



SERVICE ACCOUNTABILITY AGREEMENT

THE AGREEMENT effective as of the 1st day of April, 2009

B E T W E E N:

NORTH EAST LOCAL HEALTH INTEGRATION NETWORK
(the "LHIN")

- and -

TIMMINS AND DISTRICT HOSPITAL (the "HSP")

Index to Agreement

Article 1	Definitions & Interpretation
Article 2	Term & Nature of the Agreement
Article 3	Provision of Services
Article 4	Funding
Article 5	Repayment and Recovery of Funding
Article 6	Planning & Integration
Article 7	Performance Improvement Process
Article 8	Reporting, Accounting and Review
Article 9	Acknowledgement of LHIN Support
Article 10	Representations, Warranties and Covenants
Article 11	Limitation of Liability, Indemnity & Insurance
Article 12	Termination
Article 13	Notice
Article 14	Additional Provisions
Article 15	Entire Agreement

Schedules

- A – Detailed Description of Services
- B – Service Plan
- C – Reports
- D - Directives, Guidelines and Policies
- E - Performance
- F - Template for Project Funding

THE AGREEMENT effective as of the 1st day of April, 2009

BETWEEN :

NORTH EAST LOCAL HEALTH INTEGRATION NETWORK (the “**LHIN**”)

- and -

TIMMINS AND DISTRICT HOSPITAL (the “**HSP**”)

Background:

Prior to providing funding for the provision of services to its local health system, the *Local Health System Integration Act, 2006* requires that the LHIN and the HSP enter into a service accountability agreement.

The service accountability agreement is a multi-year agreement. It supports a collaborative relationship between the LHIN and the HSP to improve the health of Ontarians through better access to high quality health services, to co-ordinate health care in local health systems and to manage the health system at the local level effectively and efficiently.

In this context, the HSP and the LHIN agree that the provision of services to the local health system by the HSP will be funded as set out in this Agreement.

ARTICLE 1- DEFINITIONS & INTERPRETATION

1.1 **Definitions.** In the Agreement the following terms will have the following meanings:

“**Act**” means the *Local Health System Integration Act, 2006* as it may be amended from time to time;

“**Agreement**” means this agreement entered into between the LHIN and the HSP, the Schedules and any instrument amending the agreement or the Schedules;

“**Applicable Law**” means all federal, provincial or municipal laws or regulation or any orders, rules, by-laws, policies or standards of practice that are applicable to the HSP, the Services, this Agreement and the parties' obligations under this Agreement during the term of this Agreement. Applicable law includes the documents identified in Schedule D.

“**Budget**” means the budget approved by the LHIN and appended to the Agreement as Schedule “B”.

“**CFMA**” means the *Commitment to the Future of Medicare Act, 2004*, as amended;

“Confidential Information” means information that is (i) marked or otherwise identified as confidential by the HSP at the time the information is provided to the LHIN; and (ii) eligible for exclusion from disclosure at a public board meeting in accordance with section 9 of the Act. Confidential Information does not include information that (a) was known to the LHIN prior to receiving the information from the HSP; (b) has become publicly known through no wrongful act of the LHIN; or (c) is required to be disclosed by law, provided that the LHIN provides timely notice of such requirement to the HSP, consults with the HSP on the proposed form and nature of the disclosure, and ensures that any disclosure is made in strict accordance with Applicable Law.

Conflict of Interest includes any situation or circumstance where: in relation to the performance of its obligations under this Agreement the HSP’s other commitments, relationships or financial interests (i) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement; or (ii) could or could be seen to compromise, impair or be incompatible with the effective performance of its obligations under this Agreement.

“Days” means calendar days.

“Effective Date” means April 1, 2009.

“Funding” means the amounts of money provided by the LHIN to the HSP pursuant to this Agreement;

“Funding Year” means in the case of the first Funding Year, the period commencing on the Effective Date and ending on the following March 31, and in the case of Funding Years subsequent to the first Funding Year, the period commencing on the date that is April 1 following the end of the previous Funding Year and ending on the following March 31.

