COMPENDIUM
LOCAL HEALTH SYSTEM INTEGRATION ACT, 2005

This compendium summarizes the provisions of the Bill entitled the *Local Health System Integration Act, 2005* (the "bill", "Act", or "LHSIA") which, if passed would provide as follows:

PART I: INTERPRETATION

Section 1

Purpose of the Act
The Bill states that the purpose of the Act is to provide for an integrated health system to improve the health of the people of Ontario through better access to health services, coordinated health care, and effective and efficient management of the health system at the local level by local health integration networks (LHINs).

Section 2

Definitions
A number of terms used in the Act would be defined, including:

"Geographic area" refers to the geographic area of each LHIN, which would be identified in a series of publicly available LHIN maps, or as set by regulation.

"Health service provider" refers to the following persons and entities:
- hospitals, psychiatric facilities (with certain exceptions), and the University of Ottawa Heart Institute,
- charitable homes for the aged, municipalities that maintain homes for the aged, nursing homes,
- community care access corporations,
- community service providers,
- community health centres,
- community mental health and addiction service providers, and
- any others that may be specified by regulation.

Podiatrists, dentists, physicians, or optometrists and corporations of these professionals who offer their professional health services to individuals are excluded from this definition.

"Integrate" includes to coordinate services and interactions, to partner with others in providing services or operating, to transfer, merge, or amalgamate, to start or cease to provide services, to cease to operate.

PART II: LOCAL HEALTH INTEGRATION NETWORKS

Section 3

Continuation and establishment
Under section 3, the current LHINs would be continued as corporations without share capital and renamed. Letters patent that established the current local health integration networks would be extinguished.

Regulations
The Bill provides that the Lieutenant Governor in Council could make regulations to incorporate, amalgamate, dissolve, divide, or change the name of a local health integration network. This could include dealing with assets and liabilities of any of the LHINs as specified in a regulation and transferring employees to the Crown or a Crown agency or to another local health integration network.

Section 4

Crown agency and status
A LHIN would be a Crown agent and the *Corporations Act* and *Corporations Information Act* would not apply unless set out in a regulation. LHINs would also not be charities, and the Act would set out that the *Charitable Gifts Act* and the *Charities Accounting Act* would not apply to LHINs.

Section 5

Objects of local health integration networks
The objects of a LHIN would be set out in the statute and would include: promoting integration of the local health system, planning for local health service needs, engaging the community in planning and setting priorities, and ensuring there are appropriate processes for responding to concerns. They would also include: helping to develop and implement the provincial strategic plan and provincial priorities and services; working with others to improve access to and coordination of health services, as well as continuity of care; disseminating information on best practices; improving the efficiency of health service delivery and the sustainability of the health system; allocating and providing funding to health service providers; setting performance standards with funded health service providers and ensuring they are achieved; being accountable for the effective and efficient management of the LHIN's human, material, and financial resources; and carrying out any other objects the Minister specifies by regulation.

Section 6

Powers

Under the proposed legislation a LHIN would have the capacity, rights, and powers of a person. It would not be able to operate for the purpose of gain and may only use its revenues for the purpose of furthering its objects.

Approval of Lieutenant Governor in Council

Unless approved by the Lieutenant Governor in Council, a LHIN would not be able to acquire, transfer, or put an encumbrance (e.g., a mortgage or a lease) on real property other than to lease office space. A LHIN would not be able to do such things as borrow, lend, or invest money; pledge or encumber its personal property; create a subsidiary. Further, a LHIN would not be permitted to provide direct health services to people.

Approval of Ministers of Health and Long-Term Care and Finance

A LHIN may not receive money or assets from anyone other than the provincial government or work with an organization that conducts fundraising for the LHIN without first receiving the approval of both the Minister of Health and Long-Term Care and the Minister of Finance.

Approval of Minister

Unless approved by the Minister, a LHIN could not: make charitable donations that are not authorized under this Act or register as a charity under the federal *Income Tax Act.* It also could not enter into an agreement to provide services outside Ontario or enter an agreement with any government or government agency outside Ontario without the Minister's approval. LHINs would be prohibited from making political donations.

Section 7

Board of directors

Each LHIN would have a maximum of nine members appointed by the Lieutenant Governor in Council, who would form the board of directors. Members would hold office for a term of up to three years and could be re-appointed for one additional term. The Act would provide that if a person stops being a member before his or her term is completed, the person's successor would serve for a term of either 13 months or the period that remains of the person's term, whichever is longer.

