

**Report to
Rapport au:**

**Ottawa Board of Health
Conseil de santé d'Ottawa**

**January 19, 2015
19 janvier 2015**

**Submitted by
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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2015-OPH-IQS-0001

SUBJECT: DRAFT BOARD OF HEALTH 2015 OPERATING BUDGET

OBJET: ÉBAUCHE DU BUDGET 2015 DU CONSEIL DE SANTÉ

REPORT RECOMMENDATIONS

That, at its meeting of 19 January 2015, the Board of Health for the City of Ottawa Health Unit:

- 1. Receive and table the Draft Board of Health 2015 Operating Budget;**
- 2. Direct staff to forward the Draft Board of Health 2015 Operating Budget to Ottawa City Council for consideration on February 4, 2015 as part of the City Council's tabling of the City of Ottawa 2015 Draft Operating and Capital budget; and**

That, at its meeting of 2 March 2015, the Board of Health for the City of Ottawa Health Unit:

- 3. Consider and approve the Draft Board of Health 2015 Operating Budget;**
- 4. Upon the Board of Health's approval of the Draft Board of Health 2015 Operating Budget, direct staff to forward the report to Ottawa City Council, for consideration on March 11, 2015 as part of the City Council's approval of the City of Ottawa 2015 Draft Operating and Capital budget; and**
- 5. Upon approval of the Draft Board of Health 2015 Operating Budget by the Board of Health and Ottawa City Council, direct staff to forward the approved Board of Health 2015 Operating Budget to the Ministry of Health and Long-Term Care for consideration as part of the Program-Based Grant Application Process as part of the Public Health Funding and Accountability Agreement.**

RECOMMANDATIONS DU RAPPORT

Qu'à sa réunion du 19 janvier 2015, le Conseil de santé de la circonscription sanitaire de la Ville d'Ottawa :

- 1. Reçoive et présente le budget de fonctionnement provisoire 2015 du Conseil de santé;**
- 2. Demande au personnel de transmettre le budget de fonctionnement provisoire 2015 du Conseil de santé au Conseil municipal d'Ottawa pour examen le 4 février 2015, dans le cadre du dépôt des budgets de fonctionnement et d'immobilisations provisoires de 2015 par le Conseil municipal; et**

Qu'à sa réunion du 2 mars 2015, le Conseil de santé de la circonscription sanitaire de la Ville d'Ottawa :

- 3. Examine et approuve le budget de fonctionnement provisoire 2015 du Conseil de santé;**

- 4. Une fois le budget de fonctionnement provisoire de 2015 du Conseil de santé approuvé par le Conseil de santé, charger le personnel de le faire parvenir au Conseil municipal d'Ottawa, pour examen le 11 mars 2015, dans le cadre de l'examen d'approbation des budgets de fonctionnement et d'immobilisations provisoires de 2015 de la Ville d'Ottawa qui sera réalisé par le Conseil municipal; et**
- 5. Une fois le budget de fonctionnement provisoire de 2015 du Conseil de santé approuvé par le Conseil de santé et le Conseil municipal d'Ottawa, demander au personnel de faire parvenir le budget de fonctionnement provisoire de 2015 du Conseil de santé approuvé au ministère de la Santé et des Soins de longue durée pour examen, dans le cadre du processus de demande de subvention axée sur les programmes dans le cadre de l'entente de responsabilisation et de financement en santé publique.**

EXECUTIVE SUMMARY

Ottawa Public Health (OPH) is committed to delivering programs and services, and developing policies that advance health promotion, disease prevention and health protection in Ottawa. OPH; however, faces significant long-term funding shortfalls due to inflationary compensation pressures, funding which is not keeping up with growth in population and service demands and the requirement to fund the replacement of obsolete information technology (IT) applications that support clinical care and community services.

For 2015, OPH is tabling a draft balanced budget of \$56.4 million which includes the City of Ottawa contribution of \$12.9 million (an increase of \$302,000 for 2015), and the province of Ontario and other revenue sources contribution of \$43.5 million. This represents an overall 1.2% increase over the 2014 budget, which is in line with the Council-directed target of no more than a 2.0% tax increase.

OPH achieves a balanced budget through continual review of business processes and efforts to deliver programs and services more effectively and efficiently. In 2014, OPH initiated a program review process to prepare a multi-year staged approach to restore 100 percent provincially funded programs to their funding levels.

To achieve a balanced budget in 2015, OPH will make reductions in the staff complement by seven full-time equivalent positions (FTE) and other program expenses (ex. a reduction in mileage, program supplies, and external purchased services

(\$800,000)). OPH will also shift the focus of the Healthy Babies, Healthy Children program in order to continue to provide essential services to clients with identified risks.

