

BOARD OF HEALTH MEETING

JANUARY 25, 2018

2018 GENERAL PUBLIC HEALTH AND HEALTHY BABIES/HEALTHY CHILDREN BUDGETS

SUMMARY

The Finance, Audit, Property and Risk Management Committee met on January 11, 2018 and recommended:

- That the Board approve the 2018 General Public Health Programs Budget of \$12,862,239:
 - \$12,031,433 for the Ontario Public Health Standards;
 - \$830,806 for Other Programs and Services; and
 - Use of the Municipal Working Reserve to purchase the IntraHealth Electronic Medical Record (up to \$156,725), to complete the Board approved 2016 reserve funded projects (up to \$33,789), and to offset the budget shortfall for salaries and benefits (up to \$138,169).
- That the Board approve the 2018 Healthy Babies Healthy Children Budget in the amount of \$1,060,739.

HEALTH UNIT GENERAL PUBLIC HEALTH BUDGET

The 2018 Health Unit General Public Health Programs Budget has been split into two - the first column, Ontario Public Health Standards (OPHS), relates to funding received and spent to implement the MOHLTC Ontario Public Health Standards, and the second column, Other Services/Programs, includes those programs/services funded from other sources.

ONTARIO PUBLIC HEALTH STANDARDS BUDGET

Revenue

- **Municipal Funding** –The recently passed Board Investment Policy V-165-0 places a limit of the total amount in the Reserve based on the funds in the Reserve as of December 2016. The policy states that any interest or year-end surplus amounts can instead be used to offset any increase in the municipal levy and can be used for on-going expenses or to fund one time projects. Given the amount of the municipal surplus in 2017 and the cumulated interest in the investments, the municipal levy will not be increased for 2018.

The Municipal Reserve amount shown on the 2018 Budget in Total Revenue (\$328,683) comprises funds from the following:

- \$154,481 from the 2017 municipal surplus
- \$80,413 from the 2016 municipal surplus (exact amount will depend on final 2017 surplus and amount saved in 2018 from delays in filling positions with savings in salaries and benefits)
- \$60,000 from Interest on the Reserve investments (est. \$30,000 in 2017 and in 2018)
- \$33,789 from the 2016 municipal surplus to complete two projects that the Board approved in January 2017.

The Municipal Reserve funding will be used to purchase the IntraHealth Electronic Medical Record (\$156,725), to complete the Board approved 2016 reserve funded projects (\$33,789), and to offset the budget shortfall for salaries and benefits (\$138,169).

- **Mandatory Program Funding** - The Ministry of Health and Long-Term Care has instructed Health Units to submit their 2018 base budget based on ministry funding received in 2017. The Ministry has requested, from the Treasury Board, additional funding for program pressures experienced by Health Units due to the new Ontario Public Health Standards. They have given Health Units the option of submitting a request for additional base funding or for one time funding, which will be considered if additional funding is received from the Treasury Board. The Health Unit is planning to submit requests in both categories and they will be presented to the Board for approval at the February meeting.
- **Ministry “Other” Base Funding** – This includes the other MOHLTC grants for enhancements to the general public health programs. A list of the specific grants is on the Budget Statement. New in 2017 was the addition of Opioid Program funding of \$150,000 to the base budget and this is anticipated to continue into 2018. The Ministry of Health and Long-Term Care has directed all Health Units to plan for no increase in other base funding in 2018, and to submit requests for enhancements which will be considered if additional funding is available (see above).
- **Revenue for Influenza, Hepatitis B and Human Papilloma Virus (HPV) Immunizations** – The MOHLTC gives us a specific amount (\$8.50) for each HPV and meningococcal vaccine we give to grade 7 students and \$5.00 for each influenza vaccine we give. The amount for 2018 is based on estimates for year-end 2017.
- **Purchase/Sale of Vaccine** – The revenue for the sale of travel vaccines is down for 2017 as more pharmacies have started providing these same vaccines. It is expected that this trend will continue, so the revenue for 2018 has been decreased further.
- **Sale of Contraceptives** – Revenue for the sale of contraceptives was less than expected in 2017 because of the new provincial decision to provide all medications free to individuals under age 25. This trend is expected to continue in 2018 so the expected revenue has been decreased. This is offset by a reduction in the expenses for the purchase of the vaccine.
- **OHIP Revenue** – This includes the amount we receive from billings for the contract physician working in the sexual health clinic.
- **Miscellaneous Revenue** – Funds come from a variety of sources, and include funds from rebates and employee time reimbursed by the unions.

