JPPC News
JOINT POLICY AND PLANNING COMMITTEE

A FEW WORDS FROM FRANK MARKEL…

Prior to my recent appointment as Executive Director of the JPPC, I had developed a keen interest in this organization through my work as the Chair of the Adjustment Factors Committee. I have always had a great deal of respect for the JPPC staff, which is a hard working professional team that consistently produces work of exceptional quality.

My orientation to the position as Executive Director was brief as I was immersed in my first project before I had even moved into my office. This high priority project was that of the Hospital Financial Issues Advisory Group whose mandate was to provide the Ministry of Health with a clear picture on the true nature of hospital finances, as well as develop recommendations to help remedy the situation.

At the heart of the JPPC work are funding issues and measurement tools. The JPPC Hospital Funding Committee continues to make recommendations to the Ministry of Health about hospital funding allocations based on analysis. This is an integral role to maintain effective, efficient and equitable hospital funding among hospitals.

We are extremely enthusiastic about the Minister of Health's recent comments regarding the JPPC's role in developing clinical utilization benchmarks. At the time of JPPC's inception, clinical utilization was an area of focus, and we look forward to returning our efforts to this crucial element of health care.

The Joint Policy and Planning Committee represents the bridge between the Ministry of Health and all Ontario hospitals. To me, the JPPC holds an important role in helping these organizations work together to help ensure that the health system remains an efficient and effective system for Ontario residents. ❑

THE RESIDENT ASSESSMENT INSTRUMENT FOR MENTAL HEALTH (RAI-MH): A Project Status Update

A major international research and development effort is underway under the auspices of the Psychiatric Working Group of the Ontario Joint Policy and Planning Committee (JPPC). The goal is to develop a standardized assessment instrument for mental health, currently known as the Resident Assessment Instrument for Mental Health (RAI-MH).

The RAI-MH is a comprehensive, standardized assessment instrument for evaluating the health needs and preferences of individuals who are in need of receiving mental health services. The instrument is designed to be used primarily by trained clinicians. The RAI-MH will inform and guide the formulation of comprehensive care planning in inpatient institutional care settings and can also lend itself to helping inform providers in community-based settings about the mental health needs of an individual following their discharge. The instrument focuses upon a person's functional status and quality of life and allows for appropriate referral as

... continued on page 2

Inside

JANUARY 1999
Volume 7 **Issue 1**

RAI-MH Update... *continued from page 1*

needed. When multiple assessments are made on the same person over a number of different occasions, the collected data provide the basis for evaluating the quality and efficacy of the services the individual received for their mental health problems.

The Four Applications of the RAI-MH Include:

1) *Care planning* primarily, in response to the identified mental health services needs of a person
2) *Funding* using a client-based case-mix measurement/classification system,
3) *Quality improvement* using patient based quality indicators, and
4) *Outcome measurement* based on clinical scales.

PHASE I of the RAI-MH Project:

During the Phase I of the RAI-MH Project, the focus was on the development of the assessment instrument (Version 7 was tested) and an accompanying training manual. The *inter-rater* reliability study of the assessment instrument, involved 262 dual assessments (or 524 cases), and showed high reliability figures. Over 16 hospital pilot sites, with acute, forensic, long-stay and psychogeriatric mental health beds, participated in the reliability study. In addition, over 30 quality indicators are currently in the process of being finalized with the input from both Canadian and international subject experts.

Also, a series of outcome measures have already been developed and validated for use with all versions of the RAI/MDS series of instruments. These include a *Cognitive Performance Scale, Activities of Daily Living Index, a Social Engagement Index, a Health Status Index*, and a recently developed *Depression Rating Scale*. Of particular interest to practitioners and care planners is the fact that the individual items for these outcome scales are embedded directly into the data collection instrument. Assessing a client based on the RAI-MH will, therefore, provide care planners with a number of clinical and psychosocial indices. All of these scales have undergone extensive validation assessments *(including Face, Content, Convergent, Criterion and Predictive Validity)*. Similar evaluations are now underway to determine the validity of these same scales within the RAI-Mental Health instrument.

PHASE II of the RAI-MH Project:

Preparation efforts for the second major Phase – the development of a case-mix for funding purposes – are currently underway. In early 1999, it is anticipated that Phase II will involve a number of hospital sites that have mental health beds across Ontario. Hospitals with inpatient mental health beds will be contacted to plan their involvement in the case-mix study. Full training will be provided to all participating sites.

