

**Hamilton Niagara Haldimand Brant
Local Health Integration Network**

Minutes of the Business Meeting of the Board of Directors January 29, 2014

A meeting of the Board of Directors of the Hamilton Niagara Haldimand Brant (HNHB) Local Health Integration Network (LHIN) was held on January 29, 2014, at the Boardroom, Hamilton Niagara Haldimand Brant Local Health Integration Network, 264 Main Street East, Grimsby, Ontario, beginning at 3:04p.m.

Present: Michael P. Shea, Chair
Bob Lawler, Vice Chair
Ruby Jacobs, Member
Helen Mulligan, Member
Laurie Ryan-Hill, Member
Mervin Witter, Member

In Attendance: Donna Cripps, Chief Executive Officer (CEO), HNHB LHIN
Trish Nelson, Director, Communications and Corporate Services, HNHB LHIN
Rosalind Tarrant, Director, Access to Care, HNHB LHIN
Steven Isaak, Director, Health System Transformation, HNHB LHIN
Philip Christoff, Director, Quality and Risk Management, HNHB LHIN
Derek Bodden, Director, Finance, HNHB LHIN

A. Convening the Meeting

A.1 Call to Order

A quorum was present.

A.2 Approval of the Agenda

MOVED: Laurie Ryan-Hill
SECOND: Bob Lawler

That the agenda of January 29, 2014, be adopted, as circulated.

CARRIED

A.3 Declaration of Conflicts

No conflicts were identified at this time.

B. Closed Session

MOVED: Helen Mulligan
SECOND: Mervin Witter

That the Board of Directors of the Hamilton Niagara Haldimand Brant Local Health Integration Network move to a closed session to discuss matters of public/personnel interest at 3:05p.m.

CARRIED

C. Report on Closed Session

C.1 Report of the Chair on the Closed Session

MOVED: Michael P. Shea
SECOND: Bob Lawler

That the Board of Directors of the Hamilton Niagara Haldimand Brant Local Health Integration Network moved to a closed session at 305pm to discuss a matter of public interest, and returned to an open session at 4:05p.m.

CARRIED

Key Points of Discussion:

- The board went into a closed session to discuss the performance review of a staff member.

C.2 Report of the Quality and Safety Committee Chair

MOVED: Helen Mulligan
SECOND: Laurie Ryan-Hill

That the Report of the Quality and Safety Committee Chair be received and filed.

CARRIED

A Quality and Safety Committee meeting was held on January 24, 2014. The minutes of the Quality and Safety Committee meeting of December 4, 2013, were approved by the Quality and Safety Committee for receipt by the Board of Directors.

MOVED: Ruby Jacobs
SECOND: Mervin Witter

That the minutes of the Quality and Safety Committee meeting of December 4, 2013, be received and filed.

CARRIED

Operational Review of Hamilton Urban Core CHC

The Quality and Safety committee received the Operational Review of Hamilton Urban Core CHC – Confidential Draft report in closed session and after discussion and consideration the Board passed, unanimously a motion, the results of which will be communicated to Hamilton Urban Core by Friday January 31, 2014.

D. Minutes of the last meeting

D.1 Approval of the Minutes – Business – December 11, 2013

MOVED: Helen Mulligan
SECOND: Laurie Ryan-Hill

That the minutes of the Board Meeting – Business of December 11, 2013 be adopted, as circulated.

CARRIED

E. Reports

E.1 Report of the Chief Executive Officer

MOVED: Michael P. Shea

SECOND: Ruby Jacobs

That the Report of the Chief Executive Officer (CEO) be received and filed.

CARRIED

Key Points of Discussion:

- The CEO presented the report which was included in the pre-circulated materials and will be posted on the LHIN website.
- The CEO shared that the Standing Committee on Social Policy reviewing the Local Health System Integration Act (LHSIA) is currently touring throughout the province. They were in Fort Erie on January 27 and in Hamilton on January 28.
- The standing committee has until November 2014 to submit their final report.

E.2 Report of the Chair

MOVED: Mervin Witter

SECOND: Laurie Ryan-Hill

That the Report of the Chair be received and filed.

CARRIED

Key Points of Discussion:

- The Chair presented the report, which was included in the Board package and will be posted on the HNHB LHIN website.

E.3 Report of the Audit Committee Chair

MOVED: Michael P. Shea

SECOND: Mervin Witter

That the Report of the Audit Committee Chair be received and filed.

CARRIED

An Audit Committee meeting was held on January 29, 2014. The minutes of the Audit Committee meeting of December 4, 2013, were approved by the Audit Committee for receipt by the Board of Directors.

