



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2016 October 6

REVISED 2017 BUDGET PARAMETERS

Recommendation

It is recommended that the Finance & Facilities Committee make recommendation to the Board of Health to revise the previously approved 2017 budget parameters for provincial funding for Mandatory Programs to 1.5%.

Key Points

- In the absence of MOHLTC approvals for 2016, it was recommended to proceed with planning the 2017 budget with a 2% increase provincial funding in Mandatory Programs.
- Based on funding approvals for 2016 received on September 23, 2016, it is recommended to revise this budget parameter to 1.5% for 2017.

Background

At the September 1st meeting the Committee received [Report No. 029-16FFC](#), re: “2017 Board of Health Budget – Financial Parameters” which recommended the Board of Health approve the following assumptions for planning the 2017 budget:

- 1) 2% increase in provincial funding for Mandatory Programs; and
- 2) 0% increase in municipal funding for Mandatory Programs; and further
- 3) 0% grant increase for all other programs.

Subsequent to this recommendation, on September 23, 2016 the Health Unit received notification of Ministry of Health and Long-Term Care grant approvals.

2016 MOHLTC Grant Approvals

As part of the grant approvals the ministry approved an additional \$250,704 or 1.58% to its adjusted 2015 Mandatory Programs allocation. The 2015 base grant was adjusted for program changes being made to the Healthy Smiles Ontario program effective January 1, 2016. The ministry adjustments related to two factors, both of which were made from 2014 actuals and not 2015 budget data. The first adjustment was a reduction to base funding for fee-for-service or amounts paid to community dentist through the former Children In Need of Treatment (CINOT) program. This program was integrated into the Health Smiles Ontario program, and administered by a 3rd party effective January 1, 2016. The second adjustment was reallocating \$218,573 of dental preventative programs formerly funded through the Mandatory Programs funding to the Healthy Smiles Ontario program which is 100% funded by the MOHLTC.

The 2016 MOHTLC grant approvals included a 1% growth funding for Mandatory Programs, which was allocated proportionately to 10 boards of health based on the funding formula implemented in 2015. In contrast, in 2015 the MOHLTC grant approvals included a 2% growth funding for Mandatory Programs

which was allocated proportionately to 8 boards of health. In 2015 the Middlesex-London Board of Health received a 3.6% increase over 2014 Mandatory Program funding.

Revised 2017 Budget Parameters

Now that the 2016 Mandatory Program grant is known, and the growth in Mandatory Program funding has been reduced to 1% from 2% in 2015 it is wise to reconsider the budget parameters previously set for developing the 2017 Health Unit budget.

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



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