MIDDLESEX-LONDON HEALTH UNIT

REPORT NO. 053-16

TO: Chair and Members of the Board of Health

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2016 September 15

HEALTH UNIT GOVERNANCE STRUCTURES

Recommendation

It is recommended that Report No. 053-16 re: Health Unit Governance Structures be received for information.

Key Points

- The Middlesex-London Health Unit (MLHU) and Hamilton Public Health Services (HPHS) governance structures were compared on the basis of responsiveness to provincial funding increases.
- It is hypothesized that autonomous health units were able to utilize provincial increases to enhance public health capacity more than municipally-integrated health units.
- Board structure and funding advantages could be dependent on where the primary source of funding (municipal or provincial) originate.
- The study had limitations, including that it was based on only two health units, and that it focused on budget at the exclusion of issues such as program quality and collaboration with municipal partners.

Background

In a recent study conducted by Joseph Lyons, an Assistant Professor at the University of Western Ontario, the governance models of two Ontario Public Health Units (PHU) and the impact of these models on independence from municipal decision-making and ability to fulfil their legislative mandates was explored.

The Middlesex-London Health Unit (MLHU), an autonomous board of health, and Hamilton Public Health Services (HPHS), a municipally-integrated board of health were chosen for this study. He chose these two PHUs because they had similar social, demographic, and economical characteristics (housing affordability, population, # of food premises, and # of nursing homes). They were examined on the basis of spending growth at a time of changes to the provincial/municipal funding mix and a focus on increasing the capacity of Ontario public health units.

Key Findings

The main finding of the paper was the difference in municipal levy's between MLHU and HPHS. MLHU kept its municipal levy stable between 2003 and 2014 and took greater advantage of the increase in provincial funding to increase its total cost-shared budget by 68.2%. HPHS saw significant reductions in its municipal levy from 2005 to 2007 and chose to offset provincial increases with corresponding municipal decreases. They saw a total cost-shared funding increase of 51%.

	MLHU		**HPHS**	
	City of London Levy	*Total Cost-Shared Funding*	*City of Hamilton Levy*	*Total Cost-Shared Funding*
2003	$5,869,765	$13,984,470	$10,761,000	$21,522,006
2014	$6,095,059	$23,518,593	$8,123,287	$32,493,148
Δ	**+ 3.8%**	**+ 68.2%**	**- 24.6%**	**+ 51.0%**

It is postulated that autonomous health units are better able to use provincial funding increases and maintain municipal contributions rather than using the provincial increases to reduce municipal contributions due to their independence from the municipalities.

Also of relevance was the opinion that autonomous health units may be worse off when a municipal funding share is a larger proportion of the budget. This was noted with the comparison of per capita funding of in 2006 (MLHU $44.43 per capita, HPHS $53.38 per capital) and 2011 (MLHU $51.55 per capita, HPHS $59.33 per capita).

Limitations

This study was narrow in scope, comparing the spending growth of only the MLHU to the HPHS between 2003 and 2014. Additional areas of interest that were not explored include how integration with municipal governments enhances or limits efficiency and collaboration with other municipal departments.

There were also exclusions that would be of interest to MLHU, namely: a summary of the Middlesex County levy in addition to that of the City of London, description of the 100% funded programs budget changes and municipal-provincial funding mix.

Also of relevance for health unit governance and impact on the community would be whether or not health unit structure influences the ability to ensure quality programs and enact policy change, which are major contributors to the overall health of the community.

Next Steps

This study provides a framework to show how health unit governance structures may influence budgetary decisions. Despite the autonomous nature of the MLHU, there are political realities that face our autonomous budgetary process. It is in the best interest of MLHU to respect the fiscal environments from which municipalities operate while also ensuring adequate public health capacity.

Public health agencies need to be strong fiscal stewards regardless of whether they are faced with expansions or contractions to public health resources. Understanding this, MLHU has instituted budgetary processes including program budget templates, variance reporting and program budget marginal analysis (PBMA) to demonstrate our commitment to using public resources in the most impactful way.

The recently released provincial funding formula recognizes fiscal constraints and historical funding inequalities among boards of health. The review looked at a needs-based approach to public funding and improving responsiveness to the factors that influence service needs. Through this review, the MLHU was identified a health unit that could see an increase in provincial funding.

This report was prepared by Mr. Jordan Banninga, Manager of Strategic Projects.

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