MOVED: Bob Lawler

SECOND: Laurie Ryan-Hill

That the minutes of the Audit Committee meeting of December 4, 2013, be received and filed.

CARRIED

In-Year Reallocations

MOVED: Bob Lawler
SECOND: Helen Mulligan

That the Board of Directors of the Hamilton Niagara Haldimand Brant Local Health Integration Network approve the distribution of unspent one-time funds as outlined in Table 1.

CARRIED

Multi-Sector Service Accountability Agreement Update

MOVED: Bob Lawler
SECOND: Laurie Ryan-Hill

That the Board of Directors of the Hamilton Niagara Haldimand Brant Local Health Integration Network approves the LHIN's use of the draft template Multi-Sector Accountability Agreement for 2014-2017 as presented to the Board; and to authorize the Board Chair and Chief Executive Officer to execute the Multi-Sector Service Accountability Agreement on behalf of the Hamilton Niagara Haldimand Brant Local Health Integration Network provided that the execution version of the Multi-Sector Service Accountability Agreement is the same as the draft template appended to the minutes of this meeting (Appendix B).

CARRIED

Key points of discussion:

- Providers are used the assumption of zero percentage increase for their planning, this is to be reviewed annually in the annual refresh of the Multi-Sector Service Accountability Agreement (M-SAA)
- In Section 7.2 of the agreement it states that the performance factors are to be identified as soon as possible. This seems vague. Staff clarified that while the narrative part of the agreement is vague, the schedules provide specific dates where items are to be submitted

Funding: Augmentative Alternative Communication Program

MOVED: Bob Lawler
SECOND: Ruby Jacobs

That the Board of Directors of the Hamilton Niagara Haldimand Brant Local Health Integration Network approve \$300,000 base funding in 2014-15 to Hotel Dieu Shaver Health and Rehabilitation Centre to support an integrated Augmentative and Alternative Communication service located at Hotel Dieu Shaver Health and Rehabilitation Centre.

CARRIED

Key points of discussion:

- The provider had one time funding for this service during 2012/13
- Over the past year they have worked with HHS and other providers in our LHIN to develop an integrated plan for this service in our LHIN

Assisted Living

MOVED: Bob Lawler
SECOND: Helen Mulligan

That the Board of Directors of the Hamilton Niagara Haldimand Brant Local Health Integration Network approve:

- \$10,500 one-time funds in 2013-14 and \$63,332 base funding in 2014-15 to support St. Joseph's Home Care's Transitional care Program
- \$361,580 base funding in 2014-15 to support the implementation of three new Assisted Living Hubs
- Up to \$100,000 one-time in 2014-15 to support a review of Assisted Living Hubs within the continuum of Assisted Living Models.

CARRIED

Presentation of Audit Plan

MOVED: Bob Lawler
SECOND: Mervin

That the Board of Directors of the Hamilton Niagara Haldimand Brant Local Health Integration Network approves the 2014 Audit Plan prepared by Deloitte LLP.

CARRIED

Key points of discussion

- Onsite audit will start on April 28
- The auditors shared the scope of audit, materiality, risk issues
- There is no change in the audit plan from other years
- Materiality for funding to providers is set at 1% Materiality for funding within the LHIN office is set at 2.5%

F. New/Other Business

F.1 Quarterly Declaration of Compliance

MOVED: Michael P. Shea
SECOND: Bob Lawler

That the Board of Directors of the Hamilton Niagara Haldimand Brant Local Health Integration Network authorizes the Board Chair to declare to the Minister of Health and Long-Term Care that Upon due enquiry of the Chief Executive Officer and other appropriate LHIN officers and personnel, and subject to any exceptions identified on Schedule A, to the best of the Board's knowledge and belief, the LHIN has:

1. the completion and accuracy of reports required of the LHIN, pursuant to section 5 of the BPSAA, on the use of consultants;
2. the LHIN's compliance with the prohibition, in section 4 of the BPSAA, on engaging lobbyist services using public funds;
3. the LHIN's compliance with all of its obligations under applicable directives issued by the Management Board of Cabinet;
4. the LHIN's compliance with its obligations under the Memorandum of Understanding with the Ministry of Health and Long-Term Care; and
5. the LHIN's compliance with its obligations under the Ministry LHIN Accountability Agreement/Ministry LHIN Performance Agreement in effect, during the Applicable Period.

