



Board of Health Finance Standing Committee

Wednesday, January 10, 2018

10 a.m. until noon

SDHU, Boardroom, 1300 Paris Street

AGENDA

BOARD OF HEALTH FINANCE STANDING COMMITTEE

WEDNESDAY, JANUARY 10, 2018

10 A.M. TO 12 P.M.

BOARDROOM – SUDBURY & DISTRICT HEALTH UNIT

MEMBERS: Carolyn Thain, Chair
Mark Signoretti
René Lapierre
Paul Myre

STAFF: Colette Barrette
Dr. Penny Sutcliffe
France Quirion
Rachel Quesnel

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **REVIEW OF AGENDA / DECLARATION OF CONFLICT OF INTEREST**
4. **APPROVAL OF BOARD OF HEALTH FINANCE STANDING COMMITTEE MEETING NOTES**

4.1 Board of Health Finance Standing Committee Notes dated November 1, 2017 *

MOTION: APPROVAL OF MEETING NOTES

THAT the meeting notes of the Board of Health Finance Standing Committee meeting of November 1, 2017, be approved as distributed.

5. **NEW BUSINESS**

- 5.1 2018 Program-Based Budget
 - a) Briefing Note Incremental Costs for Implementation of Ontario Public Health Standards, 2017*
 - b) Table 1 – Description of Implementation*
 - c) Schedule 1 – Financial Schedule of On-Going Cost Pressures*

6. **IN CAMERA**

MOTION: IN CAMERA

THAT this Board of Health Finance Standing Committee goes in camera. Time: _____

- Security of the SDHU Property

7. **RISE AND REPORT**

MOTION: RISE AND REPORT

THAT this Board of Health Finance Standing Committee rises and reports. Time: _____

8. **ADJOURNMENT**

MOTION: ADJOURNMENT

THAT we do now adjourn. Time: _____

* Attachment

MEETING NOTES
BOARD OF HEALTH FINANCE STANDING COMMITTEE
WEDNESDAY, NOVEMBER 1, 2017, AT 9 A.M.
SUDBURY & DISTRICT HEALTH UNIT, BOARDROOM

BOARD MEMBERS PRESENT

René Lapierre
Carolyn Thain

Paul Myre

Mark Signoretti

STAFF MEMBERS PRESENT

Colette Barrette
Dr. P. Sutcliffe

Rachel Quesnel

France Quirion

GUEST: Bill Kafkis, Account Executive | Mosey & Mosey Insurance Agency Limited ~
~via teleconference

C. THAIN PRESIDING

1.0 CALL TO ORDER

The meeting was called to order at 9:08 a.m.

2.0 ROLL CALL

3.0 REVIEW OF AGENDA / DECLARATION OF CONFLICT OF INTEREST

There were no declarations of conflict of interest.

4.0 APPROVAL OF BOARD OF HEALTH FINANCE STANDING COMMITTEE MEETING NOTES

4.1 Board of Health Finance Standing Committee Notes dated May 4, 2017

05-17 APPROVAL OF MEETING NOTES

Moved by Lapierre – Signoretti: THAT the meeting notes of the Board of Health Finance Standing Committee meeting of May 4, 2017, be approved with a minor correction.

CARRIED

5.0 NEW BUSINESS

5.1 Ministry of Health and Long-Term Care (MOHLTC) Provincial Funding

a) Status of 2017 Funding

There are no updates regarding the Ministry of Health and Long-Term Care (MOHLTC) grant for 2017 as well as one-time request for indigenous engagement. Funding is still being flowed at 2016 budget levels. Health units have been invited to a MOHLTC public health summit on November 16. The purpose of the summit has not been shared; however, it is widely presumed to be the release of the new standards for public health.

5.2 Benefits Review

a) Mosey & Mosey Overview of the SDHU Benefit Program

Committee members were thankful for the overview of Mosey & Mosey that was emailed in advance of today's meeting. The SDHU and Mosey & Mosey entered into a service agreement on April 16, 2012. It was clarified that there is no end date to the duration of the agreement.

Bill Kafkis, on behalf of Susy Nicols who is the SDHU account representative, was welcomed by teleconference.

It was noted that Mosey & Mosey formed a partnership with the Association of Local Public Health Units (alPHa) to offer a province-wide group benefits program. The consortium includes ten health units.

An overview based on a detailed slide deck was shared. It was noted that the SDHU implemented a generic requirement within the drug plan on October 1, 2017.

Drivers of group benefit costs were outlined. Effective January 1, 2018, the Ontario government will provide a new provincial prescription drug program, officially titled "OHIP+: Children and Youth Pharmacare", for your dependent children age 24 and under.

