

BRIEFING *Note*

Item 22.1

Meeting Date: January 31, 2013

Action: Decision

Topic Improving Resident Experience – Mental Health Services
- Notice of Intended Integration – Amalgamation of Canadian Mental Health Association, Grand River Branch, and Trellis Mental Health and Developmental Services

Purpose: To provide the Board with the required information and recommendation related to the receipt of a Notice of Intended Integration under Section 27 of the *Local Health System Integration Act* (LHSIA) (“Notice”) related to the proposed amalgamation of the Canadian Mental Health Association, Grand River Branch (CMHA-GRB) and Trellis Mental Health and Developmental Services (Trellis) and the services they each provide (the “Integration”).

Recommendation: THAT the Board of Directors of the Waterloo Wellington Local Health Integration Network (WWLHIN):

1. approve one-time in-year funding of up to \$1.1M for infrastructure development costs of benefit to client care, to improve care outcomes, and to meet increased levels of service need in the future, to complete the Integration;
2. allocate incremental base operating funding of up to \$2.1M in 2013/14 to support the achievement of the outcomes associated with the integrated, client-centred model of mental health services, including better care, better health, and better value;
 - a. This funding is to be reserved for the amalgamated entity expected to result from the Integration;
 - b. This funding is pending the confirmation of the allocation of funds to the WWLHIN by the Ministry of Health and Long-Term Care for fiscal year 2013/14;
 - c. This funding will be phased-in in accordance with a schedule of payments agreed to by LHIN and provider staff prior to April 1, 2013;
3. require the amalgamated entity to report back quarterly to the WWLHIN, beginning at the end of Q1 2013/14, on progress in operationalizing the integrated, client-centred model of mental health services, including details of
 - a. the development, deployment, and integration of client-centred care pathways;
 - b. improvements in client outcomes, including wait times;
 - c. service levels and trends;
 - d. savings, efficiencies and trends, and;
 - e. risks and risk mitigation plans.

Background Information:

A. Notice of Intended Integration

In September 2012, the Boards of Directors of CMHA-GRB and Trellis agreed to develop a business case with the objective of amalgamating their organizations. With advice from LHIN staff about the requirements for a Notice of Intended Integration, the business case was submitted to the WWLHIN in October 2012.

The goal of the Integration is to support the operationalization of the integrated, client-centred approach to mental health services approved by the WWLHIN Board on December 6, 2012.

Notice was received on January 23, 2013. Following receipt of Notice, LHIN Board has 60 days within which it must decide to stop or not stop the proposed Integration.

B. Review of Notice of Intended Integration

1. Overview

In response to two February 2012 reports (*Public Services for Ontarians: A Path to Sustainability and Excellence* [from the Commission on the Reform of Ontario's Public Services, led by Don Drummond] and *Ontario's Action Plan for Health Care*), the Boards of Directors of CMHA-GRB and Trellis agreed in March 2012 to explore greater integration. (Profiles of both providers are given in **Appendix A.**) Based on their review of options between March and September 2012, the provider Boards chose to amalgamate their organizations. With the encouragement of the WWLHIN, the Boards took the next step in September 2012 and agreed to develop a business case in support of the amalgamation of the two organizations. Following the submission of the business case to the WWLHIN in October 2012, LHIN and provider staff have been working collaboratively to review its contents, and address any outstanding issues or questions.

The WWLHIN requested supporting documentation and detailed clarifications to ensure it had sufficient information to enable it to determine whether the proposed integration should proceed (see **Appendix B** for a checklist of integration considerations). The proponents shared details of an integrated, client-centred approach to mental health services with the WWLHIN Board on December 6, 2012. The Board approved the approach for the two organizations. Based on this approval, CMHA-GRB and Trellis moved further towards a proposed amalgamation, and consistent with the requirements of LHSIA, submitted notice of the intended Integration. Based on additional materials received from and discussed with the two organizations in January 2013, LHIN staff have now determined that they have complete information to support making recommendations to the WWLHIN Board.

In making these recommendations, staff have put at the forefront of their analysis a series of considerations:

- Does the integration promote appropriate, coordinated, effective and efficient health services?
- Does the integration promote better access to high quality health services?
- Does the integration achieve quality improvements in clinical outcomes, health service delivery, and/or system performance?
- Does the integration support patient/client and person-centred health care?

