

South West Local Health Integration Network Integration Overview Manual

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1. Introduction:

Local Health Integration Networks (LHINs) are to create integrated health systems as a means of improving the health of Ontarians. Integrated health systems provide coordinated, accessible and high quality health care that focuses on client needs, improves patient care and makes service delivery more efficient.

Integration is one of five core functions of the LHIN, along with planning, funding, performance accountability and community engagement.

2. What is integration?

The Local Health System Integration Act, (LHSIA) 2006, defines integration broadly to include a range of activities that enable outcomes that are central to the provincial goals:

- Improving accessibility of health services to allow people to move more easily through the health system;
- Improving the match between services provided and the multiple needs of clients; and
- Making the health care system more sustainable and accountable and promoting service innovation by enabling effective and efficient use of system resources and capacity.

The LHSIA, which forms the legal framework for LHINs, further defines 'integrate' as the following activities:

- Co-ordination of services and interaction between different persons and entities;
- Establishing partnerships to provide services or in operating;
- The transfer, merging or amalgamation of services, operations, persons or entities;
- Starting or ceasing to provide services; and
- Ceasing to operate or dissolving or winding up the operations of a person or entity.

'Service' is broadly defined under LHSIA such that it can include all services or programs provided by health service providers (HSPs).

LHSIA also contains provisions to address issues that may arise from integration, for example issues relating to privacy, the transfer of property, and the applicability of labour legislation and labour law.

Integration within the South West LHIN is defined as the process of effectively managing the alignment of multiple systems of independent (and interdependent) organizations with unique goals and objectives to achieve the current Integrated Health Service Plan (IHSP) system level goals and priorities. The South West LHIN IHSP is available on the South West LHIN website (www.southwestlhin.on.ca).

The LHSIA identifies integration as a responsibility of the LHINs and HSPs and obligates both to identify opportunities for integration in their local health systems.

3. Who and what can be involved in integration?

All South West LHIN HSPs (Hospitals, Community Care Access Centre, Community Health Centres, Mental Health and Addictions agencies, Community Support Services agencies and Long-Term Care Homes) can be involved in integration. Integration may also involve non-South West LHIN funded service providers and others in circumstances where partner HSPs are pursuing or impacted by integration.

Health care services affected by integration can include:

- A service or program offered directly to people (e.g., home care services)
- A service or program that supports a direct service (e.g., laundry services in a hospital)
- A function that supports an organization that provides either a direct or a supporting service or program (e.g., payroll services provided to nursing homes)

4. How do LHINs integrate the health system?

Both the South West LHIN and its HSPs have an obligation to identify integration opportunities. To achieve the Local Health System Priorities as identified in the IHSP, the following integration approaches may be used to advance integration within the LHIN:

1. Providing or changing funding, e.g. transfer of program funding or project funding distributed to multiple organizations and services (as outlined in Section 19 of LHSIA);
2. Facilitating or Negotiating integration, e.g. integration activities involving at least one HSP, and facilitated or negotiated by the LHIN (as outlined in Section 25 of LHSIA);
3. Requiring integration, e.g. the LHIN or Ministry may require HSPs to provide or cease to provide services, or transfer services from one location or HSP (as outlined in Section 26 of LHSIA): and
4. Integration Initiated by HSPs, e.g. integration activities voluntarily initiated by HSPs (as outlined in Section 27 of LHSIA).

Note: Integration can also be ordered by the Minister (as outlined in Section 28 of LHSIA).

5. Health Service Provider Role in Integration:

As outlined in section 24 of the LHSIA, all HSPs must identify opportunities to integrate the services of the local health system for the purpose of providing appropriate, coordinated, effective and efficient services. HSPs must perform this obligation both individually and collectively with the LHINs.

Integration and Service Coordination:

- HSP planning must reflect the HSPs ongoing responsibility to find efficiencies in administrative and direct service areas and identify opportunities to integrate services

Local Community Engagement

- HSP planning must clearly include ongoing consultation and engagement by the HSP with local HSPs and other stakeholders with a view towards closer cooperation and partnership between providers and between sectors

Local Health System Planning

- HSP planning must be in alignment with the LHIN IHSP, the government's health care priorities, and reflect best practices, evidence-informed decisions, and the pursuit of efficiency opportunities within the HSP and in collaboration with other HSPs and partners

6. Organizational Health – Self Assessment Tool

The Central East LHIN designed an Organizational Health Self Assessment Tool for use by community support services and community mental health and addictions agencies to quickly assess their organizational health status. The South West LHIN recommends this tool for HSPs to use as the results of this assessment will

provide an organizational health rating and will suggest action, including integration opportunities, to mitigate the issues identified. This tool has been adapted for the South West LHIN and is available on our website.

