?***
Where there are changes in the bed types operated in the LTCH or the number of specific bed types, LHIN staff will be in contact with LTCH staff to verify these numbers and ensure that the numbers identified in the schedules reflect the current status. Any future changes will be reflected in approval letters or agreements with the LHIN and will become an amendment to the agreement.

17. ***As LHINs start to rollout the L-SAA template and schedules to the LTCHs, will they work with their LTCHs on a group basis, or meet with them individually? If the LHINs are conducting group meetings, will I be required to attend all of these meetings?***
Each LHIN will determine its own approach and it may vary from LHIN to LHIN. LHINs may choose to hold group sessions and/or meet with homes on an individual basis. HSPs are encouraged to work with their LHINs to establish which meetings are essential, and which are optional. The LHINs will be working diligently to ensure the L-SAA schedule negotiation process is as smooth as possible.

18 ***LHIN Board meetings are public meetings. Will confidential information provided in our LAPS be shared during these meetings?***
The content of your LAPS and the discussions that LHINs will have around your L-SAA is information that may be shared with the Board of Directors in public meetings, except to the extent that the LAPS or the discussions include information that is confidential. "Confidential Information" in this case means information that is (i) marked or otherwise identified as confidential by you at the time the information is provided to the LHIN; and (ii) eligible for exclusion from disclosure at a public board meeting in accordance with section 9 of LHSIA. Confidential Information does not include information that (a) was known to the LHIN prior to receiving the information from you; (b) has become publicly known through no wrongful act of the LHIN; or (c) is required to be disclosed by law.

While some aspects of the LAPS may need to be held in confidence, HSPs and LHINs need to ensure that we operate in an open and transparent manner. Specific concerns/enquiries should be directed to your LHIN.

19. ***Who is authorized to sign the L-SAA?***
The L-SAA should be signed by the individual who has the legal authority to sign on behalf of the HSP.

20. ***Is the Audited Annual Report the same as the Annual Reconciliation Report?***
Both of these names refer to the same document. The proper name of the document is the “Long-Term Care Home Annual Report”. There is a requirement for the auditor of the home to report on the Long-Term Care Home Annual Report.

B. DEFINITIONS – ARTICLE 1

1. ***What is the difference between Applicable Law and Applicable Policy?***
Generally, Applicable Law refers to requirements imposed by legal and statutory instruments, while Applicable Policy refers to policies and guidelines issued by the Ministry from time to time.

2. ***What is the definition of Annual Balanced Budget?***
As per the Accountability Agreement, annual balanced budget means that, in a fiscal year, the total revenues for an entity are greater than or equal to the total expenses for the entity.

C. TERM & NATURE OF THE AGREEMENT – ARTICLE 2

1. ***Why is the term of the L-SAA three years?***
There will be a great deal of change in the sector over the next three years. A three year term for the L-SAA allows additional time for the implementation phase of many projects to be completed. As a result, the L-SAA developed in three years' time can better align reporting requirements with the new data that will be available. Further, there is much work to be undertaken in the sector with respect to indicators. A three year term provides time for the LHINs and the sector to work together on the definitions and data sources for appropriate indicators and corresponding targets and standards.

2. ***Why doesn't my L-SAA have the same term as my license or approval?***
Refer to section "E".

D. PROVISION OF SERVICES AND PERFORMANCE – ARTICLES 3 & 7

1. ***What types of LTCH beds are funded under the L-SAA?***
All bed types other than those funded under the ELDCAP program. The Elderly Capital Assistance Program (ELDCAP) provides services to long-term care home residents in units that are co-located within hospitals or near hospitals, in small northern communities. EldCap beds under the EldCap program are licensed and are subject to the LTC home program requirements, are exempt from certain provisions of the *Nursing Homes Act*, 2007 and Ontario Regulation 79/10 under the Act, and are funded through a hospital's global budget.

2. ***Are all Services subject to performance indicators?***
It will depend on the indicator. Not all indicators are tied to the provision of services.

3. **Re 3.2.** ***Am I free to subcontract the provision of Services?***
Yes, subject to the terms of LHSIA, which may require you to give notice to the LHIN of a proposed integration under s. 27 and to the terms of the Act, which may require the Director's approval.

