Health Quality Branch

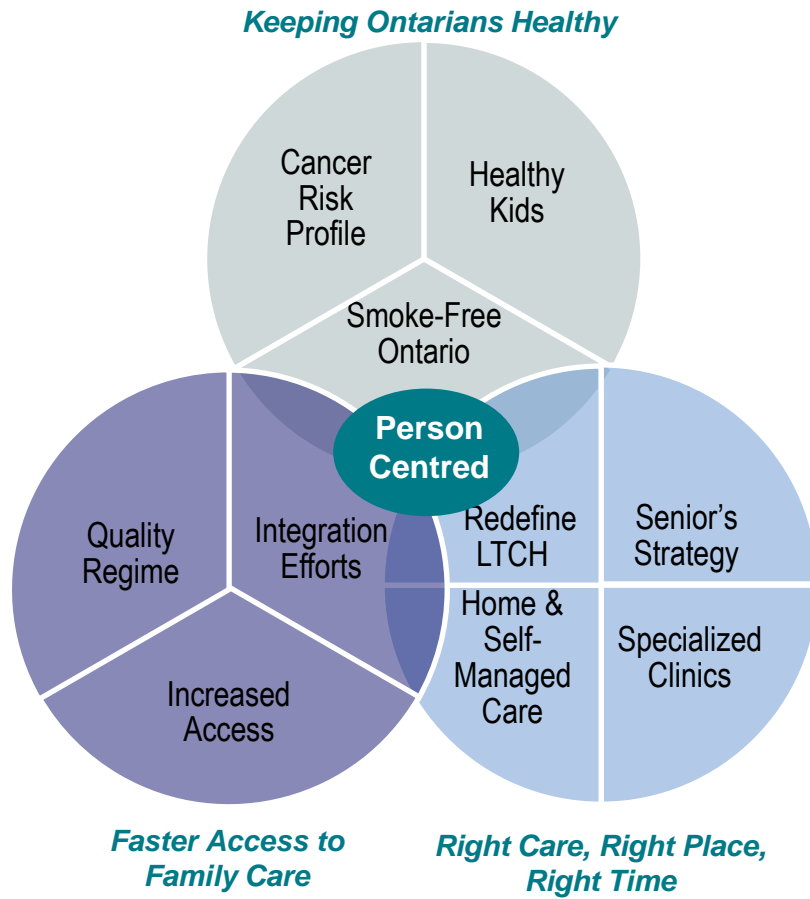# Health System Funding Reform: Aligning Levers and Incentives to Achieve Excellent Care for All

Ontario Long-Term Care Association Quality Forum
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Ontario

Ontario's Action Plan for Health Care set the course for accelerated transformation across sectors and organizational levels

Keeping Ontarians Healthy

- Cancer Risk Profile
- Healthy Kids
- Smoke-Free Ontario

Person Centred

- Quality Regime
- Integration Efforts
- Increased Access

- Redefine LTCH
- Home & Self-Managed Care
- Senior's Strategy
- Specialized Clinics

Faster Access to Family Care

Right Care, Right Place, Right Time

- **Vision:** To make Ontario to healthiest place in North America to grow up and grow old

- **Enablers/Levers:**
  - Electronic Health Records
  - Health Human Resources
  - Applied Learning Strategy
  - Capital
  - Clinical leadership
  - Communication
  - Measurement
  - Incentives

The Excellent Care for All Act provided a unified commitment to a shared vision

2ND SESSION, 39TH LEGISLATURE, ONTARIO
59 ELIZABETH II, 2010

2ᵉ SESSION, 39ᵉ LÉGISLATURE, ONTARIO
59 ELIZABETH II, 2010

Bill 46

*(Chapter 14
Statutes of Ontario, 2010)*

**An Act respecting
the care provided by
health care organizations**

Projet de loi 46

*(Chapitre 14
Lois de l'Ontario de 2010)*

**Loi relative aux soins
fournis par les organismes
de soins de santé**

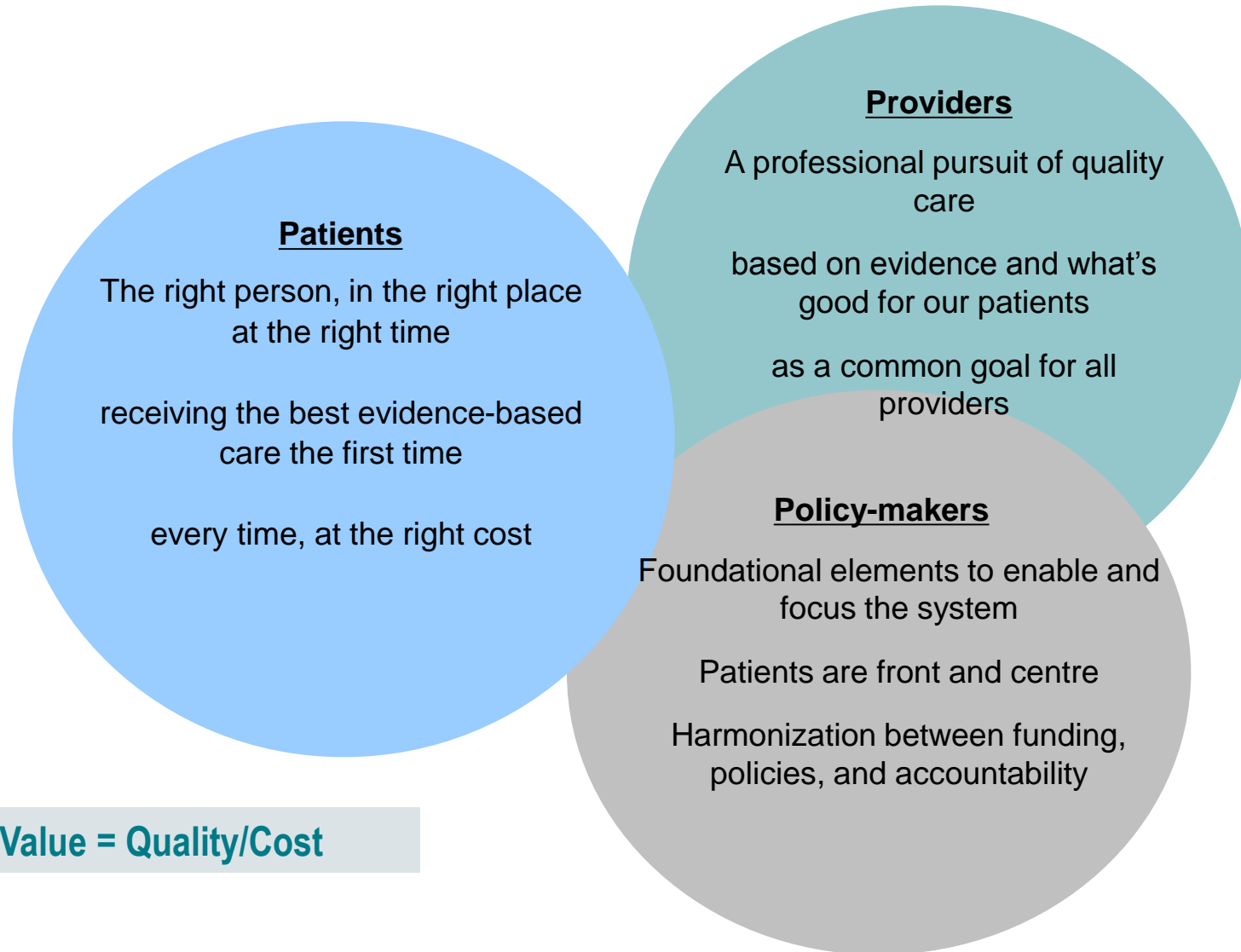The people of Ontario and their Government:

