

Independent Health Facilities Act

(*Independent Health Facilities Act*, R.S.O. 1990, c. I.3, as amended by the *Savings and Restructuring Act*, 1996, Part IV Schedule F)

This fact sheet provides basic information for health care providers and the public.

The *Independent Health Facilities Act* (IHFA) was proclaimed in April 1990; amendments were passed in January 1996 and then proclaimed on May 1, 1996; as part of the *Savings and Restructuring Act*, 1996.

WHAT THE IHFA DOES

- Provides a funding and licensing mechanism for needed community-based facilities
- Requires licensed facilities to participate in a quality assurance program to protect patient care
- Prohibits charging facility fees, as defined in the Act, to anyone other than the Minister of Health and Long-Term Care or a person designated in the regulations

WHAT IS AN INDEPENDENT HEALTH FACILITY (IHF)?

An IHF is, subject to certain exemptions, a place in which one or more members of the public receive services for or in respect of which facility fees are charged or paid, or a health facility or class of health facilities designated by the Minister of Health and Long-Term Care. A facility fee is a charge or fee in payment for or in respect of,

- a) service or operating cost that supports, assists and is a necessary adjunct to an insured service,
- or
- b) a service or class of services designated by the minister.

IHFs may be:

- 1) diagnostic facilities that are funded by the ministry to provide specific classes of diagnostic imaging, pulmonary function or sleep study tests, or
- 2) ambulatory care facilities providing surgical and therapeutic procedures for which the costs of carrying out the procedure are not included in the OHIP fee paid to physicians. Currently licensed facilities include dialysis, abortion, laser dermatologic surgery and ophthalmic, vascular, plastic and gynaecologic surgery.

Facilities may be established in a variety of settings, for example, completely free-standing, located on the site of an existing health facility (e.g. public hospital, community health centre or doctor's office), or located in a multi-office complex. Some facilities are operated on a mobile basis at specifically approved sites.

An IHF may be either for profit or not-for-profit.

The licensee of an IHF may be either an individual or a corporation, but may not be a corporation that operates a public hospital. Corporations that operate public hospitals and licensed medical laboratory services are exempt from the IHFA.

PLANNING FOR, LICENSING AND FUNDING OF IHFS

IHF PROGRAM OFFICE ROLE

The Independent Health Facilities Program office of the Ministry of Health and Long-Term care assesses provincial and local needs and resource requirements for health services that could best be provided in an IHF. The identification of health service needs may be triggered by a request from the community to establish a specific service or by the need to reorganize existing community services. The ministry itself may also identify a need for a specific service in any region of the province.

REQUEST FOR PROPOSALS (RFP)

Once the need has been identified for a new facility or service, a licence can only be awarded through the minister's authorizing a request for proposals (except in the case where there are existing operators as outlined under the section "licensing", below). In deciding whether or not to request proposals for the establishment of a new facility or new services, the minister must consider the nature and availability of the services to be provided, the current and future need for these services, and the projected cost and availability of public moneys to pay for the establishment and operation of the IHF.

An RFP may take one of two forms:

- 1) a GENERAL request for proposals; that is open to all interested parties and must be advertised in the newspaper, or
- 2) a SPECIFIC request for proposal from one or more specific persons, which would address a unique situation that might arise as a result of a hospital closure, an urgent need being identified in the community, or health service reorganization.

In the case of a general RFP the ministry will prepare an acquisition document, detailing requirements. The acquisition document, usually called a Request for Proposals, will be distributed on MERX, a national electronic bulletin board, by the ministry's Strategic Services and Contract Management Unit. Public notice will also be given in a national newspaper. All notices will reference MERX as the provider of documents. Documents will be available on MERX for a minimum of 15 calendar days.

LICENSING

If successful as the result of an RFP process, an operator will be issued a licence to perform services specified in the licence, at the site specified in the licence, for up to five years.

A licence may be suspended, revoked or not renewed by the Director, based on considerations such as poor service, contravention of legislation or licence condition, dishonesty or discontinued operation. In certain circumstances the Director also has the authority to remove services from a licence. A licence may be revoked, not renewed or services may be eliminated from a licence at the direction of the minister, based on considerations such as cost or lack of continued need for the services.

There is also authority for the Director to issue an immediate suspension where there are reasonable grounds to believe that the IHF is or will be operated in a manner that poses an immediate threat to the health and safety of any person.

Licences may be transferred or a licensed facility may move from one location to another, but only with prior consent of the Director of Independent Health Facilities and in conformity with applicable policies.

If the Act were extended to new kinds of services or facilities as a result of either ministerial designation or regulation change, existing operators would be "grandfathered" and would have one year to apply for licence expansion or a new licence without a Request for Proposals being issued.

If a grandfathered operator does apply during the "grandfathering" period and the Director of IHFs refuses to issue a licence or expand a licence, written reasons for the refusal would be given to the person, and the person would also be entitled to a hearing by the Health Services Appeal and Review Board if a written request is made.

FUNDING

Licensed facilities can be funded by the Ministry of Health and Long-Term Care for services provided to insured residents of Ontario. The costs of providing licensed services in ambulatory care facilities are covered by a funding arrangement. Diagnostic facilities are paid on a standard “fee-for-service” based on a Schedule of Facility Fees.

QUALITY ASSESSMENT AND INSPECTION

The ministry utilizes a continuous quality improvement approach in the monitoring of services provided in IHFs. This includes working in a supportive or consultative manner with facility operators to promote the achievement of optimal quality in the care provided and results achieved.

The Act requires every licensed facility to establish a method of monitoring the care and treatment it provides. To assist health care providers in their clinical decision-making, Clinical Practice Parameters and Facility Standards for each type of licensed IHF service have been developed and published by the College of Physicians and Surgeons of Ontario (CPSO). These documents are also designed to assist providers in developing their own quality management program by providing guidelines for assessing the quality of patient care provided in the facilities.

The Act contains provisions for the appointment of inspectors and assessors.

Assessors are appointed by the CPSO or by the professional regulatory body for the type of health care professional whose services are licensed at IHFs upon notice by the Director

Each assessment is carried out at the request of the Director of Independent Health Facilities.

The quality of the care provided is assessed against established standards and a report is made to the Director.

It is expected that each facility will be assessed at least once per licence term.

Currently, the CPSO acts as the principal assessor because the majority of procedures provided in IHFs are delivered by physicians or provided under their director supervision. Where other related health professional regulatory bodies also provide care, the CPSO has agreed to participate with the relevant professional regulatory bodies to ensure the proper assessment of care in IHFs.

The Minister of health and Long-Term Care appoints inspectors who may inspect IHFs to ensure that they comply with all provisions of the legislation and with their conditions of licence. Inspectors may also be appointed by the Registrar of the CPSO where the Director is of the opinion that there is reasonable ground for belief that facility fees are being charged in unlicensed facilities.

OFFENCES

The following are offences under the Act:

- Charging a facility fee in relation to the provision of an insured service provided to an insured person
- Operating without a licence
- Obstructing an inspector
- Changing ownership without a licence transfer and consent
- Acquiring/increasing an interest affecting control of a corporate licensee without complying with licence conditions
- Violating confidentiality
- Using a licence as security
- Violating a regulation made under the Act

For more information:

- Ministry of Health and Long-Term Care
Diagnostic Services and Planning Branch
Independent Health Facilities Program
49 Place d'Armes, 2nd Floor
Kingston ON K7L 5J3

Tel: 613-548-6637

Fax: 613-548-6734

- Access the ministry website at:

www.health.gov.on.ca