4. **Re 3.3.** ***How can I agree to comply with e-health requirements if I don't know what they are and don't get funded to comply with them?***
LHSIA requires the LHIN to provide funding on terms and conditions that are consistent with the LHIN's own funding agreement with the Ministry. The Accountability Agreement requires the LHINs to include the provision on e-health in its SAA. This provision has

been included in all SAAs to date. The question anticipates that meeting the standards will require additional funding. It may well be that the transition will simply require an HSP to comply with e-health standards in the ordinary course of their technology acquisition and upgrade systems.

5. **Re 7.2 and 7.4. *Who decides that an HSP is not performing and requires help with performance improvement?***
Under the L-SAA, notice of a performance factor can be provided by either the LHIN or the HSP. The L-SAA encourages proactive notices and responses so that potential problems can be resolved before they become actual problems.

6. ***The LTCH sector is already regulated. Why does the L-SAA impose additional accountability*?**
When it comes into force, the Act will regulate residents' rights, care and services and the operation of LTCHs. The L-SAA focuses on accountability for the use of public funds and for the delivery of services that are funded in whole or in part by public funds.

7. ***What's the difference between performance standards, targets and goals?***
The L-SAA refers to Performance Indicators, Targets, Corridors and Standards. These terms are defined in Schedule E which sets out performance obligations.
(i) A *Performance Indicator* is a measure of performance for which a Performance Target is set.
(ii) A *Performance Target* means the level of performance expected of the LTCH in respect of a Performance Indicator.
(iii) A *Performance Corridor* is the acceptable range of results around a Performance Target.
(iv) A *Performance Standard:* is the acceptable range of performance for a Performance Indicator that results when a Performance Corridor is applied to a Performance Target.

8. ***Will performance reports be shared with the Ministry?***
Performance reports could be shared if the LHIN felt it was necessary. However the primary purpose of performance reporting is to ensure that the HSP is fulfilling its obligations under the L-SAA in respect of the LTCH and, where an HSP is not meeting its obligations, to enable the LHIN to work with the HSP on performance improvement.

9. **Re 7.4. *What are the consequences of not meeting a performance obligation under the L-SAA?***
It will depend on the nature of the obligations. In a very few instances there are specific consequences. For example, there are financial consequences if reports are not submitted on time or if they are incomplete or inaccurate. If the LHIN feels that a breach of the L-SAA can be remedied, it can give an HSP the opportunity to do so under Article 12. More often than not, performance issues will be dealt with under Article 7 of the L-SAA. Article 7 is intended to encourage the HSP to give the LHIN early notification of a potential performance problem so that both the LHIN and the HSP can work together to determine how best to avoid or mitigate the possible impact on the HSP and the system as a whole.

In the L-SAA, the parties agree to adopt and follow a proactive, collaborative and responsible approach to performance management and improvement. The performance improvement process chosen to address a specific problem will depend on the risk of non-performance both for the HSP, its residents and the system at large. It will focus on problem-solving and performance improvement. As a LHIN's success under LHSIA and

the Accountability Agreement will be determined, in very large part, on how well an HSP fulfils the terms of its L-SAA, a LHIN has a vested interest in working with HSPs to achieve strong performance across the local system.

10. ***What happens if an HSP cannot meet a performance obligation in year 1 but will be able to meet it in year 2 or vice versa?***

If the parties know this before the L-SAA is signed then this is simply a question of negotiating appropriate obligations into the Schedules of the L-SAA. If an HSP finds that it is unable to meet its obligations after the L-SAA is signed, then the HSP advises the LHIN as early as possible of the problem – ideally when it is only still a possibility – and the HSP and the LHIN determine what steps need to be taken to mitigate the potential problem.

Individual HSPs are fundamental elements of the larger provincial health system. If the LHINs are to be effective in planning this system, HSPs must recognize that problems need to be identified early enough that the LHIN and possibly other HSPs can step up to meet the system's needs.

11. ***Does Sub-Contracting refer to contracts with individual providers/services or simply management of service contracts?***

All service contracts entered into by the HSP to fulfil its obligations under the L-SAA are subcontracts. For example, if the HSP contracts out food services, that would be a subcontract.

