
PERFORMANCE AGREEMENT

between

THE MINISTRY OF HEALTH SERVICES

and

THE PROVINCIAL HEALTH SERVICES AUTHORITY

APRIL 1, 2002 TO MARCH 31, 2003



**BRITISH
COLUMBIA**

This is an agreement between the Provincial Health Services Authority and the Ministry of Health Services, setting out our mutual understanding of the respective expectations and performance deliverables for the three fiscal years, 2002/03, 2003/04, and 2004/05. It will be updated and renewed annually for a new three-year period.

Given that:

- The government is committed to providing high quality patient-centred care, improved health and wellness for British Columbians and a sustainable, affordable public health system;
- The government is committed to substantial restructuring of the health care system, while maintaining the priority of patient needs;
- The government expects the health authority to continue to meet the requirements of the various legislation, regulation and policy, remaining in force at April 1, 2002, subject to amendments made from time to time by the Government of British Columbia;
- The government has established directions in *A New Era for British Columbia* and the Ministry of Health Services Service Plan;
- The government has provided guidance to the health authority through the letter of expectation to the Chair of the Board from the Minister of Health Services, dated December 12, 2001;
- The government will monitor programs, services and performance indicators to ensure compliance with the above direction and guidance;
- The health authority will continue to provide a broad range of health care and health protection services such as those provided by its predecessor health authorities;
- The health authority will continue to provide comprehensive, accurate, and timely reporting (financial, statistical, program-related, and person-based), as required by the Ministries of Health.

The parties hereby specifically agree that:

The Ministry of Health Services, in conjunction with the Ministry of Health Planning, will:

1. Provide in writing, to the Provincial Health Services Authority, details of operating and notional capital funding allocated for each fiscal year, no later than February 22 prior to the start of the fiscal year, and a three-year estimate of future funding levels.
2. Provide total regional health sector funding for the 2002/03 fiscal year of \$777.85 million, by electronic transfer to the Provincial Health Services Authority, in 26 bi-weekly amounts, together with a notional allocation of \$16.83 million for Capital funding, as shown in the 2002/03 allocation to health authorities, enclosed with this agreement. Funding allocations from other sources within the Ministries of Health will be communicated separately.
3. Provide to the health authority, within one month from receipt, an assessment of the health service redesign plan and budget management plan as submitted by the health authority. This assessment may include additional requirements of the health authority and will constitute an addition to this agreement as Schedule B.

The Provincial Health Services Authority will:

1. Develop and deliver to the Ministry of Health Services by March 22, 2002, a three-year health service redesign plan and a corresponding budget management plan. The health service redesign plan must conform to existing health care policy and standards. The budget management plan must be balanced over 2002/03 and 2003/04 in total, and balanced for 2004/05.

Manage and deliver programs and services for the fiscal year ended March 31, 2003, such that the operating results are equivalent to or better than those projected in the budget submission. Additionally, the unrestricted net assets (including internally restricted funds) at the end of fiscal 2004/05 must be equal to or better than the unrestricted net assets (including internally restricted funds) as at March 31, 2001.

2. Take action to achieve the objectives set out in the Priority System Performance Improvements shown in Schedule A, collaborating where appropriate with the Ministries of Health and other health authorities.
3. Agree to perform the additional actions outlined by the Ministries of Health in the response to the authority's health service redesign plan and budget management plan as shown in Schedule B.
4. Fulfill its mandate for selected provincial services as described in the document, *Provincial Health Services Authority: Mandate, Role and Accountability, February 6 2002*, as shown in Appendix A.

The Board of the health authority will establish a performance based component of compensation for the Chief Executive Officer and may extend its provisions to other senior executives at its discretion.

In the event of significant changes in government policy which will seriously reduce the ability of the health authority to achieve the targets set out in this agreement, the parties to this agreement agree to renegotiate its terms to their mutual satisfaction.