- Does the integration promote efficient and effective management of the local health system to ensure sustainability?
- Does the integration ensure value for money?

Taking these considerations into account, staff are supportive of the voluntary integration. The overall conclusion is that operationalizing the integrated approach will have value for current and future mental health clients, the local health system, and the wider community. Creating an amalgamated organization will result in better care, better health, and better value (please see **Appendix C** for more specific details).

Among others, better care will take the form of more services to individuals, the careful and deliberate alignment of supports along an individual's care path, a focus on prevention and education, engagement of the power of self-help and peer support, and the integration around the individual of their crisis, support coordination and treatment needs. These features add up to appropriate, coordinated, and effective health services within a new organization whose governors and managers have further committed to enhancing access to care.

Among others, better health will come from fixing services with different levels of quality that are currently delivered in a fractured and uneven way across Waterloo Wellington. For example, using one contact number, residents in Waterloo Wellington will be able to access crisis services whose high quality is assured by a single standard of care. The improvements planned for crisis services also apply to support coordination and treatment services, and these add up to quality improvements in clinical outcomes and clear support for patient/client and person-centred health care.

Better value will result from the reduction in the proportion of funding for administration and management, the reduction through time of the per unit cost of service, and from the development of cost calculations that will be used to balance services across sectors in support of quality care that meets individuals' needs. The local health system's sustainability is enhanced through the unified management of resources, the development of the capacity to trace individual's care needs across sectors and, thereby, to gather the evidence to drive better resource allocations and drive overall system improvement.

Creating an amalgamated organization will also drive the integration agenda in Waterloo Wellington. Consistent with the commitments to delivering truly client-centred care, the new organization will conduct business dramatically differently. The WWLHIN Board-approved approach to mental health services will become operational in a way that is greater than the sum of the two organizations' current operations. Achieving these integration outcomes will come from inside the amalgamated organization, for example, by assuring a client's care along clear pathways using inter-disciplinary teams. These outcomes will also come from outside the amalgamated organization, for example, by tracking clients as they access care outside the mental health and addiction sector and then taking steps to manage that care in a planned way.

Alongside its proponents, the WWLHIN expects the amalgamated entity will become more efficient, effective, and capable over the longer term. In practical terms, this means that the operations of all parts of the new entity will run more sustainably and at a higher level of performance, and that multi-year increases in service provision will be self-financed. To assure these outcomes, the WWLHIN will be committed to working closely and collaboratively with the amalgamated entity in a context of enhanced performance monitoring, performance management, risk mitigation, and issues resolution.

2. Risks

Staff have identified positive and negative risks associated with the voluntary integration. The voluntary integration is positive in the sense that it will bring about wide-ranging improvements to service access, quality of care, and equity that are of significance to individuals, communities, the local health system, and the wider community. This is the promise that is inherent in the integrated, client-centred approach to mental health services, and operationalization is the way to make that promise become reality. Better health, better care, and better value are the positive risks of the CMHA-GRB/Trellis merger.

Staff have identified several negative risks. In assessing these risks, it needs to be kept in mind that the gains to be realized from a successful amalgamation are over and above what both organizations currently deliver in terms of service. For this reason, current levels of service provision and access to care are not viewed as being at-risk through the integration process. The initial focus of the integration effort is on staff and governance realignment, which, when accomplished via amalgamation, will yield the new and stable context in which the additional benefits for clients and the community begin to develop and accrue. Against this backdrop and appreciation of the actual process of merger, several key risks emerge.

First, given the unprecedented scale of the proposed amalgamation (at least locally among different types of mental health service providers), there is the risk that either the scale of change, or the depth of depth, or both, will overwhelm its proponents' ability to manage. There is no roadmap or guidebook already in existence that will provide the integration proponents with the specific information that will guarantee success in everything that they attempt. Sophisticated governance, management, and change management skills will be necessary to ensure a smooth transition, but they may not be sufficient. To help mitigate this risk, the WWLHIN's support for the voluntary integration can itself serve to bolster confidence and lend to the conviction that taking positive risks actually means testing limits beyond the familiar. The integration proponents have been working in precisely these ways since early 2012. The LHIN's support offers a strong measure of assurance. A further source of mitigation is the experience that both proponents can draw upon from the creation of CMHA-GRB itself: CMHA-GRB is the merged entity of the amalgamation in 2006 of two separate branches of the Canadian Mental Health Association.