12. ***Sub-Contractors may not be comfortable agreeing to allow the LHIN or the LHIN's authorized representatives to audit their practice. The subcontractors may choose not to sign. Why does this need to be included?***

Under the Accountability Directive, a copy of which was provided to you, the LHIN has an obligation to ensure that public funds are spent for the purpose and in accordance with the terms, for which they are given. If the LHIN provides funding to the HSP, the LHIN needs to be able to confirm that the money was spent in accordance with the terms of the L-SAA. If the HSP takes that money and provides it to a subcontractor, the LHIN needs to be able to look through to the subcontract and to the subcontractor, to ensure that public funds are being used appropriately. The ability to audit is restricted in scope – it is not a whole sale right to audit a subcontractor. It is merely to confirm that the HSP is using public funds appropriately – whether those funds are spent directly by the HSP, or indirectly through a subcontractor.

13. ***Will existing contracts with subcontractors be subject to the provisions in Articles 3 and 7, or will these contracts be grandfathered?***

This provision applies to any subcontracts entered into after the L-SAA is signed. It also applies to any renewals or extensions of subcontracts that are agreed to after the L-SAA is signed.

14. ***What is the role of the LHINs versus the role of the Ministry in regard to issues that might lead to the need for the performance improvement process?***

Performance improvement under the L-SAA is the responsibility of both the LHIN and the HSP. The performance improvement process is described in Section 7 of the L-SAA.

15. ***Can resident day/volumes be noted in the agreement?***

The agreement identifies the number of beds to be operated by the LTCH. The calculation of resident days would be in accordance with the funding policies and based on the information provided by the LHIN to the HSP in accordance with section 3.2 of

Schedule C; i.e. the monthly payment notice to the LTCH. Your LHIN can help should you require assistance.

16. ***Will there be additional funding for meeting e-health requirements and undertaking e-health initiatives?***
This question presumes that additional funding will be required. It may well be that the transition to interoperability will simply require an HSP to comply with e-health standards in the ordinary course of its technology acquisition and upgrade cycles. In fact some of these standards are in place today and HSPs are already expected to adhere to them when acquiring new technology.

17. ***When a LTCH has issues related to finance or risks to resident care, who should it contact – the LHIN or the Ministry? Can a listing be provided that outlines the lead responsible for these issues?***
An HSP that anticipates not being able to fulfil its obligations under the L-SAA, should always contact the LHIN. If the issue is related to risks to resident care, this issue is to be reported to the Performance Improvement and Compliance Branch (PICB) of the Ministry. If the issue relates to any of the areas that require mandatory reporting to the Director under the Act, the LTCH should report the information to the contact for receiving mandatory reports provided by the Ministry to the LTCH to post in the home in accordance with the General Regulation under the Act. For further information, see the attached as Appendix A which outlines the respective roles of the LHINs and the Ministry.

E. FUNDING AND ADJUSTMENT OF FUNDING – ARTICLES 4 & 5

1. ***Has the funding model, payment schedule or reconciliation process changed with the implementation of the L-SAA?***
No. HSPs will continue to receive funding based on estimates that will subsequently be reconciled.

2. ***Will the funding model change? If so, when will the change occur?***
The funding model will not change with the L-SAA. It could, however, change as a result of the Long-Term Care Home System Funding Review, which is reviewing the current funding and financial management practices of the LTCH sector. The Steering Committee which oversees the Funding Review is composed of representatives from the sector, LHINs, and Ministry and has been struck to consider the current and future funding model for LTCHs in the short to medium term. Project teams are made up of stakeholder representatives that are working collaboratively toward such objectives as providing clarity to the current funding envelope definitions, maximizing the use of existing resources, and implementing the RAI-MDS measurement tool.

3. ***If an HSP has a license or an approval to operate a LTCH under the Act – will the LHIN provide funding to the HSP for the duration of the license or approval? Where does it say this in the L-SAA?***
The L-SAA's s. 4.1 indicates that the LHIN will provide funding to the HSP in accordance with (i) the direction provided by the Ministry in the agreement between the Ministry and the LHIN; and (ii) the terms of the L-SAA. This means that as long as (a) the LHIN receives LTCH funding from the Ministry and (b) the HSP meets the terms of the L-SAA, the LHIN will provide LTCH funding to the HSP as directed by the Ministry for the term of the L-SAA.

