

Standing Committee on Social Policy

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RE: Bill 74, *The People's Health Care Act, 2019*

Overview

For more than a century, the Ontario Chamber of Commerce (OCC) has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities.

Health system transformation has been a cornerstone of the OCC's work since 2016, when we began to convene a 'big tent' of members in the health sector and beyond to discuss how to bring Ontario into the 21st century. As such, the OCC welcomes the government's commitment to modernizing our publicly-funded health care system, as it is both an economic driver and a competitive advantage for our province.

The Government of Ontario has indicated it wishes to put patients and digitization at the centre of its health care reform efforts. We have long called on the government to transform the Ontario health care system through streamlined administration and improved use of digital tools. As such, we view Bill 74, *The People's Health Care Act*, as a largely positive step in the transformation of our health care system.

Namely, we support the vision and goals of integrated care as expressed in the legislation. The Bill creates a new health agency, Ontario Health, and provides Ontario Health and the Minister of Health and Long-Term Care the legislative authority to create "integrated care delivery systems." The OCC supports the notion of Ontario Health Teams and other forms of integrated care because our members believe that the patient journey should not be interrupted by inefficiencies. Integrated care institutions and provider teams will ensure a coordinated, accountable approach that supports patients and improves collaboration between their providers.

The Bill also provides five regional agencies of Ontario Health. However, we are concerned that these agencies will be insufficient to meet the distinct regional needs of the province, particularly for patients in rural, remote, and Northern communities. The challenges facing the universal provision of health care for all Ontarians are far beyond system investment and care coordination. For many Ontarians, their access to timely and innovative care depends upon factors such as local

transportation infrastructure and their region's ability to attract and retain provider talent. As rural Ontario ages, these concerns will only become more acute.

Of similar concern is the absorption of agencies such as Cancer Care Ontario, Health Quality Ontario, Trillium Gift of Life Network, and others into Ontario Health. We urge the government to work closely with these institutions during the transition to ensure that effective programs and best practices are maintained, scaled, and shared rather than lost. Upon review, the government may discover that there is less duplication between these agencies than first assumed, and the loss of their expert, dedicated efforts may be harmful to quality of care.

Beyond this feedback on *The People's Health Care Act*, the Ontario Chamber of Commerce has developed in-depth commentary on how the government may accomplish its goals of increased innovation, improved integration, and a more patient-centric approach to care. This submission summarizes a selection of recommendations that are devoted to maintaining the viability of the public health care system through modernization.

As the Government of Ontario builds out the regulation and policies under Bill 74 and across other legislation, we recommend it act in three key areas:

1. **Shift Ontario towards a value-based health care system.** The Ontario public health care system needs to be aligned around a tangible definition of value with a renewed focus on patient outcomes for money spent.
2. **Deliver innovative, digital health care by better integrating the work of Ontario's health science sector into the public health care system.** The government should act to support the Ontario health science sector through stewardship of an ecosystem that connects our researchers and entrepreneurs to the public system and collaborate with both private and post-secondary institutions to support digital care options.
3. **Modernize procurement and supply chain processes.** The public system requires a method of procuring goods and arranging service delivery that is driven by real needs and evaluated according to evidence-based outcomes.

1. Value-Based Health Care

In order to both improve the fiscal sustainability of the public health care system and continue to provide patients with world-class care, the OCC believes that Ontario needs a new definition of value for payers as they purchase treatments and tools, consider integrating new technologies and innovations, and measure the ROI of their procurement decisions. This requires a move towards the concept of value-based health care, which has been developed and integrated into health care systems across the industrialized world.

Surveys of global health care trends indicate that many industrialized nations are taking a new look at how to extract value from their health care systems. Value-based health care is a semi-formalized approach intended to help decision-makers adjust to rising expenses and deliver high-quality care while managing finite resources. It is characterized by an expansive understanding of value, defining it relative not merely to a procurement or department budget, but to patient experience, system sustainability, and even the social and economic impacts of a treatment. In order to understand the value of an input, its outcomes must be measured against expectations of performance and a clear understanding of system goals.

