

The Corporation of the City of Kawartha Lakes

Council Report

Report Number HS2018-004

Date: December 11, 2018

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier: All

Title: Kawartha Lakes Health Care Initiative: Return of Service Incentive Repayment

Author and Title: Rod Sutherland, Director, Human Services

Recommendation(s):

That Report HS2018-004, **Kawartha Lakes Health Care Initiative: Return of Service Incentive Repayment**, be received; and

That Kawartha Lakes Health Care Initiative retain the repaid Doctor recruitment incentive of \$17,650.24 for the sole purpose of supporting upcoming recruitment incentives prior to further Doctor Recruitment Reserve funding being requested from the City; and

THAT any future reimbursements of Doctor recruitment incentives to the Kawartha Lakes Health Care Initiative resulting from a cancelled Return of Service Agreement be retained by the Kawartha Lakes Health Care Initiative for the sole purpose of supporting future recruitment incentives.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

In 2008, the City created the Doctor Recruitment Reserve to fund incentives negotiated by the Kawartha Lakes Health Care Initiative (KLHCI) to bring family physicians to Kawartha Lakes. Since its inception in 2003, KLHCI has recruited 36 family physicians to Kawartha Lakes.

In October 2016 KLHCI announced the successful recruitment of a family physician to Woodville, Dr. Muhammad Khan. KLHCI entered into a Return of Service Agreement with Dr. Khan as part of the doctor recruitment incentive program. The incentives were approved by City Council and issued to KLHCI from the Doctor Recruitment Reserve as part of the following Council resolution (CR2016-949) on November 8, 2016. Note that the total value of incentives referenced in this resolution included those for a second physician.

RESOLVED THAT Report HS2016-007, Kawartha Lakes Health Care Initiative Reserve Request, be received; and

THAT payment of up to \$97,000.00 to the Kawartha Lakes Health Care Initiative (KLHCI) be authorized from the Doctor Recruitment Reserve to support two Return of Service Agreements executed by KLHCI.

Rationale:

Earlier this year Dr. Khan announced his plans to leave his practice in Woodville at the end of October. The terms of Return of Service Agreements include a repayment schedule for incentives if the physician does not stay for the full duration. With Dr. Khan's departure in October there was a repayment requirement for a portion of his incentives. KLHCI received a net reimbursement of \$17,650.24 after legal fees and disbursements.

KLHCI has requested, and staff recommends, that they retain the net reimbursement amount of \$17,650.24 for the sole purpose of supporting subsequent recruitment incentives. A reimbursement of another cancelled Return of Service Agreement in July 2018 of \$25,903.58 was approved to be retained by KLHCI for future incentives as well (CR2018-442). Those funds are still held by KLHCI and are anticipated to be allocated toward two upcoming recruitments. The \$17,650.24 from this current reimbursement will also be allocated to these recruitments prior to further reserve funds being requested of Council. The KLHCI will provide a report to the City on these and any other new recruitments and the allocation of all incentives.

The City's Doctor Recruitment Reserve has a current balance of approximately \$104,500. With ongoing physician recruitment efforts, KLHCI is working toward additional Return of Service agreements in 2019.

This is just the second reimbursement from a cancelled Return of Service Agreement. It is recommended that should future agreements be cancelled, any reimbursement of incentives made to KLHCI by the physician be retained by KLHCI for the sole purpose of supporting future recruitment incentives. The KLHCI must report this to the City and provide full financial accounting for the reimbursed funds as requested by the City to ensure that it continues to meet the intent of the Doctor Recruitment Reserve. Council will retain the right to amend or cancel their support of the program and request the return of any incentives at its discretion.

Other Alternatives Considered:

Two alternatives are provided to the recommended approach.

Option A: The City could request the return of the incentive funds and all subsequent recruitments with incentives will require Council resolution to allocate funds from the Reserve. A suggested resolution for this option is as follows:

That Report HS2018-004, Kawartha Lakes Health Care Initiative: Return of Service Incentive Repayment, be received; and

THAT the Kawartha Lakes Health Care Initiative return the reimbursed incentive payment of \$17,650.24 to the City.

Option B: The City could approve KLHCI retaining the reimbursement of \$17,650.24 from this cancelled Return of Service Agreement but require any future reimbursement to still come to Council for approval in each circumstance. A suggested resolution for this option is as follows:

That Report HS2018-004, Kawartha Lakes Health Care Initiative: Return of Service Incentive Repayment, be received; and

That Kawartha Lakes Health Care Initiative retain the repaid Doctor recruitment incentive of \$17,650.24 for the sole purpose of supporting upcoming recruitment incentives prior to further Doctor Recruitment Reserve funding being requested from the City.

Financial/Operation Impacts:

Budget allocations to the Doctor Recruitment Reserve are done as part of the annual Operating Budget process. The Reserve is currently maintained for the sole purpose of supporting Doctor recruitment and retention efforts by KLHCI.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

The City's support of the KLHCI and Doctor recruitment and retention efforts relates directly to the Strategic Goal of An Exceptional Quality of Life, Enhancing access to Community and Human/Health Services.

Consultations:

Kawartha Lakes Health Care Initiative

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Department Head: Rod Sutherland