7. Organizational levels of integration:

- **Service integration** defined as procedures and structures that help several agencies coordinate their efforts - e.g. implementation of best practices, coordination, access models, standardized processes, shared care.
- **Administrative integration** defined as the behind the scenes services that support the organization's ability to serve its clients - e.g. management, back-office business processes (finance, human resources, information technology, marketing), planning, policies & procedures, fund-raising, education
- **Governance or corporate integration** - e.g. merger or amalgamation, transfer of funding

8. Examples of integration activities that would require LHIN approval:

- Coordination of services and interactions that have a direct impact on the use of services or resources funded by the South West LHIN, the Service Accountability Agreement, or the service system (e.g., transfer of a program or funding).
- Partnerships including the co-location of health service providers that generate significant cost savings; impact on care and services; or support back office integration (e.g., purchasing, Human Resources, Information Technology).
- Partnerships that change the way that people may access or receive services (e.g., implementation of a centralized access system).

9. Integration through Funding:

The LHSIA under section 19 identifies that a LHIN may *'provide funding to a health service provider in respect of services that the service provider provides in or for the geographic area of the network'*.

Subject to terms of the Ministry-LHIN Performance Agreement (MLPA) and the service accountability agreement between the LHIN and the HSP, the LHIN can:

- Provide funding to a HSP to provide services
- Change the amount of funding provided to a HSP to reduce services
- Stop funding a HSP
- Put conditions on the funding provided

10. Facilitated Integration:

The LHSIA under section 25 identifies that a LHIN may integrate the local health system by: *'facilitating and negotiating the integration of persons or entities where at least one of the persons or entities is a health service provider (HSP) or the integration of services between HSPs or between a HSP and a person or entity that is not a HSP'*.

The LHIN may negotiate or facilitate the integration of entities or services by taking some positive action to bring it about. The idea for the integration may originate with the LHIN, though this will not necessarily be the case.

When the LHIN negotiates or facilitates the integration of entities, at least one of the entities must be a HSP as defined in the LHSIA, but not all those involved need to be.

Process steps in Facilitated Integration include:

1. LHIN IHSP identifies integration strategies and LHIN and/or HSP(s) explore appropriate integration opportunities
2. LHIN facilitates or negotiates integration involving HSP(s)

Note: The LHIN may advise public and other stakeholders about integration

3. LHIN issues an **Integration Decision**

Public notification of a facilitated integration is **not** required by the legislation. There may be circumstances where public input is particularly important and other circumstances where the nature of the negotiation warrants greater confidentiality. The LHIN will exercise its best judgment in weighing the principles of transparency and consultation with the need for confidentiality in the particular situation.

When the LHIN facilitates or negotiates an integration agreement, the parties to the Integration Decision are the parties to the agreement (i.e., those entities that are named in the agreement or are signatories to the agreement). In these circumstances it is possible for an entity that is not a HSP to be a party to the Integration Decision. The LHIN will provide a copy of the Integration Decision to all parties named in the agreement.

11. Required Integration:

The LHIN has the authority to require a HSP to undertake certain kinds of integration activity subject to the following legislative conditions:

1. The LHIN must have posted copies of its IHSP publicly,
2. The LHIN must consider it to be in the public interest to issue the decision,
3. The LHIN can only require integration by a HSP that it funds with respect to services the LHIN funds or proposes to fund, in whole or in part.

The three conditions noted in the policy statement reflect the significance of the IHSP in signaling to the community the integration plans of the LHIN. They also reflect the policy that the achievement of an integrated local health system should be the product of processes that are open and transparent and that involve consensus and community engagement.

