



November 25, 2019

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Via email to:

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Dear Municipal Partners,

We are writing to you today to make you aware of the dire financial circumstances the Board of Health for the Haliburton, Kawartha, Pine Ridge District Health will be facing in 2020. As our Board of Health is primarily populated by Municipal elected officials, we are acutely aware of the financial pressures our obligated municipalities are facing as they prepare their 2020 budgets knowing that we are asking for a substantial increase in our 2020 municipal levy.

Context

We believe that it will be helpful for you for us to provide some context for this significant increase to our 2020 municipal levy.

On Thursday, April 11, 2019, the Government of Ontario presented its 2019 Budget – Protecting What Matters Most. For Ontario's public health system, the proposals were:

- Adjust the provincial-municipal cost-sharing of public health funding;
- Establish 10 regional public health entities and 10 new regional boards of health with one common governance model by 2020 – 2021; and
- Project annual savings of \$200 million by 2021-2023.

A copy of the Medical Officer of Health's April 18, 2019 Report to the Board of Health is enclosed for your information. (Attachment 1)

In early May, the Ministry of Health and Long-Term Care set up calls with each of the provincial health units to discuss their submitted 2019 Annual Business Plan and Budget Submission, discuss the planned changes for this year and related mitigation opportunities, and ensure this next phase of planning supported their local needs and priorities. During our Health Unit's meeting with Ministry staff, we were verbally advised that the Ministry would be decreasing its grant to the Health Unit by \$1,200,000 for its fiscal year April 1, 2019 – March 31, 2020. To help with our transition costs we were to receive one-time funding of \$800,000. A copy of the Medical Officer of Health's June 18, 2019 Report to the Board of Health is enclosed for your information. (Attachment 2)

On May 27, 2019, the Premier of Ontario held a news conference and announced that the "in-year cuts to public health, child-care and land ambulance will not go ahead. It was not clear whether they would proceed next year;" (CTV (May 27, 2019)). (Attachment 2)

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On May 24, 2019 the Eastern Ontario Wardens' Caucus passed a resolution regarding the "restructuring of public health units, and the serious impact this could have on rural and small urban municipalities" and on May 27, 2019, the Eastern Ontario Mayors' Caucus passed a resolution regarding the "Changes to Public Health". (Attachment 2) A number of meetings were held with representatives of the Eastern Ontario Wardens' Caucus and the Medical Officers of Health for the following health units: Renfrew County & District; Eastern Ontario; Leeds, Grenville and Lanark District; Kingston, Frontenac, Lennox & Addington, Hastings Prince Edward; Peterborough; and Haliburton, Kawartha, Pine Ridge District. (Attachment 2)

On August 20, 2019, the Minister of Health sent correspondence to the Chair of the Board of Health regarding Ministry funding for the 2019/2020 funding year (January 2019-December 2019). A copy of the correspondence is attached. (Attachment 3) In her correspondence, the Minister stated the following:

"In order to support public health unit planning for 2020, municipalities can use a planned funding change to bring the municipal share to 30% for public health programs and services effective as of January 1, 2020. However, to help provide additional stability as municipalities begin to adapt to shifting funding models, our government will also provide one-time mitigation funding to assist all public health units and municipalities to manage this increase while we work to transform the public health system across the province over the next couple of years. While final confirmation of 2020 funding will be provided through the 2020 Budget process, we expect that all municipalities will be protected from any cost increases resulting from this cost-sharing change that exceed 10% of their existing costs."

The September 13, 2019 update (Attachment 4) from the Association of Local Public Health Agencies (aLPHa) included the following information:

"At the recent annual conference of the Association of Municipalities of Ontario (AMO) in Ottawa, Minister of Health Christine Elliott made several important announcements regarding public health modernization. These included the following:

- More time will be given to accommodate changes to the cost-sharing arrangement and changes to 2019 funding models will be paused;
- Starting on January 1, 2020, all municipalities will transition to a 70-30 provincial/municipal cost-sharing funding model. In the first year, no health unit will experience an increase of more than 10 percent of current public health costs as a result of this cost-sharing change;
- A renewed consultation with public health partners and municipalities will be launched on the province's proposed larger regional public health structure approach. This will be in addition to the work being done by already-established technical tables; and
- The consultation will include the release of a discussion paper, which will outline the Ministry's proposals for boundaries for the new regional public health entities, among other aspects."

On October 10, 2019, the Government of Ontario announced that "Jim Pine, Chief Administrative Officer of the County of Hastings and former member of the Board of Directors of the Association of Municipalities of Ontario, will serve as advisor for renewed consultations on strengthening and modernizing public health and emergency health services. Pine will play a key role in facilitating productive discussions between the Ministry of Health and public health, emergency health and municipal stakeholders." The consultations will start in Fall 2019 and are expected to conclude in 2020. (Attachment 5)

In preparation for these consultations, alPHa has developed a Statement of Principles – Public Health Modernization. (Attachment 6)

The Discussion Paper: Public Health Modernization was released on November 18, 2019. (the Discussion Paper can be access [here](#)).