A second risk relates to the precise determination of benefits. LHIN staff recognizes that the proposed amalgamation is similar to other large-scale integrations, mergers, and acquisitions that occur elsewhere in the health system and beyond. What is common to all is that they bring with them unanticipated challenges, difficult side issues, and, in almost every instance, uncertainty at the outset about the full benefit of the intended change. The risk mitigation strategy that will be followed in the face of this uncertainty is to use the mechanisms already in place in service accountability agreements between the LHIN and health service providers. Staff have recommended adoption of an enhanced, collaborative approach to performance monitoring and management. In this way, the integration proponents can rightly take the lead in demonstrating the benefit associated with this investment of public funds.

3. Communication and Community Engagement

CMHA-GRB and Trellis held stakeholder sessions regarding the merits of the proposed merger with staff, service recipients and community partners; WWLHIN staff were present during some of these sessions. In keeping with the proposed amalgamation of the two organizations, the focus of both providers' efforts has been on engaging their clients and internal stakeholders.

According to the proponents, several meetings attended by the combined staff of both organizations were held. These meetings supported a focus on the service opportunities and merits afforded by the partnership, as well as any cautions, concerns, and opportunities not yet identified. Based on these meetings, the proponents viewed the feedback as “primarily favorable.” The feedback also pointed out the importance of improving access, enhancing peer support, and demonstrating the need for increased psychiatric services. The proponents also received messages about the risk of losing the grassroots community based approach of both organizations, and logistical challenges inherent in a partnership.

The proponents have also disclosed that “postings on external websites, and direct updates [were] sent via email to a broad community audience at several junctures throughout the process. Additional one-to-one consultation discussions [took] place with other mental health and addiction service providers, and broader sector partners. The nature of these discussions [was] supportive while focused on ensuring the direct service relationships do not experience disruption as a result of positive changes anticipated.”

The proponents have also described their efforts to ensure proper system development activities, and have noted their inclusion of support coordination stakeholders and their broad engagement of other mental health service providers in the establishment of a Coordinated Access Model.

4. Funding

In 2012/13, the WWLHIN has allocated approximately \$15.4M in total in operating funding in CMHA-GRB (\$5.8M) and in Trellis (\$9.6M) for services to our community. In 2012/13, CMHA-GRB is planning total revenues from all sources of about \$7.6M, while Trellis is planning about \$20.0M. On this basis, the total planned revenues for both organizations would be almost \$27.5M.

CMHA-GRB and Trellis are requesting additional funding from the WWLHIN. One-time funding of up to \$1.1M is requested in-year for infrastructure development costs of benefit to client care, to improve care outcomes, and to meet increased levels of service need in the future. Ongoing base operating funding of up to \$2.1M is requested beginning in 2013/14 to support the achievement of the outcomes associated with the integrated, client-centred model of mental health services, including better care, better health, and better value.

5. Summary

After due consideration of the merits and our assessment of the intended integration, LHIN staff have concluded that the proposed amalgamation of CMHA-GRB and Trellis to operationalize the previously approved approach to mental health services is in the best interest of the community. The proposed integration is substantially in keeping with the strategic priorities in the 2013-2016 WWLHIN Integrated Health Service Plan: enhancing access to primary care, creating a more seamless and coordinated healthcare experience, creating a quality healthcare system using evidence-based practice, and accelerating system change.

Next Steps: Acceptance of these recommendations will support further action, led by the proponents, to take the practical steps needed to amalgamate the two organizations, create and populate a new governance structure, a new management, and a new staff, and oversee and optimize existing assets. The proponents will also need to develop a consolidated Community Accountability Planning Submission (CAPS) for the WWLHIN that reflects the increased capacity of the amalgamated organization to support mental health services. The details

contained in the CAPS will be used to negotiate the terms of the 2013/14 Multi-sector Service Accountability Agreement (MSAA) before its effective date of April 1, 2013.

