

Health System Funding Reform

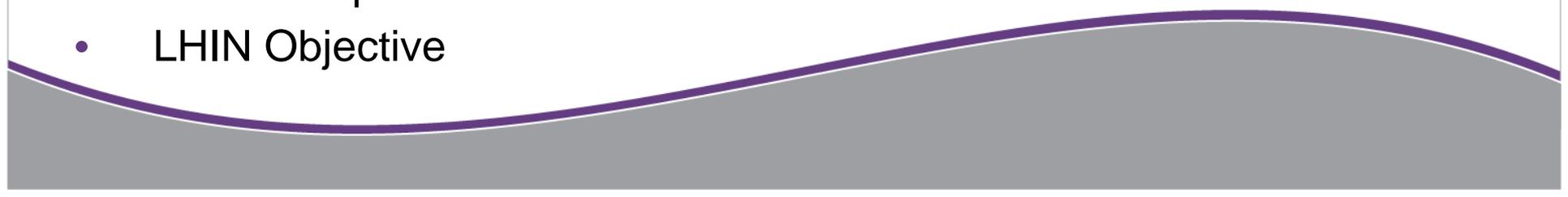
2013-14 Update

*“Dramatically improving the patient experience through Quality,
Integration and Value”*

**Audit Committee Meeting
June 26, 2013**

Health System Funding Reform (HSFR) – 2013-14 Update

Topics Covered

- What is HSFR?
 - Why now?
 - Components of HSFR
 - What is Health-Based Allocation Model (HBAM) and what does it do?
 - What are Quality-Based Procedures (QBPs) and how do they impact funding?
 - Clinical Handbooks
 - HNHB HSFR: 2012-13 Impact
 - HNHB HSFR: 2013-14 Impact
 - HSFR Local Partnerships
 - Small Hospitals
 - LHIN Objective
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What is HSFR?

- HSFR = Health System Funding Reform
- An evidenced-based funding model with incentives to deliver the highest quality, most efficient care
- Health Service Providers' funding is based on:
 - How many patients they look after
 - The services they deliver
 - The evidence-based quality of those services
 - The specific needs of the population they serve

Why Now?

- Better reflect needs of the community and patients
- Create fairer system to allocation health care dollars
- Lead to better quality care and improved patient outcomes
- Help moderate spending growth to a sustainable level
- Adopt and learn approaches used in other jurisdictions
- Shift from global based budgets to HSFR (dramatic change)

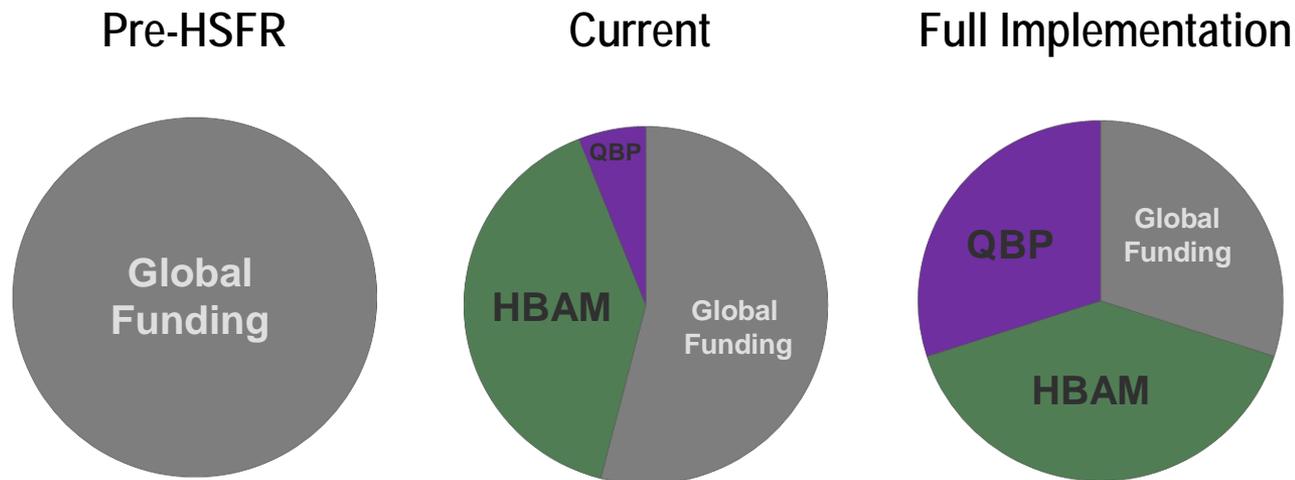
Components of HSFR

- Two Key Components
 - i. HBAM = Health Based Allocation Model
 - ii. QBP = Quality Based Procedures
- WTS = Wait Times Strategy ***NOT HSFR***
 - i. Hip and Knee Revisions
 - ii. MRI / CT
 - iii. General Surgery
 - iv. Paediatric Surgery