Believe that the **patient experience and the support of patients and their caregivers** to realize their best health is a **critical element of ensuring the future of our health care system**

Share a vision for a Province where **excellent health care services are available to all Ontarians**, where **professions work together**, and where **patients are confident** that their health care system is providing them with excellent health care
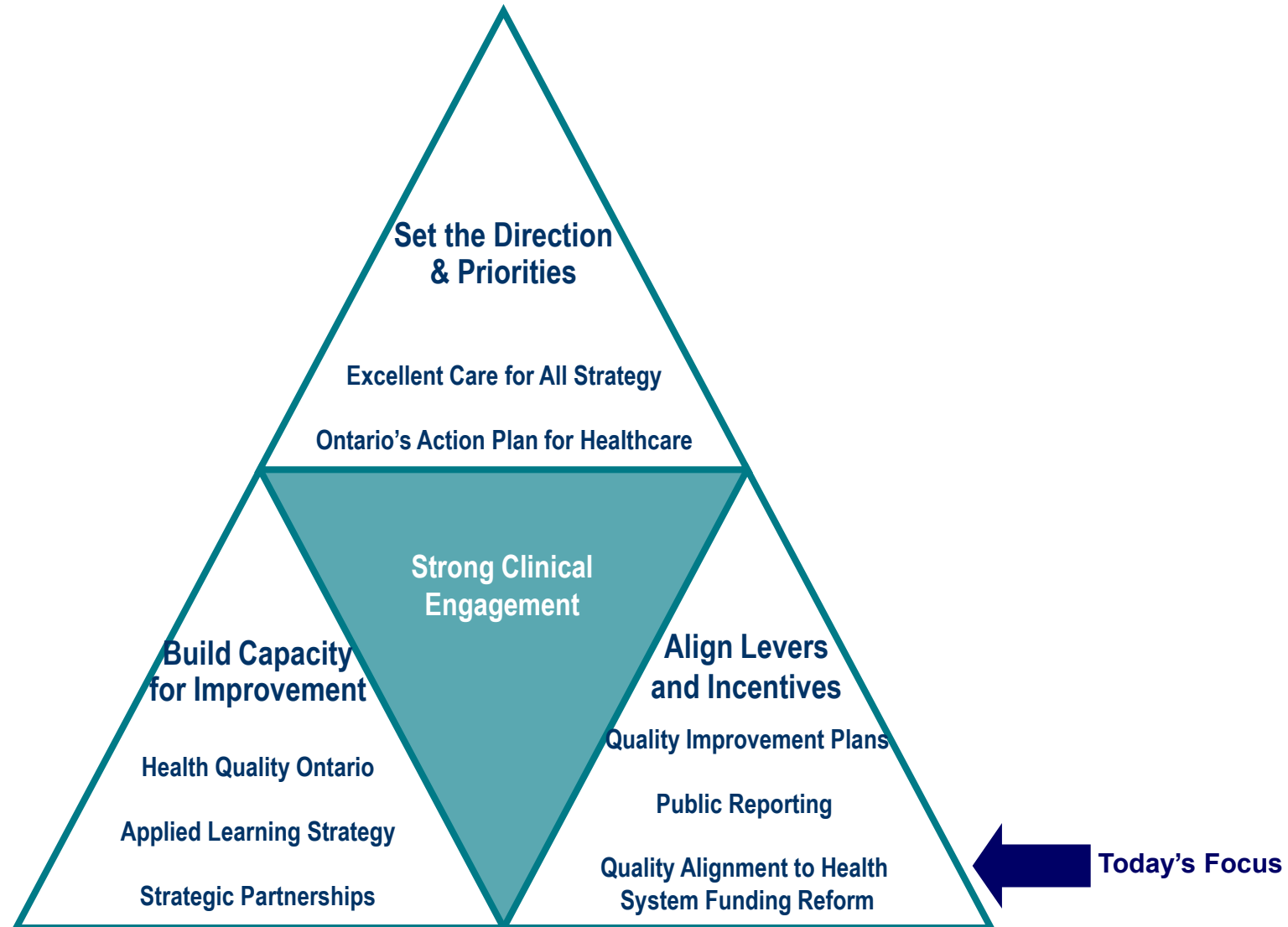
Recognize that a **high quality health care system is one that is accessible, appropriate, effective, efficient, equitable, integrated, patient centred, population health focussed, and safe**

Believe that **quality is the goal of everyone** involved in delivering health care in Ontario

What does Excellent Care for All really mean?