The Lieutenant Governor in Council would determine remuneration and reimbursement for reasonable expenses for the board of directors of a local health integration network. The Lieutenant Governor in Council would also be responsible for designating a Chair and at least one Vice-Chair from among the members.

Section 8

Powers and duties of board

The board of directors of each local health integration network would be responsible for managing its affairs. The board may pass by-laws and resolutions and may establish committees. Certain by-laws may require the Minister's approval.

Committees

The board of directors would be required to establish any committees that the Minister specifies through regulation and to comply with any requirements the Minister stipulates for those committees.

Duty of care, indemnification and conflict of interest

The directors of a local health integration network would have to act honestly and in good faith with a view to the best interests of the LHIN. A LHIN would be able to give an indemnity under section 136 of the *Business Corporations Act* but only if the indemnity has been approved by the Minister of Finance under the *Financial Administration Act*.

The board of directors of a LHIN would also be required to develop conflict of interest policies for its members and employees in consultation with the Minister.

Section 9

Meetings

The board of directors of a LHIN must hold at least four meetings in every calendar year. All meetings of the board of directors and committees of a local health integration network would be open to the public unless the Lieutenant Governor in Council stipulates otherwise in a regulation. The LHIN must give reasonable notice to the public of board and committee meetings.

Sections 10 and 11

Chief executive officer and employees

Each LHIN would hire a chief executive officer, to manage the affairs of the LHIN, and any necessary employees. The CEO and employees would not be civil or public servants under the *Public Service Act*. The Minister could fix salary and benefit ranges of a chief executive officer. LHINs could not pay the CEO outside of those ranges.

Section 12

Audit
The Auditor General would audit the accounts and financial transactions of a local health integration network annually. In addition, the Minister may at any time direct that the accounts and financial transactions of a LHIN be audited.

Section 13

Reports
Each local health integration network would be required to submit to the Minister an annual report, including audited financial statements, after the end of its fiscal year (April –March) for tabling in the Legislature. The LHIN would also have to provide the Ontario Health Quality Council with the information about the local health system that the Council requests.

PART III: PLANNING AND COMMUNITY ENGAGEMENT

Sections 14 – 16

Provincial strategic plan
The Minister would be required to develop a provincial strategic plan for the health system and make copies of it available to the public. The plan would include a vision for health care, priorities, and strategic directions.

LHINs' community engagement and Integrated Health Service Plan
Each local health integration network would be required to engage the community on an ongoing basis about the local health system, including about an integrated health service plan (IHSP) that the LHIN would be required to develop. The LHIN would have to make copies of the IHSP available to the public. The IHSP would be a local strategic plan and would include a vision, priorities, and strategic directions for the local health system. The IHSP would also indicate how the local health system was to be integrated.

The IHSP would need to be consistent with the provincial strategic plan, any funding that the LHIN receives from the Minister, and any regulations.

Health professionals advisory committee
Each LHIN would be required to establish an advisory committee consisting of members of the regulated health professions.

Engagement by health service providers
Health service providers would also be required to engage the community in the area where they provide health services when they develop their own plans and set priorities for delivering those services.

PART IV: FUNDING AND ACCOUNTABILITY

Sections 17 and 18

Funding of LHINs
The Act would authorize the Minister to fund LHINs on the terms and conditions the Minister considers appropriate.

Efficiency savings
LHINs would be permitted to use a portion of savings generated in a given fiscal year to reinvest in patient care in following years. The Act would require the Minister to consider any savings a LHIN generated through efficiencies when determining the funding for a LHIN.

Accountability of LHINs
The Minister and each LHIN would be required to enter into an accountability agreement for more than one year. Accountability agreements would set out such things as the funding to be received by the LHIN, the services, standards, and targets each LHIN must achieve with those funds, a plan for spending within the allocation received, and the health care and system outcomes expected. Required terms in an accountability agreement could be set out in regulation. The Minister and LHIN would be required to make copies of the accountability agreement available at their respective offices.

If the Minister and the LHIN were not able to reach an accountability agreement, the Minister could set the terms of the agreement for the LHIN.

Information and reports
A LHIN would be required to provide information to the Minister (other than personal health information) that is required for the Minister to administer the Act. The Minister may set the time frame and form in which the LHIN is to submit the information.

