

Clause 11 in Report No. 8 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on May 19, 2016.

11

Hospital Capital Funding – Memorandum of Understanding Allocations - 2016

Committee of the Whole recommends:

1. Receipt of the presentation by Norm Barrette, Chief and General Manager, Paramedic and Seniors Services, Community and Health Services regarding “Paramedic Response Time”.
2. Adoption of the following recommendations contained in the report dated April 20, 2016 from the Commissioner of Community and Health Services:
 1. Council approve the 2016 capital contribution allocations to the Hospital Reserve fund for hospital construction of \$14.176 million.
 2. Council recognize Mackenzie Health (Richmond Hill)’s bonafide efforts and demonstrated progress towards achieving its EMS off-load targets and that the Region not exercise its discretion, under the Hospital Capital Funding Memorandum of Understanding (MOU), to reduce funding to Mackenzie Health (Richmond Hill).
 3. The 2016 contribution be allocated to the participating hospitals, in accordance with the 2009 funding agreement, in the following proportionate shares:

Summary of 2016 Hospital Funding

Hospital	2016 Potential Funding	Paramedic Services Costs Due to Off-Load Delays (Based on 2015 Performance)	2016 Actual Funding Available
Mackenzie Richmond Hill	\$ 1,927,979	0	\$ 1,927,979
Markham Stouffville	3,841,781	0	3,841,781
Southlake	2,027,213	0	2,027,213
Mackenzie Vaughan	6,379,340	0	6,379,340
Total	\$ 14,176,313	0	\$ 14,176,313

Report dated April 20, 2016 from the Commissioner of Community and Health Services now follows:

1. Recommendations

It is recommended that:

1. Council approve the 2016 capital contribution allocations to the Hospital Reserve fund for hospital construction of \$14.176 million.
2. Council recognize Mackenzie Health (Richmond Hill)'s bonafide efforts and demonstrated progress towards achieving its EMS off-load targets and that the Region not exercise its discretion, under the Hospital Capital Funding Memorandum of Understanding (MOU), to reduce funding to Mackenzie Health (Richmond Hill).
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2. Purpose

This report provides an annual update to Council on the MOU and recommends Council approve the 2016 capital contribution allocation of \$14.176 million. Mackenzie Hospital (Richmond Hill) did not meet the 30 minutes average target time in 2015 however the hospital has taken immediate action in 2016 to address

the off-load delay. Through these actions, in partnership with York Region Paramedic Services, they have already achieved impressive results and it is recommended that Mackenzie (Richmond Hill) receive the full amount under the MOU.

3. Background

York Region has a long history of contributing to the capital costs of hospital expansion

Municipal contributions to capital costs for hospital expansions were made prior to the formation of The Regional Municipality of York. Cumulatively to the year 2000, York Region contributed \$51 million to York Region hospitals for expansions. From 2001 to 2009, Regional Council provided additional support totalling \$62.4 million.

The Province funds up to 90 percent of the “bricks and mortar” for hospital construction. Once equipment and furnishings are accounted for, the provincial share actually accounts for approximately 65 percent of the cost. Thirty-five percent remains to be funded from “community sources”.

Current York Region Hospital MOU was signed November 2009

On October 9, 2009, Council authorized the Chairman and the Chief Administrative Officer to execute the Hospital Capital Funding MOU, and on November 19, 2009 the MOU was signed by all parties. For a summary on the provisions of the MOU, see Attachment 1.

On January 26, 2012, Council authorized an amendment to the 2009 agreement to reflect changes in cash flow from the Province, and advance Regional funds for planning and design. The amended agreement was not executed between the parties as the Province announced funding in the spring of 2013 for expansion planning and design costs for the Mackenzie Hospital Vaughan project.

On May 17, 2012 Council recommended that the parties work together on a new off-load delay calculation and off-load target. In September 2012, Council approved using the residual difference of the two different methods of calculation (current method under the MOU versus a proposed method that is specific to hospital-controlled time) to fund projects that could reduce off-load delay and report back to a future Council on progress. In 2013 and 2014, Council held back funding pending the finalization of a new methodology for off-load delay calculation and collaborative work toward improved efficiencies.

Multi-year performance targets were agreed upon for Paramedic Services off-load delays

For the purpose of the MOU, off-load delay is calculated from the time when an ambulance arrives at the hospital with a patient, to the time that the ambulance leaves the hospital.

All of the MOU signing partners agreed to off-load delay targets for each year based on a decrease in 10 minute increments from 70 minutes in 2010 to 30 minutes in 2014. It is expected that the 30 minute target will prevail through 2031.

