



**HCS**  
Hospitalist Consulting Solutions

---

## HCS Analysis

# The changing face of health-care in Ontario and its impact on hospitalists

Significant proposed changes in the health-care system provide significant opportunities for Ontario hospitalists.

Copyright© 2010 Hospitalist Consulting Solutions Inc

All rights reserved. These materials may not be reproduced for commercial, for-profit use in any form or by any means, or republished under any circumstances, without the written permission of the Hospitalist Consulting Solutions.



**HCS**  
Hospitalist Consulting Solutions

---

Hospitalist Consulting Solutions Inc is Canada's leading healthcare consulting group specializing in the field of Hospital Medicine. With many years of on-the-ground experience, our consultants are clinicians with a wealth of clinical and administrative experience. Independently, each consultant has been involved in helping hospitals and physicians develop viable hospitalist programs and improve existing ones. By pooling their individual experience and skills, HCS is pleased to offer its clients a much more versatile and powerful consulting tool.

Copyright© 2009 Hospitalist Consulting Solutions

All rights reserved. These materials may not be reproduced for commercial, for-profit use in any form or by any means, or republished under any circumstances, without the written permission of the Hospitalist Consulting Solutions.



---

## Introduction

The economic meltdown of the past few years has forced health-care payers (governments and private payers such as insurance companies) to focus on efforts to “bend the health-care cost”. The health-care debate in the United States has brought the issue of rising health-care costs and concerns around long-term sustainability of the current medical delivery system to the forefront of public imagination. Such discussions have also made their way to Canada.<sup>i-ii</sup>

In Ontario, the Ministry of Health and Longterm Care (MOHLTC) estimates that if the current trends continue, by 2022 seventy cents of every dollar will be spent on health-care<sup>iii</sup>. As a result, the Ministry and other stakeholders are studying various options through which the province can continue to provide high quality care at a reasonable price to its residents. Recently, a number of public provider associations, including the Ontario Association of Community Care Access Centres (OACCAC), the Ontario Federation of Community Mental Health and Addiction Programs (OFCMHAP) and the Ontario Hospital Association (OHA) released a document in which they propose a number of potential solutions for the government to consider<sup>iv</sup>. While some of their recommendations (such as reducing physician remuneration and changing the physician-hospital relationship) are being challenged by other advocacy groups, it appears that the Ontario government is seriously considering incorporating many of them into proposed new legislation.

In this paper, HCS analyzes some of the proposed new health-care legislations and funding initiatives in Ontario and the opportunities and the challenges they provide for the hospitalist movement in the province.

### Excellent Care for All (Bill 46)

The proposed legislation “Excellent Care for All” is perhaps the government's most important attempt at redesigning the health-care system by focusing on increasing efficiency, quality of care, and realigning financial incentives.

The Ontario government has based its health-care system restructuring on the following 4 strategies<sup>v</sup>:

- Quality and its continuous improvement as a critical goal across the health care system
- Quality of care being supported by the best evidence and standards of care
- Care being organized around the person (i.e. patient at the “centre” of the delivery system)
- Payment, policy and planning support quality and efficient use of resources



The proposed “Excellent Care for All” legislation is designed to directly address the first two strategies<sup>vi</sup>, while the government is also working on addressing the last two by moving towards a patient-based payment system, as well as, by enhancing public reporting mechanisms. Additionally, as part of its efforts to organize care around patients' needs, the ministry has started a process to study the issue of ‘better care coordination across the care continuum’ and addressing avoidable hospitalizations.

According to the Ministry, “Excellent Care for All” aims to increase focus on quality improvement within hospitals by mandating changes in their governance structures and quality frameworks. These proposed changes include<sup>vii</sup>:

- creation of a committee dedicated to quality of care which reports to the Board
- requiring hospitals to develop publicly available annual quality improvement plans
- linking hospital executive compensation to achieving improvements set out in these improvement plans
- requiring hospitals to develop a patient relations process to address patient, client and caregiver relations
- requiring hospitals to conduct regular patient, caregiver and staff satisfaction surveys
- requiring all hospitals to create and publicly post a declaration of values
- requiring hospitals to develop mechanisms for timely reporting of critical incidents to appropriate parties (such as the MAC and Senior Management).

