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March 30, 2010

Dr. Barry McLellan
President & Chief Executive Officer
Sunnybrook Health Sciences Centre
2075 Bayview Avenue, Rm C104
Toronto ON M4N 3M5

| | |
|-----------------------------------|-----------------------|
| President's Office | |
| Sunnybrook Health Sciences Centre | |
| MAR 31 2010 | |
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| Forward to | <u>A. Welch</u> |
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Dear Dr. McLellan,

Congratulations on the successful signing of your Hospital Service Accountability Agreement (HSAA) - Amending Agreement for 2010-11. This amending agreement will extend the terms of the existing 2008/10 HSAA for a period of one year ending March 31, 2011.

The Toronto Central LHIN acknowledges your team's efforts and support throughout this year's process. We look forward to a continued partnership with you into the future.

Sincerely,



Bonnie Ewart
Interim CEO

AMENDING AGREEMENT

THIS AMENDING AGREEMENT (the "Agreement") is made as of the 1st day of April, 2010

B E T W E E N:

TORONTO CENTRAL LOCAL HEALTH INTEGRATION NETWORK (the "LHIN")

AND

SUNNYBROOK HEALTH SCIENCES CENTRE (the "Hospital")

WHEREAS the LHIN and the Hospital (together the "Parties") entered into a two year service accountability agreement that took effect April 1, 2008 (the "H-SAA");

AND WHEREAS given economic uncertainties, funding allocations by the Ministry of Health and Long-Term Care which form the basis for the negotiation of the 2010-12 H-SAA have not yet been confirmed;

AND WHEREAS the OHA, LHINs and the Ministry of Health and Long-Term Care have agreed to adjust the H-SAA process for 2010/11, as set out in the letter dated February 1, 2010 attached as Appendix A;

AND WHEREAS the parties acknowledge a mutual commitment to pursuing needed operational efficiencies over the course of the agreement;

AND WHEREAS the LHIN and the Hospital have agreed to extend the H-SAA for a third year;

NOW THEREFORE in consideration of mutual promises and agreements contained in this Agreement and other good and valuable consideration, the parties agree as follows:

- 1.0 Definitions.** Except as otherwise defined in this Agreement, all terms shall have the meaning ascribed to them in the H-SAA.
- 2.0 Amendments.**
 - 2.1 Agreed Amendments.** The Parties agree that the H-SAA shall be amended as set out in this Article 2.
 - 2.2 Title and Headers.** The Parties agree that the title of the H-SAA and the headers within the H-SAA shall be amended by deleting "2008-2010" and replacing it with "2008-2011."

- 2.3 Definitions. The definition for HAPS in Article 2.1 shall be amended with the addition of the following text immediately after “2009-2010” and before the semi-colon:
“and the Board approved hospital accountability planning submission provided by the Hospital to the LHIN for the Fiscal Year 2010-2011”
- 2.4 Term. The reference to “2010” in Article 3.2, shall be deleted and replaced with “March 31, 2011”.
- 2.5 Planning Cycle. The words “for Fiscal Years 2010/11 and 2011/12” in Article 7.1 shall be deleted.
- 2.6 Schedules.
- (a) Schedule A shall be deleted and replaced with the Schedule A attached to this Agreement.
 - (b) Schedule B shall be supplemented with the addition of Schedule B-1 attached to this Agreement.
 - (c) Schedule C shall be supplemented with the addition of Schedule C-1 attached to this agreement.
 - (d) Schedule D shall be supplemented with the addition of Schedule D-1 attached to this agreement.
 - (e) Schedule E shall be supplemented with the addition of Schedule E-1 attached to this agreement.
 - (f) Schedule F shall be supplemented with the addition of Schedule F-1 attached to this agreement.
 - (g) Schedule G shall be supplemented with the addition of Schedule G-1 attached to this agreement.
 - (h) Schedule H shall be supplemented with the addition of Schedule H-1 attached to this agreement.
- 2.7 Renegotiation of Schedules The Parties agree that it is their intention to negotiate and to further amend the Schedules following the announcement of funding allocations by the Ministry of Health and Long-Term Care. It is recognized that a waiver to the balanced budget obligation may need to be negotiated.
- 3.0 **Effective Date.** The Parties agree that the amendments set out in Article 2 shall take effect on April 1, 2010. All other terms of the H-SAA, including but not limited to current funding levels and those provisions in Schedule A-H not amended by s. 2.6, above, shall remain in full force and effect.

