

Impact of Provincial Budget Announcement

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Medical Officer of Health
July 8, 2019



April 11, 2019 Provincial Budget Announcement

Recap Changes to Public Health

- Adjusting provincial-municipal cost-sharing of public health funding
- Establishing 10 regional public health entities and 10 new regional boards of health with one common governance model by 2020-2021
- Projecting annual savings of **\$200 million** by 2021-2022 through regionalization and governance changes to public health units
- Investment of **\$90 million** for new dental program for low-income Ontario seniors



April 18, 2019 Discussion with the Ministry of Health

Provincial-Municipal Cost-Sharing Formula Confirmed

- Provincial/Municipal cost shared funding formula with the Ministry of Health is changing for Toronto from **75%/25%** and **100%** funded programs to:
 - o 2019/2020: **60%** provincial/**40%** municipal effective April 1, 2019
 - o 2020/2021: **60%** provincial/**40%** municipal effective April 1, 2020
 - o 2021/2022: **50%** provincial/**50%** municipal effective April 1, 2021



May 27, 2019 Provincial Reprieve Announcement

For the Ministry of Health Programs

- Maintain in-year funding arrangements
 - o 75% provincial / 25% municipal
 - o 100% provincial funded
- Municipalities are expected to use this “reprieve” to work with the Government of Ontario to transform critical shared public services and find the efficiencies that will ensure their sustainability



To Be Negotiated/Confirmed with the Ministry of Health

- \$190 million provincial funding envelope for 2019-2020 is comprised of:
 - o \$43 million – City's share of Cost Shared Programs
 - o \$129 million – Provincial share of Cost Shared Programs
 - o \$18 million – Provincial 100% Funded Programs
- Proposed reduction to Toronto's provincial annual funding envelope from \$190 million to \$170 million effective April 1, 2020
- Proposed change to the provincial/municipal cost sharing model



Other Developments

- Provincial Low-Income Seniors Dental Program
 - o Approx. \$15.5 million in funding allocated to Toronto for 2019-2020
 - o Province is holding working sessions; program details are forthcoming
- Provincial Technical Tables
 - o City Manager designated the Medical Officer of Health to be the lead representative for Toronto at the City of Toronto Public Health Technical Table
- City Manager to lead a Value Based Outcome Review as part of the 2020 Budget Process



- The *Health Protection and Promotion Act* outlines:
 - o the duties of a board of health to superintend, provide or ensure the provision of the public health programs and services; and
 - o the medical officer of health's responsibility to report to their board on issues related to public health concerns and public health programs and services under the Act or any other act
- The *City of Toronto Act* section 405 (5)(1) states that City Council has “the duty of providing to the Board the city employees, including public health nurses, that the City considers necessary to carry out the Board's functions, including its duties in respect of mandatory health programs and services.”



Board of Health Budget Process

Medical Officer of Health (MOH) recommends a budget to the Board of Health (BOH) Budget Committee taking into consideration the City's budget direction and the Province's budget guidelines



Board of Health (BOH) Budget Committee:

1. reviews the MOH Recommended Budget
2. provides advice to the MOH on the Recommended Budget
3. recommends, in whole or in part, the MOH Recommended Budget to the Board of Health (BOH)

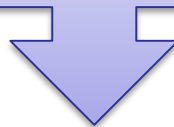


MOH recommends a budget to the BOH noting the recommendations made by the BOH Budget Committee



Board of Health

1. considers the MOH Recommended Budget
2. considers the BOH Budget Committee's decisions
3. recommends, in whole or in part, the MOH Recommended Budget to the City's budget process



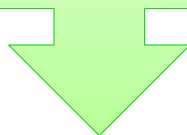
City Budget Process



City of Toronto Budget Process

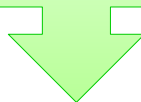
Council's Budget Committee

1. requests presentation from the MOH on the BOH Recommended Budget
2. considers Financial Planning Division's budget recommendations for Toronto Public Health (TPH) which may or may not be the same as the BOH Recommended Budget
3. recommends a budget for TPH to Executive Committee



Executive Committee

1. considers the Budget Committee's recommended budget for TPH
2. recommends a budget for TPH to City Council



City Council approves, in whole or in part, the budget recommended by the Executive Committee for TPH which may or may not be the same as the BOH Recommended Budget



Ministry of Health Budget Process

Ministry of Health Budget Process

Medical Officer of Health completes the Annual Service Plan and Budget Submission (ASPBS) based on the City Council Approved Operating Budget



Board of Health Chair, Medical Officer of Health, and Business Administrator certifies and submits ASPBS to the Ministry of Health for consideration



Minister of Health

1. considers the ASPBS submitted by Toronto Public Health
2. approves, in whole or in part, the ASPBS
3. issues an annual funding letter and accountability agreement



Financial Pressure

- Based on last available information from the Ministry of Health, the estimated financial pressure is \$4 million gross and \$0.8 million net
 - o \$3.5 million gross and \$0.8 million net stemming from the proposed cap of \$190 million for the provincial funding envelope; and
 - o \$0.5 million gross and \$0 net related to our Supervised Consumption Service which remains under review by the Province



Financial Pressure Estimates

- Pressure ranges from \$19 - \$70 million for the City's 2020 fiscal year:
 - o \$19 million if Province caps funding at \$170 million commencing April 1, 2020 **and** the City increases its contribution to public health to maximize the \$170 million provincial cap
 - o \$70 million if the Province caps funding at \$170 million commencing April 1, 2020 **and** the City is unable to increase its contribution to public health beyond the \$43 million approved in the 2019 City Council Approved Operating Budget.



Composition of TPH's Budget

- TPH's operating budget is generally allocated as follows
 - o Approx. 75% for salaries and benefits
 - o Approx. 20% for non-payroll expenses including
 - ❖ Approx. 8% for contracted services delivered by community agencies, including Toronto Urban Health Fund programs
 - ❖ Approx. 6% for grants for Student Nutrition Programs
 - o Approx. 5% for Corporate Services like facilities, legal service, information technology, human resources



Response to Date

- Hold on discretionary expenditures like stationery, office supplies, furniture, conferences, seminars, training and development, and advertising and promotion activities
- Considering resource strategies that do not negatively impact the health status of Torontonians



Strategies to Address 2020 Financial Pressure

- Provincial Low Income Seniors Dental Program
- New Revenue Sources
- Provincial Technical Table
- Other Strategies



Provincial Low Income Seniors Dental Program

- Re-invest 100% City budget for low income seniors dental program into other public health programs
- Savings estimated to be in the range of \$4 – 6 million annually.
- Re-investing the savings would reduce the financial pressure on public health by \$8 – 15 million depending on the change to the provincial-municipal cost-sharing funding model.



New Revenue Sources

- Identify opportunities for new revenue sources

Provincial Technical Table

- Negotiate changes to the Ontario Public Health Standards that no longer address the public health needs of Torontonians
- Improve provincial electronic information systems to gain administrative efficiencies
- Negotiate funding for downloaded functions



Other Strategies – Under Development

- The following strategies are being considered to address the financial pressure:
 - Implement select recommendations from the 2018-19 Organizational Review
 - Examine effectiveness of current programs and services
 - Change programs and services delivery models
 - Collaborate with the Association of Local Public Health Agencies and the Council of Ontario Medical Officers of Health
- Report back in September with options to address the financial pressure as part of Toronto Public Health's 2020 Budget

Questions and Answers