Thirty minutes was chosen as the desirable target for the time required to off-load patients at hospitals because it was considered the industry best practice and standard for Ontario based on recommendations of the 2005 Expert Panel on Ambulance Effectiveness. In 2008, the Ministry of Health and Long-Term Care began funding the Dedicated Nurse Off-Load Program. This program assigned nursing staff the task of accepting patients transported by paramedics. In 2009, the average in-hospital time for all three regional hospitals combined was 78 minutes. Since 2009, the average in-hospital time has decreased by 64%.

In January 2015, a revision that blends the current transfer of care calculation method with the hospital preferred method was approved by Council

In January 2015, Council approved a revised methodology to calculate the hospital's transfer of care performance time to better reflect the true transfer of care performance. The new methodology uses times from the Ambulance Dispatch download Access System and York Region's Paramedic Services electronic patient record system to measure key time intervals and improve accuracy. This methodology was created as a result of the collaborative efforts by York Region hospitals and York Region Paramedic Services.

4. Analysis and Options

2016 funding allocations are determined by hospital performance and assessment growth

As per the MOU, the annual contribution is indexed based on assessment growth. Assessment growth is determined by the Municipal Property Assessment Corporation on an annual basis and Table 1 provides a summary of the annual allocations, assessment growth and off-load delay reductions since 2009. The annual allocations are apportioned between the hospitals based on the proportionate shares in the MOU as follows:

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Markham Stouffville Hospital – 27.1%

Southlake Regional Health Centre – 14.3%

Mackenzie Richmond Hill – 13.6%

Vaughan Hospital (Mackenzie Health) – 45.0%

Table 1
Summary of Annual Allocations

Year	Base Allocations (\$)	Assessment Growth (%)	Increase Due to Assessment Growth (\$)	Total Allocation After Assessment Growth (\$)	Off-Load Delay Reductions (\$)	Available Allocation For all Hospitals (\$)
2009	8,000,000	n/a	n/a	8,000,000	n/a	8,000,000
2010	12,000,000	2.70	324,000	12,324,000	n/a	12,324,000
2011	12,324,000	3.10	382,044	12,706,044	691,200	12,014,844
2012	12,706,044	2.87	364,662	13,070,706	861,208	12,209,498
2013	13,070,706	2.23	291,810	13,362,516	679,064	12,683,452
2014	13,362,516	2.06	275,394	13,637,910	876,381	12,761,529
2015	13,637,910	2.15	293,215	13,931,125	0	13,931,125
2016	13,931,125	1.76	245,188	14,176,313	0	14,176,313

Reductions for the off-load delays are applied to each hospital based on their specific performance in the preceding year.

The proposed capital contributions out to 2031, in 2009 dollars are shown in Attachment 2, and the proposed capital contributions with forecasted assessment growth is shown in Attachment 3.

In 2015, all three regional hospitals continued to demonstrate improvements in meeting the off-load delay target of 30 minutes

The MOU provides that in the event the 30 minute Paramedic Services off-load delay targets are not achieved, York Region may, at the discretion of Council, reduce hospital funding by the amount approximating the additional operating costs incurred by Paramedic Services for time above the targets.

Both Markham Stouffville Hospital and Southlake Regional Health Centre were within the 2015 – 30 minute average target time using the new methodology. As

a result, they are able to access all available capital funding without any reductions for exceeding off-load delay targets. Table 2 outlines the hospitals' off-load performance for 2015.

Table 2
Patient Transport Volumes and Average Off-load Times

	Number of Transports	Average Time at Hospital per Transport	Time Over 30 min Target
Markham Stouffville	9,245	28.2	0
Southlake	14,377	29.2	0
Mackenzie Richmond Hill	16,716	32.2	2.2
Total	40,338	29.9	

Table 3 outlines the potential funding at risk in accordance with the off-load performance targets.

Table 3
Potential Funding at Risk Due to Exceeding Off-load Targets

	Minutes over Target	Number of Transports	Total Hours	OMBI Unit Hour Cost (\$)	Potential Funding At Risk
Markham Stouffville	0	9,245	0	220	0
Southlake	0	14,377	0	220	0
Mackenzie Richmond Hill	2.2	16,716	612.9	220	134,842
Total		40,338	612.9		\$134,842

Mackenzie Hospital (Richmond Hill) did not meet the 30 minutes average target time in 2015 and as such the capital funding available under the MOU is at risk. However, in collaboration with York Region Paramedic Services, Mackenzie Hospital has demonstrated a strong commitment to improve process efficiencies and reduce the off-load delay going forward. This commitment is already yielding positive results as a result of implementing new standardized off-load processes starting in February of this year. In the first quarter of 2016, Mackenzie is already achieving better success at reducing off-load delay. Based on this, it is recommended that no funding be withheld under the MOU in 2016. Table 4 shows the monthly average transfer of care time for each hospital.