Section 26 of the LHSIA states that a LHIN that has made copies of the IHSP available to the public may, if it considers it is the public interest to do so, make a decision that requires one or more HSPs to which it provides funding, to do any one or more of the following on or after a date set out in the decision:

1. To provide all or part of a service or to cease to provide all or part of a service
2. To provide a service to a certain level, quantity or extent
3. To transfer all or part of a service from one location to another
4. To transfer all or part of a service to or to receive all or part of a service from another person or entity
5. To carry out another type of integration of services that is prescribed
6. To do anything or refrain from doing anything necessary for the HSP to achieve anything under any of the above 1-5, including to transfer property to or to receive property from another person or entity in respect of the services affected by the decision.

There are restrictions regarding a decision made by the LHIN under section 26 of the LHSIA. An integration decision of a LHIN:

- a) Shall not be contrary to the LHIN IHSP or accountability agreement
- b) Shall not relate to services for which the LHIN does not provide or propose to provide funding, in whole or in part, to the HSP
- c) Shall not require a HSP to cease operating or carrying on business or to dissolve or wind up its operations or business
- d) Shall not require a HSP to change the composition or structure of its membership or board of directors
- e) Shall not require two or more HSPs to amalgamate
- f) Shall not unjustifiably as determined under section 1 of the *Canadian Charter of Rights and Freedoms* require a HSP that is a religious organization to provide a service that is contrary to the religion related to the organization
- g) Shall not require a HSP to transfer property that it holds for a charitable purpose to a person or entity that is not a charity
- h) Shall not require a HSP that is not a charity to receive property from a person or entity that is a charity and to hold the property for a charitable purpose.

Process steps in Required Integration include:

1. LHIN identifies required integration by funded HSP(s)
2. LHIN issues proposed Integration Decision (section 26 of LHSIA) to HSP and posts publicly
3. LHIN considers written submissions (may change or confirm original Integration Decision)

Note: Anyone may make submissions regarding proposed decision within 30 days after LHIN issues proposed Integration Decision.

4. LHIN may issue final Integration Decision

Note: There is no specified timeframe between the LHIN review of written submissions and the issuing of the final Integration Decision. The LHIN may advise the HSP if it does not intend to require the integration to proceed.

When a LHIN requires a HSP to undertake integration, the parties to that Integration Decision are the HSPs that are the subject of the Integration Decision (i.e., involved in the integration). Entities that are not HSPs are not parties to the Integration Decision.

12. Integration by Health Service Providers:

Section 27 of the LHSIA indicates that a health service provider (HSP) may integrate its services with those of another person or entity. This is referred to as 'Integration by Health Service Providers'.

Under the LHSIA, all HSPs must identify opportunities to integrate the services of the local health system for the purpose of providing appropriate, coordinated, effective and efficient services. HSPs must perform this obligation both individually and collectively with the LHINs. A HSP may integrate its services with another HSP or with another person or entity.

Specifically the LHSIA states:

- Section 24 **Identifying integration opportunities** – each LHIN and each HSP shall separately and in conjunction with each other identify opportunities to integrate the services of the local health system to provide appropriate, coordinated, effective and efficient services.

- Section 16(6) **Engagement by HSPs** – each HSP shall engage the community of diverse persons and entities in the area where it provides health services when developing plans and setting priorities for the delivery of health services.

Submitting a Notice of Integration to the South West LHIN:

1. A potential integration is proposed by HSP(s) to the LHIN and LHIN staff begin preliminary discussions with the HSPs involved, and advise the HSP of the information required by the LHIN to consider the proposed integration.
2. LHIN staff receive the requested information submitted by the HSPs involved and determine if the information needs of the LHIN have been met.
3. The HSP submits a **Formal Notice of Integration** letter signed by all HSPs involved along with the documentation required to support the proposed integration.
4. Once the LHIN receives a **Formal Notice of Integration**, the LHIN may consider if the proposed integration is in the public interest. This will include consideration of whether the proposed integration is consistent with the LHIN's IHSP and any other relevant matter as decided by the LHIN Board of Directors.
5. An integration assessment and recommendation will be brought to the LHIN Board for consideration within 60 days of receiving the Notice of Integration as per the requirements within the LHSIA.

