

BRIEFING NOTE
Toronto Central Local Health Integration Network
Finance and Audit Committee Meeting
February 10, 2016

Agenda Item 1 & 2 – Welcome & Call to Order

The Toronto Central Local Health Integration Network (TC LHIN) welcomes the public to its open Board Finance and Audit Committee meeting. Please refer to A Guide to Open Meetings of the Toronto Central Local Health Integration Network (LHIN).

Link:

<http://torontocentrallhin.on.ca/~media/sites/tc/New%20media%20folder/Board%20and%20Governance/Guide%20to%20Open%20Meetings.pdf>

Agenda Item 3 – Approval of Agenda

TIME	DUR (MIN)	ITEM	TOPIC	PRESENTER/ DISCUSSANT
4:00	1	1	Welcome and Call to Order	John Fraser
4:01	1	2*	Guide to Open Meetings of the Toronto Central Local Health Integration Network	John Fraser
4:02	1	3	Approval of Agenda	John Fraser
4:03	1	4	Declaration of Conflict(s)	ALL
4:04	1	5*	Approval of the Minutes of the Meeting held on November 4, 2015	John Fraser
4:05	2	6*	LSSO/LHINC Audit Subcommittee Membership	John Fraser
NEW BUSINESS				
4:07	30	7*	Annual Audit Plan - Presentation of Annual Audit Plan	Deloitte
			Annual Audit Plan - Closed session Discussion with Auditors	John Fraser
			Annual Audit Plan - Recommendation to approve Annual Audit Plan	John Fraser
4:37	10	8*	Q3 Financial Reports A. HSP Operations B. Discretionary Q3 Financial Results Report C. TC LHIN D. LHIN Shared Services E. Q3 Consolidated Report	Raj Krishnapillai
4:47	10	9*	TC LHIN Draft Budget 2016-17	Raj Krishnapillai

4:57	10	10*	Investment Plan 2016/17	Raj Krishnapillai	✓
5:07	10	11*	Reports: A. Q3 MLAA Scorecard/Supplementary Indicators B. Agency Risk Report*** C. Q3 Risk Report*** D. Q3 Contracts Listing a. IT Contract Extension	Susan Fitzpatrick/Bill Manson/Raj Krishnapillai	
5:22	10	12*	Auditor General Work Plan	Susan Fitzpatrick/Bill Manson	
5:32	5	13*	Draft TC LHIN Balanced Scorecard	Susan Fitzpatrick	
5:37	5	14*	Sub-LHIN Population Strategy 1. Administrative Capacity*** 2. Sub-LHIN Region Reports and Planning Approach	Susan Fitzpatrick	
5:42	7	15*	Mid-Year Health Service Provider Financial Performance Report	Raj Krishnapillai	
5:49	5	16*	Board Per Diems Report	Raj Krishnapillai	

INFORMATION

5:54	2	17	Other Business	John Fraser	
5:56	n/a	18	Next meeting date – Wednesday, May 25, 2016, 4:00 – 5:30 pm	John Fraser	

ADJOURNMENT

Legend:

- * circulated with Agenda
- ** to be circulated at meeting
- *** to be circulated electronically before meeting

Agenda Item 4 – Approval of Minutes of the Meeting held on November 4, 2015

To be posted to website once approval by Committee.

Agenda Item 5 - Declaration of Conflict(s)

The Committee member(s) shall at this time in the meeting declare any conflict(s) of interest in accordance with the LHIN Conflict of Interest Policy.

Agenda Item 6 – LSSO/LHINC Audit Subcommittee Membership

TOPIC: LHIN Shared Services Office (LSSO) and LHIN Collaborative (LHINC) Audit Subcommittee Membership

PURPOSE OF THIS AGENDA ITEM

The Finance and Audit Committee to approve the membership appointments for the LSSO/LHINC Audit Subcommittee.

BACKGROUND:

The LHIN Shared Services Office (LSSO) and LHIN Collaborative (LINC) Audit Subcommittee exists to advise the Toronto Central LHIN Finance and Audit Committee in all aspects of financial reporting, internal controls, the audited financial statements and areas of material risk in respect to the LSSO and LHINC.

In accordance with the current Terms of Reference, membership composition of the Subcommittee is comprised of no fewer than three Directors, none of whom are officers or employees of the LHIN. John Fraser, as Chair of the Finance and Audit Committee acts as Chair for the Subcommittee. Members may serve a maximum of two years. To that end, Mike Lowther has agreed to serve on the Committee for 2016.

Last summer, the TC LHIN Chair and Chair of the Finance and Audit Committee undertook a process to identify membership needed for this committee. The Finance and Audit Committee and the Board of Directors confirmed the appointment of two members in September 2015. Due to unforeseen circumstances, one member that was appointed to the Committee in September has had to step down.

