

**Ministry of
Long-Term Care**

Office of the Minister

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179-2021-131

April 28, 2021

Mr. Bill Hatanaka
Chair
Ontario Health
525 University Ave, 5th Floor
Toronto ON M5J 2L3

Dear Mr. Hatanaka:

Re: Ministry of Long-Term Care – Ontario Health Interim Accountability Agreement and 2021/22 Funding

As you know, the Minister of Health has issued transfer orders under subsection 40(1) of the *Connecting Care Act, 2019* (“CCA”). Pursuant to these transfer orders, Ontario Health will be assuming, effective April 1, 2021, the Local Health Integration Networks’ (“LHINs”) health system funding, planning and management responsibilities (“LHIN legacy functions”). These functions include the LHINs’ responsibilities related to long-term care homes program management (“LTCH Program Management”).

It is important to ensure key expectations associated with Ontario Health’s accountability relationships and responsibilities related to LTCH Program Management are documented.

Ministry of Long-Term Care and Ontario Health:

An Order-In-Council (“OIC”) was made that permits the Minister of Long-Term Care to share specified sections of the CCA, as they relate to long-term care homes, with the Minister of Health. Effective April 15, 2021 the following takes effect:

1. Collectively, along with this letter, the following are considered the accountability agreement between the Minister of Long-Term Care and Ontario Health for the purposes of section 19 of the CCA (the “Ontario Health Accountability Agreement”), effective on the day the OIC is made:
 - a) The accountability agreement between Her Majesty the Queen in right of Ontario and each of the fourteen LHINs effective April 1, 2015, as amended, as it relates to:
 - i. Ontario Health’s performance and observation of the LTCH Program Management obligations on the LHINs (as set out in Schedule 3 of the Legacy Functions Accountability Agreement (Legacy Functions

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- Accountability Agreement has the same meaning as in the transfer order)).
- ii. the Legacy Functions Accountability Agreement which includes the sections, articles, clauses, paragraphs, schedules or appendices, or any parts thereof, of the Legacy Functions Accountability Agreement that specifically and exclusively govern, relate to or apply to LTCH Program Management, and also includes general provisions, but only insofar as such general provisions govern, relate to or apply to LTCH Program Management.
- b) Ontario Health must post this letter and above-referenced agreements on its website in accordance with section 19(5) of the CCA.
2. The Ontario Health Accountability Agreement is an interim agreement. Both the Ministry of Long-Term Care and Ontario Health are committed to developing a new accountability agreement that is reflective of Ontario Health's obligations and accountabilities related to LTCH Program Management.

Reporting:

As indicated in the Minister of Health's letter, Ontario Health will assume the reporting obligations of the LHINs. Ontario Health will submit reports to the Ministry of Health and will report relevant information pertaining to LTCH Program Management to the Ministry of Long-Term Care.

2021-22 Funding:

Appendix 1, attached with this letter, sets out Ontario Health's base and one-time allocations, as well as the terms and conditions of funding, for LTCH Program Management for 2021-22.

Thank you for your continued leadership and contributions to supporting a smooth transition of the long-term care homes program management functions into Ontario Health.

Sincerely,



Dr. Merrilee Fullerton
Minister of Long-Term Care

- c: Hon. Christine Elliott, Deputy Premier and Minister of Health
Mr. Richard Steele, Deputy Minister, Ministry of Long-Term Care

Mr. Bill Hatanaka

Ms. Helen Angus, Deputy Minister, Ministry of Health

Ms. Janet Hope, Assistant Deputy Minister, Long-Term Care Policy Division, Ministry of Long-Term Care

Mr. Brian Pollard, Assistant Deputy Minister, Long-Term Care Capital Development Division, Ministry of Long-Term Care

Ms. Sheila Bristo, Assistant Deputy Minister, Long-Term Care Operations Division, Ministry of Long-Term Care

Mr. Kyle MacIntyre, A/Assistant Deputy Minister, Health Transformation Division, Ministry of Health

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Please indicate your agreement with the terms of this letter by signing and electronically returning one signed copy by April 29, 2021 to Sheila Bristo, Assistant Deputy Minister, Long-Term Care Operations Division at Sheila.Bristo@ontario.ca.

