Northwest Territories Health and Social Services System Sustainability Operational Review – Corporate Structure and Governance – Final

Northwest Territories Health and Social Services Authority

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SUITE 1200, 242 HARGRAVE STREET, WINNIPEG, MB, R3C 0T8

T. 204.775.4531 F: 204.783.8329 **MNP.ca**

Table of Contents

1 Executive Summary

1.1 Background

The Northwest Territories Health and Social Services Authority (NTHSSA) has moved towards a single Authority model to eliminate inconsistent policy, programs, and service delivery within the territory, improve efficiencies, and lead to a more sustainable and coordinated health and social service delivery model. The NTHSSA engaged MNP to conduct a Heath and Social Services System (HSS) Sustainability Operational Review to better understand two specific areas:

- Whether the HSS system's management structures are appropriately sized, funded and organized for the scale of services it is required to manage. Put another way, is the system structured in a manner that facilitates the most efficient and effective delivery of health and social services?
- Whether the HSS system's non-clinical support services structures are appropriately sized, funded and organized for the scale of services required in the territory and further to understand how these services are or are not aligned with Canadian leading practice. Put another way, are there opportunities to make non-clinical support service organization and delivery more efficient.

The following report provides the findings and recommendations related to corporate structure, governance, and organizational structure (at the senior management level) for the NTHSSA. MNP developed a separate report that articulates the findings and recommendations from the Sustainability Operational Review and Business Process Review for the human resource function, finance functions and other non-clinical functions important to the operations of the NTHSSA. The report was submitted on November 1, 2023. MNP has submitted a separate report for corporate structure, governance, and organizational structure at the request of the NTHSSA.

1.2 Recommendations for Improvement

Recommendations for corporate structure, governance, and organizational structure were informed by a combination of:

- Stakeholder feedback collected through a combination of 22 interviews/group interviews, and 5 value chain focus group sessions completed from January 2022 through May 2022.
    - Additional feedback collected from the Process Mapping review are not reflected in this report.
- Leadership Council planning session held in June 2022.
- Findings and recommendations provided through earlier reviews including the 2011 Business Process Design Report and the 2014 Accountability Framework Report.
- A jurisdictional scan of the corporate structure for comparator health authorities which operate in rural and remote regions in Canada including:

- Northern Health (BC)
- Northern Health Region (Manitoba)
- Central Health (Newfoundland)

MNP developed 3 options for improvement for corporate structure, and 2 options improvement for each of governance and organizational structure. The options were assessed against each other, and the status quo, based on desired outcomes and potential risks. Desired outcomes were scored on a 5-point scale as follows:

- Strongly supports - The option strongly supports achieving the desired outcome, and receives a rating of 4 out of 4
- Supports - The option adequately supports achieving the desired outcome, and receives a rating of 3 out of 4
- Somewhat Supports - The option moderately supports achieving the desired outcome, and receives a rating of 2 out of 4
- Poorly Supports - The option minimally supports achieving the desired outcome, and receives a rating of 1 out of 4
- Does Not Support - The option does not support achieving the desired outcome, and receives a rating of 0 out of 4

Risks were assessed on a 3-point scale as follows:

- Low - There is low risk or impact to the NTHSSA from the identified risk/ implication if the option was implemented by the NTHSSA, resulting in a rating of 3 out of 3.
- Medium - There is a medium risk or impact to the NTHSSA from the identified risk/ implication if the option was implemented by the NTHSSA, resulting in a rating of 2 out of 3.
- High - There is a high risk of impact to the NTHSSA from the identified risk/ implication of the option was implemented by the NTHSSA, resulting in a rating of 1 out of 3.

1.2.1 Corporate Structure

MNP developed 3 recommendation options for improving corporate structure:

1.2.1.1 Option 1A – Make the NTHSSA a True "Arms-Length" Entity

Recommendation #1A: Make the NTHSSA a True "Arms-Length" Entity from the GNWT with Full Autonomy and Authority to Manage Its Operations as a Service Delivery Agency
Supporting Rationale 1. The NTHSSA functions like another GNWT department rather than an "arms-length" entity, and lacks autonomy to manage its "day-to-day" operations which has resulted in operational inefficiencies that NTHSSA has limited control over such as: a) HR recruitment and contract negotiations. b) The use of SAM as a financial management system, resulting in misaligned chart of accounts. c) Limited control of space management and physical infrastructure. d) Limited control over capital purchases and resulting service agreements. e) Privacy and emergency management. 2. All the rural/remote health authorities we examined as comparators in the jurisdictional scan were independent entities from their provincial governments, but still accountable to their Ministry of Health. 3. The 2011 Business Process Design Report[1] recommended that the consolidated health and social services authority should be separate and distinct from government, which has not occurred. a) This requirement was identified by the stakeholders engaged with in 2011 as well as the jurisdictional scan completed at that time.
Expected Benefits 1. The ability to setup structures and systems that are better aligned with the needs of the NTHSSA. 2. More autonomy and accountability for day-to-day operations. 3. More flexibility and ability to directly respond to issues facing the organization in a timely manner.
Key Actions Required 1. Set-up a time limited "Change Management Office" that would support the transition to a full "arms-length" entity, and other key structural changes (Recommendations 2 and 3). This office would report to the NTHSSA and support the NTHSSA, and DHSS as required. 2. Review the Health and Social Services Administration Act, the Finance Administration Act, the Public Service Act and other regulations and policies such as Infrastructure Establishment Policy 31.00 and modify, if necessary, to enable the NTHSSA to operate as a true "arms-length" entity from the GNWT.

[1] https://www.hss.gov.nt.ca/sites/hss/files/design-framework-change.pdf

Recommendation #1A: Make the NTHSSA a True "Arms-Length" Entity from the GNWT with Full Autonomy and Authority to Manage Its Operations as a Service Delivery Agency
3. Review and determine the legal impacts related to the current collective agreement with the Union of Northern Workers and GNWT, including if a new bargaining unit or collective agreement would be required for NTHSSA employees. 4. Review and modify the organizational structure and governance structure for the NTHSSA to support this transition (see Recommendations 2 and 3). a) The NTHSSA will need to work with the GNWT to determine what organizational functions will be transitioned from a GNWT shared-services environment (e.g., Procurement Shared Services, HR functions and finance functions provided through Financial and Employee Shared Services) directly to the NTHSSA's organizational structure. b) The NTHSSA and DHSS will have to determine if the Leadership Council will continue to provide governance oversight of the NTHSSA as part of the governance for the NWT HSS, or if a separate NTHSSA Board will need to be developed (see Recommendation 2). c) Engage regional leaders and stakeholders to understand their feedback and concerns with implementing this change, including how to ensure appropriate representation in the organizational and governance structures. 5. Ensure that the NTHSSA has the operational funding required to operate as a true stand-alone entity. a) Conduct a new zero-based budget exercise to ensure that NTHSSA has proper funding. b) The NTHSSA would have an annual contribution agreement with the DHSS and would be held accountable to this new budget moving forward. c) The NTHSSA must enter into an accountability agreement with the minister. The minimal terms of the accountability agreement should be outlined in the Health and Social Services Act.
Timing • Next 18 - 24 months

1.2.1.2 Option 1B – Maintain Current Structure and Focus on Holistic Improvements

Recommendation #1B: Focus on Holistic Process Improvement and Accountability Agreements with DHSS and Central Finance while Maintaining Current Structure.
Supporting Rationale 1. The NTHSSA functions like another GNWT department rather than an "arms-length" entity, and lacks autonomy to manage its "day-to-day" operations which has resulted in operational inefficiencies that NTHSSA has limited control over such as: a) HR recruitment and contract negotiations.

Recommendation #1B: Focus on Holistic Process Improvement and Accountability Agreements with DHSS and Central Finance while Maintaining Current Structure.
b) The use of SAM as a financial management system, resulting in misaligned chart of accounts. c) Limited control of space management and physical infrastructure. d) Limited control over capital purchases and resulting service agreements. e) Privacy and emergency management. 2. Supports the optimization of effectiveness and efficiency of key organizational functions that are supported by shared services (e.g., HR and finance) through: a) Improved Role clarity b) Process simplification c) Creating a process improvement culture that focuses on the benefits that each group brings to the table (e.g., NTHSSA operational knowledge of health, Government's economies of scales of centralization of key functions for all funded areas, etc.)
Expected Benefits 1. Improved communications between the various groups that support the delivery of health through operational delivery, policy development, and support functions. 2. Improved understanding of roles and benefits that each group can bring to support the delivery of health services.
Key Actions Required 1. Complete current state process mapping of key identified HR and finance processes to gain a deeper understanding of challenges and determine where to focus efforts on process improvement (currently in process). a) Consider establishing a dedicated HR Leadership function within the organization structure at NTHSSA, to better mitigate issues and challenges with Financial and Employee Shared Services (see Recommendation 3). 2. Evaluate roles and responsibilities that are in NTHSSA and DHSS to determine if there is opportunity to create efficiencies through alternate staffing approaches (in process for some administrative functions). 3. Establish a cross-functional and cross organizational advisory group that is responsible for the review of process efficiency initiatives and approval of improvements forward in support of improved delivery of health services. 4. Establish a process for staff and managers to bring forward process improvement options in support of improved delivery of health services. 5. Identify opportunities for and establish accountability agreements (e.g., outcomes for funding, recruitment timelines, etc.). 6. Conduct a new zero-based budget exercise to ensure that NTHSSA has proper funding.

Recommendation #1B: Focus on Holistic Process Improvement and Accountability Agreements with DHSS and Central Finance while Maintaining Current Structure.
Timing • Next 18 - 24 months

1.2.1.3 Option 1C – Transfer Responsibility for Administering HSS to DHSS

Recommendation #1C: Dissolve the NTHSSA and other HSSAs and Transition the Responsibility for Administering the NWT HSS to the DHSS
Supporting Rationale 1. Currently, the NTHSSA functions like another GNWT department rather than an "arms-length" entity and lacks autonomy to manage its "day-to-day" operations which has resulted in operational inefficiencies that NTHSSA has limited control over. The implementation of this option would eliminate the potential duplication of activities currently being conducted by the NTHSSA and DHSS, and potentially improve the recruitment and retention of non-clinical staff. 2. Supports the optimization of effectiveness and efficiency of key organizational functions that are supported by shared services (e.g., HR and finance) through: a) Improved Role clarity b) Process simplification c) Creating a process improvement culture that focuses on the benefits that each group brings to the table (e.g., Government's economies of scales of centralization of key functions for all funded areas, etc.)
Expected Benefits 1. Improved communications between the various groups that support the delivery of health through operational delivery, policy development, and support functions. 2. Improved understanding of roles and benefits that each group can bring to support the delivery of health services.
Key Actions Required 1. Set-up a time limited "Change Management Office" that would support the transition to DHSS and with key structural changes. This office would report to the NTHSSA and support the NTHSSA, HRHSSA (if applicable) and DHSS as required during the transition. 2. Review the Health and Social Services Administration Act, the Finance Administration Act, the Public Service Act and other regulations and policies such as Infrastructure Establishment Policy 31.00 and modify, if necessary, to enable the DHSS to administer HSS in the NWT.

Recommendation #1C: Dissolve the NTHSSA and other HSSAs and Transition the Responsibility for Administering the NWT HSS to the DHSS
3. Review and determine the legal impacts for NTHSSA staff related to the current collective agreement with the Union of Northern Workers and GNWT. 4. Engage regional leaders and stakeholders to understand their feedback and concerns with implementing this change, including how to ensure appropriate representation in the organizational and governance structures. 5. Maintain the Leadership Council to provide advocacy, governance and oversight to the DHSS. 6. Ensure that the DHSS has the operational funding required to properly administer HSS by conducting a new zero-based budget exercise. 7. Complete current state process mapping of key identified HR and finance processes to gain a deeper understanding of challenges and determine where to focus efforts on process improvement (currently in process for NTHSSA). 8. Evaluate roles and responsibilities that are in NTHSSA and DHSS to determine if there is opportunity to create efficiencies in current staffing approaches (currently in process for some functions).
Timing • Next 18 - 24 months

Overall, the option with the highest combined score for balancing desired outcomes and mitigating risks for the NTHSSA is *Option 1B – Holistic Improvements to Existing NTHSSA Structure* with a combined score of 35, followed by *Option 1A – Independent Arms-Length NTHSSA* with a combined score of 31.

Score Type	Option 1A – Independent "Arms Length" NTHSSA	Option 1B – Holistic Improvements to Existing NTHSSA Structure	Option 1C – Dissolve NTHSSA and Transition to DHSS	Status Quo
Desired Outcomes	22	17	12	6
Risk Mitigation	9	18	13	19
Total Option Score	31	35	25	25

Accordingly, MNP recommends the NTHSSA implement *Option 1B – Maintain Current Structure and Focus on Holistic Improvements*, as it provides the best balance between supporting desired benefits and mitigating risks to the NTHSSA by:

- Improving the current issues and challenges observed for the NTHSSA from working in a shared services environment within the GNWT, by improving these processes and procedures and providing the NTHSSA with a moderate degree of autonomy with its operations.
- Maintaining the positive impacts realized through the NTHSSA Leadership Council.
- Providing the best fit within the current political and legislative environment within the GNWT.
- Being least disruptive to the current staffing model and collective agreement for the NTHSSA.
- Being best aligned with stakeholder feedback received through the stakeholder engagement process.

1.2.2 Recommendations for Improving Board Governance

MNP considered two options for improving Board Governance for the NTHSSA. A description of each option is provided below.

1.2.2.1 Option 2A – Revise NTHSSA Board Governance Structure

Recommendation #2A: Revise the Board Management Structure for the NTHSSA to Have an Operational Board of Management with Appointees Who Have the Competencies Required for Implementing Transformational Change for the NTHSSA that is Supported by an Advisory Council Composed of the Regional Wellness Council Chairs.

Supporting Rationale

1. The Leadership Council currently serves as the NTHSSA's Board of Management under the Hospital Insurance and Health and Social Services Administration Act.
2. The Leadership Council is composed of the chairs of the Wellness Councils, Chair of the TCSA, and the Leadership Council Chair.
3. A major strength of the Leadership Council noted by multiple stakeholders was the advocacy and regional representation role of the Council.
4. Leadership Council members noted challenges with balancing and differentiating between their advocacy roles and governance administration roles for the NTHSSA, which were at times in conflict with each other.
    a) Accordingly, the governance oversight function related to providing overall strategic direction and leadership regarding financial management, HR management, operational governance, and legal acumen is challenging resulting in a gap for the NTHSSA related to this function compared to other comparator Health Authorities.
5. As per MNP's 2011 Business Process Deign Report[2], the level of change required to enable longer-term sustainability for the NTHSSA is significant, and will require leadership and governance support with strong competencies in financial management, change management,

[2] https://www.hss.gov.nt.ca/sites/hss/files/design-framework-change.pdf

Recommendation #2A: Revise the Board Management Structure for the NTHSSA to Have an Operational Board of Management with Appointees Who Have the Competencies Required for Implementing Transformational Change for the NTHSSA that is Supported by an Advisory Council Composed of the Regional Wellness Council Chairs.
organizational capacity building, communication, clinical knowledge, negotiation, collectively understand NWT culture and priorities, and is representative of the population served.
Expected Benefits 1. Stronger leadership and governance to support the changes required in the organization to improve long-term sustainability. 2. A Board with appointed members who are more focused on their direct fiduciary duty to the NTHSSA. 3. Leadership Council would continue to act in an advisory role the operational Board.
Key Actions Required 1. Review current legislation such as the Health and Social Services Administration Act, the Finance Administration Act, the Public Service Act and other regulations and policies and modify, if necessary, to enable the NTHSSA to establish an Operational Board that is supported by an Advisory Council (i.e., the Leadership Council). 2. Establish, through appointment by the Minister, an Operational Board of Directors for the NTHSSA that has strong competencies in financial management, change management, organizational capacity building, communication, clinical knowledge, negotiation, collectively understand NWT culture and priorities, and is representative of the population served by the NTHSSA. a. Amendment to Section 7.(1) of the Health and Social Services Administration Act would be required to support this recommendation. 3. Have the current Leadership Council serve an advisory role to the Operational NTHSSA Board, to represent the needs of each of the regions in the NTHSSA. 4. Evaluate pros and cons of non-local board members to determine requirements for filling those roles.
Timing • 18 – 36 Months initially, and ongoing

1.2.2.2 Option 2B – Maintain Leadership Council and Build Capacity

Recommendation #2B: Maintain the Leadership Council's Dual Role as Community Advocates/Advisors to Minister and Strong Operational Governors for the NTHSSA and Focus on Training and Succession Planning-based Recruitment to build capacity.
Supporting Rationale 1. The Leadership Council currently serves as the NTHSSA's Board of Management under the Hospital Insurance and Health and Social Services Administration Act. 2. The Leadership Council is composed of the chairs of the Wellness Councils, Chair of the TCSA, and the Leadership Council Chair. 3. A major strength of the Leadership Council noted by multiple stakeholders was the advocacy and regional representation role of the Council. 4. Leadership Council members noted challenges with balancing and differentiating between their advocacy roles and governance administration roles for the NTHSSA, which were at times in conflict with each other. 5. As per MNP's 2011 Business Process Deign Report, the level of change required to enable longer-term sustainability for the NTHSSA is significant, and will require leadership and governance support with strong competencies in financial management, change management, organizational capacity building, communication, clinical knowledge, negotiation, collectively understand NWT culture and priorities, and is representative of the population served. 6. Opportunity to build operational capacity and maintaining the benefits of community advocacy while building up operational governance capabilities to ensure the best interests of the NTHSSA are prioritized. 7. Acknowledges that recruitment for more roles could prove difficult in filling all the positions of maintaining two groups – a governing board and advocacy and advisory based council.
Expected Benefits 1. Succession planning-based Recruitment that focuses on finding key skills as they relate to operational governance in the regions will help leadership council improve operational governance to support the changes required in the organization to improve long-term sustainability overtime. 2. Maintains consistency with current structures.
Key Actions Required 1. Develop and facilitate training program to build further understanding on the dual role for current and new members. 2. Develop an evaluation framework to ensure key required skills are identified, where training is successful, and where there are remaining gaps in operational governance.

Recommendation #2B: Maintain the Leadership Council's Dual Role as Community Advocates/Advisors to Minister and Strong Operational Governors for the NTHSSA and Focus on Training and Succession Planning-based Recruitment to build capacity.
3. Develop recruitment plan for future position openings that focus on areas of operational governance that improve the leadership council in key areas, such as. Financial, HR and Legal acumen. 4. Evaluate options to provide subject matter expertise from external experts to support the leadership council in specialized areas (e.g., finance, hr, legal, etc.).
Timing • 18 – 36 Months initially, and ongoing

Overall, the option with the highest combined score for balancing desired outcomes and mitigating risks for the NTHSSA is *Option 2B – Maintain Leadership Council and Build Capacity* with a combined score of 29, followed by *Option 2A – Establish Dedicated Board of Directors* with a combined score of 28

Score Type	Option 2A – Establish Dedicated Board of Directors	Option 2B – Maintain Leadership Council and Build Capacity	Status Quo
Desired Outcomes	24	21	12
Risk Mitigation	4	8	8
Total Option Score	28	29	20

Accordingly, MNP recommends that the NTHSSA consider implementing *Option 2B - Maintain Leadership Council and Build Capacity*, as it provides the best balance between supporting desired benefits and mitigating risks to the NTHSSA by:

- Improving the current issues and challenges observed for the NTHSSA from working in a shared services environment within the GNWT by improving strategic direction, oversight, and competencies in HR, legal and finance.
- Maintaining the current positive impacts of the NTHSSA Leadership Council related to addressing regional concerns and the need for culturally safe spaces.
- Providing the best fit within the current political and legislative environment within the GNWT.
- Being least disruptive to the current governance structure for the NTHSSA.
- Being best aligned with stakeholder feedback received through the stakeholder engagement process.

