

January 18, 2006

TO: MOHLTC Stakeholders

As you know, Ontario's government is making major changes to the province's health system to ensure its sustainability for years to come. You are already familiar with some of the key changes, most notably the creation of Local Health Integration Networks (LHINs). To align with these external changes and to refocus internally, I announced to ministry staff earlier today that our ministry will be reorganized during the next two years.

This reorganization will allow the ministry to focus more on providing overall direction and leadership for the province's health care system. Essentially, the ministry's future role will focus on stewardship, on planning, and on guiding resources to bring value to the health system. Ultimately, this new role will allow us to deliver more responsive and more sustainable health care. That's because Ontario's health system will be based on accurate forecasting and analysis, and effective planning and implementation.

The ministry will have four new divisions – Health System Information Management; Health System Strategy; Health System Investment and Funding; and Health System Accountability and Performance. The Public Health Division will not be affected by this reorganization at this time. In addition, a number of corporate functions will be organized as a division and will report directly to me.

Under these new, focussed divisions, the ministry's principal functions will be to:

- Establish overall strategic directions and provincial priorities for the health system;
- Develop legislation, regulations, standards, policies, and directives to support those strategic directions;
- Monitor and report on the performance of the health system and the health of Ontarians; and
- Plan for and establish funding models and levels of funding for the health care system.

This change in organization will affect most of the areas of the ministry. But given the nature of the change, the Ministry's Regional Offices in the Community Health and Acute Services Divisions will feel the most immediate impact in the short term since they will close over the next 12 to 14 months. The changes to the regional structure are necessary to make way for LHINs and their new role. I will be visiting the Regional Offices in the near future to speak directly to affected staff to let them know that their dedication and hard work over the years has been much appreciated and that they will receive support throughout the upcoming change.

It is important for all transfer payment agencies to understand that they will continue to work with Regional Offices until such time as there is a specific direction to change their reporting relationships.

The ministry reorganization will occur in three phases. Phase 1 will focus on strategy — integrating, implementing and supporting the new strategy division, and will take place in six months. Phase 2 will strengthen accountability, and will follow over the following nine months to coincide with the implementation of LHIN authorities. And in Phase 3, each of the new divisions will be fully functional. Accountability, strategy and transaction management will be integrated into the new ministry structure, and will take place over the final 14 or so months, taking us into 2008.

As we move forward toward the vision of a new health care system, you will increasingly hear from your local LHIN offices. Your cooperation, as LHINs take on their new responsibilities, will be very welcome.

Many of you will appreciate the reasons for these changes, but let me reiterate them:

- Over the last two decades, health care costs have continued to rise (about eight per cent annually over the last five years). This fiscal year, the Ministry will spend some \$33 billion, which represents 46 per cent of Ontario's total government program spending.
- Driving these increasing costs is the reality of a growing and aging population in Ontario. Here and around the world, our aging population is having an enormous impact on health care costs and will continue to do so well into the future.
- Adding to this are the costs of medical technology, information management and new treatments, along with increasing drug and other treatment costs that have resulted from the introduction of new drugs and their increased use.
- The need for the ministry to focus more attention to strategic planning and management.
- The intention of government to delegate significant authorities to local agencies.

At the same time, the system of health-service delivery is changing:

- There are higher expectations to provide higher volumes of service and in a more productive way. Reducing wait times is one example of this.
- The need to continually improve service delivery will intensify. For example, in the area of primary care, the establishment of Family Health Teams will allow the health system to use health professionals earlier. They will anticipate health problems before they become severe, benefiting the patient and the health system.
- The Ministry is seeing a change from program funding and management to higher levels of accountability through accountability agreements and compliance, to satisfy both public and government expectations.

For all of these reasons, it is important that we change our focus to strategy, accountability, and the longer-term picture.

Shortly, I will be appointing a transition team, led by a senior ministry executive and reporting directly to me. This team will oversee the change process, develop transition plans and tools, monitor progress and keep ministry staff informed.

I am committed to keeping you apprised of changes that will affect you directly over the course of the next few years. My hope is that you will embrace these and other upcoming changes to our health system and give us your support and commitment.

Your role as leaders, providers and stakeholders is pivotal to bringing about these changes, which constitute the biggest transformation to our health system we have yet seen in this province and which will result in a more efficient and effective health system for all Ontarians.

Should you have any questions about this new direction for the ministry, please speak with the MOHLTC staff you normally deal with for more information.

Sincerely,

Original signed by

Ron Sapsford,
Deputy Minister,
Ministry of Health and Long-Term Care

Attachment

Organizing for Stewardship – MOHLTC End State