HSFR Implementation

HSFR Phased-in Over Time

Example: Hospital Changes Over Time

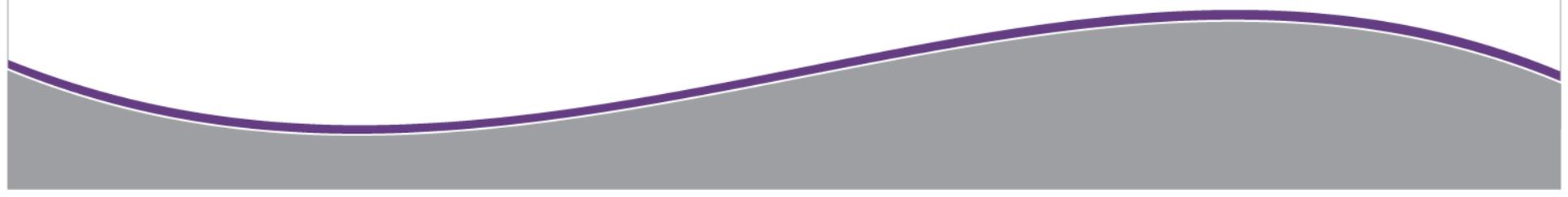


Source: Ministry of Health and Long-Term Care, Introduction to Health System Funding Reform, May 2013

What is HBAM?

- HBAM is an evidenced-based, health-based funding formula.
- HBAM estimates future expense levels based upon past service levels and unit costs, as well as population and health information.
- Population information includes:
 - Age, Gender, Growth Projections, Socio-Economic Status (SES), Rural Geography
- Health information includes indirect measures and health status
 - Care-type specific diagnostics and procedural information

Purpose of HBAM

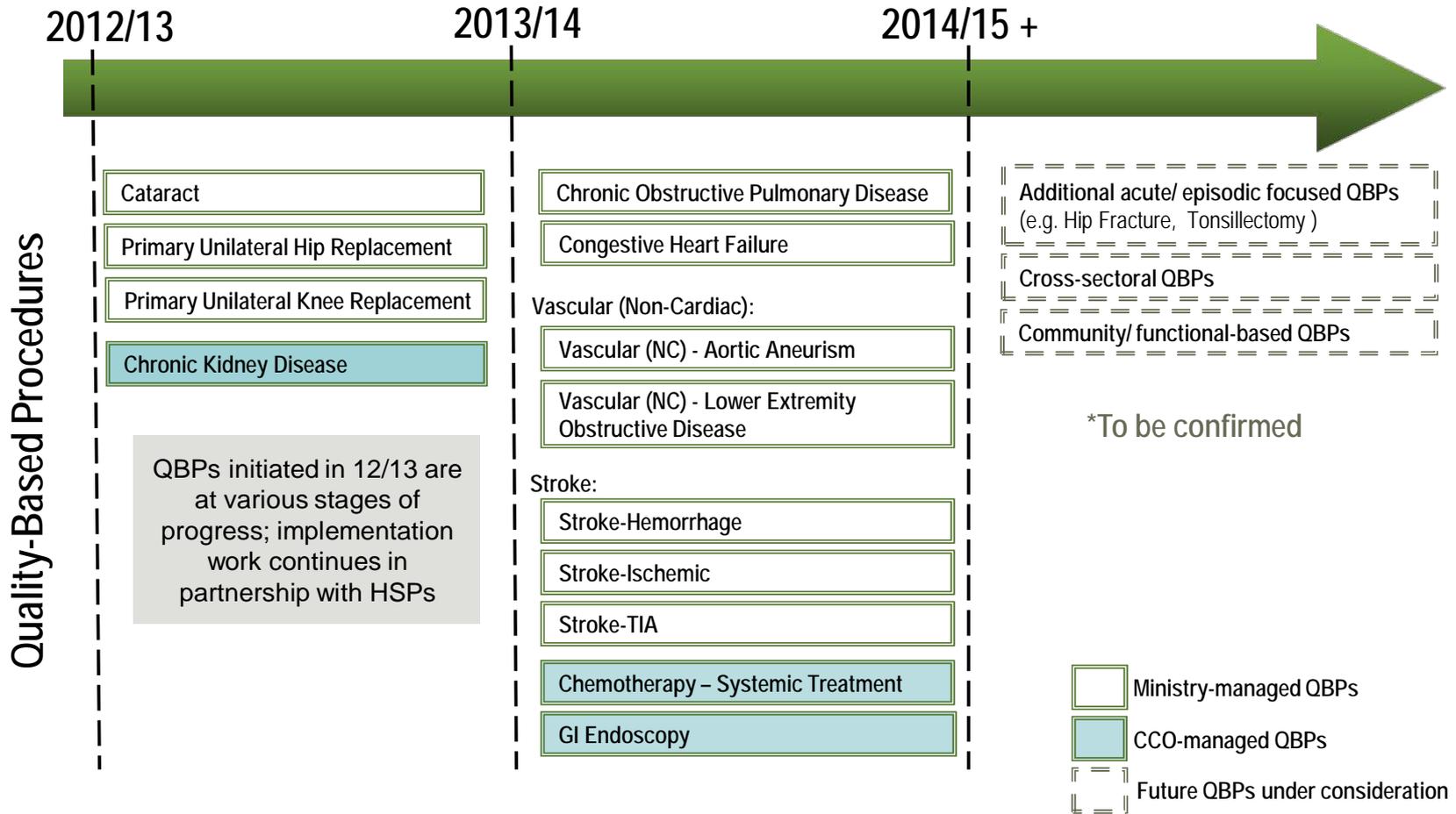
- The primary objective of HBAM is to enable government to equitably allocate funding to the LHINs for local health services.
 - Currently, HBAM is designed to allocate funding for the hospital and home care sectors.
 - The end goal is to use HBAM to allocate funding for other sectors as well.
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What Are QBPs?

