
PERFORMANCE AGREEMENT

between

THE MINISTRY OF HEALTH SERVICES

and

THE PROVINCIAL HEALTH SERVICES AUTHORITY

APRIL 1, 2004 TO MARCH 31, 2005



**BRITISH
COLUMBIA**

DATED: March 30, 2004

PERFORMANCE AGREEMENT 2004/05 — 2006/07

PREAMBLE

This Agreement is the most recent version of Agreements that are developed through a process with the health authorities and the Ministry in an ongoing effort to improve the operations and outcomes of the health services provided in the province. It will be adapted each year to reflect the evolving relationship between the organizations and the progressive policy priorities of government. The Agreement is intended to be a statement of intent on the part of the Ministry and the health authority.

A) PURPOSE OF PERFORMANCE AGREEMENT

The purpose of this Agreement is to set out our mutual understanding of the respective obligations and expectations of the parties and to define the performance deliverables for which the health authority will be held accountable. The system objectives stated in the Agreement reflect the government's directions for change as expressed in the Health Service Plan of the Ministry, and the performance measures reflect both the changes and the ongoing service requirements. It is the principal document for delineating accountabilities of the parties. This Agreement and annual reports based on the performance under this Agreement shall be public documents.

B) ROLES AND RESPONSIBILITIES

The goals of the Ministry encompass high quality patient-centred care, improved health and wellness for British Columbians, and a sustainable, affordable public health system. To achieve these goals, the Ministry's primary stewardship functions in the health care system are to set direction, develop legislation, policy and standards, allocate funding, monitor the health care system, and act to improve performance when necessary. As one of the key service partners of the Ministry, the role of the health authority is to identify the needs of local populations, to plan and provide services to the public in accordance with legislation and Ministry policy, and to partner with the Provincial Health Services Authority (PHSA) in the management and delivery of provincially delivered services. A Mandate, Role and Accountability Statement for the PHSA is contained within Appendix I.

C) MINISTRY AND HEALTH AUTHORITY RECIPROCAL RESPONSIBILITIES

1. The Ministry of Health Services will:

- a) Exercise its stewardship functions to support the health authority in attainment of the system objectives set out in Section D of this Agreement.
- b) Include the health authority in the development of the Ministry of Health Services' Service Plan.
- c) Provide direction and policy clarification where needed respecting the relative roles and responsibilities of the Ministry of Health Services and the health authorities, including the PHSA.
- d) Provide in a timely manner, data needed by the health authority for planning, management of programs, and services.
- e) Consult with Leadership Council to review and prioritize projects listed in Section E of this Agreement.

- f) Provide in writing, to the health authority, the amount and details of preliminary operating and capital funding allocated for the 2004/05 fiscal year, along with an estimate of future funding levels for the 2005/06 and 2006/07 fiscal years within two weeks of the budget being tabled in the legislature.

If Supplementary Estimates are required for the 2004/05 Ministry budget, the Ministry will provide, in writing, to the health authority, the revised operating and capital funding allocation for the 2004/05 fiscal year, and the estimated future funding levels for the 2005/06 and 2006/07 fiscal years within two weeks of Supplementary Estimates.

- g) Provide to the health authority, within one month from receipt, an assessment of the health service redesign plan as submitted by the health authority including identification of any additional actions required of the authority. The Ministry will formally consult with the health authority concerning the impact of these required actions and determine a mutually appropriate course of action as necessary.
- h) Provide, at least three times each year to the health authority, reports containing data used by the Ministry to monitor the health authority performance and analysis of such data, which may include commentary and an action plan, if necessary. The Ministry will specify reporting requirements and provide baseline measures and benchmarks for each required performance measure, where available.

2. The Provincial Health Services Authority will:

- a) Develop and deliver to the Ministry of Health Services within four weeks of receiving the funding allocation information described in 1.f, a specific health service redesign plan for 2004/05 and a health service redesign estimate for 2005/06—2006/07. The plan must be consistent with existing health care policy and standards and the financial results (including specified denominational affiliates) for each of the years 2004/05—2006/07 and must be balanced. *
- b) Manage and deliver programs and services for the fiscal year ending March 31, 2005, such that the financial results (including specified denominational affiliates) are equivalent to or better than those projected in the health service redesign plan.
- c) Undertake action to achieve the System Objectives (Section D), as reflected in the Priority System Improvement Projects (Section E), and by the indicators and targets identified in the Performance Measurement Framework (Section F).
- d) Continue to provide comprehensive, accurate, and timely reporting (financial, statistical, program-related, and person-based), as required by the Ministry of Health Services.
- e) Operate according to requirements of legislation, policy and standards, subject to amendments made from time to time by the Government of British Columbia (BC).
- f) Adhere to terms of agreements signed by the Ministry with agencies, which also have relationships with the health authority (e.g. BC Medical Association).
- g) Consult with other health authorities and the Ministry of Health Services prior to taking actions that will have an impact on these parties or agreements.