To that end, the Chair of the Finance and Audit Committee revisited the nominations and is recommending the appointment of Ellen Mary Mills to the LSSO/LHINC Audit Subcommittee.

MOTION:

The Finance and Audit Committee hereby approves the appointment of Ellen Mary Mills to the LSSO/LHINC Audit Subcommittee.

Agenda Item 7 – Annual Audit Plan

TOPIC: Toronto Central LHIN Year End Audit Plan 2015/16

PURPOSE OF THIS AGENDA ITEM

- Review the 2015/16 Toronto Central LHIN Year End Audit Plan.
- Recommend the 2015/16 Toronto Central LHIN Year End Audit Plan for Board of Directors for approval.

BACKGROUND:

Deloitte will present its proposed Audit Plans for fiscal year 2015/16 to the Finance and Audit Committee in February 2016.

Deloitte will be presenting two separate Audit Plans – 1) Toronto Central (TC) LHIN and 2) its divisions LHIN Shared Services Office (LSSO) and LHIN Collaborative (LHINC). As in past years, Deloitte will give an audit opinion on the consolidated financial statements of TC LHIN for 2015/16 which includes its two divisions, LSSO and LHINC. As a corporate entity, the TC LHIN's CEO, CFO, management, and the Board are responsible for the consolidated financial statements.

The LSSO/LHINC Audit Subcommittee is a PAN-LHIN Committee that exists to support the Finance and Audit Committee in fulfilling its oversight responsibilities related to LSSO and LHINC, by reviewing and recommending the terms of engagement of the annual audit plan, including the scope, fees and the appointment of the external auditor. The Audit Subcommittee meets on February 10, 2016. Deloitte will present the Audit Plan for LSSO and LHINC at the meeting. Given that the meetings take place on the same day, the Chair will advise the Finance and Audit Committee on the results of the discussion related to the annual audit plan for LSSO and LHINC.

Attachment A is the Audit Service Plan for the TC LHIN, including:

- Audit objectives
- Significant risk areas
- Key aspects of service distinction
- Key team members
- The flow explaining the audit activities, including significant events, materiality, scope and terms of engagement and audit risks.

The estimated fees for 2016 audit are:

- o TC LHIN \$15,560
- o LSSO \$6,050
- o LHINC \$5,000
- o Transfer payment testing at Financial Management Branch (FMB) \$15,450 – (in LSSO Budget and cost shared by all 14 LHINS)

There is no increase in the fees as compared to the 2015 fee schedule, based on the contract in place.

MOTION:

That the Finance and Audit Committee recommends that the Board of Directors approve the 2015/16 Audit Plans for TC LHIN, LSSO, and LHINC.

Agenda Item 8 – Q3 Financial Reports

TOPIC: TC LHIN's Health Service Providers (HSPs) Operation Transfer Payment Funding

PURPOSE OF THIS AGENDA ITEM

To report to the Finance and Audit Committee the 3rd Quarter 2015-16 HSPs Operation Transfer Payment Funding.

BACKGROUND:

The HSPs Operation Transfer Payment Funding report summarizes the 3rd Quarter financial results for HSPs operation transfer payment funding. The HSPs operation transfer payments are funded by the Ministry of Health and Long-Term Care (Ministry) and more than 99% of the funding is non-discretionary. Less than 1% discretionary funding is comprised of urgent priority funds, community sector investment funding, and surplus reallocation. TC LHIN has limited or full discretion to allocate discretionary funds.

HSP OPERATION TRANSFER PAYMENT FUNDING RESULTS

The transfer payment to HSP operations for 2015-16 is expected to be \$4.7B, \$70M more than originally budgeted as a result of new Ministry initiatives announced since the beginning of the fiscal year. The year-to-date transfer payment as of 3rd Quarter (ended on December 31st, 2015) is \$3.54B.

Table A below summaries the new Ministry initiatives:

Ministry Funding Initiatives	Amount (\$000s)
Community Investment 15-16, and Personal Support Worker Wage Enhancement (PSW)	17,468
Provincial Program	29,911
Critical Care Nurse Training Fund	1,108
Post Construction Operation Plan	4,621
Long-term care 2% of Resident Care Needs Increase with 2015-16 CMI	5,983
Healthlink	2,375
Enhanced Sessional Funding, and Access and Restore	2,699
Long-term care Raw Food and Other Accommodation per diem increase	1,560
Other Initiatives	4,294
Total	70,019

TOPIC: Q3 2015-16 Discretionary Funding Allocation

PURPOSE OF THIS AGENDA ITEM

To report to the Finance and Audit Committee on discretionary funding allocation for the 3rd Quarter of 2015-16

BACKGROUND

In April 2015, the Board approved the 2015-16 investment plan approach for discretionary funding. In keeping with the LHINs reporting process, TC LHIN is reporting the allocations to the Finance and Audit Committee on a quarterly basis.