Between now and April 1, 2013, LHIN staff will:

- in collaboration with staff from the two organizations undergoing amalgamation, develop and integrate appropriate performance objectives into the 2013/14 MSAA for the new entity to enable the LHIN to evaluate whether the proposed integration and the integrated approach to mental health services will result in better health, better care, and better value; and
- ensure through WWLHIN CEO updates or other means that the Board is aware of the progress of this voluntary integration, including the attainment of service increases, service and quality improvements, organizational efficiencies, and the achievement of client-centred inter-sectoral service provision and associated performance tracking.

Appendix A: Services Provided by CMHA-GRB and Trellis

CMHA-GRB describes the services it provides as offering “people the support they need to connect them with their community as a means to enhance quality of life. The purpose of our work is to facilitate recovery in the lives of people we support based on our philosophy of empowerment and community inclusion.” To this end, CMHA-GRB provides mental health case management, primary mental care programs (vocational employment, concurrent disorders, diversion and court support), crisis intervention, residential services, health promotion and education, consumer/family/survivor initiatives, and information and referral services. In exchange for these services to our community, the WWLHIN has allocated \$5.8M in base operating funding to CMHA-GRB in 2012/13. CMHA-GRB also provides services beyond health care, such as children and youth services, employment services, and housing services, and receives funding from others, including the Ministry of Children and Youth Services and the Ministry of Citizenship. In Waterloo Wellington, CMHA-GRB has a physical presence in Wellington County and in The Region of Waterloo (Kitchener and Cambridge). Beyond Waterloo Wellington, CMHA-GRB also provides services to residents in the Central West and Hamilton Niagara Haldimand Brant LHINs.

Trellis describes the programs and services it provides as helping “individuals and families facing mental health and developmental challenges lead lives filled with meaning and promise. Our staff and volunteers help clients take charge of their lives.” Within the local health system, Trellis offers a range of mental health services, including mental health case management, primary mental care programs (counseling and treatment, early intervention, diversion and court support, eating disorders, and other mental health services), crisis intervention, and health promotion and education. In exchange for these services to our community, the WWLHIN has allocated \$9.6M in base operating funding to Trellis in 2012/13. Trellis also offers other programs and services, including those supported with funding from and directed to clients of the Ministry of Community and Social Services and the Ministry of Children and Youth Services. In Waterloo Wellington, Trellis has a physical presence in Wellington County (Guelph, Mount Forest, and Fergus), and in The Region of Waterloo. Trellis also provides services to residents in the Central West LHIN.

Appendix B: WWLHIN Integration Checklist

CHECKLIST for Health Services Providers (“HSPs”) Intending to issue a s.27 “Notice of an Intended Integration” required By the Local Health System Integration Act, 2006 (“LHSIA”)

Unless otherwise advised by the Waterloo Wellington Local Health Integration Network (the “LHIN”) in writing, a notice of intended integration under s 27 of the Local Health System Integration Act, 2006 (the “Act”) should include the information set out below. This information is requested under s. 22 of the Act to ensure that the LHIN has sufficient information to enable it to determine whether the intended integration should proceed.

DESCRIPTION OF INTENDED INTEGRATION

- Please describe the intended integration**

BACKGROUND AND BUSINESS CASE

- Please provide an environmental scan.** The scan will profile population health, provide inventory of the available resources and assess the need and system capacity as it relates to the intended integration.
- Please provide a business case that identifies and assesses the economic or other efficiencies of the proposed integration.** The business case should also explain how the proposed integration will (i) be financed in the short and long term; (ii) promote efficient and effective use of resources and (iii) contribute to system sustainability
- Please identify any community engagement and/or consultation that occurred and describe the outcome.** The engagement of audiences (e.g. results of any engagement activities; specific groups or populations engaged; methods of engagement used; evidence of community / stakeholder support). Components of the engagement should address the system impacts of the integration, including:
 1. The impact of the proposal on patient/client care and on the population of the LHIN in terms of access, choice, equity, quality, timeliness, continuity and coordination of services and health outcomes?
 2. What is the impact of the proposal on the achievement of the goals of the Integrated Health Services Plan (IHSP)? What is the impact on the province and the current manner in which the programmatic service is being provided?
 3. What is the impact of the proposal on specific sub-populations, diverse communities and any vulnerable populations in the LHIN?
 4. What are the downstream impacts of the proposal on the health service providers and other entities in terms of capacity, services provided, continuity and coordination of services, population(s) served, and governance?
 5. What is the impact of the proposal on relationships, collaboration and partnerships?
- Additional Components applicable to Hospital Mergers / Transfers:**
 1. An overview of the program components and supporting services, inpatient volumes (cases, weighted cases and patient days) and cost, outpatient