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

Original Signed by: Wynne Powell

Chair of the Board

Original Signed by: Lynda Cranston

Chief Executive Officer

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

Original Signed by: Honourable Colin Hansen

Minister of Health Services

Original Signed by: Penny Ballem

Deputy Minister

SCHEDULE A

PRIORITY SYSTEM PERFORMANCE IMPROVEMENTS

1. Emergency Health Services:

Expected Performance

Direct and support the process, with all other health authorities and Ministries, to develop guidelines to better manage demands on the emergency health services in the acute hospital system.

The process will include a review of literature and research as well as practices and performance in other jurisdictions.

The product during:

- a) 2002/2003 will be a set of guidelines for best practices in the management of emergency health care, including reporting requirements, measures, and assessments of service coordination. These guidelines will be adopted by the health authorities.
- b) 2003/2004 will be implementation of the recommended practices, including recording, reporting, and measurements.
- c) 2004/2005 will be improvement of the performance of the emergency health services in the health authority, as measured by these indicators.

Measures may include an implemented flu season response plan, regular sample surveys of the movement of selected marker conditions through the emergency system, and a reduction in wait times and periods on diversion in the emergency departments. The work will include representation from the B.C. Ambulance Service.

2. Surgical and Procedural Services:

Expected Performance

Direct and support the process, with all other health authorities and Ministries, to develop measures of the performance of surgical and procedural services in the province's hospitals.

The process will include the establishment of measures of the performance of the system in response to emergency treatments and procedures and the development of principles for establishing priority for care for non-emergency conditions/cases.

The product during:

- a) 2002/2003 will be:
 - i. the development of measures of the response of the health care system to emergency surgical and procedural needs;
 - ii. agreement on the principles to be used by health authorities in classifying cases as emergent or urgent/elective;
 - iii. a plan to measure the appropriateness and outcomes of selected procedures (RESIO); and
 - iv. adoption by the health authority of these outputs/standards.
- b) 2003/2004 will be the introduction of these measures and standards.
- c) 2004/2005 will be demonstrated improvement of the performance of the surgical services.

3. Mental Health Services:

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 tertiary mental health services, consistent with the Mental Health Plan.

Plan in 2002/2003 for the transfer of community Forensic Psychiatric clinics to the five regional health authorities, as proposed in the Mental Health Plan. Implementation of this planned transfer to occur in 2003/2004.

4. Home and Community Care:

Expected Performance

Provide support on a provincial basis, as appropriate, to assist the regional health authorities in meeting their Home and Community Care targets.

5. Public/Population Health:

Expected Performance

As part of the services provided by the B.C. Centre for Disease Control:

- a) Collaborate with all other health authorities and the Ministries of Health 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. Participate in consultations which will begin in 2002/03 and will result in:
 - i. In 2002/03, the development of a list of prioritized core programs for protection and prevention;
 - ii. In 2003/04, the development of core program delivery expectations and performance measures; and
 - iii. In 2004/05, the incorporation of appropriate core programs into a new *Public Health Act*.
- b) Implement the recommended core programs, including recording, reporting and measurements in 2004/05.
- c) In 2004/05 improve the performance of the core prevention and protection programs as measured by the indicators developed as above.

6. Support and Administrative Services:

Expected Performance

- a) Reduce the annual expenditures for Support and Administrative 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.

Note: Annual or multi-year targets for individual authorities, for each priority program area, will be determined in negotiation with the Performance Management and Improvement Division.

SCHEDULE B

OUTSTANDING ISSUES

The Ministry of Health Services has approved the Provincial Health Services Authority's (PHSA) health services redesign and budget management plan with the understanding the following issues require ongoing discussion and actions to be implemented and monitored:

