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## **Will Tim Hudak's Idea That Our Hospitals Run The Health System Come True?**

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The Premier's *mandate letter* to the **Hon. Eric Hoskins** last Fall seemed to take pains to avoid acknowledging the existence of local **Community Governance Boards** in our healthcare services delivery system. Ignoring the traditional platitudes about "voluntary governance" and "citizen engagement", she tells the Minister to partner with "administrators, healthcare providers and patients" in the development of our future system.

From an organizational and system design perspective, the paradox of independent HSPs operating within an interdependent system -- with linked accountabilities; integrated management system scorecards; and, supported by *Collaborative Governance* processes and practices, can definitely work -- if they are designed and aligned on both their system and silo outcomes.

But two problems had emerged by the end of the Liberal's first term in office. Following **Minister Smitherman's** departure, despite passing their legislation on devolution, in order to keep their jobs, the MOHLTC simply failed to devolve spending and allocation authority to the LHINs. Their self-preservation and self-interest was to maintain the old administrative authority model -- where Queen's Park decides how/where to spend the money, and the centralized administration in Toronto gets "staffed-up" to play an ever-expanding role in the micro-management of each local healthcare services delivery system across the province.

So, instead of following the new law, and devolving authority to local communities, the MOHLTC grew from just 5 ADMs when the LHIN legislation was passed at Queen's Park, to today's 16 ADMs -- and the many more micro-managers and template designers that have been hired over the past ten years to expand their "command" and "control" over the service delivery system out of their different silos at Queen's Park.

While each LHIN has continued to produce regular *Integrated Health Services Plans* (IHSPs) for their network of Health Service Providers (HSPs), they were never actually empowered to implement their community's IHSP. Central planners at Queen's Park have also sought to micro-manage the delivery system at the local level -- by creating worst practice command and control *Accountability Agreements* between Queen's Park, and each LHIN. This was done so that Queen's Park could not be blamed when things go wrong.

But imposed *Accountability Agreements* in which people are "held accountable" for things over which they have no control, are called "worst practices". Nevertheless, our LHIN Boards and their CEOs never objected to these worst practice accountability

agreements when they were first imposed. Now this blame-avoidance way of thinking and behaving is ingrained in their DNA as well.

While LHINs are in law governed by *Community Boards Of Governance*, in practice, LHINs have not emerged as "the Minister's eyes and ears on their local delivery system", but rather, more like a line-authority to the Ministry -- and as some say, "an extension of the Ministry" (much like the old **Regional Offices of the MOHLTC**) -- but still with an independent and accountable *Community Governance Board*, that is also empowered in law to provide strategic direction to the LHIN, and to the HSPs that they fund.

So, what is the future of healthcare governance now? Was the absence of any reference to healthcare governance in the Premier's letter a "good", or a "bad" thing? Am I being over-sensitive about the exclusion of community governance from the *Minister's Mandate Letter*, or is community governance actually at risk?

While there is a tiny lobby for patient-centred governance reform and several advocates for *Generative* and *Collaborative Governance*, the loudest, best-connected lobby -- with the most momentum -- is the "*Fewer is Better*" group. They are convinced that the real problem in our health system isn't the "poor quality" of our community governance boards -- they think that there are: "just too many Boards".

The "*Fewer is Better*" people think we ought to have about **40 Hospital Hubs**, each with a single Board, and a system CEO. Their arguments have no data to back them up. However, Queen's Park public servants say they would sleep much better, if they only had to deal with hospitals, instead of all those "*Munchkin Agencies*" they have to micro-manage from Queen's Park. So, the "fix" could be in.

For some reason, MOHLTC did not make any major decisions during year-one of the Liberal's mandate. As we head into the second-year of a four-year mandate, the "*Fewer is Better*" advocates will be urgently pushing for lots of mergers in the munchkin community health and social services support sector to achieve their goal of "fewer boards" -- under the assumption that merged organizations are cheaper and better.

These advocates offer no evidence for their claim that "*Fewer is Better*"; and, they simply shrug-off the hard-evidence that hospital mergers in the 90's did not ever result in "more efficient", or "higher-quality" organizations; and, they ignore vital issues like the potential loss of hundreds of millions of dollars in volunteer-time.

