November 8, 2013

Real-World Financial Reality Vs. The Minority Government's Incremental Change Agenda

Ted Ball

So it would seem from the ***Fall Economic Statement*** that the healthcare system is once again “off-the-hook” -- at least until next year's budget, and most likely the budget of 2015.

While the ***Drummond Report*** called for a 17% cut in provincial spending, a minority government would never consider such drastic, yet financially prudent actions.

Under their current political circumstances, it is clear that the **Wynne Government** has no intention of addressing the fact that there is 30% waste in our $48 billion healthcare system. Indeed, under the Liberal’s last budget, healthcare spending increased by yet another 2% -- a clear demonstration of Liberal philosophy and values, rather than a prudent response to the economic realities that must ultimately be addressed.

To accomplish this 2% growth for healthcare this year, and another 3.4% growth in the education budget, the rest of our public services was cut by 4.3%. However, because some of those cuts will be on programs that impact on the determinants of health, the fact is that by “protecting healthcare budgets”, paradoxically, our society will get sicker in the future.

Finance Minister **Charles Sousa's** economic statement is about the political decision to put off the pending restraint being demanded by the bond holders and by our creditors on Wall Street. Most governments around the world are responding to their deficit/debt issues by aggressive budget slashing. But in our minority situation, we're not going there, yet.

As a former Senior Policy Advisor and Chief-of-Staff to Red Tory **Larry Grossman**, who was Minister of Finance, I must say I have high empathy for the tough choices between the need for austerity, and the politics of survival.

The fact is that our citizens don't get too excited about our provincial debt that is now approaching $300 billion. It doesn't mean much to them. It is just a abstract concept that economic egg-heads talk about.

But the problem with delaying prudent fiscal management is that when austerity finally does click in -- after the next election -- the cuts required by the delay become much deeper and more harmful. The choice: incremental pain now vs. big pain later.

Yes, the government is in charge of the timing, but this concept of the "**discipline of the marketplace**" cannot be escaped. All that is happening now is that the day-of-reckoning for the health sector has been put off…again. Indeed, this year, we're borrowing another $20 billion to just keep everything going steady.

But the truth is, we will have a **$300 billion provincial debt** by 2015! So, if we would all just agree to pay a lot more taxes; cut some government programs; get rid of lots of waste; and cut back on centralized bureaucracy; we could save perhaps a billion dollars a year to pay down our provincial debt.

If we could really generate a billion dollars in savings and additional tax revenue each year, we would be able to pay off our provincial debt in just…yes, that's right… just 300 years! Think about it.

That means we are in trouble. Big trouble. Big, big trouble.

We have a debt that is eight times as large as debt-ridden California. While not as badly off as Greece, we're on a par with Spain. Our minority government's judgment call is: maintain the status quo for now, tread water, wait, watch, react.

However, let's say there was a majority government and *Moody's Investors Service* was going to downgrade our credit rating – costing Ontarians billions over many decades in extra interest payments. While we are already now paying out $10 billion annually to Wall St. for interest payments on the money we have already borrowed and spent, this figure will increase dramatically with any rise in the interest payments over the next 300 years. You think that might happen?

If the Liberals kept to their original plan, and complied with their own legislation on the *Local Health Integration Networks*, they would have devolved authority to the LHINs to allocate resources based on needs/performance and local plans. Devolution to the LHIN's would enable the MOHLTC to downsize by about 70 percent. For understandable reasons, our public servants at Queen's Park would rather cut health services in local communities, than bureaucracy in Toronto.

While the Tories rail against "needless bureaucracy", their own plan is to keep the top-heavy MOHLTC intact to run a centralized system of 30 to 40 **Hospital Hubs** -- while getting rid of the potential for "local empowerment", and by getting rid of, rather than reforming and transforming, the LHINs.

If you could decide on the change to "fix" healthcare, how would you redesign your local healthcare delivery system? Think about taking 5% of the total LHIN budget out, for a combination of debt reduction, and reallocation to community services, in order to achieve each community's ***Integrated Health Service Plan***.

If 5 percent of our $48 billion healthcare expenditures were removed, and budget reallocation resulted in a 1% to 3% shift from institutional care to community care, and from treatment to prevention, Ontarians would experience "deep change" in their healthcare delivery services.

In his book, ***Deep Change: Discovering The Leader Within***, **Robert Quinn** distinguishes between deep change and incremental change.