Table 4
Year to Date Average Monthly Off-load Times (minutes: seconds)
2016

	January	February	March	Q1
Markham Stouffville	28:16	29:17	27:28	28:19
Southlake	27:41	29:06	29:14	28:40
Mackenzie Richmond Hill	35:17	25:12	24:19	28:05

York Region Paramedic Services Master Plan supports ongoing innovation to respond to community needs

The success of all York Region hospitals in reducing off-load delay and the ongoing partnership with York Region Paramedic Services is just one example of the positive changes being made for Paramedic Services. Through the Paramedic Services Master Plan, the Region is taking a planned approach to addressing the challenges faced as a result of a growing and diversifying population. A refresh of the 10-Year Paramedic Services master plan is currently underway and will be recalibrated with the shorter transfer of care times currently being achieved at Regional hospitals. Shorter transfer of care times contribute to higher levels of paramedic service availability and may extend the timeframes that paramedic resource growth may be required in the future.

In January 2015, Council approved the use of \$1.358 million to fund initiatives to improve off-load delays

In January 2015, (Clause 13 in Report No. 1 of Committee of the Whole), Council approved \$1.358 million in funding, generated from off-load delay hold backs and held within the Hospital Capital Reserve fund, to fund initiatives aimed at reducing future off-load delays. The Tri-Hospital Group reviewed various research initiatives to achieve long term efficiencies. The identified initiatives will be continuing into 2017.

These initiatives include:

- A Tri-Hospital transfer of care efficiency project to achieve the shortest transfer of care times possible
- Creation of standardized guidelines to transfer non-urgent patients directly to the waiting room;
- Three key research initiatives (listed below) to support the development of alternate treatment pathways in preparation for an aging population:

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- Improving Patient Centred Care and Transportation (IMPACT);
- Expanding Paramedicine in the Community in Long-Term Care;
- Mental Health Paramedicine Response Risk Assessment, Deescalate and Referral Pilot.

Link to key Council-approved plans

Investing in York Region's hospitals supports the goals outlined in both Vision 2051 and the Corporate Strategic Plan. By working with the hospitals to reduce the off-load delays experienced in the past, efficiencies have been achieved that reduce the time spent by paramedics waiting to transfer patients to the hospital's care. This supports the Corporate Strategic Plan objective of supporting community health and well-being.

5. Financial Implications

The Hospital Capital Funding MOU provides potential funding of at least \$12 million per year (indexed annually for assessment growth) from now until 2031. This funding is committed upon confirmation of corresponding provincial approval of a capital construction project or projects that provide additional hospital capacity in York Region. The hospitals proposed how the percentage share of funding should be distributed amongst themselves, however, they have the ability to adjust their proportionate shares base on provincial approvals as long as they all agree, and provide written notice to the Region.

6. Local Municipal Impact

All local municipalities benefit from the outcomes of the identified initiatives completed by the Tri-Hospital Group and York Region Paramedic Services through shorter transfer of care times and new models of care to better link patients to the right care needed in the right time frame.

Finding new, more efficient ways to provide services to residents is an important strategy to help the Region address the expected population growth forecasted. The success of this initiative illustrates the benefits of ongoing partnerships and collaboration within the broader human services sector.

7. Conclusion

Through the MOU signed between York Region and the York Region Hospitals, York Region continues the strong tradition of contributing to hospital expansion. The Hospital Capital Funding MOU provides potential funding of at least \$12 million per year (indexed annually for assessment growth) from now until 2031.

As all hospitals continue to demonstrate their commitment to meeting the 30-minute average target time, it is recommended that they are able to access all available capital funding without any reductions.

For more information on this report, please contact Adelina Urbanski at ext. 72023.

The Senior Management Group has reviewed this report.

April 20, 2016

Attachments (3)

#6734750

Accessible formats or communication supports are available upon request

Summary of Provisions within the November 2009 MOU

Based on Council direction and discussions with the three York Region hospitals and the Vaughan Health Campus of Care, the final MOU includes the following requirements and expectations:

- \$12M will be set aside annually by York Region for distribution among the York Region hospitals to fund eligible capital construction through 2031. *Attachment 2* reflects the total obligation and apportioning to hospitals as mutually agreed upon in constant (2009) dollars (also summarized in Table 1 below). The agreement provides for an annual adjustment reflecting assessment growth. *Attachment 3* reflects those same contributions assuming annual indexing to match assessment growth as set out in *Places to Grow*, the Provincial Growth Plan (also summarized in Table 2 below).

