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OVERVIEW OF THE PROPOSED LOCAL HEALTH SYSTEM INTEGRATION ACT, 2005

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On November 24, 2005, Minister of Health and Long Term Care George Smitherman introduced Bill 36, the *Local Health System Integration Act, 2005*, a bill that gives Local Health Integration Networks (LHINs) operating ability. If passed, the legislation will significantly devolve decision-making authority relating to the planning, funding and integration of the health system to LHINs. The information below is intended to be a brief overview of the proposed legislation.

Purpose of the Act

The stated purpose of the *Local Health System Integration Act* is to provide for an integrated health system to improve the health of Ontarians through better access to health services, co-ordinated health care and effective and efficient management of the health system at the local level by local integration networks. The Act's preamble specifically acknowledges that a community's health needs and priorities are best developed by the community itself.

The Role of Local Integrated Health Networks (LHINs)

The Act establishes 14 Local Integrated Health Networks as corporations, each to cover a specific geographic area within Ontario. Each network is a Crown agent, with the Lieutenant Governor in Council appointing its members. Although each network is defined by geographic area, the Act specifically provides that access will not be limited to the geographic area of the LHIN in which an individual resides.

Local Integrated Health Networks have responsibility for "health service providers", which includes hospitals, Community Care Access Centres, and long term care homes, among others. Physician, dentistry, podiatry and optometry practices are specifically excluded from the Act. The legislation makes Local Health Integration Networks responsible for planning, funding and integrating the local health system.

The Funding and Accountability of LHINs

The *Local Health System Integration Act* sets out that the Ministry of Health and Long Term Care will provide funding to Local Health Integration Networks on the terms and conditions that it considers appropriate. LHINs will enter into accountability agreements with the Minister which include performance goals, standards, and targets. The Act provides the authority for LHINs to reinvest a portion of any savings from efficiencies back into patient care in the community.

Based on the funding provided by the Ministry, LHINs will have the authority to fund health service providers, including hospitals, CCACs, home care, long term care, mental health and addiction, community health centres, and community support services. Health service providers will be required to enter into accountability agreements with LHINs.

Devolution of Authority to LHINs

The Act devolves authority currently resting with the Minister of Health and Long Term Care to the province's 14 Local Health Integration Networks. In essence, most powers, duties, and functions of the Minister with respect to planning local health care priorities and systems have been downloaded to local authorities.

Integration of Local Health Systems

The centrepiece of the Local Health System Integration Act, 2005 is the goal of identifying opportunities to "integrate" the services of the local health systems in order to provide appropriate, co-ordinated, effective and efficient services. The concept of integration is very broad. Integrate is a defined term, which includes not only the co-ordination of services, but also, partnering opportunities, the transfer, merger or amalgamation of services or operations, and the start or cessation of services or operations.

Each LHIN and each health service provider is required to separately and in conjunction with each other, identify opportunities to integrate the services of the local health system. LHINs are required to issue an "integration decision" when they facilitate or negotiate such integrations between service providers, when they intend to compel a health service provider to proceed with an integration or when they intend to compel the health service provider not to proceed. When issuing an integration decision, a LHIN is required to set out the purpose of the integration, the parties to the decision, the actions that the parties are required to take or not take, and the effective date of all transfers of services involved in the integration.

A LHIN may require or compel a health service provider to comply with an integration decision where it considers it in the public interest to do so. Such decisions may require one or more health service providers to cease the provision of all or part of its service, to provide service at a certain level, or to transfer services from one location to another.

A health service provider is entitled to request that the LHIN reconsider a decision to which it is a party within 30 days of the receipt of the decision. The LHIN will then have to reconsider the decision, and choose to confirm, amend or revoke the decision. If the LHIN amends or revokes the decision, no further reconsideration is available.

Finally, health service providers may integrate their services on their own initiative, provided 60 days notice is given to the Local Health Integration Network. Based on this notice, the LHIN may order that the integration not proceed if it considers the integration to be inconsistent with its integrated health service plan, which is discussed in more detail below. A health service provider may request a reconsideration of such decisions within 30 days.

The Minister retains the ability, after receiving advice from the LHINs involved, to order a health service provider to cease to operate or to amalgamate with one or more health service providers, or to transfer all or substantially all of its operations to an entity that carries on operations on a not for profit basis.

The Structure of LHINs

In terms of the LHINs' corporate organization, each LHIN is to have a board of directors with a maximum of nine members, who may hold office for a term of up to three years. Under the proposed legislation, a board of directors has the ability to create its own by-laws in order to operate as a corporation, but by-laws may be subject to the Health Minister's approval.

Meetings of the board of Local Health Integration Networks must be held regularly and must be open to the public. The Auditor General will conduct annual audits of LHINs. Each LHIN will be required to submit an annual report to the Minister detailing its affairs and operations. In addition, LHINs will be responsible for providing reports to the Ontario Health Quality Council.

The Development of Integrated Health Service Plans

The Minister of Health and Long Term Care will develop a province wide "strategic plan" for the provincial health system. Each Local Health Integration Network will then be required to develop a strategic integrated health service plan of its own for the local health system that is consistent with the provincial strategic plan. The integrated health service plan is expected to include a vision, priorities and strategic directions for the local health system.

In developing integrated health service plans, Local Health Integration Networks is required to engage and involve the local community in order to best identify local needs and priorities. Additionally, a Health Professionals Advisory Committee must be established by each LHIN consisting of health care professionals.

Regulation Making Authority

Interestingly, the proposed legislation provides that the Lieutenant Governor in Council can make regulations ordering a public hospital to cease performing non-clinical services and to transfer the services to another person or entity that the regulations prescribe. The regulations can also devolve to a network, any power, duty or function of the Minister under any Act, for whose administration the Minister is responsible.

There is protection from liability for the Crown, the Minister, LHINs and their members, directors, and officers and employees. The Act sets out a public consultation process prior to the making of any regulations.

Implications

The newly announced *Local Health System Integration Act, 2005* realizes the coming of Local Health Integration Networks. It is apparent that the province-wide plan for integration of the health system will have significant implications for health service providers all over Ontario. We will provide further updates about the potential implications of this legislation as it progresses.

For further information or advice or to arrange an educational session, please contact Joshua Liswood, Kathryn Frelick or Jennifer White. Please see our educational program called Examining Bill 36. Thank you to Rebecca Cooper, articling student for her assistance with this communiqué.

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