



## REPORT FOR INFORMATION

# 2019-2020 Ontario Budget Announcements for Toronto Public Health - Update

**Date:** May 13, 2019

**To:** City Council

**From:** Medical Officer of Health

**Wards:** All

### SUMMARY

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On April 11, 2019, the Province of Ontario released its 2019 Budget which outlined its plan to modernize Ontario's public health units. Since the Budget's release, additional information has been shared by the Ministry of Health and Long-Term Care with the Chairs of Boards of Health, Medical Officers of Health and Chief Executive Officers for the province's public health units.

This report outlines the impacts of the changes announced in the 2019 Provincial Budget for Toronto Public Health, including: a new governance model, a new provincial-municipal cost-sharing model, and the introduction of a new low-income seniors' dental program.

Based on available information, it is anticipated that the new provincial-municipal cost-sharing model will result in an estimated loss in provincial funding of \$65 million to Toronto Public Health's 2019 City Council Approved Operating Budget.

### FINANCIAL IMPACT

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Toronto Public Health's 2019 Operating Budget was approved by City Council on March 7, 2019. This budget was put together based on the funding arrangement that has existed between the City and the Ministry of Health and Long-Term Care since January 1, 2007, which is primarily cost-shared (75% provincial/25% municipal) and, in part, 100% provincial. The changes, retroactive to April 1, 2019, announced in the Province's 2019 Budget have significant financial impacts to Toronto Public Health.

For 2019, the financial impact is estimated to be a \$65 million loss in provincial funding. This loss is estimated to increase to \$107.6 million by 2022, as noted in the following table:

	Incremental Impact				Accumulative Impact by 2022
	2019	2020	2021	2022	
Estimated Loss in Provincial Funding (\$ in millions)	\$65	\$21	\$16.2	\$5.4	\$107.6

## DECISION HISTORY

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At its meeting on May 6, 2019, the Toronto Board of Health requested the Medical Officer of Health to report directly to City Council on the impacts of the proposed provincial funding cuts to Toronto Public Health.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.HL6.1>

## COMMENTS

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On April 11, 2019, the Province of Ontario released its 2019 Budget titled "Protecting What Matters Most" which included a section on Modernizing Ontario's Public Health Units. The Budget document announced the Province's intent to modernize the way public health units are organized, establish 10 regional public health entities and 10 new regional boards of health, and adjust the provincial-municipal cost-sharing of public health funding.

Since the Budget's release, additional information has been shared by the Ministry of Health and Long-Term Care (MOHLTC) with the Chairs of Boards of Health, Medical Officers of Health and Chief Executive Officers for the province's public health units.

### Establishment of Regional Public Health Entities

Ministry of Health and Long-Term Care officials have confirmed that Toronto will be one of the ten Regional Public Health Entities to be governed by an autonomous regional board of health with strong municipal and provincial representation. Written communications from the MOHLTC suggest that the 10 Regional Public Health Entities will be established by 2020-2021; however, no additional details have been provided or made available.

## Financial Impact of the Province's 2019 Budget

### *Changes to the Provincial-Municipal Cost-Sharing Funding Formula*

As part of its "vision for organizing Ontario public health" and to "improve public health program and back-office efficiency and sustainability while providing consistent, high-quality services, [and] be responsive to local circumstances and needs", the Province announced its intent to adjust the provincial-municipal cost-sharing of public health starting on April 1, 2019.

Ministry of Health and Long-Term Care officials have confirmed the following new funding formula for Toronto for programs previously cost-shared between the Province and the City of Toronto and programs previously 100% funded by the Province:

	<b>Cost-Shared Programs</b>	<b>100% Provincial Funded Programs</b>
<b>Prior to April 1, 2019</b>	75% Provincial and 25% Municipal	100% Provincial
<b>2019-2020</b> (Retroactive to April 1, 2019)	60% Provincial and 40% Municipal	
<b>2020-21</b> (Effective April 1, 2020)	60% Provincial and 40% Municipal	
<b>2021-22 and thereafter</b> (Effective April 1, 2021)	50% Provincial and 50% Municipal	

Using the City's fiscal year, the non-cumulative financial impacts of the changes to the funding formula on Toronto Public Health's budget are:

- 2019 - \$65 million loss in provincial funding
- 2020 - \$86 million loss in provincial funding
- 2021 - \$102.2 million loss in provincial funding
- 2022 and annually thereafter - \$107.6 million loss in provincial funding

These financial impacts reflect the potential loss in provincial funding based on an assumption that the City's contribution to Toronto Public Health (TPH) remains at approximately \$43 million per fiscal year, the amount approved by City Council in its 2019 Operating Budget.