The L-SAA also indicates in s.6.1 (d) that as long as the HSP is in compliance with the Act and the L-SAA, the LHIN expects that it will enter into a new service accountability agreement with the HSP at the end of the Term. With this provision, and the fact that the LHIN is required to act with fairness under the law, the HSP and its lenders have assurances that as long as the HSP is fulfilling its obligations under the Act and enters into and abides by an L-SAA, funding will continue.

4. Why do I have to enter into multiple L-SAAs over the term of my license or approval? Wouldn't it be simpler for the L-SAA to have the same term as my license or approval?

Yes, it would be simpler. However the licensing, funding and performance framework established by the Act and LHSIA does not support this approach. The new framework separates the licensing function from the funding function. It also separates the accountabilities. So while the Ministry is responsible for licensing or approving LTCHs in accordance with the Act, and ensuring that an HSP operates a LTCH *in compliance with the Act*, the LHIN provides funding and ensures that an HSP uses the funding to provide services *in accordance with progressive performance standards set out in a contract*. The contract, known as the L-SAA, needs to have shorter terms than a license if the LHIN is going to fulfil its accountabilities under LHSIA to progressively improve its system's performance. With each L-SAA the LHIN can adjust the performance standards to ensure continuous service improvement. It could not do this if it had a single L-SAA for a 25 year period.

5. But if I don't enter into a new L-SAA at the end of this first L-SAA there could be a break in my funding. That's what the L-SAA says, which will concern my lender.

As long as your license is in good standing and you are providing services in accordance with the L-SAA, you will be offered another L-SAA. The maintenance of a continuous funding stream is entirely within your control.

Your lender is primarily concerned with ensuring that its investment in your business is protected. If you operate a well run LTCH in compliance with the law, and if both the LHIN and the Ministry are monitoring different aspects of your operations to ensure that you continue to operate a well run LTCH in compliance with the law, your lender should be very satisfied with the security of its investment.

6. *If an HSP and/or a LTCH outperforms its peers, will it be entitled to more funding?*

HSPs and their LTCHs are expected to perform well and meet all their obligations under an L-SAA. Exceptional performance, i.e. performance well above and beyond expected standards may be acknowledged, however the LHINs are not able to provide incentive or reward funding at this time.

7. *Has the settlement and recovery process changed from when the Ministry handled it*?

No.

8. *Why is there no appeal mechanism that the HSP can use if the LHIN advises it is cutting funding?*

For the most part, the circumstances under which funding may be adjusted are objective and not subject to appeal. The LHIN has to provide the rates set by the province. If these are reduced, the LHINs must provide the reduced rate. If the HSP provides fewer beds or other services, the LHINs must reduce the funding. If the Director or the Ministry require the LHINs to reduce the funding under the Act, the LHINs are required by law to do so. To the extent that funding is reduced as a result of the HSP breaching

its obligations under L-SAA, the opportunity to remedy the breach, the performance improvement process set out in article 7 or the provisions of the *Commitment to the Future of Medicare Act, 2004,* provide ample opportunity to an HSP to make a case for the maintenance of funding. If the HSP feels that it has been treated unfairly it can always seek judicial review of a LHIN's funding decision. Under the principles of administrative law, the LHIN must act reasonably.

9. *Where in the L-SAA will LTCHs find the amount of their actual allocation?*

In Schedule C of the L-SAA, section 3.2 states that the Estimated Provincial Subsidy will be provided to the LHINs on a monthly basis and in accordance with the monthly calculation described in Section 3.1.

The process for communication around annual and monthly payment calculation will remain the same. The monthly calculation can be found in the monthly payment notice, which the LHINs make available to each LTCH operator through the FIM website (fimdata.com/ltchome). The annual calculation of the Estimated Provincial Subsidy can be found in the Subsidy Calculation Worksheet. The Level of Care (LOC) policy explains how funding will be distributed across the envelopes. The actual allocation is not determined until the funding is reconciled at the end of the year. Homes will be provided with an overall reconciliation report, which will set out the final allocation once the reconciliation process is complete This is the current practice, which will continue for the time being.