“GST” means goods and services tax pursuant to the *Excise Tax Act* (Canada).

“Interest Income” means interest earned on the Funding.

“MOHLTC” means the Minister or the Ministry of Health and Long Term Care, as is appropriate in the context.

“Party” means either of the LHIN or the HSP and **“Parties”** mean both of the LHIN and the HSP.

“Project Funding Agreement” means an agreement in the form of Schedule F that incorporates the terms of this Agreement.

“Reports” means the reports described in Schedule “C” as well as any other reports or information required to be provided under this Agreement.

“Schedule” means any one of, and **“Schedules”** mean any two or more, as the context requires, of the schedules appended to this Agreement including the following:

- Schedule A: Description of Services
- Schedule B: Service Plan
- Schedule C: Reports
- Schedule D: Directives; Guidelines and Policies
- Schedule E: Performance
- Schedule F: Template for Project Funding

“**Service Plan**” means the Operating Plan and Budget appended as Schedule B.

“**Services**” means the services and deliverables described in Schedule “A” and in any Project Funding Agreement executed pursuant to this Agreement.

- 1.2 **Interpretation.** Words in the singular include the plural and vice-versa. Words in one gender include both genders. The headings do not form part of the Agreement. They are for convenience of reference only and will not affect the interpretation of the Agreement.

ARTICLE 2 - TERM AND NATURE OF THE AGREEMENT

- 2.1 **Term.** The term of the Agreement will commence on the Effective Date and will expire on March 31, 2011 unless terminated earlier or extended pursuant to its terms.
- 2.2 **A Service Accountability Agreement.** This Agreement is a service accountability agreement for the purposes of subsection 20(1) of the Act and Part III of the CFMA.

ARTICLE 3 - PROVISION OF SERVICES

- 3.1 **Provision of Services.**
- (a) The HSP will provide the Services in accordance with:
 - (i) the terms of the Agreement, including the Service Plan; and
 - (ii) Applicable Law;

(b) When providing the Services, the HSP will meet the Performance Standards and Conditions identified in Schedule E, if Schedule E is included in this Agreement;

(c) Unless otherwise provided in this Agreement, the HSP will not reduce, stop, start, expand, cease to provide or transfer the provision of the Services or change its Service Plan except with the prior written consent of the LHIN; and

(d) the HSP will not restrict or refuse the provision of Services to an individual, directly or indirectly, based on the geographic area in which the person resides in Ontario.

3.2 **Subcontracting for the Provision of Services.**

(a) Unless permitted in the Service Plan, the HSP agrees that the HSP will not subcontract the fulfillment of all or any part of the HSP's obligations under this Agreement without the prior written consent of the LHIN. Such consent will be in the sole discretion of the LHIN and may be subject to additional terms and conditions.

(b) If the HSP is permitted to subcontract the provision of the Services, the HSP will make reasonable efforts to include in its subcontract, (i) provisions that permit the LHIN and the Auditor General to audit the subcontractor to the same extent as set out in provisions 8.3 and 8.6 of this Agreement; (ii) other provisions necessary for the HSP to fulfill its obligations under this Agreement; (iii) a provision that enables the subcontract to be assigned in the event that this Agreement is terminated; and (iv) a provision that permits the LHIN to revoke approval of the subcontractor without legal liability to either the HSP or the subcontractor.

(c) If permitted to use subcontractors, the HSP will remain liable for obligations performed by a subcontractor to the same extent as if the HSP had performed such obligations. For the purpose of this Agreement work performed by the HSP's subcontractor will be deemed work performed by the HSP.

(d) Nothing contained in this Agreement or a subcontract will create a contractual relationship between any subcontractor or its directors, officers, employees, agents, partners, affiliates or volunteers and the LHIN.