Sections 19 – 21

Funding of health service providers
LHINs would be authorized to fund health service providers to deliver services in or for the LHIN's geographic area on terms and conditions the LHIN considers appropriate. The LHIN would be required to allocate funding in keeping with the funding the LHIN may have received from the Minister, the accountability agreement with the Minister, and any other requirements set out in regulation.

Accountability of health service providers
Under the Act, a LHIN would be required to enter into a service accountability agreement (as defined in Part III of the *Commitment to the Future of Medicare*

Act, 2004) with a health service provider that it funds. Other matters concerning LHIN and health service providers' accountability would be set out in Part III of *the Commitment to the Future of Medicare Act, 2004*. Necessary modifications to that Part have been included in the bill (see below).

The bill includes transition provisions that allow the Minister to assign all or a part of an existing agreement with a health service provider to a LHIN until the LHIN enters into a new service accountability agreement with the health service provider.

Patient mobility
Under the Act a LHIN could not enter into any arrangement that would limit a person to receiving care only in the area that the person lives. This provision would ensure that LHIN boundaries would not affect where a person receives health services.

There would be an exception for community care access corporations (CCAC), which are approved to deliver services only within approved geographic areas. Patients are directed to the CCAC responsible for the area in which they live.

Audit
In addition to any audit provisions that a LHIN might require in its service accountability agreement with a funded health service provider, the Act would permit a LHIN to require the health service provider to have a licensed auditor audit its accounts and financial transactions and submit the audit to the LHIN.

Section 22

Information and reports
A local health integration network could require a health service provider that it funds or proposes to fund to provide plans, reports and other information (other than personal health information) that the LHIN would require to exercise its powers and duties under the Act. The LHIN could also require certain other organizations (that were identified in a regulation) to submit certain information to them (the types of information would also be set out in regulation).

The Act would authorize a LHIN to disclose information it has collected under these provisions to the Minister or to another LHIN if they required the information to exercise their powers and duties. It could also disclose information to the Ontario Health Quality Council if the Council requested the information in order to exercise its powers and duties.

PART V: INTEGRATION AND DEVOLUTION

Section 23

In this Part of the Act “service” is defined to include a service or program that is offered directly to people (e.g., home care services). It also includes a service or program that supports a direct service (e.g., laundry in a hospital) and a function that supports an organization to deliver services to people (e.g., payroll or other administrative functions).

Section 24

LHINs and health service providers would be expected to identify opportunities to integrate services in order to improve the coordination and delivery of services and programs to people.

Sections 25 to 27

Integration by LHINs
Under the Act, a LHIN could seek to integrate the local health system through its funding allocations, through facilitating and negotiating the integration of services and organizations (with health service providers and others), and through written decisions that require health service providers that it funds to proceed with an integration of services. A decision could also require a health service provider not to proceed with an integration.

No integration decision by a LHIN can permit a transfer of services where the result would be a requirement for an individual to pay for a health service, except as the law would otherwise permit.

Required integration
A LHIN that has an integrated health service plan could make a decision requiring one or more health service providers to which it provides funding to proceed with an integration when it considers it to be in the public interest to do so. These decisions could require a health service provider to:

- start to provide or stop providing a service,
- provide a certain quantity of a service,
- transfer a service from one location or entity to another, or
- take any action necessary to implement the integration (e.g., to transfer or receive property).

Regulations could be made to add to the types of decisions that a LHIN would be authorized to make.

Restrictions
The Act would set out several restrictions on LHINs' authority to make decisions requiring integration:

- Decisions would need to be consistent with the LHIN's integrated health service plan and its accountability agreement.
- Decisions must relate only to services for which the LHIN provides or intends to provide funding to the health service provider, in full or in part.
- Decisions could not require a health service provider to change its fundamental corporate structure, for example, by calling for the provider to wind up its operations, change the composition of its board of directors, or amalgamate with another health service provider.
- Decisions ordering integration must also not involve the transfer of charitable property to a service provider that is not a charity.
- Decisions issued to a health service provider that is a religious organization must not unjustifiably require that provider to offer a service that is contrary to the religion related to the organization.

Content of decisions
An integration decision must set out the purpose and nature of the integration, the parties to the decision, the steps they must take and the time frame for doing so, the effective date of any transfers of services that may be involved, and anything else the LHIN considers relevant.

Notice of decision
A LHIN would be required to provide a copy of a decision requiring integration to the parties to that decision and make copies of it available to the public at its offices.