Recently, Dr. Edgardo Perez, chair of the Psychiatric Working Group, put forward a recommendation to the JPPC Senior Committee, that further funding for hospitals participating in Phase II should be found, in support of the costs of implementation of the RAI-MH. The Ministry of Health responded indicating its willingness to consider the recommendation. It was indicated that efforts would be taken to investigate possible sources of funds.

Following the completion of Phase II (October 1999), an interactive CD-ROM and paper based training manual will be produced. This will facilitate the process of implementation and adoption by hospitals in Ontario, pending the final approval by the Ministry of Health.

The contents of the current RAI-MH (Version 12) were completed in October 1998, and will undergo additional testing, in parallel with the case-mix algorithm development, which is expected to be completed in the fall of 1999.

It is our belief that the RAI-MH will prove to be an invaluable tool for improving the quality of care and increasing the equity of funding for mental health.

Instructions for sending statement of interest to participate in Phase II:
All hospitals with mental health beds, interested in participating in Phase II are encouraged to forward their interest, via fax, using their official hospital letterhead, along with the name and title of their contact to the attention of **Mounir Marhaba**, Director, Resident Assessment Instrument for Mental Health (RAI-MH) Project @ (416) 934-0711. In the interim, inquiries may be forwarded to the attention of **Judy Langfield**, Administrative Assistant at (416) 934-0710 ext.230. ❑

The JPPC Introduces...

Howard Baker joins the JPPC as a Technical Planning Consultant and will provide support for the Small Hospitals Sub-Committee and the Complex Continuing Care Funding Working Group. Howard has worked in the health care field for many years, including previous experience both at the JPPC and the Ontario Hospital Association. Howard is currently pursuing his MBA in Health Services Management at McMaster University.

Vinaya Kulkarni recently joined the JPPC as an Administrative Resident. Last month Vinaya, a Registered Respiratory Therapist, completed her second work-term as part of her MBA in Health Services Management at McMaster University. The JPPC wishes her well in her future endeavours.

BLOOD UTILIZATION

The JPPC Working Group on Blood & Blood Products Utilization met for the first time September 23, 1998. The group is chaired by Scott Rowand of Hamilton Health Sciences Corporation, and brings together members from the Ministry of Health, Ontario Hospital Association, hospitals, and Canadian Blood Services to examine what to this point has been a little known subject. Information on the provincial patterns of utilization of blood and blood products is lacking, and this committee hopes to break new ground in the field. The state of knowledge in this field has been likened to the state of inpatient acute utilization ten years ago.

This provides the group with an opportunity to contribute to the provincial, and potentially the national, discourse on blood and blood products. The key deliverables of the committee include:

- Analysis of historical blood & blood products use in Ontario by linking volumes used to case-mix within hospitals and regions. Regional variation will be analyzed in order to identify issues that need to be addressed in more detail.
- Projection of need for blood & blood products. Using historical utilization data and knowledge of current and future trends in transfusion medicine, a model will be constructed to predict the provincial and regional need for these products;
- Analysis of the costs to hospitals of blood and blood products, including a scenario in which hospitals pay for their blood and blood products. Included in this will be advice to the Ministry of Health on funding issues arising out of the costing study;
- Identification of utilization management strategies that hospitals can use to optimize their blood & blood product management processes.

In his interim report on the Canadian blood system, Justice Krever recommended that the new national blood service be funded by payments from hospitals for the blood components and blood products supplied to them by the blood service. This was one of the factors that is driving an investigation into the provincial utilization of these products. While anecdotal evidence from the recent regional sessions of the Canadian Blood Services (attended by members of the JPPC) suggest that the short supply of some blood components and products is an effective driver of efficient utilization, little is known about the specifics of how much of what type of product is used on which patients.