TC LHIN has three sources of discretionary funds:

1. Urgent priority funds (UPF);
2. Community investment funds and
3. Surplus reallocation funds from the community sector HSPs.

UPF and surplus reallocation funds are fully discretionary for TC LHIN to allocate and TC LHIN has limited discretion on community investment funds.

The UPF and surplus reallocation funds are allocated as one-time funding (funds used for only one fiscal year) for projects. This is in alignment with TC LHIN's strategic priorities.

Community funds are received and allocated as base funds (once allocated in a fiscal year, the same amount rolls over to the HSP perpetually) which aligns with Ministry

conditions and TC LHIN strategic priorities.

Financial Highlights

Allocations

The cumulative funds allocated to HSPs to date amount to \$18.3M. In the third quarter, TC LHIN allocated \$4.9M.

Funding Sources

A further summary of allocation by funding source and by quarter is as below:

Q3 2015-16 Summary Allocation Funding by funding source					
	Urgent priorities funds	Community Investments	Surplus Re-allocation	Allocation of In-year recovery	Total
	\$M	\$M	\$M	\$M	\$M
<i>1st QTR Payment Allocation</i>	3.9	0.9	2.4		7.2
<i>2nd QTR Payment Allocation</i>	2.5	3.6	0.1		6.2
<i>3rd QTR Payment Allocation</i>	1.5	0.4	0.2	2.8	4.9
Total Funds allocated	7.9	4.9	2.7	2.8	18.3

TC LHIN expects to allocate the balance of \$4.4M in Q4.

Motion:

No motion

TOPIC: Toronto Central LHIN's Q3 Operations Financial Results Report (unaudited)

PURPOSE OF THIS AGENDA ITEM

To provide the Finance and Audit Committee with the 2015-16 3rd Quarter Operations Financial Results Report for Toronto Central LHIN

TC LHIN Operations Funds

On the operations side, Toronto Central LHIN reported a positive year to date variance of \$8K

for the quarter ended December 31, 2015. The positive variance is primarily due to the timing of expenditures against the planned budget for 2015-16. TC LHIN anticipates that the variance will be utilized in Q4 and is projecting a balanced budget at year-end March 31, 2016.

TC LHIN is able to meet its financial obligation for Q4.

TOPIC: LHIN Collaborative and LHIN Shared Services Office Q3 Operations Financial Results Report (unaudited)

PURPOSE OF THIS AGENDA ITEM

To inform the Finance and Audit Committee of the 2015-16 3rd Quarter Operations Financial Results for LHIN Collaborative (LHINC) and LHIN Shared Services Office (LSSO).

BACKGROUND:

LHIN Shared Services consists of LHIN Shared Services Office (LSSO), Legal and LHIN Collaborative (LHINC).

The following are the highlights of the 3rd Quarter 2015-16 Financial Results report:

LSSO and Legal Financial Results

On the operations side, LSSO (LSSO and Legal combined) reported a year-to-date positive variance of \$207K due primarily to lower than budgeted IT projects and vacancies for the 3rd Quarter ended December 31, 2015. A balanced budget is anticipated for LSSO at year-end March 31, 2016.

LSSO is able to meet its financial obligation for the next quarter.

LHINC Financial Results

On the operations side, LHINC reported a year-to-date positive variance of \$75K as of the 3rd Quarter ended December 31, 2015 and it is expected to have a balanced budget at the year-end March 31, 2016.

LHINC is able to meet its financial obligation for the next quarter.

TOPIC: Toronto Central LHIN's Q3 2015-16 Consolidated Financial Results Report (Unaudited)

PURPOSE OF THIS AGENDA ITEM

Approval of the Q3 2015-16 Consolidated Financial Results Report for Toronto Central LHIN (unaudited).

BACKGROUND

Management reports to the Finance and Audit Committee each quarter on how it allocates funding for the operations of TC LHIN and LHIN Shared Services. Attachment A, outlines this results for the nine months ended December 31, 2015. It also includes a two line summary on HSPs' transfer payments operations.

TC LHIN Consolidated Operations

At the consolidated level, TC LHIN is reporting a positive variance of \$290K. The variance is primarily due to the timing of expenditures, receipt of funding and lower IT project costs. TC LHIN expects to have a balanced budget at year end March 31, 2016.

The consolidated cash balance of \$3.0M is sufficient to cover obligations for Q4.

MOTION

That the Finance and Audit Committee recommends that the Board of Directors approves TC LHIN's Q3 2015-16 Consolidated Financial Results report (unaudited).

