

April 9, 2010

Mr. Patrick Gaskin
Acting President and Chief Executive Officer
Cambridge Memorial Hospital
700 Coronation Boulevard
Cambridge, Ontario
N1R 3G2

Patrick

Dear Mr. Gaskin:

Re: 2010/11 H-SAA Extension

I am writing to thank you for your, your staff's, and the Supervisor's efforts to successfully extend our Hospital Service Accountability Agreement (H-SAA), and to provide you with your Hospital's copy of the signed H-SAA Extension documentation.

Consistent with the general process outlined for all hospitals in Ontario, we now look forward to receiving confirmation from the government of the 2010/11 funding allocation for hospital services. As you are aware, once the Waterloo Wellington Local Health Integration Network has the information about the final allocation, we will communicate with you. Six weeks thereafter, Cambridge Memorial Hospital will be expected to submit to the LHIN a Hospital Board-approved, balanced budget for 2010/11.

Of course, before we take the next steps in the process, which has been described only in general terms for the province, we believe we would benefit from prior discussion with you about how the process will unfold in Waterloo Wellington. To that end, we would like to plan discussion in the near future to better manage any risks or uncertainties in the 2010/11 budgeting exercise.

Again, my sincerest thanks to you and all others at Cambridge Memorial Hospital who helped us reach agreement in extending the H-SAA.

Sincerely,

Stewart Sutley

Stewart Sutley
Senior Director, Performance and Accountability

Encl.





AMENDING AGREEMENT

THIS AMENDING AGREEMENT (the "Agreement") is made as of the 1st day of April, 2010

BETWEEN:

Waterloo Wellington LOCAL HEALTH INTEGRATION NETWORK (the "LHIN")

AND

Cambridge Memorial Hospital (the "Hospital")

WHEREAS the LHIN and the Hospital (together the "Parties") entered into a two year service accountability agreement that took effect April 1, 2008 (the "H-SAA");

AND WHEREAS given economic uncertainties, funding allocations by the Ministry of Health and Long-Term Care which form the basis for the negotiation of the 2010-12 H-SAA have not yet been confirmed;

AND WHEREAS the OHA, LHINs and the Ministry of Health and Long-Term Care have agreed to adjust the H-SAA process for 2010/11, as set out in the letter dated February 1, 2010 and attached as Appendix A;

AND WHEREAS the parties acknowledge a mutual commitment to pursuing needed operational efficiencies over the course of the agreement;

AND WHEREAS the LHIN and the Hospital have agreed to extend the H-SAA for a third year;

NOW THEREFORE in consideration of mutual promises and agreements contained in this Agreement and other good and valuable consideration, the parties agree as follows:

- 1.0 Definitions.** Except as otherwise defined in this Agreement, all terms shall have the meaning ascribed to them in the H-SAA.
- 2.0 Amendments.**
 - 2.1 Agreed Amendments.** The Parties agree that the H-SAA shall be amended as set out in this Article 2.
 - 2.2 Title and Headers.** The Parties agree that the title of the H-SAA and the headers within the H-SAA shall be amended by deleting "2008-2010" and replacing it with "2008-2011."

- 2.3 **Definitions.** The definition for HAPS in Article 2.1 shall be amended with the addition of the following text immediately after "2009-2010" and before the semi-colon:
"and the Board approved hospital accountability planning submission provided by the Hospital to the LHIN for the Fiscal Year 2010-2011"
- 2.4 **Term.** The reference to "2010" in Article 3.2, shall be deleted and replaced with "March 31, 2011".
- 2.5 **Planning Cycle.** The words "for Fiscal Years 2010/11 and 2011/12" in Article 7.1 shall be deleted.
- 2.6 **Schedules.**
- (a) Schedule A shall be deleted and replaced with the Schedule A attached to this Agreement.
 - (b) Schedule B shall be supplemented with the addition of Schedule B-1 attached to this Agreement.
 - (c) Schedule C shall be supplemented with the addition of Schedule C-1 attached to this agreement.
 - (d) Schedule D shall be supplemented with the addition of Schedule D-1 attached to this agreement.
 - (e) Schedule E shall be supplemented with the addition of Schedule E-1 attached to this agreement.
 - (f) Schedule F shall be supplemented with the addition of Schedule F-1 attached to this agreement.
 - (g) Schedule G shall be supplemented with the addition of Schedule G-1 attached to this agreement.
 - (h) Schedule H shall be supplemented with the addition of Schedule H-1 attached to this agreement.
- 2.7 **Renegotiation of Schedules** The Parties agree that it is their intention to negotiate and to further amend the Schedules following the announcement of funding allocations by the Ministry of Health and Long-Term Care. It is recognized that a waiver to the balanced budget obligation may need to be negotiated.
- 3.0 **Effective Date.** The Parties agree that the amendments set out in Article 2 shall take effect on April 1, 2010. All other terms of the H-SAA, including but not limited to current funding levels and those provisions in Schedule A-H not amended by s. 2.6, above, shall remain in full force and effect.