- 4.0 Governing Law.** This Agreement and the rights, obligations and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 5.0 Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
- 6.0 Entire Agreement.** This Agreement together with Schedules A, B-1, C-1, D-1, E-1, F-1, G-1 and H-1, constitutes the entire agreement between the Parties with respect to the subject matter contained in this Agreement and supersedes all prior oral or written representations and agreements.

IN WITNESS WHEREOF the Parties have executed this Agreement on the dates set out below.

TORONTO CENTRAL LOCAL HEALTH INTEGRATION NETWORK

By:



 Dennis Magill, Acting Board Chair

March 29, 2010

 Date

And by:



 Bonnie Ewart, Acting CEO

Mar. 29/10

 Date

SUNNYBROOK HEALTH SCIENCES CENTRE

By:




 David Leslle, Chair

March 26, 2010

 Date

And by:



 Barry McLellan, President & CEO

March 26, 2010

 Date

Schedule A

Planning and Funding Timetable

OBLIGATIONS

| Part I - Funding Obligations | Party | Timing |
|---|--------------|---|
| Announcement of multi-year funding allocation (confirmation of 2008/09 Schedule C funding, reinforcement of 2009/10 Schedule C funding) | LHIN | The later of June 30, 2008 or 14 days after confirmation from the Ministry of Health and Long Term Care |
| Announcement of multi-year funding allocation (confirmation of 2009/10 Schedule C funding) | LHIN | The later of June 30, 2009 or 14 days after confirmation from the Ministry of Health and Long Term Care |
| Announcement of multi-year funding allocation (confirmation of 2010/11 Schedule C funding) | LHIN | The later of June 30, 2010 or 14 days after confirmation from the Ministry of Health and Long Term Care |

Schedule A
Planning and Funding Timetable

| Part II - Planning Obligations | Party | Timing |
|--|-----------------------------------|---|
| Announcement of 2010/11 planning target for hospital planning purposes | LHIN | The later of June 30, 2008 or 14 days after confirmation from the Ministry of Health and Long Term Care |
| Publication of the Hospital Annual Planning Submission Guidelines for 2010-12 | LHIN | No later than June 30, 2009 |
| Announcement of multi-year funding allocation (reaffirm 2010/11 and announce 2011/12 planning targets for 2010-12 HSAA negotiations) | LHIN | The later of June 30, 2009 or 14 days after confirmation from the Ministry of Health and Long Term Care |
| Indicator Refresh (including detailed hospital calculations) | LHIN (in conjunction with MOHLTC) | No later than November 30, 2009 |
| Refresh related Schedules for 2010-11 | Hospital/LHIN | No later than February 26, 2010 |
| Sign 1 year extension to the 2008/10 H-SAA | Hospital/LHIN | No later than March 31, 2010 |
| Announcement of multi-year funding allocation for 2010/11 and announce, if possible, planning targets for 2011/13 HSAA negotiations) | LHIN | 14 days after confirmation from the Ministry of Health and Long Term Care |
| Submission of Hospital Annual Planning Submission for 2010-11 | Hospital | TBD |
| Publication of the Hospital Annual Planning Submission Guidelines for 2011/13 | LHIN | No later than June 30, 2010 |
| Announcement of multi-year planning targets for 2011/13 HSAA negotiations) | LHIN | 14 days after confirmation from the Ministry of Health and Long Term Care |
| Submission of Hospital Annual Planning Submission for 2011-13 | Hospital | No later than October 31, 2010 |
| Indicator Refresh (including detailed hospital calculations) | LHIN (in conjunction with MOHLTC) | No later than November 30, 2010 |
| Refresh the Hospital Annual Planning Submission for 2011-13 and related Schedules | Hospital/LHIN | No later than January 31, 2011 |
| Sign 2011-13 Hospital Service Accountability Agreement | Hospital/LHIN | No later than March 31, 2011 |

**Schedule A
Planning and Funding Timetable**

Obligation Timeline Diagram

Definitions:

Planning Target = For negotiations

Confirm = Confirm signed agreement amounts after appropriation of monies by the
Legislature of Ontario

| Funding Year | | | | | | | | |
|----------------|----------------------------------|----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------|-------|-------|
| | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
| | | 2007/08 HAA | 2008-11 H-SAA | | | | | |
| June 06 | Confirm Schedule C Funding | Planning Target | Planning Target | | | | | |
| June 07 | | Confirm Schedule C Funding | Planning Target (Oct) | Planning Target (Oct) | | | | |
| Feb. 08 | | | Negotiated Schedule C Funding | Negotiated Schedule C Funding | | | | |
| June 08 | | | Confirm Schedule C Funding | Reaffirm Schedule C Funding | Planning Target | | | |
| June 09 | | | | Confirm Schedule C Funding | Planning Target | | | |
| Feb. 10 | | | | | Negotiated Schedule C Funding | | | |
| June 10 | | | | | Confirm Schedule C Funding | | | |

Funding Obligations are shaded

Planning Obligations are not shaded

Schedule B-1

Performance Obligations for 10/11

1.0 PERFORMANCE CORRIDORS FOR SERVICE VOLUMES AND PERFORMANCE INDICATORS

1.1 The provisions of Article 1 of Schedule B apply in fiscal year 10/11 with all references to Schedule D being read as referring to Schedule D-1.

2.0 PERFORMANCE CORRIDORS FOR PERFORMANCE INDICATORS

2.1 The provisions of Article 2 of Schedule B apply in fiscal year 10/11 subject to the following amendments:

- (a) sub articles 2.2, 2.3 and 2.6 shall be deleted; and
- (b) all references to Schedule D shall be read as referring to Schedule D-1.

3.0 PERFORMANCE OBLIGATIONS WITH RESPECT TO NURSING ENHANCEMENT/CONVERSION

3.1 The provisions of Article 3 of Schedule B apply in fiscal year 10/11 with all references to Schedule D being read as referring to Schedule D-1.

4.0 PERFORMANCE OBLIGATIONS WITH RESPECT TO CRITICAL CARE

4.1 The provisions of Article 4 of Schedule B apply in fiscal year 10/11 subject to the following amendments:

- (a) references to "2008/09" and "2009/10" shall be read as referring to "2010/11".
- (b) all references to Schedule E shall be read as referring to Schedule E-1.

5.0 PERFORMANCE OBLIGATIONS WITH RESPECT TO POST CONSTRUCTION OPERATING PLAN FUNDING AND VOLUME

5.1 The provisions of Article 5 of Schedule B apply in fiscal year 10/11, subject to the following amendments:

- (a) references to Schedule F shall be read as referring to Schedule F-1;
- (b) references to "2008/09 and 09/10" shall be read as referring to 2010/11.

6.0 PERFORMANCE OBLIGATIONS WITH RESPECT TO PROTECTED SERVICES

6.1 The Performance Obligations set out in Article 6 of Schedule B apply in fiscal year 10/11, subject to the following amendments:

- (a) All references to Schedule D or Schedule G shall be read as referring to Schedules D-1 and G-1 respectively; and
- (b) All references to "2008/09 and 09/10" shall be read as referring to "2010/11"

7.0 PERFORMANCE OBLIGATIONS WITH RESPECT TO WAIT TIME SERVICES

Schedule H-1

7.1 The Performance Obligations set out in Article 7 of Schedule B apply to fiscal year 10/11 with all references to Schedules A, G, or H being read as referring to Schedules A-1, G-1 or H-1 respectively.

8.0 REPORTING OBLIGATIONS

8.1 The reporting obligations set out in Article 8 of Schedule B apply to fiscal year 10/11.

8.2 The following reporting obligations are added to Article 8 of Schedule B:

- (a) **French Language Services.** If the Hospital is required to provide services to the public in French under the provisions of the *French Language Services Act*, the Hospital will be required to submit a French language implementation report to the LHIN. If the Hospital is not required to provide services to the public in French under the provisions of the *French Language Service Act*, it will be required to provide a report to the LHIN that outlines how the Hospital addresses the needs of its local Francophone community.”

9.0 LHIN SPECIFIC PERFORMANCE OBLIGATIONS

9.1 Except where specifically limited to a given year, the obligations set out in Article 9 of Schedule B apply to fiscal 10/11. Without limiting the foregoing, waivers or conditional waivers for 08/09 and 09/10 do not apply to 10/11.