* SEE "SPECIAL AGREEMENT" SECTION L.

D) SYSTEM OBJECTIVES

The Ministry of Health Services' high-level objectives for services provided by the health authorities are set out below. These objectives are taken from the Ministry Health Service Plan. The Ministry expects that services will be managed within the spirit of Continuous Quality Improvement. This Agreement and its successors should be understood in the context of this core directional document for the health system in the province.

1. Provide care at the appropriate level in the appropriate setting by shifting the mix of acute/institutional care to more home/community care.
2. Provide tailored care for key segments of the population to better address their specific health care needs and improve their quality of life.
3. Keep people as healthy as possible by preventing disease, illness, and disability and slowing the progression of chronic illness to minimize suffering and reduce care costs in the future (high quality, safe care/service is a foundational component of this objective).
4. Manage within the available budget while meeting the priority needs of the population.
5. Manage the health care system in a manner that maintains or increases its sustainability by increasing its integration (e.g. information system integration, integration cross-system), its adaptability and responsiveness through maximizing human resource development and well-being.¹

E) PRIORITY SYSTEM IMPROVEMENT PROJECTS

The Projects listed below articulate the priority areas for action to move towards the systems objectives of the health system (Section D). Health authority performance related to each will be monitored and measured within the context of the specific Project's plan and timeframe. Projects proposed for inclusion will be discussed annually with the Leadership Council and agreement reached prior to inclusion on the list. Additions may be made during the course of the fiscal year.

Each project will have a project charter. The development of each project charter will proceed through a consultative process with health authorities and will include an impact review and a prioritization determination in light of operating, capital, and human resources (projects included in the existing Agreement are 'grand-fathered'; Project Charters for these will be developed where necessary. A Project Charter template is located at <http://admin.moh.hnet.bc.ca/psa/templates/index.html>

Where a particular project may not involve all health authorities, it may be inserted in this section of the Performance Agreement(s) for the particular authority(s). The Projects for 2004/05 include:

- Provincial Emergency Services Project
- Provincial Surgical Services Project
- Riverview Replacement Project
- Development of Core Public Health Functions/*New Public Health Act* Project

Deliverables for these projects in 2004/05 and 2005/06 (where previously established in 2003/04 Performance Agreement) are attached as Schedule A.

¹ Objectives 1-4 originate within the Ministry of Health Services Health Service Plan – Services by Partners, 2003/04. Slight modification has been made to Objective 3. Objective 5 reflects key continuous improvement areas to be monitored.

F) PERFORMANCE MEASUREMENT FRAMEWORK

Note: This Framework contains all relevant measures in the Ministry Health Services Service Plans.

		Health System Performance Dimensions						
		Accessibility	Acceptability	Effectiveness	Safety	Work life/Human Resources	Appropriateness	Finance Efficiency Affordability
Categories of Functions (Spectrum of HA Activities)	Organizational Performance					PA 11 Sick time TBD		PA 10
	Population Health & Wellness							
	Acute Care	PA 2 PA 4a PA 4b					PA 2	PA 2
	Home & Community Care							
	Mental Health and Addictions							
	Cross Program Areas: <ul style="list-style-type: none"> • Palliative Care • Primary Health Care • Chronic Disease Management 							

Targets for each indicator may vary between health authorities. Measures and targets are listed in Schedule B. The definitions for each measure are being sent out under separate cover.

G) INCENTIVES

Satisfactory performance by the health authority, under this Agreement, will lead to public recognition of their success. As discussed with the health authority Boards, this section requires more discussion and resolution before final commitments can be made. This discussion will occur over the next several months and the expectations added in an addendum to the Performance Agreement after approval by co-signees.

H) ISSUES RESOLUTION

The Ministry and health authority agree to adopt a collaborative approach to settling differences and concerns that arise during the life of this Agreement with emphasis placed on the use of an issues resolution strategy that may include:

- Change in timelines.
- Enhanced monitoring.
- Joint discussions and problem-solving.
- Altered expectations if supported by evidence.

