Waterloo Wellington **LHIN**

BRIEFING NOTE

November 14, 2018

For Decision

Board of Directors Item 11.1 – Emergency Department Pay for Results (ED P4R) One-Time Investment and Expected Outcomes

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PURPOSE

To provide the WWLHIN Board of Directors with an overview of the Emergency Department Pay for Results (ED P4R) program and an approach for 2018/19 ED P4R one-time investments.

CORE CONTEXT

- The Ministry has held constant ED P4R program investment at $90M over the past three fiscal years. The ED P4R program is intended to support the planning and implementation of local solutions to reduce Emergency Department (ED) Length of Stay (LOS), increase patient access to quality health services, and improve the patient's experience.
    - There are very few restrictions to how LHINs can allocate funding to improve patient flow providing funded initiatives positively impact one or more of the six P4R metrics.
- The Ministry has not yet announced its intended ED P4R program investment for 2019/20.
- 74 hospitals across Ontario compete for this funding. Performance and funding are determined relative to other hospitals. Hospital EDs with annual volumes of 30,000 or more are automatically included for participation in the program.
- Calendar year performance informs funding in the next fiscal year.
- Collectively, participating WWLHIN hospitals, Cambridge Memorial Hospital (CMH), Guelph General Hospital (GGH), Grand River Hospital (GRH) and St. Mary's General Hospital (SMGH) have earned between $4.76M and $5.47M over the past three fiscal years.
- **Risk:** Results in 2018 are declining with projected earnings pegged at $4.45M for 2019/20. This would be a decline of -$314K (-6.60%) from current funding. This would mark the second consecutive year of declining funding and would see the WWLHIN provincial market share reduce from 6.08% to 4.94% over two years. Challenges with patient flow and physician recruitment in KW4 are negatively impacting ED P4R results (see Appendix A).
- The January 31, 2018 WWLHIN Board of Directors Briefing Note can be referred for information on the ED P4R planning process, including the review, approval and submission of the WWLHIN ED P4R Action Plan to the Ministry.

RECOMMENDATION

THAT the WWLHIN Board of Directors approve the following recommendations with respect to ED P4R funding for 2019/20:

1. Funding be allocated to hospitals 'as earned' should the Ministry invest $90M or less into the ED P4R program, which aligns with the current algorithm.
2. Should the Ministry make an additional investment in the ED P4R for 2019/20 (i.e., greater than $90M), the WWLHIN would retain the proportion earned on the amount greater than $90M and invest in other patient flow initiatives. Stakeholders, such as the ED Council, would be engaged to identify potential patient flow initiatives. The table below summarizes recommendations.

ED P4R Ministry Investment	Scenario	Recommendation
<$90M to $90M	Reduction in program funding up to status quo	Allocate 'as earned'; consistent approach to funding
>$90M	Increase in program funding	Allocate 'as earned' proportion of $90M; invest earnings on proportion >$90M on other patient flow initiatives. Engage stakeholders for input on potential initiatives.

3. Communicate the approved approach to ED P4R funding for 2019/20 with hospital CEOs and the ED Council.

HISTORICAL CONTEXT – APPROACH TO ED P4R FUNDING IN THE WWLHIN

Historically, the WWLHIN has taken the position to allocate ED P4R funding as it has been 'earned' by hospitals. Arguably, this was an appropriate approach to take as the WWLHIN market share grew from 4.83% of available funding in 2013/14 to a peak of 6.08% in 2017/18. Hospital performance was relatively strong, and regionally the WWLHIN was setting all-time best performance marks in Ontario (i.e., 6.97 hours in Q2 2016/17 for complex patients).

Poorer ED LOS performance in 2017 led to a decrease in ED P4R funding regionally in 2018/19. Funding reduced by $711K (-13%) and market share slipped from 6.08% to 5.29%. Staff recommended in a Briefing Note to the WWLHIN Board of Directors on January 31, 2018 to allocate funding to hospitals as 'earned' in 2018/19 because three of the four sites were experiencing a decrease in funding. See Appendix B for historical ED P4R funding and program market share.

CURRENT STATE

At present, patient flow challenges experienced in 2018 have negatively impacted regional performance in the ED P4R program. The risks to ED P4R projected funding; however, are isolated to the KW4 sub-region, particularly with SMGH (see Appendix A).

Hospitals across Ontario are experiencing increasing ED LOS pressures. Results show that patients are waiting longer to have their care completed in emergency departments, particularly when seasonal results are considered (i.e., comparing Q2 2018/19 results against previous Q2 results). See Appendix C for performance trending for ED LOS indicators in the Ministry-LHIN Accountability Agreement (MLAA) and Hospital-Sector Accountability Agreement (H-SAA).

Emergency departments (EDs) in Waterloo Wellington are seeing increasingly sicker patients arrive for care, resulting in more admissions to hospital, more patients arriving by ambulance, and increasing patient complexity. WWLHIN EDs have higher rates of admission, ambulance arrivals, and high-acuity (i.e., complex, more urgent) patients than provincial averages.

PERFORMANCE MANAGEMENT AND ACCOUNTABILITY

Hospitals participating in the ED P4R program are required to submit ED improvement plans (ED IPs) as part of annual ED P4R planning. These ED IPs reflect the hospital's overall strategy to improve ED performance and the patient experience. WWLHIN staff meet quarterly with hospitals to review performance, as well as progress on ED P4R Action Plans and ED IPs.