9.2 Additional LHIN Specific Performance Obligations

In addition to the existing LHIN specific obligations in the 2008-10 H-SAA, the hospital agrees to:

- 1) actively participate in the LHIN's Resource Matching and Referral Initiative including:
 - (i) submission of referrals as early as appropriate in patient's stay.
 - (ii) ensuring timely responses to referrals when functioning as a receiving hospital.
- 2) actively support the Value and Affordability Strategy by:
 - (i) participating in the Value and Affordability taskforces;
 - (ii) participating in the Decision Support Collaborative, and;
 - (iii) implementing recommendations approved by Hospital CEOs resulting from hospital sector table discussions
- 3) refresh the Hospital's health equity plan, utilizing templates and guidelines developed by the LHIN in partnership with the Hospital Collaborative for Marginalized Populations, by September 30, 2010 and use the LHIN Health Equity Impact Assessment Tool to develop the plan.
- 4) annually evaluate the effectiveness of its Board of Directors and Chief Executive Officer.

Schedule H-1

9.3 Waiver

- 9.3.1 The Hospital has advised the LHIN that it anticipates a total margin deficit of no more than 2% ("Allowed Deficit") for the 2010/11 fiscal year. The Hospital (i) confirms that it has sufficient working capital to fund this anticipated deficit and (ii) agrees that it will fund this deficit out of its working capital.
- 9.3.2 Subject to 9.3.1, the LHIN agrees to waive the requirements of 6.1.3 (a) from April 1, 2010 up to six weeks after a formal funding announcement is made by the Ministry of Health and Long-term Care (the "Waiver Period").
- 9.3.3 If at any time during the Waiver Period it appears that the Hospital will exceed the Allowed Deficit, the Hospital will:
- (i) immediately advise the LHIN;
 - (ii) prepare a Hospital Improvement Plan (HIP) that will enable the Hospital to achieve an Allowed Deficit within the Waiver Period and a balanced operating position by year-end once a formal funding announcement is made
 - (iii) ensure the board approved HIP is delivered to the LHIN within 2 weeks of notifying the LHIN as per (i) above.
 - (iv) implement those parts of the HIP that are acceptable to the LHIN; and
 - (v) Hospital fulfils such other conditions as the LHIN requires.

9.4 RUG Weighted Patient Days

Sunnybrook has advised the LHIN that it would like to resubmit a revised Resource Utilization Group (RUG) weighted patient days performance target once funding for 2010/11 has been confirmed. This revision will take into consideration the patient population that is not currently captured in the RUG methodology. The revision will be made upon LHIN review and approval of the suggested change.