The LHIN Board of Directors then has two options:

1. **LHIN does not object to intended integration:** If the LHIN does not object to the proposed integration, it may simply choose to take no action. In that case, after 60 days have elapsed from the day the HSP gave the LHIN notice, the provider may proceed with the integration. While the LHSIA does not require it to do so, the LHIN may choose to notify the HSP that it does not intend to issue an Integration Decision stopping or amending the integration.
2. **LHIN has concerns about intended integration:** If the LHIN has concerns about the intended integration based on the notice from the HSP, it can take steps towards preventing the integration from proceeding:
 - The LHIN must notify the HSP within 60 days of receiving the Notice of Integration if it proposes to issue a decision ordering the provider not to proceed with the integration and post the proposed decision publicly.
 - Receive written submissions regarding the proposed decision within 30 days of the LHIN making the proposed decision available to the public.
 - Within the next 30 days, the LHIN must consider any written submissions received and issue a final decision.

The LHSIA also allows the LHIN to stop the intended integration in part, if, for example, it considers that certain elements of the integration are not consistent with its IHSP. In addition, the LHSIA leaves it open to the LHIN to set conditions on the integration; that is, to order the HSP not to proceed with the integration, or parts of it, unless certain conditions are met.

If the LHIN issues an Integration Decision ordering the HSP not to proceed with parts of the intended integration or if the LHIN sets conditions on the integration, the provider could choose not to proceed with any part of the integration.

When a LHIN stops a HSP from undertaking integration, the parties to that Integration Decision are the HSPs that are the subject of the Integration Decision (i.e., involved in the integration). Entities that are not HSPs are not parties to the Integration Decision.

The LHIN must make copies of its proposed decision available to the public and must consider any written submissions it receives within 30 days. If after doing so the LHIN no longer objects to the intended integration, it does not have to issue the integration decision.

The HSP may proceed with the integration if 60 days have elapsed from the day the LHIN made copies of its proposed decision available to the public, and the LHIN has not issued a decision.

13. Integration by the Minister:

After receiving advice from the LHIN, the Minister may, if considered in the public interest to do so, order a HSP that receives funding from the LHIN, and that carries on its operations on a for profit or not for profit basis, to do any of the following on or after the date set out in the order:

- Cease operating, to dissolve or wind up its operations;
- Amalgamate with one or more HSPs that receive funding from the LHIN;
- Transfer all or substantially all of its operations to one or more persons or entities.

14. Integration Restrictions:

- No integration decision made by a LHIN can result in an individual having to pay for a health service, unless the law currently permits such payments. This provision of the LHSIA is intended to ensure that integration decisions do not trigger a shift from public funding of services to individual responsibility to pay for services.
- A LHIN cannot unjustifiably require a HSP that is a religious organization to provide a service that is contrary to the religion associated with the organization.
- A LHIN may not require a HSP to transfer property that belongs to a charity to a provider or organization that is not a charity and it may not require a HSP that is not a charity to receive charitable property and hold it for a charitable purpose.

15. What is the role of LHIN staff?

LHIN staff will receive, review and assess each proposed integration submitted to the South West LHIN. The following criteria will be utilized to determine integration requests/proposals that should be taken to the South West LHIN Board of Directors for formal consideration:

- Impact on patient services
- Impact on labour
- Impact on accountability agreement
- Funding implications for LHIN
- Potential for significant (over \$50,000) cost savings
- Impact on HSP senior management structure
- All governance or corporate integration to be taken to the South West LHIN Board of Directors for formal consideration
- Integration activities through new funding initiatives to be taken to the South West LHIN Board of Directors for formal consideration

The purpose of the criteria is to ensure due diligence by the Board on integration activities with a significant impact and to support swift implementation of minor service integration activities by LHIN staff. All integration items will be reported to the Board. Those not formally considered by the Board will be included in the monthly Senior Leadership report.

16. When will the LHIN issue an Integration Decision?

A LHIN is not required to issue an Integration Decision when it integrates through funding (LHSIA section 19) or if the LHIN supports and chooses to take no action in regards to a HSP Proposed integration (LHSIA section 27). However, a LHIN must issue an Integration Decision in the following three circumstances:

1. When it facilitates or negotiates integration involving a HSP (section 25, LHSIA)
2. When it requires an HSP to undertake integration (section 26, LHSIA)
3. When it orders an HSP not to proceed with or to amend the proposed integration (section 27, LHSIA)

LHSIA provides the following requirements related to the issuing of an Integration Decision:

- The requirement that the LHIN has posted its IHSP publicly
- The LHIN considers it in the public interest to issue the Integration Decision
- The decision relates to an HSP for services the LHIN funds or proposes to fund

An Integration Decision must outline:

- The purpose and nature of the integration
- The parties to the Integration Decision
- Any integration activities required
- The timeframes involved in the proposed integration
- A Human Resources (HR) adjustment plan relating to the implementation of the Integration Decision
- Effective date of transfers

Note: If a HSP intends to integrate services that are not funded by a LHIN, it has no obligation to give notice of that intention to the LHIN and may proceed with the integration.