OPH will be receiving one-time funding from the City of Ottawa (\$150,000) which will be directed towards meeting ongoing community demand for inspections of personal service settings (PSS) and education for PSS operators.

OPH will also continue a strategy of pursuing one-time provincial investments to address emerging local needs – specifically end-of-life IT.

Lastly, OPH will reduce its staffing vacancy allowance to 3 percent, necessitating \$300,000 in additional savings which will be achieved through attrition over the course of 2015.

OPH will phase in this new approach with an aim to minimizing impacts on residents, and will monitor the impacts on residents as it implements the multi-year re-orienting of family and child health programming.

RESUMÉ

Santé publique Ottawa (SPO) a pris l'engagement d'offrir des programmes et des services et de mettre au point des politiques qui favorisent la promotion de la santé, la prévention des maladies et la protection de la santé à Ottawa. Cependant, SPO est confronté à un déficit de financement à long terme en raison des pressions inflationnistes sur la rémunération. Or, le financement ne suit pas la croissance de la population et de la demande en services et ne suffit plus au vu des besoins futurs de remplacement des applications de technologie de l'information (TI) obsolètes qui appuient les services de santé et communautaires.

Pour 2015, SPO va déposer un budget préliminaire équilibré de 56,4 millions de dollars qui comprend la contribution de la Ville d'Ottawa de 12,9 millions de dollars (une hausse de 302 000 dollars pour 2015), et celles du gouvernement de l'Ontario et d'autres sources de revenus pour un total de 43,5 millions de dollars. Il s'agit là d'une augmentation globale de 1,2 % sur le budget de 2014, ce qui est conforme à l'objectif fixé par le Conseil pour la hausse de taxes, laquelle ne doit pas dépasser 2 %.

SPO parvient à un budget équilibré grâce à l'examen continu de ses processus d'affaires et aux efforts entrepris pour assurer une prestation plus efficace et plus efficiente des programmes et des services. En 2014, SPO a mis en œuvre une procédure d'examen des programmes afin de préparer une démarche graduelle

échelonnée sur plusieurs années pour ramener les programmes entièrement financés par le gouvernement à leur niveau de financement.

Pour parvenir à un budget équilibré en 2015, SPO réduira ses effectifs de sept équivalents temps plein (ETP) ainsi que d'autres dépenses de programmes (p. ex., une réduction du kilométrage, des fournitures pour les programmes et des services achetés en externe (800 000 \$). SPO va également modifier l'objectif du programme Bébés en santé, enfants en santé afin de continuer à fournir les services essentiels aux clients qui sont reconnus comme à risque.

SPO va recevoir une subvention ponctuelle de la Ville d'Ottawa (150 000 \$) qui servira à combler la demande de la collectivité en inspections des établissements de services personnels et pour de la formation destinée aux exploitants d'établissements de services personnels.

SPO va poursuivre sa stratégie consistant à chercher à obtenir des subventions provinciales ponctuelles pour répondre aux nouveaux besoins locaux, plus particulièrement, l'équipement de TI arrivé en fin de cycle de vie.

Finalement, SPO réduira sa réserve pour postes vacants à 3 %, ce qui nécessitera des économies supplémentaires de 300 000 dollars qui se feront par attrition au cours de 2015.

SPO mettra graduellement en œuvre cette nouvelle démarche tout en s'efforçant de minimiser les conséquences sur les résidents, conséquences qui seront suivies de près alors que le Service amorce la réorganisation des programmes de santé pour les familles et les enfants.

BACKGROUND

Public Health in Review

For more than 100 years, public health has contributed to a strong, ever-growing, more resilient and healthier population. Since the early 1900s, the average lifespan of Canadians has increased by more than 30 years, largely due to advances in public health¹. In Ottawa, we acknowledge significant milestones in improving the health of the population and reducing health inequalities are made possible by the commitment and dedication of frontline OPH staff, volunteers and community partners. A selection of recent successes is outlined in Supporting Document 1.

Ottawa Public Health Funding: 2008 - 2014

Like other local public health units, OPH experienced an increase in provincial oversight and requirements and increases in community growth, which has been accompanied by increase in service demands (Supporting Document 1). In recent years, emergent funding gaps have been addressed through participation in City corporate efficiency programs, and a number of mechanisms including increasing the vacancy allowance and submitting annual one-time requests to the province.

Further to discussions at the Board of Health in 2014 regarding provincial funding levels and formulas, on November 28, 2014, Councillor Diane Holmes, former Board of Health Chair wrote to the Honourable Dr. Eric Hoskins, Minister of Health and Long-Term Care, to request an explanation of the funding formula used for cost shared programming (Supporting Document 2). At the time of tabling this report, a response from the province has not yet been received.