Agenda Item 9 – TC LHIN Draft Budget 2016/17

TOPIC: TC LHIN's 2016-17 Draft Budget

PURPOSE OF THIS AGENDA ITEM

To discuss the Toronto Central LHIN's draft 2016-17 Budget Assumptions

BACKGROUND:

The Toronto Central LHIN's 2016-17 budget includes both TC LHIN and its subdivision LSSO and LHINC. As of today, TC LHIN has not yet received funding information for 2016-17. As a result, the budget is prepared based on current funding information available and the assumption that base funding from the Ministry will remain unchanged from 2015-16.

***Note: In order to implement the Patient's First Action Plan, additional resources are required to support transition. The transition activity cannot be accomplished with the existing budget.**

Highlights of the draft 2016-17 Budget:

- TC LHIN's operations budget is prepared on a balanced budget basis as required by the Ministry LHIN Accountability Agreement
- Assume status quo operations

Budget assumptions for Operations Budget – Total Funding and Expenses of \$8.6M

Revenue assumptions:

- Base Revenue is same as last year
- Total revenue is decreased by \$343K due to end of one-time funding such as Emergency Planning for Pam Am Games Initiative
- One-time initiatives funding of \$288K including Resource Matching & Referral (RM&R) is anticipated

Salary assumptions:

- Average salaries will increase by 2.0%, based on merit. There is no step/cost of living increase
- Staff turnover reduction by \$369K due to savings from vacancy
- Benefits represent approximately 22% of salaries
- FTEs is reduced by 2, from 2015-16 budget's FTEs, mainly due to reduction in contract employees as the one-time Emergency Planning Initiative has come to an end

Other assumptions:

- Governance, Travel, Consulting fees, and Telecommunication expenses are the same as last year
- Translation and Design materials budget will be increased by 11K due to new Integrated Health Services Plan (IHSP) in 2016-17
- Supplies and Other expenses are reduced based on experience

LHIN Shared Services Budget

LSSO and LHINC make up the LHIN Shared Services budget and amount to \$5.3M and \$1.34M, respectively, subject to LHIN CEO approval. A balanced budget is presented for both divisions.

Budget Monitoring

TC LHIN monitors the operations budget monthly with actual numbers and manages expenses and cash on a quarterly basis.

All budgets are monitored monthly with quarterly reporting to the Finance and Audit Committee.

TC LHIN will submit a revised budget to the Finance and Audit Committee if the actual total new Ministry funding received represents more than 10% of the base funding.

Motion

That the Finance and Audit Committee hereby recommends that the Board of Directors approve TC LHINs budget for 2016/17

Agenda Item 10 – Investment Plan 2016/17

TOPIC: Toronto Central LHIN's Proposed Investment Plan 2016-17

PURPOSE OF THIS AGENDA ITEM

To propose an investment plan and approach for 2016-17 and obtain recommendation from the Finance and Audit Committee.

BACKGROUND

The Strategic Plan has three overarching strategic goals with four strategic priorities or lines of operation that further describe how TC LHIN will achieve its goals. The three strategic goals are: 1) better health for everyone, 2) exemplary care and 3) system sustainability. In describing how TC LHIN will achieve its goals, four priorities have been set out below:

1. Designing healthcare for the future
2. Taking a population health approach
3. Transforming primary health and community care
4. Achieving excellence in operations

TC LHIN's 2016-17 investment plan is developed in a framework to achieve the goals and strategic plan priorities in areas of focus of service enhancement, infrastructure, and population planning and specialized initiatives. The TC LHIN also adheres to the PAN LHIN Decision Making Framework as part of the process.

Funds are also allocated to address pressures that support unforeseeable financial pressures experienced by community HSPs throughout the year.

The investments can be grouped into five areas of focus:

- *Service Funding* – maintain existing programs and utilizing a population health approach address gaps and disparities in existing direct care service levels, and improve service delivery.
- *Infrastructure Funding* – support information technology, information sharing and technological advancement to build capacity and tools in support of direct patient care
- *Population Planning* – redesigning the system for cost effective care, integration where appropriate, and advancing primary care as well as home and community care, including coordination of services
- *Specialized Initiative Funding* – improving MLAA and strategic plan indicator performance
- *Pressure Funding* – support unforeseeable financial pressures experienced by community HSPs

INVESTMENT PLAN

Available Funding

TC LHIN estimates it will receive \$20M of funds from the following three sources:

- Urgent Priorities Funds (UPF), estimated at \$10M to start the fiscal year
- Surplus Reallocation funds, estimated at \$5.5M throughout the year based on recoveries from community HSPs
- Community Investment estimated to be approximately \$4.5M based on last year's allocation

Proposed Allocation

The TC LHIN is in the planning stages of shifting its funding methodology to Sub-LHIN geographies utilizing sub-LHIN population profiles as evidence to make informed investment decisions on how to allocate funds that will impact the health of the population in the sub-LHIN regions.