4.0 Governing Law. This Agreement and the rights, obligations and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.


5.0 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

6.0 Entire Agreement. This Agreement together with Schedules A, B-1, C-1, D-1, E-1, F-1, G-1 and H-1, constitutes the entire agreement between the Parties with respect to the subject matter contained in this Agreement and supersedes all prior oral or written representations and agreements.


IN WITNESS WHEREOF the Parties have executed this Agreement on the dates set out below.

Waterloo Wellington LOCAL HEALTH INTEGRATION NETWORK

By:  Mar 31/10
Kathy Durst, Chair Date

And by:  Mar 31/10
Sandra J. Hanmer, CEO Date

Cambridge Memorial Hospital

By:  MARCH 30, 2010
Murray Martin, Supervisor Date

Schedule A

Planning and Funding Timetable

OBLIGATIONS

Part I - Funding Obligations	Party	Timing
Announcement of multi-year funding allocation (confirmation of 2008/09 Schedule C funding, reinforcement of 2009/10 Schedule C funding)	LHIN	The later of June 30, 2008 or 14 days after confirmation from the Ministry of Health and Long Term Care
Announcement of multi-year funding allocation (confirmation of 2009/10 Schedule C funding)	LHIN	The later of June 30, 2009 or 14 days after confirmation from the Ministry of Health and Long Term Care
Announcement of multi-year funding allocation (confirmation of 2010/11 Schedule C funding)	LHIN	The later of June 30, 2010 or 14 days after confirmation from the Ministry of Health and Long Term Care

**Schedule A
Planning and Funding Timetable**

Part II - Planning Obligations	Party	Timing
Announcement of 2010/11 planning target for hospital planning purposes	LHIN	The later of June 30, 2008 or 14 days after confirmation from the Ministry of Health and Long Term Care
Publication of the Hospital Annual Planning Submission Guidelines for 2010/12	LHIN	No later than June 30, 2009
Announcement of multi-year funding allocation (reaffirm 2010/11 and announce 2011/12 planning targets for 2010/12 HSAA negotiations)	LHIN	The later of June 30, 2009 or 14 days after confirmation from the Ministry of Health and Long-Term Care
Indicator Refresh (including detailed hospital calculations)	LHIN (in conjunction with MOHLTC)	No later than November 30, 2009
Refresh related Schedules for 2010/11	Hospital/LHIN	No later than February 26, 2010
Sign 1 year extension to the 2008/10 H-SAA	Hospital/LHIN	No later than March 31, 2010
Announcement of multi-year funding allocation for 2010/11 and announce, if possible, planning targets for 2011/13 HSAA negotiations)	LHIN	14 days after confirmation from the Ministry of Health and Long-Term Care
Submission of Hospital Annual Planning Submission for 2010/11	Hospital	To be determined
Publication of the Hospital Annual Planning Submission Guidelines for 2011/13	LHIN	No later than June 30, 2010
Announcement of multi-year planning targets for 2011/13 H-SAA negotiations)	LHIN	14 days after confirmation from the Ministry of Health and Long-Term Care
Submission of Hospital Annual Planning Submission for 2011/13	Hospital	No later than October 31, 2010
Indicator Refresh (including detailed hospital calculations)	LHIN (in conjunction with MOHLTC)	No later than November 30, 2010
Refresh the Hospital Annual Planning Submission for 2011/13 and related Schedules	Hospital/LHIN	No later than January 31, 2011
Sign 2011/13 Hospital Service Accountability Agreement	Hospital/LHIN	No later than March 31, 2011

Schedule A
 Planning and Funding Timetable

Obligation Timeline Diagram

Definitions:

Planning Target = For negotiations

Confirm = Confirm signed agreement amounts after appropriation of monies by the
 Legislature of Ontario