The first step in transitioning to value-based health care is to understand the full impact of spending, including where positive and negative impacts are felt based on decisions made across the health care system. Accomplishing this – and to effectively make decisions based on the resulting information – requires high-level budget decision-making. In Ontario, this would require silo-breaking collaboration between multiple Ministries as well as the Treasury Board.

The Government of Ontario should enact a strategy for value-based health care, which includes:

- Developing new approaches to defining and measuring value. Public system decision-makers at all levels – from hospitals to the Ministry of Health and Long-Term Care – must support the creation of metrics and benchmarks to define what value means to their patients and identify how and where value is created through their care. Measurement must incorporate multiple sources of value, including patient and provider convenience, increased compliance, reduction of in-hospital treatment, savings across multiple budgets, and potentially social or long-term impacts. Improved data collection, analysis, and dissemination is critical to this process, and will require an expansion of partnerships with both industry and post-secondary institutions. Defining and measuring value is explored in detail in our report, *Care in Our Control*.¹
- Breaking down budget silos across Ministries. The Government of Ontario should create an Ontario Health Cabinet, including representatives from the Ministries of Health and Long-Term Care; Finance; Children, Community and Social Services; Community Safety and Correctional Services; Labour; Housing; Indigenous Affairs; Government and Consumer Services; the Treasury Board; and Seniors and Accessibility. This Cabinet should provide

¹ Challinor, Ashley. 2016. *Care in Our Control: Managing Innovation in Ontario's Multi-Payer Health Care System*. Ontario Chamber of Commerce. https://occ.ca/wp-content/uploads/Care-in-our-Control_Report-1.pdf.

government with a forum and working group for action when it comes to the broader impact of health and wellness upon Ontarians. Each participating agency should have a view to their mandate's impact on Ontarians' health, and how their value proposition can be accurately captured across the public sector (e.g. through the social determinants of health that influence interaction with government services and vice versa). An Ontario Health Cabinet should also include private sector stakeholders, in order to take advantage of the expertise of relevant non-government actors.

2. Digitizing the Health Care System

Innovation is the best way to both save money and improve patient outcomes within the health care system. Therefore, the OCC supports the government's prioritization of digital health as part of its transformation efforts. We particularly encourage the Ministry of Health and Long-Term Care to focus on removing barriers that prevent the procurement and delivery of digital care, including the creation of partnerships that can provide access to state-of-the-art digital tools and data analytics.

As the Premier's Council on Improving Healthcare and Ending Hallway Medicine has observed, the Ontario health care systems suffers from a lack of availability of data, barriers within government to analyzing anonymized information, an inability to use data to track a patient's journey through the system, lack of data linkages between providers/hospitals/regions, and little provider-to-provider data sharing. All of these failings negatively impact both system efficiency and patient experience.

Patients are ready to use more sophisticated technology across their health care journey, but policy and organizational changes need to happen before that integration can successfully occur. The proper use of data – at both an individual and population level – would be transformational in our health care system and move it from being provider-centric to patient-centric. Allowing health data to be used, rather than just collected, can have a tremendous impact on improving population health outcomes. Given that the government is introducing a general data strategy, it is imperative that such a strategy connect the dots to health.

However, it is worth noting that innovation for innovation's sake should not be the goal; innovation must inject value into the system. We urge the government to consider international best practices in digital care and interoperability, such as those from Spain and the Nordic countries.

Finally, much of the expertise and tools necessary to create a digital health care system can be found here in Ontario. While this province has a strong, innovative health sciences sector, there is a growing sense that much of the sector's potential is unrealized. We need to better integrate the discoveries and innovations emanating from Ontario's research hospitals, post-secondary institutions, and firms of all sizes into our public health care offerings. These discoveries and innovations should exist within an ecosystem that creates and supports viable small, medium and, eventually large enterprises, and bridges the commercialization valley of death for researchers and entrepreneurs. This ecosystem should also be able to entice firms from outside of Ontario to invest and perform research in Ontario. The net result should be a health economy that is able to provide patients with world-class, state-of-the-art care while also contributing to economic growth and

prosperity. Making better use of Ontario's competitive advantage in the health sciences sector is explored in our report, *Adopting Our Advantage*.²

3. Modernizing Procurement and Supply Chain

At the centre of health care transformation are the quotidian processes of procurement and supply chain; without reform in these areas, Ontario will not be able to meet its goal of creating a sustainable and patient-centric public system.

