

TEMPLATE
MULTI-SECTOR SERVICE ACCOUNTABILITY AGREEMENT
April 1, 2011 – March 31, 2014

SERVICE ACCOUNTABILITY AGREEMENT

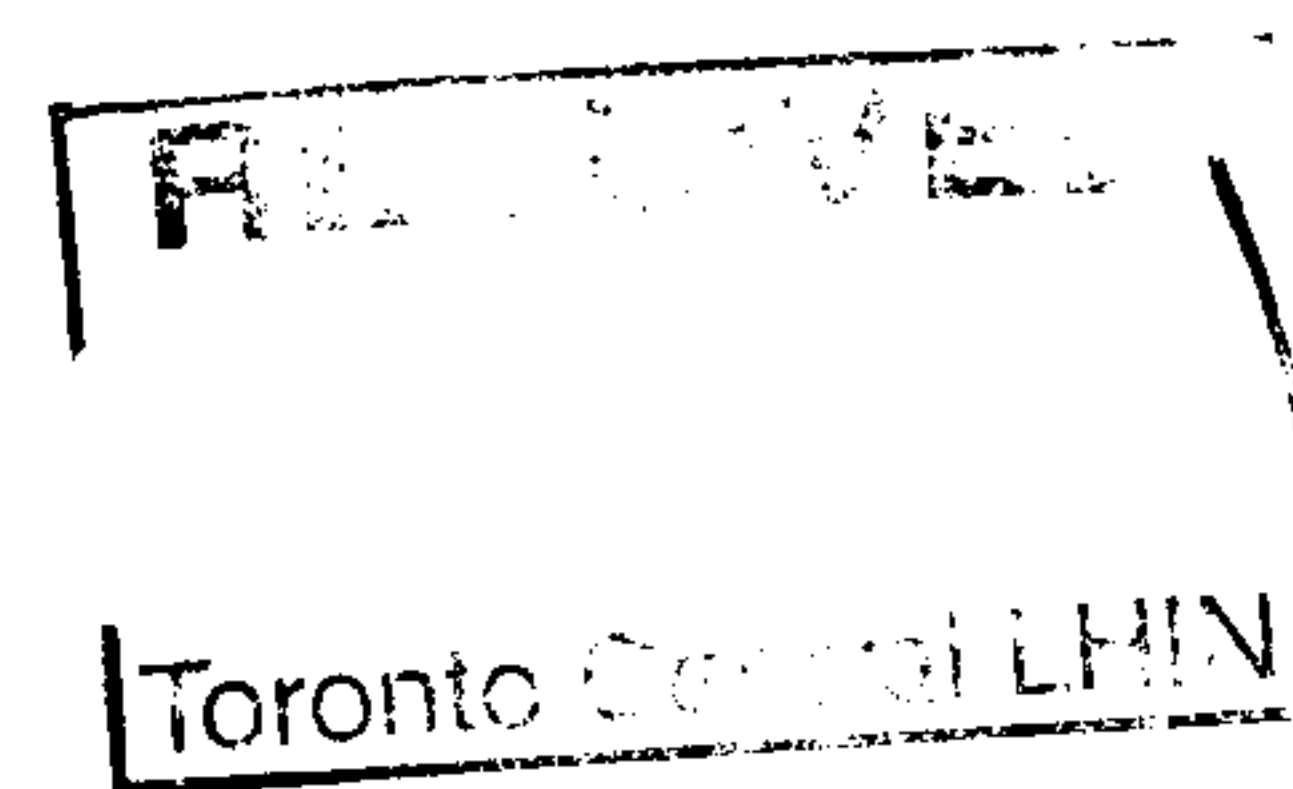
with

Bellwoods Centres for Community Living Inc.