The group primarily represents a "*Managerial Mindset*" that responds to complexity with a hierarchical structural solution. However, designing *complex adaptive systems* with a linear, one-dimensional lens always sub-optimizes. The "*Innovators Mindset*" sees the opportunity to unleash the self-organizing capacity that exists at the local level.

"All politics is local" is how Hon. **Greg Sorbara** always phrased it. "Local", in my mind is at the Health Link-Level.

The *Fewer Boards Group* say things like "*the system is over-governed and under-managed*". But, if you count the number of governance boards, compared to the number

of Vice-Presidents and Directors on University Avenue, the slogan just doesn't hold up to any "truth tests".

If anything, we're over-administered, not over-governed -- with 16 Assistant Deputy Ministers (up from 5); 14 LHIN CEOs; and, countless MOHLTC Directors engaged in micro-management projects at the operational level.

There is also actually support in these circles for **Tim Hudak's** old proposed *Hospital Hub & Spoke Model* -- where the hospital's governance membership expands to include the CCAC, the LHIN, and other service provider/spokes within a region. These hospital sector and *Regional Health Authority* advocates say that the community sector's governance ought to be replaced with our "better-managed and governed hospitals". While the *acute care hub and spoke model* advocates say "fewer is better" for Boards, they also say "bigger is better" for expanded hospital hubs.

At the grassroots level, there are also a number of emerging examples of self-organized clusters of service providers who are evolving interesting new local health & community support system designs they call "**Rural Health Hubs**" and "**Integrated Delivery Systems**" (IDS). These diverse local system designs have emerged bottom-up over many months and sometimes years of dialogue and discussion at the local level. These are organizations who are responding to their unique environments in similar, yet very different ways.

Indeed, there is lots of evidence that says that in *complex adaptive systems*, bio-diversity leads to thriving, self-organizing environments -- where innovation flourishes. But the community governance board critics say that "silo-boards get their CEOs to fight for a bigger piece-of-the-pie for their silo -- rather than playing nicely and collaboratively with their peers to design and manage a better healthcare services delivery system."

These critics who say we are "over-governed" suggest that most *Community Governance Boards* simply act as "silo-cheerleaders" for their organizations -- and that despite a decade of criticism about Boards failing to generate accountability in their organizations, they say that most boards have still not improved their accountability systems, structures and processes -- yet another a key priority listed in the Minister of Health's initial *Mandate Letter* from the Premier.

"*Boards who behave like silo-cheerleaders*"... that sounds a lot like some of those Hospital Boards on University Avenue -- not the governance boards I have encountered across Ontario as a Governance Coach. Those organizations are much more engaged in representing the "owners" in their community.

I know I get frustrated with the general quality of governance sometimes, but we're not "over-governed". We are, if anything, lacking the community engagement that Boards are supposed to bring to the table -- as representatives of the "owners".

While there is lots of evidence that says governance can play a valuable role in creating a better system focus on quality, safety and the patient experience, unfortunately, many of

the legitimate criticisms that have been leveled at governance have, in fact, not been adequately addressed in the past ten years.

So, which way should we go: generate another wake-up call for local Community Boards to create **Collaborative System Governance** in their *Health Links*, or, merge community health service providers into single-board/single-CEO **Hospital Hubs**? Which way should we go?

Wherever "*mergers*" would improve patient care, or save considerable taxpayer dollars, it should be done. However, "*mergers*" are not a method that should be taken lightly -- since about 80% of mergers fail. **Steve Lurie's** paper [\*Getting To Integration\*](#) provides important insights on why the merger failure rates are so high -- and how to get in the **20% Club** for "successful mergers/integrations".

As for the "**Fewer is Better**" lobby, they really need to check out the research conducted by the *Canadian Patient Safety Institute (CPSI)* demonstrating that properly skilled and educated community governance boards have a proven capacity to have a significantly positive impact on patient care -- quality, safety and satisfaction. If that's true: **Why would we want fewer Boards?** The outcome we want is better care, not fewer Boards!

To see how to align accountability within a *Collaborative Governance* design click on [System Alignment](#).

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