The OCC recommends a commissioning approach to public sector decision-making: a process that begins with the definition of needs and desired outcomes, followed by engagement of third parties in solution design and delivery, seeking to optimize outcomes by making the best use of all available resources. This approach can be used as part of a toolkit, alongside value-based procurement practices and alternative service delivery models, to increase the emphasis on outcomes within the health care system. Outcomes-based decision-making creates greater efficiencies, and therefore, greater value. Commissioning in the health system is explored in greater detail in our report, *Prescription for Partnership*.³

As part of the government's overall commitment to centralized procurement, the Ministry of Health and Long-Term Care should seek to create a system of procuring goods and arranging service delivery that is driven by real needs, particularly the needs of users: health care providers and patients. This system should be outcomes-based in its contracting, wherein compensation to a vendor includes a component dependent upon the achievement of defined outcomes. Instead of public sector decision-makers being tasked with identifying a solution and then seeking partners to execute on that pre-determined solution, room needs to be created for an approach in which decision-makers are empowered to creatively partner with outside actors in both the for- and non-profit spaces. Such an approach could include commissioning, value-based or risk-sharing procurement agreements, and/or alternative service delivery contracts. Agreements that contain an element of risk-sharing or performance-based compensation require outcomes to be defined, often quantitatively, ensuring that vendors will be accountable, and payers will meet their financial goals.

The challenge to this type of procurement and service delivery reform is the need for an evidence base from which to evaluate the success of non-traditional agreements. One component of accurately creating such an evidence base is through supply chain reform. Outcomes-based decision-making requires improved data collection and the tracking of performance based on patient and product data, which can be accomplished by the adoption of globally-recognized supply chain protocols and barcoding standards. Data synchronization through the use of modern supply chain practices allows for sharing of standardized product data between a manufacturer and a health

² Challinor, Ashley. 2016. *Adopting Our Advantage: Supporting a Thriving Health Science Sector in Ontario*. Ontario Chamber of Commerce. <http://occ.ca/wp-content/uploads/OCC-HTI-Adopting-Our-Advantage-Report-1.pdf>.

³ Challinor, Ashley. 2016. *Prescription for Partnership: How New Models of Collaboration in Health Care Can Make Outcomes a Priority*. https://occ.ca/wp-content/uploads/REPORT_Prescription-for-Partnership-1.pdf.

services system. Knowing what is being used, how often, and when – and being able to link that data to a patient and their experience – can help determine the value of an input. This results in more efficient procurement practices, as information about product performance can be used to support risk-sharing and/or outcomes-based contracts. Modern supply chain protocols are also critical to understanding a patient’s journey through the system and for tracking the safety and efficacy of treatments and devices.

The government should empower payers to explore non-traditional means of partnership, procurement, and contracting to reduce public sector risk, improve data collection, and tie product or service performance to patient outcomes and system goals. The OCC strongly believes that both value-based health care and the effective adoption of innovation require relationships with vendors that are solutions-oriented and based on open dialogue.

Conclusion

The OCC and its members believe that the Government of Ontario is expending considerable financial and human resources towards a system that, in its current configuration, is unable to achieve the outcomes we as a society desire. Ontario’s health care system requires system-level thinking, and system-level transformation.

We believe that Bill 74, *The People’s Health Care Act*, is a strong first step towards modernizing the public health care system. We hope to see further action to create a system that is valued-based, digitized and data-driven, and outcomes-focused in its investment. Coordination across Ministries will be critical to improving access, quality of care, and the fiscal sustainability of Ontario’s health care system.

The Ontario business community would like to be at the table as these transformation plans are made, as we possess both insight and resources to support your efforts. We look forward to continued engagement with the government on this and other files.