LHINs and the governance of Ontario's health care system

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In many provinces across Canada the authority and governance of health care has been moved to regional authorities, based on the belief that local authorities can better integrate and coordinate services, and contain costs.

Ontario created 14 Local Health Integration Networks (LHINs) in 2006, with the mandate to plan, fund and integrate health care services for more efficient care in their regions.

However, the ability of LHINs to deliver on their mandate and improve health care in Ontario has come under fire, and the future of the LHINs is a major issue in Ontario's 2011 provincial election.

The future of the LHINs has been a central item of opposition party platforms in Ontario's upcoming October 2011 election. The Progressive Conservative Party platform includes a promise to eliminate Ontario's 14 LHINs as does the NDP platform which promises to "scrap the LHINs and replace them with effective local decision making." The total budget to administer Ontario's 14

LHINs is $68 million, a small fraction of the $44 billion spent in 2010 on health care in Ontario. A recent series in the Hamilton Spectator notes that moving the LHIN administrative budget to front line care could "pay for 154,420 consultations with a cardiologist, 291,500 abdominal MRI scans and 494,000 basic CT scans of the head."

Would eliminating the LHINs lead to more front line care? If the LHINs are eliminated, who will administer and manage the health system?

Ontario: A province like no other

As the cost and complexity of health care delivery systems have increased, there has been a movement across Canada to develop regional structures for the governance and administration of health care provider organizations, to better integrate services. By the end of the 1990s all provinces in Canada, with the exception of Ontario, had created regional health care authorities.

Ontario has taken a cautious approach to regionalization. About ten years after regionalization of health care governance occurred elsewhere in Canada, Ontario passed legislation for LHINs in 2006, creating 14 health regions.

Managing and administering a complex health care system whose annual budget exceeds $40 billion is a mammoth task. Many argue that LHINs were not given sufficient authority to meaningfully fulfill their mandate. A recent commentary argued that "the LHINs have been and are set up to fail" as they only have about 30 employees each, compared to the nearly 4000 Ministry of Health and Long-Term Care employees.

LHINs technically have authority over more than $20 billion in funding to health care organizations such as hospitals and community care access centers. In reality, however, LHIN administrators have little say in how these funds are distributed, and the money itself flows directly from the government to hospitals and other health care providers. In other provinces, health authorities receive money based on the population they serve and have the authority to make decisions on how and where to direct funding. While a new funding formula is meant to help improve population funding based on need Ontario is still far from a population, needs based approach.

Unlike other provinces, when the LHINs were established, Ontario chose to retain boards for individual hospitals and other local health organizations. Some see this as a major impediment to change, because powerful hospital administrators and boards sometimes work against LHIN efforts to rationalize and integrate services. Chris Carruthers, a retired Ottawa orthopaedic surgeon and former Chief of Staff of the Ottawa Hospital says that "Ontario is unique in Canada for leaving hospital boards in place" in a regionalized system, and that strong hospital governance has "been an impediment to quick decision making and collective integrated care" by the LHINs. Carruthers says that retaining hospital boards means "LHINs don't have the power to improve services across

their regions," depriving them of the ability "to make tough decisions about integrating care."

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LHINs have the mandate to plan, fund and integrate hospital, home and community services. However, like other health regions in Canada they lack responsibility for primary care services, pharmaceuticals and other complex provincial programs like cancer and transplantation. Malcolm Maxwell, President and CEO of Grand River Hospital says that Ontario's health system is a product of a hospital-based insurance system which is not "effectively integrated with primary care and Community Care Access Centres". Unlike other provinces, LHIN's mandate does not include the management of public health offices and agencies, making integrated health planning with public health challenging, especially during outbreaks like the 2009 H1N1 influenza pandemic.

LHINs have legislative authority to restructure, merge, and close facilities within their regions. However their ability to make major changes to the health system has been limited. Restructuring decisions can be highly unpopular with communities and are politically charged. However, the logic behind created local governance for health care is that local bodies will be better able to understand communities when making these choices. LHIN legislation outlines the importance of transparency and public accountability during these often painful decision making processes. However, some LHINs have come under fire for a lack of transparency. The Niagara Haldimand Brant LHIN was the subject of a highly critical report by Ontario's Ombudsman which described a lack of community engagement during a controversial hospital restructuring process.

In spite of some successes in leading the difficult work on health care integration and restructuring, the LHINs have been publicly criticized as an additional, costly layer of bureaucracy within the health care system. They have been blasted by critics in Ontario's legislature as a "bloated bureaucracy" that is "out of control" and "need[s] to be reined in." Some critics have called for the LHINs to be scrapped entirely.

But who will step in if the LHINs are abolished? Who will administer and manage the quality and performance of the health care system?

Dr. Wilbert Keon, a retired cardiac surgeon and senator, and current chair of the Champlain LHIN board, is concerned that changes to the current regional structure will create challenges, suggesting that "we had a decade of anarchy because one system was taken out of play and it has taken a decade to replace it." Keon says that political interference with health system governance is "the price we pay for democracy", but that it has created "a stop and go system" where changes are made based on politics, without sufficient consideration for the performance of the health care system.

Strengthening regional governance for health care improvement

With a provincial election on the horizon in Ontario, any incoming government will continue to struggle with managing health expenditure growth while improving health outcomes for Ontarians. Maxwell suggests that "it is difficult for 130 odd free standing hospitals in Ontario to independently develop and apply clinical performance measures." So, while it may sound appealing to suggest LHIN budgets should be converted to "front line care",

Ontario's delivery system currently is short on strong management at the regional level. Ontario's geography is vast, and there are large service integration and quality challenges which can only be met by some form of regional oversight, coordination and governance.

No matter what system is put in place, leading practices from other health regions suggest that regional bodies should be required to publicly report on the quality of care they provide and on the health of the population they serve, using a set of metrics that is common across the province

Ontario has many challenges to drive improvements in health care performance, management and governance in the coming years. Do you think that LHINs have the correct structure and mandate to help achieve this?