Amendment or revocation
A LHIN could amend or revoke a decision it had issued.

Reconsideration
A health service provider that was a party to the decision would have 30 days to make submissions to the LHIN requesting that the decision be reconsidered. If the LHIN received a reconsideration request, it would be required to reconsider it and confirm, amend, or revoke the original decision, giving notice to the parties of the action it had taken. The action taken by the LHIN after reconsidering its decision would not be subject to further requests for reconsideration.

Integration by health service providers and decisions not to proceed
The Act would provide that a health service provider may integrate its services with another entity; however, if the integration relates to services funded by a LHIN the health service provider must first give notice to the LHIN. Exceptions to this notice requirement could be set out in regulation.

Where a health service provider gives notice to a LHIN, the Act would provide the LHIN with authority to issue a decision, where it considers it in the public interest to do so, to require the health service provider not to proceed with integration. The Act would provide that a LHIN could make such a decision after considering the extent to which the proposed integration was not consistent with its integrated health service plan and any other matters it considers to be relevant.

The LHIN's decision in these cases must be issued no later than 60 days after receiving notice of the proposed integration. The health service provider may not proceed with the integration if the LHIN orders it not to proceed, or until the 60 days had passed from the time the health service provider gave its notice.

As with a decision requiring integration, the parties to a decision stopping an integration would have 30 days to make submissions to the LHIN requesting the reconsideration of that decision. The LHIN would be required to reconsider it, confirm, amend, or revoke the original decision and give notice of its actions. The action taken by the LHIN after reconsidering its decision would not be subject to further requests for reconsideration

Section 28

Integration by the Minister
If the Minister receives advice from a local health integration network and considers it to be in the public interest, he or she could order a not-for-profit health service provider that is funded by a LHIN to cease operations, amalgamate with, or transfer its operations to, another not-for-profit LHIN-funded health service provider. The Minister may also order the provider to take any other action necessary to carry out the order, including transfer property.

As with a decision by a LHIN requiring integration, a Minister's integration order must set out the purpose of the integration, the parties to it, the actions the parties must take, and the effective date of any transfers of services. The Act would likewise stipulate that the parties would have 30 days to make submissions to the Minister requesting the reconsideration of the order. The Minister would be required to reconsider it, and confirm, amend, or revoke the order, providing notice of the action taken to the parties. The action taken by the Minister after reconsidering the order would not be subject to further requests for reconsideration.

Religious denomination
As with LHIN integration decisions, the Act would require that a Minister's integration order issued to a health service provider that is a religious organization may not unjustifiably require that provider to offer a service that is contrary to the religion related to the organization.

Section 29

Compliance
The proposed bill would require a party to an integration decision or Minister's order to comply with the decision or order.

A corporate health service provider would be deemed to have the powers to comply with an integration decision or Minister's order, notwithstanding any legislative, corporate, or other instrument related to the governance of the health service provider. The legislation would allow the LHIN or the Minister to apply to the Superior Court of Justice for an order directing a party to comply with the decision or order.

Section 30

Transfer of property held for charitable purpose
The Act would provide that if an integration decision or Minister's order directs the transfer of property held for a charitable purpose, all grants of property are transferred to the transferee with the property. The transferee must use the property for the particular purpose, if any, that was specified in the original grant, for example, the construction of a surgical wing for a hospital.

Section 31

No compensation
The Act would stipulate that health service providers and other persons would not be entitled to compensation for losses arising from an integration decision or Minister's order. There would be an exception from this general rule: a person who suffers a loss resulting from a transfer is entitled to compensation in respect of the loss for the portion of the value of the property that was not acquired with government funds. The level of compensation and means to arrive at it would be set out in regulation.

Section 32

Application of the *Public Sector Labour Relations Transition Act, 1997*
The *Public Sector Labour Relations Transition Act, 1997* (PSLRTA) currently provides a streamlined process for resolving labour relations issues in the context of amalgamations of municipalities, school boards, and hospitals. It addresses such issues as defining the new bargaining unit(s), determining the bargaining agent(s), protecting seniority rights, and providing a process for the negotiation of a new collective agreement. When PSLRTA applies to a transaction, it replaces the successor rights provision found in the *Labour Relations Act, 1995*.

This section of the Act provides that PSLRTA would apply to the following types of integration:

- The transfer of all or part of a service under a LHIN integration decision;
- The transfer of all or substantially all of the operations of a health service provider under a Minister's order; or
- The amalgamation of two or more persons or entities under an integration decision (where the integration was negotiated or facilitated by a LHIN) or under a Minister's order.