Effective Date: April 1, 2011

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THE AGREEMENT effective as of the 1st day of April, 2011

B E T W E E N:

TORONTO CENTRAL LOCAL HEALTH INTEGRATION NETWORK (the "LHIN")

- and -

Bellwoods Centres for Community Living Inc. (the "HSP")

Background:

The *Local Health System Integration Act, 2006* requires that the LHIN and the HSP enter into a service accountability agreement ("SAA"). The SAA enables the LHIN to provide funding to the HSP for the provision of services. 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 1.0- 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*, and the regulations made under the *Local Health System Integration Act, 2006*, as it and they may be amended from time to time;

"Agreement" means this agreement and includes the Schedules and any instrument amending the agreement or the Schedules;

"Annual Balanced Budget" has the meaning set out in s. 4.5(b);

"Applicable Law" means all federal, provincial or municipal laws, regulations, common law, any orders, rules, or by-laws that are applicable to the HSP, the Services, this Agreement and the Parties' obligations under this Agreement during the term of this Agreement;

"Applicable Policy" means any policies, directives, or standards of practice issued or adopted by the LHIN, the MOHLTC or other ministries or agencies of the province of Ontario that are applicable to the HSP, the Services, this Agreement and the Parties' obligations under this Agreement during the term of this Agreement. Without limiting the generality of the foregoing, Applicable Policy includes the other documents identified in Schedule D;

“Board” means, in respect of an HSP that is (i) a corporation, the Board of Directors; (ii) an Indian Band, the Band Council and (iii) a municipality, the Municipal Council;

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

“CEO” means chief executive officer;

“Chair” means if the HSP is

- (i) a corporation, the Chair of the Board;
- (ii) an Indian Band, the Chief; and
- (iii) a municipality, the Mayor,

or such other person properly authorized by the Board or under Applicable Law.;

“Chief executive officer” means any individual who holds the position of chief executive officer with the HSP, and any individual who, regardless of title,

- (a) holds a position with the HSP similar to that of chief executive officer, or
- (b) performs functions for the HSP similar to those normally performed by a chief executive officer;

“CFMA” means the *Commitment to the Future of Medicare Act, 2004*, and the regulations made under the *Commitment to the Future of Medicare Act, 2004*, as it and they may be amended from time to time;

“Confidential Information” means information that is (i) marked or otherwise identified as confidential by the disclosing Party at the time the information is provided to the receiving party; 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 receiving Party prior to receiving the information from the disclosing Party; (b) has become publicly known through no wrongful act of the receiving Party; or (c) is required to be disclosed by law, provided that the receiving Party provides timely notice of such requirement to the disclosing Party, consults with the disclosing Party 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” in respect of an HSP, includes any situation or circumstance where: in relation to the performance of its obligations under this Agreement

- (i) the HSP;
- (ii) a member of the HSP’s Board or
- (iii) any person employed by the HSP who has the capacity to influence the HSP’s decision,

has other commitments, relationships or financial interests that:

- (iv) could or could be seen to interfere with the HSP’s objective, unbiased and impartial exercise of its judgement; or
- (v) 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, 2011;

“FIPPA” means the *Freedom of Information and Protection of Privacy Act, Ontario* and the regulations made under the *Freedom of Information and Protection of Privacy Act, Ontario*, as it and they may be amended from time to time;

“Funding” means the amounts of money provided by the LHIN to the HSP in each Funding Year of 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;

“HSP’s Personnel” means the controlling shareholders (if any), directors, officers, employees, agents and other representatives of the HSP. In addition to the foregoing HSP’s Personnel shall include the contractors and subcontractors and their respective shareholders, directors, officers, employees, agents or other representatives;

“Indemnified Parties” means the LHIN and its officers, employees, directors, independent contractors, subcontractors, agents, successors and assigns and her Majesty the Queen in Right of Ontario and her Ministers, appointees and employees, independent contractors, subcontractors, agents and assigns. Indemnified Parties also includes any person participating in an audit, inspection or review conducted under either Article 7 or 8, by or on behalf of the LHIN;

“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;

“Notice” has the meaning set out in Article 13;

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

“Performance Agreement” means an agreement between an HSP and its CEO that requires the CEO to perform in a manner that enables the HSP to achieve the terms of this Agreement and any additional performance improvement targets set out in the HSP’s annual quality improvement plan under the *Excellent Care for All Act, 2010*;

“Project Funding Agreement” means an agreement in the form of Schedule F that incorporates the terms of this Agreement and enables the LHIN to provide one-time or short term funding for a specific project or service that is not already described in Schedule A;

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

“Review” means a financial or operational audit, investigation, inspection or other form of review requested or required by the LHIN under the terms of the Act or this Agreement, but does not include the annual audit of the HSP’s financial statements;

“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: Project Funding Agreement Template
- Schedule G: Compliance

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

“Services” means the services and deliverables described in Schedule “A” and in any Project Funding Agreement executed pursuant to this Agreement. “Services” includes the type, volume, frequency and availability of services and deliverables.