Table 1
Capital Contributions to Hospitals
(in 2009 dollars)

York Region Hospital	% Share	2009 – 2031 Total (\$ million)
Markham Stouffville	27.1	73.71
Southlake	14.3	38.90
York Central	13.6	36.99
Vaughan	45.0	122.40
	100%	\$272.00

Table 2
Capital Contributions to Hospitals
(with actual assessment increases until 2015
and estimated assessment increases for 2016 to 2031)

York Region Hospital	% Share	2009 – 2031 Total (\$ million)
Markham Stouffville	27.1	94.94
Southlake	14.3	50.10
York Central	13.6	47.65
Vaughan	45.0	157.65
	100%	\$350.34

- Provision of funding is subject to each hospital showing bona fide efforts towards improvements in Paramedic Services off-load delays; reducing the average delay, which range from 60 – 90 minutes, to 30 minutes over 5 years (i.e. by 2014).

Summary of Provisions within the November 2009 MOU

- The Region reserves the right to review the MOU from time to time to determine whether to continue to set aside hospital funds taking into account the funding available to the hospitals from other sources and the Region's annual budget commitments. The Region may terminate the MOU with one-year's written notice, maintaining only the obligations made to approved construction projects.
- The hospitals, and their respective foundations, are committed to support the Region's requests that hospital capital funding be restored as an eligible cost for recovery through development charges.
- Should the *Development Charges Act* be amended to allow hospitals to be eligible for funding, the MOU will be reviewed by Council to determine whether the amount of hospital funds should be adjusted, taking into account the amount of funding anticipated to be provided through development charges.

**Proposed Capital Contributions to Hospitals (in 2009 dollars)
(\$millions)**

	% Share	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Markham-Stouffville	27.1%	\$2.168	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252
Southlake	14.3%	\$1.144	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716
York Central	13.6%	\$1.088	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632
Vaughan	45.0%	\$3.600	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400
	100%	\$8.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000

	% Share	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	TOTAL
Markham-Stouffville	27.1%	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$3.252	\$73.71
Southlake	14.3%	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$1.716	\$38.90
York Central	13.6%	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$1.632	\$36.99
Vaughan	45.0%	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$5.400	\$122.40
	100%	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$12.000	\$272.00

Proposed Capital Contributions to Hospitals
 (with actual assessment increases until 2015, and estimated for 2016 - 2018 per the Regional Budget, and 2% projected for 2019-2031 as per the
 Provincial Growth Plan)
 (\$millions)

	% Share	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Markham - Stouffville	27.1%	\$2.168	\$3.340	\$3.443	\$3.542	\$3.621	\$3.696	\$3.776	\$3.842	\$3.913	\$3.982	\$4.061	\$4.142
Southlake	14.3%	\$1.144	\$1.762	\$1.817	\$1.869	\$1.911	\$1.950	\$1.992	\$2.027	\$2.065	\$2.101	\$2.143	\$2.186
York Central	13.6%	\$1.088	\$1.676	\$1.728	\$1.778	\$1.817	\$1.855	\$1.895	\$1.928	\$1.964	\$1.998	\$2.038	\$2.079
Vaughan	45.0%	\$3.600	\$5.546	\$5.718	\$5.882	\$6.013	\$6.138	\$6.269	\$6.380	\$6.497	\$6.612	\$6.744	\$6.879
	100%	\$8.000	\$12.324	\$12.706	\$13.071	\$13.363	\$13.639	\$13.932	\$14.177	\$14.438	\$14.692	\$14.986	\$15.286

	% Share	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	TOTAL
Markham - Stouffville	27.1%	\$4.225	\$4.310	\$4.396	\$4.484	\$4.574	\$4.665	\$4.758	\$4.854	\$4.951	\$5.050	\$5.151	\$94.94
Southlake	14.3%	\$2.230	\$2.274	\$2.320	\$2.366	\$2.413	\$2.462	\$2.511	\$2.561	\$2.612	\$2.665	\$2.718	\$50.10
York Central	13.6%	\$2.120	\$2.163	\$2.206	\$2.250	\$2.295	\$2.341	\$2.388	\$2.436	\$2.484	\$2.534	\$2.585	\$47.65
Vaughan	45.0%	\$7.016	\$7.157	\$7.300	\$7.446	\$7.595	\$7.746	\$7.901	\$8.059	\$8.221	\$8.385	\$8.553	\$157.65
	100%	\$15.592	\$15.903	\$16.222	\$16.546	\$16.877	\$17.214	\$17.559	\$17.910	\$18.268	\$18.633	\$19.006	\$350.34

Assessment Increase	2.70%	3.10%	2.87%	2.23%	2.07%	2.15%	1.76%	1.84%	1.76%	2.00%	2.00%		
	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%		