The Act would provide, however, that PSLRTA would not apply where any of the following happened:

1) the successor employer and the unions affected by the integration agree in writing that PSLRTA should not apply;
2) the successor employer or a union affected by the integration applies to the Ontario Labour Relations Board (OLRB), and the OLRB orders that PSLRTA should not apply;
3) the successor employer was not a health service provider, and its primary function is the delivery of services outside the health services sector.

The section also sets out the OLRB's powers and the procedures that would apply if an application were made under the section (point 2 above).

Section 33

Integration by regulation

The Act would also allow the Lieutenant Governor in Council to make a regulation ordering that hospitals transfer certain non-clinical services (e.g., financial functions, purchasing, etc.) to another entity. Hospitals would be required to comply with the regulation. Also, unless otherwise prescribed, the *Public Sector Labour Relations Transition Act, 1997* (PSLRTA) would be made to apply to any transfers. This section of the Act would be repealed on a day to be named by proclamation.

Section 34

Devolution

The Act would provide that the Lieutenant Governor in Council could make regulations devolving other powers or duties of the Minister or a delegate to the LHIN. The regulation could set conditions on the exercise of the devolved power or duty, which, once devolved, would become the responsibility of the LHIN.

PART VI: GENERAL

<u>Section 35</u>

No liability
The Act would provide that no proceedings could be brought against the Crown, Minister or employee of the Crown or Minister, a member, director, officer or employee of a LHIN for any decision made or exercised under the Act, provided they performed such in good faith. An application for judicial review under the *Judicial Review Procedures Act* or claims for compensation as permitted under the Act would be permitted.

<u>Section 36</u>

Regulations – Lieutenant Governor in Council
The Act would provide the Lieutenant Governor in Council with authority to make a number of regulations including, among others, the following: excluding certain organizations from the definition of "health service provider"; specifying exemptions from any provisions of this Act or its regulations; describing community engagement processes.

Regulations – Minister
The Minister would have authority to make regulations specifying additional objects of a local health integration network and concerning matters relating to board committees of local health integration networks.

<u>Section 37</u>

Public consultation before making regulations
With some exceptions, the Act would require public consultation before either the Lieutenant Governor in Council or the Minister makes a regulation.

The Act would also set out the procedures to be followed for public consultation (e.g., notice, 60 day period for review and comment, etc.), as well as circumstances where the Minister could determine there should be no public consultation or a shorter period of consultation (i.e., for an urgent matter or a merely technical clarification).

PART VII: COMPLEMENTARY AMENDMENTS

<u>Section 39</u>: *Community Care Access Corporations Act, 2001*

The bill would make a number of amendments to *the Community Care Access Corporations Act, 2001* to permit the Lieutenant Governor in Council and the

Minister to change community care access corporations (CCACs) and to return them to non-profit boards under the *Corporations Act*.

Continuation, extinguishment of letters patent, establishment
The current CCACs would be continued as corporations without share capital under the Act (rather than being designated in a regulation). The letters patent issued under the *Corporations Act* to constitute CCACs would be extinguished and the Lieutenant Governor in Council would have a new power under the CCAC Act to create new CCACs (new section 2(3)).

Board of Directors and *Corporations Act*
The CCAC Act would be amended to provide that CCACs would select their own members and directors under the provisions of the *Corporations Act* (new subsection 4(5.2)). This provision would come into force on a date to be proclaimed by the Lieutenant Governor in Council. Transition provisions would continue members and directors if this provision was proclaimed and CCACs began to appoint their own members and directors. Also, sections dealing with the Lieutenant Governor in Council selecting a Chair and Vice-Chair would be repealed. The *Corporations Information Act* would not apply to the CCAC unless specified in regulation.

The CCACs would be permitted to establish committees of the board that they consider appropriate and the requirement for a community advisory council would be repealed. CCACs would be required to engage their community for such things as developing plans for service delivery (see sections 14-16 of the bill).

Objects
The bill would amend the CCAC Act to authorize the Lieutenant Governor in Council to add related charitable objects to the objects of CCACs by regulation.

Executive Director
The amended CCAC Act would provide that, on a date to be proclaimed, the board of directors would select its Executive Director and fix his or her salary and other remuneration. A transition provision would provide that the employment of the person who holds the position of Executive Director at the time this section comes into force would continue on the same terms and conditions. This provision is meant to coincide with the provisions permitting CCACs to appoint their own members and directors.