3.3 **Conflict of Interest.** The HSP will (a) avoid any Conflict of Interest in the performance of its contractual obligations; (b) disclose to the LHIN without delay any actual or potential Conflict of Interest that arises during the performance of its contractual obligations; and (c) comply with any requirements prescribed by the LHIN to resolve any Conflict of Interest. In addition to all other contractual rights or rights available at law or in equity, the LHIN may immediately terminate the Contract upon giving notice to the HSP where: (a) the HSP fails to disclose an actual or potential Conflict of Interest; (b) the HSP fails to comply with any requirements prescribed by the LHIN to resolve a Conflict of Interest; or (c) the HSP Conflict of Interest cannot be resolved. This paragraph will survive any termination or expiry of the Agreement.

- 3.4 **E-health/Information Technology Compliance.** The HSP agrees to comply with any technical standard related to architecture, technology, privacy and security set for health service providers by the MOHLTC or the LHIN within the timeframes set by the MOHLTC or the LHIN as the case may be.
- 3.5 **Policies, Guidelines Directives and Standards.** Either the LHIN or the MOHLTC will give the HSP notice of any amendments to the manuals, guidelines or policies identified in Schedule D. Amendments will be effective on the first Day of April following the receipt of the notice or on such other date as may be advised. By signing a copy of this Agreement the HSP acknowledges that it has a copy of the manuals, guidelines or policies identified in Schedule D.

ARTICLE 4 - FUNDING

- 4.1 **Funding.** The LHIN:
- (i) will provide the funds identified in Schedule B to the HSP for the purpose of providing or ensuring the provision of the Services;
 - (ii) may pro-rate the funds identified in Schedule B to the date on which the Agreement is signed, if that date is after April 1; and
 - (iii) will deposit the funds in instalments [once/twice] monthly over the Term of the Agreement, into an account designated by the HSP provided that the account resides at a Canadian financial institution and is in the name of the HSP.
- 4.2 **Limitation on Payment of Funding.** Despite section 4.1, the LHIN:
- (i) will not provide any funds to the HSP until the Agreement is fully executed;
 - (ii) will not provide any funds to the HSP until the HSP meets the insurance requirements described in section 11.4;
 - (iii) will not be required to continue to provide funds in the event the HSP breaches any of its obligations under this Agreement, until the breach is remedied to the LHIN's satisfaction; and
 - (iv) may adjust the amount of funds it provides to the HSP in any Funding Year based upon the LHIN's assessment of the information contained in the Reports.

4.3 **Appropriation.** Funding under this Agreement is conditional upon an appropriation of moneys by the Legislature of Ontario to the MOHLTC and funding of the LHIN by the MOHLTC pursuant to the Act. If the LHIN does not receive its anticipated funding the LHIN will not be obligated to make the payments required by this Agreement and the LHIN may terminate the Agreement in accordance with section 12.1(b).

4.4 **Additional Funding.**

(a) Unless the LHIN has agreed to do so in writing, the LHIN is not required to provide additional funds to the HSP for providing additional Services or for exceeding the requirements of Schedule E.

(b) The HSP may request additional funding by submitting a proposal to amend its Service Plan. The HSP will abide by all decisions of the LHIN with respect to a proposal to amend the Service Plan and will make whatever changes are requested or approved by the LHIN. The Service Plan will be amended to include any approved additional funding.

4.5 **Conditions of Funding**

(a) The HSP will:

- (i) use the Funding only for the purpose of providing the Services in accordance with the terms of this Agreement;
- (ii) spend the Funding only in accordance with the Service Plan; and
- (iii) propose, achieve and maintain an Annual Balanced Budget.

(b) "Annual Balanced Budget" means that, in each fiscal year of the term of this Agreement, the total expenses of the HSP are less than or equal to the total revenue, from all sources, of the HSP.

(c) The LHIN may impose such additional terms or conditions on the use of the Funding which it considers appropriate for the proper expenditure and management of the Funding.

4.6 **Interest.**

(a) Funding will be placed in an interest bearing account at a Canadian financial institution.

(b) Interest Income must be used, within the fiscal year in which it is received, to provide the Services.