

July 3, 2009

**The New Procurement of Home Oxygen Services
Financial Survey for Home Oxygen Program Vendors - Updated Survey**

Interactive Teleconference Session #1

The first of two interactive teleconference sessions with Home Oxygen vendors, the Ministry of Health and Long-Term Care and PricewaterhouseCoopers LLP (PwC) was held on July 2, 2009, to answer questions Home Oxygen vendors may have when completing the Financial Survey and provide additional guidance. Eight Home Oxygen vendors participated in the session, as well as an OHRSA representative and consultant and a Fairness Commissioner.

Based on feedback and questions received from vendors in the session, PwC has revised the survey to facilitate better data collection and improve clarity. A summary of responses and any revisions or new questions applied to the survey are listed below. A PDF copy of the revised survey indicating the specific changes accompanies this posting for your reference. These changes have been reflected in the on-line version of the survey.

Note that the revisions should have no impact on participants that have already started to complete the on-line survey, except to provide a response to any **new** survey questions that have been added. Any problem that is detected while completing the survey should be brought to the attention of the PwC representative below.

For those who were not able to participate in the July 2nd session, please note that complete teleconference records will be posted on MERX and the Assistive Devices Program (ADP) website on Monday, July 6, 2009, at http://www.health.gov.on.ca/english/public/program/adp/adp_mn.html

Interactive Teleconference Session #2

Home Oxygen vendors and interested parties are invited to participate in the second Interactive Teleconference Session on Tuesday, July 7, 2009 2:00-3:00PM

Teleconference line is (416) 212 – 0400, Pass code 4286#
Or, toll-free 1-866-355-2663, Pass code 4286#

All parties who are interested in participating in this session are asked to advise Chris Beynon, at (416) 327-8150; 1-800-268-6021 (Toll-free in Ontario only); TTY: 1-800-387-5559, or send an email to: chris.beynon@ontario.ca

Reminders:

1. The on-line survey can be accessed at the following web address:

<https://vovici.com/wsb.dll/s/669cg3e081>

2. Final deadline for survey submission: July 16, 2009, 5:00PM

3. The on-line Final Survey is administered completely by PwC. Individual responses are received by PwC; the analysis of the responses will be shared with the Ministry at an aggregate level. Vendor identifying information will not be reported.

4. It is critically important for all vendors to complete the questionnaire in order to ensure that input from a variety of organizations can inform the pricing for home oxygen services.

Who to contact:

1. For the Procurement Process of Home Oxygen Services:

If you have any questions regarding the new procurement process of Home Oxygen, please contact Chris Beynon, at: (416) 327-8150; 1-800-268-6021 (Toll-free in Ontario only); TTY: 1-800-387-5559, or send an email to: chris.beynon@ontario.ca

2. For the Financial Survey for Home Oxygen Program Vendors

If you have any questions or concerns regarding the survey, or if you are experiencing technical difficulties, please contact Natalia Lobach at Natalia.E.Lobach@ca.pwc.com.

SUMMARY OF QUESTIONS, ANSWERS AND REVISIONS TO FIANNACIAL SURVEY

The following is a summary of the questions and answers submitted via email and discussed during the teleconference held on Thursday July 2, 2009. Please note that decisions that will be reflected in revisions to the survey are highlighted in **bold, underlined and italics**.

Questions via email to PricewaterhouseCoopers LLP prior to the teleconference:

1. Clarification regarding completing Part A vs Part B of the survey

Inquiry/Comment: Should vendors be completing Part A and Part B of the survey?

Response/Clarification: Part A should be completed only by home oxygen vendors who are currently providing services to the HOP. Part B should be completed by home oxygen vendors who are not currently providing services to the HOP but who may choose to provide services to the HOP in the future.

2. Question 14 (formerly 13) regarding palliative care clients: “If yes, in 2008 what percentage of your HOP clients were clients covered under the palliative care funding?”

Inquiry/Comment: Is this the percentage of the average monthly client total or percentage of the total new clients for 2008?

Response/Clarification: The response should be the percentage, of the average number of clients in 2008 served that are a part of HOP (answer to Question #5), who are covered under the palliative care funding.