I) CONSEQUENCES

When it is evident the health authority's performance is at risk of falling below the negotiated targets, the Ministry will work with the health authority to address areas of concern. Persistent and substantial failure to achieve targets may result in more formal action being taken as deemed appropriate by the Minister to the Board Chair following formal written notice of the issue or concern being forwarded to the health authority.

J) SPECIAL CONDITIONS/AMENDMENTS

Through a collaborative process with the health authority, this Agreement may be re-negotiated to the mutual satisfaction of both parties, if in the opinion of either party, any one of the following events occur:

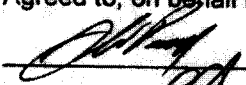
- There is a material change in health care policy;
- There is a material change in the Provincial fiscal framework; or
- Any other material factor occurs which, in the opinion of the parties, necessitates a change in the expectations or the expected achievements (e.g., natural disasters, epidemic, and/or a catastrophic event).

This Agreement can be amended by agreement between the parties. Either party may initiate such a review.

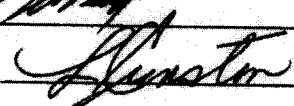
K) TERMS OF THE AGREEMENT

This Agreement covers the current and two succeeding years. Deliverables in previous Agreements that have not been achieved remain in force unless changed or cancelled in writing.

Agreed to, on behalf of the Provincial Health Services Authority, by:

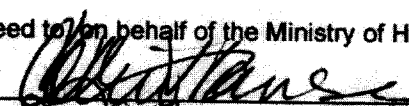


Chair of the Board




Chief Executive Officer

Agreed to, on behalf of the Ministry of Health Services, by:



Minister of Health Services



Deputy Minister

Dated: Dec 10/04, 2004

L) SPECIAL AGREEMENT

The Ministry of Health Services and the Provincial Health Services Authority will work collaboratively with each other on the life support funding issue and are committed to having in place a mutually agreed upon life support funding allocation for future years.

Methodology LC/SP
LC/WR

SCHEDULE A

PRIORITY SYSTEM IMPROVEMENT PROJECTS

1. Provincial Emergency Services Project

THE PRODUCT DURING:

a) 2004/05 will be:

- Implementation of the rest of the recommendations in the STTG Progress Report that are determined by the Steering Committee to be of significant value.
- Initiation of reporting to the Ministry of some emergency room performance indicators from major facilities. *
- Feasibility planning for the recommendations of the Long-term Planning Report.

b) 2005/06 will be: *To be determined.*

* Major facilities are those hospitals that are either the largest facility in a Health Service Delivery Area or have a volume of emergency room visits in excess of 25,000 visits per annum.

2. Provincial Surgical Services Project

THE PRODUCT DURING:

a) 2004/05 will be:

- The substantial implementation of components of the provincial surgical plan evaluated to be of highest value and benefit to the health authorities by the Steering Committee and evidence of indicators that will demonstrate the status of improvement of the performance of surgical services within health authorities.
- The development/adoption of best practices in surgical services care and management, which are determined to be of greatest benefit by the Steering Committee.

b) 2005/06 will be: *To be determined.*

3. Mental Health Services

a) Riverview Replacement Project

EXPECTED PERFORMANCE

Downsize Riverview consistent with the development of Riverview replacement units and the Mental Health Plan. Ensure the facility downsizing plan and budget management plan are consistent with regional development, as detailed in the regional health authorities' performance agreements.

Working closely with the Ministry of Health Services, collaborate in the planning, coordination, monitoring and evaluation of mental health services, consistent with the Mental Health Plan.

Development of Riverview replacement units in selected locations to be achieved over the three-year period, specifically:

Performance Measure

PHSA Target 2006/07

25 units (Beds Under Review)

b) Forensic Psychiatry

Continue to plan for the transfer of community Forensic Psychiatric clinics to the five regional health authorities, as proposed in the Mental Health Plan (carry forward from 2002/03), to occur after 2003/04. Final recommendations for devolvement for Forensic Psychiatric clinics is to be completed by 2004/05.

4. Development of Core Public Health Functions/*New Public Health Act* Project

EXPECTED PERFORMANCE

Continued collaboration with all other health authorities and the Ministry of Health Services in the development of core prevention and protection programs, and in the review of literature and research of best practices and performance in other jurisdictions. Participation in consultations, which began in 2002/03, has resulted in the development of a list of prioritized core programs for protection and prevention. Outcomes of this process will include:

- a) In 2004/05, comply with the requirements of the new *Public Health Act*.
- b) In 2004/05 improve the performance of the core prevention and protection programs as measured by the indicators developed as above.
- c) Through the services of the BC Centre for Disease Control, assist the regional health authorities to achieve their expected performance targets to increase rate of immunization and cooperate in the development of a monitoring and reporting system.