According to Canadian Blood Services, it is estimated that the cost of blood services in Ontario is $120 million. Of this, approximately $60 million relates to the collection, testing, and distribution of blood components (red cells, plasma, platelets). Little is known systemically about the differences in blood use between hospitals and between regions. The remaining $60 million is spent on fractionated blood products. Fractionated products are manufactured from the pooled plasma of many donors. Since Canada has not historically had a large enough pool of donors to warrant a fractionation plant, these products have been purchased form other countries like the United States. Fractionated products are used in much smaller quantities, but are of much greater cost per unit, and little is known systemically about the circumstances under which they are being used. There is also growing interest in the field of alternatives to blood and blood products, either through different techniques or different products. ❑

*If you have any questions or comments about this project, please contact **Rob Forbes**, Technical Planning consultant, at (416) 934-0710, x233 or rforbes@jppc.org.*

1999 JPPC Regional Sessions

Program

0830h Registration & Continental Breakfast
0900h Welcome & Opening Remarks, Frank Markel Exec. Dir.JPPC
0915h Complex Continuing Care Funding
1000h Ambulatory Care Reporting
1030h Break
1045h RAI-Mental Health
1130h Blood Utilization
1200h Lunch
1300h OHRS Version 4 Updates
1400h Rate & Volume Equity Funding
1445h Break
1500h Update: JPPC Committees
1530h Tell us what's on your mind.
1600h Adjournment

Locations

Monday, Feb.1, 1999
Ottawa
The Westin Hotel

Tuesday, Feb. 9, 1999
London
Best Western Lamplighter Inn

Thursday, Feb. 4, 1999
Thunder Bay
Valhalla Inn

Wednesday, Feb.10, 1999
Hamilton
Sheraton Hotel

Friday, Feb. 5, 1999
Sudbury
Holiday Inn

Friday, Feb.12, 1999
Toronto
Hilton Hotel

*For further information visit the JPPC Web Site **www.jppc.org** or contact OHA Education & Convention Services at **(416) 205-1355***

RELEASE OF SMALL HOSPITALS REPORT

After further data analysis and review of the existing Small Hospital funding formula, the Small Hospitals Sub-Committee (SHSC) has recently released its second report, *Methodology Used to Calculate Small Hospital Funding Model Using 1996/97 Data (RD #7-9)*. This report provides stakeholders with their Actual and Expected Equivalent Cost Per Weighted Case using 1996/97 Ministry of Health hospital specific data. This is a valuable source of comparative information to hospital managers and health care stakeholders that encourages cost-efficient practices among hospitals. The formula used with 1995/96 data is the same methodology used with 1996/97 data.

During the past several years, the JPPC has played a key role in advising the Ministry of Health on calculation of hospital funding allocations. The JPPC developed the Adjustment Factors Funding Methodology as a way to understand the differences in operating costs incurred by hospitals.

In 1997, it was decided that this Adjustment Factors funding formula used for funding "larger" sized acute care hospitals was inappropriate for funding smaller sized acute care hospitals (i.e., largely peer group 7 hospitals). These smaller sized hospitals are met with many challenges that "larger" hospitals are not. Thus, the Small Hospitals funding formula was developed to provide a way to understand cost variation among those Ontario small acute care hospitals that result from the presence of factors beyond their control.

The formula includes a "size adjustment" and an "isolation adjustment". As well, this funding formula is based on total activity (i.e., acute, newborn & day surgery; emergency visits; chronic patient days; rehabilitation patient days; and ELDCAP patient days). In other words, inpatient and emergency statistics are converted into a common denominator and are 1) used along with actual direct expenses (i.e., all operating expenses less external and/or inter-facility recoveries) to derive actual costs per patient volume; and 2) applied to the formula to predict direct expenses. Calculating what is referred to as an "equivalent weighted case" derives a common denominator. Thus, patient days and patient visits are converted into an equivalent weighted case. This is a critical feature of the JPPC Small Hospital funding formula.

The SHSC had considered revising the Small Hospital Definition to exclude those facilities above the 95th percentile for equivalent weighted cases in future funding scenarios. Those facilities that were above this percentile would be considered as large acute care hospitals and would be shifted into the large acute care hospital funding formula. Four hospitals, with equivalent weighted cases above the 95th percentile using 1996/97 data, would have been affected by this revision.

Future plans for the SHSC may include the development and/or application of other adjustments (e.g., complexity, tertiary/teaching activity, multi-sites, socio-demographics, etc). ❑

*For further information regarding the activities of the Small Hospitals Sub-Committee, please contact **Howard Baker** at (416) 934-0710 (ext. 241) or by E-mail at: hbaker@jppc.org*

More detailed information describing the Small Hospital funding model can be found in the above mentioned report as well as in these other JPPC Reference Documents: An Approach for Funding Small Hospitals (RD #5-1), Understanding How Ontario Hospitals are Funded: An Introduction (RD #6-11). Copies of these documents can be obtained via the JPPC web site at www.jppc.org

RESIDENTS, INTERNS and CLERKS… OH MY! Medical Trainee Data Submissions

You can always tell when Fall has arrived as hospitals receive notification to submit medical trainee data to the JPPC.