CARRIED

Key Points of Discussion:

- The CEO clarified that the exception noted on Schedule A has been declared in previous quarters
- The LHIN continues to be insured during this time

F.2 Pre-Capital Submission for West Lincoln Memorial Hospital Site of Hamilton Health Sciences Corporation Redevelopment

MOVED: Michael P. Shea

SECOND: Mervin Witter

That the Board of Directors of the Hamilton Niagara Haldimand Brant Local Health Integration Network endorse the program and services component (Part A) of the pre-capital submission for the proposed West Lincoln Memorial Hospital Site of Hamilton Health Sciences, and forward it to the Ministry of Health and Long-Term Care, and, further that the approval to proceed to Stage 1 of the capital process includes a requirement to work with the Hamilton Niagara Haldimand Brant Local Health Integration Network-wide program/service planning process to inform Master Planning.

CARRIED

Key Points of Discussion:

LHIN staff walked through the briefing note as circulated

- This is a NEW plan. It is not re-endorsing the prior capital project
- This plan is consistent with the Board's prior support for patient care on the current West Lincoln Hospital site
- This is to endorse a NEW capital process for services in Grimsby
- The capital planning process occurs in 5 stages, This project is currently in Pre capital stage
- Once the project has the LHIN approval it goes to the Ministry of Health and Long-term Care (ministry) for pre-capital approval
- After the pre-capital stage, the ministry then can approve moving forward to become a capital project
- Prior capital plan started in about 2000 and was approved by the LHIN Board – this is now 15 years old. In addition West Lincoln is now a site under Hamilton Health Sciences. As well as a new hospital in St. Catharines and the planning for a new South LHIN hospital
- As part of the approval of the integration it was noted that the site required new capital building
- The hospital is working with the community and their primary care partners
- The hospital has received 5.7M infrastructure funding from the ministry to ensure that the current building has the required infrastructure now
- The ministry will need to review all options for this site – things have changed significantly
- The approval of this submission will allow people to look at the population and their health needs. This submission looks at the priorities of the LHIN and the ministry and to ensure that the programs and services are integrated throughout the LHIN

- There are financial figures in the document – construction size and planning grant. The LHIN is not endorsing these figures. The LHIN is only endorsing programs and services and to allow the organization to re-enter the planning process
- The Board identified that they would like to see a very innovative model of capital structure that best meets the needs of the population

G. Adjournment

The Board of Directors – Business meeting be adjourned at 5:00 p.m.



Michael P. Shea, Chair



Date



Donna Cripps, Corporate Secretary



Date

TABLE 1

LHIN Health Service Provider	Recommended Funding
North Hamilton Community Health Centre	\$130,000
LHIN Long-Term Care Homes (distributed on a per bed rate model).	\$132,193

**TEMPLATE
MULTI-SECTOR SERVICE ACCOUNTABILITY AGREEMENT
April 1, 2014 – March 31, 2017**

SERVICE ACCOUNTABILITY AGREEMENT

with

[Legal Name of the Health Service Provider]

Effective Date: April 1, 2014

Index to Agreement

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Article 10	Representations, Warranties and Covenants
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Schedules

- A – Detailed Description of Services
- B – Service Plan
- C – Reports
- D – Directives, Guidelines, Policies & Standards
- E – Performance
- F – Project Funding Agreement Template
- G – Compliance

THE AGREEMENT effective as of the 1st day of April, 2014

BETWEEN:

XXX LOCAL HEALTH INTEGRATION NETWORK (the "LHIN")

- and -

[Legal Name of the Health Service Provider] (the "HSP")

Background:

The *Local Health System Integration Act, 2006* requires that the LHIN and the HSP enter into a service accountability agreement. The service accountability agreement supports a collaborative relationship between the LHIN and the HSP to improve the health of Ontarians through better access to high quality health services, to co-ordinate health care in local health systems and to manage the health system at the local level effectively and efficiently.

In this context, the HSP and the LHIN agree that the LHIN will provide funding to the HSP on the terms and conditions set out in this Agreement to enable the provision of services to the local health system by the HSP.

In consideration of their respective agreements set out below, the LHIN and the HSP covenant and agree as follows:

ARTICLE 1.0- DEFINITIONS & INTERPRETATION

1.1 **Definitions.** In this Agreement the following terms will have the following meanings:

"Accountability Agreement" refers to the agreement in place between the MOHLTC and the LHIN pursuant to the terms of section 18 of the Act;

"Act" means the *Local Health System Integration Act, 2006*, and the regulations made under the *Local Health System Integration Act, 2006*, as it and they may be amended from time to time;

"Agreement" means this agreement and includes the Schedules and any instrument amending this agreement or the Schedules;

"Annual Balanced Budget" has the meaning set out in subsection 4.5(b);