Ontario Health agrees to the terms of this letter.



May 12, 2021

Mr. Bill Hatanaka
Board Chair, Ontario Health

Date

APPENDIX 1

ONTARIO HEALTH (“AGENCY”) – FUNDING ALLOCATION: 2021-22

Funding and Allocations

1. The **Ministry of Long-Term Care (“MLTC”)**:
 - a) Will set the funding allocation for the Agency in alignment with government approvals. The Agency’s funding allocation, as of April 1, 2021 is outlined in Table 1 of this Schedule;
 - b) Will revise and update Table 1 to reflect government and Agency funding allocation decisions throughout the year;
 - c) May set terms and conditions for Agency funding set out in Table 1, including the type of funding, specific allocations within programs, whether the funding is subject to annual adjustment, and whether and in what circumstances the funding may be recoverable from the Agency by the MLTC;
 - d) Will reconcile all funding provided to the Agency under the accountability agreement annually;
 - e) Will recover funding from the Agency if the MLTC has advised the Agency that the particular funding is recoverable; and
 - f) May require the Agency to carry out certain initiatives, activities and/or specific actions as determined by the MLTC.

2. The **Agency** will:
 - a) Use the funds with efficiency, effectiveness and economy;
 - b) Spend the funds provided by the MLTC in accordance with the CCA, the accountability agreement and any applicable terms and conditions communicated by the MLTC;
 - c) Carry out MLTC-required initiatives, activities, and/or specific actions;
 - d) Use the funding allocation in Table 1 to provide funding, as it relates to long-term care homes, to transfer payment recipients;
 - e) Ensure no approval is granted regarding the carry-forward of unspent funding from one Fiscal Year to the next; and
 - f) Assist and coordinate with the MLTC, as needed, to
 - i. obtain transfer payment recipients financial information; and
 - ii. recover funds, if any, after settlement has been approved.

Reallocations

3. The **MLTC** will:
 - a) Provide the Agency parameters or guidelines for any changes to the Agency’s funding allocation; and
 - b) Monitor the Agency’s reallocation requests between transfer payment recipients, decisions and management of expenditures, and develop any additional guidelines and parameters, as required, to ensure effective financial management.

4. The **Agency**:
 - a) Will only reallocate funding:
 - i. within the parameters provided by the MLTC; and
 - ii. specifically, may, reallocate between transfer payment recipients with prior written approval of the MLTC;
 - b) The reallocation parameters outlined in 4 a) are subject to any other terms and conditions communicated by the MLTC;

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- c) Will report to the MLTC any reallocations within the above outlined parameters through the in-year quarterly financial reporting submitted to the Ministry of Health for Q2, Q3 and Q4; and
- d) Will notify the MLTC:
 - i. if the Agency receives written approval from the Ministry of Health to use any Ministry of Health funding for long-term care; and
 - ii. prior to using any such reallocated funding.

Table 1: Agency Transfer Payment Allocation for 2021/22

Ontario Health Operating and Programs/Services Line	2021/22 Base	2021/22 One-Time	2021/22 Total Allocation
Agency's Allocation related to Long-Term Care Homes			
Long-Term Care	\$ 4,214,125,758	\$0	\$ 4,214,125,758

Adjustments

- 5. The **MLTC** may adjust the amounts and activities associated with the funds it provides to the Agency in any Fiscal Year based upon the MLTC's assessment of the information contained in the reports submitted by the Agency, and upon prior consultation with the Agency.

Financial Payments and Reports

- 6. The **MLTC** will, on behalf of the Agency:
 - a) Process payments of funds under the **Agency's Allocation related to Long-Term Care Homes** line item and assist the Agency in responding to questions raised by transfer payment recipients about the payment processing; and
 - b) Reconcile and settle funds paid to transfer payment recipients.

- 7. The **MLTC** will assist the **Agency** with in-year and Year-End financial reporting by transfer payment recipients, including collecting the reports, assessing the data for accuracy and reasonableness and providing the reporting to the Agency in such form and with such analysis as the MLTC and the Agency may determine.