For 2016/17, the TC LHIN proposes to allocate a larger portion of its discretionary funds (50% of total estimated funds available) to services. TC LHIN has invested a larger portion of the funds to infrastructure, planning and pilot projects in prior years. The funding for services will be targeted to maintain existing services and target

initiatives to reduce inequities within sub LHIN regions.

Investment decisions for the allocation of the \$10M for the services will be based on a population approach and are outlined in attachment A.

The table 1 below outlines how TC LHIN plans to allocate the funds for 2016-17:

Areas of Focus	Total (\$M)	Allocation Rationale
Services	10	50 % of Estimated total fund available for existing services and target initiatives to reduce inequities in health status of the population within Sub-LHIN regions.
Infrastructure, Population Planning, Specialized initiatives and Pressures	10	50% of estimated total fund available for Planning, specialized initiatives and Pressure.
Total	20	

Urgent Priorities Funds are available at the beginning of the year while community investment funds and surplus allocations are available from the second to fourth quarter of the fiscal year. In keeping with a balanced approach, the investment plan allocation ensures sufficient funds are available throughout the year as well as reserving some contingency funds toward the end of the year.

Funding derived from the Discretionary funding will be reported to the Finance and Audit Committee on a quarterly basis against the investment plan and strategic plan priorities.

In the event that an investment is allocated to one single HSP that is above \$1M, it will be presented to the Board through Finance and Audit Committee for approval, which is in keeping with TC LHIN's delegation of authority policy.

MOTION

The Finance and Audit Committee recommends that the Board of Directors approve the TC LHIN's investment plan and approach for 2016-17 for the allocation of discretionary funds.

Agenda Item 11 – Reports

- A. Q3 MLAA Scorecard/Supplementary Indicators
- B. Agency Risk Report

- C. Q3 Risk Report
- D. Q3 Contracts Listing

TOPIC: Proposed Supplementary MLAA Indicators

PURPOSE OF THIS AGENDA ITEM

To propose the inclusion of supplementary indicators for a subset of MLAA indicators within the MLAA Scorecard.

Background

A recent update to the Ministry of Health and Long-Term Care (the Ministry) LHIN performance framework and key measures has impacted the manner in which TC LHIN has historically monitored and reported performance to its Board and the broader public. Among the updates made, the most significant to the LHIN has been the shift from LHIN specific targets to provincial level targets for all performance indicators moving forward. Where TC LHIN has historically met approximately 47% of Ministry LHIN Performance Indicators (MLPA), the LHIN is now meeting just 7% of Ministry LHIN Accountability Agreement Indicators (1 of 14 MLAA Indicators).

The LHIN is addressing this significant change with an integrated approach to manage current performance gaps in line with the new indicators/targets. A cross-LHIN team has initiated “root cause analyses” and planning activities using a combination of in-depth data analyses and targeted outreach at key stakeholder tables such as the CE/CU Committee. A key deliverable of this work has been to identify supplementary indicators which support a more accurate depiction of performance within the TC LHIN by providing either contextual data or selecting a different data source, which through consultation with providers and inter-LHIN tables, has presented itself to more accurately represent the patient experience in the TC LHIN.

The table below summarizes our findings and proposed supplementary indicators (Appendix A).

RECOMMENDATION

It is recommended the proposed supplementary indicators listed in Appendix A be included in the MLAA Scorecard dashboard moving forward (as shown in Appendix B)

Appendix A

MLAA Indicator	Proposed Supplementary Indicator	Consult Process	Explanation
Percentage of home care clients with complex needs who received their personal support visit within 5 days of the date that they were authorized for personal support services	Percentage of home care clients with complex needs who received personal support services beyond 5 days because of client preference or because they were not available to receive care – measured by patient availability date (PAD).	<ul style="list-style-type: none"> TC CCAC consult TC LHIN CSS Program Lead consult 	<p>Service Authorization dates are used by the CCAC to communicate when specific home care services and service levels are approved.</p> <p>The PAD is the date that is known to the CCAC that the client would be available for service or when the client has expressed preference for services to start.</p>
Percentage of home care clients who received their nursing visit within 5 days of the date they were authorized for nursing services	Percentage of home care clients who received personal support nursing services beyond 5 days because of client preference or because they were not available to receive care – measured by patient availability date (PAD).		
Percent of priority 2, 3 and 4 cases completed within access target for MRI scans	Percent of priority 2 & 3 cases completed within access target for MRI scans	<ul style="list-style-type: none"> CE/CU committee consult TC LHIN performance management team consult 	<p>Priority 2 & 3 cases require urgent care.</p> <p>High volumes for priority 4 cases that are elective/non-critical as a result of patient choice and/or TC LHIN specialty acute care facilities impact priority 4 wait times.</p>
Percent of priority 2, 3 and 4 cases completed within access target for CT scans	Percent of priority 2 & 3 cases completed within access target for CT scans		
Percent of priority 2, 3 and 4 cases completed within access target for hip replacement	Percent of priority 2 & 3 cases completed within access target for hip replacement		
Percent of priority 2, 3 and 4 cases completed within access target for knee replacement	Percent of priority 2 & 3 cases completed within access target for knee replacement		
Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions, excluding same day transfers	<ul style="list-style-type: none"> TC LHIN CMHA Senior Planner consult TC LHIN CMHA Program Lead consult 	<p>The current indicator also includes patients who are transferred for psychiatric evaluation to PESU unit in the same hospital or to a different hospital within the same episode of care. This affects Mount Sinai which has an agreement with CAMH to transfer all patients that require psychiatric care, as well as UHN which transfers between Toronto General and Toronto Western.</p>
Repeat Unscheduled Emergency Visits within 30 Days for Substance Abuse Conditions	Repeat Unscheduled Emergency Visits within 30 Days for Mental Health Conditions, excluding same day transfers		