volumes and costs, administrative and support services units and costs (e.g. administration, diagnostic and therapeutic, outpatient clinics, etc).

2. A summary of the human resources plan for employees, including physicians, and the financial implications of the plan.
3. A description of the program decanting and measures to minimize disruption to patient service (transition plans).
4. Implications of the program transfer on capital requirements, if applicable.
5. Evidence that regulatory and licensing requirements will be met, as appropriate (e.g. lab licensing in the case of laboratory transfers)
6. For partnerships or other similar joint arrangements, demonstration that the proposed venture does not place the assets of the HSP(s) at risk or create an operating liability for the HSP(s).

PUBLIC INTEREST CONSIDERATIONS

- Please explain how the proposed integration is in the public interest.** In doing so, please indicate how the proposed integration: (i) will result in the provision of appropriate, coordinated, effective and efficient health services; (ii) supports the achievement of the goals of the IHSP
- Please identify and assess other potential impacts of the proposed integration.** In doing so, please consider impact(s) on the population of the LHIN, specific sub-populations, labour and employment relations, volunteers, other health service providers or organizations providing services in the LHIN and the governments and organizations that provide funding to the HSP(s)

APPROVALS

- For each part to the proposed integration, please provide a certified copy of the Board minutes or in the case of a partnership the partners' resolution approving the proposed integration as described in the notice

DATE AND CONTACT INFORMATION

- Please date the Notice and provide a name and contact information for the individual to be contacted for further information regarding the intended integration.

Appendix C: Benefits of CMHA-GRB/Trellis Voluntary Integration

Better Care:

- Serve children, youth, adult, senior and families more effectively
- Create a single point of access and reduce transitions to provide better and more responsive care to residents
- Keep people at the centre of its work through a comprehensive delivery system
- Emphasize upstream services, education, health promotion, early detection, intervention and treatment
- Promote flow and movement along the path of recovery by matching services to stages of change thereby increasing capacity in crisis, support coordination and treatment services

Better Health:

- Based on principles of recovery, trauma informed care and rooted in the Social Determinants of Health
- Bring together health promotion and early detection/intervention, support, rehabilitation and intensive treatment
- Effectively use self help and peer support to improve client outcomes and free up capacity
- Use the same standard of care in support coordination, crisis and court support services regardless of where a resident lives in Waterloo-Wellington

Better Value:

- Increase capacity to service adults
- Create a unified and clear voice for mental health across Waterloo Wellington to facilitate greater awareness of mental health issues
- Build community resilience by coordinating the resources of a larger pool of professionals and specialists
- Create a strong, robust, scalable infrastructure (e.g., financial, HR, risk, privacy, IT, and information management, quality) to facilitate quality improvement and further system transformation

Organizational Capacity and Capability:

- Drive a strategic, transformative focus on the client through aligned internal operations, management, and governance leadership
- Improve access to service to a measurably greater degree than could be attained by focusing optimization efforts on smaller, separate organizations
- Widen the scope of its service provision through time as long-term efficiencies are pursued and resulting reinvestments of savings made
- Develop better information/education about mental health for the wider community
- Ensure access to crisis services through the creation of a regional crisis service
- Propel the spread across Waterloo Wellington of mental health services, competencies, and collaborative working relationships that are currently found in only select communities
- Help mitigate sub-optimal operational supports to management and governance that might otherwise limit their ability to identify, monitor and achieve improved performance
- Inform robust human resources planning and professional development, to ensure staff with the skill mix required to deliver a widening range of services are recruited and their skills retained for the benefit of our communities
- Create the capacity to provide access to a unified regional outreach and support coordination team for adults with mental health and addictions issues