In addition, several 100 percent non-indexed Ministry of Health and Long-Term Care (MOHLTC) funded programs have remained essentially capped for a number of years. This has created pressures on resources and service capacity and inflationary compensation pressures have been subsidized by cost shared program budgets.

Long-Range Financial Forecast

OPH has prepared a long-range financial forecast for the next four years (2015-2018) to outline and address substantial budget pressures including: collective agreement changes, provincial requirements, and aging IT system replacements. The projections from this forecast indicate that over the next four years, OPH will be facing an approximate \$6.0 million funding shortfall.

OPH has a number of aging IT applications that support patient care and community services. At this time, OPH does not have the capacity to fund the replacement and ongoing support costs within current resource levels. This can impact service levels, as a client and patient information system (EMR) is required for accurate and timely service and decision-making. OPH will consult with the City and province to develop a multi-year financial approach to fund the replacement of obsolete technology and electronic patient information, which is estimated to be \$3.0 - \$4.0M over the next four years.

DISCUSSION

OPH staff has prepared the Draft Board of Health 2015 Operating Budget estimates in consultation with the City's Finance Department staff. OPH is tabling a balanced budget for 2015 that takes into consideration budget pressures and challenges, City budget guidelines and provincial funding estimates.

2015 Budget Considerations

The 2015 operating budget was presented with the following assumptions:

- 2.0 percent provincial and 2.0 percent City increase for funding of cost shared programs
- 0 percent increase on 100 percent funded programs
- New and emerging community needs will be addressed through one-time grants that will be available at no less than the 2014 funding level

2015 Budget Pressures and Challenges

Budget pressures and challenges in 2015, are:

- a) Non indexed funding of 100 percent funded Ministry programs and services;
- b) Non indexed, flat lined funding of 100 percent funded City programs and services;
- c) Potential increase in compensation costs as a result of cost of living allowances (COLA) and benefit changes;
- d) Growth in population;
- e) New provincial regulations and requirements (e.g. regulatory changes for retirement homes regarding infection prevention, personal service settings, and menu labeling);
- f) Increase in service demands for inspections of personal service settings and increasing complexity of body modification procedures requiring an increase in public health inspection capacity;
- g) A requirement to fund aging IT applications, which support patient care and community services, and their associated operational costs, and;
- h) The impact of the planned integration of all provincially funded dental programs for children and youth in 2015 on OPH's dental program is unclear.

Draft Board of Health 2015 Operating Budget

OPH is tabling a budget for 2015 that maintains programs and services to meet public health legislative requirements and standards within current financial resources.

The Draft Board of Health 2015 Operating Budget anticipates expenditures of \$56.4 million, which includes the City of Ottawa contribution of \$12.9 million and the province of Ontario and other revenue sources contribution of \$43.5 million. As part of the development of this budget, OPH took into consideration the Council approved guidelines ([2015 Proposed Budget Direction and Timetable](#)), which includes an increase of \$302,000 for 2015. As such, the 2015 Board of Health Operating Budget represents an overall 1.2% increase over the 2014 budget, which is in line with the Council-directed target of no more than a 2.0% tax increase.

Funding for OPH programs and services is received through three funding models:

1. Cost shared programs, which are programs and services that OPH is obligated to provide under the OPHS (\$42.9 million);
2. 100 percent funded (\$1 million City, \$9.9 million province), which are additional services, above and beyond cost shared programs;
3. Other, recoveries and allocations (\$2.4 million), and fees (\$0.2 million)

Achieving a Balanced Budget

OPH achieves a balanced budget through a continual review of business processes and efforts to deliver programs and services more effectively and efficiently. In 2014, OPH initiated a new operational program review process. The purpose was not only balance the budget but to identify how OPH can work differently through innovative process and service delivery. The goal of this process was to implement a multi-year staged approach to restore 100 percent provincial services to their funding levels. Child and family health programming was the first in a series of program-based reviews.

Following the program-based review, OPH will start to shift the focus of the Healthy Babies, Healthy Children program towards clients with identified risk factors. The universal postpartum telephone call and assessment will be modified, refocusing on clients with identified risk factors. Only families who are identified as at-risk through hospital screening will receive a phone call or home visit. All other families will be supported through greater use of interactive technologies (e.g. OPH's new Parenting Portal), Ottawa Public Health Information Line (OPHIL) and existing community services. In addition, the number of small group teaching sessions that have limited reach will be reduced. OPH will phase in this new approach and will monitor for health impacts.