- A QBP is a term for selected medical procedures and surgeries for which evidence-based, best-practices have been established by clinical consensus alongside the evidence-based cost of the best-practice.
- QBP will help to standardize care and, along with that, minimize practice variation and allow patients, wherever they may be, to receive the best care possible.
- Health care providers will be reimbursed for the types and quantities of patients they treat (Patient-Focused Funding).

• Price x Volume

Quality-Based Procedures Roll-Out

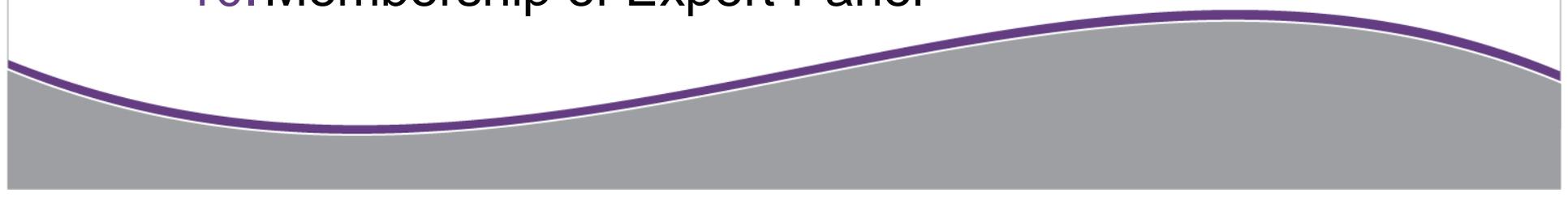


Source: Introduction to Health System Funding Reform, MOHLTC, May 2, 2013

Clinical Handbooks

- A collection of the evidence-based rationale and clinical consensus supporting the implementation of QBPs **beginning in 2013-2014.**
- Agency partners, with their Clinical Expert Panel(s), have guided the planning process and provision of advice on the best-practice care for the QBP.
- Are intended for a broad and administrative audience
 - **Not** intended to be used as a clinical or detailed reference guide by clinicians

Clinical Handbooks – cont'd

- Chapters include, but not limited to:
 1. Introduction to HSFR and QBPs
 2. QBP description (e.g. inclusion/ exclusion criteria)
 3. Recommended practices/ clinical pathways
 4. Best practice implementation
 5. Roles of multi-disciplinary teams
 6. Service capacity planning
 7. Performance evaluation and feedback
 8. Support for change
 9. FAQs
 10. Membership of Expert Panel
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What happened in 2012-13 (Year 1 of HSFR)

- Almost all hospitals favourably impacted by HBAM
- In general – most QBPs were favourably impacted in terms of funding (with the exception of cataracts)
- BUT.....mitigation corridors – limits “Dramatic change” change
 - HBAM – 2%
 - QBPs – 15%