B. Kafkis was thanked for the comprehensive presentation.

Questions and comments were entertained. The importance of preventive measures as well as promoting health and wellness with staff was discussed. F. Quirion outlined the SDHU wellness opportunities available to SDHU staff. There was interest in learning more about usage of preventive services within the employee assistance program and this will be shared with Finance Committee members. It was noted that education is also important to keep staff apprised of their benefits and Mosey & Mosey recently hosted a SDHU staff education session on the SDHU plan.

Thoughts were shared on further potential cost containment options.

5.3 Year-to-Date Financial Statements

a) September 2017 Financial Statements

The financial statements ending September 30, 2017, were shared for information and the positive variance is slightly lower in comparison with last year's year-to-date variance. This year's variance is significantly contributed to by retirements and short term disabilities.

Preliminary projection for 2017 year-end was discussed; however, the MOHLTC grant and our one-time request for 2017 are still unknown. It was noted that per Board motion 04-13, the Board is apprised of within year reallocations to current pressures and priorities. The senior management's process of reviewing organizational priorities for in-year expenditures was outlined. The organization's Vacancy Management Review policy is also activated by the MOH during times of fiscal constraints. It requires a separate approval process for the posting of newly vacant positions, including temporary and permanent vacancies.

5.4 2018 Program-Based Budget

a) 2018 Budget Principles

The 2018 budget principles are similar to previous years' and were especially helpful in 2015 when we first faced the fiscal constraints imposed by the provincial funding formula. The principles were supported as presented.

b) Budget 2018 - Summary of Current Context Relevant to 2018 Budget Deliberations

A briefing note outlines the current context relevant to 2018 budget deliberations for the committee members' review and careful consideration, including provincial and SDHU-specific fiscal constraints, the provincial health system transformation, as well as SDHU-specific program delivery and supports.

The MOHLTC 2017 Program-Based Grant to boards of health has yet to be announced. The MOHLTC Public Health Funding Formula has resulted in no increase in provincial funding to the Sudbury & District Board since it was implemented in 2015. It is anticipated that there will be no funding increases for 2017 or 2018.

Since its introduction, the funding formula has necessitated a reduction of 10.2 FTEs at the SDHU. Significant reductions in the public health workforce have been experienced across the province. Discussion ensued regarding the impact on remaining staff and on the workplace culture.

Financial pressures that the SDHU is experiencing with 100% provincially funded programs were outlined. Salaries and increasing benefit costs have been budgeted for recognizing the CUPE collective agreement will be renegotiated in 2018.

Anticipated and unanticipated attrition occurred within 2017. Given the uncertainties in the current environment, temporary measures were taken to support work required at the time. The measures were temporary in order to maximize future flexibility for planning and related budget allocation and include the result that a director FTE is available to offset identified priorities for 2018 with the AMOH becoming the Director of Clinical Services.

At the provincial level, there are uncertainties as it relates to the Expert Panel Report, the Patients First Act, the modernization of the Ontario Public Health Standards, and the renewal of the accountability framework.

Program pressures for 2018 were highlighted.

c) 2018 Cost Reduction Initiatives and Pressures

Funding shortfall based on needs is projected to be \$334,026 for 2018.

Proposed cost reduction initiatives to offset the operational and program pressures include attrition and an HR adjustment. The operational cost reduction and Part VIII user fee increase were explained. It was pointed out that the Part VIII fee would not be implemented until notice was provided per the Ontario Building Code. Additional pressures include the staff development allowances, indigenous engagement initiative, digital media and health equity. The unfunded organizational needs before the proposed budget increase totals \$421,202. The proposed 1.75% municipal increase totals \$121,508, leaving a negative variance for 2018 of \$299,694. These outstanding needs for 2018 will have to be addressed with a combination of year-in reallocation and reserve for one-time investments such as digital media.

d) 5-Year Financial Projections

A five-year projection from 2019 to 2023 based on a zero percent increase and reasonable assumptions for inflating expenses on the go forward shows a significant cumulative shortfall year over year.

e) 2018 Proposed Mandatory Cost-Shared Budget

The 2018 proposed cost-shared operating budget totals \$22,896,074. The 2018 budget is a 0.53% increase as compared with the 2017 cost-shared operating budget, incorporating a 1.75% municipal increase and maintaining the provincial grant at the 2017 level.

Expenditures by category were explained and ongoing efficiencies of previous decisions were described including the Needle Exchange Program, outsourcing of print shop, professional fees, increase in Part VIII fees, and changes in some service delivery models.