SCHEDULE B

PERFORMANCE MEASURES

Objective 1. Provide care at the appropriate level in the appropriate setting by shifting the mix of acute/institutional care to more home/community care.

2. Percentage of days spent by patients in hospitals after the need for acute hospital care ended, measured by alternate level of care days (ALC days) as a percentage of total inpatient days. Reduction by 20 percent over the five year period 2002/03 – 2006/07.

Baseline 2001/02

Target 2004/05: 5% decrease over prior year

Target 2005/06: 3% decrease over prior year

Target 2006/07: 3% decrease over prior year

4. Waiting times for key services: a) Radiotherapy and b) Chemotherapy.

- a. PHSA only

Radiotherapy – number of patients receiving radiotherapy within four weeks of being ready to treat as a percent of the total number of patients receiving radiotherapy

Target 2004/05: maintain at 90%

Target 2005/06: maintain at 90%

Target 2006/07: maintain at 90%

- b. Chemotherapy - number of patients receiving chemotherapy within two weeks of being ready to treat as a percent of the total number of patients receiving chemotherapy. PHSA will monitor chemotherapy performance for all health authorities.

Target 2004/05: maintain at 90%

Target 2005/06: maintain at 90%

Target 2006/07: maintain at 90%

Objective 2. Provide tailored care for key segments of the population to better address their specific health care needs and improve their quality of life.

Objective 3. Keep people as healthy as possible by preventing disease, illness and disability and slowing the progression of chronic illness to minimize suffering and reduce care costs in the future. High quality, safe care/service is a foundational component of this objective.

Objective 4. Manage within the available budget while meeting the priority needs of the population.

10. Spending on administrative and support services.

Reduce the annual expenditures for administrative and support services (excluding Information Systems), by the 2004/05 fiscal year, by at least 7 percent of these expenditures incurred for the fiscal year 2001/02.

Baseline: 2001/02

Target 2004/05: at least 7% reduction in annual expenditures from 2001/02 baseline

Objective 5. Manage the health care system in a manner that maintains or increases its sustainability by increasing its integration (e.g. information system integration, integration cross-system), its adaptability and responsiveness through maximizing human resource development and well-being.

11. Staff sick time as a measure of work life and well-being.

Target 2004/05: measure to be defined

Target 2005/06: to be determined

Target 2006/07: to be determined

4. Longer-term Involvement in Program Leadership

In limited instances, it might be deemed appropriate by government to have specific services coordinated for a longer term on a province-wide basis, if it is determined the service:

- Warrants a coordinated, integrated network of support services and facilities.
- Has, or requires, a provincial vision, plan, standards, and benchmarks.
- Requires focused attention to resource development, because of existing limited skill sets or need to develop capacity.

The regional health authorities will be expected to consult with the PHSA on any proposed changes in programs and services the regional authorities deliver, if such changes might have an impact on a program or project that is being provided/coordinated by PHSA. No change in these services is to be undertaken until the regional authority has reviewed the potential impact with the PHSA and there is concurrence to proceed.

5. Emerging Technologies and Practices

There currently is considerable work being done on the assessment of new and emerging technologies at both the national and provincial levels. The PHSA will be mandated to support the review of current and emerging health service issues and technologies, in collaboration with the Ministries of Health. As this assessment role continues to develop it is anticipated the PHSA will work closely with the Ministries in identifying emerging technologies and determining the future direction (including funding) of the selected emerging health services and technologies. The MOHS and the PHSA will work together to clearly identify their respective roles in these functions.

As part of this assessment process consideration will be given to the appropriate scope of the proposed programs to be offered, the resultant service expectations and impact in each health authority. There also needs to be a recommendation as to whether services are to be provided directly by the PHSA or by other health authorities, and the extent to which the PHSA may be expected to provide ongoing monitoring of these selected emerging provincial programs.

6. Other Duties

There are a number of other provincially focused activities the Ministries of Health may request the PHSA to undertake on their behalf. This could include taking on a leadership role related to province-wide, inter-provincial and/or international health care patient, medical and/or education, and research planning processes and initiatives.