- Reducing the need to establish a separate Operational Board with a limited pool of qualified candidates to select from.

1.2.3 Recommendations for Improving Organizational Management Structure

In developing the following options, MNP focused on addressing and building upon the following key findings:

1. There is a lack of clarity related to decision making for the NTHSSA. This is being exhibited in the following ways:
    a. At the Senior Management level between Regional COOs and other NTHSSA Senior Leadership – difficulty balancing the needs for territorial consistency versus the unique needs of the regions located outside of Yellowknife
    b. Between the DHSS and the NTHSSA – delineation of decision-making authority for policy/funding vs operational delivery
    c. There is an absence of a senior human resources role which creates a challenge in the decision-making authority as it relates to the function
2. There are many COO positions in the organization that could be reduced, at the regional level.
3. Based on anecdotal evidence, development and integration of regional budgets/plans, and the accountability for doing so is not well defined. There is a need for better coordination of this aspect.
4. Social services have already adopted a model of having regional managers reporting to 1 territorial director, which was perceived as being an effective model.

In developing the following options, MNP considered the following key design principles:

- Simplicity: The structure should be simple and intuitive to employees and customers
- Span of Control: The number of people effectively managed by one person should be selected so as not to sacrifice efficiency and effectiveness
- Size and Balance: There should be a reasonable balance in the size of portfolios so they can be managed
- Job structure: A position should be designed around activities that need to be performed and not tailored to the qualifications of the individual
- Specialization: The activities for which a single individual is held responsible should be similar
- Decentralization of Authority: The responsibility for decision making should be placed as far down in the organization as is appropriate.
    - An important consideration in the NTHSSA context is also having the ability to properly balance regional authority with standardized processes and tools to guide program and service delivery.
- Authority and Responsibility: Leadership should be given responsibility for results and the authority needed to perform the job properly.

These principles were considered in the management structure options. MNP recommends they continue to be of focus through further organizational structural build out, detailed planning, and implementation of structural changes.

In the following sections, you will see two options for consideration, both of which are expected to provide the following benefits:

- Better balance between regional input into program/service delivery and the ability to use more standardized process and tools for service delivery.
- Improved the communication and flow of information at the leadership level of the organization.

1.2.3.1 Option 3A – Modify Existing Organizational Management Structure (2 COO Option)

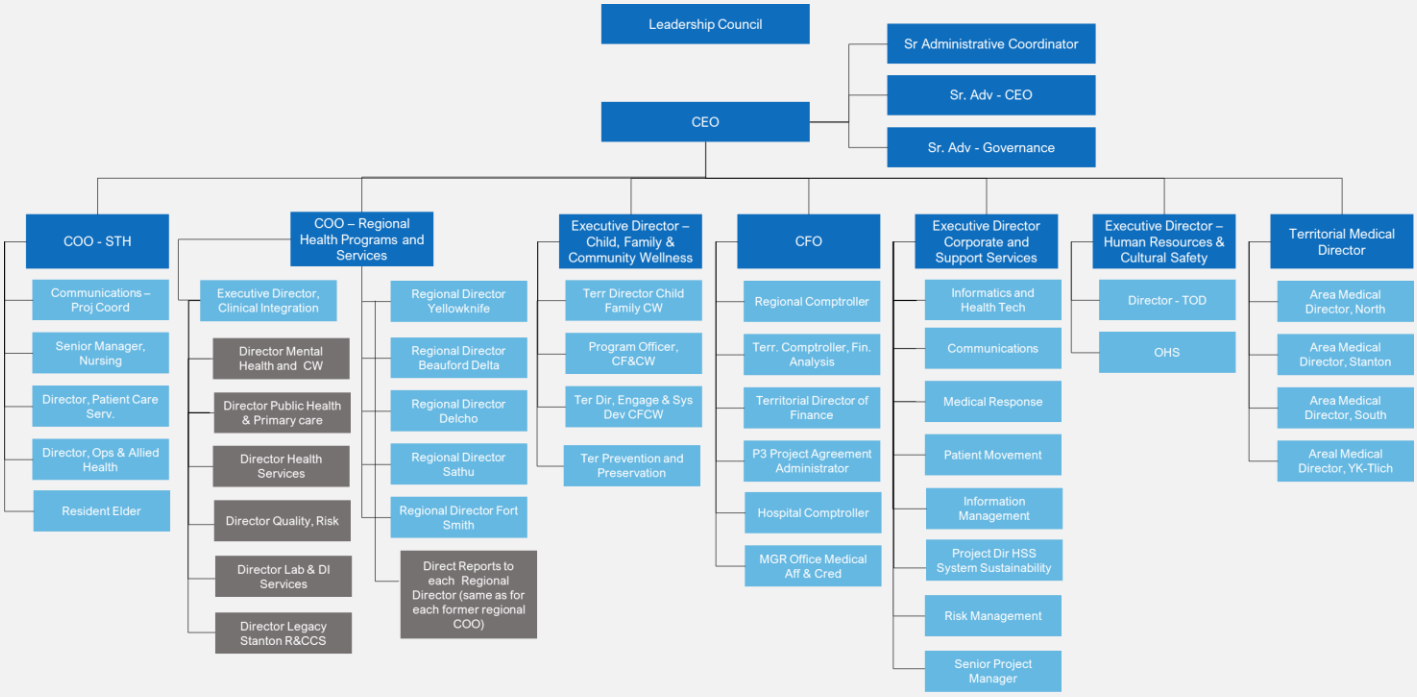
Recommendation #3A: Modify the Organizational Management Structure for the NTHSSA to Better Support the Balance Between Regional Differences and the Need for Improved Standardization of Operations and Service Delivery (2 COO Option)

Proposed Structure

In the first management structure option the CEO would have seven direct reports with the following functional areas of focus:

Below showcases the management team that would be needed to support each of the executive leadership team members:

Recommendation #3A: Modify the Organizational Management Structure for the NTHSSA to Better Support the Balance Between Regional Differences and the Need for Improved Standardization of Operations and Service Delivery (2 COO Option)



Key Actions Required

1. Create an ED Human Resources & Cultural Safety position who reports directly to the CEO to provide overall HR and cultural safety leadership and strategic direction for the NTHSSA, including leading development of a cultural safety action plan as well as providing leadership for the NTHSSA related to recruitment and retention, workforce planning, performance management and labour relations with an Indigenous lens and help improve the overall working relationship with Central HR in the Department of Finance (FESS).
2. Keep the ED Corporate and Support Services position to provide leadership for corporate support services related to medical response, patient movement, HSS system sustainability, risk management, informatics and health technology, information and records management, communications, and project management. Move Talent and Organizational Development and OHS to under ED HR & Cultural Safety.
3. Create 1 COO position to oversee health programs and service delivery in Yellowknife, Fort Smith, Dehcho, Beaufort Delta and Sahtu regions, that is supported by Regional Directors (accountability for budgeting, program planning and reporting in each region outside of Yellowknife).
    a. Elimination of 5 FTE COOs for Yellowknife, Fort Smith, Dehcho, Beaufort Delta and Sahtu regions, and creation of 5 FTE Regional Director positions with one located in each region to provide leadership to the same direct reports of the former COOs.
    b. This position can be based in Yellowknife, or any of the other 4 regions.
    c. This is meant to address the need for better coordination of the standardization of service delivery, processes, and procedures continuing to respect the unique needs of the regions outside of Yellowknife.

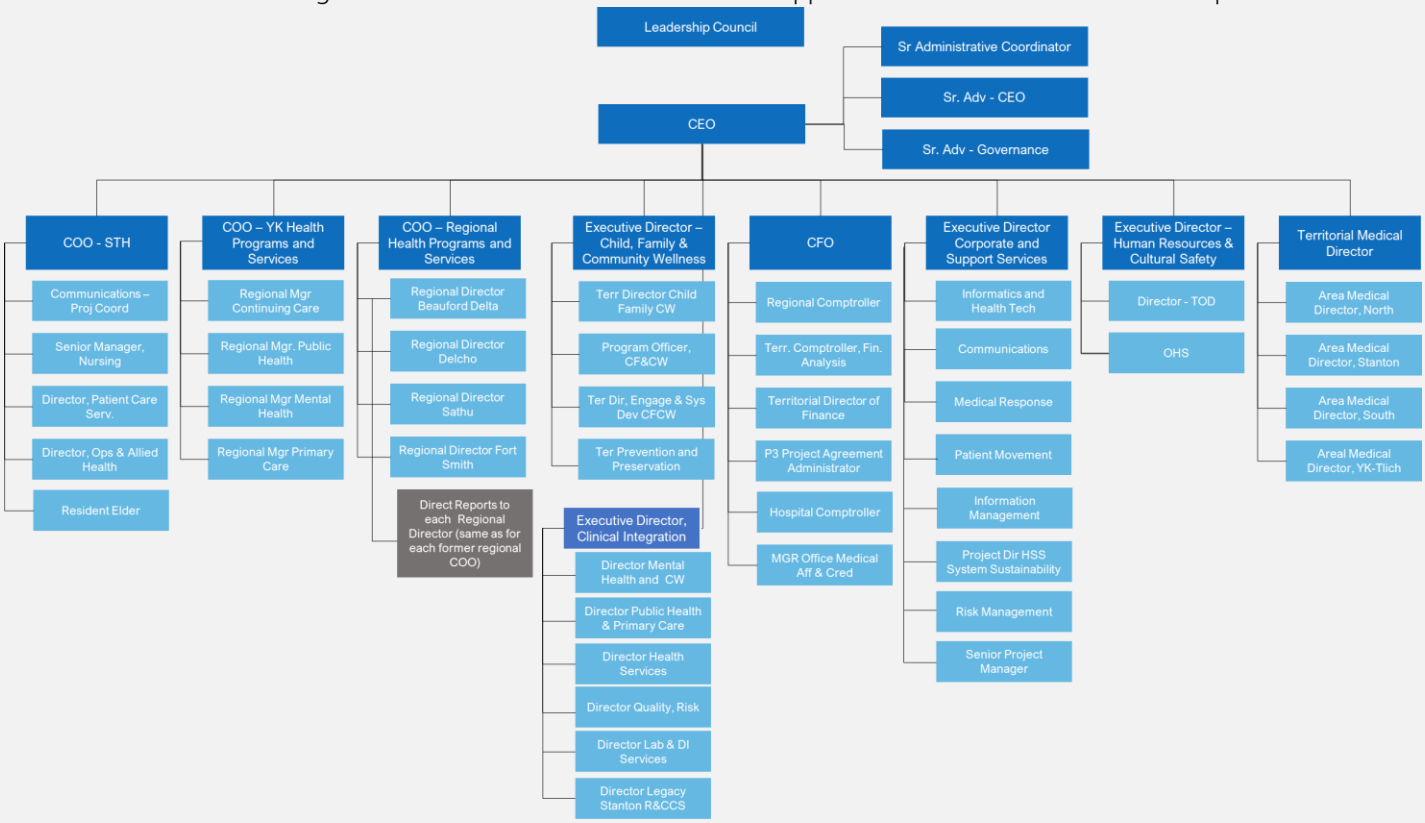
Recommendation #3A: Modify the Organizational Management Structure for the NTHSSA to Better Support the Balance Between Regional Differences and the Need for Improved Standardization of Operations and Service Delivery (2 COO Option)
d. In this structure, more accountabilities should be placed on the Regional Directors to articulate their service delivery plans, including budget estimates, service levels etc. and the reporting of spending against plan, and report these back to the COO. i. The COO is then responsible for rolling up the regional plans/budgets so that they can be integrated at the organizational level. e. The COOs and their teams will continue to be responsible for operational HR functions including role specific supports, performance management, coaching, scheduling, etc. 4. Keep the Executive Director, Child, Family and Community Wellness position as is. 5. Move the ED Clinical Integration and their direct reports to under COO Regional Health Programs and Services, which provides the COO responsible for operations with direct access to the ED responsible for operational policy. a. Under this option, the COO would provide oversight for operational policy, but still have the ED Clinical Integration responsible and accountable for operational policy.
Timing • Concurrent with recommendation 1, 18 – 24 months

1.2.3.2 Option 3B - Modify Existing Organizational Management Structure (3 COO Option)

Recommendation #3B: Modify the Organizational management Structure for the NTHSSA to Better Support the Balance Between Regional Differences and the Need for Improved Standardization of Operations and Service Delivery (3 COO Option)
Proposed Structure In the first management structure option the CEO would have nine direct reports with the following functional areas of focus:

Recommendation #3B: Modify the Organizational management Structure for the NTHSSA to Better Support the Balance Between Regional Differences and the Need for Improved Standardization of Operations and Service Delivery (3 COO Option)

Below showcases the management team that would be needed to support each of the executive leadership team members:



Recommendation #3B: Modify the Organizational management Structure for the NTHSSA to Better Support the Balance Between Regional Differences and the Need for Improved Standardization of Operations and Service Delivery (3 COO Option)

Key Actions Required

1. Create an ED Human Resources & Cultural Safety position who reports directly to the CEO to provide overall HR and cultural safety leadership and strategic direction for the NTHSSA, including leading development of a cultural safety action plan as well as providing leadership for the NTHSSA related to recruitment and retention, workforce planning, performance management and labour relations with an Indigenous lens and help improve the overall working relationship with Central HR in the Department of Finance (FESS).
2. Keep the ED Corporate and Support Services position to provide leadership for corporate support services related to medical response, patient movement, HSS system sustainability, risk management, informatics and health technology, information and records management, communications, and project management. Move Talent and Organizational Development and OHS to under ED HR & Cultural Safety.
3. Create 1 COO position to oversee health programs and service delivery in Fort Smith, Dehcho, Beaufort Delta and Sahtu regions, that is supported by Regional Directors (accountability for budgeting, program planning and reporting in each region outside of Yellowknife).
    a. Elimination of 4 FTE COOs for Fort Smith, Dehcho, Beaufort Delta and Sahtu regions, and creation of 4 FTE Regional Director positions with one located in each region to provide leadership to the same direct reports of the former COOs.
    b. This position can be based in Yellowknife, or any of the other 4 regions.
    c. This is meant to address the need for better coordination of the standardization of service delivery, processes, and procedures continuing to respect the unique needs of the regions outside of Yellowknife.
    d. In this structure, more accountabilities should be placed on the Regional Directors to articulate their service delivery plans, including budget estimates, service levels etc. and the reporting of spending against plan, and report these back to the COO.
        i. The COO is then responsible for rolling up the regional plans/budgets so that they can be integrated at the organizational level.
    e. The COOs and their teams will continue to be responsible for operational HR functions including role specific supports, performance management, coaching, scheduling, etc.
4. Keep the COO Yellowknife Health Programs and Services Position.
5. Keep the Executive Director, Child, Family and Community Wellness position as is.
6. Keep the ED Clinical Integration and their direct reports as is (i.e., ED Clinical Integration continues to report to CEO).

Timing

- Concurrent with recommendation 1, 18 – 24 months

Overall, the option with the highest combined score for balancing desired outcomes and mitigating risks for the NTHSSA is *Option 3B – Modify Existing Organizational Management Structure (3 COO Option)* with a combined score of 30, followed by *Option 3A – Modify Existing Organizational (2 COO Option)* with a combined score of 20.

Score Type	Option 3A – Modify Existing Organizational Management Structure (2 COO Option)	Option 3B - Modify Existing Organizational Management Structure (3 COO Option)	Status Quo
Desired Outcomes	14	21	7
Risk Mitigation	6	9	10
Total Option Score	20	30	17

Accordingly, MNP recommends that the NTHSSA consider implementing *Option 3B - Modify Existing Organizational Management Structure (3 COO Option),* as it provides the best balance of:

- Keeping the structure simple and intuitive
- Balancing the span of control to ensure that senior management has a more evenly distributed number of direct reports to help ensure the organization can be effectively managed to not sacrifice efficiency and effectiveness
    - Each member of the management team would have 2 – 8 direct reports which is a reasonable size and leaves room for portfolio growth
    - Logically structured groupings of areas of responsibility that will help enable effective management

It is important to note that in both Option 3A and 3B – MNP is suggesting a dedicated senior leader that is responsible for strategic human resource planning and cultural safety for the organization. This is not intended to be a replacement for HR Shared Services but an opportunity for the NTHSSA to have centralized planning leadership with an Indigenous focus to ensure that resourcing is being evaluated and planned for territory-wide, and that consistent supports are provided to hiring managers to help create more time for them to focus on operational demands and day-to-day performance management. It is anticipated that some immediate benefits will be more effective use of pools when hiring multiple people into the same job across the territory, better capacity planning, and accelerated recruitment and retention due to a focused team helping to move people through the process.

Although not included in Options 3A and 3B at this time, MNP notes that the NTHSSA should also consider adding another Executive Director for Planning, Reporting, Risk Management and Quality Assurance (reporting to the CEO) should additional resource capacity be added to the organization because of the Business Process Review work to support the corporate planning and reporting, corporate policy development, privacy, and emergency management functions. This would include moving the Territorial Risk Manager and Director of Quality and Risk to this portfolio if this position were to be created.

Purpose of the Review

2 Purpose of the Review

The Northwest Territories Health and Social Services Authority (NTHSSA) has moved towards a single Authority model to eliminate inconsistent policy, programs, and service delivery within the territory, improve efficiencies, and lead to a more sustainable and coordinated health and social service delivery model. The NTHSSA engaged MNP to conduct a Heath and Social Services System (HSS) Sustainability Operational Review to better understand two specific areas:

- Whether the HSS system's management structures are appropriately sized, funded and organized for the scale of services it is required to manage. Put another way, is the system structured in a manner that facilitates the most efficient and effective delivery of health and social services?
- Whether the HSS system's non-clinical support services structures are appropriately sized, funded and organized for the scale of services required in the territory and further to understand how these services are or are not aligned with Canadian leading practice. Put another way, are there opportunities to make non-clinical support service organization and delivery more efficient.
    - Consideration was given to whether there are overlaps in accountability and responsibility amongst and between the Department of Health and Social Services (DHSS) and other Government of the Northwest Territories departments, and the NTHSSA and other Authorities.
    - Non-clinical supports include, but are not limited to Finance, Human Resources, Information and Health Technology, Health Privacy, Patient Relations / Client Experience, and Communications.

2.1 Report Context and Purpose

The following report provides the findings and recommendations related to corporate structure, governance, and organizational structure (at the senior management level) for the NTHSSA. MNP developed a separate report that articulates the findings and recommendations from the Sustainability Operational Review and Business Process Review for the human resource function, finance functions and other non-clinical functions important to the operations of the NTHSSA.

- MNP has submitted a separate report for corporate structure, governance, and organizational structure at the request of the NTHSSA.
- In May 2022, MNP presented a summary report of the draft findings from the Sustainability Operational Review.
- Subsequently in June 2022, MNP developed and presented a draft recommendations report which included recommendations related to improving the corporate structure, governance, and organizational structure for the NTHSSA, as well as recommendations to improve non-clinical functions including HR, finance, and other key functions such as emergency

management, information management, facilities management, corporate planning, communications, and privacy.