Expenses

- **Salaries and Benefits** - The actual cost of salaries and benefits to maintain all of our current permanent staffing commitments are \$433,724 more than the available funds listed in the budget. The following approaches will be used to manage the budget shortfall:
 - \$138,169 from the Municipal Reserve (see above);
 - \$68,690 Voluntary Leaves of Absence without Pay –This is the amount requested to date by employees.
 - 2017 Deferred Revenue - One time ministry revenue of \$13,200 for the Menu Choices Act, January to March 2018, to offset Public Health Inspector salaries and benefits;
 - 2017 Deferred Revenue - One time ministry funding of \$8,647 for website development, January to March 2018, to offset Webmaster salary and benefits.
 - \$205,018 Vacancies –This estimate is of the savings in salaries and benefits due to delays in recruitment and the associated salary differentials between the permanent job owner and the term replacement. We estimated \$200,000 in savings in 2017, and have saved over \$300,000 by the end of 2017.

- **Operating Expenses** – All operating expenses were reviewed by each Department and there are reductions in expenses for travel, mileage, training, and materials and supplies. Slight increases in the Building/Occupancy category are due to rent increases.

OTHER PROGRAM/SERVICES

Revenue

- **Deferred 2017 Revenue** – One time grants received from the Ministry in 2017 that can be spent up to March 31, 2018.
- **Allocations Recovered and Rental Income**–This includes the overhead and rent that is charged to Land Control and Preschool Speech and Language, which are funded through other sources.
- **Ontario Works Revenue** - This is the revenue received from the Ontario Works Dental Program for the United Counties of Leeds and Grenville and Lanark County. Most of the revenue goes to pay dentists and we retain 8% as an administration fee. In 2017, the Auditor requested that we include the total amount we receive in the budget for the Ontario Works Dental Program rather than only the administration fee. The total operational expenses were included to offset this revenue.
- **RNAO – BPSO** - We have received funding from the RNAO (Registered Nurses’ Association of Ontario) for the Best Practice Spotlight Organization Project. It will conclude on March 31, 2018.
- **Healthy Kids Community Challenge** – We have received funding from the United Counties of Leeds and Grenville to coordinate the community funding for the provincial Healthy Kids Community Challenge. The project will finish on September 30, 2018.

Expenses

- The Salaries and Benefits and Operating Costs are directly tied to the funding received for each program/service. Health Unit staff who work in these programs are paid with funds received for each program/service in which they work.
- The costs (\$33,789) to complete the 2017 Board approved projects funded from the Reserve on developing an Activity Reporting System and the support to implement the Electronic Medical Record (EMR) internally are included in Purchased Services.
- The costs to purchase the IntraHealth EMR (\$156,725 -see details on Finance, Audit, Property and Risk Management report in the Consent Agenda) are included in the Operating Expenses under Purchased Services. After the first year, the ongoing costs are \$50,887 or less. A request will be made to the MOHLTC to fund the on-going costs. Several health units have been in discussion with the Ministry of Health and Long-Term Care about funding the on-going costs of EMR’s given they improve the efficiency and effectiveness of services.
- The costs to complete the activities funded by the MOHLTC in 2017 that are to be completed by March 31, 2018 are also included in Expenses – Smoking Cessation \$29,900, Vaccine Fridge \$16,900, Panorama \$80,000, Website Development \$13,947, Menu Labelling \$13,200.