10. *If service increases are mandated as part of the new LTCHA regulations (i.e. dietary services), will funding be increased to meet the new demand in service?*

Since 2003, the government has invested over $1 billion for the LTC sector. In the six years between 2003-04 and 2009-10 the government's investments in LTC grew by 55 percent from $2.1 to $3.3 billion. The government has also announced its continued support in the 2010 Budget. Like other major programs in the health care sectors, the LTC sector will see growth in funding that will assist them in implementing the new requirements under the LTCHA.

11. Why doesn't the LHIN have to seek the Director's or Minister's approval when adjusting funding under the L-SAA?

The authority to fund an HSP belongs to the LHIN under LHSIA, Section 19:

> **19(1) Funding of HSPs: A LHIN may provide funding to a HSP in respect of services that the HSP provides in or for the geographic area of the LHIN.**
>
> 19(2) Terms and conditions: The funding that a LHIN provides under 19 (1) shall be on the terms and conditions that the LHIN considers appropriate and in accordance with the funding that the LHIN receives from the Minister, the LHIN's accountability agreement with the Minister and the prescribed requirements, if any.

This means that the LHIN is free to provide or adjust funding as long as the LHIN is abiding by the terms of the L-SAA and any other conditions that are attached to the funding provided by the Ministry. As long as the LHIN is meeting the obligations of 19(2), the LHIN is complying with the statute and there is no need to seek additional approvals.

F. PLANNING & INTEGRATION – ARTICLE 6

1. ***Why does the L-SAA require multi-year planning? I don't get multi-year funding, so how am I supposed to do multi-year planning?***
A multi year plan ensures that both the LTCH and the LHIN considers the impact of care requirements for the population over time. The information will serve to inform system planning over the period in question and beyond. Multi-year planning is prudent business practice and the LHIN would expect that an HSP would make planning assumptions that are reasonably reflective of the environment in which the LTCH is operated. Multi year planning will be part of the 2013-16 LAPS and L-SAA processes.

2. ***The L-SAA requires me to give notice to the LHIN, and in some instances seek the LHIN's permission for a variety of changes. Why?***
These requirements enable the LHIN to plan service delivery within the LHIN effectively.

3. ***What is meant by "community engagement"?***
Under LHSIA, HSPs are expected to engage the community when planning changes. This means that HSPs are required to give their community members an opportunity to comment on, and have input into, proposed changes.

4. ***What is the role of the LTCH to help the LHIN "integrate" the local health system?***
This is a statutory obligation that an HSP has under LHSIA. It is included in the L-SAA because a LTCH's participation is critical in improving the integration of the local health system.

G. REPORTING – ARTICLE 8

1. ***The L-SAA gives the LHIN broad rights to collect a wide variety of information, other than personal health information and requires the HSP to provide the information in the form and within the timeframe requested by the LHIN. Isn't this a little unreasonable?***
This is a statutory obligation that an HSP has under LHSIA. It is included in the L-SAA because the availability of information is critical to a LHIN's ability to assess how well a LTCH is performing within the system over which the LHIN has responsibilities.

2. ***What reports are required and when must they be submitted?***
The names of the reports, the scope of the reports, the reporting periods and due dates are set out in Schedule D.

3. ***Why does my LTCH have to report on how it is serving its francophone community, if it isn't required to provide services in French under the French Language Services Act?***
French is a language of service under the *French Language Services Act*. The Government of Ontario is therefore working continually to improve the health services available in French for French-speaking Ontarians. Through data gathered from its publicly funded organizations, the Ministry can assess French language capacity and, over time, develop and target strategies for improvement. If your community has no francophone members, then your report would so state.

4. ***Why does the L-SAA require an HSP to pay fees if certain reports are late, inaccurate or incomplete? This may reduce the dollars that an HSP has to spend on its residents.***

The L-SAA gives the LHIN the ability to impose financial sanctions at the LHIN's discretion. The intention of the sanctions is not to be punitive, nor to divert funding from resident care. Rather, the sanctions are in place to encourage timely, accurate reporting.