Key recommendations from the 2022 presentation included the need to conduct a detailed process mapping exercise for the HR and finance functions, and to complete additional investigation into the organizational requirements for other non-clinical functions.

- In July 2022, the NTHSSA issued an RFP to address these recommendations, and MNP was the successful proponent and began that work in August 2022.
- In September 2022, the NTHSSA requested MNP develop an interim summary report for the corporate, governance and organizational findings and recommendations, which included a range of options for each of the three recommendation areas.
- The initial draft summary interim report was submitted in October 2022, and the NTHSSA requested more detailed findings to support the range of options presented for each recommendation.
- MNP developed a more detailed interim report, which was accepted on November 15, 2022.
- The following is an update and revision to that November 2022 report and includes enhancements to the recommendation sections including a more detailed assessment of the risks and implications of implementing each recommendation option.
- The findings in this report are reflective of stakeholder feedback collected for the Sustainability Operational Review between the months of January 2022 to May 2022, and do not reflect changes to stakeholder perception after that time.

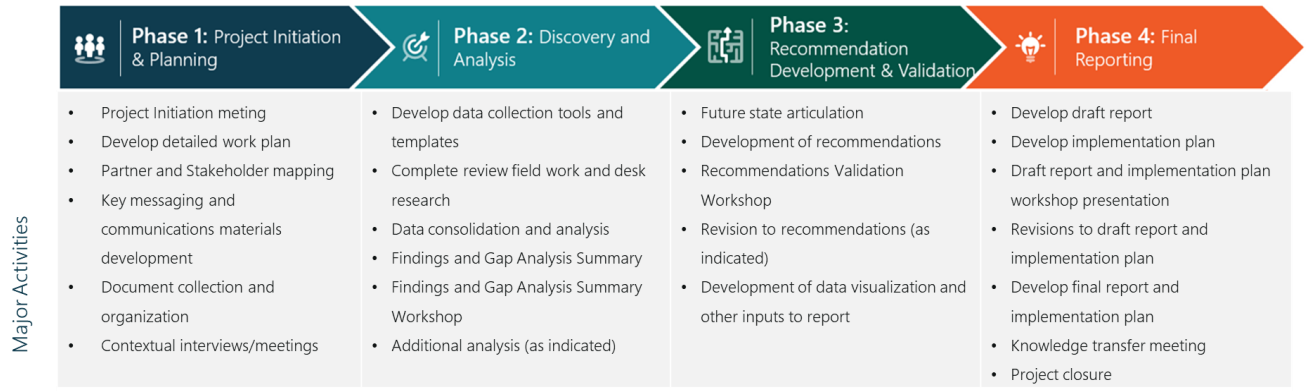
Approach and Methodology

3 Approach and Methodology

3.1 Methodology and Approach

Project work for the Sustainability Operational Review was organized into four (4) phases to complete the sustainability operational review (Figure 1).

Figure 1: Project Approach and Work Plan



A mixed-methods approach, including Value Chain Analysis (VCA), jurisdiction research, document review, and stakeholder engagement was used to ensure that findings and recommendations were informed by multiple lines of evidence.

Accordingly, MNP facilitated VCA workshops that brought together groups of people in these key areas to:

- Document key activities, roles and responsibilities, risks of Health and Social Services HR and Finance functions
- Identify pain points, challenges, and bottlenecks
- Ensure a fulsome understanding of the key activities and challenges from, at times, conflicting parties

3.2 Document and Data Review

MNP reviewed a total 22 documents during the Sustainability Operational Review, which have been summarized in Figure 2.

Figure 2: Summary of Documents Reviewed

No	Document Name
01	Clarification on mandate and functions of DHSS by Maura Davies
02	Collaborative and consolidated services study review by Deloitte
03	DHSS Financial Business Process Alignment Consolidated Report by MNP
04	Document on roles of TODD and Department of Finance in HR activities
05	NTHSSA vacancy review report from 2021
06	NTHSSA Organization chart
07	DHSS Organization chart
08	NTHSSA accreditation report
09	Financial Sustainability Plan
10	HSS Sustainability Plan
11	NTHSSA Leadership Council Governance manual
12	Hospital insurance and Health and Social Services Administration Act
13	Financial Administration Act
14	Infrastructure Establishment Policy 31.00

No	Document Name
15	Northwest Territories Physician workforce plan
16	Auditor General report – Child and Family Services
17	Quality Management framework
18	Regional Council regulations
19	Ontario Hospital Association report on enhancing rural and northern hospitals through integration
20	The Public Service Act and Regulations
21	Medical Billing practices in NTHSSA
22	Internal review of medical billing processes and protocols

3.3 Stakeholder Engagement

MNP completed a total of 10 interviews/group interviews in Phase 1 and 12 interviews/group interviews in Phase 2 (Figure 3) between the months of January 2022 to May 2022. The Phase 1 contextual interviews were completed with key representatives from the NTHSSA, the Leadership Council, Hay River Health and Social Services Authority, Tlicho Community Services Agency, Government of Northwest Territories (GNWT) Department of Health and Social Services System (DHSS), and GNWT Department of Finance to gain an understanding of the challenges and opportunities impacting the sustainability of the HSS. The Phase 2 interviews were conducted with key representatives from non-clinical support functions at NTHSSA to gain an understanding of the issues impacting the operations of these functions.

Figure 3: Summary of Stakeholder Engagement Activities

PHASE I – Contextual Interviews with Management Team (10 Interviews)
Director, Finance, Assistant Deputy Minister
Chair, NWT Health and Social Services Leadership Council, Chair Hay River Regional Wellness Council
Executive Director Corporate and Support Services, CFO
CEO Hay River Health and Social Services Authority
Executive Director – Child, Family and Community Wellness , Executive Director, Clinical Integration
William MacKay
CEO Tlicho Community Services Agency
Territorial Medical Director
COO - Beaufort-Delta Region, COO - Sahtu Region, COO - Stanton Hospital
Deputy Minister

PHASE II – Workshops (5 workshops)
Human Resources • NTHSSA (TODD) *(Feb 23, 2022)* • NTHSSA, Hiring Managers *(Mar 18, 2022)* (Managers from Finance, COOs, Regional Managers, and Nurse) • GNWT – Department of Finance-HR *(Feb 28,2022)* • Combined Workshop *(April 11, 2022)*
Finance • NTHSSA Finance staff and DHSS Finance staff *(March 17, 2022)*

PHASE II – Interviews with Support functions (12 Interviews)
Patient Movement and Medical Travel *(April 19, 2022)*
Senior Advisor, Governance *(April 19, 2022)*
Occupational Health & Safety *(April 22, 2022)*
Information & Health Technology *(April 29, 2022)*
Information Management & Health Records *(April 07, 2022)*
Communications *(April 22, 2022)*
Office of Medical Affairs & Credentials *(April 11, 2022)*
Administration *(April 20, 2022)*
Quality Risk and Client Experience *(April 22, 2022)*
Emergency Planning *(April 20, 2022)*
Corporate Reporting & Planning *(April 19, 2022)*
Facilities Management (*April 25, 2022)*)

3.4 Value Chain Mapping

Early in the engagement, Finance and Human Resources emerged as key areas of challenges at NTHSSA. MNP conducted five (5) value chain analysis (VCA) workshops including four (4) with key representatives from NTHSSA (Hiring Managers and Talent and Organizational Development) and Department of Finance HR Shared Services to gain a deeper understanding of the key issues and challenges impacting HSS HR functions, and one (1) workshop with key representatives from NTHSSA Finance and DHSS to better understand Finance function challenges. The workshops focused on:

- Documenting key activities, roles and responsibilities, risks of Health and Social Services HR and Finance functions
- Identifying pain points, challenges, and bottlenecks
- Ensuring a fulsome understanding of the key activities and challenges from, at times, conflicting parties

3.5 Other Jurisdiction Analysis

MNP conducted a detail review of three (3) similar rural/remote health authorities from across Canada to better understand the organizational structure and staffing complements for non-clinical support functions including:

- Northern Health Region - Manitoba
- Northern Health – BC
- Central Health – Newfoundland

The data for these jurisdictions was collected directly from the organizations as well as through internet research.

In addition, MNP also conducted a higher-level jurisdictional scan of larger provincial health authorities including:

- Alberta Health Services
- Saskatchewan Health Authority
- Nova Scotia Health Authority
- Health PEI
- New Brunswick Health Authorities (2)

Where possible, MNP compared the number of resources per capita in each jurisdiction for the different non-clinical roles and functions to help inform recommendations for NTHSSA resource requirements. However, MNP also took into the consideration that a base staffing level is required no matter the population to ensure that a non-clinical function is delivered appropriately, and this consideration helped inform recommendation development on staff resource requirements.

3.6 Review Limitations

The following were limitations for completing this portion of the Sustainability Operational Review:

- Standard Operating Procedures were not available – this is contributing to some of the role clarity, decision making authority and communications challenges discussed in the findings
- At the time of completing this portion of the Sustainability Operational Review (December 2021 to November 2022), MNP was unable to obtain a breakdown of the number of funded and unfunded positions for non-clinical functions from NTHSSA.
- The findings in this report are reflective of stakeholder feedback collected for the Sustainability Operational Review between the months of January 2022 to May 2022, and do not reflect changes to stakeholder perception after that time.

Review Findings

4 Review Findings

4.1 NTHSSA Corporate/Governance Structure

4.1.1 Stakeholder Feedback

The following section represents the responses from the stakeholder interviews (see Figure 3 above) and value chain mapping sessions completed from January 2022 through May 2022. Additional feedback collected from the Process Mapping review are not reflected in this section.

Stakeholders from the NTHSSA perceived that it is experiencing operational challenges from not having autonomy and decision making for many operational functions. This has resulted in the NTHSSA operating like a hybrid government department and service delivery organization, which has limited decision making authority and or control of several key functions which negatively impact its financial performance such as:

- Financial Management system (i.e., SAM system) selection, utilization, and ongoing updates and maintenance
    - The system is perceived as not being intuitive or user-friendly.
    - It is perceived that ineffective controls, processes, and supports led to adding and developing COAs haphazardly with limited knowledge of CIHI standards resulting in duplication of codes, discrepancies between CIHI and SAM COAs, and incorrect coding.
    - Various SAM modules do not interact with each other, which impeded the ability to generate reports automatically and results in creating inefficient, non-value adding work arounds and manual processes.
- Capital purchases and the resulting service contracts from those capital purchases
    - It is perceived that the DHSS is making capital purchase decisions without input from NTHSSA for information system software purchases which are resulting in costly service maintenance agreements later.
- Collective bargaining agreements
    - The NTHSSA perceived that the current collective agreement does not fully address their operational needs impeding their ability to properly deliver health and social services (examples include difficulty with getting approval to provide recruitment and/or retention bonuses for front line health care staff).
- Employee recruitment

- There is a perceived lack of clarity and documentation of roles and responsibilities to support several key recruitment activities, such as: vacancy identification, job advertisement, candidate screening, interviews, reference checks, and job-offers.
- The process is perceived to be complicated with multiple hand-offs between NTHSSA TOD, Department of Finance-HR and NTHSSA Hiring managers resulting in overlaps, duplications, delays to fill positions, and loss of qualified candidates.
- The NTHSSA perceived there are challenges with consistency in the job evaluation process using the Hay system resulting in the same role at NTHSSA being evaluated on a lower pay scale compared to other GNWT departments resulting in retention issues, knowledge loss, and qualified candidates choosing alternative employment options. Further data to substantiate or refute this perception should be collected as this is not supported by HR Shared Services.
- There is a perceived absence of a senior human resources role which creates challenges with decision making and direction for NTHSSA.

- Facilities management and planning
  - It is perceived that NTHSSA can not own assets that are over $50,000 and DHSS owns the equipment over $50,000 at hospital. There is no reference in Financial Administration Manual and Infrastructure policy 31.00 that reference to any dollar limit for ownership by the NTHSSA. Lack of authority and ownership is perceived to be inhibiting NTHSSA's ability to track health technology inventory.
  - DHSS is responsible for planning, needs assessment, developing operational plans and functional plans for anything over $50,000 as well as for budgets associated with health technology.
- Emergency Management
  - DHSS, Programs function (Emergency planning) is responsible for building and executing emergency plans, organizing programs, conducting tabletop exercises, and emergency social services.
  - There is no dedicated emergency planning team in NTHSSA resulting in poor communication, delays in information flow and lack of awareness and understanding of emergency planning at staff and management level.
- Communications
  - Communication role in NTHSSA is perceived to be compensated lower than a similar role in GNWT resulting in competing with government and losing staff to GNWT (based on interviews, job evaluation comparison required). Further data to substantiate or refute this perception should be collected as this is not supported by HR Shared Services.
- Privacy

- DHSS Chief Privacy Officer is responsible for privacy portfolio management, ensuring legislative requirements are met, developing privacy training materials, and records management.
- It is perceived that NTHSSA does not have enough focus on privacy to support and meet the health privacy requirements and to comply with health information act.

MNP notes that the Leadership Council serves as the NTHSSA's Board of Management under the Hospital Insurance and Health and Social Services Administration Act. The Leadership Council only has authority over the NTHSSA, with no authority over the Hay River Heath and Social Services Authority (HRHSSA) and Tlicho Community Services Agency (TCSA). The HRHSSA has an appointed Public Administrator for governance oversight who is deemed to be the Hay River Regional Wellness Council Chair. The TCSA is deemed a Board of Management and is responsible to manage, control, and operate the health facility or social services facility in the region. The composition of the NTHSSA Leadership council includes:

- Chair of the Leadership Council
- Chair of Beaufort Delta Regional Wellness Council
- Chair of the Dehcho Regional Wellness Council
- Chair of Fort Smith Regional Wellness Council
- Chair of Sahtu Regional Wellness Council
- Chair of Yellowknife Regional Wellness Council
- Chair of Hay River Regional Wellness Council
- Chair of TCSA

MNP conducted a strategic planning session with the Leadership Council in June 2022, which identified the following challenges and barriers for the NTHSSA Leadership Council and NWT HSS system overall:

- Leadership Council role clarity – members have a role as advocates for communities as chairs of Regional Wellness Councils which must be balanced with the role of governance administration for performance of the NTHSSA and HSS system as a whole.
    - Members found it difficult to balance and differentiate between their advocacy roles and governance administration roles for the NTHSSA, which were at times in conflict with each other.
- Communication and advocacy channels and the role of the Regional Wellness Council.
- Financial sustainability and reporting – there is a need for a zero-based budgeting exercise for the NTHSSA.
- Regional representation in the delivery of health services.
- Long term territorial staffing to support delivery.

A major strength of the Leadership Council noted by multiple stakeholders was the advocacy and regional representation role of the Council. It was felt that this was an import function of the Council that cannot be lost. However, there are also challenges for members to balance the needs of their region with their responsibility to provide governance oversight for the NTHSSA, as what is best for their region is sometimes in conflict for what is best for NTHSSA operations. Accordingly, the governance oversight function related to providing overall strategic direction and leadership regarding financial management, HR management, operational governance, and legal acumen is challenging for Leadership Council members, resulting in a gap for the NTHSSA related to this function compared to other comparator Health Authorities.

Multiple interviewees from the Leadership Council, the DHSS, and the NTHSSA noted that the NTHSSA was developed over time with the amalgamation of the 6 HSSAs (now regions in the NTHSSA) and a "piecemeal" approach of the addition of support functions when identified and needed over time. This included merging the budgets and deficits of the 6 member HSSAs with no opportunity for adding budgets for additional support functions over time rather than taking a structured approach with a zero-based budgeting exercise to identify the actual costs of operating the NTHSSA. Accordingly, the NTHSSA is operating more like a government department rather than a fully independent service delivery organization.

4.1.2 Previous Report Findings and Recommendations

4.1.2.1 2011 Business Process Design Report[3]

MNP was engaged by the GNWT DHSS in 2010/11 to conduct a business process design review with the intent of making recommendations for improvement that will help ensure the effective and efficient delivery of health and social services to the people of the Northwest Territories (NWT). To complete this review, MNP conducted extensive consultation with HSSA CEOs and DHSS staff, a jurisdictional review of four Canadian provinces, and a policy and legislative review. The key findings of the review are summarized in Table 1 below.

Table 1: Summary of Findings from 2011 Business Process Design Report

Summary Findings	Symptoms
Integrated service delivery model funded and operating in geographic silos	• Blurred roles and responsibilities
	• Territory wide services like physicians and medical travel are not well coordinated
	• Poor case management and limited continuity of care
	• Inconsistent service delivery standards and policies for core services

[3] https://www.hss.gov.nt.ca/sites/hss/files/design-framework-change.pdf

Summary Findings	Symptoms
	• Inconsistent access to territorial and regional level services
	• Challenged to coordinate and control shared administrative services, for example eHealth, medical travel, third party billing, and procurement
	• Inability to move funds between HSSAs based on where services were accessed
Unclear performance expectations, program planning process and inconsistent adherence to policies and program standards	• Limited accountability to Minister of Health and Social Services
	• Inconsistent definition of and funding for core primary, secondary and tertiary level services, and programs
	• Inconsistent definition of and funding for additional services and programs through contribution agreements
	• Inconsistent services and programs across the territory
Limited capacity within communities and recruitment and retention challenges	• Current Boards of Management are not always able to fulfill their mandated role
	• Health and Social Service Authority gaps in MIS/IT, finance and administration management are being filled by department
	• Health and Social Service Authority gaps in funded health professional positions are being filled by other HSSAs
	• Some Health and Social Service Authorities are not able to provide regional level services at all or without the support of other HSSAs
	• Some HSSAs are challenged to do required planning and reporting
	• Inconsistent quality and content in financial and performance reporting between the HSSAs

MNP notes that some of the challenges identified from the 2011 report such as blurred roles and responsibilities, inconsistent standards and service delivery, gaps and challenges with finance and MIS/IT, and performance reporting are still persistent in 2022.

MNP assessed three corporate/governance structure options in the 2011 report for the NWT HSS system including:

- Option A – DHSS Led HSS System

- Option B – Single HSSA with independent Board of Directors accountable to DHSS
- Option C – Three Regional HSSAs each with independent Board of Directors accountable to DHSS, and one Shared Services Authority

A graphical representation of each option is provided in Figures 4 through 6.

