



TO: Chair and Members of the Board of Health

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2015 September 17

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## 2015 BUDGET - MOHLTC APPROVED GRANTS

### **Recommendation**

#### *It is recommended:*

- 1) That the Board of Health approve the Board Chair to sign the Public Health Funding Accountability Agreement as appended to Report No. 49b -15; and*
- 2) That the Board of Health approve additional investments of \$176,000 for 2015 as outlined in Appendix C to Report No. 49b-15; and further*
- 3) That the Board of Health write a letter to the Minister of Health & Long-Term Care expressing the Health Unit's appreciation for implementing a new public health formula for mandatory programs that supports a more equitable approach to public health funding.*

### **Key Points**

- On September 9<sup>th</sup> the Health Unit received details of provincial grant approvals for 2015, including an increase of \$571,394 (3.6%) in provincial funding to Mandatory (cost-shared) Programs.
- Also included was approval of several grants for one-time funding, totaling \$102,600.
- This funding will be sufficient to alleviate budget pressures and fund unique emerging opportunities.
- Recommendations are made for allocation of a portion of this funding. Further analysis and recommendations will come to the Finance and Facilities Committee in October.

### **2015 Provincial Grant Approval**

The Health Unit's 2015 grant request to the Province was made in March 2015 (see [Report No. 005-15FFC](#)). On September 9<sup>th</sup>, 2015 the Health Unit received details of the approved Ministry of Health and Long-Term Care (MOHLTC) grants for 2015 (see funding letter, Appendix A). Table 1 (Appendix B) compares the ministry approved grants with the Board of Health requests for base and 2015/16 one-time Funding.

### **Mandatory Programs Funding**

For 2015, the Board of Health budget anticipated a \$157,093 or 1% increase in provincial grants for Mandatory Programs, and planned for a 0% increase to obligated municipalities. Since then, provincial officials provided guidance to health units to expect no increase in provincial funds for Mandatory Programs. As such, management provided financial updates to the Board of Health which projected a deficit for 2015 (see [Report No. 020-15FFC](#)). Funding letters have now arrived indicating that the Health Unit will indeed receive an increase in provincial funding for these programs.

Per Appendix B, the Health Unit received \$571,394 or 3.6% more for the delivery of the Mandatory Programs than in 2014. This increase is related to Ministry implementation of recommendations of the recently released report of the Funding Review Working Group, available [here](#). The report recommends allocating funding based on population and equity measures. It identifies Middlesex-London Health Unit as one of the lowest provincially funded public health units per capita in regards to Mandatory Programs.

The additional provincial grant will allow for completion of purchasing, maintenance and other projects that had been put on hold to mitigate the previously projected deficit, and also provides a unique opportunity to address some emerging issues for the remainder of the 2015 operating year. Appendix C details a total of \$176,000 in expenditures for immediate consideration by the Board of Health. Further analysis and recommendations will be brought to the Finance & Facilities Committee at its October meeting.

### **100% Ministry Funded Programs**

Several 100% funded programs continue to experience funding pressures as provincial grant increases have not kept pace with inflationary pressures. This is true for the 100% funded Public Health Nursing positions, the 100% Infectious Disease Control initiative, and the core Smoke-Free Ontario initiatives. These programs have received no substantive increases for the current year.

#### Healthy Smiles Ontario

The Healthy Smiles Ontario grant has been increased \$157,676 over the amount approved in 2014. This reflects the increase in claims (demand driven) experienced in 2014 and anticipated dental claims in 2015.

#### Needle Exchange Program (NEP)

This 100% funding is available to public health units for the costs of providing needles and syringes as well as for disposal costs. Over the past few years the costs of providing these materials have increased substantially and have been accommodated in the Mandatory Programs funding. Other costs associated with delivering the NEP continue to be part of the Mandatory Programs funding or provided directly or indirectly from the Regional HIV/AIDS Connection. The 2015 approved grant of \$363,700 reflects the total expected costs of supplying needles and syringes as well as disposal costs. This represents an increase of \$128,709 and has been included in the Board of Health approved budget.

#### Electronic Cigarettes Act – Protection & Enforcement

This 100% funded program is new and relates to the additional enforcement costs associated implementation of the new Act. For 2015, the Health Unit has received base funding of \$39,500 (pro-rated for 9 months in 2015) and an additional \$39,500 in one-time funding for start-up costs.

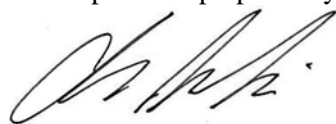
#### One-time Funding

The Health Unit submitted seven business cases, totaling \$540,433, for one-time 100% MOHLTC funding. The Health Unit received approval for four cases in the amount of \$102,600 to be allocated over the April 1, 2015 to March 31, 2016 period. The Board-approved budget did not include 100% Ministry One-time funding requests. These initiatives generally start only when grants have been approved.

### **Amending Agreement to the Public Health Funding Accountability Agreement**

To accept the 2015 MOHLTC grants, the Board of Health must sign the Amending Agreement to the Public Health Funding Accountability Agreement attached as Appendix D. The amending agreement provides the relevant changes to terms and conditions of the Agreement signed in 2014.

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



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Medical Officer of Health