



Ministry of Health and Long-Term Care

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Health Care Professionals



Academic Health Science Centres Alternative Funding Plans

AHSC AFP : Update : Vol. 2 - September, 2002

AHSC AFP Provincial Steering Committee

The second AHSC AFP Provincial Steering Committee meeting was held in Toronto on September 23. Once again, attendees included academic physicians, representatives from medical schools, teaching hospitals, members of the Physician Services Committee and other key stakeholders.

Dr. David McCutcheon, Assistant Deputy Minister, Health Services Division, opened the meeting by welcoming the group and commending them on the progress made thus far with the AHSC AFP initiative. Attendees were also reminded that it is imperative to submit the pre-AFP assessments to the ministry as soon as possible in order to ensure that the negotiation process remains on track.

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Items discussed at the meeting were :

[Draft AHSC AFP Framework](#)

The challenge facing the ministry and its key stakeholders is to make the transition from the Report of the Provincial Working Group's vision to a legal document that all parties to an AHSC AFP will sign. A draft AHSC AFP framework is currently being developed to capture the deliberations of the parties and to meet government, institutional and physician accountability requirements.

This developing framework agreement was tabled at the meeting for attendees to take for review and comment. This presentation is also included on this website and attendees are asked to provide input to their ministry lead.

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Regional Site Updates

Discussions on the AHSC AFP are progressing at various regions/sites and updates on this progress were provided by ministry leads Alison Pilla and Bernita Drenth, as well as representatives from the regions/sites.

Toronto :

- University Health Network (UHN) and Mount Sinai Hospital (MSH) are proceeding on the basis of a single AFP. The pre-AFP assessment was submitted early in the Spring 2002. The discussions are proceeding through a central coordinating committee. Some additional sub-groups have been established to deal with particular issues including data collection, governance and deliverables. All sub-groups report back to the central coordinating committee. The process for formulating a common data set has taken some time but all parties are proceeding quickly. The data collection process at UHN/MSH may well provide an approach for future negotiations. The physicians, the hospitals, and the ministry are committed to an early conclusion to negotiations, and are working aggressively to meet the challenge.
- Bloorview MacMillan Children's Centre (BMCC) submitted their pre-AFP assessment in Spring 2002. They have established a small team to facilitate discussions with the MOHLTC. The ministry is currently working with BMCC to finalize the common data set and believe they can complete negotiations in the very near future.
- St. Michael's Hospital (SMH) has established a steering committee and an AFP working group. Ministry representatives have met with the working group to review the Provincial Working Group report and to engage in general discussions. The hospital reports a very strong level of interest by their physicians in exploring an AFP, i.e., at least 75 per cent of every clinical department. The hospital is currently completing its pre-AFP assessment.
- Sunnybrook and Women's College Health Science Centre (SWCHSC) has established a steering committee. Ministry representatives held a preliminary meeting with SWCHSC during the Summer of 2002. The hospital is currently engaged in its own pre-AFP assessment.
- The Centre for Addiction and Mental Health (CAMH) has held two informal meetings with the ministry. Ministry representatives will meet with CAMH officials again in October.
- The Toronto Rehabilitation Institute has established a steering committee and their pre-AFP assessment is underway. Ministry representatives have met with Toronto Rehab twice to explore interest and to explain the process.
- The Baycrest Centre for Geriatric Care has established a steering committee and their pre-AFP assessment is underway. Ministry representatives have met with Baycrest representatives several times to discuss the process and to answer questions from staff physicians.

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Ottawa :

- Ministry representatives have had a number of meetings with physicians, university and hospital representatives at the three hospitals in the Ottawa AHSC -The Ottawa Hospital (TOH), Sisters of Charity of Ottawa Health Services Inc. (SCO) and Royal Ottawa Health Care Group (ROHCG).
- The Ottawa Hospital has established a steering committee supported by a physician advisory group and their pre-AFP assessment has been submitted to the ministry. The hospital has established a committee to consider governance issues.
- The ministry has met with the Royal Ottawa Health Care Group (ROHCG) on a number of occasions and ROHCG is forming a steering committee. Hospital physicians have not yet signaled formal interest in moving forward.
- The Sisters of Charity of Ottawa Health Services Inc. (SCO) has established a steering committee and have had discussions with the ministry. The hospital also participates in The Ottawa Hospital's AFP discussions and is contributing to their self-assessment.
- Discussions continue regarding the Ottawa Heart Institute (OHI) and its request for separate negotiations. The OHI is not a separate hospital as

defined by The Public Hospitals Act and therefore TOH would have to be signatory to any AFP agreement involving OHI physicians and be a party to the governance structure. As such, the ministry is encouraging The Ottawa Hospital, the Ottawa Heart Institute and the university to agree on a proposal for moving forward on this issue.