Schedule C-1

| Hospital Multi-Year Funding Allocation | | Schedule C1 2010/11 | |
|--|---|-----------------------------|----------------------------------|
| Hospital | TORONTO Sunnybrook Health Sciences Centre | | |
| Fac # | 953 | | |
| | | 2010/11 Planning Allocation | |
| | | Base | One-Time (Assumed, not approved) |
| Opening Base Funding | | \$475,805,697 | |
| Multi-Year Funding Incremental Adjustment | | | |
| Other Funding | | | |
| Funding adjustment 1 (Emergency Room Performance Fund) | | | \$878,100 |
| Funding Adjustment 2 (Nurse Led Outreach team) | | | \$250,000 |
| Funding Adjustment 3 (PET insured scan services) | | | \$240,000 |
| Funding adjustment 4 (Anesthesia Care Team (ACT)) | | | \$595,000 |
| Funding adjustment 5 (ACT Phase 2) | | | \$113,000 |
| Funding adjustment 6 (Surgical First Assist) | | | \$169,000 |
| Funding adjustment 7 | | | |
| Other Items | | | |
| Prior Years' Payments | | | |
| Critical care Strategies Schedule E | | | |
| PCOP: Schedule F | | | |
| PCOP | | | |
| Stable Priority Services: Schedule G | | | |
| Chronic Kidney Disease | | | |
| Cardiac Catheterization | | | |
| Cardiac and transplant services | | | \$1,790,900 |
| Provincial Strategies: Schedule G | | | |
| Organ Transplantation | | | |
| Endovascular aortic aneurysm repair | | | \$520,000 |
| Electrophysiology studies EPS/ablation | | | |
| Percutaneous coronary intervention (PCI) | | | |
| Implantable cardiac defibrillators (ICD) | | | |
| Daily nocturnal home hemodialysis | | | |
| Provincial peritoneal dialysis initiative | | | |
| Newborn screening program | | | |
| Specialized Hospital Services: Schedule G | | | |
| Cardiac Rehabilitation | | | |
| Visudyne Therapy | | | |
| Total Hip and Knee Joint Replacements (Non-WTS) | | | \$1,840,900 |
| Magnetic Resonance Imaging | | | |
| Regional Trauma | | | \$6,545,000 |
| Regional & District Stroke Centres | | | |
| Sexual Assault/Domestic Violence Treatment Centres | | | |
| Provincial Regional Genetic Services | | | |
| HIV Outpatient Clinics | | | |
| Hemophilic Ambulatory Clinics | | | |
| Permanent Cardiac Pacemaker Services | | | |
| Provincial Resources | | | |
| Bone Marrow Transplant | | | |
| Adult Interventional Cardiology for Congenital Heart Defects | | | |
| Cardiac Laser Lead Removals | | | |
| Pulmonary Thromboendarterectomy Services | | | |
| Thoracoabdominal Aortic Aneurysm Repairs (TAA) | | | |
| Health Results (Wait Time Strategy): Schedule H | | | |
| Selected Cardiac Services | | | |
| Total Hip and Knee Joint Replacements | | | \$6,352,100 |
| Cataract Surgeries | | | |
| Magnetic Resonance imaging (MRI) | | | \$1,963,000 |
| Computed Tomography (CT) | | | \$127,800 |
| Total Additional Base and One Time Funding | | \$475,805,697 | \$21,384,800 |
| Total Allocation* | | | \$497,190,497 |

*Total allocation does not include funding that does not get flowed through the TC LHIN such as New Grad Funding

Allocations not provided in this schedule for 2010/11, will be provided to hospitals in subsequent planning cycles. Hospitals should assume, for planning purposes, funding for similar volumes for Priority Services in out-years.

| Global Volumes | | Schedule D1 2010/11 | |
|---|---------------------------|--------------------------------------|--|
| Hospital <input type="text" value="TORONTO Sunnybrook Health Sciences Centre"/> | | | |
| Fac # <input type="text" value="953"/> | | | |
| Global Volumes | Units of Service | 2010/11 Performance Target | 2010/11 Performance Standard** |
| Total Acute Activity, including inpatient and Day Surgery* | Weighted Cases | <input type="text" value="50,400"/> | <input type="text" value="48,888 - 51,912"/> |
| <i>Other</i> | | | |
| Complex Continuing Care | RUG Weighted Patient Days | <input type="text" value="110,000"/> | <input ">="" 103,400"="" type="text" value=""/> |
| Mental Health | Inpatient Days | <input type="text" value="10,731"/> | <input ">="" 10,087"="" type="text" value=""/> |
| ELDCAP**** | Inpatient Days | <input type="text" value="64,000"/> | <input type="text" value="62,720 - 65,280"/> |
| ****These beds are nursing home (level II) beds funded by the VAC and are not Ministry funded ELDCAP beds. They are reported here based on prior agreement with the Ministry. | | | |
| Rehabilitation | Inpatient Days | <input type="text" value="4,000"/> | <input ">="" 3400"="" type="text" value=""/> |
| Emergency Department Visits | Visits | <input type="text" value="44,967"/> | <input ">="" 40,470"="" type="text" value=""/> |
| Ambulatory Care*** | Visits | <input type="text" value="550,000"/> | <input ">="" 517,000"="" type="text" value=""/> |
| * Inpatient volumes based on CIHI Case Mix Group (CMG)+ methodology with CIHI 2009 RIW and day surgery volumes based on the CACS Grouper (see appropriate MIS Accounts in Schedule B, Subsection 1.2) with Ministry Adjusted 2009 DS/ER Weights | | | |
| **Volume Performance Indicators under Global Volumes vary in application based on hospital type. | | | |
| ***Ambulatory Care includes OHS Primary account codes 7134* (excluding 7134055), 712*, 7135*,715* OHS secondary statistical account codes:447*,450*,5* (excluding 50*,511*,512*,513*,514*,518*,519*,521*) | | | |