Questions were entertained relating to leases and insurance, and it was clarified that the population in the municipal levy is based on MPAC per legislation. Staff were congratulated for presenting a reasonable budget during these fiscally challenging times. The Board recognized that it is getting more difficult to manage and long term feasibility is a concern.

The Board Finance Standing Committee concurred that the 2018 proposed cost shared operating budget be recommended to the full Board for endorsement at the Board's November meeting.

6. IN CAMERA

06-17 IN CAMERA

Moved by Signoretti – Myre: THAT this Board of Health Finance Standing Committee goes in camera. Time: 10:55 a.m.

CARRIED

- Security of the SDHU Property
- Personal matters involving one or more identifiable individuals, including employees or prospective employees
- Labour relations or employee negotiations

7. RISE AND REPORT

07-17 RISE AND REPORT

Moved by Lapierre – Signoretti: THAT this Board of Health Finance Standing Committee rises and reports. Time: 11:30 a.m.

CARRIED

It was reported that two agenda items were discussed during the closed meeting as it relates to the security of the SDHU property; personal matters involving one or more identifiable individuals, including employees or prospective employees and labour relations or employee negotiations. The following motion emanated from the closed meeting:

08-17 APPROVAL OF IN-CAMERA MEETING NOTES

Moved by Lapierre – Myre: THAT this Board of Health Finance Standing Committee approve the meeting notes of the November 2, 2015, in-camera meeting and that these remain confidential and restricted from public disclosure in accordance with exemptions provided in the Municipal Freedom of Information and Protection of Privacy Act.

CARRIED

8.0 ADJOURNMENT

09-17 ADJOURNMENT

Moved by Signoretti – Lapierre: THAT we do now adjourn. Time: 11:31 a.m.

CARRIED

(Chair)

(Secretary)

APPROVAL OF BOARD OF HEALTH FINANCE STANDING COMMITTEE MEETING NOTES

MOTION: THAT the meeting notes of the Board of Health Finance Standing Committee meeting of November 1, 2017, be approved as distributed.

Briefing Note

To: C. Thain, Chair, Board Finance Standing Committee

From: Dr. Penny Sutcliffe, Medical Officer of Health/Chief Executive Office

Date: January 10, 2018

Re: Budget 2018 – Incremental Costs for Implementation of Ontario Public Health Standards, 2017

For Information

For Discussion

For a Decision

Issue:

The incremental costs estimates for the implementation of the *Ontario Public Health Standards: Requirements for Programs, Services, and Accountability (OPHS)*, released at the November 16, 2017 Public Health Summit, were not included in the 2018 budget for cost-shared programs and services approved by the Board of Health at its November 23, 2017 meeting. This briefing note provides information on these incremental costs.

Recommended Action:

That the Board Finance Standing Committee review and discuss this briefing note and recommend to the Board of Health the request for additional Ministry of Health and Long-Term Care funds in the amount of \$2.54M to offset costs estimated for the implementation of the *Ontario Public Health Standards: Requirements for Programs, Services, and Accountability, 2017*.

1. Background:

The *Ontario Public Health Standards: Requirements for Programs, Services, and Accountability (OPHS)* were released at the November 16, 2017 Public Health Summit. At this meeting, it was communicated that, to the extent possible, boards of health should consider in their 2018 budgets reasonable estimates of their costs associated with implementing the new requirements. Although there is no commitment for additional funding, such costing would further assist the Ministry in assessing the local public health needs associated with implementing the new Standards.

The timing of the release of the Standards was such that the Board, in approving the 2018 operating budget for cost-shared programs and services on November 23, 2017, was apprised that management would undertake a careful review of the new requirements and related costing with the aim of seeking the Board's approval at its next meeting for a request for additional Ministry funds.

¹ Strategic Priorities:

1. Champion and lead equitable opportunities for health
2. Strengthen relationships
3. Strengthen evidence-informed public health practice
4. Support community actions promoting health equity
5. Foster organization-wide excellence in leadership and innovation

The MOHLTC current funding policy with respect to local public health is to consider grants of up to 75% of board-approved budgets for cost-shared programs and services. Based on historical funding levels, the Sudbury & District Board of Health’s 2018 cost-shared budget includes a MOHLTC grant at 69% of the total approved by the Board. This gap in Ministry funding allows for a request for additional provincial funds without requisite municipal funding.

2. Implementation Estimates:

2.1 Implementation Details

Table 1 in Attachment 1 provides details of the implementation pressures expected to be experienced by the Sudbury & District Health Unit. The Table is organized according to the Standards and the Programs of the Ontario Public Health Standards, 2017.

