



MOHLTC/LHIN CAPITAL WORKING GROUP BULLETIN

ISSUE #4
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New MOHLTC/LHIN Joint Process Planned to Unfold for Early Capital Planning

The Context

The MOHLTC/LHIN Capital Working Group has been developing a framework for obtaining LHIN advice in the early stages of capital planning, in keeping with the Ministry-LHIN Accountability Agreement (MLAA). The framework is intended to reinforce the importance of the LHIN's involvement in the following:

- Developing program and service projections for the local health system;
- Providing direction for program and service integration, collaboration, and alternate service delivery models including key support functions;
- Setting short-term program and service priorities for implementation;
- Supporting process re-engineering initiatives which will help to ensure exploration of a range of alternate service delivery models and methods as part of its early system planning.

The ministry has begun to work with LHINs using this draft framework. As the process unfolds, there is opportunity to revise the framework to ensure that it is workable for all players, including health service providers (HSPs), LHINs and ministry.

Early Capital Planning

Each of the early capital planning stages (Pre-Capital, Stage 1/Proposal, Stage 2/Functional Program) is proposed

to be separated into two distinct parts for the purposes of review of an HSP's submission, with program and service elements constituting Part A and physical and cost elements constituting Part B. At each of the early planning stages, it is proposed that Part A be submitted to, reviewed, and endorsed by the LHIN Board prior to an HSP's submission of both Parts A and B to the ministry for review.

The ministry and LHINs will work to ensure that the programs and services submission (Part A) is aligned with the proposed physical solutions (Part B) prior to approving an HSP's submission. The group is exploring how the process to ensure this alignment will work.

Pre-Capital Planning:

The Working Group is proposing the creation of a "Pre-Capital Health System Improvement Initiative" form (PC-HSIP). The purpose of pre-capital planning is to allow the LHINs and ministry to review the HSP's intent regarding planning for a major capital project. The components of Pre-Capital planning are as follows:

- *Part A: Program Proposal*
 - Alignment with local health system planning
 - Community engagement
 - Evidence-based
- *Part B: Development Concept*
 - Proposed physical improvement
 - Site planning implications

LHINs would lead the review of Part A and provide board endorsement prior to the HSP submitting both components (Parts A and B) to the ministry for review and acceptance.



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This would assist in ensuring that the HSP's program proposal is aligned with LHIN planning and priorities prior to a HSP advancing to Stage 1/Proposal.

Stage 1 Proposal:

In Stage 1, the HSP plans include: future demand for services; high-level space requirements for proposed services; condition of existing facilities and options for renovation or new construction; costs and benefits of pursuing different options.

The components of a Stage 1 submission are as follows:

- *Part A: Service Delivery Model Report*
 - Master Program
 - Preliminary operating cost estimate
 - Service delivery options analysis
- *Part B: Service Support Infrastructure Report*
 - Master Plan
 - Business case/options analysis
 - Facility Development Plan

In the proposed framework, LHINs would lead the review of Part A to evaluate issues such as; type or model of service being proposed; quantity or level of service; geographic location of service; implications for future operating costs.

The ministry would lead the review of Part B to consider resource availability and relative priority provincially; alignment with overall government vision; appropriateness of proposed capital infrastructure solutions. Even if both Parts A and B are supported, it should be noted that Government-level approval is required prior to proceeding to Stage 2.

Stage 2 Functional Program:

In Stage 2, the HSP plans the detailed scope of the project with regard to the proposed program and services, associated workload, staffing, equipment and space requirements, including architectural and environmental conditions.

The components of a Stage 2 submission are as follows:

- *Part A: Program Parameter Report*
 - Summary of program and service requirements
- *Part B: Functional Program*
 - Design and spatial requirements
 - Block Diagrams
 - Phasing plan
 - Project budget
 - Project schedule

LHINs would lead the review of Part A to evaluate whether the submission gives consideration to how the HSP's proposed service delivery model(s) aligns within the continuum of care in the LHIN; provides opportunities for alternative service delivery models for key support functions; demonstrates improvements in effectiveness and efficiency of care delivery; promotes integration.

The ministry would lead the review of Part B to evaluate whether the proposed design includes acceptable operational processes, workflow, relationships and adjacencies, rooms and space requirements, as well as a viable project cost estimate and local share plan.



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Following ministry support of Part A and Part B, the HSP would advance its project through the design stages under the ministry's review and approvals process, seeking LHIN advice with respect to any program or service changes.

Stakeholder Consultation

At a stakeholder consultation session held on May 7, 2009, the MOHLTC/LHIN Capital Working Group brought together representatives from the hospital and community sectors to obtain feedback on the Draft Discussion Paper that outlines the framework for early capital planning, and identifies the critical roles for LHINs in advising on program and service planning linked with ministry review of physical facility and cost elements.

Some of the comments received from the stakeholder consultation were as follows:

- Any revisions to current planning process need to be well understood and communicated to LHINs, HSPs, and ministry staff;
- There needs to be standardization of approach for review and approval of HSP submissions across all LHINs;
- Ensure that each stage of early planning is distinct to ensure that there is no unnecessary duplication of effort;
- Consideration should be given to HSP Proposal submissions on an annual planning cycle and identified as part of HSP accountability agreements;
- The planning, review, and approvals process needs to be flexible to deal with the size of submission (major

vs. minor proposals) and the range of HSPs submitting proposals (hospital and community providers).

Next Steps

Through internal discussion and consultation with its stakeholder group, the MOHLTC/LHIN Capital Working Group has identified the following next steps:

- Presentation of Discussion Paper to LHIN CEOs and Senior Directors – summer 2009;
- Once LHIN CEOs and Senior Directors have had an opportunity to review and discuss the Discussion Paper, it will be presented to the Ministry Management Committee and LHIN CEOs joint committee (MMC/LHIN CEOs) for endorsement – fall 2009;
- Training and orientation sessions for those directly involved with the capital planning process including LHINs, MOHLTC, HSPs, Consultants, others;
- Assessment of human resources in ministry and LHINs to identify required skill sets and expected workload;
- Ongoing development and evaluation process that will provide opportunities for ongoing feedback and evaluation, including a schedule for the development of tools to support reviews as well as for updates to the Discussion Paper as the process unfolds.

Other

- As outlined in the MAAA, the Capital Working Group is planning for the divestment of own funds capital projects to LHINs and will communicate its progress at a later date.



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Working Group Membership

Name	Title	Organization
Michael Barrett	CEO (Co-Chair)	South West LHIN
Meryl Hodnett	Manager, Capital Projects, GTA (Co-Chair)	MOHLTC, Health Capital Investment Branch
Pat Stoddart	Senior Director, Performance, Contract & Allocation	Central West LHIN
Deborah Hammons	CEO	Central East LHIN
Vic Sahai	PICE Senior Consultant (Acting)	South East LHIN
Cindy Webster	Senior Funding and Allocation Consultant	North Simcoe Muskoka LHIN
Bill Campbell	Director, Health System Development	Mississauga Halton LHIN
David W.W. Clarke	Director	MOHLTC, Health Capital Investment Branch
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