| Performance Indicators | | 2010/11 Performance Target | | 2010/11 Performance Standard** | |
|--|--|-----------------------------------|--|--------------------------------|--|
| Hospital <input type="text" value="TORONTO Sunnybrook Health Sciences Centre"/> | | | | | |
| Fac # <input type="text" value="953"/> | | | | | |
| Performance Indicators | | 2010/11 Performance Target | | 2010/11 Performance Standard** | |
| HSAA Performance Indicators | | | | | |
| Performance Indicators For All Hospitals | | | | | |
| Current Ratio | | <input type="text" value="0.52"/> | <input type="text" value="0.47 - 0.57"/> | | |
| Year End Total Margin | | <input type="text" value="-2%"/> | <input type="text" value="0%"/> | | |
| **Volume Performance Indicators under Global Volumes vary in application based on hospital type. | | | | | |

Critical Care Funding

Schedule E1 2010/11

Hospital TORONTO Sunnybrook Health Sciences Centre

TBD - This target will be inserted upon the LHIN's acceptance of the recommended targets made by the LHIN's Clinical Services Leadership Team (CSLT)

Once negotiated, an amendment will be made under section 15.3 of the Agreement to include these targets and any additional conditions not otherwise set out in Schedule B or B1. This funding would be an additional in-year allocation contemplated by section 5.3 of the Agreement

Post-Construction Operating Plan Funding and Volume

Schedule F1 2010/11

Hospital TORONTO Sunnybrook Health Sciences Centre

Emergency Department PCOP: Sunnybrook has been funded to perform 3,772 additional ED visits included in base funding on Schedule C. These volumes have been included in the 2010/11 Performance Targets on Schedule D.

Women's & Babies Relocation PCOP: Funding for this is still pending. This is not yet approved. However Sunnybrook is assuming that it will receive funding for at least the increased facility costs in order to sustain a balanced budget.

Once negotiated, an amendment (Sch F1.1) will be made under section 15.3 of the Agreement to include these targets and any additional conditions not otherwise set out in Schedule B or B1. This funding would be an additional in-year allocation contemplated by section 5.3 of the Agreement

Protected Services

Schedule G1 2010/11

Hospital

Fac #

| | Units of Service | 2010/11 Performance Target | 2010/11 Performance Standard | 2011/12 LHIN Plan |
|---------------------------------|------------------|-------------------------------------|-------------------------------------|----------------------------------|
| Stable Priority Services | | | | |
| Chronic Kidney Disease | Weighted Units | <input type="text" value="52,860"/> | <input type="text" value="52,860"/> | <input type="text" value="TBD"/> |
| Cardiac Catheterization | Procedures | <input type="text" value="3,300"/> | <input type="text" value="3,300"/> | <input type="text" value="TBD"/> |
| Cardiac Surgery | Weighted Units | <input type="text" value="750"/> | <input type="text" value="750"/> | <input type="text" value="TBD"/> |

Provincial Strategies

| | | | | |
|---|-------|----------------------------------|----------------------------------|----------------------------------|
| Organ Transplantation* | Cases | <input type="text" value="N/A"/> | <input type="text" value="N/A"/> | <input type="text" value="TBD"/> |
| Endovascular aortic aneurysm repair | | | | |
| Electrophysiology studies EPS/ablation | | | | |
| Percutaneous coronary intervention (PCI) | | | | |
| Implantable cardiac defibrillators (ICD) | | | | |
| Daily nocturnal home hemodialysis | | | | |
| Provincial peritoneal dialysis initiative | | | | |
| Newborn screening program | | | | |