5. ***Why is the financial sanction so high? This seems unreasonable. Is there room for negotiation?***

No, there is no room for negotiation. An assessment of a financial sanction is at the discretion of the LHIN. This is an exceptionally important provision. The LHIN's ability to plan for improvements to its local health system is heavily dependant on access to accurate and timely data. As the provision of accurate and timely data is well within the control of the HSP, it is also within the control of the HSP to avoid financial sanctions.

6. ***Why should the HSP bear the cost of a financial or operational audit? Where are the checks and balances to ensure that a LHIN isn't able to make frivolous requests?***

As long as an HSP is performing and providing the required reports, there would be no need for a financial and/or operational audit or review. The need for these types of audits and/or reviews generally arises when the HSP is not fulfilling its obligations under the L-SAA. As the HSP's performance under the L-SAA is within the HSP's control, it is reasonable for the LHIN to require the HSP to pay for reviews or audits that arise from the HSP's lack of performance.

7. ***Why does a LTCH have to post the L-SAA in a conspicuous and easily accessible public place and on its public website?***

This is a statutory requirement. Section 31(3.2) of the CFMA states as follows: "A health resource provider shall post a copy of its service accountability agreement in a conspicuous public place at the health resource provider's sites of operations to which the agreement applies and on its public website on the Internet, if any, even if this results in the disclosure of personal information." The purpose of the requirement is public accountability and transparency. HSPs are funded by the taxpayers of Ontario and taxpayers have a right to know how HSPs are using tax dollars and what obligations are attached to the funding. Funding is a privilege not an entitlement. The Act would also require the LTCH to post the L-SAA in a conspicuous and easily accessible location in a manner that complies with the regulations, if any.

8. ***Are HSPs required to pay for all audits that are conducted pursuant to the L-SAA, or just those audits in regard to noncompliance with material requirements under the L-SAA?***

The template is very clear on this and goes beyond audit costs. The cost of any financial and/or operational audit or review will be borne by the HSP where the audit or review:

(i) Was made necessary because the HSP did not comply with a requirement under LHSIA or the L-SAA: or

(ii) Determines that the HSP has not fulfilled its obligations under the L-SAA or the Act.

H. Representations, Warranties, Liability, Indemnity & Insurance – Articles 10 and 11

1. Why are there so many representations and warranties? Some of them appear to over lap with my statutory obligations. Is the duplication necessary?

The LHIN has obligations under the government's accountability directive to ensure that HSPs receiving public funds are operating in an appropriate manner. HSPs that are unable to give the representations and warranties will need to fix their governance and operating policies before continued receipt of government funds. Any HSP that is not able to meet the requirements of this section should advise its LHIN as quickly as possible and outline the steps that it will take to put the appropriate policies and procedures in place so as not to jeopardize on-going funding.

2. Re Article *11. Why does the L-SAA include both insurance and indemnity provisions?*

These provisions are not new. Service funding agreements between the Ministry and HSPs have included both insurance and indemnity provisions for many years.

That said, the L-SAA includes insurance and indemnity provisions for the same reason that an HSP's agreements with its service providers include insurance and indemnity provisions. These provisions are risk management tools that are used to ensure that a larger share of the risk inherent in a contract is appropriately allocated to the party best able to control that risk. Reduced to its most basic elements, the LHIN – HSP relationship is one of funder and provider. The transfer of funding is a low-risk activity. The provision of health care services to third parties is a complex, high risk, activity requiring a high level of expertise at all service delivery levels. As the delivery of services is under the control of the HSP, it is appropriate that the HSP bear the risk inherent in the provision of the services.

3. Why do I have to carry "business interruption insurance" but the Municipal homes do not?

The Municipal homes have advised the LHINs and the Ministry that they self-insure for this coverage.

I. Termination – Article 12

1. ***If the Ministry has issued a licence or approval to the LTCH and has not proposed to revoke the licence or take over the LTCH, why should the LHIN have the right to terminate the L-SAA?***

The LHIN has accountability to the public for the appropriate use of public funds. An HSP accepts public funds on the terms set out in the L-SAA. If an HSP fails to abide by those terms, the HSP should not continue to receive public funds.