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London :

- The London AHSC has established an AFP working group encompassing physicians, the university, London Health Sciences Centre and St. Joseph's Health Care staff. The working group is preparing its pre-AFP assessment and is also working on a possible governance structure under the AFP

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Hamilton :

- The Hamilton AHSC has established a steering committee encompassing physicians, the university, Hamilton Health Sciences Corporation and St. Joseph's Health Care staff. The steering committee is charged with overseeing the process of considering an AFP. A council of physician representatives is also being formed.

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Data Collection

Because data collection activities are an integral component in the AHSC AFP negotiations process, the ministry is presently developing data templates that will be helpful in tracking AHSC physician income related information and relevant hospital data.

These draft templates are currently being piloted at the University Health Network (UHN)/Mount Sinai (MSH) in order to ensure that relevant stakeholder input is integrated. If you are interested in finding out more about these templates, please contact your ministry lead.

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Governance Principles

The definition of and composition of governance structure as well as guiding principles from past agreements was also raised at the Provincial Steering Committee meeting. It was noted that AHSCs are subject to a variety of existing accountability mechanisms - e.g. the university's academic structure, practice plan guidelines etc. - and that each of the parties, including the ministry, has every intention of respecting those existing internal mechanisms. The ministry made a commitment to drafting and distributing a discussion document on this subject that will be used to facilitate local [governance structure](#) discussions.

As an interim measure, Dr. David McCutcheon referred attendees to a document written by Charles J. Wright entitled [SEAMO Review of Governance and Accountability](#).

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Funding Principles

The topic of funding principles generated a comprehensive discussion and all parties agreed that defining and implementing funding principles is a priority.

As AHSC funding flows from a variety of sources, these funding principles will be instrumental in ensuring that the \$75 million in funding is distributed in a fair and realistic manner between the four AHSCs. These principles will also aid in developing common approaches to funding through a transparent process that allows for the integration of unique local issues. Through adherence to these principles, all parties will help demonstrate a commitment to move forward with the negotiation process.

One area of concern among attendees was that sites that move forward through the negotiation process rapidly will be allocated more funding than those that require more time. One of the ministry's guiding principles during this negotiation process is that funding distribution will be equitable and not administered on a first-come, first-served basis.

The direction from the Provincial Steering Committee is that AHSCs need to demonstrate a commitment to the negotiation process for the ministry to have a clear picture of who is "on board". Once participation has been confirmed, the ministry can determine how to proceed with funding that will be fair to all parties.

The commitment to give AHSCs the opportunity to join AFPs was announced as a government priority in Budget 2000. The progress of this initiative must retain its priority status in order for the funding to flow.

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Building in Flexibility

Building flexibility into AFPs was another topic of discussion at the meeting. AHSC representatives are concerned that by entering into an AFP, they will be "boxed" into inflexible agreements that will not reflect organizational changes as they occur. Building flexibility into AFPs is a priority for the ministry, and has been demonstrated in past agreements such as the Children's Hospital Academic Medical Organization (CHAMO) agreement.

Flexibility mechanisms are required to account for changes that include human resource shifts, strategic shifts in the hospital operating plan, educational workload adjustments and changes in the way healthcare is delivered.

To manage changes in workload an organization must be able to clearly articulate their deliverables and design an effective system to measure them. Funding will be tied to performance. The ministry's goal is to ensure an appropriate balance between a common means of measurement and flexibility, and welcomes stakeholder input in this process.

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Departments of Family Medicine

The ministry has been receiving inquiries from Departments of Family Medicine regarding the ongoing Alternative Funding Plan (AFP) negotiations with physicians in Academic Health Science Centres (AHSCs). Departments of Family Medicine in

AHSCs are being encouraged to first enter into consultations with the Ontario Family Health Network (OFHN) regarding the establishment of Family Health Networks (FHNs). The FHNS would then be merged into broader AFPs.

As an initial step, the OFHN is suggesting that interested parties request a revenue impact analysis. This analysis will compare physicians' current revenue with their earning potential in a FHN. More than 750 interested physicians from across the province have expressed an interest in learning about the benefits that the FHN model offers. Most of these physicians have completed a revenue analysis and many of them have found that the FHN model is a benefit to both them and their patients and are now taking steps to form their own FHNs.

If you want more information about Family Health Networks and how they can benefit you, or about the steps to request a revenue analysis, please contact the Ontario Family Health Network at 1-866-766-0266, or the [OFHN Web Site](#).

September 23, 2002

FOR MORE INFORMATION

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