Finally, alPHa intends to solicit input from Ontario health units and has developed a Member Feedback document, which includes “Questions for Discussion by Theme”. The deadline for health unit feedback is January 3, 2020 and one response per health unit has been requested. (Attachment 7)

Haliburton, Kawartha, Pine Ridge District Health Unit Information

On August 20, 2019, the Health Unit received information from the Ministry of Health regarding its 2019-2020 Public Health Funding (Attachment 8 -Schedule “A” Grants and Budget - January 1, 2019 to December 31, 2019).

Our 2019 approved allocation from the Ministry is \$13,672,200. The approved allocation includes Mandatory Programs (Cost-Shared) (\$10, 966,900, which was the same allocation as for 2018) as well as 100% funded programs. The provincial Government plans to change the funding formula in 2020 from its current 75% (provincial)/25% (municipal) for cost-shared programs to 70% (provincial)/30% (municipal) for cost-shared programs and most 100% funded programs except the new Ontario Seniors Dental Care Program and a couple of other 100% funded programs.

In 2020, in addition to the \$1,200,000 reduction in base funding from the Ministry of Health, we anticipate financial pressures related to increased costs for insurance, WSIB, leasing and staffing, which we estimate will add an additional \$500,000 to our funding shortfall for a total of \$1,700,000. While we were advised by Ministry staff that we would expect approximately \$800,000 in one-time funding to help with our transition costs, we have received nothing in writing regarding this amount from the Ministry. In the Minister’s letter of August 20, 2019, we were advised that the “final confirmation of 2020 funding will be provided through the 2020 Budget process”. Historically, the earliest we have received Budget approvals has been in May, but usually we receive this information in August and on occasion as late as December in the fiscal year.

The Health Unit has faced funding challenges for a number of years due to funding freezes (2015, 2016, 2017 and 2019) in the provincial share of our cost-shared budget. While we are very appreciative of our municipalities on-going financial support of the Health Unit, with yearly funding increases in the order of 2 - 2.5 % in their portion of our cost-shared budget, the increases have not been sufficient to keep up with annual cost increases to the Health Unit. As a result of our on-going funding shortfalls, we have implemented many strategies including: closing two offices (Brighton and Campbellford); renegotiating our other leases; decreasing our staff complement; restructuring our organization; implementing Continuous Quality Improvement initiatives as well as IT and other technological initiatives; and revising our organizational Program Planning process, which will permit prioritizing initiatives at the intervention level.

Over the summer through some work with neighbouring health units (Peterborough; Eastern Ontario; Leeds, Grenville and Lanark District; Kingston, Frontenac, Lennox & Addington; and Hastings Prince Edward), we confirmed that among these six health units including our Health Unit, ours is the largest geographically, has the third largest population and the second lowest number of staff.

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We know that we are achieving our Ministry targets and doing great work with our partners, including with our obligated municipalities as well as lower-tier municipalities in addition to our local school boards, hospitals, local health care providers, Children's Aid Societies and others. However, the significant reductions in our provincial funding that we anticipate in 2020 will negatively impact our public health programs and services and ultimately the health of the population in our many communities. Unfortunately, the estimated increases in our municipal levies for 2020 will not solve the shortfall with which we are faced.

Recently you received a letter from us requesting a 10% increase in our yearly allocation. This is not something we did lightly, but after careful examination and considering the full range of our services, and the potential negative impacts of reduced public health programs and services on the health of our population, it was our only option. We included a copy of the Minister's 2019 funding letter advising of the funding formula change and that Mandatory Programs previously funded at 100% would now only be funded at 70%. We were also advised that we should seek the additional funds from you our Municipal partners, but that the increases should not be more than 10% over the 2019 levies. (Attachment 3)

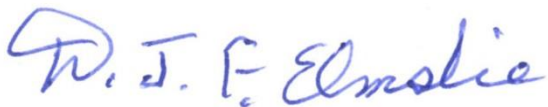
As our only sources of funding are our obligated municipalities and the Province, we find ourselves financially handcuffed, and the result is our request for a 10% increase to meet our mandated requirements.

We will be writing a similar letter to the Province, alPHa, and the Eastern Ontario Wardens and Mayors Caucuses, and will send a copy to all appropriate MPPs, outlining our plight and seeking a resolution.

In the meantime, we will continue to provide you, our partners, with the many public health programs and services we are mandated to provide in order to protect and promote the health of our population and prevent disease in the most efficient and cost-effective way we can. We do seek your help and cooperation in providing us with the necessary funding to carry out our mandate. As always, we are open to discussion on this and any related issues and welcome your suggestions or any other help you might provide.

With our very best regards,

BOARD OF HEALTH FOR THE HALIBURTON,
KAWARTHA, PINE RIDGE DISTRICT HEALTH UNIT



Doug Elmslie
Chair, Board of Health

DE/aln/ed

CC Board of Health Members