Funding Year								
	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
		2007/08 HAA	2008-11 H-SAA					
June 06	Confirm Schedule C Funding	Planning Target	Planning Target					
June 07		Confirm Schedule C Funding	Planning Target (Oct)	Planning Target (Oct)				
Feb. 08			Negotiated Schedule C Funding	Negotiated Schedule C Funding				
June 08			Confirm Schedule C Funding	Reaffirm Schedule C Funding	Planning Target			
June 09				Confirm Schedule C Funding	Planning Target			
Feb. 10					Negotiated Schedule C Funding			
June 10					Confirm Schedule C Funding			

Funding Obligations are shaded
 Planning Obligations are not shaded

Schedule B-1

Performance Obligations for 10/11

1.0 PERFORMANCE CORRIDORS FOR SERVICE VOLUMES AND PERFORMANCE INDICATORS

1.1 The provisions of Article 1 of Schedule B apply in fiscal year 10/11 with all references to Schedule D being read as referring to Schedule D-1.

2.0 PERFORMANCE CORRIDORS FOR PERFORMANCE INDICATORS

2.1 The provisions of Article 2 of Schedule B apply in fiscal year 10/11 subject to the following amendments:

- (a) sub articles 2.2, 2.3 and 2.6 shall be deleted; and
- (b) all references to Schedule D shall be read as referring to Schedule D-1.

3.0 PERFORMANCE OBLIGATIONS WITH RESPECT TO NURSING ENHANCEMENT/CONVERSION

3.1 The provisions of Article 3 of Schedule B apply in fiscal year 10/11 with all references to Schedule D being read as referring to Schedule D-1.

4.0 PERFORMANCE OBLIGATIONS WITH RESPECT TO CRITICAL CARE

4.1 The provisions of Article 4 of Schedule B apply in fiscal year 10/11 subject to the following amendments:

- (a) references to "2008/09" and "2009/10" shall be read as referring to "2010/11".
- (b) all references to Schedule E shall be read as referring to Schedule E-1.

5.0 PERFORMANCE OBLIGATIONS WITH RESPECT TO POST CONSTRUCTION OPERATING PLAN FUNDING AND VOLUME

5.1 The provisions of Article 5 of Schedule B apply in fiscal year 10/11, subject to the following amendments:

- (a) references to Schedule F shall be read as referring to Schedule F-1;
- (b) references to "2008/09 and 09/10" shall be read as referring to 2010/11.

6.0 PERFORMANCE OBLIGATIONS WITH RESPECT TO PROTECTED SERVICES

6.1 The Performance Obligations set out in Article 6 of Schedule B apply in fiscal year 10/11, subject to the following amendments:

- (a) All references to Schedule D or Schedule G shall be read as referring to Schedules D-1 and G-1 respectively; and
- (b) All references to "2008/09 and 09/10" shall be read as referring to "2010/11"

7.0 PERFORMANCE OBLIGATIONS WITH RESPECT TO WAIT TIME SERVICES

7.1 The Performance Obligations set out in Article 7 of Schedule B apply to fiscal year 10/11 with all references to Schedules A, G, or H being read as referring to Schedules A-1, G-1 or H-1 respectively.

8.0 REPORTING OBLIGATIONS

8.1 The reporting obligations set out in Article 8 of Schedule B apply to fiscal year 10/11.

8.2 The following reporting obligations are added to Article 8 of Schedule B:

- (a) **French Language Services.** If the Hospital is required to provide services to the public in French under the provisions of the *French Language Services Act*, the Hospital will be required to submit a French language implementation report to the LHIN. If the Hospital is not required to provide services to the public in French under the provisions of the *French Language Service Act*, it will be required to provide a report to the LHIN that outlines how the Hospital addresses the needs of its local Francophone community.”

9.0 LHIN SPECIFIC PERFORMANCE OBLIGATIONS

9.1 Except where specifically limited to a given year, the obligations set out in Article 9 of Schedule B apply to fiscal 10/11. Without limiting the foregoing, waivers or conditional waivers for 08/09 and 09/10 do not apply to 10/11.

9.2 The following provisions are added to Article 9 of Schedule B

- (a) The Hospital will reduce Alternate Level of Care (ALC) pressures by 5% by March 31, 2011. The calculation of ALC pressure is: ALC Acute Days/Total Acute Patient Days. Validated ALC data from January to December 2009 for the Hospital will serve as the baseline against which reductions will be measured. A 5% reduction in ALC pressure is understood as a reduction to 17.54% in 2010/11 from a baseline of 22.54% in 2009. Notwithstanding the 5% reduction in ALC pressures, the Hospital is not expected to reduce ALC pressures to below the WWLHIN target of 9.46% in 2010/11.
- (b) The Hospital will take demonstrable advantage of the opportunity represented by the Transitional Care Program in 2010/11 to:
 - (i) fully implement the Home First philosophy and collaborate with the LHIN and other providers in developing and setting performance targets;
 - (ii) implement process improvements designed to decrease ALC length of stay and collaborate with the LHIN and other providers in developing and setting performance targets;
 - (iii) undertake efforts to address the unique needs of long-stay ALC patients and collaborate with the LHIN and other providers in developing and setting performance targets;
 - (iv) undertake additional Emergency Department improvements and meet performance targets set out by the LHIN; and
 - (v) report regularly to the LHIN on the achievement of the above.