He describes *incremental change* as the typical result of rational analysis and planning. There is the desired goal and the specific steps to reach that goal. Incremental change is usually limited in scope and often reversible. If the change does not work out, we can always return to the old way. Incremental change usually does not disrupt our past patterns -- it is an extension of the past. Most important, during incremental change, we feel we are in control."

In contrast, *deep change* requires new ways of thinking and behaving. "It is change that is major in scope, discontinuous with the past and generally irreversible." says Quinn. Deep change will distort existing patterns of action and involves taking risks, Quinn says "Deep change required people to be surrender the '*illusion of control'*."

While 37 new *Health Links* have been launched in the past ten months, it is prudent to remember that we've all engaged in a variety of high-profile and noisy health reform movements that did not accomplish the lasting value that we thought we would achieve.

In his paper on the ***Clinamen Collaborative*** by ***Patients' Association Of Canada*** President, **Sholom Glouberman**, he says that "most of the past efforts to reform healthcare systems have been to integrate services which are excessively fragmented. Much of the talk about "the right service at the right time and place", and about "seamless delivery" is in response to a similar mistake: the attempt to reduce all healthcare interventions to measureable industrial tasks".

Glouberman says "the notion that there can be rigid protocols for healthcare interventions, like there are for cooking hamburgers at McDonalds, or assembling cars, is to confuse *complex* human interactions with *complicated* mechanical procedures." He says "the fact that many human interactions cannot be reduced to recipes and formula does not mean they cannot be done well. It only means that they cannot be done by rote. Just as there are no complete recipe for raising a child, there are none for determining all provider-patient interactions."

The question is: is our politically-driven health system -- with its ingrained habits of command/control, micro-management, the careful management of optics and their deep belief that "one-size-does-fit-all" -- actually capable of "letting go", and devolving power and authority. Are we really capable of such deep change?...From Queen's Park to LHINs; from LHINs to HSP; from senior managers to middles; and from middle managers to our front-line care givers.

While relationships and structures need to change, the hard part will be about money. People telling you that there is still lots of money -- and not to worry about cuts-backs -- are not in stewardship to the system. They are simply being politically expedient.

So, how should our existing resources be redistributed from institutional to community care? How would you make deep transformational changes to your local healthcare delivery system?

Scroll down and find your LHINs budget pretend it 2015 and you now need to – remove 5% overall; add 4% per year growth for community mental health, independent living and supportive housing, illness prevention and home care services. Shift 1% to 3% of resources from acute care to community care and support services. In northern and rural communities, simply maintain the status quo. In large urban centres, close beds/and/or hospitals.

Then, reallocate what you think would be the appropriate resources to achieve your local *Integrated Health Services Plan*. What does it look like?

From your knowledge of evidence about "what works" and "what doesn't work" in healthcare, how would you reallocated resources? If your challenge was to implement your ***Integrated Health Service Plan*** with a three-year period, what actions would you take to propel the system forward?

If you do take the time to think about how to reallocate resources and reduce expenditures overall, you should think about sharing your thoughts with Queen's Park, and with your local LHIN -- who continue to talk about a "transformation", but are still proceeding with a level of "incrementalism" that holds off dealing with our economic realities until the Spring of 2015.

Central LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	10	$ 1,100	61
Community Care Access Centres (CCACs)	1	224	13
Community Health Centres (CHCs)	2	9	1
Mental Health and Addictions, Supportive Housing, Community Mental Health	21	67	4
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	38	72	4
Long-Term Care Homes	46	311	17
TOTAL *	118	$ 1,783 M	100%

Central East LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	10	$ 1,324	63
Community Care Access Centres (CCACs)	1	218	11
Community Health Centres (CHCs)	7	23	1
Mental Health and Addictions, Supportive Housing, Community Mental Health	21	58	3
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	48	46	2
Long-Term Care Homes	70	407	20
TOTAL *	157	$ 2,076 M	100%

Central West LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	2	$ 500	63
Community Care Access Centres (CCACs)	1	85	11
Community Health Centres (CHCs)	2	10	1
Mental Health and Addictions, Supportive Housing, Community Mental Health	12	30	4
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	21	15	2
Long-Term Care Homes	24	147	19
TOTAL *	62	$ 787 M	100 %

Note: The count listed may include duplications if the same provider is listed in each of the combined sectors.