"Applicable Law" means all federal, provincial or municipal laws, regulations, common law, any orders, rules or by-laws that are applicable to the HSP, the Services, this Agreement and the Parties' obligations under this Agreement during the term of this Agreement;

"Applicable Policy" means any orders, rules, policies, directives, or standards of practice issued or adopted by the LHIN, the MOHLTC or other ministries or agencies of the province of

Ontario that are applicable to the HSP, the Services, this Agreement and the Parties' obligations under this Agreement during the term of this Agreement. Without limiting the generality of the foregoing, Applicable Policy includes the other documents identified in Schedule D;

"Board" means:

(i) in respect of an HSP that does not have a Long-Term Care Home Service Accountability Agreement with the LHIN and is:

- (a) a corporation, the board of directors;
 - (b) a First Nation, the band council; and
 - (c) a municipality, the municipal council;
- and,

(ii) in respect of an HSP that has a Long-Term Care Home Service Accountability Agreement with the LHIN and is:

- (a) a corporation, the board of directors;
- (b) a First Nation, the band council;
- (c) a municipality, the committee of management;
- (d) a board of management established by one or more municipalities or by one or more First Nations' band councils, the members of the board of management;

"BPSAA" means the *Broader Public Sector Accountability Act, 2010* and regulations made under the *Broader Public Sector Accountability Act, 2010*, as it and they may be amended from time to time;

"Budget" means the budget approved by the LHIN and appended to this Agreement in Schedule B;

"CEO" means the individual accountable to the Board for the provision of the Services in accordance with the terms of this Agreement;

"Chair" means, if the HSP is:

- (a) a corporation, the Chair of the Board;
- (b) a First Nation, the Chief; and
- (c) a municipality, the Mayor,

or such other person properly authorized by the Board or under Applicable Law;

"CFMA" means the *Commitment to the Future of Medicare Act, 2004*, and the regulations made under the *Commitment to the Future of Medicare Act, 2004*, as it and they may be amended from time to time;

"Compliance Declaration" means a compliance declaration substantially in the form set out in Schedule G;

"Confidential Information" means information that is: (i) marked or otherwise identified as confidential by the disclosing Party at the time the information is provided to the receiving Party; and (ii) eligible for exclusion from disclosure at a public board meeting in accordance with section 9 of the Act. Confidential Information does not include information that: (a) was known to the receiving Party prior to receiving the information from the disclosing Party; (b) has become publicly known through no wrongful act of the receiving Party; or (c) is required to be disclosed by law, provided that the receiving Party provides Notice in a timely manner of

such requirement to the disclosing Party, consults with the disclosing Party on the proposed form and nature of the disclosure, and ensures that any disclosure is made in strict accordance with Applicable Law;

“Conflict of Interest” in respect of an HSP, includes any situation or circumstance where: in relation to the performance of its obligations under this Agreement:

- (a) the HSP;
- (b) a member of the HSP’s Board; or
- (c) any person employed by the HSP who has the capacity to influence the HSP’s decision,

has other commitments, relationships or financial interests that:

- (a) could or could be seen to interfere with the HSP’s objective, unbiased and impartial exercise of its judgement; or
- (b) could or could be seen to compromise, impair or be incompatible with the effective performance of its obligations under this Agreement;

“controlling shareholder” of a corporation means a shareholder who or which holds (or another person who or which holds for the benefit of such shareholder), other than by way of security only, voting securities of such corporation carrying more than 50% of the votes for the election of directors, provided that the votes carried by such securities are sufficient, if exercised, to elect a majority of the board of directors of such corporation;

“Days” means calendar days;

“Effective Date” means April 1, 2014;

“e-Health” means the coordinated and integrated use of electronic systems, information and communication technologies to facilitate the collection, exchange and management of personal health information in order to improve the quality, access, productivity and sustainability of the healthcare system;

“FIPPA” means the *Freedom of Information and Protection of Privacy Act (Ontario)* and the regulations made under the *Freedom of Information and Protection of Privacy Act (Ontario)*, as it and they may be amended from time to time;

“Funding” means the amounts of money provided by the LHIN to the HSP in each Funding Year of this Agreement;

“Funding Year” means in the case of the first Funding Year, the period commencing on the Effective Date and ending on the following March 31, and in the case of Funding Years subsequent to the first Funding Year, the period commencing on the date that is April 1 following the end of the previous Funding Year and ending on the following March 31;

“HSP’s Personnel and Volunteers” means the controlling shareholders (if any), directors, officers, employees, agents, volunteers and other representatives of the HSP. In addition to the foregoing, HSP’s Personnel and Volunteers shall include the contractors and subcontractors and their respective shareholders, directors, officers, employees, agents, volunteers or other representatives;

