Accountability Agreements in Ontario Hospitals: Are They Fair?

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DAVID REELEDER, Ph.D
Joint Centre for Bioethics
University of Toronto

VIVEK GOEL, MD, MS
Professor, Health Policy, Management and Evaluation
University of Toronto

PETER A. SINGER, MD, MPH, FRCPC
Professor of Medicine, University of Toronto

DOUGLAS K. MARTIN, Ph.D
Associate Professor, Health Policy, Management and Evaluation, and
Joint Centre for Bioethics
University of Toronto
“There will be no blank cheque” [to help hospitals facing staff and service cuts, in response to loss of up to 72 nursing positions at two GTA hospitals]

- Ontario Minister of Health quoted, April 9, 2008

“Darn it, for the government and those accountability agreements that are asking us to live with what’s available...Everybody has got to be accountable”

- Ontario Minister of Health quoted, June 18, 2007
“Hospitals across the province are being caught in a squeeze between government demands for them to balance their budgets and the opposition of community groups to any perceived cuts in service”

“Hospitals have all been required to sign ‘accountability agreements’ with the government committing CEOs to balancing their budgets...requiring them to pursue cost savings”

- Toronto Star, June 18, 2007
"This is really a regime of secrecy and top-down restructuring that is almost guaranteed to create significant problems in the health system for access and with no proper feedback group or evaluation...it’s really just bad governance”

- *Ontario Health Coalition, April 8, 2008*

"Health spending was $29.3 billion in 2003...now passed the $40 billion mark with no sign of slowing down…”

- *Globe and Mail, April 19, 2008*
What’s the Connection?

- Priority Setting
- Leadership
- Fairness
- Policy
- Accountability
Aim & Objectives

OVERALL AIM: TO DESCRIBE, EVALUATE AND IDENTIFY OPPORTUNITIES TO IMPROVE PS IN ONTARIO HOSPITALS USING A4R

To survey hospital CEOs concerning fairness of PS in their hospitals (Study #1: D. Reeleder, DK Martin, C Keresztes, PA Singer. What do hospital decision-makers in Ontario, Canada, have to say about the fairness of priority setting in their institutions? BMC Health Services Research 2005: 5(8))

To conduct in-depth interviews of Ontario hospital CEOs to determine their views on leadership and PS (Study # 2: D. Reeleder, V. Goel, PA Singer, DK Martin. Leadership and priority setting: The perspective of hospital CEOs. Health Policy 2006: 79(1))

To provide policy analysis of hospital accountability agreements (Study # 3: Accountability Agreements in Ontario Hospitals: Are They Fair? 2008 18(1):161-175; doi:10.1093/jpart/mul024)
Gaps and Opportunities

- PS difficult and contentious, with different relevant values in conflict
  - A4R framework for making fair decisions in context of conflicting values
- Studies to date of ‘parts’ of the hospital system suggest room for improvement in meeting conditions of A4R
- Leadership literature fragmented and elusive
- Government-hospital accountability agreements provide context for hospital PS
Accountability for Reasonableness (A4R)*

- **Relevance:** decisions must be based on reasons that stakeholders agree are relevant to the PS context

- **Publicity:** reasons publicly accessible

- **Revisions:** must be mechanism for dispute resolution and for revising decisions in light of new evidence or arguments

- **Enforcement or Leadership:** Ensure other three conditions are met

*Norman Daniels & James Sabin, Setting Limits Fairly, 2002*
Leadership Framework*

* Reeleder et al, Leadership and priority setting: The perspective of hospital CEOs.
Methods and Background

- Case analysis approach to describe and evaluate Ontario accountability agreements for 2004/2005

- Public domain articles and analyses (JPPC, OHA, newspaper articles, jurisdictional comparison)

- Relevant priority setting data analyzed within context of A4R and Leadership framework (Reeleder et al 2006).
Description of Case

- $11.3B health budget of $33B total Ontario budget
- 154 Ontario hospitals, Average size: 395 (28-1600) beds), Average budget: $155M ($6.5-850M))
- Hospital CEOs report to independent Board
- 14 Local Health Integration Networks (LHINs) established
- Balanced budgets and accountability agreements
Ontario Hospital Funding

- Global funding
- Growth and Weighted Cases
- Incremental Funding
- Priority Programs
Chronology of Events

- One-Time funding to Ontario hospitals
- Link additional funding with hospital accountability agreements
- Commitment to ‘Future of Medicare Act’, hospital signoffs
- Stakeholder criticism, lack of collaboration & transparency
- Renewed broader stakeholder consultation
Strategies to Reduce Costs

Balanced Budget Strategies

- Revenue Generation
- Administration and Support
- Diagnostic Imaging Pharmacy Labs
- Program Efficiencies
- Bed Utilization Improvements
- Program Consolidation
- Reduction in Programs

Increasing Impact on Patient Care
# Analysis: Lens of A4R

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<th>Category</th>
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| **Relevance**     | • lack of robust stakeholder consultation  
                     • mixed reason giving (efficiency vs quality)  
                     • evidence of policy learning |
| **Publicity**     | • lack of consistent transparent communications  
                     • reason giving not publicly available |
| **Revision/Appeals** | • top-down communications and reason giving less bottom up  
                     • evidence of movement towards reflexive reason-giving  
                     • lack of formal (public) revision/appeals |
| **Leadership**    | • lack of compliance to meeting other A4R conditions  
                     • limited evidence of government leadership |
Good Practices: Fairness and Leadership

- Open up ‘black box’ of decision making: will inspire trust and confidence among all stakeholders
- Review policies on confidentiality: transparency & reason giving
- Commit to engaging stakeholders with different perspectives
- Keep ‘policy doors’ open for as long as possible
- Create opportunities to meet leadership/enforcement condition through legislation
- A4R & Leadership Framework useful for Ontario LHINs and regional authorities
Coda
Leading in Very Bad Weather

- Economic: Challenge of centralized decision-making
- Red Tape: Need to reduce decision-making timelines
- Politics: Transparency
- Culture: Disruption of Common Value Systems
Contact

David Reeleder, Ph.D

(416) 484-6004 // (416) 605-5621
david.reeleder@utoronto.ca