Figure 4: Option A from 2011 Report

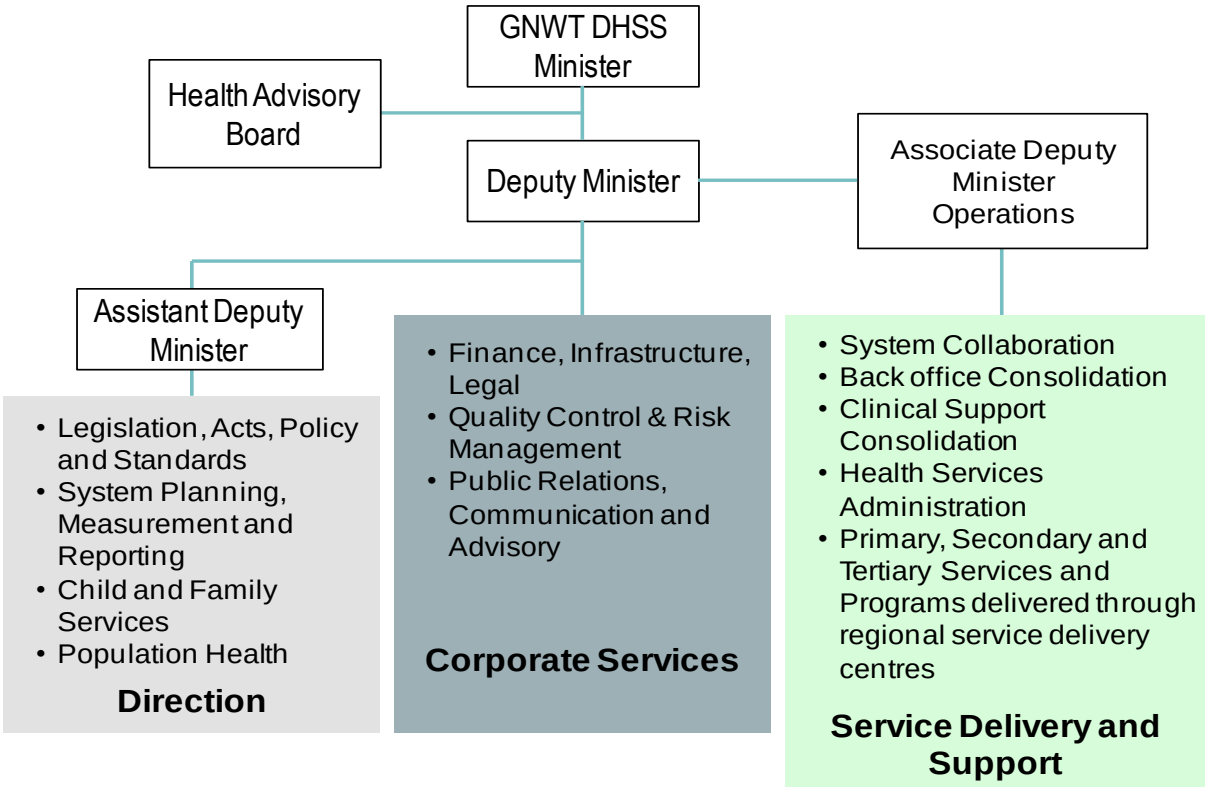


Figure 5: Option B from 2011 Report

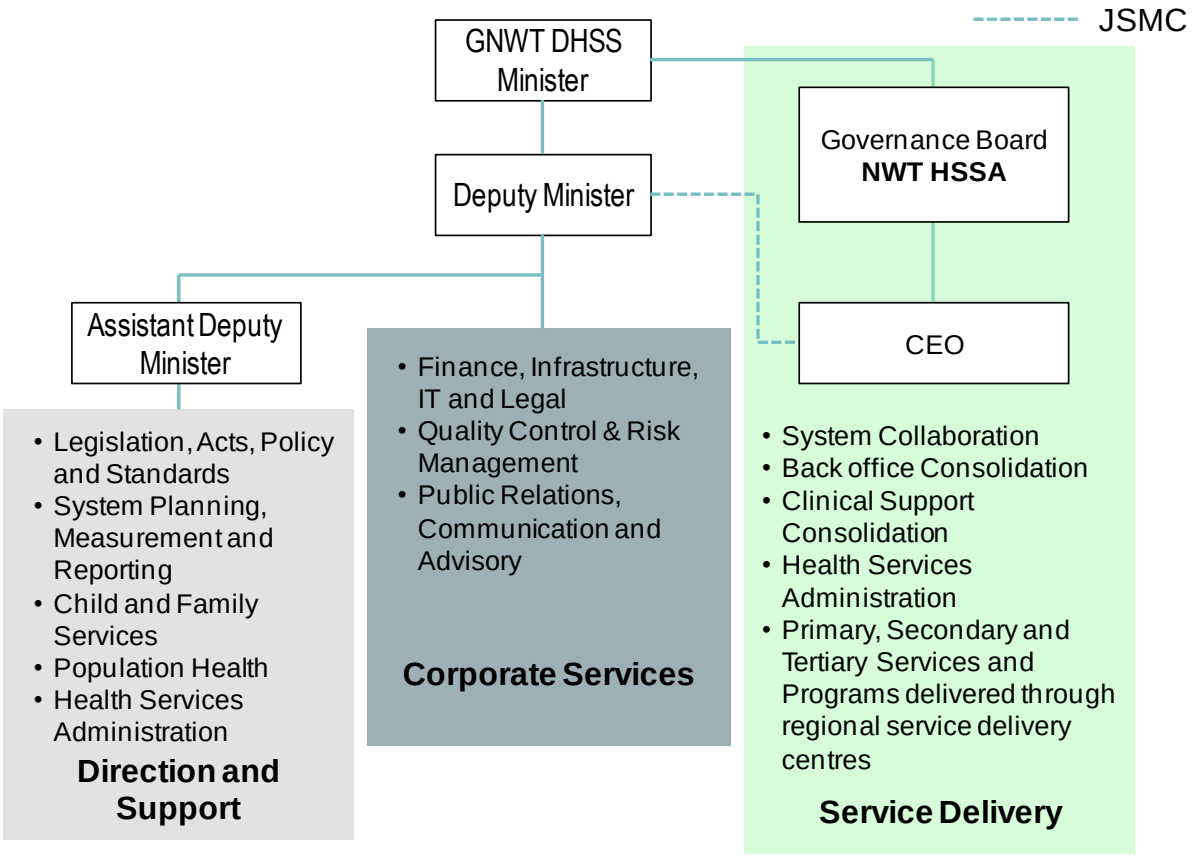


Figure 6: Option C from 2011 Report

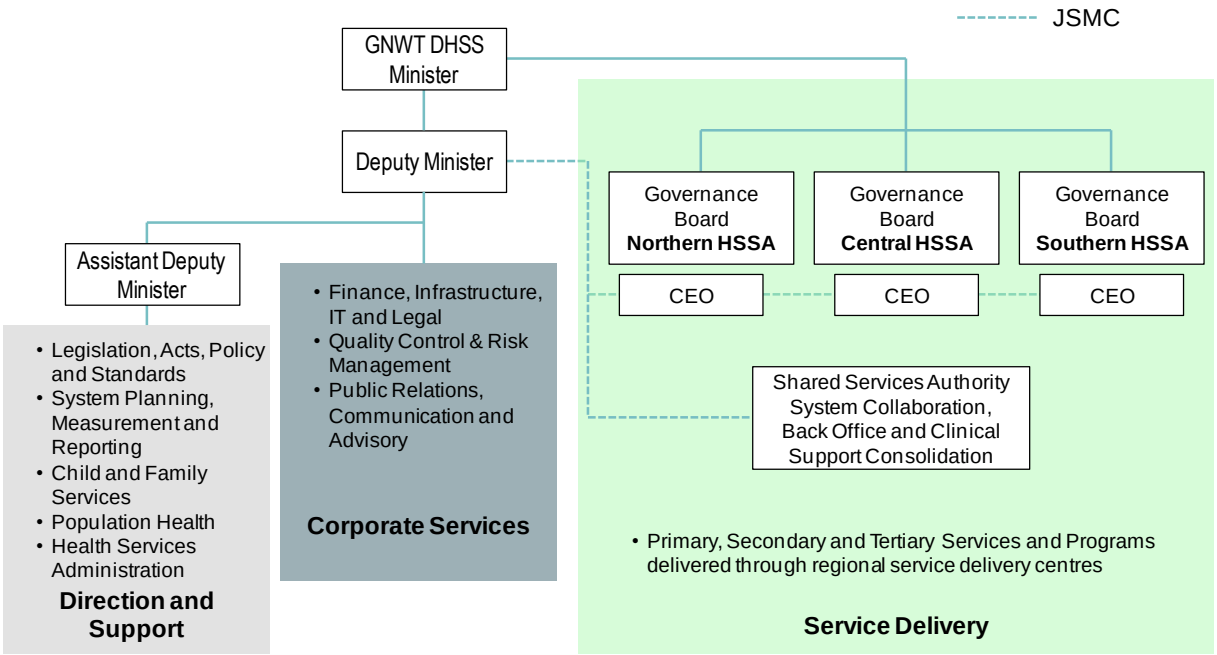


Figure 7 provides a summary comparison of the options assessed in the report, with Option B (Single HSSA with independent Board of Directors) recommended as the option to proceed with for the NWT HSSA.

Figure 7: Summary Comparison of Options

Criteria	Option A	Option B	Option C
Accountability	Does not provide arms' length management of health and social service delivery	One organization and board provides greater clarity of governance role and the capacity to fulfill that role	Four separate HSSAs with boards reporting to DHSS
Risk Management	Government has responsibility for entire risk management process but is accountable only to itself	Government delegates responsibility to one accountable HSSA	Government delegates responsibility to three separately accountable HSSAs who manage risk independently
System Linkage	Service delivery and system resourcing will be internal to the department allowing system linkage	Service delivery and system resourcing will be coordinated by one HSSA	No authority or accountability to ensure system collaboration between three HSSAs
Efficient	Allows for consolidation of back office and clinical support but as a bureaucratic organization will likely not be efficient due to the inability to delegate decision making	Back office and clinical support consolidation managed by one HSSA reduces duplication, frees up resources, ensures consistency, and allows for best practices	Back office consolidation and clinical support collaboration in a separate organization provides opportunity for greater efficiency but organization has no control over HSSAs to ensure collaboration
Flexible	Structure does not encourage initiative or innovation	Service Delivery Authority is delegated to regional centres, which allows for relevant services and programs at territorial and community level	Delegation of control over service delivery to three regional HSSA boards with limited ability to coordinate at the territorial level
Sustainable	Would only be viable as a short term solution due primarily to the advantages of an arms' length health system	Improved sustainability through reduced requirement for functional expertise capacity	Reduces but does not eliminate root causes

Meets Criteria:	Strongly Met
	Met
	Poorly Met

MNP notes that the current situation and structure for the NWT HSS system is a blend of options A, B and C above. This blend includes:

- The NTHSSA currently operating more like a government department and service delivery organization which has limited decision making authority and or control of several key support functions rather than an independent service delivery organization operating at arms-length from the GNWT (more like Option A, than B).
- NTHSSA has a dedicated CEO to provide leadership over operations (which includes 6 amalgamated HSSAs), which is more like Option B than A.
- The NWT HSS system has a total of 3 HSSAs, with independent Boards or Public Administrators to provide governance oversight, which is like Option C.

MNP asserts that the recommendation made in the 2011 report and supporting evidence for that recommendation remain valid today. The 2011 report also recommended that the Board for implementing and operating Option B have the following attributes to ensure success, and MNP believes these attributes are still relevant for the NTHHSA Board of Management to have today:

- Financial knowledge and experience
- Clinical knowledge and experience
- Organizational design understanding
- Communication skills
- Change leadership skills
- Collaborative negotiation and communication
- Commitment to system success
- Understanding of and experience with NWT culture and priorities
- Collectively reflect and represent the population of NWT

4.1.2.2 2014 Accountability Framework Report[4]

The 2014 Accountability Framework and System-Wide Risk Based Evaluation Report completed by MNP identified several capacity issues in the NWT HSS system related to the collection of data for informing performance measures in the system. It appears that many of the challenges identified in the 2014 report still persist in 2022 based on stakeholder feedback, creating challenges with operational, service delivery and financial reporting and planning for the NTHSSA. The challenges identified in the 2014 report included:

- There is no standardization and consistency in the collection and management of data/information across the territory. Each HSSA (now regions in the NTHSSA) collects data/information independently, creates independent data definitions, and uses the data/information collected uniquely. This impacts both the quality and consistency of the data/information collected within the system.

[4] https://www.hss.gov.nt.ca/sites/hss/files/performance-measurement-accountability-framework.pdf

- The process for managing records across the territories is inconsistent.
- There is a mix of ICD-9 and ICD-10 coding systems used in the acute care facilities in the territory and each facility defines data elements differently. This results in data sets that are not consistent.
- The clinical systems implemented by HSSAs in the territory have been configured and deployed inconsistently resulting in fragmented data collection with different systems that are not linked to each other.
- There is no standardized data capture and reporting systems for mental health and addictions programs and services.
- The sharing of information between HSSAs is limited.
- The sharing of information along points in the continuum of care for patients is limited.
- The sharing of information between program areas such as public health and home care is limited.
- The cleansing and validation of the data collected is limited.

MNP could not confirm the degree that each challenge above exists given the scope of the Sustainability Review; however, the ability to collect reliable HSS system data to inform performance measures is still a challenge today.

4.1.3 Jurisdictional Analysis

4.1.3.1 Corporate Structure of Comparator Health Authorities

Each of the direct comparator rural/remote health authorities, including Northern Health Region (Manitoba), Northern Health (BC), and Central Health (Newfoundland) operate as independent entities with their own Board of Directors (MB and BC) or Board of Trustees (Figure 8). In addition, the other Health Authorities included in the analysis from Alberta, Saskatchewan, Nova Scotia, and PEI were also independent organizations with dedicated Boards of Directors. MNP acknowledges that having an independent arms-length entity with an independent Board does not provide complete autonomy over the delivery of programs and services by each comparator health authority as they are still accountable to the Ministry of Health in each province and must operate within the legislative and policy framework in the province. However, it does provide an ability to better influence decision making for the day-to-day operations of the authority and greater flexibility to address issues and situations that are unique to health services delivery in a more timely, effective, and potentially efficient manner.

Figure 8: Corporate Structure of Comparator Health Authorities from Jurisdictional Scan

	Governance	Health Authority Executive Leadership	Dept of Health - Government
Northern Health, BC	Board of Directors (6 total) Colleen V. Nyce – has more than 15 years of corporate leadership experience working in private, multi-national business Wilfred Adam – Represented the Lake Babine Nation for over 27 years in different capacities including as chief for 17 years Shannon Anderson –23 years for City of Dawson Creek in municipal engineering and as Frank Everitt John Kurjata – Partner at SKK, accounting firm in Dawson Creek Linda D. Locke	Executive Leadership – 13 members • CEO • VP, Financial and Corporate Services/Chief Financial Officer • VP, Human Resources • VP, Planning & Quality • VP, Primary and Community Care and Chief Nursing Executive • VP, Medicine • VP, Indigenous Health • Chief Communications and External Relations • Chief Operating Officer, Northeast Health Service Delivery Area • Chief Operating Officer, Northern Interior Health Service Delivery Area • Chief Operating Officer, Northwest Health Service Delivery Area • Chief Medical Health Officer • VP, Population an Public Health	• Minister's Office • Deputy Minister's office • Health System Innovation • Health System Operations • Health System Services • Indigenous Reconciliation & Anti-Racism • Organizational Priorities & Workforce Planning • Stakeholder Engagement • Office of the Provincial Health Officer • Legislation • Intergovernmental Relations • Office of Seniors Advocate

	Governance	Health Authority Executive Leadership	Dept of Health - Government
Northern Health Region - Manitoba	Board of Directors (11 total) Chair – Flin Flon Vice Chair – The Pas Cross Lake – 1 member The Pas – 3 members Creighton, SK – 1 member Flin Flon – 1 member Thompson – 2 members Snow Lake – 1 member Committees • Executive • Governance • Audit • Finance • Indigenous Health & Human Resources • Quality and Patient Safety	Executive Leadership – 11 members • CEO • Regional Lead Medical Services & Chief Medical Officer • VP Planning & population Health • VP Human Resources & Chief Human Resources Officer • VP Corporate Services & Chief Financial Officer • Regional Administrative Officer/Executive Director Medical Administration • VP Clinical Services & Inter professional Practice Chief Nursing Officer • Executive Director Clinical Services, The Pas & Flin Flon • Executive Director Clinical Services, Thompson & Area • Chief Indigenous Health Officer • Executive Director Allied Health and Long Term Care/Chief Allied Health Officer	• Minister of Health and Seniors Care • Deputy Minister • Resource and Performance • Policy and Accountability • Insurance • Population Health • Transition • Office of the Chief Provincial Public Health Officer

	Governance	Health Authority Executive Leadership	Dept of Health - Government
Central Health, NL	Board of Trustees (12 members) Mr. Sturge – retired educator with experience in health and human resources Mr. Kendell – retired educator Ms. Hoskins – extensive education background Mr. LeDrew – high school principal Ms. Pritchett – former president of Flight Enterprises Ltd. and expertise in governance, health, and policy and planning Mr. Dillon – retired provincial servant Mr. Penney – president of Penney Paving Ltd. Mr. Pearce – retired Vice Principal and educational psychologist Mr. Oxford – Social Worker Ms. Clark – Mayor for Town of Campbelltown Ms. Whelan – Executive Director of Emerald Community Development Corporation	Executive Leadership – 10 members • President & CEO • VP, Corporate Services and Provincial Shared Services Supply Chain • VP, Integrated Health and Chief Nursing Executive • Patient Experience Advisor • VP People and Transformation • Interim VP Medical Services & Chief of Internal Medicine • Director Communications and Government Relations • Senior, Director, Primary Health Care & Community Services • Medical Officer of Health • Director, Facilities Management & Engineering	• Financial Services • Audit Claims Integrity • Information Management • Strategic Human Resources • Pharmaceutical Services • Medical Services Branch • Regional Services Branch • Policy, planning and performance Monitoring Branch • Population Health Branch • Communications

4.1.3.2 Trends in Health Spending for Comparator Health Authorities

According to the Canadian Institute for Health Information (CIHI), health spending in Canada grew by an average of 4% per year from 2015 through 2019, 13.2% in 2020, and 7.6% in 2021.[5] A similar trend was also observed for the three comparator health authorities and the NTHSSA (Table 2). MNP notes that the growth in spending for the NTHSSA has been like other similar health authorities including Norther Health (BC) and the Northern Health Region (MB). Accordingly, like the NWT and NTHSSA, financial sustainability is challenge for many health systems and authorities across Canada. In addition, given that core inflation remains high in Canada at 6%, health care costs will continue to grow across the country.

Table 2: Health Spending Trends for Comparator Health Authorities (millions $)

Health Authority	2019/20	2020/21	2021/22	% Growth 2019/20 – 2021/22
NTHSSA	419	460	498	19%
Northern Health Region - MB[6]	230	246	265	15%
Northern Health - BC[7]	947	1,032	1,124	19%
Central Health - NL[8]	400	398	439	10%

The total costs for the NTHSSA in 2020/21 were $460.06 million, of which $356.44 million were for health service delivery and $103.62 million were for the delivery of community social programs. MNP notes that the cost per person of delivering health services by the NTHSSA is 1.8 to 2.5 times higher than the comparator health authorities included in the analysis (Table 3).

The total costs for administration and support services for the NTHSSA was $65.09 million, which represents 14.1 % of total NTHSSA costs. MNP notes that the percentage of administration costs to total costs for the comparator authorities ranged from 5% to 8.5%. It was noted that the administration and support services costs also include medical travel costs of $24.44 million. If these costs are eliminated from the administration and support services cost line, the percentage of administration costs to total costs for the NTHSSA drops to 8.8%, which is closer to the comparator authorities on percentage basis but still significantly higher on a cost per population basis. However, MNP does acknowledge that a base staffing level is required no matter the population to ensure that a non-clinical function is

[5] https://www.cihi.ca/en/national-health-expenditure-trends

[6] https://northernhealthregion.com/about-us/reports-and-publications/

[7] https://www.northernhealth.ca/about-us/accountability/reports/financial-accountability#audited-financials

[8] https://www.centralhealth.nl.ca/reports

delivered appropriately, and this consideration helped inform recommendation development on staff resource requirements.

