



November 22, 2016

BY EMAIL [tday@ola.org](mailto:tday@ola.org)

The Honourable Monte McNaughton, Chair  
Standing Committee on the Legislative Assembly  
Ontario Legislature  
c/o Trevor Day, Clerk of the Committee

To the Chair and Members of the Committee:

**Re: Bill 41, *Patients First Act, 2016***

I am writing to you on behalf of Mission Services of London. Mission Services of London is an incorporated registered charity that has operated in the City of London since 1951, meeting the needs of men, women and children struggling with poverty and those suffering with mental health and addiction issues. Mission Services of London is governed by an independent board of governors, and operates five distinct branches. Only two of those branches receive Local Health Integration Network (LHIN) funding, and in neither of those two branches, does the LHIN fully cover the entire cost of providing services. Our mental health program has a budget of approximately \$1.5 million, and the LHIN provides 77% of the funding. Our addiction treatment program has a budget of \$770,000 to which the LHIN contributes 54% of the funding.

**Our Key Recommendation:**

**To respect community-governed health care partners by ensuring appropriate safeguards against abuse of the LHIN's "supervisory" powers.**

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Rotholme Women's  
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The Ministry of Health and Long-Term Care's October 6, 2016 press release states that Bill 41 aims to "increase access to care with better coordination and continuity." While we support these overall objectives, we would like to address one of the elements of Bill 41 that has serious consequences for individual community-governed non-profits and the non-profit sector as a whole:

**Bill 41 must carefully circumscribe the powers of a LHIN-appointed "supervisor" so it doesn't conflict with the corporate law or governance of independent non-profits.**

Bill 41, as currently drafted, permits the LHIN to appoint a supervisor to take over an organization. This power is unrestricted (no clear criteria), unilateral (no right of appeal and no Minister or Cabinet approval required), and indefinite (no time limit or review process for ending supervisor powers). While hospitals and long-term care homes are exempt from these supervisory provisions, community health care providers are not.

Bill 41 conflicts with the legal requirement for incorporated non-profits to have a functioning and accountable board of directors—duly elected community volunteers who can be removed before their term expires only by the will of the organization's members.

This takeover power, and the lack of safeguard and due process, is in stark contrast to the provisions in other provincial legislation. This includes the *Services and Supports to Promote Inclusion of Persons with Developmental Disabilities Act 2008*, and the *Long-term Care Homes Act, 2007*. These pieces of legislation also oversee services to people in vulnerable situations but still have safeguards for funder overreach. Bill 41 provides no rationale for why these basic principles of fairness and due process are absent for community health service providers.

**The implications of being taken over by a LHIN-appointed "supervisor" are even more significant for multi-funded community-based organizations that receive only a portion of their funding from the LHIN.** For example, neighbourhood centres/settlement houses may receive funding from the Ministry of Community and Social Services, the Ministry of Children and Youth Services, a local municipality, the Federal Department of Immigration, Refugees, and Citizenship, and other ministries and agencies. How would these other funders react to a LHIN unilaterally taking over an organization with which they had a contract or transfer payment agreement? Would the "supervisor" then become responsible for reporting to these funders?

A further example is our organization, where one branch receives no government funding, two branches receive funding from other levels of government, and in none of the four branches receiving government funding does the government provide all of the funding for program operations. We have many donors, some of whom provide donations restricted to specific projects or programs. **The LHIN provides less than a quarter of the funding for our entire organization.**

For a third party to take control over the assets and non-health programs of an independent community-governed non-profit is legally questionable and unnecessarily intrusive.

Community services providers bring valuable local knowledge and service delivery expertise to the service partnership, which can often result in better services. Service providers recognize that the funder has discretion over whether to contract with an organization for a service and can specify the services to be provided and the cost. They understand regular reporting is needed to assure that services are meeting standards and participants are not at risk, with additional reviews and investigations sometimes needed. However, community services providers expect notice of the complaint/concerns, opportunities to correct statements of fact in reports, the ability to provide their perspective on the issues at hand and timely appeal processes beyond the LHIN.

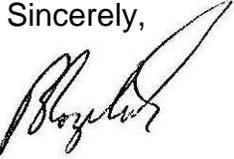
## **Summary of Recommendations**

We strongly urge you to:

- 1. Respect community health care partners by ensuring appropriate safeguards against abuse of LHIN's "supervisory" powers.**
  - a. Section 21.2 of Bill 41 must define more specifically, through guidelines or regulations, the conditions under which it would be in "the public interest" for a LHIN to appoint a supervisor of a health service provider.
  - b. Section 21.2 must include the requirement for Ministerial and Cabinet approval before the LHIN may appoint a supervisor.
  - c. Section 21.2 must include a mechanism for a community-governed non-profit ("health service provider") to request a review or to appeal the appointment of a supervisor.
  - d. Section 21.2 must define more specifically, through guidelines or regulations, the conditions under which, and the extent to which, a supervisor may be empowered by the LHIN to direct or govern the health services of a service provider that has multiple funding sources. For instance, Bill 41 must specify that the LHIN-appointed "supervisor" is empowered to direct only those resources that are directly provided by the LHIN.
  - e. Section 21.2 must stipulate that a LHIN-appointed "supervisor" has no authority over non-LHIN funded programs.

We encourage the Standing Committee to recognize the critical role played by Ontario's non-profit sector and ensure that legislation governing non-profits provides an enabling environment for us to serve our communities.

Sincerely,



Peter Rozeluk, JD, CPA, CA  
Executive Director

c.c. The Honourable Eric Hoskins, Minister of Health and Long-Term Care via [eric.hoskins@ontario.ca](mailto:eric.hoskins@ontario.ca)  
The Honourable Deb Matthews, Minister of Advanced Education and Skills Development/Minister Responsible for Digital Government/Deputy Premier via [dmatthews.mpp.co@liberal.ola.org](mailto:dmatthews.mpp.co@liberal.ola.org)  
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