The WWLHIN has initiated comprehensive, system-wide surge planning to improve communication and decrease barriers to moving patients throughout the health care system, while managing patient volumes and maintaining high-quality care. Adoption and activation of

the Surge Plan to achieve '7 day per week flow' will be a local obligation in SAAs for 2019/20, pending WWLHIN Board approval.

Appendix A: Projected ED P4R funding for 2019/20*

Prospective 2019/20 ED P4R Funding Allocation, Based on Current Performance*
(*assumes total funding pool $90 million)

Hospital	Performance Rank	Funding Rank	Projected P4R Funding 2019/20*	Current Year P4R Funding 2018/19	Projected Variance ($)	Projected Variance (%)
CMH	43	42	$ 1,041,630	$ 990,800	$ 50,830	5.13%
GRH	64	51	$ 852,992	$ 974,300	-$ 121,308	-12.45%
GGH	13	15	$ 1,671,706	$ 1,614,700	$ 57,006	3.53%
SMGH	52	47	$ 881,815	$ 1,182,600	-$ 300,785	-25.43%
WWLHIN			**$ 4,448,143**	**$ 4,762,400**	**-$ 314,257**	**-6.60%**

Note:

*Projected funding considering results from December 2017 through August 2018. Assumes a $90M envelope of funding for the ED P4R program for 2019/20. Performance from December 2017 through November 2018 will inform ED P4R rankings and funding for 2019/20.

Appendix B: Historical ED P4R funding and program market share, 2013/14 to 2019/20* (projected)

Emergency Department Pay for Results (ED P4R) Funding by Fiscal Year							
Hospital	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20* Projected (Dec 2017 - Aug 2018)
CMH	$ 1,015,400	$ 1,212,000	$ 1,096,400	$ 848,100	$ 1,140,700	$ 990,800	$ 1,041,630
GRH	$ 761,900	$ 971,200	$ 1,174,400	$ 1,107,600	$ 1,313,000	$ 974,300	$ 852,992
GGH	$ 1,865,900	$ 1,902,400	$ 1,925,000	$ 1,989,600	$ 1,994,700	$ 1,614,700	$ 1,671,706
SMGH	$ 845,900	$ 1,015,500	$ 1,216,600	$ 1,071,300	$ 1,025,300	$ 1,182,600	$ 881,815
WWLHIN	**$ 4,489,100**	**$ 5,101,100**	**$ 5,412,400**	**$ 5,016,600**	**$ 5,473,700**	**$ 4,762,400**	**$ 4,448,143**
ONTARIO	**$93M**	**$99.35M**	**$94.5M**	**$90M**	**$90M**	**$90M**	**$90M**
WWLHIN % of Ontario Funding	4.83%	5.13%	5.73%	5.57%	6.08%	5.29%	4.94%

Note:

*Projected funding considering results from December 2017 through August 2018. Assumes a $90M envelope of funding for the ED P4R program for 2019/20. Performance from December 2017 through November 2018 will inform ED P4R rankings and funding for 2019/20.

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Appendix C: Performance trending for ED LOS indicators in the Ministry-LHIN Accountability Agreement (MLAA) and Hospital-Sector Accountability Agreement (H-SAA)

Indicator	Hospital	Target	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18	Q1 18/19	Q2 18/19
90th Percentile ED LOS (hours) for Complex Patients	CMH	8.00	7.35	6.97	7.00	7.63	7.83	7.68	7.60	8.75	7.40	7.70
	GRH	8.00	7.83	7.22	7.78	8.67	10.13	9.60	10.20	11.00	9.85	11.45
	GGH	8.00	6.28	6.37	6.55	8.40	7.45	7.18	7.10	7.82	7.42	7.72
	GMCH	8.00	8.80	7.15	7.32	8.97	8.00	9.75	9.05	13.00	12.93	11.53
	SMGH	8.00	7.78	7.42	8.18	8.52	8.42	7.78	7.90	9.75	9.72	9.08
	WW Health System	**8.00**	**7.37**	**6.98**	**7.35**	**8.33**	**8.55**	**8.22**	**8.40**	**9.68**	**8.77**	**9.30**
	Rank	-	1	1	1	2	4	2	2	4	4	5
	Ontario	**8.00**	**10.03**	**10.15**	**10.52**	**11.02**	**10.27**	**10.55**	**10.70**	**11.50**	**10.48**	**10.68**
90th Percentile ED LOS (hours) for Non-Admitted Minor/Uncomplicated Patients	CMH	4.00	4.47	4.47	4.28	4.90	4.87	4.33	4.35	5.05	4.50	4.48
	GRH	4.00	4.30	3.80	4.02	4.47	5.98	6.12	6.63	7.72	5.63	5.63
	GGH	4.00	3.43	3.57	3.92	4.88	3.97	4.07	4.32	4.58	4.25	4.25
	GMCH	4.00	4.70	4.52	4.35	4.78	4.53	4.85	4.28	5.20	4.52	4.52
	SMGH	4.00	4.32	4.22	4.35	4.27	4.53	4.42	4.73	5.52	4.75	4.70
	WW Health System	**4.00**	**4.28**	**4.12**	**4.20**	**4.65**	**4.90**	**4.78**	**4.92**	**5.67**	**4.87**	**5.18**
	Rank	-	9	7	10	12	14	11	13	14	11	12
	Ontario	**4.00**	**4.12**	**4.15**	**4.10**	**4.22**	**4.17**	**4.33**	**4.32**	**4.67**	**4.47**	**4.62**

Sources:
NACRS, "ER Fiscal Year Report (lite version)", ATC-CCO.
NACRS, iPort Access, CCO. Data last refreshed on October 20, 2018.