



Independent Health Facilities Quality Assessment Program FAQs for IHF Owner Operators and Quality Advisors

In 2012, the College began charging IHFs an annual administrative fee and an assessment fee. Why is there now a new fee structure?

There are many types of IHFs (e.g., diagnostic imaging, pulmonary function, ophthalmic ultrasound, sleep medicine and OHIP-insured plastic surgery, etc.) and the difference in assessment costs is considerable. The same differences occur with assessments under the College's Out-of-Hospital Premises Inspection Program (OHPIP).

In 2012, Council directed that these programs be managed on a cost-recovery basis. The fees model that was adopted by Council ensured the following principles were met:

- Full cost recovery: fees and prices will be set to sufficiently cover all costs for the programs to ensure economic sustainability with short term surpluses or deficits being balanced accordingly over time to provide long term cost recovery.
- Economic independence of programs: Revenues from program areas will not be used to fund or subsidize costs of other programs and indirect costs will be allocated to programs using cost as a driver.
- Universality: Providing fee standardization to average the costs across assessments and the fees charged will not vary based on factors that are outside the control of the assessed entity (such as geographic location).
- Long run cost averaging: The College will average costs over an appropriate time-frame to reduce the impact of extraordinary expenses for both its own budgeting purposes and for the assessed entities.
- Efficiency - The College will deliver the assessment programs at the lowest cost possible while still providing a valuable service to clients.
- Transparency - The College will seek a pricing strategy that will aim for simplicity and clarity. The College will provide for visibility into the formulas, processes and rates used to determine prices.

What is the new fees model?

The new model accounts for the following:

Averaging:

In order to prevent dramatic fluctuations in costs, the fees set for each IHF modality have relied on a review of historical cost data averaging over the last five years of each modality and will be re-assessed annually for adjustments.

The IHF annual fee, then, is based on two things:

- 1/5 of the average cost of an assessment for that modality
- 1/5 of the average program infrastructure costs for that modality.

Annual fee only:

Instead of having a separate fee for the assessment and an annual administrative fee, there will only be one annual fee charged per year that covers both the assessment and program administration costs.

Staff based allocation:

Indirect costs are not attributable to any one premise/facility; hence accounting principles suggest that the indirect costs are allocated to groups based on the relative number of staff who work in each program area. For example, if the College's program costs were \$1,000,000 and there were 100 staff involved, that would mean the average cost per staff would be \$1,000. If there were 10 staff in the OHPIP and IHF program, the annual fee would be \$10,000 divided across the number of IHFs or OHPs.

Flat fee by modality or level of facility/premises:

Each facility will be charged one annual fee based on which of the broad categories into which it falls.

Additional Charges:

Additional charges will be billed to an IHF for follow-up assessments, unannounced assessments and expansion requests outside of the scheduled cycle of assessment. Therefore, IHFs that require an assessment as described above will be invoiced the actual cost of the assessors who completed the additional assessment.

When does this new fee structure come into effect?

The change is retroactive to April 1, 2013, the start of the MOHLTC fiscal year. Facilities will again be billed their annual fee in November 2013 for the period of April 1, 2013 to March 31, 2014. This fee will cover the cost of any assessments completed since April 1, 2013. For example, if your facility was assessed in June 2013, you will not be billed the assessment fee, as this is now covered under the annual fee that you will pay in November.

What does this new fee cover?

The new annual fee covers the ongoing costs of administering and overseeing the IHF program and the cost of the assessments, at a minimum, once every 5 years. Core program

infrastructure is required to support the administration and oversight of the assessment process, which includes staff and technology support. The annual fee also supports the IHF Task Force, IHF Facility Review Panel activities.

The direct costs of re-assessments or unannounced assessments and expansion requests that occur in addition to the regular 5-year assessment will be billed to the IHF license holder.

What are the new fees for my IHF?

The administrative costs for running the program were averaged over the last 5 years. Costs involved with CPP development and review panels was averaged across DI, Sleep and Ambulatory Facilities; Ophthalmic ultrasound and basic PFT do not have their own CPPs and have not required facility review panels, so these facilities were not included in calculating those costs. The assessment costs for each type of facility were also averaged over the last 5 years. Based on the new fee model, effective as of April 1, 2013, the following are the categories of IHFs and the associate annual fee:

Facility Type	Average Admin Costs	Average Assessment Costs	2013 Annual Fee
Diagnostic	\$1,208	\$472	\$1,680
Sleep Medicine	\$1,209	\$781	\$1,990
Ambulatory (plastic surgery, abortion clinics)	\$1,209	\$501	\$1,710
Ophthalmic ultrasound/basic PFT	\$585	\$20	\$605

Please note: The MOHLTC will still require you to pay your IHF licensing fee.

What if my IHF has licenses for more than one program type?

An IHF that has multiple facility modalities requires more than one team of assessors to complete the assessment. Due to the complexity of the assessment, as well as the resources and time it takes to complete the assessment, the IHF will be charged the higher annual fee in the chart above. For example, a facility that has both diagnostic and sleep medicine services will be charged an annual fee of \$1, 990.

What are the fees if the facility is both an IHF and Out-of-Hospital Premises?

If the facility is licensed as an IHF but also falls under the OHPIP Regulation and is providing similar types of services within the two structures, the facility will be assessed under the OHPIP and charged the appropriate annual fee only based on the OHPIP Level. For example, a facility that is providing both IHF-licensed procedures (e.g., carpal tunnel release) as well as OHPIP procedures (e.g., face lift) will be invoiced the annual OHPIP fee. If the facility is providing IHF and OHPIP services that have no direct correlation, for example, EVLT and vascular ultrasound,

the facility will be required to pay both the IHF annual fee (in this example, the Diagnostic facility fee) and the OHPIP annual fee based on the OHPIP Level (in this example, the Level 1 facility fee).

What is the penalty if the fees are not paid on time?

Payment is due within 30 days of receiving a College invoice. According to the College's Fees and Remuneration By-Law, outstanding fees will be subject to an interest charge 1.5% per month. If the licence holder does not pay the outstanding fees in full, within 30 days of receipt, further action will be taken.

I have an IHF licence that is active but is currently not operational. Am I still expected to pay the new fee on that license(s)?

You are required to pay the fee as your license is considered "active". Because you have the opportunity to become operational at any point during the five-year time period, you must pay the costs of running the program (administrative and assessment costs).

I have transferred/sold my license to a new licensee during the annual billing period. Who is responsible for paying the annual fee?

This is part of the business transaction between you and the new licensee. IHF licensees are advised to consider this prior to the transfer/sale of a license. If the former licensee does not pay for the annual fee at the time it is invoiced, the fee and any interest incurred will be the responsibility of the new owner/operator.

I have decided to surrender my IHF licence. What do I need to do?

You are required to notify the MOHLTC. If you decide to surrender your licence during the year you will be expected to cover outstanding fees associated with the IHF program.

If I have questions, who should I call about this?

If you have questions about fees, please contact College IHF program staff:
Shandelle Johnson, Manager, 1-800-268-7096 or (416) 967-2600 (ext. 401)
Christine Grusys, Supervisor, 1-800-268-7096 or (416) 967-2600 (ext. 261)

If you wish to direct your call to the MOHLTC please contact:

Independent Health Facilities Program, MOHLTC, (613) 548-6637 or by email at IHF@ontario.ca