Table 3: Comparison of Health Spending per Person

	NTHSSA	Northern Health - BC	Northern Health Region - MB	Central Health - NL
Population Served	45,504	300,000	76,847	94,000
Geographic spread (sq km)	1,346,106	600,000	396,000	60,000
Population per sq km	0.03	0.50	0.19	1.57
Total Operating Costs - Health (2020/21)	$356,441,000*	$1,032,014,000	$235,329,215	$398,321,275
Operating Cost/Population	$7,833.18	$3,440.05	$3,062.31	$4,237.46
Admin Costs (2020/21)	$40,652,000**	$80,277,000	$11,866,811	$33,698,496
% Admin Costs to Total Costs	8.8%***	7.8%	5.0%	8.5%
Admin Costs/Population	$893.37**	$267.59	$154.42	$358.49

* Excludes community social programs

** Includes administration and support services minus medical travel costs. A breakdown of this cost category was not available.

*** Based on total health and social services costs. Medical travel costs removed.

4.1.4 Recommendations for Improving Corporate Structure

Recommendations were informed by the findings as presented in Sections 4.1.1, 4.1.2, and 4.1.3 above. MNP considered three options for improving the corporate structure of the NTHSSA. The options provide a range from significant changes to the corporate structure to making modifications and improvements to the existing structure. A description of each option is provided below.

4.1.4.1 Option 1A – Make the NTHSSA a True "Arms-Length" Entity

Recommendation #1A: Make the NTHSSA a True "Arms-Length" Entity from the GNWT with Full Autonomy and Authority to Manage Its Operations as a Service Delivery Agency
Supporting Rationale

Recommendation #1A: Make the NTHSSA a True "Arms-Length" Entity from the GNWT with Full Autonomy and Authority to Manage Its Operations as a Service Delivery Agency
1. The NTHSSA functions like another GNWT department rather than an "arms-length" entity, and lacks autonomy to manage its "day-to-day" operations which has resulted in operational inefficiencies that NTHSSA has limited control over such as: a) HR recruitment and contract negotiations. b) The use of SAM as a financial management system, resulting in misaligned chart of accounts. c) Limited control of space management and physical infrastructure. d) Limited control over capital purchases and resulting service agreements. e) Privacy and emergency management. 2. All the rural/remote health authorities we examined as comparators in the jurisdictional scan were independent entities from their provincial governments, but still accountable to their Ministry of Health. 3. The 2011 Business Process Design report recommended that the consolidated health and social services authority should be separate and distinct from government, which has not occurred. a) This requirement was identified by the stakeholders engaged with in 2011 as well as the jurisdictional scan completed at that time.
Expected Benefits 1. The ability to setup structures and systems that are better aligned with the needs of the NTHSSA. 2. More autonomy and accountability for day-to-day operations. 3. More flexibility and ability to directly respond to issues facing the organization in a timely manner.
Key Actions Required 1. Set-up a time limited "Change Management Office" that would support the transition to a full "arms-length" entity, and other key structural changes (Recommendations 2 and 3). This office would report to the NTHSSA and support the NTHSSA, and DHSS as required. 2. Review the Health and Social Services Administration Act, the Finance Administration Act, the Public Service Act and other regulations and policies such as Infrastructure Establishment Policy 31.00 and modify, if necessary, to enable the NTHSSA to operate as a true "arms-length" entity from the GNWT. 3. Review and determine the legal impacts related to the current collective agreement with the Union of Northern Workers and GNWT, including if a new bargaining unit or collective agreement would be required for NTHSSA employees. 4. Review and modify the organizational structure and governance structure for the NTHSSA to support this transition (see Recommendations 2 and 3). a) The NTHSSA will need to work with the GNWT to determine what organizational functions will be transitioned from a GNWT shared-services environment (e.g.,

Recommendation #1A: Make the NTHSSA a True "Arms-Length" Entity from the GNWT with Full Autonomy and Authority to Manage Its Operations as a Service Delivery Agency
Procurement Shared Services, HR functions and finance functions provided through Financial and Employee Shared Services) directly to the NTHSSA's organizational structure. b) The NTHSSA and DHSS will have to determine if the Leadership Council will continue to provide governance oversight of the NTHSSA as part of the governance for the NWT HSS, or if a separate NTHSSA Board will need to be developed (see Recommendation 2). c) Engage regional leaders and stakeholders to understand their feedback and concerns with implementing this change, including how to ensure appropriate representation in the organizational and governance structures. 5. Ensure that the NTHSSA has the operational funding required to operate as a true stand-alone entity. a) Conduct a new zero-based budget exercise to ensure that NTHSSA has proper funding. b) The NTHSSA would have an annual contribution agreement with the DHSS and would be held accountable to this new budget moving forward. c) The NTHSSA must enter into an accountability agreement with the minister. The minimal terms of the accountability agreement should be outlined in the Health and Social Services Act.
Timing • Next 18 - 24 months

4.1.4.2 Option 1B – Maintain Current Structure and Focus on Holistic Improvements

Recommendation #1B: Focus on Holistic Process Improvement and Accountability Agreements with DHSS and Central Finance while Maintaining Current Structure.
Supporting Rationale 1. The NTHSSA functions like another GNWT department rather than an "arms-length" entity, and lacks autonomy to manage its "day-to-day" operations which has resulted in operational inefficiencies that NTHSSA has limited control over such as: a) HR recruitment and contract negotiations. b) The use of SAM as a financial management system, resulting in misaligned chart of accounts. c) Limited control of space management and physical infrastructure. d) Limited control over capital purchases and resulting service agreements. e) Privacy and emergency management.

Recommendation #1B: Focus on Holistic Process Improvement and Accountability Agreements with DHSS and Central Finance while Maintaining Current Structure.
2. Supports the optimization of effectiveness and efficiency of key organizational functions that are supported by shared services (e.g., HR and finance) through: a) Improved Role clarity. b) Process simplification. c) Creating a process improvement culture that focuses on the benefits that each group brings to the table (e.g., NTHSSA operational knowledge of health, Government's economies of scales of centralization of key functions for all funded areas, etc.).
Expected Benefits 1. Improved communications between the various groups that support the delivery of health through operational delivery, policy development, and support functions. 2. Improved understanding of roles and benefits that each group can bring to support the delivery of health services.
Key Actions Required 1. Complete current state process mapping of key identified HR and finance processes to gain a deeper understanding of challenges and determine where to focus efforts on process improvement (currently in process). a) Consider establishing a dedicated HR Leadership function within the organization structure at NTHSSA, to better mitigate issues and challenges with Financial and Employee Shared Services (see Recommendation 3). 2. Evaluate roles and responsibilities that are in NTHSSA and DHSS to determine if there is opportunity to create efficiencies through alternate staffing approaches (in process for some administrative functions). 3. Establish a cross-functional and cross organizational advisory group that is responsible for the review of process efficiency initiatives and approval of improvements forward in support of improved delivery of health services. 4. Establish a process for staff and managers to bring forward process improvement options in support of improved delivery of health services. 5. Identify opportunities for and establish accountability agreements (e.g., outcomes for funding, recruitment timelines, etc.). 6. Conduct a new zero-based budget exercise to ensure that NTHSSA has proper funding.
Timing • Next 18 - 24 months

4.1.4.3 Option 1C – Transfer Responsibility for Administering HSS to DHSS

Recommendation #1C: Dissolve the NTHSSA and other HSSAs and Transition the Responsibility for Administering the NWT HSS to the DHSS
Supporting Rationale 1. Currently, the NTHSSA functions like another GNWT department rather than an "arms-length" entity and lacks autonomy to manage its "day-to-day" operations which has resulted in operational inefficiencies that NTHSSA has limited control over. The implementation of this option would eliminate the potential duplication of activities currently being conducted by the NTHSSA and DHSS, and potentially improve the recruitment and retention of non-clinical staff. 2. Supports the optimization of effectiveness and efficiency of key organizational functions that are supported by shared services (e.g., HR and finance) through: a) Improved Role clarity. b) Process simplification. c) Creating a process improvement culture that focuses on the benefits that each group brings to the table (e.g., Government's economies of scales of centralization of key functions for all funded areas, etc.).
Expected Benefits 1. Improved communications between the various groups that support the delivery of health through operational delivery, policy development, and support functions. 2. Improved understanding of roles and benefits that each group can bring to support the delivery of health services.
Key Actions Required 1. Set-up a time limited "Change Management Office" that would support the transition to DHSS and with key structural changes. This office would report to the NTHSSA and support the NTHSSA, HRHSSA (if applicable) and DHSS as required during the transition. 2. Review the Health and Social Services Administration Act, the Finance Administration Act, the Public Service Act and other regulations and policies such as Infrastructure Establishment Policy 31.00 and modify, if necessary, to enable the DHSS to administer HSS in the NWT. 3. Review and determine the legal impacts for NTHSSA staff related to the current collective agreement with the Union of Northern Workers and GNWT. 4. Engage regional leaders and stakeholders to understand their feedback and concerns with implementing this change, including how to ensure appropriate representation in the organizational and governance structures. 5. Maintain the Leadership Council to provide advocacy, governance, and oversight to the DHSS. 6. Ensure that the DHSS has the operational funding required to properly administer HSS by conducting a new zero-based budget exercise.

Recommendation #1C: Dissolve the NTHSSA and other HSSAs and Transition the Responsibility for Administering the NWT HSS to the DHSS
7. Complete current state process mapping of key identified HR and finance processes to gain a deeper understanding of challenges and determine where to focus efforts on process improvement (currently in process for NTHSSA). 8. Evaluate roles and responsibilities that are in NTHSSA and DHSS to determine if there is opportunity to create efficiencies in current staffing approaches (currently in process for some functions).
Timing • Next 18 - 24 months

4.1.4.4 Comparison of Corporate Structure Options

Corporate Structure options were assessed against desired outcomes on the following 5-point scale:

- **Strongly supports** - The option strongly supports achieving the desired outcome, and receives a rating of 4 out of 4
- **Supports** - The option adequately supports achieving the desired outcome, and receives a rating of 3 out of 4
- **Somewhat Supports** - The option moderately supports achieving the desired outcome, and receives a rating of 2 out of 4
- **Poorly Supports** - The option minimally supports achieving the desired outcome, and receives a rating of 1 out of 4
- **Does Not Support** - The option does not support achieving the desired outcome, and receives a rating of 0 out of 4

Table 4 provides a summary comparison of the corporate structure options, including a summary of how each option helps to support the NTHSSA's objectives to better understand the trade-offs and benefits of each solution.

Table 4: Summary Comparison of Corporate Structure Options

Desired Outcome	Option 1A – Independent "Arms Length" NTHSSA	Option 1B – Holistic Improvements to Existing NTHSSA Structure	Option 1C – Dissolve NTHSSA and Transition to DHSS	Status Quo
Total Outcome Score	22	17	12	6
Improved working within shared services environment	Potential to limit dependence on shared services and improve operational responsiveness	Focus on improving functions that are supported by shared services	Leverages DHSS experience in working with GNWT shared services, but will still experience current challenges	Current challenges within shared services environment still exist
Increased Operational Autonomy	Improves operational autonomy of NTHSS with increased accountability in HSS system	Potential to improve operational autonomy through improved collaboration with shared services and improved role clarity	Improves autonomy to deliver HSS in NWT, but no arms-length accountability from GNWT with independent entity	Currently have limited operational autonomy
Improved efficiencies of non-clinical functions within the NTHSSA	Ability to be more responsive to system needs resulting in opportunities to improve efficiencies with HR functions, service agreements and financial processes	Opportunities to focus on improving working relationship with shared services resulting in potential efficiencies for non-clinical functions	Leverages DHSS experience in working with GNWT shared services resulting in potential efficiencies for non-clinical functions	Current situation has issues with inefficiencies in non-clinical functions
Improved effectiveness of overall administration, management oversight and leadership of NTHSSA	Ability to be more flexible to respond to system needs to improve the overall management and oversight of NTHSSA services	Focusses on holistic improvements to process and culture that support overall improvements to management and oversight of NTHSS services	Potential to improve role clarity for management and oversight; however, structure does not encourage flexibility or innovation to respond to system needs	Current challenges would remain

Desired Outcome	Option 1A – Independent "Arms Length" NTHSSA	Option 1B – Holistic Improvements to Existing NTHSSA Structure	Option 1C – Dissolve NTHSSA and Transition to DHSS	Status Quo
Improved operational accountability	NTHSSA is more accountable for its performance	Focused improvements on non-clinical functions such as HR and finance could improve operational accountability	Does not provide any arms' length management of HSS delivery	Current level of accountability does not change
Improved financial accountability	NTHSSA is more accountable for its financial performance	Focused improvements on finance processes could improve financial accountability	Limited financial accountability, as no arms-length accountability from GNWT with independent entity	Current level of accountability does not change

The option with the highest score for desired outcomes is *Option 1A – Independent Arms-Length NTHSSA* with a score 22, followed by *Option 1B – Holistic Improvements to Existing NTHSSA Structure* with a score of 17 (Table 5).

Table 5: Summary of Outcome Scoring Comparison for Each Corporate Structure Option

Desired Outcome	Option 1A – Independent "Arms Length" NTHSSA Outcome Score	Option 1B – Holistic Improvements to Existing NTHSSA Structure Outcome Score	Option 1C – Dissolve NTHSSA and Transition to DHSS Outcome Score	Status Quo Outcome Score
Improved working within shared services environment	2	4	3	1
Increased Operational Autonomy	4	2	2	1
Improved efficiencies of non-clinical functions within the NTHSSA	4	3	3	1

Desired Outcome	Option 1A – Independent "Arms Length" NTHSSA Outcome Score	Option 1B – Holistic Improvements to Existing NTHSSA Structure Outcome Score	Option 1C – Dissolve NTHSSA and Transition to DHSS Outcome Score	Status Quo Outcome Score
Improved effectiveness of overall administration, management oversight and leadership of NTHSSA	4	3	2	1
Improved operational accountability	4	3	1	1
Improved financial accountability	4	2	1	1
Total Outcome Score	22	17	12	6

4.1.4.5 Risks and Implications of Each Corporate Structure Option

Table 6 provides a summary and assessment of the risks and implications of implementing each recommended corporate structure option. Each option was assessed against identified risks and implications related to implementing the option on the following 3-point scale:

- Low - There is low risk or impact to the NTHSSA from the identified risk/ implication if the option was implemented by the NTHSSA, resulting in a rating of 3 out of 3.
- Medium - There is a medium risk or impact to the NTHSSA from the identified risk/ implication if the option was implemented by the NTHSSA, resulting in a rating of 2 out of 3.
- High - There is a high risk of impact to the NTHSSA from the identified risk/ implication of the option was implemented by the NTHSSA, resulting in a rating of 1 out of 3.

Table 6: Risks and Implications of Each Recommended Corporate Structure Option

Risk/Implication	Option 1A – Independent "Arms Length" NTHSSA	Option 1B – Holistic Improvements to Existing NTHSSA Structure	Option 1C – Dissolve NTHSSA and Transition to DHSS	Status Quo
Total Risk Score	9	18	13	19
Overall degree of change to the NWT HSS	This option will require the highest degree of change and associated risk for the NWT HSS related to legislative changes, labour relations, financial budgeting and accountability, utilization of GNWT shared services, and stakeholder support.	This option does not require significant changes and is closest to the status quo from a corporate structure, legislative framework, and labour relations perspective, reducing risk compared to Options 1A and 1C.	This option will require a medium to high degree of change and associated risks to transfer NTHSSA operations to DHSS related to legislative changes, labour relations, financial budgeting and accountability and stakeholder support.	Status quo does not result in any changes.
Potential changes needed to the Health and Social Services Administration Act, the Finance Administration Act, the Public Service Act and other regulations and policies such as Infrastructure Establishment Policy 31.00	This option has a medium risk of requiring potential changes to these Acts and other regulations and policies given it is a significant change from the status quo, and a detailed policy review should be completed if this option is chosen to fully understand the regulatory changes required to implement this recommendation.	This option is closest to the status quo, and accordingly there is a low risk of requiring changes to these acts and other regulations and policies.	This option has a medium to high risk for requiring potential changes to these Acts and other regulations and policies given it is a significant change from the status quo, and a detailed policy review should be completed if this option is chosen to fully understand the regulatory changes required to implement this recommendation.	Status quo does not result in any changes.

Risk/Implication	Option 1A – Independent "Arms Length" NTHSSA	Option 1B – Holistic Improvements to Existing NTHSSA Structure	Option 1C – Dissolve NTHSSA and Transition to DHSS	Status Quo
Changes to existing labour/union agreements and bargaining units	This option has the highest risk associated with potentially requiring a change(s) to the existing collective agreement with the Union of Northern Workers and GNWT, given that the NTHSSA would become a fully independent entity from the GNWT. A detailed review of the impacts to the current agreement for NTHSSA staff (including legal impacts) would be needed if this option is selected.	This option is like the status quo and has a low risk of requiring changes to the existing collective agreement with the Union of Northern Workers and GNWT.	There is a medium to high risk that this option will impact or require potential change(s) to the collective agreement with the Union of Northern Workers and GNWT as it will involve moving staff from the NTHSSA to the DHSS. A detailed review of the impacts to the current agreement for NTHSSA staff (including legal impacts) would be needed if this option is selected.	Status quo does not result in any changes.
A need to complete a zero-based budgeting exercise to rebase and ensure proper funding for administering and delivering HSS in the NWT.	A need to complete a zero-based budgeting exercise was identified as a requirement, no matter which option is selected. No such exercise was completed at the time of setting up the NTHSSA and is required to ensure the financial requirements for operating the NTHSSA are properly budgeted for.	A need to complete a zero-based budgeting exercise was identified as a requirement, no matter which option is selected. No such exercise was completed at the time of setting up the NTHSSA and is required to ensure the financial requirements for operating the NTHSSA are properly budgeted for.	A need to complete a zero-based budgeting exercise was identified as a requirement, no matter which option is selected. No such exercise was completed at the time of setting up the NTHSSA and is required to ensure the financial requirements for operating HSS by the DHSS are properly budgeted for.	Completing a deficit reduction plan and GRI program costing review instead of zero-based budgeting exercise.

Risk/Implication	Option 1A – Independent "Arms Length" NTHSSA	Option 1B – Holistic Improvements to Existing NTHSSA Structure	Option 1C – Dissolve NTHSSA and Transition to DHSS	Status Quo
Reduced Access and Support from GNWT Shared Services (FESS and PSS), and a need to provide these services independently	There is a high risk that the NTHSSA will have reduced or potentially no access to GNWT shared services if it selects this option. Accordingly, the NTHSSA will most likely need to build internal capacity to replace the functional components current provided through GNWT Shared Services. The NTHSSA will need to work collaborative with the GNWT to determine if any Shared Services support would be accessible if this option is selected.	The key tenant of this option is to improve the working relationship with GNWT Shared Services. However, a key recommended step for implementing this option is to develop a dedicated HR Leadership function within the organization structure at NTHSSA, to better mitigate issues and challenges with Financial and Employee Shared Services. The is a low to medium risk this could impact the relationship with GNWT Shared Services.	The DHSS' requirements for GNWT Shared Services will increase if it takes on the responsibilities for administering HSS in the NWT. There is a low to medium risk that GNWT Shared Services may not be able to accommodate the additional demand and requirements of the DHSS if this option were to be implemented.	Level of access to GNWT Shared Services is not expected to change significantly. However, current levels of services perceived to not be meeting the NTHSSA's needs.