BRIEFING NOTE
Toronto Central Local Health Integration Network (LHIN)
February 10, 2016

TOPIC: Toronto Central LHIN's Current Risk Management Report

PURPOSE OF THIS AGENDA ITEM

To provide the Finance and Audit (F&A) Committee with TC LHIN's current priority Risks Report.

BACKGROUND:

The attached document has been developed by Senior Management to identify potential risks and current strategic issues. Each risk and strategic issues has been rated based on its likelihood of occurring and impact on TC LHIN. The risks and strategic issues reported on the attached document reflect the highest ranked risks and strategic issues. As well, Senior Management's confidence in the mitigation plan for each risk and strategic issue is presented.

DEFINITION:

Risk: An uncertain event or condition that, if it occurs, has a negative effect on a TCLHIN's strategic objectives or operations.

Strategic Issue: A current condition that has the potential to impact on the success of a TC LHIN strategic direction or the achievement of the Ministry LHIN Performance Agreement (MLPA).

CURRENT PRIORITY RISKS:

1. Potential for ongoing negative HSFR outcomes for Toronto Central Community Care Access Centre.
2. LTCH bed shortage may negatively impact access to acute services and lead to a significant increase in ALC across the TC LHIN
3. Mental Health & Addictions Service Capacity in the TC LHIN
4. Sustainability of reporting mechanisms and the impact on performance management capabilities
5. Funding mechanisms are not sensitive enough to accommodate the rapid growth of the City of Toronto (especially downtown)
6. Shortage of Children and Youth Mental Health inpatient beds.
7. Potential for service changes related to shrinking revenue sources for HSPs including multiple years without inflationary increases and the challenges of fundraising
8. Quality Based Procedure Funding shortfall impacting Outpatient Total Joint Replacement Rehabilitation Capacity

MOTION:

None

TOPIC: Contracts Listing Q3 2015-16

PURPOSE OF THIS AGENDA ITEM

To provide an update to the Finance and Audit Committee on procurement, CCAC lease and status of contracts.

Procurement Updates

Employee Group Benefits

In August 2015, the Board of Directors approved the issuance of an RFB (request for bids) which was issued in September 2015. TC LHIN is currently working with the Legal department to finalize the contract with the prospective vendor.

In the meantime, the LHIN employees are covered under our current provider, Desjardins until further notice.

CompuCom Contract

The current contract is in its final year and the process for an extension of one year has begun. The contract also provides for two further one-year extensions, with the same terms including the rates in effect at the time of the extension.

In the meantime, TC LHIN is also working with the Ministry of Health and Long Term Care to determine options for the LHIN's future IT support services. The Finance and Payroll systems are not part of the options being considered with the Ministry.

BDO Contract (Finance and Payroll Systems)

The process for a contract extension has started and March 2017 will be the last extension year. The Ministry will not support the LHIN's finance and payroll systems, therefore, LSSO is planning to either go to market for services after March 2017 or to ask for an exemption from the Ministry for another extension year after March 2017 to be sole-sourced from the incumbent provider. The CEO Council will discuss the options and make a decision on next steps. The extension would provide LSSO with time to determine if the financial and payroll

system needs to change to support future requirements.

In order to obtain an exemption, the TC LHIN will need to prepare a business case for submission to the Ministry of Health and Long-Term Care.

HIROC Insurance

This pan-LHIN contract is up for renewal in March 2016 and has been presented at the LHINs' CEOs meeting for discussion. There will be no increase to fees for the renewal period. An update will be provided to the Committee next quarter.

Contract listing

The Finance and Audit Committee receives an update on TC LHIN contracts on a quarterly basis. The contract listing for procurements obtained in Q3 2015-16 is provided in Attachment A.

To the best of their knowledge, management is not aware of any legal litigation actions to these contracts. Proper insurance coverage are in place.

