



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2013 September 5

2013 BUDGET – PROVINCIAL APPROVED GRANTS

Recommendation

It is recommended that the Finance & Facilities Committee review and make recommendation to the Board of Health to endorse the Board Chair to sign the Amending Agreement No. 6 to the Public Health Accountability Agreement as appended to Report No. 004-13C.

Key Points

- On August 15th the Health Unit received notice of provincial grant approvals. The provincial share of the Mandatory Programs increased by 2% as anticipated.
- 100% funding for Public Health Nursing positions, Healthy Smiles Ontario, and the Infectious Disease Control Initiative are all showing funding pressures and will need to be addressed in future years.
- The Health Unit also received approval for One-time grant requests, one of which is the provincial share (75%) for the PricewaterhouseCoopers review for Shared Services.

2013 Provincial Grant Approval

As part of the 2013 budget process, a grant request was made to the province in early April 2013. This request was the subject of Board [Report No. 060-13](#) “2013 Budget Update – April”. On August 15th, 2013 the Board received confirmation of the approved Ministry of Health and Long-Term Care (MOHLTC) grants for the mandatory and related programs for 2013. The funding letter is attached as [Appendix A](#). Table 1, attached as [Appendix B](#), compares approved grants for 2012 to 2013 and also identifies what the Board’s request was for 2013.

As can be seen by reviewing Table 1, the Health Unit received the anticipated increase (2%) from the province for the delivery of the Mandatory Programs. This funding represents 68.5% or \$15,401,182 of the total anticipated costs for Mandatory Programs. The Board of Health request from the province was \$16,805,517 or 75% which was denied as it has been since 2006.

100% Public Health Nursing Position Funding

The 100% funded Public Health Nursing (PHN) positions (Infection Prevention & Control Nurse – 1.0 FTE, and 2.0 FTE under the Public Health Nurses Initiative) also received a 2% increase over the 2012 ministry approved amount. As in past years, the level of funding is not sufficient to support the wages and benefit costs of these 3.0 FTEs. The Health Unit will mitigate this situation in 2013 (shortfall of approximately \$18,020) by fully utilizing the funding under the Chief Nursing Officer Initiative, which is also available to support a 1.0 FTE PHN position.

Healthy Smiles Ontario

The Healthy Smiles Ontario grant for 2013 was reduced by \$87,103 to \$783,924. This level of funding is adequate for 2013; however the program continues to show increased demand in services. In 2012, program costs totaled \$700,910 with \$360,133 going to dental fees (fee for service). In the first six months of 2013, the fees paid to dentists already reached the \$211,730 mark. If this growth continues funding pressures may be seen as early as 2014/2015.

100% Infectious Disease Control Initiative

The 100% Infectious Disease Control Initiative began in 2004 just after the world was introduced to Severe Acute Respiratory Syndrome (SARS). This provincial initiative was meant to enhance infectious disease control measures across the province. In 2004, the Health Unit received \$1,132,740 to support this initiative and was approved for 10.5 FTEs. At that time the funding per FTE was more than enough to fund these positions as well as other operating and start-up costs. Since then the level of funding has not kept pace with inflation. The approved provincial grant for 2013 is \$1,166,722, which is not sufficient to cover salary and benefits for the 10.5 FTEs. For 2013, funding for implementation of Panorama will help offset this shortfall; however, this will continue to be a pressure in future years.

One-Time Funding

The Health Unit received a number of grants based on business cases for one-time funding that the Health Unit submitted earlier this year. The Panorama Initiative was one of them. The Health Unit also submitted and received 75% funding for the PwC administrative review project. The Committee members will recall that the Board initially approved funding for this project from the 2012 operating surplus from the City of London and County of Middlesex. The \$101,250 will now contribute to operating surplus in 2013 as this funding was carried forward into this operating year.

Revisions to the Accountability Agreement

As a result of the MOHLTC approving its various grants to the Health Unit, the previously signed Public Health Accountability Agreement between the Board of Health and the Province of Ontario requires amending. As summary of the amendments are as follows:

- 1) Deleting Schedule A-5 (Program-Based Grants) and substituting Schedule A-6 (Program-Based Grants);
- 2) Deleting Schedule B-5 (Related Program Policies and Guidelines) and substituting Schedule B-6 (Related Program Policies and Guidelines);
- 3) Delete Schedule C-3 (Reporting Requirements) and substituting Schedule C-4 (Reporting Requirements) ; and
- 4) Deleting Schedule D-1 (Board of Health Performance) and substituting Schedule D-2 (Board of Health Performance).

The detailed Schedules A-6, B-6, C-4, and D-2 can be found in Amending Agreement No.6 which is attached as [Appendix C](#).

This report was prepared by Mr. John Millson, Director of Finance & Operations.

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