“Indemnified Parties” means the LHIN and its officers, employees, directors, independent contractors, subcontractors, agents, successors and assigns and her Majesty the Queen in

Right of Ontario and her Ministers, appointees and employees, independent contractors, subcontractors, agents and assigns. Indemnified Parties also includes any person participating on behalf of the LHIN in a Review;

“Interest Income” means interest earned on the Funding;

“MOHLTC” means the Minister of Health and Long-Term Care or the Ministry of Health and Long-Term Care, as is appropriate in the context;

“Notice” means any notice or other communication required to be provided pursuant to this Agreement, the Act or the CFMA;

“Party” means either of the LHIN or the HSP and **“Parties”** mean both of the LHIN and the HSP;

“Performance Agreement” means an agreement between an HSP and its CEO that requires the CEO to perform in a manner that enables the HSP to achieve the terms of this Agreement and any additional performance improvement targets set out in the HSP’s annual quality improvement plan under the *Excellent Care for All Act, 2010*;

“Performance Factor” means any matter that could or will significantly affect a Party’s ability to fulfill its obligations under this Agreement;

“Project Funding Agreement” means an agreement in the form of Schedule F that incorporates the terms of this Agreement and enables the LHIN to provide one-time or short term funding for a specific project or service that is not already described in Schedule A;

“Reports” means the reports described in Schedule C as well as any other reports or information required to be provided under the Act or this Agreement;

“Review” means a financial or operational audit, investigation, inspection or other form of review requested or required by the LHIN under the terms of the Act or this Agreement, but does not include the annual audit of the HSP’s financial statements;

“Schedule” means any one of, and **“Schedules”** mean any two or more, as the context requires, of the schedules appended to this Agreement including the following:

- Schedule A: Description of Services
- Schedule B: Service Plan
- Schedule C: Reports
- Schedule D: Directives, Guidelines and Policies
- Schedule E: Performance
- Schedule F: Project Funding Agreement Template
- Schedule G: Compliance

“Service Plan” means the Operating Plan and Budget appended as Schedule B; and

“Services” means the care, programs, goods and other services described in Schedule A and in any Project Funding Agreement executed pursuant to this Agreement. “Services” includes the type, volume, frequency and availability of the care, programs, goods and other services.

- 1.2 **Interpretation.** Words in the singular include the plural and vice-versa. Words in one gender include all genders. The headings do not form part of this Agreement. They are for convenience of reference only and will not affect the interpretation of this Agreement. Terms used in the Schedules shall have the meanings set out in this Agreement unless separately and specifically defined in a Schedule in which case the definition in the Schedule shall govern for the purposes of that Schedule.

ARTICLE 2.0 - TERM AND NATURE OF THIS AGREEMENT

- 2.1 **Term.** The term of this Agreement will commence on the Effective Date and will expire on March 31, 2017 unless terminated earlier or extended pursuant to its terms.
- 2.2 **A Service Accountability Agreement.** This Agreement is a service accountability agreement for the purposes of subsection 20(1) of the Act and Part III of the CFMA.
- 2.3 **Notice.** Notice was given to the HSP that the LHIN intended to enter into this Agreement. The HSP hereby acknowledges receipt of such Notice in accordance with the terms of the CFMA.
- 2.4 **Prior Agreements.** The Parties acknowledge and agree that all prior agreements for the Services terminated on March 31, 2014. Notwithstanding the foregoing, Project Funding Agreements that by their terms continue beyond March 31, 2014 remain in effect.

ARTICLE 3.0 - PROVISION OF SERVICES

3.1 Provision of Services.

- (a) The HSP will provide the Services in accordance with, and otherwise comply with:
- (i) the terms of this Agreement, including the Service Plan;
 - (ii) Applicable Law; and
 - (iii) Applicable Policy.
- (b) When providing the Services, the HSP will meet the performance standards and conditions identified in Schedule E.
- (c) Unless otherwise provided in this Agreement, the HSP will not reduce, stop, start, expand, cease to provide or transfer the provision of the Services or change its Service Plan except with Notice to the LHIN, and if required by Applicable Law or Applicable Policy, the prior written consent of the LHIN.
- (d) Unless the HSP is a community care access centre, the HSP will not restrict or refuse the provision of Services to an individual, directly or indirectly, based on the geographic area in which the person resides in Ontario.

