

TOWARD A MEMORANDUM OF UNDERSTANDING

VANCOUVER ISLAND RHD's *and the* VANCOUVER ISLAND HEALTH AUTHORITY



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THE CONTEXT

ISLAND CHARACTERISTICS



Population: 703,000
Area: 12,400 sq. mi.
Distance: 282 miles end-to-end
Density: 1/2 population lives
in Capital Region

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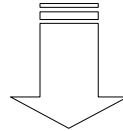
THE CONTEXT

**HEALTH AUTHORITY
CONSOLIDATION**



Then

6 HA's & 6 RHD's



Now

1 HA & 6 RHD's

RHD's IN VIHA

VIHA ORGANIZATION



**HEALTH SERVICE
DELIVERY AREA**

REG HOSP DISTRICT

North Island

***Mount Waddington
Comox-Strathcona***

Central Island

***Alberni-Clayoquot
Nanaimo
Cowichan Valley***

South Island

Capital

PRE - VIHA RELATIONSHIPS

BETWEEN RHD'S & PROVINCE

- *deteriorated after regionalization*
- *RHD's a secondary, local player*

BETWEEN RHD'S & PREVIOUS **HEALTH** AUTHORITIES

- *worked for some but not others*



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PRE - VIHA RELATIONSHIPS

VI - RHDs' ASSESSMENT OF PREVIOUS HEALTH AUTHORITIES . . .

- ***Inadequate consultation / communication***
"take the money and run"
- ***Insufficient Board liaison***
- ***Limited staff linkages***



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EXPLAINING THE RELATIONSHIP ?

CAPITAL REALITY

- *Capital is a small piece of total health expenditure (3% - 5%) **
- *Most RHD's lack technical staff*
- *Major abrupt changes for Health Authorities*
 - *little time to establish external relationships*



* Source: Accidental Logics, C.H. Touhy, 1999, p 235

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EXPLAINING THE RELATIONSHIP ?

HEALTH ADMINISTRATIVE LEVELS IN CANADA

Administrative Share of Total Health Expenditure, 1990

	Britain	2.5 %	
⇒	Canada	1.3 %	⇐
	Germany	6.6 %	
	Netherlands	7.3 %	
	United States	5.8 %	

Source: Accidental Logics, C.H. Touhy, 1999, p 164

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EXPLAINING THE RELATIONSHIP ?

RHD's TAKEN FOR GRANTED

- *Existing since 1967*
- *Cooperative*
- *Usually do what's best for their communities*
 - *approve capital for much needed health facilities*



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THE OPPORTUNITY

ESTABLISHING A NEW RELATIONSHIP WITH VIHA

- *Improved communication / consultation*
- *Improved Board linkages*
- *Cooperation between organizations*



MUTUAL BENEFIT

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TOWARD A MEMORANDUM OF UNDERSTANDING

THE VANCOUVER ISLAND PROCESS

VIHA asked VI-RHD's to propose a working relationship

- Step 1 - Venting frustration felt by some RHD's*
- Step 2 - Cost sharing - Staying In / Opting Out*
- Step 3 - Cost sharing regional referral projects*
- Step 4 - Capital planning / budgeting & MOU*

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STEP 2 - COST SHARING - STAY IN or OPT OUT

OPTION 1 - CONTINUE COST SHARING

- *Retain influence in health (facility) decisions*
- *Check and balance on Provincial authority*
- *Without 60% Provincial Share for Major projects . . .*
 - *RHD's are the only government funding source*



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STEP 2 - COST SHARING - STAY IN or OPT OUT

OPTION 2 - OPT OUT OF COST SHARING

- **Property tax should not apply to health capital**
- **Province should fund 100% of health**
 - capital & operating
- **Lower property tax benefit**



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STEP 2 - COST SHARING - STAY IN or OPT OUT

CONSENSUS: STAY IN

**Also . . . Province unlikely to accept unilateral
opting-out without function exchange**

Example: 1999 - GVRD traded RHD for Transit

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STEP 3 - COST SHARING ACROSS RHD BOUNDARIES

PAYING FOR REFERRAL FACILITIES

**PROJECTS THAT BENEFIT
MORE THAN 1 RHD**



**Should a “host” RHD pay the 40% capital share
for patients from outside the “host” RHD ?**

- Options :**
- 1) Host RHD pays**
 - 2) Referring RHD’s cost share**

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STEP 3 - COST SHARING ACROSS RHD BOUNDARIES

CONTEXT

- **All communities want to maximize local health services however . . .**



THIS CONFLICTS WITH :

- **Minimum procedure levels to assure service quality**
- **Current / forecast health staff availability**
- **Health Authority funding**

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STEP 3 - COST SHARING ACROSS RHD BOUNDARIES

OPTION 1 - HOST RHD PAYS

Referrals help build specialty service levels

- **Referral services . . .**
 - *create employment and . . .*
 - *generate spin-off economic activity*
- **Referral patients as consumers**
 - *patients & families purchase services in Host RHD*
- **Convenience of access**
 - *easier access for local residents to specialist health services*



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STEP 3 - COST SHARING ACROSS RHD BOUNDARIES

OPTION 2 - REFERRING RHD'S COST SHARE

Shares based on % use of referral facility

BUT THE REALITY IS COMPLICATED . . .

- **Administratively complex transactions for all RHD's**
- **Retroactivity . . . ?**
- **Changing referral patterns changes sharing %**
- **Inconvenience & costs for out-of-region patients**



The Answer . . . ?

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STEP 3 - COST SHARING ACROSS RHD BOUNDARIES

NO DECISION YET

- ***Interior HA / Interior RHD's limit RHD funding to projects within own boundaries***
- ***RHD Cost Sharing Review***

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STEP 4 - CAPITAL PLANNING / BUDGETING & MOU

CAPITAL PLANNING



Proposed two level structure :

- ***One Regional Capital Planning Group***
- ***Three Health Service Area Capital Planning Groups***

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STEP 4 - CAPITAL PLANNING / BUDGETING

REGIONAL CAPITAL PLANNING GROUP

- **Board rep & Senior staff from VI-RHD's & VIHA**
 - **VIHA**
 - Health service overview
 - 3 Year capital plan
 - Proposed distribution of Capital Improvement Project & minor equipment funding to Health Service Areas
 - **VI-RHD's**
 - Regional overview
 - Opportunities / constraints for health capital taxation
 - **Review & approve MAJOR projects for capital plan**
- Meet twice a year - April & October**



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STEP 4 - CAPITAL PLANNING / BUDGETING

HEALTH SERVICE AREA (HSA) CAPITAL PLANNING GROUPS

- **Three Island Groups**
 - North
 - Central
 - South
- **Senior staff from RHD's & HSA**
- **Responsibilities**
 - Review, rank & agree on distributing CIP & minor equipment allocation within the HSA
 - Review, rank & recommend MAJOR projects to include in VIHA Regional Capital Plans



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VANCOUVER ISLAND PROGRESS



Step 1 - Vented RHD frustration



Step 2 - Cost sharing - Staying In

ADVANCING

Step 3 - Cost sharing regional referral projects

ADVANCING

Step 4 - Capital planning / budgeting & MOU

TOWARD A MEMORANDUM OF UNDERSTANDING

STRIVING FOR AN EFFECTIVE PARTNERSHIP

***Working cooperatively to achieve
the required quantity & quality of
health facilities for Vancouver Island***

TOWARD A MEMORANDUM OF UNDERSTANDING

QUESTIONS ?

