

MOHLTC Briefing Note: Accountability Reform Initiative in Family Health Teams

ISSUE:

- What are the findings of the analysis of Accountability Reform Initiative (ARI) submissions in Family Health Teams (FHT)?
- What is the status of ARI approvals in FHTs?

ARI OVERVIEW:

- The purpose of the ARI is to change the focus of the ministry-FHT accountability relationship from one centred on line-by-line budget management to one that focuses on the impacts that FHT programs and services are having on their patients and in the communities they serve.
- The ARI will provide FHTs with greater choice, flexibility, and right-sizing capability for human resources, which currently represent 80-90% of FHT budgets.
- In order to pursue this, FHTs were provided with ARI application documentation as part of their annual budget and reporting process. This documentation included:
 1. A *governance assessment*, in which the FHT indicated whether they met a number of criteria in the following areas:
 - a. Strategic Planning;
 - b. Board Self-Evaluation;
 - c. Board Fiduciary Functions;
 - d. Governance Policies; and,
 - e. Organizational Maturity and Track Record.
 2. A *compliance assessment*, in which the FHT indicated whether they were in compliance with their agreement with the Ministry.

Note: a 'nil' response to any of the assessment criteria does not itself result in exclusion from the ARI, as the FHT could explain why certain criteria were not met.

- Once received, ministry staff performed analysis of each ARI application. Steps included in the analysis were as follows:
 - Ministry identified 16 essential criteria (see Appendix A) that FHTs should meet to move forward with ARI:
 - If a FHT met all essential criteria, the FHT was to move forward with ARI, unless additional circumstances were identified that would present a risk moving forward;
 - If a FHT met most but not all of the essential criteria, the Ministry would weigh the impact of the essential criteria that have not been met and assess the relative risk of the FHT's inclusion in ARI;
 - If a FHT did not meet a substantial number of the essential criteria, the FHT would not be eligible to participate in ARI;
 - Spot checked documents and policies that the FHTs attested to having, and worked with FHTs for any clarifications needed;
 - Confirmed whether FHTs that claimed to be in compliance with their Ministry agreement in fact were;

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- Prepared responses for applicants to confirm whether they will be moving ahead with the ARI; and,
- Prepared an amended budget to reflect semi-global budgeting for FHTs moving ahead with ARI.

KEY FINDINGS:

- More than 60% of FHTs applied for ARI, 52% of whom were approved for ARI (details in Appendix B).

LHIN	# of FHTs	# of ARI applications	# of ARI approvals	% of applicants approved
1 – Erie St.Clair	9	5	3	60%
2 – South West	19	18	11	61%
3 – Waterloo Wellington	10	8	7	88%
4 – Hamilton Niagara Haldimand Brant	15	9	2	22%
5 – Central West	6	2	0	0%
6 – Mississauga Halton	7	6	0	0%
7 – Toronto Central	13	6	1	17%
8 – Central	11	6	1	17%
9 – Central East	10	5	3	60%
10 – South East	15	10	4	40%
11 – Champlain	21	10	7	70%
12 – North Simcoe Muskoka	6	4	4	100%
13 – North East	27	15	9	60%
14 – North West	15	8	6	75%
TOTAL	184	112	58	52%

- Overall, the analysis shows a stratification of the sector:
 - Those who did not apply, for varying reasons;
 - Those who did apply and will receive approval; and,
 - Those who did apply and will not receive approval because of:
 - a) non-compliance with their FHT agreement;
 - b) insufficient governance structures and processes.
- The applications demonstrate a core group of FHTs that are functioning at a high level from a governance and compliance perspective.
 - These high functioning FHTs had detailed, and recently reviewed, policies in place that clearly documented the Board's function, and the vision and mission of the organization. They were also fully compliant with their agreement with the Ministry.
 - Based on a review, the ministry has assessed that these FHTs have the appropriate structures and processes in place to manage a flexible budget.
- Beyond this core group of high performers, a number of FHTs who completed their applications were not recommended for participation in ARI at this time.
 - Based on staff reviews, the main reasons for applications not being recommended included:
 - Strategic Plans that were not detailed, not current and did not evolve with the organization and Ministry priorities;
 - Boards did not effectively monitor performance measures in the FHT, many identified they would review the Quality Improvement Plan that is submitted to HQO, but did not specifically monitor other measures;

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- Boards did not have self-evaluation tools or documents outlining Board members' roles and responsibilities;
 - Risk management plans were very limited; and,
 - History of compliance issues, (incomplete reporting, unapproved overexpenditures, incomplete reconciliation of previous year funding, funds owing to ministry).
- A number of FHTs, including FHTs who will be recommended for participation in ARI, undertook activities to develop policies and documents once the ARI applications were submitted.
 - In general, FHTs would benefit from a greater understanding of the following regarding strategic plans, performance measure monitoring, risk management and general board policies:
 - Why they are necessary;
 - How they contribute to running an effective organization; and,
 - Best practices for developing and maintaining documents and policies

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Appendix A:

FHTs who requested participation in the ARI should meet the following **essential** criteria from the attestation document:

Strategic Planning

- FHT has a current strategic plan with clear goals, objectives and monitoring

Board Self-Evaluation

- FHT has a current document outlining the Board members' roles?
- FHT has a Board performance self-evaluation tool?

Board Fiduciary Functions

- FHT has a current document outlining the Executive Director's job description?
- FHT has an Executive Director's performance evaluation tool/process?
- FHT has a current Performance Measures document monitored by the Board on an on-going basis?
- FHT has a current Financial Policies document that outlines the process for budget approval and on-going monitoring?
- FHT has a current Quality Improvement Plan?
- FHT has a current Risk Management plan?

Governance Policies

- FHT has a current Board Policy manual?
- FHT has a signed agreement of Board members acknowledging the Conflict of Interest and Code of Conduct Policies?

Compliance

- FHT has provided ministry with Audited Financial Statements and Audited Statement of Expenditures Report within the allotted timeframe outlined in their funding agreement
- FHT has repaid all funds owing to ministry and is in good standing
- FHT has demonstrated sound financial practices including: transparent financial reporting of revenues and expenditures, reasonable forecasting, securing approval prior to reallocating funds
- FHT does not operate in a deficit