Audit and annual reports
The CCAC Act would be amended to provide that CCACs would no longer have to provide audit and annual reports to the Minister if provisions permitting CCACs to appoint their own members and directors were proclaimed. Each CCAC could be subject to an audit and requirement to provide certain information to the LHINs (see sections 21 and 22 of the bill).

Organization of corporations
The Bill would add a new part to the CCAC Act to provide authority to the Lieutenant Governor in Council to amalgamate, dissolve or divide CCACs. This authority would include changing the names of CCACs and establishing processes or requirements for dealing with the assets of CCACs and the transfer of employees of CCACs.

The Minister would have the power to order the specific transfer of assets and employees of CCACs. Provisions would set out how the Minister would exercise this authority (e.g., requirement to provide a copy of the order to each of the affected CCAC's, requirement for CCAC to prepare a report on proposals for how to implement the reorganization, etc.).

Provisions would require that any charitable property transferred under a Minister's order would be deemed to be charitable property of the transferee, and if there were a specified purpose of the charitable property the transferee would have to use it for the specified purpose (e.g., use funds donated to purchase a piece of equipment for the same purpose).

Provisions would stipulate that community care access corporations would not be entitled to compensation for losses arising from changes to CCAC corporations, including from a transfer of assets. There would be an exception from this general rule: a person who suffers a loss resulting from a transfer is entitled to compensation in respect of the loss for the portion of the value of the property that was not acquired with government funds. The level of compensation and means to arrive at it would be set out in regulation.

The *Public Sector Labour Relations Transition Act* would apply to the transfer of employees of CCACs and the employee's employment would continue upon the transfer. The amended CCAC Act would provide that where the Lieutenant Governor in Council has appointed an Executive Director of a CCAC the Executive Director's employment would be terminated if the CCAC were amalgamated, dissolved, or divided. If the Executive Director were subsequently appointed to another CCAC at the time this Bill came into force, he or she would carry over any rights and entitlements of employment from the previous CCAC.

Certain transitional provisions dealing with restrictions on CCAC corporations before February 16, 2002 in sections 15 through 17 of the current CCAC Act would be repealed. An example is the inability of CCACs to enter into agreements of more than one year without Minister's approval.

<u>Section 40</u>: ***Public Sector Labour Relations Transition Act, 1997***

The *Public Sector Labour Relations Transition Act, 1997* (PSLRTA) would be amended to make it apply as necessary to broader integration activities in the health sector.

Section 9 of PSLRTA would be amended to expand the power of the Ontario Labour Relations Board (OLRB) to order that PSLRTA applies to a health services integration, upon the application of an employer or a union subject to the integration. This power would no longer be limited to operational mergers and substantial restructuring of hospitals. It would be limited, however, to employers whose primary function is (or will be) the provision of services within or to the health services sector.

The OLRB would continue to be required to consider certain factors, such as the extent of labour relations problems that could arise from the integration. This section would also provide that the OLRB could make the order prospectively (i.e., before the actual integration has taken place) and on such terms as it considered appropriate.

This section would continue not to apply where services were transferred to the Crown.

The regulation making power set out in section 40 of PSLRTA is amended to clarify that a regulation can be made to apply PSLRTA to a health services integration.

New sections (19.1 – 19.6) would be added to PSLRTA to clarify and modify how sections 14 to 18 of PSLRTA would apply in circumstances where there is only a partial integration in the broader public sector (e.g., where some but not all services are transferred). The new sections make it clear that bargaining, conciliation, or interest arbitration proceedings that had already commenced with respect to the predecessor employer would not be automatically terminated. That is, where they could continue because only some of the employees were being transferred out of the bargaining unit they would be permitted to proceed with any necessary modifications (e.g., new submissions in an interest arbitration case).

PSLRTA would further be amended to remove references to the transitional period. This would mean that PSLRTA would continue on without need for regulations setting an alternate transitional period.

PART VIII: CONSEQUENTIAL AMENDMENTS

Section 42

Amendments would be made to the ***Commitment to the Future of Medicare Act, 2004*** (CFMA) to reflect the new relationship between the LHINs and health service providers. The definition of a health resource provider in the CFMA would be amended to include all of the organizations that would be considered a health service provider under the proposed *Local Health System Integration Act, 2005* (see section 2 above) and Independent Health Facilities (status quo). Groups that would be excluded from the definition of health service provider under the proposed *Local Health System Integration Act, 2005* would also be excluded from the definition of health resource provider under the CFMA (i.e., podiatrists, dentists, physicians, and optometrists who provide professional health services to individuals, as well as their professional corporations). Trade unions would continue to be excluded.