Financial details are found in Schedule 1 in Attachment 2.

2.2 Expenditure Summary

FTEs	28.05
Salaries	\$1,801,606
Benefits	\$616,853
Operating	\$123,341
Total	\$2,541,800

3. Conclusion:

There are significant implementation costs associated with the implementation of the *Ontario Public Health Standards: Requirements for Programs, Services, and Accountability*, 2017.

It is proposed that the Board Finance Standing Committee, having reviewed these needs, recommend to the Board of Health the request for additional Ministry of Health and Long-Term Care funds in the amount of \$2,541,800.

¹ Strategic Priorities:

1. Champion equitable opportunities for health in our communities.
2. Strengthen relationships with priority neighbourhoods and communities and strategic partners.
3. Strengthen the generation and use of evidence-informed public health practices.
4. Support community voices to speak about issues that impact health equity.
5. Maintain excellence in leadership and agency-wide resource management as key elements of an innovative learning organization.

Table 1: Implementation Pressures for the Ontario Public Health Standards 2017

O: December 2017

Standard	Program	Requirement	Pressure	Resource Implications (FTEs)
Foundation	Population Health Assessment	Overall and LHIN Engagement	Increased and new expectations overall and related to LHIN engagement and related work on health equity.	1
	Health Equity	Overall and Indigenous Engagement	New requirement and ongoing Board commitment; strategy development resourced using one time funds; will require ongoing investment.	4
	Effective Public Health Practice	Program Planning, Evaluation and Evidence Informed Decision Making	Increased requirements related to program planning and evaluation and evidence-informed practice; supports are required for evidence reviews, data collection and analysis and community and stakeholder assessments including engagement with LHINs. Further, as part of the population health assessment, population health data and analysis to support health system planning requires knowledge and expertise to interpret and translate health information to inform integrated planning.	2
		Research, Knowledge Exchange and Communication	There are increased communication requirements and expectations for knowledge exchange; effective knowledge exchange, communication, and transparency require outreach for the development of strong partnerships with both traditional and non-traditional partners, including the LHINs. This is in addition to program-related requirements for effective health promotion messaging (e.g. social media and other forms of engagement).	2.5
		Quality and Transparency	New requirements for disclosure places greater public scrutiny on SDHU and to mitigate and ensure excellence in programming and reputation; anticipated additional impacts on corporate resources (IT and communications).	1.5
Program	CDPW, HGD, SH, SUIP	Mental Health	Mental health promotion and suicide prevention are new requirements in four program areas and the focus of school health programming; there is significant community need and insufficient community capacity.	5
		Violence Prevention	Violence prevention is a new topic for programming in two standards (SH and SUIP); supports required to fully engage in all forms of violence prevention.	1.5
	Healthy Environments (and CDPW)	Built Environment and Climate Change	New requirements for climate change work and expectations for engagement on built environment supports for chronic disease prevention; concerted efforts required for across the catchment area.	3
	School Health	Vision	New program requirement.	2.55
	SUIP	Substance Use Prevention and Harm Reduction (drug strategy and cannabis legalisation)	Enhanced need for substance use programming and response.	3
Corporate Supports	HR and IT		Anticipated additional corporate resources required to meet support demands in these areas for new staff and programs.	2
				28.05

CDPW = Chronic Disease Prevention and Well-Being; HGD = Healthy Growth and Development; SH = School Health;

SUDBURY & DISTRICT HEALTH UNIT**2018 On-Going Cost Pressures****Schedule 1****Foundation Standard**

Total Population Health Assessment	94,075
Total Health Equity	366,900
Total Effective Public Health Practice	167,356
Total Research, Knowledge Exchange and Communication	196,266
Total Quality and Transparency	115,650
TOTAL FOUNDATIONAL STANDARD	\$ 940,247

Program Standard

Total Mental Health	440,337
Violence Prevention	143,223
Total Build Environment and Climate Change	282,605
Vision	204,492
Total Substance Use Prevention and Harm Reduction	232,275
TOTAL PROGRAM STANDARD	\$ 1,302,932

Corporate Supports	175,280
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TOTAL CORPORATE SUPPORT	\$ 175,280
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Total Administration	123,341
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TOTAL STANDARDS AND CORPORATE SUPPORT	\$ 2,541,800
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IN CAMERA

MOTION: *THAT this Board of Health Finance Standing Committee goes in camera. Time: _____*

- Security of the SDHU Property

RISE AND REPORT

MOTION: *THAT this Board of Health Finance Standing Committee rises and reports. Time: _____*

ADJOURNMENT

MOTION: THAT we do now adjourn. Time: _____ p.m.