Specialized Hospital Services

| | | | | |
|--|----------------------------------|------------------------------------|------------------------------------|----------------------------------|
| Cardiac Rehabilitation | Number of patients treated | <input type="text" value="N/A"/> | <input type="text" value="N/A"/> | <input type="text" value="N/A"/> |
| Visudyne Therapy | Number of insured Visudyne vials | <input type="text" value="N/A"/> | <input type="text" value="N/A"/> | <input type="text" value="N/A"/> |
| Total Hip and Knee Joint Replacements (Non-WTS) | Number of Implant Devices | <input type="text" value="1,541"/> | <input type="text" value="1,541"/> | <input type="text" value="TBD"/> |
| Magnetic Resonance Imaging | Hours of operation | <input type="text" value="8,320"/> | <input type="text" value="8,320"/> | <input type="text" value="TBD"/> |
| Regional Trauma | Cases | <input type="text" value="850"/> | <input type="text" value="850"/> | <input type="text" value="TBD"/> |
| Regional & District Stroke Centres | | | | |
| Sexual Assault/Domestic Violence Treatment Centres | | | | |
| Provincial Regional Genetic Services | | | | |
| HIV Outpatient Clinics | | | | |
| Hemophilic Ambulatory Clinics | | | | |
| Permanent Cardiac Pacemaker Services | | | | |

Provincial Resources

Bone Marrow Transplant
 Adult Interventional Cardiology for Congenital Heart Defects
 Cardiac Laser Lead Removals
 Pulmonary Thromboendarterectomy Services
 Thoracoabdominal Aortic Aneurysm Repairs (TAA)

* Organ Transplantation - Funding for living donation (kidney & liver) included as part of organ transplantation funding. Hospitals are funded retrospectively for deceased donor management activity, reported and validated by the Trillium Gift of Life Network.

Note: Additional accountabilities assigned in Schedule B, B1

Funding and volumes for these services should be planned for based on 2009/10 approved allocations. Amendments, pursuant to section 5.2 of this Agreement, may be made during the quarterly submission process.

Wait Time Services

Schedule H1 2010/11

Hospital

| Fac # <input type="text" value="953"/> | 2009/10 Funded | | 2010/11 Funded | |
|--|---|------------------------|----------------|------------------------|
| | Base Volumes | Incremental Volumes ** | Base Volumes | Incremental Volumes ** |
| Selected Cardiac Services | Refer to Schedule G for Cardiac Service Volumes and Targets | | | |
| Total Hip and Knee Joint Replacements (Total Implantations) | 1,541 | 689 | 1,541 | 689 |
| Cataract Surgeries (Total Procedures) | 510 | 0 | 510 | 0 |
| Magnetic Resonance Imaging (MRI) (Total Hours) | 8,320 | 7,550 | 8,320 | 7,550 |
| Computed Tomography (CT) (Total Hours) | 14,913 | 511 | 14,913 | 511 |

ASSUMED, NOT APPROVED

2010/11 incremental based on 09/10 final allocation.

* The 2009/10 Funded volumes are as a reference only

** Once negotiated, an amendment will be made under section 15.3 of the Agreement to include these targets and any additional conditions not otherwise set out in Schedule B, B1. This funding would be an additional in-year allocation contemplated by section 5.3 of the Agreement.

Appendix A

Please see next page



February 1, 2010

Mr. Ken Deane
Assistant Deputy Minister
Accountability & Performance
Ministry of Health & Long Term Care
80 Grosvenor Street
5th Floor, Hepburn Block
Toronto, ON M7A 1R3

Dear Ken

We are writing to provide you with a further update from the Joint LHIN/OHA Hospital Service Accountability Agreement (H-SAA) Steering Committee. As a valued partner in the process, we want to ensure that the Ministry of Health and Long-Term Care is aware of and in alignment with our proposed course of action.

Current Accountability Obligations of LHINs and Hospitals

Subsection 29(1) of the *Local Health Systems Integration Act 2006* (The Act), stipulates that LHINs are required to enter into a service accountability agreement (SAA) with each of the health service providers that they fund. Subsection 19(2) of the Act requires that such funding provided to health service providers be in accordance with: (i) the funding that the LHIN receives from the MOHLTC; and (ii) the LHIN's accountability agreement with the MOHLTC.

Schedule 5 of the Ministry-LHIN Accountability Agreement (M-LAA 2007-10) stipulates that the Ministry will provide the LHINs with multi-year funding targets for each LHIN Operating and Transfer Payment Budget. Schedule 5 further describes the obligation of the LHINs to plan for and achieve an annual balanced budget for each of the operating budgets and transfer payment budgets and to include balance budget provisions in agreements with health service providers, including hospitals.