Patients

The right person, in the right place at the right time

receiving the best evidence-based care the first time

every time, at the right cost

Providers

A professional pursuit of quality care

based on evidence and what's good for our patients

as a common goal for all providers

Policy-makers

Foundational elements to enable and focus the system

Patients are front and centre

Harmonization between funding, policies, and accountability

Value = Quality/Cost

Aligning key tactics bundled under the features of high performing systems to enable the field in achieving the visions enshrined in Ontario's Action Plan and Excellent Care for All Act

Set the Direction & Priorities

Excellent Care for All Strategy

Ontario's Action Plan for Healthcare

Strong Clinical Engagement

Build Capacity for Improvement

Health Quality Ontario

Applied Learning Strategy

Strategic Partnerships

Align Levers and Incentives

Quality Improvement Plans

Public Reporting

Quality Alignment to Health System Funding Reform

Today's Focus

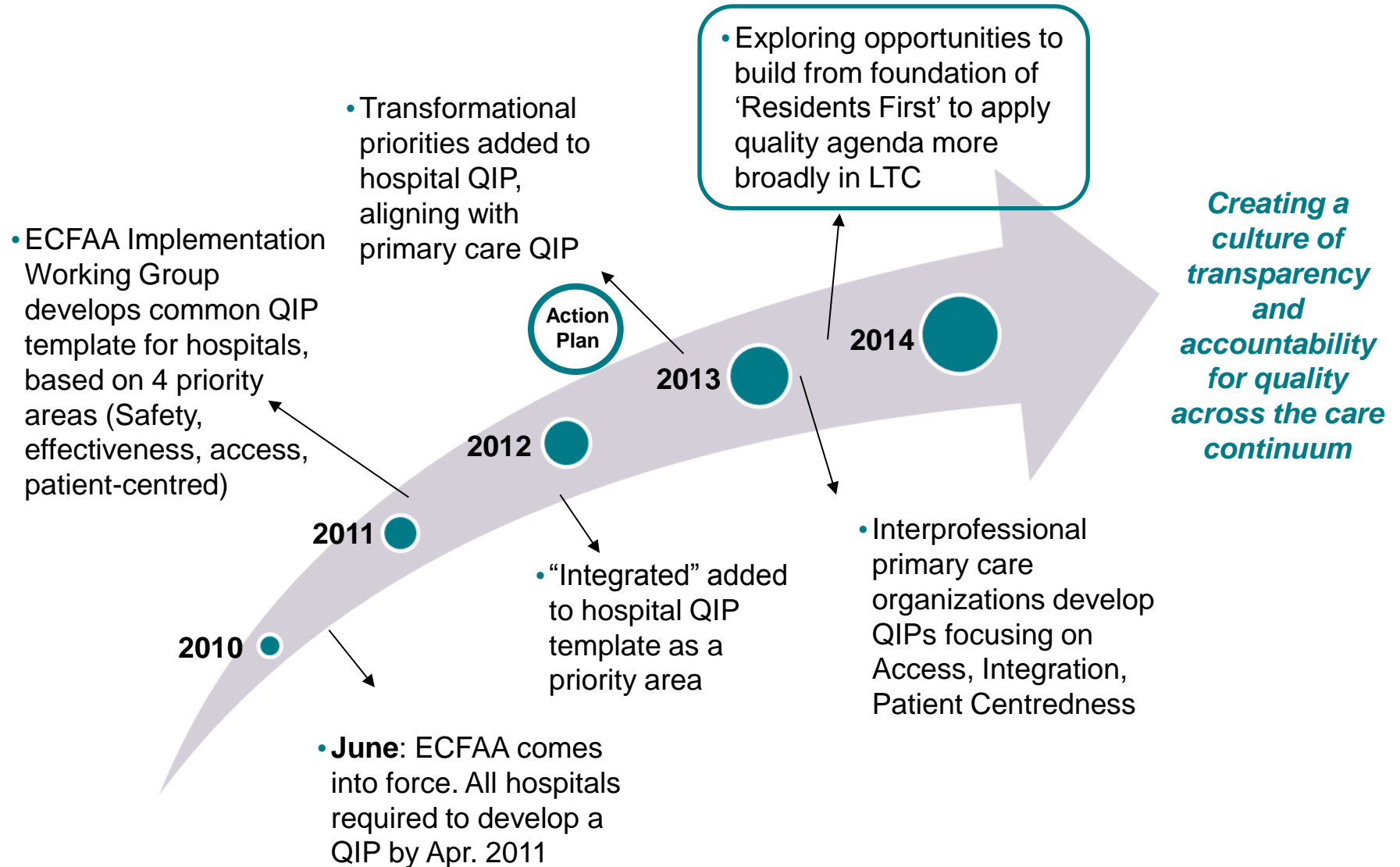# Quality Improvement Plans

Quality Improvement Plans (QIPs) as a bridge to support the quality journey

- Vehicle to harmonize dialogue
- Platform to build on quality improvement
- Collective responsibility, owned by the provider
- Cornerstone of the *Excellent Care For All Act*

Opportunities for the QIP

- Promote shared 'accountability' for transitions in care
- Measure patient/client outcomes with a focus on improved care
- Align provincial with organizational priorities for improvement

The journey so far …

• ECFAA Implementation Working Group develops common QIP template for hospitals, based on 4 priority areas (Safety, effectiveness, access, patient-centred)

• Transformational priorities added to hospital QIP, aligning with primary care QIP

• Exploring opportunities to build from foundation of 'Residents First' to apply quality agenda more broadly in LTC

Action Plan

Creating a culture of transparency and accountability for quality across the care continuum

2010

2011

2012

2013

2014

• **June**: ECFAA comes into force. All hospitals required to develop a QIP by Apr. 2011

• "Integrated" added to hospital QIP template as a priority area

• Interprofessional primary care organizations develop QIPs focusing on Access, Integration, Patient Centredness

Quality Alignment to Health System Funding Reform

The objectives of Health System Funding Reform (HSFR)

- Promote **quality, value and efficiency**

- Better **reflect needs** of the community

- Promote fairer **allocation** of health care dollars

- **Optimize** health care investments for improved patient outcomes sustainably

- **Adopt and learn** from approaches used in other jurisdictions

We have started with the hospital sector …

What does HSFR mean in the hospital sectors?

