

Home Oxygen Program New Procurement Process

The Ontario government is committed to continuously working towards better access to health care for Ontarians. The Home Oxygen Program will ensure that all Ontario residents who require this health care service will continue to have uninterrupted access during the implementation of the new procurement process.

Home Oxygen Program

The Home Oxygen program (HOP) provides financial assistance to eligible Ontarians who have a medical need for long-term oxygen therapy. Applicants must meet general and medical criteria to qualify. In 2007/08, the program provided assistance to 26,647 people.

Current Procurement Process

- Since 2000, the Ministry of Health and Long-Term Care (ministry) has a Memorandum of Understanding (MOU) with home oxygen service providers.
- The current MOU is between the ministry and representatives of 62 home oxygen vendors, including two associations representing larger private and hospital home oxygen vendors - the Ontario Home Respiratory Services Association (OHRSA) and the Hospital Community Respiratory Services Alliance (HCRSA), and one representative of the independent home oxygen vendors.
- The MOU is being extended to March 31, 2010.
- The MOU sets out an agreement with respect to pricing (a fixed price per month per client, (\$389.00 per month per client to southern vendors, and \$414.00 per month per client to northern vendors), and establishes the ministry's intent to incorporate the price in its HOP Administrative Manual to reflect the understood billing policies.
- Individual vendors are required to register with the Assistive Devices Program (ADP) and sign a Vendor Agreement with the ministry, requiring them to abide by the HOP requirements (as set out in the Administrative Manual), including:
 - Prices
 - Billing, and
 - Re-assessment of clients at 90 days and 12 months.

At the end of the 12-month period, clients who continue to meet medical criteria receive long-term funding and do not need to be reassessed.

Current Home Oxygen Program Vendors

- There are 62 suppliers under contract with the ministry's HOP.
- All HOP-registered vendors must be able to supply portable and stationary oxygen delivery systems - which includes liquid systems, oxygen cylinders and portable and stationary concentrators.
- HOP vendors operate out of 127 locations in Ontario.

New Procurement Process

- The new procurement is an open, fair and transparent competitive process where a Request for Proposal(s) (RFP) will be issued in order to establish a Vendor of Record (VOR) Arrangement for home oxygen services.
- The VOR Arrangement will continue to allow clients to seek home oxygen services from the vendor of their choice.
- The VOR will be open to all Home Oxygen vendors who meet the program's criteria.
- The service model currently in place will remain the same. The current home oxygen services will continue to include professional assessment and re-evaluation, training of users and their caregivers, follow-up visits, emergency response, education and consultation with prescribing physicians or other health care providers.
- Client eligibility or funded benefits will not change.
- Fair pricing will be set by the Program for the RFP, following market research and consultation with the industry, and is likely to include a scaled pricing approach.
- Term of Vendor of Record Arrangement: 5 years, plus up to 2 optional years.
- Refreshment periods for new vendors to register and for price re-assessment will be set, as required.

ADP will be developing and issuing an RFP on MERX to establish a new VOR Arrangement for Home Oxygen Services. MERX is the Government of Ontario's electronic tendering source which provides businesses of any size with efficient and affordable access to contracting opportunities. For more information, please go to: www.merx.com or contact MERX directly, at MERX Customer Support line for Vendors, at 1-800-964-6379.

Throughout this competitive process, all qualified Home Oxygen vendors who wish to provide service in Ontario and meet the RFP criteria will have the opportunity to register. (Expected RFP posting: October 15, 2009).

The RFP will include a pricing schedule and decision-making criteria (such as service standards, availability of equipment, response times). Criteria will be set for vendors to register with the HOP.

Industry Consultations

- The first meeting with the vendors will be an Information Session on February 25, 2009.
- Additional consultation meetings are planned for the period March - May 2009 to gain a better understanding of key industry developments, cost drivers, operational issues, opportunities, performance indicators and criteria for quality service.

Communications

- A dedicated web page on the Home Oxygen procurement process, including all relevant materials is available to vendors at:
http://www.health.gov.on.ca/english/public/program/adp/adp_mn.html
- All communications material during the process (including all vendor meeting records) will be posted on MERX, the ADP web page and OHRSA's web site.
- Once the procurement process is complete, the ADP webpage will include:
 - Complete Vendor of Record Arrangement (refreshed periodically)
 - Manual of Policies and Procedures
 - Pricing information
 - Service standards, and
 - Information on how to file a complaint/expected follow-up timeframes.

Benefits

Moving to an open public Vendor of Record Arrangement for Home Oxygen Suppliers will have the following key benefits:

- An open, fair and transparent process consistent with the Ontario Government Procurement Directives;
- Longer term contracts will provide for more stability within the industry, and;
- Refinement of eligibility criteria and performance measures will improve quality of care and service delivery to the public.

Anticipated Timelines (subject to change)

Vendor Information Session

February 25, 2009, 2:00-4:00PM

Vendor Consultation Sessions

March – May 2009 (TBD)

RFP Posting on MERX

October 15, 2009

Vendor Meeting following RFP posting

November 17, 2009

Vendor submissions

February 12, 2010

Vendors' registration

February 15 - March 31, 2010

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http://www.health.gov.on.ca/english/public/program/adp/adp_mn.html

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