

Public Health Funding

Presentation to the aPHa Board of Health Section
Public Health Division, Ministry of Health and Long-Term Care
June 12, 2012



Purpose

- To provide an overview of public health funding, including:
 - Legislative Framework;
 - Provincial Funding Framework;
 - Historical Funding for Mandatory Programs;
 - Ministry's Position; and,
 - Related Initiatives.

Legislative Framework

- The primary statute relating to boards of health and public health funding is the *Health Protection and Promotion Act* (HPPA) which:
 - provides the legal authority to establish boards of health;
 - requires that there shall be a board of health for each public health unit;
 - sets out a number of requirements for boards of health; and,
 - enables the Ministry of Health and Long-Term Care (the Ministry) to provide funding for public health services.
- Under the HPPA, boards of health are required to provide public health programs and services, as authorized by the Ministry, to their local communities.
 - The Ontario Public Health Standards (OPHS) and Protocols establish the minimum requirements for fundamental public health programs and services (mandatory programs).
 - The Ontario Public Health Organizational Standards (Organizational Standards) outline the expectations for the effective governance of boards of health and effective management of public health units.

Legislative Framework (cont'd)

- Under section 72 of the HPPA, the legal obligation for board of health funding resides with the obligated (single and upper tier) municipalities within the area of the public health unit.
- The Minister may make grants for the purposes of the HPPA on the terms and conditions that the Minister considers appropriate (section 76).
- Other relevant sections of the HPPA that relate to funding requirements and responsibilities are:
 - Section 56 directs the board of health to pass by-laws respecting banking and finance, the management of property and the appointment of an auditor.
 - Section 59 directs the board of health to keep books, records, and accounts of its financial affairs and prepare “statements of its financial affairs in each year”.
 - Subsection 72 (5) requires that each year the board of health must provide a notice to each obligated municipality in the public health unit to include, among other things, the amount for which each of the municipalities is responsible.
 - Subsection 72 (8) requires each obligated municipality to pay the board the amounts required.
 - Any person (including a municipality) who contravenes subsection 72 (8) of the HPPA is guilty of an offence, pursuant to section 100 (3) of the HPPA.

Provincial Funding Framework

- The Ministry currently provides ongoing funding through Program-Based Grants to boards of health for the provision of mandatory and related public health programs and services.
 - Mandatory programs refer to the public health programs and services that boards of health must provide to their local communities in accordance with the HPPA and OPHS.
 - Funding for approved costs of mandatory programs is currently cost-shared with obligated municipalities at a ratio of 75% provincial funding and 25% municipal funding.
 - Related programs include:
 - Chief Nursing Officer Initiative (at 100%)
 - Healthy Smiles Ontario Program (at 100%)
 - Infectious Diseases Control Initiative (at 100%)
 - Public Health Nurses Initiative (at 100%)
 - Small Drinking Water Systems Program (at 75%)
 - Unorganized Territories (at 100%)
 - Vector-Borne Diseases Program (at 75%)
- Boards of health also receive funding from other government sources (e.g., Ministry of Children and Youth Services).

Provincial Funding Framework (cont'd)

- Ministry funding to boards of health for mandatory and related programs is based on a calendar year (municipal fiscal year); funding decisions are made upon Ministry review of budget submissions from boards of health and Minister's approval.
- Funding for mandatory and related programs is governed by the Public Health Accountability Agreement – a 3-year transfer payment agreement between the Ministry and boards of health (January 1, 2011 to December 31, 2013).
- The Public Health Accountability Agreement:
 - Specifies that the grant must be used to provide public health programs and services in accordance with the HPPA and OPHS;
 - Requires comprehensive reporting against key deliverables and performance measures;
 - Requires written consent of the Ministry prior to assignment of any portion of the grant to another entity;
 - Requires the submission of proof of insurance;
 - Requires the submission of quarterly financial reports; and,
 - Emphasizes the requirement for detailed audited financial statements and auditor's questionnaires to enable review by the Ministry within 6 months of the board of health's financial year end.

Historical Funding for Mandatory Programs

Funding for mandatory programs has historically been cost-shared between the Ministry and municipalities and the cost-sharing arrangement has changed over the years.