Global Funding

Health Service Providers
(e.g. Community Care
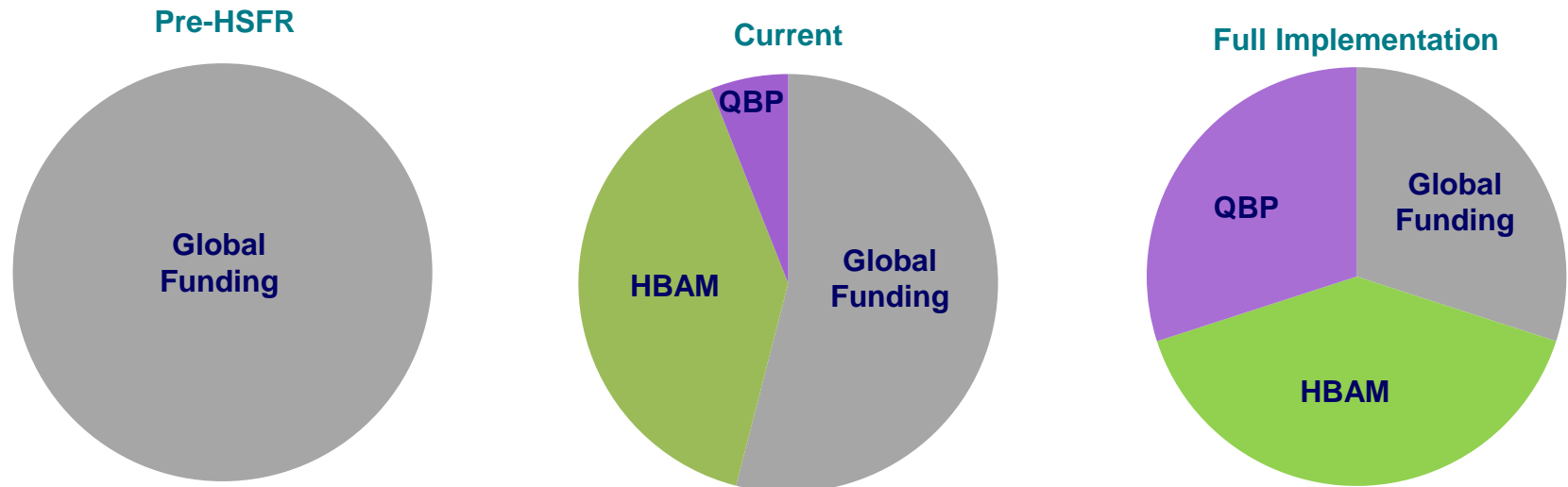Access Centres, Hospitals)

Health System Funding Reform

What are the components of HSFR in hospitals?

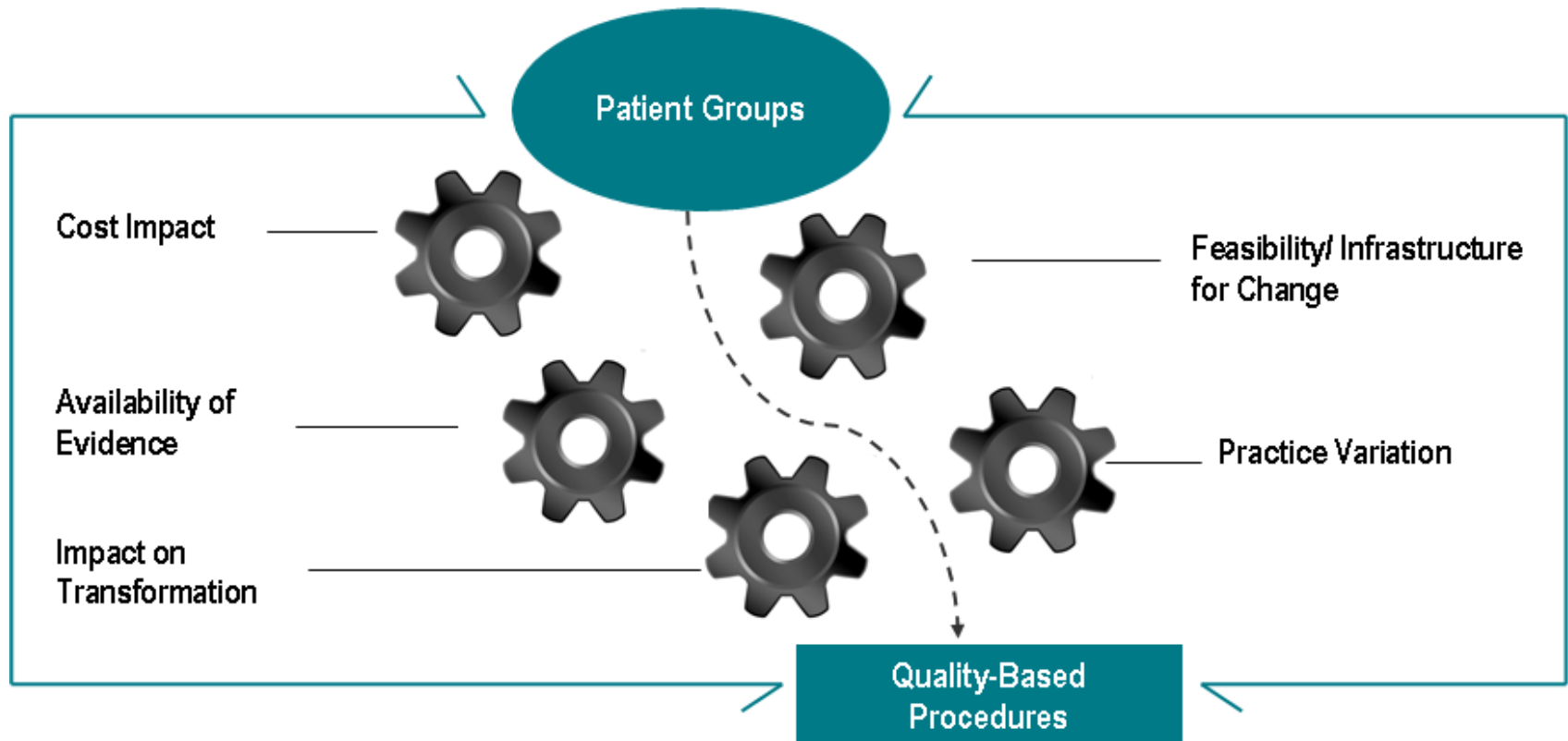1. **Health Based Allocation Model (HBAM)**
   - **Inform funding allocations** to health service providers
   - **Management tool** to assist with health system service planning