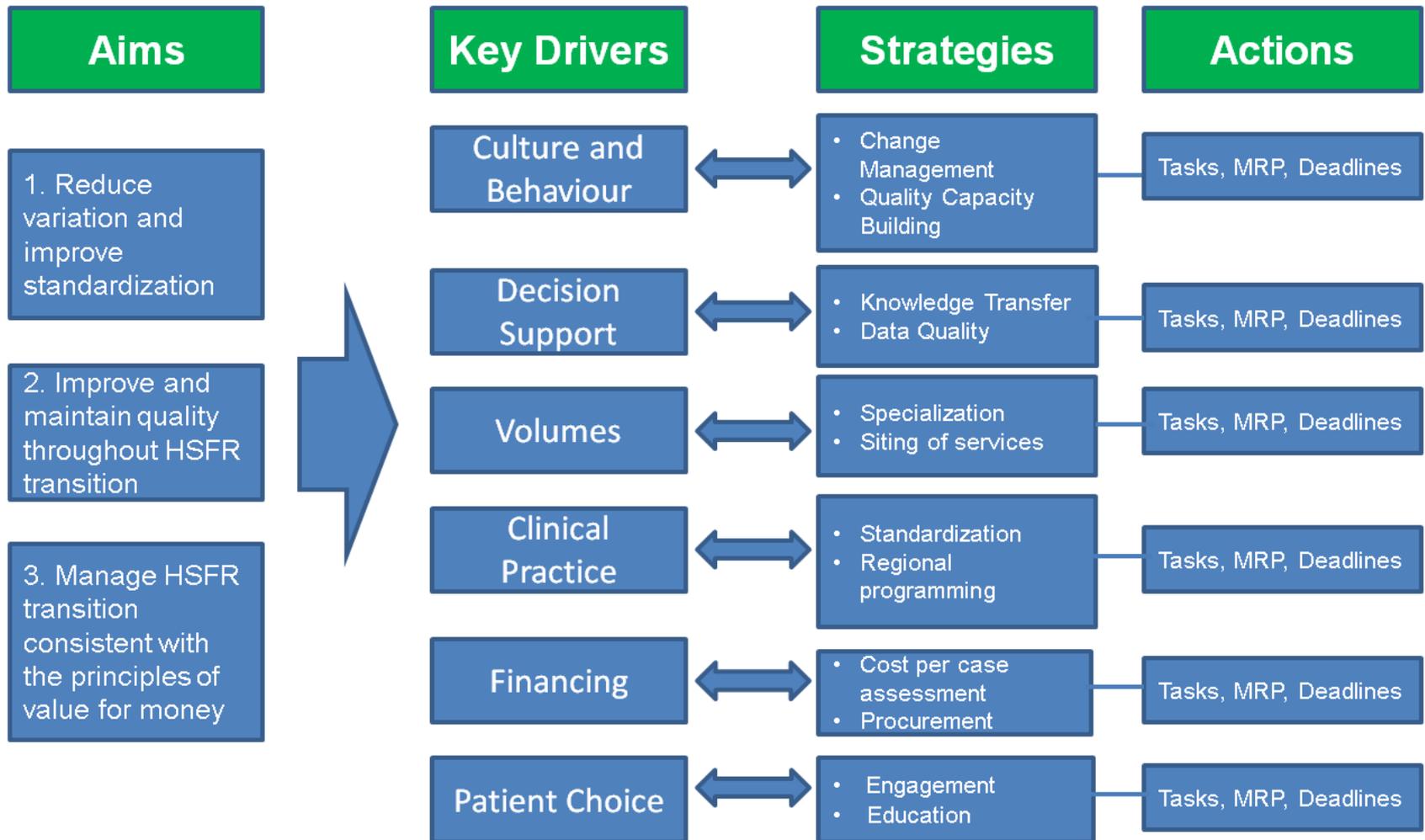
Where are we now? HSFR Year 2

- June 3 – HSFR Results shared with LHINs
 - June 6 – HSFR Results shared with HSPs
 - June 10-14 – “Ask the experts”
 - New methodology
 - Carve-Out
 - Pricing
 - Mitigation
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HSFR Local Partnerships

- One Local Partnership per LHIN – to bring together health service providers and LHINs to inform HSFR implementation planning and change management strategies
- Objectives:
 - To support implementation of HSFR by encouraging a change management environment locally and across Ontario
 - To provide advice and communicate to the ministry through HSFR related committees

HNHB - HSFR Local Partnership Strategy Map



Small Hospitals

- Fewer than 2,700 acute inpatient and/or day surgery weighted cases in any two of the prior three years of the most recent data
- Two Hospitals in HNHB
 1. Haldimand War Memorial Hospital
 2. West Haldimand General Hospital
- Continue to receive funding on Global basis (no HBAM or QBP)

HNHB Objective

- Keep funding and volumes in the LHIN for the benefit of patients in HNHB
- Favourably impact future volume allocations
- *“Dramatically improving the patient experience through Quality, Integration and Value”*

Thank You