Risk/Implication	Option 1A – Independent "Arms Length" NTHSSA	Option 1B – Holistic Improvements to Existing NTHSSA Structure	Option 1C – Dissolve NTHSSA and Transition to DHSS	Status Quo
Reduced access to funds to support operational deficits	There is a high risk that the NTHSSA will have reduced access to cash resources to support operational deficits if this option is implemented. Accordingly, a zero-based budgeting exercise will be needed to ensure the NTHSSA is funded appropriately to be held to account against its budget.	There is a medium risk that the NTHSSA will have reduced access to cash resources to support operational deficits after the recommendations of the Sustainability Operational Review and Business Process Review are implemented. Accordingly, a zero-based budgeting exercise will be needed to ensure the NTHSSA is funded appropriately to be held to account against its budget.	There is a lower risk than Options 1A and 1B that the DHSS will have reduced access to cash resources to support operational deficits should it take over the role of administering HSS in the NWT. However, a zero-based budgeting exercise should be conducted ensure the DHSS is funded appropriately to be held to account against its budget.	There is a medium risk that the NTHSSA will have reduced access to cash resources to support operational deficits if it decides to do nothing about its current situation.
Challenges with stakeholder support for option	This option is a major change to the NWT HSS and has the highest risk of experiencing resistance from multiple stakeholder groups including the GNWT, regional representatives, and members of the public. A strong communications plan and change management office would be required to support the implementation of this option if selected.	This option is closest to the status quo and has the lowest risk of experiencing resistance from multiple stakeholders.	This option is a major change to the NWT HSS as well and has a high risk of experiencing resistance from multiple stakeholder groups including the GNWT, regional representatives, and members of the public. A strong communications plan and change management office would be required to support the implementation of this option if selected.	Low risk of experiencing resistance from multiple stakeholders.

The option with the highest score for mitigating risk to the NTHSSA is the Status Quo with a score of 19, followed by *Option 1B – Holistic Improvements to Existing NTHSSA Structure* with a score of 18 (Table 7).

Table 7: Summary of Risk Scoring Comparison for Each Corporate Structure Option

Risk/Implication	Option 1A – Independent "Arms Length" NTHSSA Risk Score	Option 1B – Holistic Improvements to Existing NTHSSA Structure Risk Score	Option 1C – Dissolve NTHSSA and Transition to DHSS Risk Score	Status Quo Risk Score
Overall degree of change to the NWT HSS	1	3	2	3
Potential changes needed to the Health and Social Services Administration Act, the Finance Administration Act, the Public Service Act and other regulations and policies such as Infrastructure Establishment Policy 31.00	2	3	1	3
Changes to existing labour/union agreements and bargaining units	1	3	2	3
A need to complete a zero-based budgeting exercise to rebase and ensure proper funding for administering and delivering HSS in the NWT.	2	2	2	3
Reduced Access and Support from GNWT Shared Services (FESS and PSS), and a need to provide these services independently	1	2	2	2
Reduced access to funds to support operational deficits	1	2	3	2

Risk/Implication	Option 1A – Independent "Arms Length" NTHSSA Risk Score	Option 1B – Holistic Improvements to Existing NTHSSA Structure Risk Score	Option 1C – Dissolve NTHSSA and Transition to DHSS Risk Score	Status Quo Risk Score
Challenges with stakeholder support for option	1	3	1	3
Total Risk Score	9	18	13	19

4.1.4.6 Recommended Option for Corporate Structure

Overall, the option with the highest combined score for balancing desired outcomes and mitigating risks for the NTHSSA is *Option 1B – Holistic Improvements to Existing NTHSSA Structure* with a combined score of 35, followed by *Option 1A – Independent Arms-Length NTHSSA* with a combined score of 31 (Table 8).

Table 8: Overall Scoring for Corporate Structure Options

Score Type	Option 1A – Independent "Arms Length" NTHSSA	Option 1B – Holistic Improvements to Existing NTHSSA Structure	Option 1C – Dissolve NTHSSA and Transition to DHSS	Status Quo
Desired Outcomes	22	17	12	6
Risk Mitigation	9	18	13	19
Total Option Score	31	35	25	25

Accordingly, MNP recommends the NTHSSA implement *Option 1B – Maintain Current Structure and Focus on Holistic Improvements*, as it provides the best balance between supporting desired benefits and mitigating risks to the NTHSSA by:

- Improving the current issues and challenges observed for the NTHSSA from working in a shared services environment within the GNWT, by improving these processes and procedures and providing the NTHSSA with a moderate degree of autonomy with its operations.
- Maintaining the positive impacts realized through the NTHSSA Leadership Council.

- Providing the best fit within the current political and legislative environment within the GNWT.
- Being least disruptive to the current staffing model and collective agreement for the NTHSSA.
- Being best aligned with stakeholder feedback received through the stakeholder engagement process.

4.1.5 Recommendations for Improving Board Governance

MNP considered two options for improving Board Governance for the NTHSSA. A description of each option is provided below.

4.1.5.1 Option 2A – Revise NTHSSA Board Governance Structure

Recommendation #2A: Revise the Board Management Structure for the NTHSSA to Have an Operational Board of Management with Appointees Who Have the Competencies Required for Implementing Transformational Change for the NTHSSA that is Supported by an Advisory Council Composed of the Regional Wellness Council Chairs.
Supporting Rationale 1. The Leadership Council currently serves as the NTHSSA's Board of Management under the Hospital Insurance and Health and Social Services Administration Act. 2. The Leadership Council is composed of the chairs of the Wellness Councils, Chair of the TCSA, and the Leadership Council Chair. 3. A major strength of the Leadership Council noted by multiple stakeholders was the advocacy and regional representation role of the Council. 4. Leadership Council members noted challenges with balancing and differentiating between their advocacy roles and governance administration roles for the NTHSSA, which were at times in conflict with each other. a. Accordingly, the governance oversight function related to providing overall strategic direction and leadership regarding financial management, HR management, operational governance, and legal acumen is challenging resulting in a gap for the NTHSSA related to this function compared to other comparator Health Authorities. 5. As per MNP's 2011 Business Process Deign Report, the level of change required to enable longer-term sustainability for the NTHSSA is significant, and will require leadership and governance support with strong competencies in financial management, change management, organizational capacity building, communication, clinical knowledge, negotiation, collectively understand NWT culture and priorities, and is representative of the population served.
Expected Benefits 1. Stronger leadership and governance to support the changes required in the organization to improve long-term sustainability.

Recommendation #2A: Revise the Board Management Structure for the NTHSSA to Have an Operational Board of Management with Appointees Who Have the Competencies Required for Implementing Transformational Change for the NTHSSA that is Supported by an Advisory Council Composed of the Regional Wellness Council Chairs.
2. A Board with appointed members who are more focused on their direct fiduciary duty to the NTHSSA. 3. Leadership Council would continue to act in an advisory role the operational Board.
Key Actions Required 1. Review current legislation such as the Health and Social Services Administration Act, the Finance Administration Act, the Public Service Act and other regulations and policies and modify, if necessary, to enable the NTHSSA to establish an Operational Board that is supported by an Advisory Council (i.e., the Leadership Council). 2. Establish, through appointment by the Minister, an Operational Board of Directors for the NTHSSA that has strong competencies in financial management, change management, organizational capacity building, communication, clinical knowledge, negotiation, collectively understand NWT culture and priorities, and is representative of the population served by the NTHSSA. a. Amendment to Section 7.(1) of the Health and Social Services Administration Act would be required to support this recommendation. 3. Have the current Leadership Council serve an advisory role to the Operational NTHSSA Board, to represent the needs of each of the regions in the NTHSSA. 4. Evaluate pros and cons of non-local board members to determine requirements for filling those roles.
Timing • 18 – 36 Months initially, and ongoing

4.1.5.2 Option 2B – Maintain Leadership Council and Build Capacity

Recommendation #2B: Maintain the Leadership Council's Dual Role as Community Advocates/Advisors to Minister and Strong Operational Governors for the NTHSSA and Focus on Training and Succession Planning-based Recruitment to build capacity.
Supporting Rationale 1. The Leadership Council currently serves as the NTHSSA's Board of Management under the Hospital Insurance and Health and Social Services Administration Act. 2. The Leadership Council is composed of the chairs of the Wellness Councils, Chair of the TCSA, and the Leadership Council Chair.

Recommendation #2B: Maintain the Leadership Council's Dual Role as Community Advocates/Advisors to Minister and Strong Operational Governors for the NTHSSA and Focus on Training and Succession Planning-based Recruitment to build capacity.
3. A major strength of the Leadership Council noted by multiple stakeholders was the advocacy and regional representation role of the Council. 4. Leadership Council members noted challenges with balancing and differentiating between their advocacy roles and governance administration roles for the NTHSSA, which were at times in conflict with each other. 5. As per MNP's 2011 Business Process Deign Report, the level of change required to enable longer-term sustainability for the NTHSSA is significant and will require leadership and governance support with strong competencies in financial management, change management, organizational capacity building, communication, clinical knowledge, negotiation, collectively understand NWT culture and priorities, and is representative of the population served. 6. Opportunity to build operational capacity and maintaining the benefits of community advocacy while building up operational governance capabilities to ensure the best interests of the NTHSSA are prioritized. 7. Acknowledges that recruitment for more roles could prove difficult in filling all the positions of maintaining two groups – a governing board and advocacy and advisory based council.
Expected Benefits 1. Succession planning-based Recruitment that focuses on finding key skills as they relate to operational governance in the regions will help leadership council improve operational governance to support the changes required in the organization to improve long-term sustainability overtime. 2. Maintains consistency with current structures.
Key Actions Required 1. Develop and facilitate training program to build further understanding on the dual role for current and new members. 2. Develop an evaluation framework to ensure key required skills are identified, where training is successful, and where there are remaining gaps in operational governance. 3. Develop recruitment plan for future position openings that focus on areas of operational governance that improve the leadership council in key areas, such as. Financial, HR and Legal acumen. 4. Evaluate options to provide subject matter expertise from external experts to support the leadership council in specialized areas (e.g., finance, hr, legal, etc.).
Timing • 18 – 36 Months initially, and ongoing

4.1.5.3 Comparison of Governance Options

Governance options were assessed against desired outcomes on the following 5-point scale:

- **Strongly supports** - The option strongly supports achieving the desired outcome, and receives a rating of 4 out of 4
- **Supports** - The option adequately supports achieving the desired outcome, and receives a rating of 3 out of 4
- **Somewhat Supports** - The option moderately supports achieving the desired outcome, and receives a rating of 2 out of 4
- **Poorly Supports** - The option minimally supports achieving the desired outcome, and receives a rating of 1 out of 4
- **Does Not Support** - The option does not support achieving the desired outcome, and receives a rating of 0 out of 4

Table 9 provides a summary comparison of the Governance options, including a summary of how each option helps to support the NTHSSA's objectives to better understand the trade-offs and benefits of each solution.

Table 9: Summary Comparison of Governance Options

Desired Outcome	Option 2A – Revise NTHSSA Board Governance Structure	Option 2B – Maintain Leadership Council and Build Capacity	Status Quo
Total Outcome Score	24	21	12
Improved working within shared services environment	Potential to limit dependence on shared services and improve operational responsiveness	Improves competencies in finance, HR and legal could help improve guidance for working in shared services environment	Current challenges within shared services environment still exist
Greater Operational Autonomy	Improves operational autonomy	Potential to improve operational autonomy with improved competencies in finance, HR and legal	Currently have limited operational autonomy

Desired Outcome	Option 2A – Revise NTHSSA Board Governance Structure	Option 2B – Maintain Leadership Council and Build Capacity	Status Quo
Improved efficiencies of non-clinical functions within the NTHSSA	Ability to be more responsive to system needs resulting in opportunities to improve efficiencies with HR functions, service agreements and financial processes	Could improve strategic direction for NTHSSA leading to opportunities to improve efficiencies related to HR functions, service agreements and financial processes	Current situation has issues with inefficiencies in non-clinical functions
Improved effectiveness of overall administration, management oversight and leadership of NTHSSA	Ability to be flexible to respond to system needs to improve the overall management and oversight of NTHSSA services	Could improve strategic direction for NTHSSA leading to opportunities to improve management and oversight of NTHSSA services	Current challenges would remain
Improved operational accountability	NTHSSA is more accountable for its performance	Improves competencies in HR, legal and finance which could improve accountability	Current level of accountability does not change
Improved financial accountability	NTHSSA is more accountable for its financial performance	Improves competencies in finance could improve financial accountability	Current level of accountability does not change
Addresses regional concerns and the need for culturally safe spaces	Leadership Council serves as advisory committee, which could reduce regional influence over decision making	Maintains current strengths of Leadership Council in this area	Maintains current strengths of Leadership Council in this area

The option with the highest score for desired outcomes is *Option 2A – Establish Dedicated Board of Directors* with a score 24, followed by *Option 2B – Maintain Leadership Council and Build Capacity* with a score of 21 (Table 10).

Table 10: Summary of Outcome Scoring Comparison for Each Governance Option

Desired Outcome	Option 2A – Revise NTHSSA Board Governance Structure Score	Option 2B – Maintain Leadership Council and Build Capacity Outcome Score	Status Quo Outcome Score
Improved working within shared services environment	2	2	1
Greater Operational Autonomy	4	3	1
Improved efficiencies of non-clinical functions within the NTHSSA	4	3	2
Improved effectiveness of overall administration, management oversight and leadership of NTHSSA	4	3	1
Improved operational accountability	4	3	1
Improved financial accountability	4	3	2
Addresses regional concerns and the need for culturally safe spaces	2	4	4
Total Outcome Score	24	21	12

4.1.5.4 Risks and Implications of Each Governance Option

Table 11 provides a summary and assessment of the risks and implications of implementing each recommended governance option. Each option was assessed against identified risks and implications related to implementing the option on the following 3-point scale:

- Low - There is low risk or impact to the NTHSSA from the identified risk/ implication if the option was implemented by the NTHSSA, resulting in a rating of 3 out of 3.
- Medium - There is a medium risk or impact to the NTHSSA from the identified risk/ implication if the option was implemented by the NTHSSA, resulting in a rating of 2 out of 3.
- High - There is a high risk of impact to the NTHSSA from the identified risk/ implication of the option was implemented by the NTHSSA, resulting in a rating of 1 out of 3.

Table 11: Risks and Implications of Each Recommended Governance Option

Risk/Implication	Option 2A – Revise NTHSSA Board Governance Structure	Option 2B – Maintain Leadership Council and Build Capacity	Status Quo
Total Risk Score	4	8	8
Overall degree of change to the NWT HSS	This option represents a significant change for governing the NWT HSS system, by moving the Leadership council into an advisory role for a separate NTHSSA Board. This will result in significant implications and higher overall risk compared to Option 2B (see below). Consideration will also need to be given regarding the governance of HRHSSA and TCSA.	This option looks to build on the strengths of the Leadership Council, with the Council retaining the governance function for the NWT HSS system. Accordingly, this option represents a lower degree of change and associated risks.	Status quo does not result in any changes.
Challenges with stakeholder support for option	The Leadership Council has many positive qualities that are liked by stakeholders. There is a medium risk that stakeholders may not support changing the Council's role from a governance body to an advisory body.	This option looks to build on the strengths of the Leadership Council, with the Council retaining the governance function for the NWT HSS. Accordingly, this option has a lower risk of experiencing challenges with stakeholder support.	Status quo does not result in any changes, so should have the lowest risk of experiencing challenges with stakeholder support.

Risk/Implication	Option 2A – Revise NTHSSA Board Governance Structure	Option 2B – Maintain Leadership Council and Build Capacity	Status Quo
Limited ability to recruit enough qualified candidates to sit on Board/Leadership Council	MNP heard through stakeholder interviews that it is challenging to recruit enough qualified candidates to sit on HSS governing bodies. Accordingly, there is a high risk that the NTHSSA would struggle to recruit enough qualified candidates to sit on the NTHSSA Board and Leadership Council advisory body.	There is a medium risk of not being able to recruit enough qualified candidates to the Leadership Council under this option. However, the risk compared to Option 2A is reduced through training existing Leadership Council members and using external experts as needed.	There is a continued medium risk of not being able to recruit enough qualified candidates to the Leadership Council under the status quo.

The options with the highest scores for mitigating risk to the NTHSSA is the status quo and *Option 2B – Maintain Leadership Council and Build Capacity* with a score of 8 (Table 12).

Table 12: Summary of Risk Scoring Comparison for Each Governance Option

Risk/Implication	Option 2A – Establish Dedicated Board of Directors Risk Score	Option 2B – Maintain Leadership Council and Build Capacity Risk Score	Status Quo Risk Score
Overall degree of change to the NWT HSS	1	3	3
Challenges with stakeholder support for option	2	3	3
Limited ability to recruit enough qualified candidates to sit on Board/Leadership Council	1	2	2
Total Risk Score	4	8	8

4.1.5.5 Recommended Option for Governance

Overall, the option with the highest combined score for balancing desired outcomes and mitigating risks for the NTHSSA is *Option 2B – Maintain Leadership Council and Build Capacity* with a combined score of 29, followed by *Option 2A – Establish Dedicated Board of Directors* with a combined score of 28 (Table 13).

Table 13: Overall Scoring for Governance Options

Score Type	Option 2A – Establish Dedicated Board of Directors	Option 2B – Maintain Leadership Council and Build Capacity	Status Quo
Desired Outcomes	24	21	12
Risk Mitigation	4	8	8
Total Option Score	28	29	20

Accordingly, MNP recommends that the NTHSSA consider implementing *Option 2B - Maintain Leadership Council and Build Capacity*, as it provides the best balance between supporting desired benefits and mitigating risks to the NTHSSA by:

- Improving the current issues and challenges observed for the NTHSSA from working in a shared services environment within the GNWT by improving strategic direction, oversight, and competencies in HR, legal and finance.
- Maintaining the current positive impacts of the NTHSSA Leadership Council related to addressing regional concerns and the need for culturally safe spaces.
- Providing the best fit within the current political and legislative environment within the GNWT.
- Being least disruptive to the current governance structure for the NTHSSA.
- Being best aligned with stakeholder feedback received through the stakeholder engagement process.
- Reducing the need to establish a separate Operational Board with a limited pool of qualified candidates to select from.

4.2 NTHSSA Organizational Management Structure

4.2.1 Stakeholder Feedback

The following section represents the responses from the stakeholder interviews and value chain mapping sessions completed from January 2022 to May 2022. Additional feedback collected from the Process Mapping review is not reflected in this section.

Stakeholders perceived that there is a lack of clarity as it relates to decision making, reporting relationships and communications between regional and territorial staff. Communications challenges were expressed in the following ways:

- Communication and flow of information is a challenge, key decisions are not always communicated clearly throughout organization.
- Interaction between regional managers and supervisors and Territory leadership can be challenging.
- Issue resolution is a complex process, unsure who is in responsible and accountable, no documentation or process exist.
- Lack of clarity and understanding of objective and vision of single authority at system and functional level.