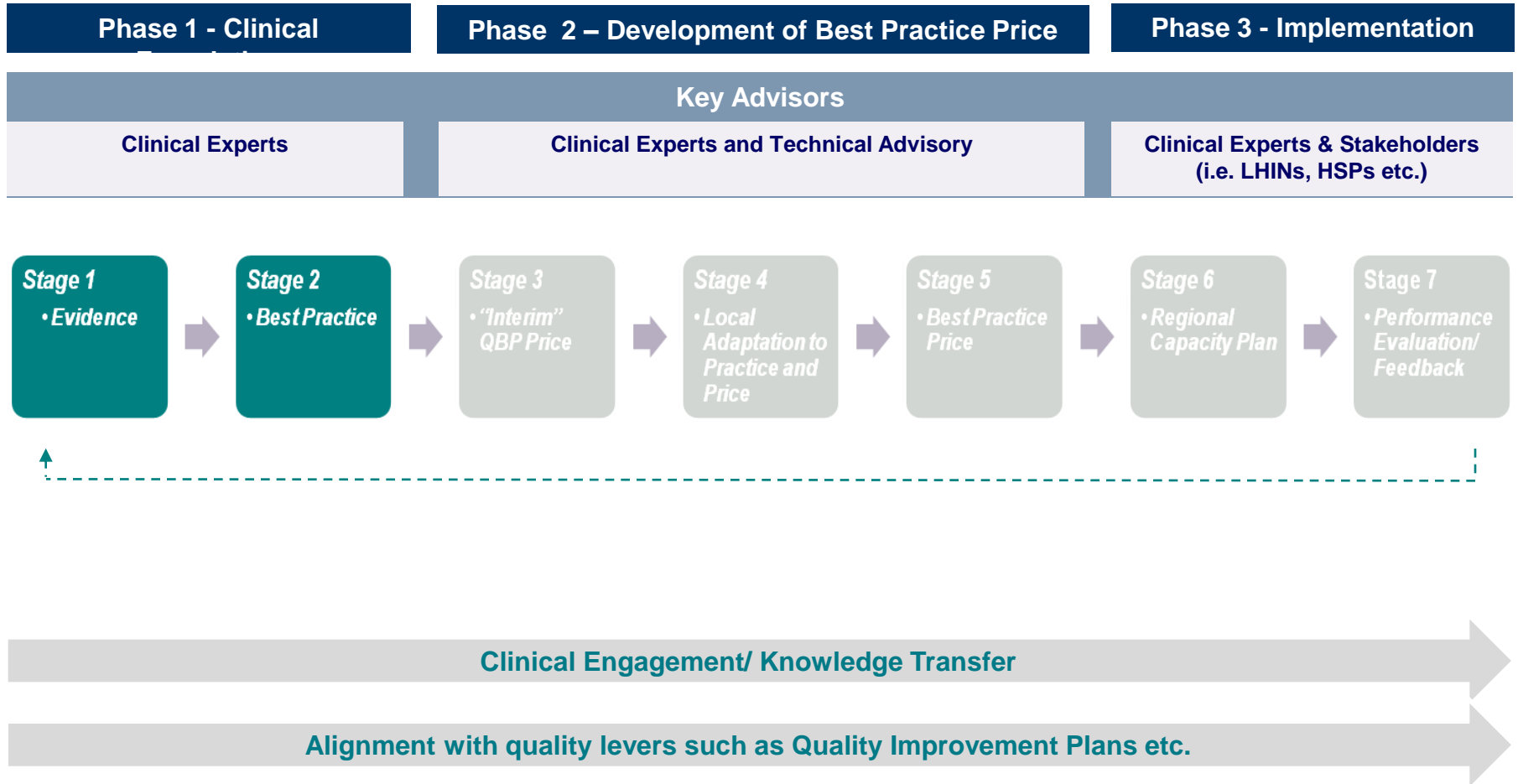2. **Quality-Based Procedures (QBP)**
   - **Price** x **volume -** evidence based clinical pathways ensure quality standards
   - **Opportunity** for process improvements, clinical re-design, improved outcomes, and enhanced experience