At the same time, the legislation aims to increase the mandate of the Ontario Health Quality Council. The bill would expand the powers of this supervisory organization by allowing the OHQC to:

- make recommendations with respect to clinical practice guidelines and protocols
- make recommendations to the government on the provision of funding for health care services and medical devices

In addition to this legislation and its various provisions, the government is concurrently undertaking a number of additional processes. The Ministry is studying reforming the funding structure of hospitals by moving away from ‘global funding’ and moving towards a ‘patient-based payment’ mechanism. While details are scarce, it appears that such changes will be presented in the coming years. The government is also talking about ‘placing the patient at the “centre” of the care system’. To achieve this, they are studying ways to enhance integration of acute and ambulatory care. It appears that improving transitions of care and reducing Ambulatory Care Sensitive hospital admissions are current ministry priorities.



All of these changes follow the implementation of a widespread public reporting mechanism on 9 safety indicators<sup>viii</sup>. How these measures may be leveraged towards the aforementioned changes is unclear at this time, but taken together, it is clear that “quality and safety” will be an ever increasing focus of the system as a whole.

### **Bill 46 and Ontario hospitalists**

Bill 46 and other proposed changes provide significant opportunities for Ontario hospitalists to emerge as one of the most important enablers of system redesign. The nature of hospital medicine, current financial structures supporting hospitalist programs, and the demonstrated advantages of the hospitalist model for efficiency within the system are factors that allow hospitalist to be important contributors to efforts at balancing the cost of a publicly funded system with quality of care.

Hospitalists differ from many other physician groups in that they essentially “live” within health-care institutions. While other specialists may work in hospitals part of the time, hospitalists dedicate their time to caring for hospitalized patients in various capacities (such as MRP care or co-management relationships). As a result, they can become experts at guiding patients through an increasingly complex system. Hospitalists also differ from other full-time hospital-based specialities (such as pathologists, laboratory medicine practitioners, and anesthetists) in their scope of patient care and the volume of services they provide. They also differ from ED physicians and Intensivists in that they see patients throughout their hospital stay, from admission to discharge. As a result, they can have more effect on hospital-wide processes such as throughput and patient flow. As such, hospitalists are more keenly aware of “systems issues” and are more invested than other specialities in ensuring the “healthcare system” on a micro and macro-level functions efficiently.

In addition, the majority of the current funding arrangements in Canada, between healthcare institutions and hospitalists groups are such that the financial health of the healthcare institution is more directly relevant to hospitalists than most other practitioners. Almost all hospitalist programs in Canada rely on some direct remuneration by hospitals in order to close the funding gap that results from the current inadequate inpatient fee for service structures. As a result, the financial viability of many hospitalist programs is closely tied to the financial health of the organization which supports them.

Finally, there is an increasing body of evidence for the effectiveness of the hospitalist model in measures of efficiency and quality of care.. Hospitalists have demonstrated their effectiveness in improving administrative measures such as length of stay, patient satisfaction, and patient flow.



Early evidence also indicates improvements in many quality of care measures. Hospitalist regularly engage in quality improvement initiatives in their hospitals, including projects to improve the discharge process. Lastly, hospitalists are able to bring unique clinical insights to the table as they join administrators and other allied health-care professionals in planning projects and developing priorities.

As Bill 46 receives approval and is implemented, Ontario hospitalists can be major allies in their hospitals' efforts in developing and undertaking annual QI plans, addressing care transitions, and improving quality and safety through best practices and adherence to clinical guidelines.

### **The Most Responsible Physician (MRP) Collaboration Fund**

The 2008 Physician Services Agreement between the MOHLTC and the Ontario Medical Association (OMA) created a \$33 million dollar MRP Collaboration Fund as part of a larger LHIN-Physician Collaboration Incentive Fund. Along with the *ED Collaboration initiative*, the *Unattached Patients Collaboration initiative*, and the *On Call Coverage Collaboration initiative*, the MRP Collaboration fund is meant “to recognize and reward the local efforts of physician groups who work together and in collaboration with other service providers to support the needs of patients”<sup>ix</sup>.

In 2010, and after the creation of an “MRP Expert Panel” that was tasked with the responsibility of studying the provision of MRP care in the province, details are emerging about how this fund is to be distributed. All physicians who provide “MRP Care” are eligible to receive funding as long they meet certain criteria:

- they provide a minimum of 200 MRP services per year
- they sign on to a formal physician group
- they agree to provide care to unattached patients, as well as provide on call coverage
- they participate in QI activities through the development of an MAC-approved QI plan.

About 1/3 of the fund is to be allocated in the first year, with the remainder for distribution in the second year. Whether a similar mechanism will be part of the next general Physician Service Agreement (to be negotiated between the OMA, MOHLTC and LHINS) is unclear. Taken together with the other proposed changes described in previous sections, the MRP Collaboration Fund appears to be part of a broader strategy to move the health-care system and its stakeholders towards an enhanced focus on quality and safety; While Bill 46 incentivises hospitals managers for quality improvement plans, the MRP collaboration fund aims to do the same for physicians who work in these organizations.