3.2 Subcontracting for the Provision of Services.

- (a) The Parties acknowledge that, subject to the provisions of the Act, the HSP may

subcontract the provision of some or all of the Services. For the purposes of this Agreement, actions taken or not taken by the subcontractor, and Services provided by the subcontractor, will be deemed actions taken or not taken by the HSP, and Services provided by the HSP.

(b) When entering into a subcontract the HSP agrees that the terms of the subcontract will enable the HSP to meet its obligations under this Agreement. Without limiting the foregoing, the HSP will include a provision that permits the LHIN or its authorized representatives, to audit the subcontractor in respect of the subcontract if the LHIN or its authorized representatives determines that such an audit would be necessary to confirm that the HSP has complied with the terms of this Agreement.

(c) Nothing contained in this Agreement or a subcontract will create a contractual relationship between any subcontractor or its directors, officers, employees, agents, partners, affiliates or volunteers and the LHIN.

3.3 **Conflict of Interest.** The HSP will use the Funding, provide the Services and otherwise fulfil its obligations under this Agreement, without an actual, potential or perceived Conflict of Interest. The HSP will disclose to the LHIN without delay any situation that a reasonable person would interpret as an actual, potential or perceived Conflict of Interest and comply with any requirements prescribed by the LHIN to resolve any Conflict of Interest.

3.4 **e-Health/Information Technology Compliance.** The HSP agrees to:

- (a) assist the LHIN to implement provincial e-health priorities for 2013-15 and thereafter in accordance with the Accountability Agreement, as may be amended from time to time;
- (b) comply with any technical and information management standards, including those related to data, architecture, technology, privacy and security set for health service providers by the MOHLTC, eHealth Ontario or the LHIN within the timeframes set by the MOHLTC or the LHIN as the case may be;
- (c) implement and use the approved provincial e-health solutions identified in the LHIN e-health plan;
- (d) implement technology solutions that are compatible or interoperable with the provincial blueprint and with the LHIN e-health plan; and
- (e) include in its annual planning submissions, plans for achieving eHealth priority initiatives, including full adoption of Ontario Laboratory Information System by March 2015.

3.5 **Policies, Guidelines, Directives and Standards.** Either the LHIN or the MOHLTC will give the HSP Notice of any amendments to the manuals, guidelines or policies identified in Schedule D. Amendments will be effective on the first day of April following the receipt of the Notice or on such other date as may be advised by the LHIN or MOHLTC as the case may be. By signing a copy of this Agreement the HSP acknowledges that it has a copy of the documents identified in Schedule D.

ARTICLE 4.0 - FUNDING

4.1 **Funding.** Subject to the terms of this Agreement, and in accordance with the applicable

provisions of the Accountability Agreement, the LHIN:

- (a) will provide the funds identified in Schedule B to the HSP for the purpose of providing or ensuring the provision of the Services;
- (b) may pro-rate the funds identified in Schedule B to the date on which this Agreement is signed, if that date is after April 1; and
- (c) will deposit the funds in regular instalments, once or twice monthly, over the term of this Agreement, into an account designated by the HSP provided that the account resides at a Canadian financial institution and is in the name of the HSP.

4.2 **Limitation on Payment of Funding.** Despite section 4.1, the LHIN:

- (a) will not provide any funds to the HSP until this Agreement is fully executed;
- (b) will not provide any funds to the HSP until the HSP meets the insurance requirements described in section 11.4;
- (c) will not be required to continue to provide funds in the event the HSP breaches any of its obligations under this Agreement, until the breach is remedied to the LHIN's satisfaction; and
- (d) upon notice to the HSP, may adjust the amount of funds it provides to the HSP in any Funding Year based upon the LHIN's assessment of the information contained in the Reports.

4.3 **Appropriation.** Funding under this Agreement is conditional upon an appropriation of moneys by the Legislature of Ontario to the MOHLTC and funding of the LHIN by the MOHLTC pursuant to the Act. If the LHIN does not receive its anticipated funding the LHIN will not be obligated to make the payments required by this Agreement.

4.4 **Additional Funding.**

- (a) Unless the LHIN has agreed to do so in writing, the LHIN is not required to provide additional funds to the HSP for providing additional Services or for exceeding the requirements of Schedule E.
- (b) The HSP may request additional funding by submitting a proposal to amend its Service Plan. The HSP will abide by all decisions of the LHIN with respect to a proposal to amend the Service Plan and will make whatever changes are requested or approved by the LHIN. The Service Plan will be amended to include any approved additional funding.

4.5 **Conditions of Funding.**

- (a) The HSP will:
 - (i) fulfill all obligations in this Agreement;

- (ii) use the Funding only for the purpose of providing the Services in accordance with Applicable Law, Applicable Policy and the terms of this Agreement;
- (iii) spend the Funding only in accordance with the Service Plan; and
- (iv) maintain an Annual Balanced Budget.