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QBPs: An evidence and quality-based framework has identified those with potential to both improve quality outcomes and reduce costs
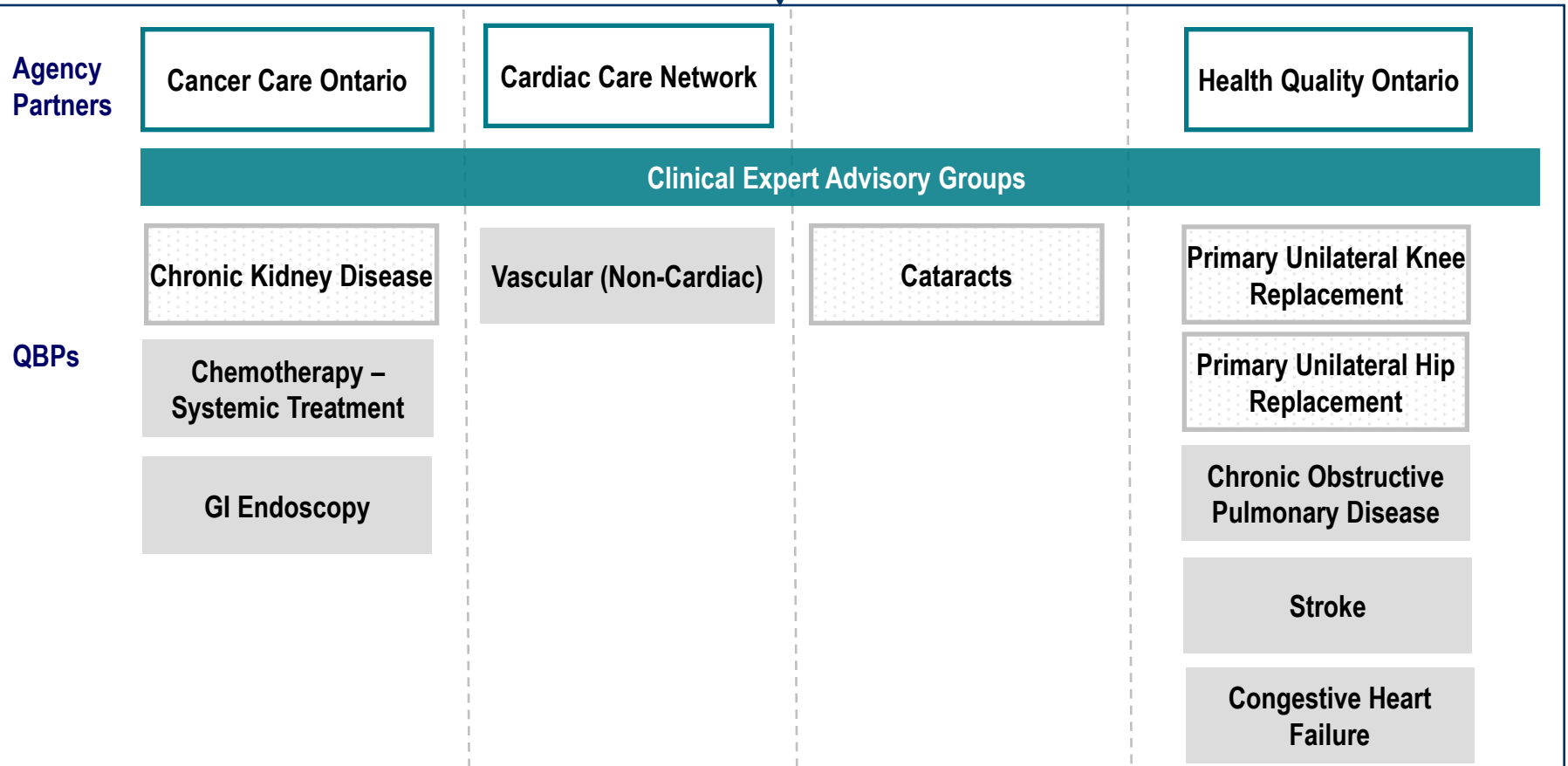
QBPs: A staged approach to development and implementation

Phase 1 - Clinical	Phase 2 – Development of Best Practice Price	Phase 3 - Implementation
Key Advisors		
Clinical Experts	Clinical Experts and Technical Advisory	Clinical Experts & Stakeholders (i.e. LHINs, HSPs etc.)

Stage 1
• *Evidence*

➜

Stage 2
• *Best Practice*

➜

Stage 3
• *"Interim" QBP Price*

➜

Stage 4
• *Local Adaptation to Practice and Price*

➜

Stage 5
• *Best Practice Price*

➜

Stage 6
• *Regional Capacity Plan*

➜

Stage 7
• *Performance Evaluation/ Feedback*

Clinical Engagement/ Knowledge Transfer

Alignment with quality levers such as Quality Improvement Plans etc.

QBPs: Clinical Expert Advisory Groups established to guide the development of best practices for QBPs

Existing Health System Funding Strategy Governance

Agency Partners

| Cancer Care Ontario | Cardiac Care Network | | Health Quality Ontario |

Clinical Expert Advisory Groups

QBPs

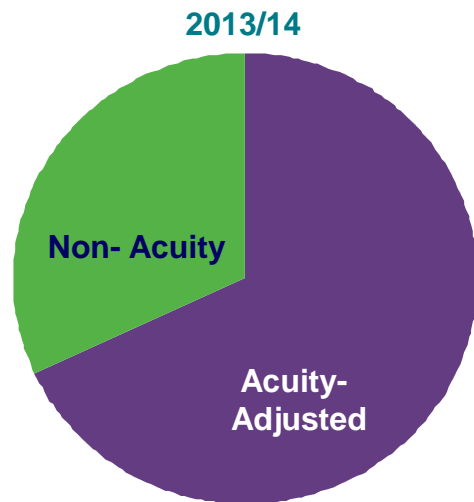| Chronic Kidney Disease | Vascular (Non-Cardiac) | Cataracts | Primary Unilateral Knee Replacement |
Chemotherapy – Systemic Treatment			Primary Unilateral Hip Replacement
GI Endoscopy			Chronic Obstructive Pulmonary Disease
			Stroke
			Congestive Heart Failure

Legend:
FY 2012/13 QBPs
FY 2013/14 QBPs

QBPs: Clinical Expert Advisory Group tasks and deliverables

- Define the patient group (QBP)

- Refine inclusion and exclusion criteria for the QBP
    - Use data to review utilization

- Develop clinical best practices for each defined QBP including transition to the community

- Identify 'better' practice providers

- Create Clinical Handbooks including populating the QBP framework and publishing 'better' practice providers

- Provide advice on evaluation metrics including quality indicators to support on-going quality improvement

- Assist in the knowledge transfer process (e.g. sector engagement)

Note: For functional/ population-based QBPs, work is underway by ICES to assess data on cost utilization and size of patient cohorts