Additionally, stakeholders perceived there to be Senior Management structural challenges between the Regional COOs and other NTHSSA Senior leadership which makes it difficult to balance the needs for territorial consistency with the unique needs of the regions as well as between the DHSS and the NTHSSA which results in challenges with the delineation of decision-making authority for policy/funding and operational delivery. Structural challenges were further elaborated on in the following ways:

- Lack of clarity on how system is structured (e.g., regional, or centralized).
- Lack of clarity on the alignment of structure with the vision and goal.
- NTHSSA organization structure is perceived to be more siloed at regional level resulting in more fragmented system.
- Unclear reporting structures, some staff report regionally, and some staff report territorially results in an unclear and challenging reporting structure.
- Alignment of structure among three health authorities is missing (e.g., Hay River HSSA have directors and NTHSSA have territorial managers).
- Hay River and Tlicho are not treated equally with NTHSSA, it is felt that that they don't have equal say at the table.
- Trust is reported to be an issue at various levels.

Finally, stakeholders perceived there to be a lack of clarity of the roles and responsibilities of Territorial Executive Directors, COOs, Senior Management, and Middle Management. The matrix reporting structure is contributing to role confusion which can result in duplication of effort in some areas and other functions not having resources assigned and accountable at times. Roles and responsibilities challenges were elaborated in the following ways:

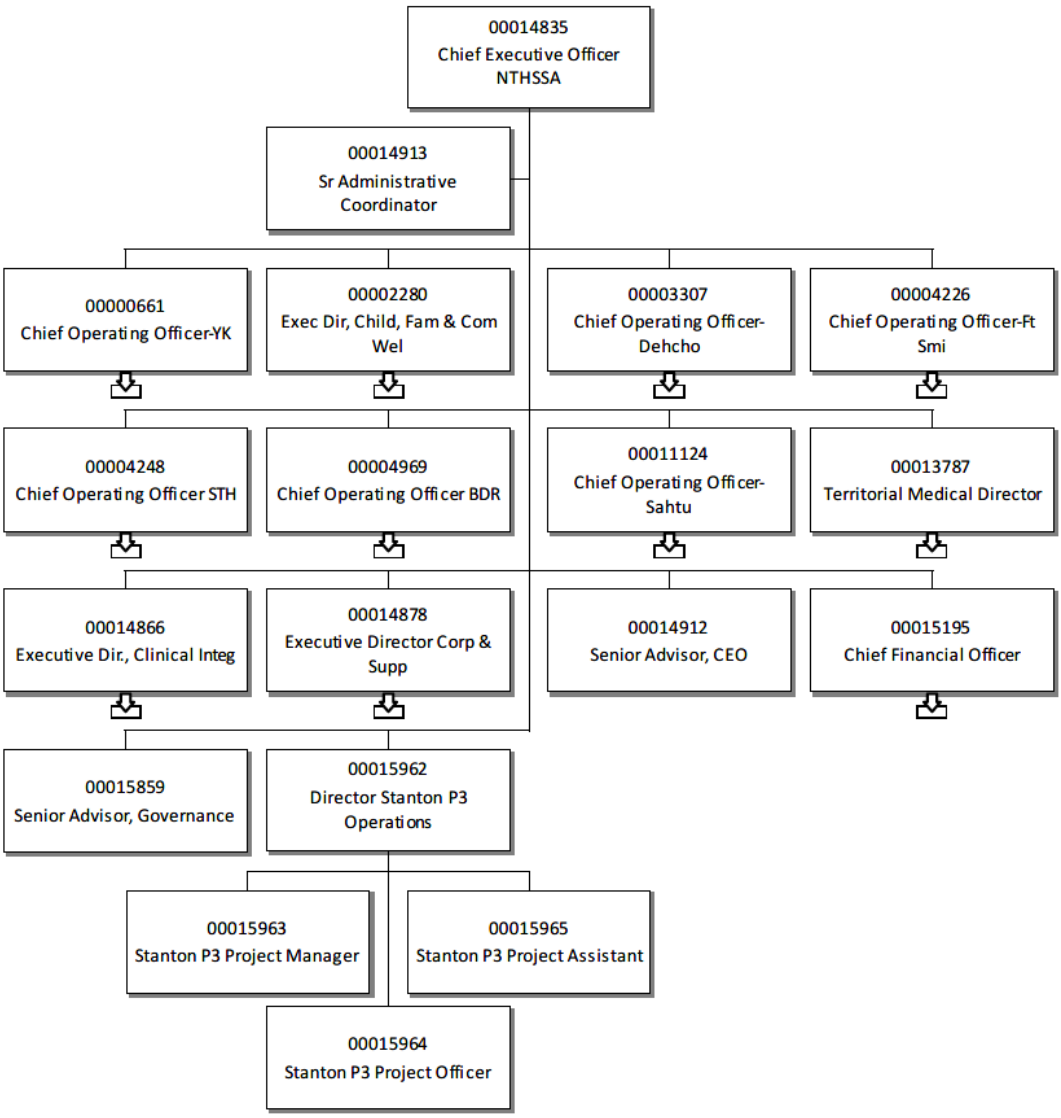
- There is limited decision-making autonomy by NTHSSA leadership, requiring approvals by other GNWT departments for day-to-day operations.
- Lack of definition of roles and responsibilities between the regional and territorial staff
- Overlap of the roles and responsibilities between NTHSSA, DHSS, and GNWT in providing and supporting the provision of health services.
- Lack of clarity on how regions and communities are divided among different health authorities. Hay River Authority providing services to people in regions that fall under NTHSSA – this results in capacity issues at time.
- Regular turnover at multiple executive leadership positions (e.g., high turnover at CFO position historically which has recently stabilized, COOs, and Executive Director of Clinical Integration).
- There is an absence of a senior human resources role which creates a challenge in the decision-making authority as it relates to the function.

4.2.2 Historical Context

On August 1, 2016, The NTHSSA was established as one of three health and social services authorities creating the central authority for the five regions it serves: Beaufort-Delta, Sahtu, Dehcho, Yellowknife, and Fort Smith, as well as Stanton Territorial Hospital. At this time, the NTHSSA merged to create an Executive Management Team that was led by a single Chief Executive Officer (CEO).

The CEOs from the former health and social services authorities took on new roles as the Chief Operating Officers of the NTHSSA's regions, reporting to the newly formed NTHSSA CEO. As reported earlier, multiple interviewees noted that the NTHSSA was developed utilizing a "piecemeal" approach with the addition of support functions when identified as needed over time to support the CEO and regional COOs. The current management structure for the NTHSSA as of April 5, 2023 (Figure 9) reflects this evolution.

Figure 9: Current NTHSSA Management Structure[9]



4.2.3 Jurisdictional Analysis

MNP reviewed three comparable heath jurisdictions Northern Health (BC), Northern Health Region (MB), and Central Health (NL). These three jurisdictions face similar challenges or serving smaller populations over larger landmasses. Below is a summary (Figure 10) of the executive leadership team and Department structure of the Northwest Territories as it compares to these jurisdictions.

[9] Based on NTHSSA Organizational Structure as of April 5, 2023

Figure 10: Management Structure Jurisdictional Comparison[10]

	Health Authority Executive Leadership	Dept of Health - Government
NWT	Executive Leadership – 11 members • CEO • Chief Financial Officer (CFO) • Executive Director, Clinical Integration • Executive Director, Corporate and Support Services • Territorial Medical Director • Chief Operating Officer - Beaufort Delta Region • Chief Operating Officer - Sahtu Region • Chief Operating Officer - Dehcho Region • Acting Chief Operating Officer - Yellowknife Region • Chief Operating Officer - Fort Smith Region • Chief Operating Officer - Stanton Territorial Hospital	• Deputy Minister • ADM Corporate Services and Cultural Safety • ADM, Programs • ADM Finance, Policy & Planning • Territorial Executive Director, Child Family Services • Senior Advisor to DM • Chief Public Health Officer • Senior Advisor, Problematic Substance Use • Director Community, Culture, and Innovation
Northern Health, BC	Executive Leadership – 13 members • CEO • VP, Financial and Corporate Services/Chief Financial Officer • VP, Human Resources • VP, Planning & Quality • VP, Primary and Community Care and Chief Nursing Executive • VP, Medicine • VP, Indigenous Health • Chief Communications and External Relations	• Minister's Office • Deputy Minister's office • Health System Innovation • Health System Operations • Health System Services • Indigenous Reconciliation & Anti-Racism • Organizational Priorities & Workforce Planning • Stakeholder Engagement • Office of the Provincial Health Officer • Legislation

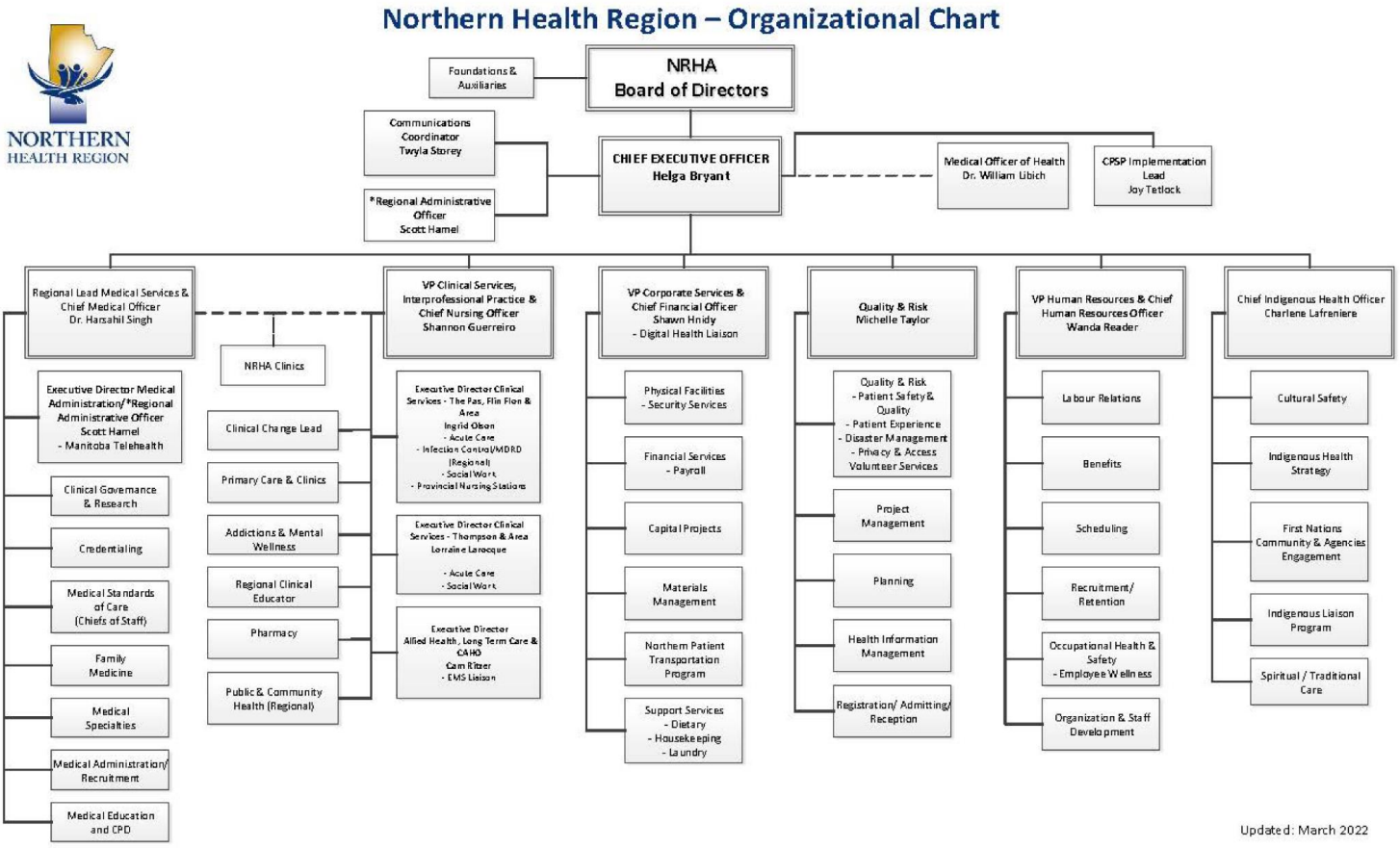
[10] Based on DHSS Organizational Structure as of April 4, 2023

	Health Authority Executive Leadership	Dept of Health - Government
	• Chief Operating Officer, Northeast Health Service Delivery Area • Chief Operating Officer, Northern Interior Health Service Delivery Area • Chief Operating Officer, Northwest Health Service Delivery Area • Chief Medical Health Officer • VP, Population and Public Health	• Intergovernmental Relations • Office of Seniors Advocate
Northern Health Region - Manitoba	Executive Leadership – 11 members • CEO • Regional Lead Medical Services & Chief Medical Officer • VP Planning & population Health • VP Human Resources & Chief Human Resources Officer • VP Corporate Services & Chief Financial Officer • Regional Administrative Officer/Executive Director Medical Administration • VP Clinical Services & Inter professional Practice Chief Nursing Officer • Executive Director Clinical Services, The Pas & Flin Flon • Executive Director Clinical Services, Thompson & Area • Chief Indigenous Health Officer • Executive Director Allied Health and Long-Term Care/Chief Allied Health Officer	• Minister of Health and Seniors Care • Deputy Minister • Resource and Performance • Policy and Accountability • Insurance • Population Health • Transition • Office of the Chief Provincial Public Health Officer

	Health Authority Executive Leadership	Dept of Health - Government
Central Health, NL	Executive Leadership – 10 members • President & CEO • VP, Corporate Services and Provincial Shared Services Supply Chain • VP, Integrated Health and Chief Nursing Executive • Patient Experience Advisor • VP People and Transformation • Interim VP Medical Services & Chief of Internal Medicine • Director Communications and Government Relations • Senior, Director, Primary Health Care & Community Services • Medical Officer of Health • Director, Facilities Management & Engineering	• Financial Services • Audit Claims Integrity • Information Management • Strategic Human Resources • Pharmaceutical Services • Medical Services Branch • Regional Services Branch • Policy, planning and performance Monitoring Branch • Population Health Branch • Communications

Much like the NWT, Northern Health Region (MB) works to balance the benefits of central authority with the need to be able to localize. This is accomplished through Executive Directors for key areas that report directly to the VP of Clinical Services (Figure 11).

Figure 11: Northern Health Region Organizational Structure



4.2.4 Recommendations for Improving Organizational Management Structure

In developing the following options, MNP focused on addressing and building upon the following key findings:

5. There is a lack of clarity related to decision making for the NTHSSA. This is being exhibited in the following ways:
    a. At the Senior Management level between Regional COOs and other NTHSSA Senior Leadership – difficulty balancing the needs for territorial consistency versus the unique needs of the regions located outside of Yellowknife.
    b. Between the DHSS and the NTHSSA – delineation of decision-making authority for policy/funding vs operational delivery.

c. There is an absence of a senior human resources role which creates a challenge in the decision-making authority as it relates to the function.

6. There are many COO positions in the organization that could be reduced, at the regional level.
7. Based on anecdotal evidence, development and integration of regional budgets/plans, and the accountability for doing so is not well defined. There is a need for better coordination of this aspect.
8. Social services have already adopted a model of having regional managers reporting to 1 territorial director, which was perceived as being an effective model.

In developing the following options, MNP considered the following key design principles:

- Simplicity: The structure should be simple and intuitive to employees and customers.
- Span of Control: The number of people effectively managed by one person should be selected so as not to sacrifice efficiency and effectiveness.
- Size and Balance: There should be a reasonable balance in the size of portfolios so they can be managed.
- Job structure: A position should be designed around activities that need to be performed and not tailored to the qualifications of the individual.
- Specialization: The activities for which a single individual is held responsible should be similar.
- Decentralization of Authority: The responsibility for decision making should be placed as far down in the organization as is appropriate.
    - An important consideration in the NTHSSA context is also having the ability to properly balance regional authority with standardized processes and tools to guide program and service delivery.
- Authority and Responsibility: Leadership should be given responsibility for results and the authority needed to perform the job properly.

These principles were considered in the management structure options. MNP recommends they continue to be of focus through further organizational structural build out, detailed planning, and implementation of structural changes.

In the following sections, you will see two options for consideration, both of which are expected to provide the following benefits:

- Better balance between regional input into program/service delivery and the ability to use more standardized process and tools for service delivery.
- Improved the communication and flow of information at the leadership level of the organization.

4.2.4.1 Option 3A – Modify Existing Organizational Management Structure (2 COO Option)

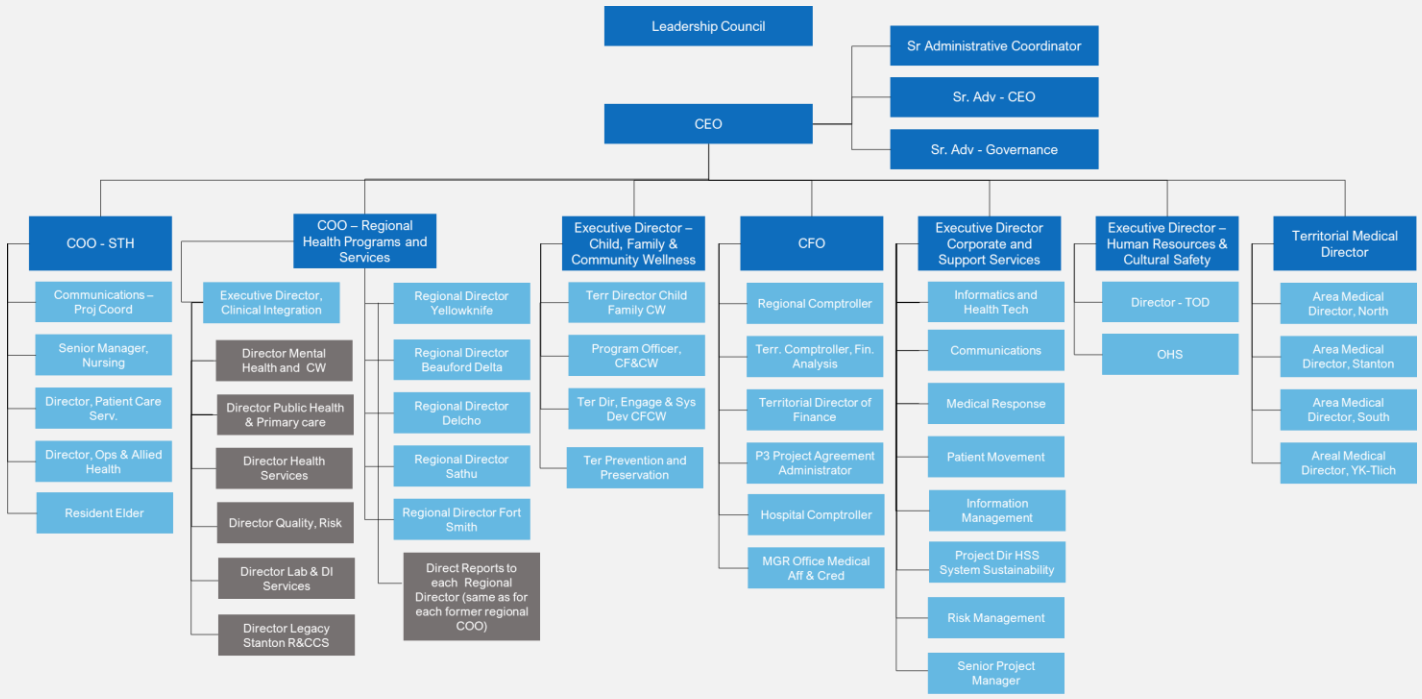
Recommendation #3A: Modify the Organizational Management Structure for the NTHSSA to Better Support the Balance Between Regional Differences and the Need for Improved Standardization of Operations and Service Delivery (2 COO Option)

Proposed Structure

In the first management structure option the CEO would have seven direct reports with the following functional areas of focus:

Below showcases the management team that would be needed to support each of the executive leadership team members:

Recommendation #3A: Modify the Organizational Management Structure for the NTHSSA to Better Support the Balance Between Regional Differences and the Need for Improved Standardization of Operations and Service Delivery (2 COO Option)



Key Actions Required

1. Create an ED Human Resources & Cultural Safety position who reports directly to the CEO to provide overall HR and cultural safety leadership and strategic direction for the NTHSSA, including leading development of a cultural safety action plan as well as providing leadership for the NTHSSA related to recruitment and retention, workforce planning, performance management and labour relations with an Indigenous lens and help improve the overall working relationship with Central HR in the Department of Finance (FESS).
2. Keep the ED Corporate and Support Services position to provide leadership for corporate support services related to medical response, patient movement, HSS system sustainability, risk management, informatics and health technology, information and records management, communications, and project management. Move Talent and Organizational Development and OHS to under ED HR & Cultural Safety.
3. Create 1 COO position to oversee health programs and service delivery in Yellowknife, Fort Smith, Dehcho, Beaufort Delta and Sahtu regions, that is supported by Regional Directors (accountability for budgeting, program planning and reporting in each region outside of Yellowknife).
    a. Elimination of 5 FTE COOs for Yellowknife, Fort Smith, Dehcho, Beaufort Delta and Sahtu regions, and creation of 5 FTE Regional Director positions with one located in each region to provide leadership to the same direct reports of the former COOs.
    b. This position can be based in Yellowknife, or any of the other 4 regions.
    c. This is meant to address the need for better coordination of the standardization of service delivery, processes, and procedures continuing to respect the unique needs of the regions outside of Yellowknife.