- 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. Terms used in the Schedules shall have the meanings set out in this Agreement unless separately and specifically defined in a Schedule in which case the definition in the Schedule shall govern for the purposes of that Schedule.

ARTICLE 2.0 - 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, 2014 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.
- 2.3 **Notice.** Notice was given to the HSP that the LHIN intended to enter into this Agreement. The HSP hereby acknowledges receipt of such Notice in accordance with the terms of the CFMA.
- 2.4 **Prior Agreements.** The Parties acknowledge and agree that all prior agreements for the Services terminated on March 31, 2011. Notwithstanding the foregoing, Project Funding Agreements that by their terms continue beyond March 31, 2011 remain in effect.

ARTICLE 3.0 - 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;
 - (ii) Applicable Law; and
 - (iii) Applicable Policy.
- (b) When providing the Services, the HSP will meet the Performance Standards and Conditions identified in Schedule E.
- (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 Notice to the LHIN, and if required by Applicable Law or Applicable Policy, the prior written consent of the LHIN.
- (d) Unless the HSP is a community care access centre, 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 already identified as a subcontracted service in Schedule A, 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) When entering into a subcontract the HSP agrees that the terms of the subcontract will enable the HSP to meet its obligations under this Agreement. Without limiting the foregoing the HSP will include a provision that permits the LHIN or its authorized representatives, to audit the subcontractor in respect of the subcontract if the LHIN or its authorized representatives determines that such an audit would be necessary to confirm that the HSP has complied with the terms of this Agreement.
- (c) All actions taken or not taken by the subcontractor and Services provided by the subcontractor will be deemed actions taken or not taken by the HSP and Services provided 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 use the Funding, provide the Services and otherwise fulfil its obligations under this Agreement without an actual, potential or perceived Conflict of Interest. The HSP will disclose to the LHIN without delay any situation that a reasonable person would interpret as an actual, potential or perceived Conflict of Interest and comply with any requirements prescribed by the LHIN to resolve any Conflict of Interest.

3.4 **E-health/Information Technology Compliance.** The HSP agrees to comply with any technical and information management standards, or solutions, related to architecture,

technology, privacy and security set for health service providers by the MOHLTC, eHealth Ontario 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 the LHIN or MOHLTC as the case may be. By signing a copy of this Agreement the HSP acknowledges that it has a copy of the documents identified in Schedule D.

ARTICLE 4.0 - 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 regular instalments, once or 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 (i) reduce the amounts of Funds, and, in consultation with the HSP, change the Services; or (ii) 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 through an amendment to this

Agreement, 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) Fulfill all obligations in the Agreement, including the Schedules;
- (ii) use the Funding only for the purpose of providing the Services in accordance with Applicable Law and the terms of this Agreement;
- (iii) spend the Funding only in accordance with the Service Plan; and
- (iv) 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.

(c) Interest Income will be reported to the LHIN and is subject to year-end reconciliation. In the event that some or all of the Interest Income is not used to provide the Services,

- (i) the LHIN may deduct the amount equal to the unused Interest Income from any further Funding instalments under this or any other agreement with the HSP; and/or
- (ii) the LHIN may require the HSP to pay an amount equal to the unused Interest Income to the Ministry of Finance.

4.7 **Rebates, Credits and Refunds.** The HSP:

- (i) acknowledges that all HST and other rebates, credits and refunds it anticipates receiving from the use of the Funding have been incorporated in its Budget;
- (ii) agrees that it will advise the LHIN if it receives any unanticipated HST and other rebates, credits and refunds from the use of the Funding, or from the use of funding received from either the LHIN or the MOHLTC in years prior to this Agreement that was not recorded in the year of the related expenditure;
- (iii) agrees that all HST and other rebates, credits and refunds referred to in (ii) will be considered Funding in the year that the rebates are received, regardless of the year to which the rebated relates.