Questions identified during the teleconference:

3. Question 5: “On average, how many clients did you serve that are part of the HOP in 2008?” Average = (# of clients at the beginning of year + # of clients at the end of the year) / 2

Inquiry/Comment: Client activity is not static over the year; using monthly averages will yield a more accurate estimate.

Response/Clarification: Agreed. **“Average” will be re-defined as: (the sum of average # of clients served during each month during the year) / 12 months.**

4. Clarification regarding use of “-1” to respond

Inquiry/Comment: Specific questions note that the participant may respond with a “-1” if the response to the question is unknown. Why is this noted for some questions and not others?

Response/Clarification: We recognize that it will be more challenging to determine the response to some questions more than others. Throughout the survey, where data is

not available, we ask that you use your best estimate. However, there are certain questions for which a response is not critical to inform the new pricing model, and for these questions we have provided the participant with the option to withdraw from responding to the question, by responding with a “-1”. This option is only available where indicated in the question text. For questions where this option has not been provided, it is critical that the participant respond using a best estimate, if data is not available to calculate the actual.

5. Question 15 (formerly 14): “Following the initial visit to a client in the long-term funding program by an RT or other regulated health care professional, how many follow up visits were completed in 2008 under the HOP by role?” (Similarly for question number 16/formerly number 15)

Inquiry/Comment: Are you looking for an aggregate number? If this data is not routinely collected, could a response be established from sampling client records/files?

Response/Clarification: Yes. Responses should be based on a representative sample of your existing client base. The sample size and method of sampling is described below. This methodology can be applied to other questions.

Sample Size - To assist in answering some of the survey questions, you may wish to sample your patient records to get refined estimates. We recommend that you review a minimum of 25 files each for long-term funding and palliative care. Please ensure that the files are chosen at random, and based on a representative sample of your existing cases.

6. Questions 26 to 48 regarding workload time measures

Inquiry: Should responses include travel time?

Response/Clarification: Yes.

7. Question 8 (formerly 7): “In 2008, did you provide home oxygen to clients that are not a part of the HOP?”

Question 9 (formerly 8): “If yes, in 1008, how many clients did you serve that are not a part of the HOP?”

Question 10 (formerly 9): “If yes, in 2008, what proportion of your total revenues accounted for services that are not a part of HOP?”

Inquiry/Comment: How are these responses relevant to the HOP pricing model?

Response/Clarification: These are optional questions. The participant can chose not to respond to these questions.

8. Mandatory/ Required questions

Inquiry/Comment: Could questions for which responses are mandatory be marked?

Response/Clarification: Yes. **Questions marked with an asterisk ("*") will be marked mandatory on the survey and require you to enter a response before advancing to the next question.**

9. **Question 145 (formerly 143): In 2008 how much was spent on each of the following components of general and administrative costs, which were incurred directly and/or indirectly to deliver the HOP?**

Inquiry/Comment: Will not be specifying amount incurred for bonuses.

Response/Clarification: Participants can enter "0" if wish. Please include monetary bonuses as a total of actual salary paid in Question 22 (formerly 21). Bonuses are a cost of doing business.

10. Overtime

Inquiry/Comment: Where should overtime costs be reported?

Response/Clarification: **A new question (new number 23) will be added to capture overtime costs paid.**

11. Costs incurred whereby HOP funding not applicable

Inquiry/Comment: How should a vendor record costs whereby time and expenses were incurred on an initial assessment, but the client subsequently did not qualify under the HOP?

Response/Clarification: **A new question (new number 7) will be added to capture these costs.**

12. **Question 4: "How much revenue did you generate in 2008 (last full year of operations) from the HOP?"**

Inquiry/Comment: How should a vendor report revenues for cases that are still pending? I.e. services have been provided, but the Ministry has not yet made a decision regarding the HOP funding.

Response/Clarification: Accounting principles state that revenues earned but not yet received (and for which collectibility is reasonably assured) should be accrued, thus amounts receivable for pending clients should be included in the response for total revenue generated in 2008.