(b) "Annual Balanced Budget" means that, in each Funding Year of the term of this Agreement, the total expenses of the HSP are less than or equal to the total revenue, from all sources, of the HSP.

(c) The LHIN may impose such additional terms or conditions on the use of the Funding which it considers appropriate for the proper expenditure and management of the Funding.

4.6 **Interest.**

(a) If the LHIN provides the Funding to the HSP prior to the HSP's immediate need for the Funding, the HSP shall place the Funding in an interest bearing account in the name of the HSP at a Canadian financial institution.

(b) Interest Income must be used, within the fiscal year in which it is received, to provide the Services.

(c) Interest Income will be reported to the LHIN and is subject to year-end reconciliation. In the event that some or all of the Interest Income is not used to provide the Services,

- (i) the LHIN may deduct the amount equal to the unused Interest Income from any further Funding instalments under this or any other agreement with the HSP; and/or
- (ii) the LHIN may require the HSP to pay an amount equal to the unused Interest Income to the Ministry of Finance.

4.7 **Rebates, Credits and Refunds.** The HSP:

- (a) acknowledges that rebates, credits and refunds it anticipates receiving from the use of the Funding have been incorporated in its Budget;
- (b) agrees that it will advise the LHIN if it receives any unanticipated rebates, credits and refunds from the use of the Funding, or from the use of funding received from either the LHIN or the MOHLTC in years prior to this Agreement that was not recorded in the year of the related expenditure;
- (c) agrees that all rebates, credits and refunds referred to in (b) will be considered Funding in the year that the rebates are received, regardless of the year to which the rebate relates.

4.8 **Procurement of Goods and Services.**

- (a) If the HSP is subject to the procurement provisions of the BPSAA, the HSP will abide by all directives and guidelines issued by the Management Board of Cabinet that are applicable to the HSP pursuant to the BPSAA.
 - (b) If the HSP is not subject to the procurement provisions of the BPSAA, the HSP will have a procurement policy in place that requires the acquisition of supplies, equipment or services valued at over \$25,000 through a competitive process that ensures the best value for funds expended. If the HSP acquires supplies, equipment or services with the Funding it will do so through a process that is consistent with this policy.
- 4.9 **Disposition.** The HSP will not, without the LHIN's prior written consent, sell, lease or otherwise dispose of any assets purchased with Funding, the cost of which exceeded \$25,000 at the time of purchase.

ARTICLE 5.0 - REPAYMENT AND RECOVERY OF FUNDING

5.1 Repayment and Recovery.

- (a) **At the End of a Funding Year.** If, in any Funding Year, the HSP has not spent all of the Funding the LHIN will require the repayment of the unspent Funding.
- (b) **On Termination or Expiration of this Agreement.** Upon termination or expiry of this Agreement, the LHIN will require the repayment of any Funding remaining in the possession or under the control of the HSP and the payment of an amount equal to any Funding the HSP used for purposes not permitted by this Agreement.
- (c) **On Reconciliation and Settlement.** If the year-end reconciliation and settlement process demonstrates that the HSP received Funding in excess of its confirmed funds, the LHIN will require the repayment of the excess Funding.
- (d) **As a Result of Performance Management or System Planning.** If Services are adjusted, as a result of the performance management or system planning processes, the LHIN may adjust the Funding to be paid under Schedule B, require the repayment of excess Funding and/or adjust the amount of any future funding installments accordingly.
- (e) **In the Event of Forecasted Surpluses.** If the HSP is forecasting a surplus, the LHIN may adjust the amount of Funding to be paid under Schedule B, require the repayment of excess Funding and/or adjust the amount of any future funding installments accordingly.
- (f) **On the Request of the LHIN.** The HSP will, at the request of the LHIN, repay the whole or any part of the Funding, or an amount equal thereto if the HSP:
 - (i) has provided false information to the LHIN knowing it to be false;
 - (ii) breaches a term or condition of this Agreement and does not, within 30 Days after receiving Notice from the LHIN take reasonable steps to remedy the breach; or
 - (iii) breaches any Applicable Law that directly relates to the provision of, or ensuring the provision of, the Services.

(g) Subsections 5.1(c) and (d) do not apply to Funding already expended properly in accordance with this Agreement. The LHIN will, at its sole discretion, and without liability or penalty, determine whether the Funding has been expended properly in accordance with this Agreement.