The Hospitals and the LHINs did enter into a service accountability agreement (H-SAA 2008 - 10). The terms and conditions of the H-SAA 2008-2010 are in accordance with: (i) the funding that the LHIN receives from the MOHLTC; and (ii) the M-LAA 2007-10.

Part II of Schedule A, of the H-SAA 2008-10, provides for a planning process for entering into the 2010-12 H-SAA. This process anticipated the announcement of multi-year funding allocations (reaffirm 2010-11 and announce 2011-12 planning targets) as a basis for the completion of the hospital negotiation of the 2010-12 H-SAA.

An Extraordinary Year

We recognize that this is an extraordinary year for the provincial government economically. We also acknowledge that the Ministry of Health and Long-Term Care is not able to provide LHINs and hospitals with the funding targets required by the above noted legislative and contractual obligations. We are appreciative of the efforts you and your staff have undertaken to try and provide us with planning targets for 2010/11. We do understand the reasons for the delay in providing this information. As you know, the H-SAA Steering Committee has been working hard to help hospitals and LHINs work closely together in responding to this unique environment. Accordingly, we have developed a process that will enable funding to continue to flow to hospitals in the absence of these allocations.

Joint LHIN/Hospital/Ministry Solutions Required for 2010/11:

The process that we have developed contemplates agreement on a *common legal vehicle* to extend the terms and conditions of the current 2008-10 H-SAA to cover 2010-11. In this regard we wanted to bring several of its elements to your attention:

- In the absence of a planning allocation, the extension will allow 09/10 base funding revenues and volumes to be carried over into 2010/11;
- The provision for balanced budget waivers and the criteria for LHINs to grant such a waiver (as per the 08/10 H-SAA), is included for the 10/11 extension period;
- Hospitals will be asked to submit a balanced budget plan once they have been advised by the LHINs of a final funding allocation for 2010/11; and,
- Once the allocation is known, revised H-SAA schedules for 2010/11 will be established.

Inherent in the process described above are two deviations from the current process, factors that require support from the Ministry:

- LHINs will continue to fund Hospitals at 09/10 levels without any provision for inflation/adjustment to revenue. Consequently, a large number of hospitals are likely to run a deficit for this period and as a result, LHINs may not be able to meet the MLAA balanced budget obligation for the extension period (10/11).
- During the extension period, hospitals may be in a negative total margin position, potentially increasing working capital deficits.

It should also be noted that a significant assumption included in the "extension agreement" is that priority programs, wait times and PCOP funding will remain at current levels.

This letter contains a sign-back to confirm your agreement with the process that we have set out including relief from the contractual obligations that cannot be met under these conditions.

We have planned a web cast for February 10, 2010 to provide hospitals and LHINs with clarification on the process to extend the 2008-10 H-SAA for 2010-11 and review the elements of the amending agreement and schedules. We are requesting receipt of your sign-back in advance so that we can proceed with moving forward with implementing this plan.



LHINs and hospitals continue to be focused on providing quality patient care to Ontarians with resources available. It goes without saying however, that a timely decision on funding allocations (e.g. base, wait times, PCOP, provincial programs) is a crucial step in allowing the hospitals and LHINs to move forward with implementing the measures necessary to operate within budgets.

During these unprecedented economic times, now more than ever before we know that the government, LHINs and hospitals share the same vital objectives and that we must continue to work very closely together. We look forward to receipt of your sign-back at the earliest opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra Hanmer".

Sandra Hanmer
Co-Chair, H-SAA Steering Committee

A handwritten signature in black ink, appearing to read "Marian Walsh".

Marian Walsh
Co-Chair, H-SAA Steering Committee

Authorizing Sign-back

I acknowledge that:

- The ADM November 2007 letter provided to LHINs outlining terms and conditions for granting waivers to hospitals regarding the Balanced Budget obligations in the 2008-2010 HSAA will also apply to the H-SAA extension for 2010/11 and;
- After a the MOHLTC provides funding allocations to the LHINs, LHINs will require hospitals to submit a plan to achieve balanced budgets and LHINs and Hospitals will establish revised Schedules for the 2010/11 H-SAA extension as necessary.

Signed,

A handwritten signature in blue ink, appearing to read "J. Kenneth Deane".

J. Kenneth Deane
Assistant Deputy Minister
Health Accountability and Performance Division