- **1995 Mandatory Programs Funding (75%)**
 - Funding was provided at the cost-shared amount based upon the funding available from the Ministry.
- **1996 and 1997 Mandatory Programs Funding (75%)**
 - All boards of health had reduced budgets as a result of the government-wide commitment to balance the budget by 2000.
- **1998 Local Services Restructuring**
 - Board of health funding at 100% by municipalities.
- **1999 to 2003 Mandatory Programs Funding (50%)**
 - No cap was placed on board of health budget requests by the Ministry; the Ministry funded 50% of what was requested.
 - Annual funding increases averaged 9.0% to 11.0%.
- **2004 Mandatory Programs Funding (50%)**
 - No cap was placed on board of health budget requests by the Ministry; the Ministry funded 50% of what was requested.
 - Funding increases averaged 7.4%.
 - In the 2004 Ontario Budget (and committed to in Operation Health Protection), the Ministry announced that it would increase its share of mandatory programs funding from 50% in 2004 to 75% by 2007 to strengthen the resource base of public health.

Historical Funding for Mandatory Programs (cont'd)

- **2005 Mandatory Programs Funding (55%)**
 - First year of Operation Health Protection – no cap was placed on board of health budget requests by the Ministry; the Ministry funded 55% of what was requested.
 - Funding increases averaged 9.5%.
- **2006 Mandatory Programs Funding (65%)**
 - A 5% cap on growth funding was introduced to ensure the sustainability of public health.
 - Provincial share increased from 55% to 65%.
- **2007 Mandatory Programs Funding (75%)**
 - The government allocated 5% growth over prior year's allocation, or less if requested.
 - Provincial share increased from 65% to 75%.
 - Boards of health began to identify that some obligated municipalities were contributing more than the 25% cost-share for mandatory programs.
- **2008 and 2009 Mandatory Programs Funding (75%)**
 - In order to be more responsive to local needs, the 5% growth funding was apportioned based on 3% across-the-board to all boards of health for common cost drivers; 1% for population growth; and, 1% for low income populations.
- **2010 and 2011 Mandatory Programs Funding (75%)**
 - The government allocated 3% growth over prior year's allocation, or less if requested.
- **2012 Mandatory Programs Funding (75%)**
 - To be determined.

Ministry's Position

- It is the duty of boards of health to provide or ensure the provision of public health programs and services as required by the HPPA and OPHS. Part of this responsibility includes setting priorities and determining the appropriate allocation of resources.
- Under section 72 of the HPPA, it is the responsibility of obligated municipalities in a public health unit to pay the expenses of a Medical Officer of Health and the board of health.
- The legislative authority for provincial funding to boards of health can be found in section 76 of the HPPA which specifically states "the Minister may make grants for the purposes of this Act on such conditions as he or she considers appropriate." This funding is discretionary.
- The Ministry has made every effort to ensure appropriate funding for Ontario's public health system, including uploading the cost of mandatory programs and providing additional growth funding.

Ministry's Position (cont'd)

- Since 2003, provincial funding for mandatory and related programs has more than doubled (an increase of approximately 143%), including both uploaded costs and increased investments in public health capacity (see **Appendix 1**).
 - This increase translates to \$374.6 million, of which 40.6% (or \$152.2 million) is due to upload from a 50:50 to a 75:25 cost-share, and 59.4% (or \$222.4 million) is due to growth.
- The Ministry is currently not in a financial position to increase base budgets over and above any increases the Ministry may approve for mandatory and related programs over the coming years.
- If the board of health's total eligible costs exceed the Ministry's approved funding, then the obligated municipalities are responsible for the costs (as per section 72 of the HPPA).
- The Ministry acknowledges that there are many obligated municipalities within the Province that provide funding to boards of health that exceeds 25% of the mandatory programs budget. We appreciate that this is a result of the commitment of boards of health to provide the most appropriate public health programs and services to their communities.

Related Initiatives

- 2012 Program-Based Grants requests for mandatory and related programs, approved by each board of health, were due to the Ministry on March 30, 2012.
 - All board of health budget submissions were received by the deadline.
 - Target release of Program-Based Grants to the field is June 2012.
- All 36 boards of health have signed Public Health Accountability Agreements.
 - In final stages of negotiating performance targets with each board of health for 12 indicators related to the OPHS.
 - Work is underway on deferred and developmental indicators as well as measurement strategy for the Organizational Standards.
- Funding Review underway to ensure a more equitable and transparent method of funding.

Questions?

Appendix 1: Mandatory and Related Programs

Provincial Investment in Public Health 2003 - 2011