5.2 **Provision for the Recovery of Funding.** The HSP will make reasonable and prudent provision for the recovery by the LHIN of any Funding for which the conditions of Funding set out in section 4.5 are not met and will hold this Funding in accordance with the provisions of section 4.6 until such time as reconciliation and settlement has occurred with the LHIN. Interest earned on Funding will be reported and recovered in accordance with section 4.6.

5.3 **Settlement and Recovery of Funding for Prior Years.**

(a) The HSP acknowledges that settlement and recovery of Funding can occur up to seven years after the provision of Funding.

(b) Recognizing the transition of responsibilities from the MOHLTC to the LHIN, the HSP agrees that if the Parties are directed in writing to do so by the MOHLTC, the LHIN will settle and recover funding provided by the MOHLTC to the HSP prior to the transition of the Funding for the Services to the LHIN, provided that such settlement and recovery occurs within seven years of the provision of the funding by the MOHLTC. All such settlements and recoveries will be subject to the terms applicable to the original provision of funding.

5.4 **Debt Due.**

(a) If the LHIN requires the re-payment by the HSP of any Funding, the amount required will be deemed to be a debt owing to the Crown by the HSP. The LHIN may adjust future funding instalments to recover the amounts owed or may, at its discretion direct the HSP to pay the amount owing to the Crown and the HSP shall comply immediately with any such direction.

(b) All amounts repayable to the Crown will be paid by cheque payable to the "Ontario Minister of Finance" and mailed or delivered to the LHIN at the address provided in section 13.1.

5.5 **Interest Rate.** The LHIN may charge the HSP interest on any amount owing by the HSP at the then current interest rate charged by the Province of Ontario on accounts receivable.

ARTICLE 6.0 - PLANNING & INTEGRATION

6.1 **Planning for Future Years.**

(a) **Advance Notice.** The LHIN will give at least sixty Days' Notice to the HSP of the date by which a Community Accountability Planning Submission ("CAPS"), approved by the HSP's governing body, must be submitted to the LHIN.

(b) **Multi-Year Planning.** The CAPS will be in a form acceptable to the LHIN and may be required to incorporate (i) prudent multi-year financial forecasts; (ii) plans for the achievement of performance targets; and (iii) realistic risk management strategies. It will be aligned with

the LHIN's then current Integrated Health Service Plan and will reflect local LHIN priorities and initiatives. If the LHIN has provided multi-year planning targets for the HSP, the CAPS will reflect the planning targets.

(c) **Multi-year Planning Targets.** Schedule B may reflect an allocation for the first Funding Year of this Agreement as well as planning targets for up to two additional years, consistent with the term of this Agreement. In such an event,

(i) the HSP acknowledges that if it is provided with planning targets, these targets are: (A) targets only, (B) provided solely for the purposes of planning, (C) are subject to confirmation, and (D) may be changed at the discretion of the LHIN in consultation with the HSP. The HSP will proactively manage the risks associated with multi-year planning and the potential changes to the planning targets; and

(ii) the LHIN agrees that it will communicate any changes to the planning targets as soon as reasonably possible.

(d) **Service Accountability Agreements.** The HSP acknowledges that if the LHIN and the HSP enter into negotiations for a subsequent service accountability agreement, subsequent funding may be interrupted if the next service accountability agreement is not executed on or before the expiration date of this Agreement.

6.2 Community Engagement & Integration Activities.

(a) **Community Engagement.** The HSP will engage the community of diverse persons and entities in the area where it provides health services when setting priorities for the delivery of health services and when developing plans for submission to the LHIN including but not limited to CAPS and integration proposals.

(b) **Integration.** The HSP will, separately and in conjunction with the LHIN and other health service providers, identify opportunities to integrate the services of the local health system to provide appropriate, co-coordinated, effective and efficient services.

(c) **Reporting.** The HSP will report on its community engagement and integration activities as requested by the LHIN and in any event, in its year-end report to the LHIN.

6.3 Planning and Integration Activity Pre-proposals

(a) **General.** A pre-proposal process has been developed to: (i) reduce the costs incurred by an HSP when proposing operational or service changes; (ii) assist the HSP to carry out its statutory obligations; and (iii) enable an effective and efficient response by the LHIN. Subject to specific direction from the LHIN, this pre-proposal process will be used in the following instances:

(i) the HSP is considering an integration or an integration of services, as defined in the Act between the HSP and another person or entity;

(ii) the HSP is proposing to reduce, stop, start, expand or transfer the location of Services, which for certainty includes: the transfer of Services from the HSP to another person or entity whether within or outside of the LHIN; and the relocation or transfer of Services from one of the HSP's sites to another of the HSP's sites whether within or outside of