In August, hospitals were asked to provide this information a little bit earlier than usual as a result of the Hospital Funding Committee's schedule to provide hospitals with 1997/98 data by the end of December. We would like to extend our appreciation to all hospitals for the timely manner in which the data was submitted. We would especially like to thank all of those individuals who took time out of their vacation schedules to provide this information. To date all of the hospital data has been received, verified and updated to reflect corrections to the original data submitted. Consequently, medical trainee data is now ready for submission to the Hospital Funding Committee. Congratulations to all for making this happen!

As a reminder, the JPPC will be collecting medical trainee data on an **annual basis effective May 31st**. Please ensure you have procedures in place and a key contact identified for communicating with the JPPC on issues concerning this data.

*For further information, please contact **Caroline Rafferty** at 416-934-0710 ext 223 or e-mail at crafferty@jppc.org*

FAREWELL AND WELCOME

JPPC sadly bids farewell to Executive Director Steve Isaak, who has recently accepted the position of Executive Director of the newly merged Halton-Peel District Health Council. Steve came to the JPPC during a time when the industry was approaching a peak in its restructuring efforts. Steve provided the guidance and vision to carry the JPPC forward in a time where unpredictability and difficulty were common place. In his new position, Steve will face many new challenges in planning health services in one of the most rapidly changing areas of the province. The staff of the JPPC Secretariat wish him the best in his new endeavors and will sincerely miss his leadership.

We also say goodbye to Tom Closson, Chair of the JPPC's Hospital Funding Committee, who has accepted the position of President and Chief Executive Officer of the Capital Health Region in Victoria, British Columbia. Under Tom's leadership and extensive history with JPPC Committees, the Hospital Funding Committee helped steer hospitals through a difficult period of transfer payment reductions and restructuring. Tom was instrumental in moving forward the JPPC's vision of an equitable and cost-efficient hospital system in Ontario. Tom is accorded with raising the profile and impact of JPPC activities and raising the industry's recognition of the benefits of the partnership between the Ontario Hospital Association and Ministry of Health through the JPPC.

On a happier note, the JPPC would like to welcome its Executive Director Frank Markel, PhD. The JPPC staff is delighted to welcome Frank back to the JPPC. Frank already has a history of providing leadership and counsel to the JPPC in his capacity as Chair of the Adjustment Factors Working Group of the JPPC from 1994 – 1996. His work was instrumental in developing the Adjustment Factors Model, which has been the cornerstone of JPPC's funding projects to date. Franks brings a wealth of experience in hospital administration, provincial funding initiatives, and academia to his new position at the helm of the JPPC.

Prior to his appointment, Frank held the position of Executive Vice-President of the Rehabilitation Institute of Toronto since 1997. In addition, Frank has held a number of senior positions in Health Administration, including President and CEO of Hillcrest Hospital, where he played a lead role in its merger with the Queen Elizabeth Hospital to form the Rehabilitation Institute of Toronto. From 1987 to 1993, Dr. Markel held the position of Vice-President, Planning and Development at St. Joseph's Health Centre in Toronto.

He also served as the Executive Director of the Ontario Council of Teaching Hospitals from 1984 to 1987. As well, he has been an Assistant Professor in the Department of Health Administration at the University Of Toronto since 1977.

In addition, JPPC is happy to congratulate Allan Greve, CEO of St. Joseph's Hospital, Hamilton, on becoming the new Chair of the Hospital Funding Committee. Prior to his work in Hamilton, Mr. Greve was the CEO at Scarborough General Hospital. For several years he has served as a member of the OHA Board of Directors, and has been a member of several other Boards, including the Ontario Council of Teaching Hospitals, the Catholic Health Association and the Hospital Council of Metropolitan Toronto. He holds a graduate degree in Health Administration from the University of Toronto. The staff of JPPC looks forward to working together with Allan and the Hospital Funding Committee in these challenging times. ❑

FUNDING FOR COMPLEX CONTINUING CARE

On April 8, 1998 the Ministry of Health approved the use of Resource Utilization Groups III (RUG III) for the purpose of developing a funding methodology for chronic care facilities and chronic care units in public hospitals.