2. ***What happens if the HSP makes an assignment, proposal, compromise or arrangement for the benefit or creditors or is petitioned into bankruptcy or files for the appointment of a receiver? Is the LHIN committed to ensuring the continuity of services for the residents of the Home?***

It is difficult to predict precisely what will happen because this will depend largely on the circumstances in place when one or more of these things occurs. In a general sense, if one or more of these things occurs, the HSP will have responsibilities to the Director under the Act and responsibilities to the LHIN under the L-SAA and LHSIA. The LHIN

and the Director will work together to ensure that the HSPs obligations are met and that services will continue for residents. Neither the LHIN nor the Director would seek to terminate the L-SAA unless it makes sense to do so in the circumstances. In some situations it might be appropriate for a LHIN to enter into a new L-SAA with the HSP's successor.

3. Who determines when a breach of the Act has occurred and when a breach of the L-SAA has occurred?

Breaches of the Act will be determined by the Director or the Minister. Breaches of the L-SAA will be determined by the LHIN. When the Act refers to the L-SAA, the Director will seek the LHINs' advice on whether an HSP is complying with the L-SAA. When the L-SAA refers to the Act, the LHIN will seek the Director's advice on whether the HSP is complying with the Act.

J. SCHEDULES

1. *In Schedule D, can you clarify what exactly is required for financial statements? Are these consolidated statements or home specific?*

The audited financial statements should be prepared on a home by home basis. For some organizations such as municipalities and other organizations operating/owning a number of LTCHs, we understand that home specific audited financial statements may not be available. In these cases, consolidated audited financial statements may be acceptable. LTCHs are encouraged to discuss the particulars of their situation with their LHIN for clarification.

2. *Schedule E references that LTCHs must be in touch with the project team by September 30th, 2010 to sign up for OHRS. What is the process for signing up?*

For homes that were not part of the initial OHRS/MIS training, four additional training phases will take place whereby 116 homes will be trained during each phase. Phase 2 will occur from February – October 2010. To register for a Phase, LTCHs may contact the Support Centre at ohrsltch@ccim.on.ca or 1-866-909-5600. Press Option 7 for scheduling and then Option 2 for LTCH MIS.

3. *What is the significance of "n/a" beside performance indicators listed in Schedule E?*

Performance indicators listed as ***n/a*** in Schedule E signify they are 'not-applicable' to the LTC Home in the specified year because there is no defined Performance Standard for the indicator. Indicators identified as 'n/a' are scheduled to become full performance indicators later in the life of the agreement once a performance standard has been established. This standard will be developed through the Health System Indicator Committee and its Working Groups, with representatives from the LHINs, Ministry, external experts (Ontario Health Quality Council, Canadian Institute for Health Informatics) and long-term care home sector.

4. *Are LTC Homes expected to provide data to populate performance indicators that are "n/a" in Schedule E?*

The data required to populate the performance indictors listed in Schedule E will be largely captured through pre-existing reporting processes; for example MDS-RAI reporting and WSIB claims.

The only additional performance data related to the L-SAA that LTC homes will be expected to report will be data related to Current Ratio and Debt Service Coverage Ratio, which will be required in the third year of the agreement (2012-13).

APPENDIX A

Long-Term Care Home Service Accountability Agreement

DRAFT– Respective Roles of the LHINs and the Ministry

Legend

R Responsible (area is responsible)
I Informed (area to be informed)
C Consulted (need to obtain feedback from area)
S Supported by (area provides support)

ACTIVITY	LEAD	
	LHIN	MOHLTC
LTCH Organizational Effectiveness / Performance:		
▪ Service Accountability Agreement	R	C
▪ Integrated Health Services Plan	R	
▪ System Planning	R	I
▪ ALC Issues	R	I
▪ Monitoring of Staffing Investments	I	
▪ Utilization Monitoring of:		
• Convalescent Care Beds	R	C/I
• Temporary Beds	R	C
• Short Stay Beds	R	C
• Long-Stay Beds	R	C
• Short term Authorization	R	C
Monitoring Service Accountability Agreement:		
▪ Review of progress in meeting staffing investments	R	
▪ Conduct performance reviews related to LTCH service accountability agreements	R	I/C
▪ Monitor utilization of LTCH beds and related funding	R	I
▪ Develop and monitor LTCH performance through indictors	R	I
▪ Adjust LTCH funding according to L-SAA Indicators, Targets, and where applicable, Performance Standards	R	I
Reviews/Audits: Note: When a LTCH is having financial difficulties, and particularly in the event of receivership or bankruptcy, the LHIN and the ministry will be working closely to address the situation. Whether it is ministry or LHIN who is responsible for reviews or audits will depend on the circumstances.		
▪ Conduct financial/operational reviews with LTCH in the event of financial difficulties	R	I/C/R
▪ Audit or review initiated by the Director resulting from a breach of the legislation/regulations	I	R
▪ Financial inspection in the event of LTCH bankruptcy	I/R	R
Funding / Financial Transaction Support:		
▪ Audited Financial Statement	R	I
▪ Per Diem Funding Administration		R
▪ Claims based funds		R
▪ Equipment purchases >$3,000 from NPC and PSS envelopes	R	