4.8 **Procurement of Goods and Services.** Subject to any direction or guideline issued by the Management Board of Cabinet pursuant to the *Broader Public Sector Accountability Act, 2010*.

- (i) The HSP will have a written procurement policy in place that requires the acquisition of supplies, equipment or services valued at over \$25,000 through a competitive process that ensures the best value for funds expended and the HSP will acquire supplies, equipment or services with the Funding through a process that is consistent with this policy; or
- (ii) if the HSP receives \$10,000,000 or more in funding from the MOHLTC and/or the Ministry of Education and Training, Colleges and Universities (including the Funding), the HSP will procure goods and services purchased with the Funding in accordance with the "Supply Chain Guideline" issued by the Ministry of Finance as the same may be amended from time to time.

4.9 **Disposition.** The HSP will not, without the LHIN's prior written consent, sell, lease or otherwise dispose of any assets purchased with Funding, the cost of which exceeded \$25,000 at the time of purchase.

ARTICLE 5.0 - REPAYMENT AND RECOVERY OF FUNDING

5.1 **Repayment and Recovery.**

- (a) **At the End of a Funding Year.** If, in any Funding Year, the HSP has not spent all of the Funding the LHIN will require the repayment of the unspent Funding.
- (b) **On Termination or Expiration of the Agreement.** Upon termination or expiry of the Agreement, the LHIN will require the repayment of any Funding remaining in the possession or under the control of the HSP and the payment of an amount equal to any Funding the HSP used for purposes not permitted by this Agreement.
- (c) **On Reconciliation and Settlement.** If the year-end reconciliation and settlement process demonstrates that the HSP received Funding in excess of its confirmed funds, the LHIN will require the repayment of the excess Funding.
- (d) **As a Result of Performance Management or System Planning.** If Services are adjusted, as a result of the performance management or system planning

processes, the LHIN may adjust the Funding to be paid under Schedule B, require the repayment of excess Funding and/or adjust the amount of any future funding installments accordingly.

(e) **In the Event of Forecasted Surpluses.** If the HSP is forecasting a surplus the LHIN may adjust the amount of Funding to be paid under Schedule B, require the repayment of excess Funding and/or adjust the amount of any future funding installments accordingly.

(f) **On the Request of the LHIN.** The HSP will, at the request of the LHIN, repay the whole or any part of the Funding, or an amount equal thereto if the HSP:

- (i) has provided false information to the LHIN knowing it to be false;
- (ii) breaches a term or condition of this Agreement and does not, within 30 Days after receiving Notice from the LHIN take reasonable steps to remedy the breach; or
- (iii) breaches any Applicable Law that directly relates to the provision of, or ensuring the provision of, the Services.

(g) Subsections 5.1(c) and (d) do not apply to Funding already expended properly in accordance with this Agreement. The LHIN will, at its sole discretion, and without liability or penalty, determine whether the Funding has been expended properly in accordance with this Agreement.

5.2 Provision for the Recovery of Funding. The HSP will make reasonable and prudent provision for the recovery by the LHIN of any Funding for which the conditions of Funding set out in subsection 4.5 are not met and will hold this Funding in accordance with the provisions of subsection 4.6 until such time as reconciliation and settlement has occurred with the LHIN. Interest earned on Funding will be reported and recovered in accordance with subsection 4.6.

5.3 Settlement and Recovery of Funding for Prior Years.

(a) The HSP acknowledges that settlement and recovery of Funding can occur up to seven years after the provision of Funding.

(b) Recognizing the transition of responsibilities from the MOHLTC to the LHIN, the HSP agrees that if the Parties are directed in writing to do so by the MOHLTC, the LHIN will settle and recover funding provided by the MOHLTC to the HSP prior to the transition of the services or program to the LHIN, provided that such settlement and recovery occurs within seven years of the provision of the funding by the MOHLTC. All such settlements and recoveries will be subject to the terms applicable to the original provision of funding.

5.4 Debt Due.

(a) If the LHIN requires the re-payment by the HSP of any Funding the amount required will be deemed to be a debt owing to the LHIN by the HSP. The LHIN may adjust future funding instalments to recover the amounts owed or may, at its discretion