The Ministry of Health will develop the care planning, policy planning and utilization management (i.e., outcome measurements, quality indexing) capabilities of RUG III in parallel to this resource allocation component.

The JPPC has recently established the Complex Continuing Care Funding Working Group (CCCFWG) to plan the development and implementation of this new funding methodology.

The CCCFWG's work plan includes the following:

- Recommend the version of RUG III to be adopted in Ontario
- Update and recommend RUG III weights for Ontario using Ontario's wage weights
- Identify and isolate hospital costs related to RUG III patient activity and recommend a methodology that complements cost methodologies now in place
- Calculate and recommend total RUG III weighted activity by hospital
- Recommend a funding approach for

... continued on page 6

AMBULATORY CARE REPORTING: First Step: Are We Ready?

The Joint Policy and Planning Committee has evaluated and is currently preparing for the implementation of ambulatory care reporting. In August 1998 the Hospital Funding Committee approved the recommendations of the Ambulatory Care Funding Working Group to use CIHI's National Ambulatory Care Reporting System (NACRS) from which to fund hospital based ambulatory care activities. In September 1998, the JPPC Ambulatory Care Implementation Team (ACIT) was formed to plan for the implementation of NACRS. The objective of this team is to develop a phased approach to implementation beginning with Emergency Services implementation in June 1999, followed by Ambulatory Clinics in February 2000. Day surgery will not be included in this process.

The first task for the implementation team is to assess the degree of readiness from which hospitals are able to collect and submit **Emergency Services** data. To achieve this, a readiness survey for emergency services reporting is currently being developed and tested at various teaching, community and small/rural hospitals. It is anticipated that the survey will be ready for distribution to all Ontario hospitals by mid-December. To assist in the gathering of this data, and ensure multiple stakeholder input to the survey the Ambulatory Care Implementation Team suggests that each hospital assemble an ambulatory care reporting task force. In addition to completing the readiness survey, this team would be responsible for addressing issues concerning ambulatory care reporting implementation at the local level and communicating with the JPPC. A member of this team would be the JPPC's primary contact for ambulatory care reporting.

Input from hospitals is an important aspect of the work at the JPPC and is seen as an essential element in the development of processes and policy that is accurate and relevant to our health care system. We are looking forward to working with you in the development of an ambulatory care reporting system that will provide a reliable baseline from which to equitably fund ambulatory care activities. ❑

*For further information, contact **Caroline Rafferty** at 416-934-0710 ext. 223 or e-mail at crafferty@jppc.org. A copy of the ACFWG report can be obtained from the JPPC website at http:/www.jppc.org.*

Funding for Complex Continuing Care

... continued from page 5

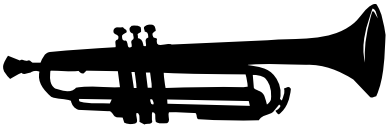
determining patient and hospital-specific allocations

- Develop and evaluate various funding models and recommend the model that most fully satisfies predetermined principles, approach and criteria
- Assist the Ontario Hospital Association and the Ministry of Health to communicate the principles, assumptions and approach that underlie the recommended funding model

The CCCFWG plans to rollout the funding model by July 1999 in order to begin implementing the model for funding by April 1, 2000. ❑

*For further information regarding the activities of the JPPC Complex Continuing Care Funding Working Group, please contact **Howard Baker** at (416) 934-0710 (ext. 241) or by E-mail at hbaker@jppc.org*

Happy New Year!



from all of us at the JPPC

JPPC News

Please send all inquiries, submissions or letters-to-the-editor to:
Frank Markel
Executive Director, JPPC Secretariat
175 Bloor Street East, North Tower,
Suite 702, Toronto, Ontario, M4W 3R8
Tel: (416) 934-0710 Ext. 222
Fax: (416) 934-0711 fmarkel@jppc.org

Editorial Board:
Nizar Ladak (nladak@jppc.org)
Mounir Marhaba (jppc@interlog.com)
Rob Forbes (rforbes@jppc.org)
Howard Baker (hbaker@jppc.org)
Caroline Rafferty (crafferty@jppc.org)

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http://www.jppc.org