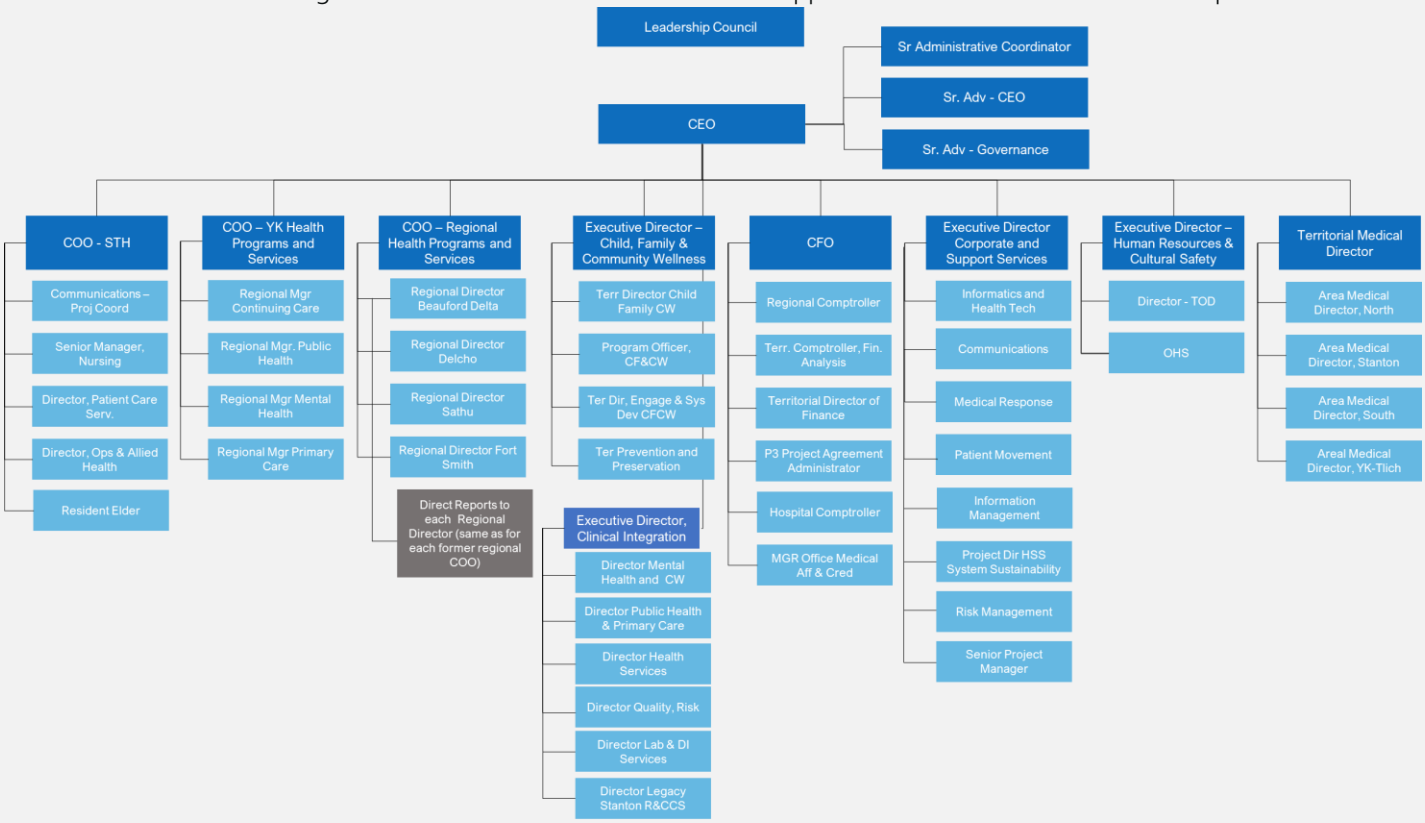
Recommendation #3A: Modify the Organizational Management Structure for the NTHSSA to Better Support the Balance Between Regional Differences and the Need for Improved Standardization of Operations and Service Delivery (2 COO Option)
d. In this structure, more accountabilities should be placed on the Regional Directors to articulate their service delivery plans, including budget estimates, service levels etc. and the reporting of spending against plan, and report these back to the COO. i. The COO is then responsible for rolling up the regional plans/budgets so that they can be integrated at the organizational level. e. The COOs and their teams will continue to be responsible for operational HR functions including role specific supports, performance management, coaching, scheduling, etc. 4. Keep the Executive Director, Child, Family and Community Wellness position as is. 5. Move the ED Clinical Integration and their direct reports to under COO Regional Health Programs and Services, which provides the COO responsible for operations with direct access to the ED responsible for operational policy. a. Under this option, the COO would provide oversight for operational policy, but still have the ED Clinical Integration responsible and accountable for operational policy.
Timing • Concurrent with recommendation 1, 18 – 24 months

4.2.4.2 Option 3B - Modify Existing Organizational Management Structure (3 COO Option)

Recommendation #3B: Modify the Organizational management Structure for the NTHSSA to Better Support the Balance Between Regional Differences and the Need for Improved Standardization of Operations and Service Delivery (3 COO Option)
Proposed Structure In the first management structure option the CEO would have nine direct reports with the following functional areas of focus:

Recommendation #3B: Modify the Organizational management Structure for the NTHSSA to Better Support the Balance Between Regional Differences and the Need for Improved Standardization of Operations and Service Delivery (3 COO Option)

Below showcases the management team that would be needed to support each of the executive leadership team members:



Recommendation #3B: Modify the Organizational management Structure for the NTHSSA to Better Support the Balance Between Regional Differences and the Need for Improved Standardization of Operations and Service Delivery (3 COO Option)

Key Actions Required

1. Create an ED Human Resources & Cultural Safety position who reports directly to the CEO to provide overall HR and cultural safety leadership and strategic direction for the NTHSSA, including leading development of a cultural safety action plan as well as providing leadership for the NTHSSA related to recruitment and retention, workforce planning, performance management and labour relations with an Indigenous lens and help improve the overall working relationship with Central HR in the Department of Finance (FESS).
2. Keep the ED Corporate and Support Services position to provide leadership for corporate support services related to medical response, patient movement, HSS system sustainability, risk management, informatics and health technology, information and records management, communications, and project management. Move Talent and Organizational Development and OHS to under ED HR & Cultural Safety.
3. Create 1 COO position to oversee health programs and service delivery in Fort Smith, Dehcho, Beaufort Delta and Sahtu regions, that is supported by Regional Directors (accountability for budgeting, program planning and reporting in each region outside of Yellowknife).
    a. Elimination of 4 FTE COOs for Fort Smith, Dehcho, Beaufort Delta and Sahtu regions, and creation of 4 FTE Regional Director positions with one located in each region to provide leadership to the same direct reports of the former COOs.
    b. This position can be based in Yellowknife, or any of the other 4 regions.
    c. This is meant to address the need for better coordination of the standardization of service delivery, processes, and procedures continuing to respect the unique needs of the regions outside of Yellowknife.
    d. In this structure, more accountabilities should be placed on the Regional Directors to articulate their service delivery plans, including budget estimates, service levels etc. and the reporting of spending against plan, and report these back to the COO.
        i. The COO is then responsible for rolling up the regional plans/budgets so that they can be integrated at the organizational level.
    e. The COOs and their teams will continue to be responsible for operational HR functions including role specific supports, performance management, coaching, scheduling, etc.
4. Keep the COO Yellowknife Health Programs and Services Position.
5. Keep the Executive Director, Child, Family and Community Wellness position as is.
6. Keep the ED Clinical Integration and their direct reports as is (i.e., ED Clinical Integration continues to report to CEO).

Timing

- Concurrent with recommendation 1, 18 – 24 months

4.2.4.3 Comparison of Organizational Management Structure Options

Organizational management structure options were assessed against desired outcomes on the following 5-point scale:

- **Strongly supports** - The option strongly supports achieving the desired outcome, and receives a rating of 4 out of 4
- **Supports** - The option adequately supports achieving the desired outcome, and receives a rating of 3 out of 4
- **Somewhat Supports** - The option moderately supports achieving the desired outcome, and receives a rating of 2 out of 4
- **Poorly Supports** - The option minimally supports achieving the desired outcome, and receives a rating of 1 out of 4
- **Does Not Support** - The option does not support achieving the desired outcome, and receives a rating of 0 out of 4

Table 14 provides a summary comparison of the organizational management structure options, including a summary of how each option helps to support the design thinking principles:

Table 14: Comparison of Organizational Management Structure Options

Desired Outcomes	Option 3A – Modify Existing Organizational Management Structure (2 COO Option)	Option 3B - Modify Existing Organizational Management Structure (3 COO Option)	Status Quo
Total Outcome Score	14	21	7
Simplicity - The structure should be simple and intuitive to employees and customers	Structure is simple and intuitive	Structure is simple and intuitive	COOs in regions and program-based executives creates added complexity
Span of Control - The number of people effectively managed by one person should be selected so as not to sacrifice efficiency and effectiveness	Creates even and manageable span of control except for COO – Regional Health Programs and Services would have a span of control that might be difficult to manage	Creates even and manageable span of control at the management level	Large span of control at the top of the organization

Desired Outcomes	Option 3A – Modify Existing Organizational Management Structure (2 COO Option)	Option 3B - Modify Existing Organizational Management Structure (3 COO Option)	Status Quo
Size and Balance - There should be a reasonable balance in the size of portfolios so they can be managed	Portfolios are generally balanced except for COO – Regional Health Programs which creates a large and uneven portfolio	Portfolios are reasonably balanced and sized	Portfolios vary in size with some leaders having extremely large portfolios resulting in large demands for HR management
Job Structure - A position should be designed around activities that need to be performed and not tailored to the qualifications of the individual	Positions have been designed around functional requirements, but activities could be better balanced	Positions have been designed around functional requirements	Positions have been designed around individuals, specifically regarding maintaining regional autonomy
Specialization - The activities for which a single individual is held responsible should be similar	Positions have been designed around functional activities	Positions have been designed around functional activities	Positions have been designed around functional activities, except for maintaining regional autonomy
Decentralization of Authority - The responsibility for decision making should be placed as far down in the organization as is appropriate	Decision making can be pushed to Regional Directors, COOs can help alleviate decision making pressure on CEO; however additional decision making pressure has now been placed on the COO – Regional Health Programs	Decision making can be pushed to Regional Directors, COOs can help alleviate decision making pressure on CEO	Current structure results in CEO being required for more decision making than likely necessary

The option with the highest score for desired outcomes is *Option 3B – Modify Existing Organizational Management Structure (3 COO Option)* with a score 21, followed by *Option 3A – Modify Existing Organizational Management Structure (2 COO Option)* with a score of 14 (Table 15).

Table 15: Summary of Outcome Scoring Comparison for Each Organizational Management Structure Option

Desired Outcomes	Option 3A – Modify Existing Organizational Management Structure (2 COO Option) Outcome Score	Option 3B - Modify Existing Organizational Management Structure (3 COO Option) Outcome Score	Status Quo Outcome Score
Simplicity - The structure should be simple and intuitive to employees and customers	4	4	1
Span of Control - The number of people effectively managed by one person should be selected so as not to sacrifice efficiency and effectiveness	1	4	1
Size and Balance - There should be a reasonable balance in the size of portfolios so they can be managed	1	3	1
Job Structure - A position should be designed around activities that need to be performed and not tailored to the qualifications of the individual	3	4	1
Specialization - The activities for which a single individual is held responsible should be similar	3	3	2
Decentralization of Authority - The responsibility for decision making should be placed as far down in the	2	3	1

Desired Outcomes	Option 3A – Modify Existing Organizational Management Structure (2 COO Option) Outcome Score	Option 3B - Modify Existing Organizational Management Structure (3 COO Option) Outcome Score	Status Quo Outcome Score
organization as is appropriate			
Total Outcome Score	14	21	7

4.2.4.4 Risks and Implications of Each Organizational Management Structure Option

Table 16 provides a summary and assessment of the risks and implications of implementing each recommended organizational management structure option. Each option was assessed against identified risks and implications related to implementing the option on the following 3-point scale:

- **Low** - There is low risk or impact to the NTHSSA from the identified risk/ implication if the option was implemented by the NTHSSA, resulting in a rating of 3 out of 3.
- **Medium** - There is a medium risk or impact to the NTHSSA from the identified risk/ implication if the option was implemented by the NTHSSA, resulting in a rating of 2 out of 3.
- **High** - There is a high risk of impact to the NTHSSA from the identified risk/ implication of the option was implemented by the NTHSSA, resulting in a rating of 1 out of 3.

Table 16: Risks and Implications of Each Recommended Organizational Management Structure Option

Risk/Implication	Option 3A – Modify Existing Organizational Management Structure (2 COO Option)	Option 3B - Modify Existing Organizational Management Structure (3 COO Option)	Status Quo
Total Risk Score	6	9	10
Public perception risk	This option presents a larger public perception risk than option 3B because it is a more centralized structure and removes C-suite/higher paying jobs from the regions. Communication will be required to ensure that it is clearly understood that no job loss is planned.	This option presents a public perception risk of removing C-suite/higher paying jobs from the regions. Communication will be required to ensure that it is clearly understood that no job loss is planned.	Status quo does not result in any changes, so should have the lowest risk of experiencing challenges with stakeholder support.
Political concern risk	This option presents the highest risk for political concern and push back due to high stakeholder risk and the perception of a more centralized structure that takes authority away from the regions. Communication will be required to ensure that it is clearly understood that the change is not intended to take authority away from the regions.	This option does have a moderate risk for political concern as it may still be perceived that authority is being removed from the regions. Communication will be required to ensure that it is clearly understood that the change is not intended to take authority away from the regions.	Status quo does not result in any changes, so should have the lowest risk of experiencing political concerns.

Risk/Implication	Option 3A – Modify Existing Organizational Management Structure (2 COO Option)	Option 3B - Modify Existing Organizational Management Structure (3 COO Option)	Status Quo
Internal stakeholder perception risk	Both options introduce a new strategic HR and cultural safety role to ensure dedicated planning and support for the unique needs of operating HR in a 24/7 health services organization. Internal perception may be that it is taking away from central HR. Communication will be required to ensure that it is clearly understood that it is about enhancement, support, and customization not replacement.		Status quo does not result in any changes, so should have the lowest risk of experiencing challenges with internal stakeholder perceptions.
Supports CEO in decentralizing authority	This option may result in creating a similar challenge as exists today while simply pushing it to the newly created COO – Regional Health Programs role	This option better disperses decentralized decision making by creating more balanced portfolios	Status quo does not result in any changes that would support improving decentralized decision making.

The option with the highest score for mitigating risk to the NTHSSA is status quo with a risk score of 10 followed by *Option 3B – Modify Existing Organizational Management Structure (3 COO Option)* with a risk score of 9 (Table 17).

Table 17: Summary of Risk Scoring Comparison for Each Organizational Management Structure Option

Risk/Implication	Option 3A – Modify Existing Organizational Management Structure (2 COO Option) Risk Score	Option 3B - Modify Existing Organizational Management Structure (3 COO Option) Risk Score	Status Quo Risk Score
Public perception risk	1	2	3
Political concern risk	1	2	3
Internal stakeholder perception risk	2	2	3
Supports CEO in decentralizing authority	2	3	1
Total Risk Score	6	9	10

4.2.4.5 Recommended Option for Organizational Management Structure

Overall, the option with the highest combined score for balancing desired outcomes and mitigating risks for the NTHSSA is *Option 3B – Modify Existing Organizational Management Structure (3 COO Option)* with a combined score of 30, followed by *Option 3A – Modify Existing Organizational Management Structure (2 COO Option)* with a combined score of 20 (Table 18).

Table 18: Overall Scoring for Organizational Management Structure Options

Score Type	Option 3A – Modify Existing Organizational Management Structure (2 COO Option)	Option 3B - Modify Existing Organizational Management Structure (3 COO Option)	Status Quo
Desired Outcomes	14	21	7
Risk Mitigation	6	9	10
Total Option Score	20	30	17

Accordingly, MNP recommends that the NTHSSA consider implementing *Option 3B - Modify Existing Organizational Management Structure (3 COO Option),* as it provides the best balance of:

- Keeping the structure simple and intuitive.
- Balancing the span of control to ensure that senior management has a more evenly distributed number of direct reports to help ensure the organization can be effectively managed to not sacrifice efficiency and effectiveness.
    - Each member of the management team would have 2 – 8 direct reports which is a reasonable size and leaves room for portfolio growth.
    - Logically structured groupings of areas of responsibility that will help enable effective management.

It is important to note that in both Option 3A and 3B – MNP is suggesting a dedicated senior leader that is responsible for strategic human resource planning and cultural safety for the organization. This is not intended to be a replacement for HR Shared Services but an opportunity for the NTHSSA to have centralized planning leadership with an Indigenous focus to ensure that resourcing is being evaluated and planned for territory-wide, and that consistent supports are provided to hiring managers to help create more time for them to focus on operational demands and day-to-day performance management. It is anticipated that some immediate benefits will be more effective use of pools when hiring multiple people into the same job across the territory, better capacity planning, and accelerated recruitment and retention due to a focused team helping to move people through the process.

Although not included in Options 3A and 3B at this time, MNP notes that the NTHSSA should also consider adding another Executive Director for Planning, Reporting, Risk Management and Quality

Assurance (reporting to the CEO) should additional resource capacity be added to the organization because of the Business Process Review work to support the corporate planning and reporting, corporate policy development, privacy, and emergency management functions. This would include moving the Territorial Risk Manager and Director of Quality and Risk to this portfolio if this position were to be created.