A number of amendments would be made to authorize LHINs to exercise most of the Minister's powers under Part III with respect to health service providers under the proposed *Local Health System Integration Act, 2005*. The exceptions are sections dealing with CEO compensation, regulations, and interactions with an Independent Health Facility.

Under Part III of the *Commitment to the Future of Medicare Act*, *2004* the LHINs and their providers would be required to enter into a service accountability agreement within specified timeframes. If the timeframes were exceeded the LHIN could impose the agreement on the provider.

Part III would be further amended so that only chief executive officers of public hospitals could be subject to the Lieutenant Governor in Council's ability to order the repayment of a part of the chief executive officer's compensation package (note: this section of Part III is not yet in force).

Section 50

The Bill would repeal the powers set out in section 6 of the ***Public Hospitals Act***. Section 6 provides the Minister with the authority to issue certain directions to hospitals such as the requirement for two or more hospitals to amalgamate. It formerly permitted the Health Services Restructuring Commission to issue these directions.

Section 6 would be replaced with transitional provisions to deal with outstanding directions (to grandfather directions until they are completed or revoked). The Act would provide that if a direction conflicted with an integration decision issued by a LHIN or with a Minister's order (see sections 25(2) and 28 of the bill) the integration decision or Minister's order would prevail. The Minister would

continue to have the ability to amend or revoke a direction if he or she considered it to be in the public interest to do so. These transitional provisions would be repealed on a date to be proclaimed.

Additional consequential amendments to the *Public Hospitals Act* would be made to reflect the changes to section 6 and to recognize LHINs where appropriate (e.g., to require hospital subsidiaries and foundations to provide financial reports both to the Minister and to a LHIN).

There would be further amendments to the definitions of the terms “patient”, “in-patient”, and “treatment” in the Public Hospitals Act. These amendments would be necessary to ensure that Women’s College Hospital would continue to be designated as a hospital in the event that it no longer had in-patient beds following its de-merger from Sunnybrook and Women’s College Health Sciences Centre.

Section 44 of the *Public Hospitals Act* would be amended to address situations in which an integration decision or Minister’s order under the *Local Health System Act, 2005* results in a hospital ceasing to operate or ceasing to provide a service. The amendment would permit hospitals to apply existing powers to deny or make changes to physician privileges in certain circumstances that arise as a result of integration decisions or Minister’s orders.

Sections 41, 44, 45, and 47

The Bill would make changes to the statutes listed below to reflect the new funding and accountability relationships health service providers could have with local health integrated networks. References to “agreement” would be changed to “service accountability agreement”, references to funding from the Minister or Crown would be expanded to include reference to a LHIN, and funding would be made permissive rather than obligatory.

- ***Charitable Institutions Act***
- ***Homes for the Aged and Rest Homes Act***
- ***Long Term Care Act, 1994***
- ***Nursing Homes Act***

Section 43

The ***Health Facilities and Special Orders Act*** would be amended to reflect that payments for services may be made by LHINs and to ensure that in the specified circumstances a licensee (e.g., the licensee of a nursing home) would not be entitled to payment from any source, including a local health integration network or a resident.

<u>Section 46</u>

The ***Ministry of Health and Long-Term Care Act*** would be amended to repeal all provisions that relate to District Health Councils.

<u>Sections 48, 51, and 52</u>

Three additional statutes (***Pay Equity Act***, ***Social Contract Act***, and ***Tobacco Control Act***) would be amended to remove references to District Health Councils where they might appear, to update the reference to the Ministry of Health and Long-Term Care, and to add references to funding that may be obtained through a LHIN.

<u>Section 49</u>

The ***Personal Health Information Protection Act, 2004*** would be amended to add references to the funding of organizations by LHINs, where appropriate.

PART VIII: COMMENCEMENT AND SHORT TITLE

<u>Section 53</u>

The Act would come into force upon Royal Assent except for the sections that are specified, which would come into force upon proclamation by the Lieutenant Governor in Council.

<u>Section 54</u>

The short title of the Act is the *Local Health System Integration Act, 2005*.