CCAC Lease

Toronto Central CCAC's lease is up for renewal. The CCAC lease protocol requires the CCAC to submit a business case to the TC LHIN for lease renewal. The TC LHIN will review the business case and provide advice to the Ministry to either support or not support the business case. The Ministry of Health and Long-Term Care will make the final decision on the business case which will determine next steps for the CCAC lease arrangements.

MOTION:

None

Agenda Item 12 – Auditor General Work Plan

TOPIC: Progress Report on the Auditor General of Ontario's Recommendations Related to the LHIN Review

PURPOSE:

To update to the Toronto Central LHIN Board of Directors regarding the TC LHIN progress regarding the recommendations of the Auditor General of Ontario's Report on LHINs.

BACKGROUND

On December 4, 2015, the Office of the Auditor General of Ontario (OAGO) released its 2015 Annual Report (The Report) including the LHIN value-for-money audit – Chapter 3, Section 3.08. In addition to a number of Ministry directed recommendations, the Report contained several LHIN specific recommendations.

PAN-LHIN RESPONSE:

LHINs developed a pan-LHIN response to the Provincial Auditor’s recommendations. The pan-LHIN responses to the LHIN-specific recommendations are included in the attached document. Recommendations can be summarized in the following themes:

Achieving consistent, high-quality performance of the health system:

- Improving health system performance and addressing variability
- LHIN performance management practices
- Alignment of measures and indicators

LHIN practices and processes:

- Identifying and spreading leading practices
- Ensuring effective complaints management protocols
- Ensuring effective patient engagement and quality improvement practices
- Identifying and assessing back office integration

TC LHIN ACTION PLAN/UPDATE

TC LHIN’s progress toward implementing the recommendations of The Report are also included in the attached document. Although TC LHIN has a plan related to all of the Provincial Auditor’s recommendations, some of the recommendations such as a Provincial Performance Management Framework and a consistent patients’ complaints process, will be addressed provincially.

MOTION: None

Agenda Item 13 – Draft TC LHIN Balanced Scorecard

TOPIC: Draft Balanced Scorecard Approach

PURPOSE:

Review and input from the Finance and Audit Committee on a draft balanced scorecard for the Toronto Central LHIN.

BACKGROUND

As part of the TC LHINs monitoring of performance, a draft balanced scorecard approach is being provided to the Finance and Audit Committee for review and comment.

The balanced scorecard is to measure overall TC LHIN performance and will report on:

- LHIN Performance
- Strategic Plan Priorities
- Financial Performance
- Organizational Indicators

The Committee is being asked to provide their feedback on the first draft of the balanced scorecard for the TC LHIN.

Motion

None

Agenda Item 14 – Sub-LHIN Population Strategy

**BRIEFING NOTE
Toronto Central Local Health Integration Network (LHIN)
February 10, 2016**

TOPIC: Establishing Administrative Capacity for the Sub-LHIN Regions

PURPOSE OF THIS AGENDA ITEM

To provide the TC LHIN Finance and Audit Committee with the status of work to-date to establish administrative capacity as a foundational element in moving our population-based primary health care strategy forward at the Sub-LHIN planning regions.

Context:

The Minister of Health and Long Term Care released the Patients First discussion paper on December 17, 2015 to obtain input on a proposal that would see considerable change to the role and responsibility of LHINs. The discussion paper outlines a process whereby the LHINs would identify smaller sub-regions to be the focal point of planning and service management and delivery. Within the sub-LHIN

regions local clinician leaders will take responsibility for local planning and performance management. This is consistent with the TC LHIN Strategic plan priorities: designing health care for the future; taking a population health approach; transforming primary health and community care and achieving excellence in operations.

Moving Forward:

In the TC LHIN, Primary Health Care is planned to be aligned in 5 sub-LHIN geographic regions to ensure that residents and those that come into the LHIN have access to services and receive the quality care they need in a sustainable manner.

A key principal of the design is to work in partnership with local leaders to maximize the current resources, including infrastructure, capabilities and expertise that is unique to the TC LHIN. There are over 1900 primary care physicians within the TC LHIN boundary, as well as other health providers, to be engaged and involved in the activities of the primary health care strategy.

Establishing Administrative Capacity:

To support these activities, there will be one entity in each sub-LHIN region that has the existing resources, infrastructure and expertise to successfully support the planning engagement and implementation of the significant system change. The leveraging of existing administrative infrastructures and capabilities is critical for successful execution of the strategy, as is the need to effectively manage the scale of system change.

Accountability mechanisms will be required to help ensure delivery of desired results, and will include vehicles that have been effectively utilized by the LHIN to date (i.e. Letter of Cooperation, Memorandum of Understanding). The proposed elements of such agreements are outlined in Attachment A. More fulsome agreements will be constructed as roles and responsibilities are defined with the agencies, and will be reviewed annually to ensure alignment with the business needs identified through the primary care strategy locally and provincially.

