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|  | Manual: | Operations | | |
| | Section: | Finance | Number: | FIN-17 |
| | Sub-Section: | Financial Processes | Approved: | |
| | Document Owner: | Senior Director – Performance, Contract and Allocation | Reviewed: | |
| | | | Revised: | |
| | | | Pages: | 3 |
| Title: | Process for Health Service Providers who are not in compliance with reporting standards | | | |

1.0 PURPOSE:

To outline the process followed by the North West Local Health Integration network (NW LHIN) for Health Service Providers (HSPs) that are non-compliant with the financial reporting requirements.

2.0 POLICY:

Timely and accurate financial, statistical and other relevant HSP information is necessary for the following reasons:


- a) It enables the NW LHIN to assess an HSP's challenges, spending, forecasts, viability and contribution to the North West health system;
- b) It informs key NW LHIN decisions, including those relating to funding reallocations; and
- c) It is a requirement under the HSP's Service Accountability Agreement (SAA).

The NW LHIN will impose penalties, suspend funding, and/or terminate SAAs for HSPs that demonstrate a practice of: submitting financial and statistical reports late; submitting reports that are missing key information or contain significant inaccuracies; or not providing reports at all. The policy is aligned with the *Local Health System Integration Act 2006* (LHSIA); the Ministry-LHIN Accountability Agreement (MLAA); the *Transfer Payment Accountability Directive*; each sector's Sectoral Service Accountability Agreement (M-SAA, H-SAA, L-SAA); and other NW LHIN policies and procedures.

Extenuating circumstances will be considered on an individual basis by the NW LHIN when applying this policy to HSPs.


3.0 PROCEDURE

- 3.1 The NW LHIN will send written notification on or about the first business day following a report due date to any HSP that does not provide a required report. In addition, written notification will be provided immediately in situations where financial and/or clinical data requirements are deemed to be missing key information or are significantly inaccurate. The written notification will outline to the HSP the requirements under this policy.
- 3.2 If the report is outstanding 7 days after due date, is missing key information, or is significantly inaccurate, a financial penalty may be imposed. The initial financial penalty will be the greater of (i) a reduction of 0.02 percent (0.02%) of the funding identified in the HSPs SAA to which the sector(s) reporting applies; or (ii) two

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hundred and fifty dollars (\$250.00). Where a financial penalty is imposed, for every full or partial week of non-compliance thereafter, the rate will be one half of the initial reduction.

- 3.3 If the HSP remains non-compliant after thirty (30) days from the date of the letter noted in 3.1, the NW LHIN may suspend cash flows to that HSP beginning with the next scheduled cash flow and will send a letter to the HSP communicating the same.
- 3.4 The suspension of cash flows will remain in effect until such time all outstanding reports are completed to a level satisfactory to the NW LHIN.
- 3.5 If the suspension is in effect for a period of more than 3 months, the NW LHIN will remove that portion of the funding related to the suspension period from the HSP, on a one-time basis.
- 3.6 Any funds obtained by the NW LHIN through financial reductions as a result of items 3.2 and 3.5 above, will be made available to the NW LHIN on a one-time basis for other initiatives and HSPs.
- 3.7 For HSPs that submit reports late on two or more occasions within the term of the SAA, the LHIN may invoke the following progressive measures:
 - 3.7.1 Impose a financial penalty, in accordance with paragraph 3.2;
 - 3.7.2 Suspend cash flow, with cash flow being reinstated upon demonstrated compliance with reporting requirements; or
 - 3.7.3 Terminate the SAA.
- 3.8 HSPs that are in breach of their reporting obligations will not be considered for other NW LHIN funding opportunities until the breach is remedied.
- 3.9 The NW LHIN will provide technical assistance, as necessary, to those HSPs that demonstrate a willingness to be in compliance with its reporting.
- 3.10 If requested by the HSP, the NW LHIN may also assist in facilitating the transfer of the program(s) and/or reporting function of the program(s) to another HSP that can provide that function for the program.
- 3.11 All HSPs that have entered into a SAA with the NW LHIN will be provided a copy of this policy to ensure there is an understanding and knowledge of this policy.

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4.0 RESPONSIBILITY:

Senior Director - Performance, Contract and Allocation

5.0 EVALUATION:

The CEO and Senior Director - Performance, Contract and Allocation will review this policy annually.

6.0 REFERENCES:

Local Health System Integration Act 2006
 Ministry-LHIN Accountability Agreement
Transfer Payment Accountability Directive, August 31, 2007
 Multi-Sectoral Service Accountability Agreement
 Hospital Service Accountability Agreement
 Long-Term Care Home Service Accountability Agreement