---

## **MRP Collaboration Fund and Hospitalists**

In the past 10 years, hospitalists have emerged as the group providing the majority of inpatient “MRP” care in Ontario. A large number of hospitals in Ontario currently have active hospitalist programs. Quality Improvement and patient safety are an integral part of hospital medicine, and hospitalists in the United States have set an example by playing a major role in the advancement of the quality agenda by participating in various improvement initiatives and collaboratives. For example, the Society of Hospital Medicine has created a number of major improvement initiatives and continues to provide valuable resources for hospitals and hospital medicine practitioners<sup>x</sup>. While the Canadian Hospital Medicine “movement” is still in the early stages of its development, many hospitalists are heavily involved in QI work across the country through their participation in various committees and projects. As a result, they are likely to benefit from the proposed MRP Collaboration Fund.

The MRP Collaboration Fund provides Ontario hospitalists the opportunity to take their involvement in quality improvement to a new level. While the current fee-for-service structure continues to undervalue provision of inpatient care (and as a result requires hospitals to support their hospitalist programs by providing additional supplementary funding), the Ministry is recognizing the need to remunerate the work that physicians do in improving quality and safety in health-care institutions. The fund then has the potential to allow hospitalists to take a leading role in the design and implementation of improvement projects, and to position themselves as important change agents.

### **Hospitalists as drivers for change**

The Ontario health-care system is changing, and in this paper we have discussed some of the changes that are expected in the near future. We believe that these changes present significant opportunities for hospitalists and leaders of hospital medicine in Ontario to position themselves as change agents and drivers for system re-design. While the politics of hospital-physician relationship has recently been receiving some attention (specifically the controversies around proposals for physician-hospital contracts to replace of the current privileging system, the OHA hospital bylaws prototype and its impact on physicians and comments around lack of physician engagement in quality and calls for reductions in remuneration), we feel that such discussions are unlikely to significantly affect hospitalists. As a result, hospitalists are served well if they continue to enhance their collaborative relationship with their institutions through leadership in quality and patient safety campaigns. All stakeholders, and above all Ontario patients, will benefit from such collaborations.

- i “Soaring costs force Canada to reassess health model”. [http://news.yahoo.com/s/nm/20100531/hl\\_nm/us\\_health\\_3](http://news.yahoo.com/s/nm/20100531/hl_nm/us_health_3)
- ii “Canadian health-care spending to top \$180B”. CBC. <http://www.cbc.ca/health/story/2009/11/19/health-care-spending-canada.html>
- iii Ministry of Health and Long Term Care. [http://www.health.gov.on.ca/en/legislation/excellent\\_care/excellent\\_qa.aspx](http://www.health.gov.on.ca/en/legislation/excellent_care/excellent_qa.aspx)
- iv Ideas and Opportunities for Bending the Health Care Cost Curve - Advice for the Government of Ontario. April 2010. Ontario Hospital Association. <http://www.oha.com/KnowledgeCentre/Library/Pages/PolicyPapers.aspx>
- v Presentation : Excellent Care for All - Strengthening the Focus on Quality, Value and Evidence-based Care in Ontario, May 3, 2010 [http://www.health.gov.on.ca/en/legislation/excellent\\_care/excellent\\_presentation\\_20100503.pdf](http://www.health.gov.on.ca/en/legislation/excellent_care/excellent_presentation_20100503.pdf)
- vi same
- vii Ministry of Health and Long Term Care. [http://www.health.gov.on.ca/en/legislation/excellent\\_care/](http://www.health.gov.on.ca/en/legislation/excellent_care/)
- viii Ministry of Health and Long Term Care. [http://www.health.gov.on.ca/patient\\_safety/pro/ps\\_pro.html](http://www.health.gov.on.ca/patient_safety/pro/ps_pro.html)
- ix Ministry of Health and Long Term Care. [http://www.health.gov.on.ca/english/providers/physiciansa/nl/nl\\_psa\\_spring2009.pdf](http://www.health.gov.on.ca/english/providers/physiciansa/nl/nl_psa_spring2009.pdf)
- x Society of Hospital Medicine, Philadelphia PA. [http://www.hospitalmedicine.org/AM/Template.cfm?Section=Quality\\_Improvement](http://www.hospitalmedicine.org/AM/Template.cfm?Section=Quality_Improvement)