Consequently, OPH will achieve a balanced budget through a reduction in planned vacancies by seven full-time equivalent positions, and a reduction in mileage, program supplies and external purchase services (\$800,000). In addition, over the course of

2015, OPH will also reduce its vacancy allowance target to 3 percent (approximately \$300,000) and achieve it through attrition.

Addressing Emerging Community Health Issues through One-Time Funding

City One-time Funding for Infection Prevention and Control Practises \$150K

The City will continue its funding for 2015 to address public health inspection capacity related to infection prevention and control practices in personal service settings (i.e. businesses that provide body piercing, body branding, and scarification services). These services are growing in demand and facilities require operator training, investigation of complaints and support for public education to ensure Ottawa residents are utilizing these services with their health and safety in mind. An investment in this program will help reduce skin and blood-borne illnesses in the community.

Provincial One-time investments: Cost-shared – City proportion earmarked: \$50K

To address emerging local needs, OPH will apply for one-time funding through the MOHLTC's Program-Based Grants application process. One-time funding is temporary in nature. Through this application process, OPH anticipates seeking one-time funding requests for projects that may include: Online Food Handler Education; large mass gathering events inspections; food premise inspection signage; telephone health assessment and counseling, IT end-of-life replacement; healthy eating skills development; peer overdose prevention program; urban aboriginal health initiative and other emergent project needs. The City will transfer up to 25 percent (\$50,000) of funds towards these one-time projects, with the approval and receipt of the provincial funding (estimated to be approximately \$150,000).

NEXT STEPS

Ongoing Work to Address Community Need

Over the course of 2015, OPH will continue to examine its operations to assess options to balance the budget and identify disinvestments and investments which meet the public health needs of Ottawa residents. OPH will also continue to appeal to MOHLTC for more equitable funding.

CONSULTATION

The Board of Health's 2015 Draft Operating Budget will be tabled at the January 19, 2015 Board meeting, and the Board will consider the budget for approval at its next meeting on March 2, 2015. The Draft Board of Health 2015 Operating Budget report will

be tabled at the February 4, 2015 Council meeting and considered by Council on March 11, 2015.

The process for consideration of the Board of Health budget is outlined below, additional information about the City's community consultation process can be found at Ottawa.ca.

Table 1: Budget Process Dates

Budget Process	Date
Draft 2015 Board of Health Operating Budget Tabling and Presentation at Board of Health meeting	January 19, 2015
Draft 2015 City Operations and Capital Budget Tabling at Ottawa City Council, including Boards and City Departments budgets	February 4, 2015
Community Budget Consultations	February 9 -12, 2015
Public Delegations and 2015 Board of Health Operating Budget Approval	March 2, 2015
Final 2015 City Operations and Capital Budget Approval at Ottawa City Council, including Boards and City Departments budgets	March 11, 2015

Residents can also comment on the draft budget via email at healthbudget@ottawa.ca; on Twitter [@ottawahealth](https://twitter.com/ottawahealth) using the hashtag #bohbudget; or, by calling the Ottawa Public Health Information Line at 613-580-6744, Monday to Friday from 9 a.m. to 4 p.m. Residents are also invited to attend the Board of Health meeting on March 2, 2015 to provide comments.

Members of the Board can direct questions regarding the draft budget to Gillian Connelly via email at Gillian.Connelly@ottawa.ca or by telephone at 613-580-2424 ext. 21544.

A summary of comments received will be provided to Board members prior to the Board meeting on 2 March 2015.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendations of this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated to this report.

FINANCIAL IMPLICATIONS

Financial implications are outlined within the report.

SUPPORTING DOCUMENTATION

DOCUMENT 1: 2014 Ottawa Public Health (OPH) Achievement Highlights and Provincial Oversight

DOCUMENT 2: November 28, 2014 letter from Chair Diane Holmes to the Honourable Dr. Eric Hoskins, Minister of Health and Long-Term Care

DOCUMENT 3: Draft 2015 Ottawa Board of Health Operating Budget – English

DOCUMENT 3: Draft 2015 Ottawa Board of Health Operating Budget – French

DISPOSITION

The Ottawa Board of Health will consider, for approval, the Draft Board of Health 2015 Operating Budget at its meeting on March 2, 2015. Staff will forward the report to Ottawa City Council for its consideration, as part of City Council's 2015 Budget and to the Ministry of Health and Long-term Care, for consideration as part of the Program-Based Grants Application process.

¹The Canadian Public Health Association (CPHA), History of Public Health [cited 2014 Dec 17]. Available from: <http://resources.cpha.ca/CPHA/ThisIsPublicHealth/landing.php?l=E>