Champlain LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	20	$ 1,652	72
Community Care Access Centres (CCACs)	1	183	8
Community Health Centres (CHCs)	10	50	2
Mental Health and Addictions, Supportive Housing, Community Mental Health	65	79	3
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	83	44	2
Long-Term Care Homes	63	295	13
TOTAL *	242	$ 2,303 M	100 %

Erie St. Clair LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	5	$ 642	64
Community Care Access Centres (CCACs)	1	116	11
Community Health Centres (CHCs)	4	26	2
Mental Health and Addictions, Supportive Housing, Community Mental Health	19	39	4
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	37	24	2
Long-Term Care Homes	37	176	17
TOTAL *	103	$ 1,023 M	100 %

Hamilton Niagara Haldimand Brant LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	10	$ 1,721	69
Community Care Access Centres (CCACs)	1	236	9
Community Health Centres (CHCs)	7	23	1
Mental Health and Addictions, Supportive Housing, Community Mental Health	47	61	2
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	80	67	3
Long-Term Care Homes	88	406	16
TOTAL *	233	$ 2,514 M	100 %

Mississauga Halton LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	2	$ 913	69
Community Care Access Centres (CCACs)	1	131	10
Community Health Centres (CHCs)	0	0	0
Mental Health and Addictions, Supportive Housing, Community Mental Health	12	33	2
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	34	67	5
Long-Term Care Homes	27	182	14
TOTAL *	76	$ 1,326 M	100 %

North Simcoe Muskoka LHIN

Health Service Provider Type	Health Service Provider Number	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	7	$ 514	66
Community Care Access Centres (CCACs)	1	83	11
Community Health Centres (CHCs)	3	10	1
Mental Health and Addictions, Supportive Housing, Community Mental Health	15	27	4
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	38	19	2
Long-Term Care Homes	28	128	16
TOTAL *	92	$ 781 M	100%

North East LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	25	$ 903	68
Community Care Access Centres (CCACs)	1	109	8
Community Health Centres (CHCs)	6	18	1
Mental Health and Addictions, Supportive Housing, Community Mental Health	48	72	5
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	71	40	3
Long-Term Care Homes	42	194	15
TOTAL *	193	$1,336 M	100%

North West LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	13	$ 406	69
Community Care Access Centres (CCACs)	1	43	7
Community Health Centres (CHCs)	2	8	1
Mental Health and Addictions, Supportive Housing, Community Mental Health	45	50	9
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	63	16	3
Long-Term Care Homes	15	67	11
TOTAL *	97	$ 590 M	100%

South East LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	7	$ 686	65
Community Care Access Centres (CCACs)	1	100	10
Community Health Centres (CHCs)	5	22	2
Mental Health and Addictions, Supportive Housing, Community Mental Health	27	44	4
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	37	27	3
Long-Term Care Homes	37	170	16
TOTAL *	114	$ 1,049 M	100 %

South West LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	20	$ 1,542	72
Community Care Access Centres (CCACs)	1	177	8
Community Health Centres (CHCs)	5	17	1
Mental Health and Addictions, Supportive Housing, Community Mental Health	37	56	3
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	76	52	2
Long-Term Care Homes	77	291	14
TOTAL *	216	$2,135 M	100 %

Toronto Central LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	18	$ 3,631	82
Community Care Access Centres (CCACs)	1	204	4
Community Health Centres (CHCs)	17	83	2
Mental Health and Addictions, Supportive Housing, Community Mental Health	95	171	4
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	44	75	2
Long-Term Care Homes	32	251	6
TOTAL *	207	$ 4,415 M	100 %

Waterloo Wellington LHIN

Health Service Provider Type	Health Service Provider (Number)	MOHLTC Base Funding (Million $)	% of Total Base Budget of the LHIN (%)
Hospitals	8	$ 599	63
Community Care Access Centres (CCACs)	1	109	11
Community Health Centres (CHCs)	4	17	2
Mental Health and Addictions, Supportive Housing, Community Mental Health	15	47	5
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing	28	19	2
Long-Term Care Homes	37	159	17
TOTAL *	77	$ 950 M	100 %

Your LHIN	2013	2014	2015
Hospitals	$_____	$_____	$_____
Community Care Access Centres (CCACs)			
Community Health Centres (CHCs)			
Mental Health and Addictions, Supportive Housing, Community Mental Health			
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing			
Long-Term Care Homes			
TOTAL *			

Your LHIN	2013	2014	2015
Hospitals	$_____	$_____	$_____
Community Care Access Centres (CCACs)			
Community Health Centres (CHCs)			
Mental Health and Addictions, Supportive Housing, Community Mental Health			
Community Support Services Incl. Acquired Brain Injury, Assisted Living in Supportive Housing			
Long-Term Care Homes			
TOTAL *			

FORWARD THIS BLOG TO INTERESTED COLLEAGUES.