

MEMO

To: H+K Health Clients
From: Hill + Knowlton Strategies (H+K)
Date: February 28, 2019
Subject: The People's Health Care Act

Background

The Ford government signaled health reform was coming early on with its creation of the Premier's Council on Improving Healthcare and Ending Hallway Medicine. The Council's first interim report, released on January 31st, 2019, outlined challenges facing the province's health system. The same day, the opposition NDP leaked an early draft of government legislation, the *Health System Efficiency Act*, which sketched out significant changes in store for care delivery and organization. Days later, additional materials were leaked which provided further detail.

On February 26th, Minister Elliott formally announced the government's plans for health care modernization, tabling the proposed legislation, Bill 74 – now retitled *The People's Health Care Act* – later that day. Other materials as well as comments by the Minister and senior officials gave further shape to the planned changes, in some cases contradicting leaked information.

What's new; what's different

If you have read H+K's previous notes on the leaked documents, you might be wondering what new or different information has now been made available. Here are some key highlights:

- + The "Super Agency" will be branded Ontario Health
- + The "MyCare Groups" will now be called Ontario Health Teams
- + We now know that the plan is to roll out these changes gradually, over many years
- + There will be a readiness assessment process for potential Ontario Health Teams, with ongoing support for groups interested in becoming one
- + The Bill removes a subsection, included in the draft, noting that the Minister would have authority to force health providers to use the Agency for supply chain management and procurement – although even without this the Minister seems to retain that authority
- + Under the new Bill the Minister will not have the authority to appoint investigators to public hospitals; that authority rests with Cabinet

Overview

Bill 74 would enable the Minister to dissolve Ontario's Local Health Integration Networks (LHINs) and several government agencies, including Cancer Care Ontario, eHealth Ontario, and HealthForceOntario, combining their functions into a single agency, Ontario Health. The Agency would have responsibility for the organization and funding of care across the province, with similar powers to those currently held by LHINs. Health service providers (HSPs) would have funding and accountability relationships with Ontario Health.

This would not be a straightforward transfer of powers and responsibilities. Notably, the new agency would not have the same authority to force service integrations that LHINs currently

have – this would rest instead with the Minister. On the other hand, the Bill would enable government to make primary care physicians accountable to the new Agency, a measure that has faced strong resistance by doctors in the past. The Agency would also take on a new function providing supply chain and procurement services to HSPs. (Government notes that providers and patients would be engaged on procurement to ensure products are selected that will provide the best outcomes.)

A level below the Super Agency, the legislation allows for the creation of “Integrated Care Delivery Systems”, branded by government as Ontario Health Teams (OHTs). The precise mandate and structure of these teams is not detailed in the draft legislation, leaving this to regulation and operational decision-making.

The government has indicated that these teams, up to 50 of them, would bring together providers across the full spectrum of services to provide integrated care to people in a specific geography or patient class (for example, complex pediatric care). Direct care currently provided by LHINs – mainly care coordination – would shift to OHTs. A blended funding model would be used, with OHT providers sharing a single payment for each patient journey, tied to outcomes.

An Expression of Interest will be issued in March 2019 for early adopters, with teams added gradually but continuously toward a goal of full provincial roll-out in the next year or two. The government is being flexible in its approach, encouraging creativity, allowing multiple models, and promising course adjustments based on learnings. That said, it remains unclear whether or how the government would roll all HSPs into this new model.

The Bill would accrue significant new powers to the Minister, including authority currently held by LHINs to force service integrations, while stripping away some obligations to consult that exist in current law. It would also give the Minister broad authority to delegate nearly any of her powers to the new Agency, while also giving her the ability to dismantle the Agency entirely. Leaked documents indicate government is open to folding additional, and possibly all, health agencies into Ontario Health, and a significant reorganization of the Ministry could see many of its divisions and branches move over to the Agency.

What's next

The Bill passed First Reading with the NDP, Liberals and Green Party voting against. It will now be debated at Second Reading, after which it will be sent to committee, where stakeholders will have an opportunity to provide input and MPPs a chance to offer amendments. Typically we would expect only small changes at this point – technical amendments, or fixes to prevent unintended consequences. It then returns to the House for Third Reading, after which it is voted on a final time before being sent to the Lieutenant Governor for Royal Assent. Cabinet would then determine dates for which different provisions come into effect.

The Ministry plans to issue an Expression of Interest for Ontario Health Teams in March 2019, with early adopters coming online in the summer. This would require the Bill's passage and at least partial enactment; we have heard that the government wishes to rush Bill 74 through the House by mid-March, with its first provisions coming into effect July 1, 2019. This would give a relatively small window for developing initial regulations in late spring, although additional regs could follow as implementation rolls out.



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The government has stressed at several points that implementation will be a multi-year process. Agencies will be consolidated and LHINs dissolved in phases. OHTs will come online in a continuous process, with some LHIN responsibilities transferred to them as they reach maturity. Leaked documents indicate government hopes to report back to Cabinet with more detailed plans for LHIN dissolution in the fall of 2019, and another report-back in early 2020 on future phases of work, including a full provincial implementation plan for Ontario Health Teams.

H+K will continue to monitor closely and keep its health care clients informed and up-to-date.

If you have questions, please contact:

Matt Boudreau, Account Director, matt.boudreau@hkstrategies.ca