HEALTHY BABIES HEALTHY CHILDREN (HBHC) BUDGET

The Ministry of Community and Youth Services provides 100% funding for the Healthy Babies Healthy Children Program (\$1,060,739). While an additional \$50,000 was provided to the Health Unit in 2013 when new requirements were added to the program, this program has not received an increase in its base funding since 2007. Program staffing has had to be reduced over time as negotiated wages increased.

Briefing Note Prepared by:
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 January 25, 2018

Leeds, Grenville, Lanark District Health Unit					
General Public Health Programs					
2018 Budget Revised					
	Ontario Public Health Standards	Other Programs and Services	Total	Other Base Funding	2018 Proposed
REVENUE				MOH Top Up (Formula Based)	\$ 128,029
Municipal Levies	\$ 3,038,085		\$ 3,038,085	Chief Nursing Officer (100%)	121,500
Municipal Reserve	138,169	190,514	\$ 328,683	Small Drinking Water Systems (75%)	94,600
2017 Deferred Revenue		153,947	\$ 153,947	Vector Borne Disease (75%)	22,100
Mandatory Programs	6,839,300		\$ 6,839,300	Priority Population Nurses (100%)	180,500
Ministry of Health - Other Base Funding	1,938,629		\$ 1,938,629	Needle Exchange Program (100%)	25,000
Influenza Grants	250		\$ 250	Enhanced Food Safety (100%)	37,600
Meningitis Grants	15,000		\$ 15,000	Enhanced Safe Water (100%)	15,500
HPV Grants	27,000		\$ 27,000	Infection Control	420,800
Alllocations Recovered		79,446	\$ 79,446	Healthy Smiles Ontario	327,400
Rental Income		14,899	\$ 14,899	Harm Reduction Funding	150,000
Food Handlers Course	15,000		\$ 15,000	Smoke Free Ontario	415,600
Interest Revenue	5,000		\$ 5,000	Totals	\$ 1,938,629
Purchase/Sale Vaccine		20,000	\$ 20,000		
OHIP Revenue	10,000		\$ 10,000		
Ontario Works Revenue		280,000	\$ 280,000	2018 Budget	HBHC
RNAO - BPSO		10,000	\$ 10,000	REVENUE	1,060,739
RNAO - ACPF		14,500	\$ 14,500		
Healthy Kids Community Challenge		40,500	\$ 40,500	EXPENSES	
Triple P		27,000	\$ 27,000	SALARIES & BENEFITS	
Other Revenue	5,000	0	\$ 5,000	Salaries/Wages	793,000
TOTAL REVENUE	\$ 12,031,433	\$830,806	\$ 12,862,239	Benefits	211,739
				TOTAL SALARIES & BENEFITS	1,004,739
EXPENSES					
SALARIES & BENEFITS				GENERAL OPERATING EXPENSES	
Salaries/Wages	\$ 8,395,506	194,360	\$ 8,589,865	Purchased Services	
Benefits	\$ 2,182,831	\$50,533	\$ 2,233,365	Travel/Mileage/Training	42,000
TOTAL SALARIES & BENEFITS	\$ 10,578,337	\$244,893	\$ 10,823,230	Materials & Supplies	14,000
				GENERAL OPERATING EXPENSES	56,000
GENERAL OPERATING EXPENSES					
Purchased Services	208,450	380,889	\$ 589,339	TOTAL EXPENSES	1,060,739
Travel/Mileage/Training	\$313,651	19500	\$ 333,151		
Materials & Supplies	\$577,494	170625	\$ 748,119	SURPLUS (DEFICIT)	\$ -
Building/Occupancy Costs	\$353,501	14,899	\$ 368,400		
TOTAL GENERAL OPERATING EXPENSES	1,453,096	585,913	\$ 2,039,009		
TOTAL EXPENSES	\$ 12,031,433	\$830,806	\$ 12,862,239		
SURPLUS (DEFICIT)	-	-	\$ -		