



TO: Chair and Members of the Finance and Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2014 May 1

DENTAL CLINIC 2013 FINANCIAL SHORTFALL

Recommendation

It is recommended that that Report No. 025-14FFC re Dental Clinic 2013 Financial Shortfall be received for information.

Key Points

- In 2012, the Dental Clinic experienced an adjusted financial shortfall of \$30,361.60. Mitigating strategies were identified and put in place in Q4, in an effort to reduce the anticipated shortfall for 2013.
- The 2013 shortfall in the Dental Clinic of \$20,070.87 was a result of increases in staffing costs, and a reduction in revenue from Ontario Works claims.
- It is anticipated that the clinic may again experience a budget shortfall in 2014. Mitigating strategies employed in late 2013 will be employed throughout 2014, and further strategies are being considered. As a result, it is expected the financial shortfall will be further minimized.

Background

The Health Unit has operated the Dental Clinic at its 50 King Street office since 1986. The clinic has four dental chairs and provides a full range of dental treatment (e.g., examinations including X-rays, fillings and extractions) and preventive services (e.g., cleanings, sealants and fluoride treatments). The Dental Clinic is staffed full-time by 1.0 Dentist and 2.0 certified Dental Assistants. The Dental Clinic serves an average of 450 new clients and over 600 returning clients every year.

The Dental Clinic primarily serves clients 0 – 17 years of age who are covered by publicly-funded dental programs which include Ontario Works (OW), Children in Need of Treatment (CINOT), Ontario Disability Support Program (ODSP) and Healthy Smiles Ontario (HSO). As well, Dental Hygienists offer adults on OW and parents of children on the HSO program limited preventive services for a nominal fee of \$20. This program, known as SmileClean, serves as an additional source of revenue for the clinic.

The Dental Clinic incurred an adjusted shortfall of \$30,361.60 in 2012 and this was brought to the attention of the Board through Report 007-13C re [Dental Clinic 2012 Financial Shortfall](#), in September 2013. It was noted in the report that a shortfall was anticipated for 2013, and the Board of Health asked staff to explore options that would minimize this expected shortfall.

Mitigating Strategies

In the last quarter of 2013, staff implemented a number of mitigating strategies to reduce the anticipated shortfall:

1. Revised the materials and supplies procurement process.
2. Shifted some service provision from the Dentist to the Registered Dental Hygienists.
3. Educated the Case Managers at the City of London OW department about MLHU dental services, and advocated for increased referrals.

4. Advocated for a re-allocation of funds from the HSO program to increase the percentage of the Dentist and Dental Assistants wages covered by this program. This is important as the number of HSO clients who utilise the clinic has continued to grow.
5. Increased the fee for providing SmileClean services to HSO and OW clients.

These mitigating strategies implemented in Q4 did seem to have an impact, as the shortfall seen in 2013 was significantly less than the 2012 shortfall.

Deficit Situation

As anticipated, The Dental Clinic incurred a shortfall in 2013 of \$20,070.87. This reflects a one-third reduction in shortfall from the previous year. Table 1 in Appendix A provides an overview of the Dental Clinic revenue and expenditures for the past four operating years. Table 1 also illustrates that the shortfall is as a result of increases in personnel costs (a 7.4% increase from the previous year), and a slight reduction in revenue generated (a 0.4% reduction). On further review, the drop in revenue is a combination of fewer OW claims (2.4% reduction) which is partly offset by increases in revenue from the CINOT Program (3.4% increase) and the funds received for wages from the HSO program.

It is anticipated that the budget pressures being experienced by the Dental Clinic will continue for 2014 due to further increases in operating costs, and in particular, personnel costs. However, with further measures being explored, and 2013 mitigating strategies implemented for the entire year rather than just one quarter, it is anticipated that the shortfall for 2014 will be further minimized.

Some of the additional measures being explored include:

1. Increasing the number of OW and CINOT clients using the Dental Clinic in order to increase the revenue from these programs;
2. Having additional services provided by Dental Hygienists rather than the Dentist.

It is also important to note that the impact of the anticipated changes to the HSO programs on the clinic deficit is currently unclear.

Conclusion

Staff will continue to explore options to minimize or eliminate the deficit for 2014. Staff will report back to the Board of Health with semi-annual Dental Clinic financial reports. Additional options will be considered if the shortfall cannot be successfully managed with the strategies described above.

This report was prepared by Dr. Chimere Okoronkwo, Manager, Oral Health Team; Ms. Heather Lokko, Acting Director, Oral Health, Communicable Disease and Sexual Health Services; Dr. Maria van Harten, Dental Consultant; and Mr. John Millson, Director, Finance and Operations.



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This report addresses the following requirement(s) of the Ontario Public Health Standards: Child Health