… however, the vision for HSFR includes also the long-term care and community sector
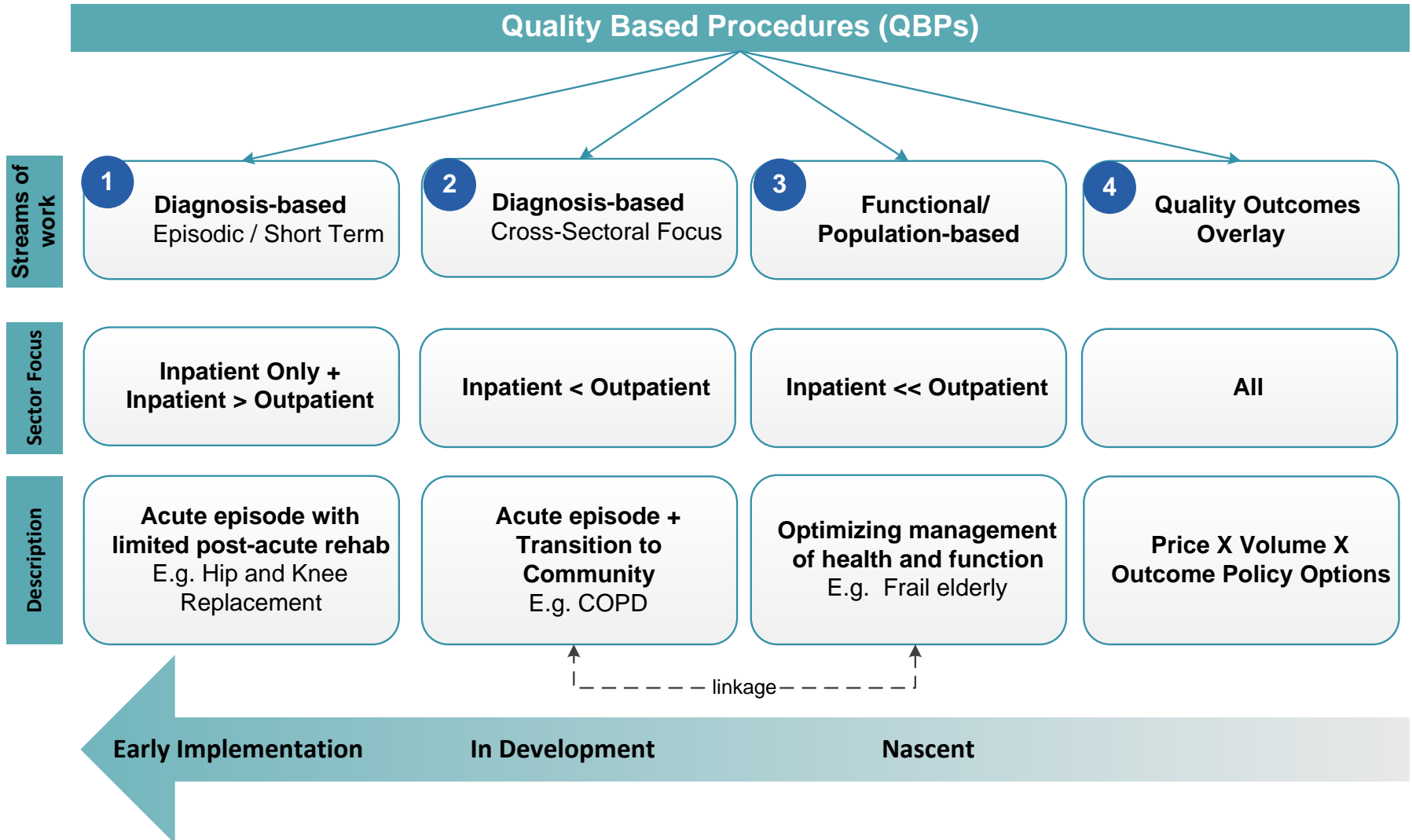
What would HSFR mean in the LTC sector?

- Funding methodology and approach has not yet been established, but will be developed in the context of overall HSFR and the LTC sector funding strategy in order to introduce funding incentives that will link directly to quality

2013/14

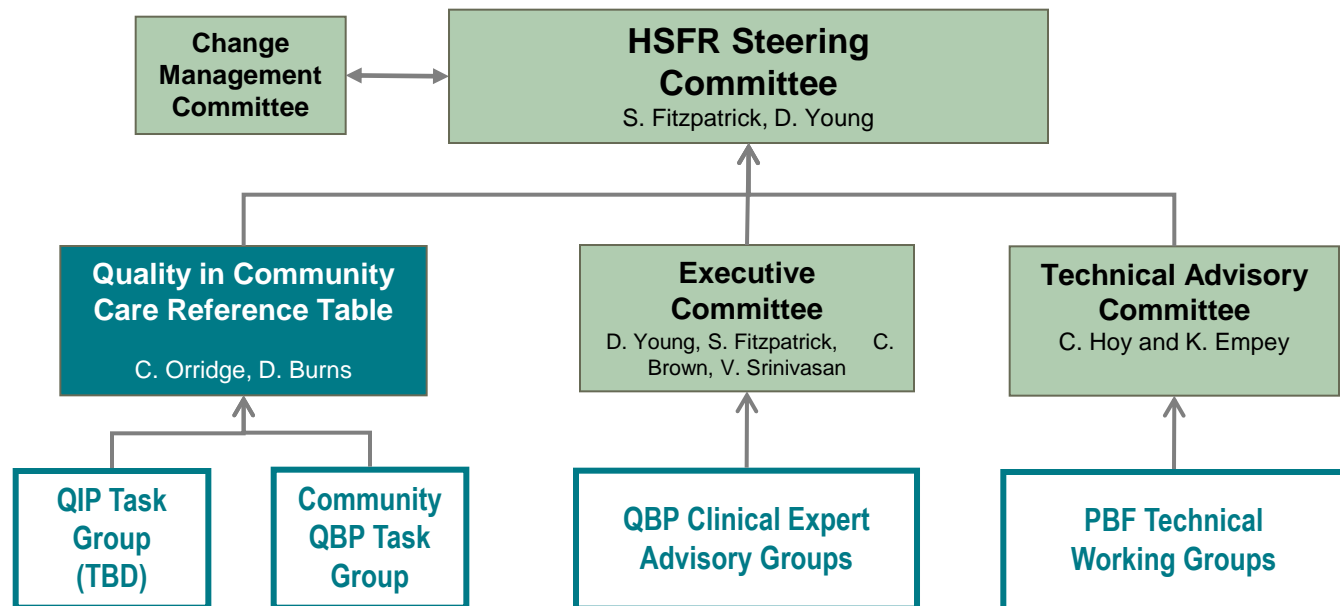Non- Acuity

Acuity-Adjusted

End State

- **Enhanced integration** to address alternate level of care and other related system pressures
- **Promote better utilization** of existing LTCH resources
- **Provide incentives to improve quality** of care and resident experience