Hospital Multi-Year Funding Allocation

Schedule C1 2010/11

Hospital CAMBRIDGE Memorial

Fac # 661

2010/11 Planning Allocation
Base One Time

	Base	One Time
Opening Base Funding	\$82,195,900	
Multi-Year Funding Incremental Adjustment	\$0	
Other Funding		
Funding adjustment 1 (RICN transferring to OAHPP)	(\$500,000)	
Funding adjustment 2 (CCC Bed Transfer)	TBD	
Funding adjustment 3 (General Surgery)		\$151,400
Funding adjustment 4 (Pay for Results)		\$782,100
Funding adjustment 5 ()		
Funding adjustment 6 ()		
Funding adjustment 7 ()		
Other Items		
Prior Years' Payments		
Critical care Strategies Schedule E		
PCOP: Schedule F		
PCOP		
Stable Priority Services: Schedule G		
Chronic Kidney Disease		
Cardiac Catheterization		
Cardiac Surgery		
Provincial Strategies: Schedule G		
Organ Transplantation		
Endovascular aortic aneurysm repair		
Electrophysiology studies EPS/ablation		
Percutaneous coronary intervention (PCI)		
Implantable cardiac defibrillators (ICD)		
Daily nocturnal home hemodialysis		
Provincial peritoneal dialysis initiative		
Newborn screening program		
Specialized Hospital Services: Schedule G		
Cardiac Rehabilitation		
Visudyne Therapy		
Total Hip and Knee Joint Replacements (Non-WTS)		
Magnetic Resonance Imaging		
Regional Trauma		
Regional & District Stroke Centres		
Sexual Assault/Domestic Violence Treatment Centres		
Provincial Regional Genetic Services		
HIV Outpatient Clinics		
Hemophiliac Ambulatory Clinics		
Permanent Cardiac Pacemaker Services		
Provincial Resources		
Bone Marrow Transplant		
Adult Interventional Cardiology for Congenital Heart Defects		
Cardiac Laser Lead Removals		
Pulmonary Thromboendarterectomy Services		
Thoracoabdominal Aortic Aneurysm Repairs (TAA)		
Health Results (Wait Time Strategy): Schedule H		
Selected Cardiac Services		
Total Hip and Knee Joint Replacements		\$1,286,600
Cataract Surgeries		\$278,300
Magnetic Resonance Imaging (MRI)		
Computed Tomography (CT)		\$135,000
Total Additional Base and One Time Funding	(\$500,000)	\$2,633,400
Total Allocation		\$84,329,300

Allocations not provided in this schedule for 2010/11, will be provided to hospitals in subsequent planning cycles. Hospitals should assume, for planning purposes, funding for similar volumes for Priority Services in out-years.

Global Volumes

Hospital CAMBRIDGE Memorial

Fac # 661

Global Volumes	Units of Service	2010/11 Performance Target	2010/11 Performance Standard**
Total Acute Activity, including inpatient and Day Surgery*	Weighted Cases	11,700	10,998 - 12,402
<i>Other</i>			
Complex Continuing Care	RUG Weighted Patient Days	2,600	>2,210
Mental Health	Inpatient Days	2,990	>2,541
ELDCAP	Inpatient Days	N/A	N/A
Rehabilitation	Inpatient Days	5000	>4,250
Emergency Department Visits	Visits	47,000	>42,300
Ambulatory Care***	Visits	51,000	>40,800

* Global volumes based on CIHI Case mix Group (CMG)* methodology and MOHLTC PAC-10 weights.
 ** Volume Performance Indicators under Global Volumes vary in application based on hospital type.
 *** Ambulatory Care includes OHRS Primary account codes 7134* (excluding 7134055), 712*, 7185*, 715* OHRS secondary statistical account codes: 447*, 450*, 5* (excluding 50*, 511*, 512*, 513*, 514*, 518*, 519*, 521*)