ACTIVITY	LEAD	
	LHIN	MOHLTC
• High Intensity Needs Funding request		R
• LTC Homes Annual Reports, Revenue Occupancy Reports	C	R
Performance Reviews:		
▪ Compliance with respect to Resident Trust Accounts	C/I	R
▪ Suspected and or evidence of misappropriation of funds / fraud (reporting misuse to the Director under the LTCHA, inspection)	I/C	R
▪ Recovery of funds	R	
▪ Recovery of operating funds	R	S
Resident Care:		
▪ Standards	I	R
▪ Enforcement	I	R
▪ Sanctions	I	R
▪ Resident Incidents		R
Licensing / License Sales Coordination:		
▪ Manage licensing process in accordance with legislative requirements		R
▪ Approve beds in abeyance	C	R
▪ Approve new and reclassified beds, on advice of LHIN, and issue licenses	C	R
▪ Approve LTCH license sales according to applicable legislation and manage process	C	R
▪ Lead public consultation for sales	S	R
LTCH Closure:		
▪ Facilitate LTCH closures in accordance with Legislative requirement	C	R
Capital Process / Construction:		
▪ Determine Construction Cost per diem	I	R
▪ Determine Eligible Homes	I	R
LTC Home Renewal Strategy:		
▪ Issue Call for Applications	C/I	R
▪ Evaluates financial and eligibility components of application	I	R
▪ Evaluates of current compliance status of applicants	I	R
▪ Evaluates applications against LHIN-specific priorities	R	
▪ Bed Allocation recommendations to MOHLTC	R	
Placement – Linkages with CCACs and LTCHs regarding placement process:		
▪ Review of placement refusal letters to ensure that LTCH decision making is in line with legislation	I	R
▪ Review of placement refusal trends	R	I
▪ Review of LTCH transfer trends	R	I
▪ Review of LTCH wait list profiles	R	I
Operational Quality Improvement Initiatives:		
▪ Design province wide initiatives / new programs within LTC sector	C/I	R
▪ Design local area initiatives	R	S
▪ Implement province wide initiatives/new programs within LTC sector	R	S/C
▪ Implement local area initiatives to improve efficiency and effectiveness across sectors	R	I

ACTIVITY	LEAD	
	LHIN	MOHLTC
Operational Quality Improvement Initiatives:		
▪ Design province wide initiatives / new programs within LTC sector	C/I	R
▪ Design local area initiatives	R	S
▪ Implement province wide initiatives/new programs within LTC sector	R	S/C
▪ Implement local area initiatives to improve efficiency and effectiveness across sectors	R	I
Public, Agency Correspondence and Complaints:		
▪ Respond to resident care complaints		R
▪ Respond to correspondence relating to funding	R	
▪ Respond to correspondence relating to operations (e.g. approval of disposal of assets within an LTCH)	R	I
▪ Respond to correspondence regarding placement complaints		R
▪ Respond to correspondence related to licensing and appeals		R
FOI Requests:		
Respond to FOI requests – complaint investigation reports, service agreements, budgets, LTCH submitted data (Note: The party which receives an FOI request must deal with that FOI request as per the rules set out in the governing privacy legislation.)	R	R
Emergency Planning and Response:		
Level 1 – Home responsibility	I/C	S/C
Level 2 – Within LHIN	R	S
Level 3 – Across LHINs	R	S
Level 4 – Province Wide (state of emergency/pandemic)	S	R
Maintain Government Forms:		R