- Development and/or refinement of clinical plans for each of the programs operated by the PHSA, including the determination of the related funding adjustments required to meet the priority program requirements identified in these clinical plans. The program clinical plans should be completed no later than July 15, 2002.
- Confirmation the proposed service changes will be implemented in a planned, integrated, and timely manner.
- Implementation of a comprehensive utilization management plan for the PHSA, including specific targets and timelines.
- Development of work plans relating to the planning and evaluation mandate of the health authority for specialty programs, as outlined in Appendix A, *PHSA Mandate, Role and Accountability* of the performance agreement.
- Determination of the ongoing requirements for the provision of specialized services, and the capacity of the PHSA to provide these services.
- Confirmation of the health authority's capacity to manage its academic medical mandate.
- Provision of a revised budget management plan, by July 15, 2002 which reflects the current level of regional grant funding communicated by the Ministry of Health Services and unrestricted net assets (including internally restricted funds) at the end of fiscal 2004/05 that are equal to or better than unrestricted net assets (including internally restricted funds) as at March 31, 2001.
- Provision of a three year calendarized implementation schedule which links initiatives in the health service redesign plan to the revised budget management plan by July 15, 2002.
- Provision of a combined program and financial risk mitigation and contingency plan by July 15, 2002.
- Submission of any outstanding capital asset funding details, including:
 - the funding source for projects, which are proceeding (i.e. health authority restructure funding, CIP/equipment funding, health authority debt service/amortization). These projects are cited in Attachments D and E of the February 4, 2002, letter from the Ministry of Health Services.
 - project lists and individual project details as noted in Appendix 1 of the Health Service Redesign and Budget Management Plans instructions.

APPENDIX A

PROVINCIAL HEALTH SERVICES AUTHORITY: MANDATE, ROLE AND ACCOUNTABILITY

MANDATE

The Provincial Health Services Authority (PHSA) is one of six health authorities in British Columbia. Recognizing the importance of PHSA's role in education and research, its mandate includes assuring effective and high-quality delivery of selected province-wide health care programs and services through proper planning, management and evaluation of these programs.

The PHSA fulfils this mandate in a number of ways, including:

1. Assumes responsibility for the governance, management, and funding of selected agencies and organizations providing province-wide health care services.
2. Assumes responsibility for the planning and coordination of selected provincial programs and makes recommendations to the Ministry for performance expectations for each of the health authorities for these programs.
3. In addition to its coordinating role, may provide funding on behalf of the Ministry for a specific group or sub-set of these provincial programs.
4. At the request of the Ministry, and in consultation with the health authorities, takes on additional roles related to province-wide, inter-provincial and/or international programs.

The Ministry of Health Services and PHSA will have a performance contract and performance expectations developed for services that the PHSA will be required to provide through the agencies that it directly governs and manages.

This performance contract will also outline the expectations of the Ministry concerning the PHSA's planning and coordination role in the selected provincial programs. The Ministry will rely upon the PHSA to provide advice and direction on the standards and performance expectations for the selected provincial programs that are to be included in the performance expectations with the other health authorities.

KEY RESPONSIBILITIES

1. Corporate Governance and Management

The PHSA is responsible for governing, managing, funding, and utilization review of selected health care agencies, societies, and programs that provide province-wide services. In conjunction with its role in governing these organizations, the PHSA will also take a leadership role in coordinating the provision of specialized, province-wide services in oncology, renal, paediatrics, women's health, mental health and disease control.

These agencies are:

- BC Cancer Agency (BCCA)
- BC Centre for Disease Control (BCCDC)
- BC Drug and Poison Information Centre
- BC Mental Health Society (Riverview Hospital)
- Forensic Psychiatric Services Commission
- BC Provincial Renal Agency
- BC Transplant Society
- Children's & Women's Health Centre of BC (including BC Reproductive Care Program and Perinatal Database, and Tertiary Perinatal Services)

2. Planning, Coordination, Monitoring and Evaluation

The PHSA has a planning, coordination, monitoring and evaluation role in selected provincial programs. These functions include utilization reviews. These programs will be acknowledged in the health authorities' performance expectations to have a high priority status, with each health authority being required to meet these expectations.

In order to be considered for this status, a program or service must meet many of the following criteria:

- Is mandated to offer service to the whole population of B.C.
- Has, or requires, a provincial vision, plan, standards, and benchmarks.
- Is available only in a very limited number of sites.
- Has high operating costs and/or proportionately high cost-per-service.
- Requires expensive, specialized and/or high technology equipment.
- Requires use of scarce medical and professional staff and resources.
- Warrants a coordinated, integrated network of support services and facilities.
- Warrants provincial data collection, analysis and reporting to providers.