## *\$200 Million in Annual Savings by 2021-22*

In addition to the funding formula changes, the Budget documents also outlined the Province's expectation to achieve an annual savings of \$200 million by 2021-22 "through regionalization and governance changes to achieve economies of scale, streamlined back-office functions and better coordinated action by public health units".

In subsequent conversations, MOHLTC officials informed TPH that some of the \$200 million in annual savings would be achieved through the new provincial-municipal cost-sharing funding formula. MOHLTC officials further informed TPH that effective April 1, 2020, the total funding envelope for the Toronto Regional Public Health Entity would be reduced by \$20 million relative to the 2019-20 funding envelope. MOHLTC officials noted that the proposed \$20 million reduction was an estimate for planning purposes and therefore subject to change pending further discussions.

The financial impacts noted above for the City's fiscal years of 2020, 2021, and 2022 and thereafter only take into consideration the change to the provincial-municipal funding formula. At this time, staff do not have sufficient information to determine how the estimated \$20 million reduction to Toronto's public health funding envelope may create further financial impact.

### *Mitigation Actions Available from the Province*

Ministry of Health and Long-Term Care officials have informed TPH that they will consider providing one-time funding to help mitigate some of the financial impacts on the City of Toronto. The Ministry will also consider providing exceptions or waivers for some aspects of the Ontario Public Health Standards (OPHS). The extent to which the proposed mitigation actions would lessen the financial impact noted above cannot be determined without further dialogue with the MOHLTC.

### **Program Impacts of the Province's 2019 Budget**

Toronto Public Health has started a preliminary review of all its programs and services. This is a first step towards determining how best to respond to the unexpected and unprecedented financial pressure presented by the Province's 2019 Budget. Toronto Public Health cannot provide a definitive plan of action or response without more specific details from the MOHLTC on; 1. their budget planning assumptions, 2. the application process for and the availability of the mitigation actions noted above, and 3. any potential changes to the OPHS and Protocols which govern the majority of the programs and services delivered by TPH.

In the absence of more information from the MOHLTC, TPH can only advise the Board of Health and Council on the types of programs and services that may be impacted by the Province's 2019 Budget announcements. A synopsis of the types of programs and services delivered with funding from the MOHLTC is provided in Attachment, 1 Ministry of Health and Long-Term Care Funded Programs. While the programs and services funded by the MOHLTC are most directly affected, the magnitude of the financial impact of the proposed Provincial changes put all TPH programs and services at risk, regardless of their funding source.

### **New Low-Income Seniors' Dental Program**

The Budget document gave a high level overview of the Province's plan to providing dental care for low-income seniors. The Province plans to make an "annual investment of approximately \$90 million" when fully implemented. By late summer 2019, single seniors age 65 and older with incomes of \$19,300 or less (or senior couples with combined incomes of less than \$32,300) and without existing dental benefits, will be able to receive dental services in public health units, community health centres and Aboriginal Health Access Centres located throughout the province. By this coming winter, this program will be expanded by investing in new dental services in underserved areas, including through mobile dental buses and an increased number of dental suites in public health units."

Ministry of Health and Long-Term Care officials have signalled that TPH will be receiving approximately \$15 million in base funding to support implementation of the new dental program for low-income seniors. Toronto Public Health needs official confirmation and approval of the funding and additional information on the program details to determine how the provincial program may affect the City's 100% funded seniors' dental program.

Toronto Public Health will continue to engage with MOHLTC officials to obtain additional information in order to report back to the Board of Health on the financial and program impacts stemming from the 2019 Provincial Budget.

### **CONTACT**

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### **SIGNATURE**

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Dr. Eileen de Villa  
Medical Officer of Health  
Ontario Budget Announcement for Toronto Public Health

## **ATTACHMENTS**

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Attachment 1 - Ministry of Health and Long-Term Care Funded Programs