

OHRSA's Policy Statement on Joint Ventures

After considering the findings 2018 Annual Report by the Auditor General of Ontario, issues identified by many vendors, and for the reasons outlined below, OHRSA members advocate for the immediate dissolution of all existing HOP Joint Ventures* and sole Provider Preferred Vendor Agreements**.

- **Conflict of Interest:** It appears that hospitals in Joint Ventures are in *a conflict of interest* as they have an incentive to only refer patients to their vendor partner because they share in the profits of the Joint Venture. OHRSA position, consistent with ADP's policies, is that vendors of home oxygen therapy should compete for patients based on quality of care and services and not their ability to generate revenues for hospitals.
- **Restricted Patient Choice:** Patients' ability to select a vendor of their choice in accordance with provincial policy,¹ is restricted when hospitals or long-term care homes refer them to or only promote their vendor partner. OHRSA's position, consistent with ADP's policies, is that all patients must have the unrestricted opportunity to decide on the most appropriate vendor to provide and support their prescribed therapy in the community where they live.
- **Government Funding for Home Oxygen Therapy:** In our view, government funding that has been allocated for the provision of home oxygen therapy services should not be a source of revenue for hospitals.
- **Appropriate Home Oxygen Therapy Delivery System:** Such practices and arrangements could place at risk the paramount importance of ensuring that patients receive the most appropriate therapy delivery system for their health condition. OHRSA is of the view that in an environment where a vendor is assured of patient referrals, it removes the incentive to improve services to patients, who are mostly elderly living at home with severe lung disease.
- **Stifled Innovation:** Without competition there is no incentive for a JV home oxygen service provider to introduce modern respiratory innovation.

*Joint Ventures describe a formal business relationship between a Vendor of Home Oxygen Therapy and a hospital that have entered into an agreement to carry on business together to provide Home Oxygen Therapy to ADP-funded Patients.

**Preferred Vendor Agreements describe a service relationship between a vendor and a hospital or Long-Term Care Home whereby the vendor is the exclusive provider of Home Oxygen Therapy for a hospital or a Long-Term Care Home.

¹ ADP's Home Oxygen Policy and Administrative Manual