While health authorities and medical leaders responsible for service delivery will be consulted, the final decision on whether a program is defined as provincial and eligible for a performance agreement with the PHSA rests with the Ministry of Health Services. The Ministry anticipates the list of selected provincial programs will evolve over time, as programs are either added or removed to reflect changing patient care priorities and sound business practices.

The selected provincial programs are defined within two categories:

- a) planning, coordination, monitoring and evaluation; and
- b) planning, coordination, monitoring, evaluation and funding.

It is anticipated that in the short term the PHSA will provide the greatest influence on determining the future direction for the provincial programs through its development of a provincial planning focus for each program, and the concurrent establishment of performance expectations. However there are certain programs where it is deemed appropriate to have the funding immediately flow through the PHSA, either because they are uniquely defined programs having distinct operating budgets (e.g. Eating Disorders Program), or they currently have case costing methodologies and well-defined outcome requirements (e.g. cardiac services). It is possible that other provincial programs may, in future, be funded through the PHSA if meaningful costing is developed, and if it is determined that the PHSA can have the greatest influence on provincial development of the specific program by controlling the funding.

A. Planning, Coordination, Monitoring and Evaluation

The PHSA will be requested, on behalf of the Ministry of Health Services, to assume a leadership role in determining the future direction of the selected provincial programs, through making specific recommendations to the Ministry on the scope of the province-wide programs to be offered, and the resultant service expectations in each health authority. The PHSA will also be requested to provide ongoing monitoring of the provision of these selected provincial programs, both in the capacity of the health authorities to meet clinical/program service expectations, and in their ability to provide the services efficiently.

The PHSA's recommendations will be the basis of the Ministry's determination of performance expectations for the provincial programs for the Health Authorities.

These programs are defined below and related to a PHSA governance role where applicable.

- Arthritis Treatment
- Thoracic Surgery
 - Provincial coordination and consolidation of this tertiary service
- Trauma Services
 - All trauma treatment services and corporate infrastructure as defined by the Trauma Advisory Committee Registry
 - Trauma Registry
- Critical Care
 - provincial leadership in the management of adult and paediatric Intensive Care Units (ventilated beds)
 - Cardiovascular ICUs (for cardiac surgery programs)
 - Neuro ICUs
 - linkage to programs that use these services; trauma, emergency departments etc.
- Burns
 - provincial coordination of burn services
- Neurology
- Tertiary Rehabilitation
- Specialized Diagnostics
 - Computer Tomography
 - Magnetic Resonance Imaging
 - Positron Emission Tomography (PET) scans
- Tertiary Mental Health
 - As defined in the provincial mental health plan

B. Planning, Coordination, Monitoring, Evaluation and Funding

Selected programs may be funded by PHSA on behalf of the Ministry of Health Services as the most efficient mechanism on a permanent or temporary arrangement. Direct or contractual funding by PHSA permits targeted funding, tracking of expenditures and, utilization review that facilitates reallocation or other forms of reconciliation.

These programs currently are defined as follows:

- Cardiac
 - Cardiac Registry
 - Cardiac surgery – valve replacement/coronary artery bypass
 - Coronary angioplasty
 - Implantable defibrillators
 - Cardiac electrophysiology
 - Atrial septal defect procedures
 - Aortic endovascular stents
- Bone Marrow Transplant Programs
 - Conducted by BCCA oncologists at Vancouver Cancer Centre, Vancouver Hospital, C&W and Victoria General Hospital
- Western Institute for the Deaf and Hard of Hearing for Medical Interpreting Service
- Eating Disorders – high risk patients
- Visudyne and Flolan
 - Drug costs
- Provincial Voice Care Resource Program
- Centre for Excellence for HIV/AIDS
- Enteral/Parenteral Nutrition, Hemophilia and Hemosiderosis Programs
- Adult Cochlear Implants
- Adult Metabolic Disease
- Chronic Pain Implant

3. Provincial Program Support

At the request of the Ministry of Health Services, and in consultation with all health authorities, the PHSA will take on additional leadership roles related to province-wide, inter-provincial and/or international health care patient, medical and/or education and research planning processes and initiatives.