17. Steps in Issuing an Integration Decision:

If the LHIN determines that it will make an Integration Decision (LHSIA sections 19 and 27) or must issue an Integration Decision (LHSIA sections 25, 26 and 27) the LHIN will provide 30 days notice of the intention to issue an Integration Decision and a copy of the proposed decision will be made available to the HSP and the public. Within 30 days of the LHIN's public posting of a proposed decision, any person (e.g., an HSP, public member, stakeholder, etc.) may make written submissions to the LHIN on the proposed decision. The final LHIN Integration Decision may be different from the proposed decision that was provided in the notice to the HSP and the public.

The table below describes for each of the integration options the key decision points and process steps:

Circumstances of Integration	Integration Through Funding	Integration by HSPs		Integration Facilitated & Negotiated by LHIN	Integration Required by LHIN
		Yes - If the LHIN wishes to stop or amend a proposed integration	No – If the LHIN supports the integration and chooses to take no action		
Is an Integration Decision Required?	No	Yes - If the LHIN wishes to stop or amend a proposed integration	No – If the LHIN supports the integration and chooses to take no action	Yes	Yes
Must a Draft Decision be Issued for Public Submissions?	n/a	Yes – For 30 days	n/a	No	Yes – For 30 days
Is There a Deadline Within Which the Proposed Decision Must be Issued?	n/a	Yes - Within 60 days of receipt of notice from the HSP	n/a	n/a	Yes - 30 days prior to issuing a final decision
Is There a Deadline Within Which the Final Decision Must be Issued?	n/a	Yes - Within 60 days of releasing the proposed decision	n/a	No	No
May the LHIN Amend the Final Decision?	n/a	No	n/a	Yes	Yes
May the LHIN Revoke the Final Decision?	n/a	Yes	n/a	Yes	Yes

18. Assessment Process:

There are a number of fundamental principals the LHIN will consider in structuring its integration decision making protocols:

- Public accountability and transparency will underlie decision making, demonstrating that the health system is governed in a manner that reflects the public interest;
- Consistency in decision making will be promoted;
- Decision making will be evidence based;
- Planning for and integrating the local health system will be carried out in alignment with provincial strategic directions and the IHSP; and

- Cooperation and shared responsibility among communities, providers, LHIN and government will be supported.

The South West LHIN will use the provincial priority-setting and decision making framework as the basis for decision making. The decision making framework will assist the LHIN in answering questions such as:

- Does the integration promote appropriate, coordinated, effective and efficient health services?
- Does the integration promote better access to high quality health services?
- Does the integration achieve quality improvements in clinical outcomes, health service deliver, and/or system performance?
- Does the integration support patient/client and person centered health care?
- Does the integration promote efficient and effective management of local health system to ensure sustainability?
- Does the integration ensure value for money?

19. Integration reporting:

- Integration Project Status Reports are to be submitted to the LHIN quarterly in relation to integration milestones, achievements and indicators
- Project Status Report workbooks will be created by the LHIN and the reporting cycle will be populated in the Project Charter
- The South West LHIN is required to report on integration activities in our annual report

20. Information resources:

The following resources are all available on the South West LHIN website (under “Integration):

- The Local Health System Integration Act, 2006 (LHSIA)
- South West LHIN Integrated Health Service Plan (IHSP) and Blueprint and e-Health Strategy
- South West LHIN Integration Policy (DRAFT)
- Integration in the South West LHIN Presentation
- Summary of Integrations in the South West LHIN Presentation
- Example of Integration in the South West LHIN Video (ONE CARE)
- Organizational Health – Self Assessment Tool
- Public Best Interest Checklist
- Governance Resource and Toolkit for “Voluntary” Integration Initiatives, 2008