Thus, there are four concurrent streams of work

	Quality Based Procedures (QBPs)			
Streams of work	**1** Diagnosis-based Episodic / Short Term	**2** Diagnosis-based Cross-Sectoral Focus	**3** Functional/ Population-based	**4** Quality Outcomes Overlay
Sector Focus	Inpatient Only + Inpatient > Outpatient	Inpatient < Outpatient	Inpatient << Outpatient	All
Description	Acute episode with limited post-acute rehab E.g. Hip and Knee Replacement	Acute episode + Transition to Community E.g. COPD	Optimizing management of health and function E.g. Frail elderly	Price X Volume X Outcome Policy Options

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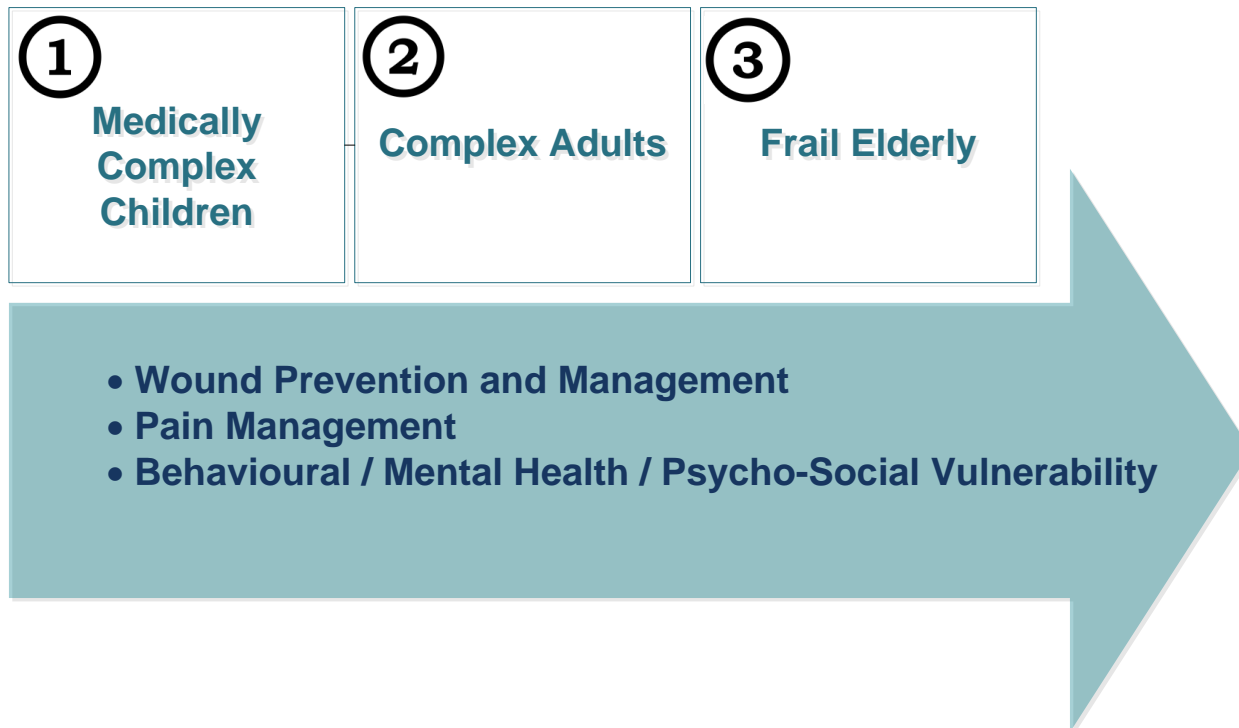**Early Implementation**   **In Development**   **Nascent**

Functional / Population-based QBPs: A Quality in Community Care Reference Table (QCCRT) has been established

- **Co-chaired** by CEO of Toronto Central LHIN and CEO of OACCAC

- **Mandate** of the QCCRT is to provide expert, field-driven advice in order to inform:
  - policy direction on ECFAA expansion/Quality Improvement Plans and Quality Based Funding in the Community and specialized segments
  - sector engagement strategies for input
  - patient engagement strategies for input
  - implementation approach

- A Community QBP Task Group has also been established.
- **OLTCA** is represented at both tables.

Functional / Population-Based QBPs: Three cohorts and cross-cutting characteristics have been identified by QCCRT

- QCCRT has met to discuss potential cohorts for QBP pathway development and funding

- Based on a preliminary assessment of available data and population characteristics, three cohorts with set of three cross-cutting characteristics have been identified

① **Medically Complex Children**

② **Complex Adults**

③ **Frail Elderly**

- **Wound Prevention and Management**
- **Pain Management**
- **Behavioural / Mental Health / Psycho-Social Vulnerability**

Functional / Population-Based QBPs: Next steps

Define cohorts & Gather Evidence

1. **Confirm cohort definitions, size and scope** and comparative outcomes for each.

   Current Focus

Define Outcomes

2. **Define desired outcomes** for each cohort

Gather and Develop Pathways

3. **Identify existing evidence-informed pathways** or best practices associated with each cohort, or clearly identify gaps where no current pathways exist.

4. **Advise pathway development where none currently exist**.

Identify/ advise on policy approach & recomm- endations

5. **Identify the available policy levers** to incent uptake of evidence-informed pathways / reduce outcome variation, e.g. :
   - Funding mechanisms
   - Quality Improvement Plans (QIPs)
   - Expanded public reporting

6. **Inform and advise on the development of policy recommendations**

This is a journey…excellence has NO limit.

For more information:
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www.health.gov.on.ca; www.Ontario.ca/excellentcare

For providers and health care professionals
Excellent Care For All   www.health.gov.on.ca/en/ms/ecfa/pro/
HSFR tp://www.health.gov.on.ca/en/ms/ecfa/pro/initiatives/funding.aspx
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