Performance Indicators

Hospital CAMBRIDGE Memorial

Fac # 661

Performance Indicators	2010/11 Performance Target	2010/11 Performance Standard**
HSAA Performance Indicators		
Performance Indicators For All Hospitals		
Current Ratio	0.25	0.23 - 0.28
Year End Total Margin	0.00	0.00

**Volume Performance Indicators under Global Volumes vary in application based on hospital type.

Critical Care Funding

Schedule E1 2010/11

Hospital

CAMBRIDGE Memorial

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Once negotiated, an amendment will be made under section 15.3 of the Agreement to include these targets and any additional conditions not otherwise set out in Schedule B or B1. This funding would be an additional in-year allocation contemplated by section 5.3 of the Agreement

Post-Construction Operating Plan Funding and Volume

Schedule F1 2010/11

Hospital

CAMBRIDGE Memorial

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Once negotiated, an amendment (Sch F1.1) will be made under section 15.3 of the Agreement to include these targets and any additional conditions not otherwise set out in Schedule B or B1. This funding would be an additional in-year allocation contemplated by section 5.3 of the Agreement

Protected Services

Schedule G1 2010/11

Hospital CAMBRIDGE Memorial

Fac #

	Units of Service	2010/11 Performance Target	2010/11 Performance Standard	2011/12 LHM Plan
Stable Priority Services				
Chronic Kidney Disease	Weighted Units	<input type="text"/>	<input type="text"/>	<input type="text"/>
Cardiac Catherization	Procedures	<input type="text"/>	<input type="text"/>	<input type="text"/>
Cardiac Surgery	Weighted Units	<input type="text"/>	<input type="text"/>	<input type="text"/>

Provincial Strategies

Organ Transplantation*	Cases	<input type="text"/>	<input type="text"/>	<input type="text"/>
Endovascular aortic aneurysm repair				
Electrophysiology studies EPS/ablation				
Percutaneous coronary intervention (PCI)				
Implantable cardiac defibrillators (ICD)				
Daily nocturnal home hemodialysis				
Provincial peritoneal dialysis initiative				
Newborn screening program				

Specialized Hospital Services

Cardiac Rehabilitation	Number of patients treated	<input type="text"/>	<input type="text"/>	<input type="text"/>
Visudyne Therapy	Number of insured Visudyne vials	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Hip and Knee Joint Replacements (Non-WTS)	Number of Implant Devices	<input type="text"/>	<input type="text"/>	<input type="text"/>
Magnetic Resonance Imaging	Hours of operation	<input type="text"/>	<input type="text"/>	<input type="text"/>
Regional Trauma	Cases	<input type="text"/>	<input type="text"/>	<input type="text"/>
Regional & District Stroke Centres				
Sexual Assault/Domestic Violence Treatment Centres				
Provincial Regional Genetic Services				
HIV Outpatient Clinics				
Hemophiliac Ambulatory Clinics				
Permanent Cardiac Pacemaker Services				

Provincial Resources

Bone Marrow Transplant
Adult Interventional Cardiology for Congenital Heart Defects
Cardiac Laser Lead Removals
Pulmonary Thromboendarterectomy Services
Thoracoabdominal Aortic Aneurysm Repairs (TAA)

* Organ Transplantation - Funding for living donation (kidney & liver) included as part of organ transplantation funding. Hospitals are funded retrospectively for deceased donor management activity, reported and validated by the Trillium Gift of Life Network.

Note: Additional accountabilities assigned in Schedule B, B1

Funding and volumes for these services should be planned for based on 2009/10 approved allocations. Amendments, pursuant to section 5.2 of this Agreement, may be made during the quarterly submission process.

Wait Time Services

Schedule H1 2010/11

Hospital CAMBRIDGE Memorial

Fac #

2009/10 Funded

2010/11 Funded

Base Volumes Incremental Volumes ** Base Volumes Incremental Volumes **

Refer to Schedule G for Cardiac Service Volumes and Targets

Selected Cardiac Services

Total Hip and Knee Joint Replacements
(Total Implantations)

Cataract Surgeries
(Total Procedures)

Magnetic Resonance Imaging (MRI)
(Total Hours)

Computed Tomography (CT)
(Total Hours)

210	176 primary + 5 revision	210	178 primary + 7 revision
979	275	979	371
2,340	430	2,340	540

* The 2009/10 Funded volumes are as a reference only

** Once negotiated, an amendment will be made under section 15.3 of the Agreement to include these targets and any additional conditions not otherwise set out in Schedule B, B1. This funding would be an additional in-year allocation contemplated by section 5.3 of the Agreement.