Next Steps:

- Discussions to further define roles/responsibilities and inform refinements to accountability elements will continue in fiscal 2015/16 with a goal to executing these agreements in 16/17.
- The next report will be tabled at the Board of Directors meeting on April 27, 2016.

MOTION:

None

TOPIC: Sub-LHIN Region Reports and Planning Approach

PURPOSE:

To provide the Finance and Audit Committee with an overview on TC LHINs approach to planning at the Sub-LHIN population level.

BACKGROUND

In 2015, Toronto Central LHIN launched its new Strategic Plan with a committed focus on achieving: **A Healthier Toronto, Positive Patient Experiences**, and **System Sustainability**. One of the key Strategic Priorities that underpins this is taking a population health approach, which will direct how we plan, prioritize, fund, and partner with other organizations to targets the needs of the population and the sub-populations within it.

This begins with a strong understanding of what our current and future patients need and want in order to improve their health status and experience with health care. This information will help to identify neighbourhoods and population segments that may need targeted interventions to achieve the desired and equitable outcomes reflected in our goals.

A population based approach integrates the full spectrum of health care delivery – from preventing disease (e.g. health promotion) to treatment (e.g. tertiary care). Health is greatly influenced by the social determinants of health – including our environment, our social status, education, employment, gender and culture. The profiles illustrate the diversity of the population of the Toronto Central LHIN, and to form a basis of understanding of the variations in populations that can impact our health outcomes.

APPROACH

The Sub-LHIN Regional Profiles brings to life our sub-LHIN geographic population areas, and the planning documents are intended to be used by TC LHIN planners, partners, and governors in order to guide our work. Specifically, the documents will provide its audience with information regarding the similarities and differences of the population segments within each of the regions, and highlight potential gaps in service and need based on characteristics of those lower levels of geography.

It is proposed that the development of these reports be advanced according to the following:

1. *Initial Report and East Region Profile (February 2016)*
Population characteristics and health system utilization

2. *2nd Release and Mid-East / North Profiles (March 2016)*
Additional population and performance measures with a focus on priority data needs for program planning
3. *3rd Release and Mid-West / West Profiles (May 2016)*
Refining performance measures and identification of additional system pressures and gaps

In the short term, targeted use of this information includes: education for TC LHIN staff and governors to begin understanding our sub-LHIN geographies, preparation for provider engagement sessions and primary care implementation planning.

Motion

None

Agenda Item 15 – Mid-year Health Service Provider Financial Performance Report

TOPIC: Mid-year Health Service Provider (HSP) Financial Performance Report

PURPOSE OF THIS AGENDA ITEM

To report to the Finance and Audit Committee on HSP forecasted financial performance for 2015-16.

BACKGROUND:

The HSP Financial Performance Report is presented twice per year. This HSP Financial Performance Report summarizes the year end forecasted financial results based on the 2nd quarter forecast.

TC LHIN HSPs is comprised of hospital, community (including mental health), CCAC and Long-Term Care sectors.

The following are highlights of the HSP Financial Performance Report:

Financial Highlights - Hospitals

Total margin (surplus/deficit) and current ratio are measured on a quarterly basis. All hospitals forecast a positive total margin for year end 2015-16 except for 5. Current ratio for all hospitals are within target (0.8-2.0) except for two.

Financial Highlights – Community and CCAC

The Toronto Central LHIN is working with 11 of its health service providers to balance their budgets. The third quarter reports indicate that most of these health service providers will be in a balanced position at year-end.

Further to the Q2 report to the Committee, the Toronto Central CCAC is forecasting a \$1M shortfall at year-end. This is based on their December financial report. The TC LHIN will provide up to \$1M to the TC CCAC to balance their budget for 2015/16.

Motion:

No motion

Agenda Item 16 – Board Per Diems Report

BRIEFING NOTE Toronto Central Local Health Integration Network (LHIN) February 10, 2016

TOPIC: Board per diems and expense claims –2015-16

PURPOSE OF THIS AGENDA ITEM

To provide the Finance and Audit Committee with an update on the Board per diems and expense claims for 2015-16 as of December 31, 2015.

Board per diems and expense claims

The summary and detailed Board of Directors per diems, travel and other expenses for Q3 2015-16 is provided to the Finance and Audit Committee quarterly.

The detailed list shows month by month claims by each Board member from April 2015 to December 31, 2015.

MOTION:

None

[Redacted]

Agenda Item 17 – Other Business

Other business will be tabled at the meeting as requested by the Committee members.

Agenda Item 18 – Next Meeting Date

The Finance and Audit Committee will meet next on Wednesday, May 25, 2016, 4:00 pm to 5:30 pm.

Agenda Item 19 - Termination

Finance and Audit Committee meeting to terminate upon completion of business.