Public Health COMMUNIQUÉ

August 2021

Purpose
The purpose of this Communiqué is to ensure that municipalities are informed of implications related to the 2020-21 Ontario Budget announcement relevant to local public health units.

Background
Northwestern Health Unit provides a wide range of services that focus on keeping people healthy and preventing disease, thereby reducing the cost and burden on an already overwhelmed health care system. Programs and services include: immunization; controlling infectious diseases; managing outbreaks; ensuring safe drinking water; inspecting restaurants, nail salons, pools and beaches; supporting families and children; dental services for children with financial barriers; school programming; and programming to reduce the impact of harmful substances.

Changes for local public health units have been outlined in the provincial budget and through additional communication from the Ministry of Health (MOH):

- Establish 10 regional public health entities and 10 new regional boards of health to replace the existing 35 local public health units.
- Change the cost-sharing arrangement to reflect an increased share from municipalities. For Northwestern Health Unit, the new cost-sharing arrangement will be 70% Provincial to 30% Municipal starting in 2019/2020. This new funding ratio applies to most funding envelopes, many of which used to be funded 100% provincially.

The Ontario Budget indicated that these changes would lead to $200 million in annual savings provincially.

For the municipalities of Northwestern Health Unit, there are significant financial and service implications.

Financial implications
A new cost shared funding model was announced and indicated a 70% Provincial and 30% Municipal split for regions with less than a million (1,000,000) in population. This new model includes previously 100% provincially-funded programs. Based on this information and the assumption that the 70%-30% split would be applied to the budget amounts that were approved for 2018 for the Northwestern Health Unit, **the cost to obligated municipalities will increase by an estimated amount of $872,800 or 35%**. The Northwestern Health Unit has not increased its Municipal levy for nine years and understands the impact is significant and will be difficult for municipalities to achieve.

The MOHLTC provided one-time funding in 2019/2020 to assist municipalities in the transition to the new funding model. There is no indication that these one-time funding amounts will continue into 2020-21 or beyond.

Risks related to structural changes
In 2019, the Ministry announced its plan to shift the province's 35 local public health units to 10 regional boards of health. Given that we have not yet heard otherwise, we are left to assume that this will still be the case. The change from 35 local public health boards to 10 regional boards of health can lead to:

- A shift towards increased centralization of services to larger centres which could result in
  - less services provided in communities,
  - reduction in local partnerships,
  - closure of local offices, and
  - a decline in public health jobs in small communities.
- Increased travel time and cost as a consequence of one agency covering a larger geographic area.
- Reductions in local partnerships decreasing the effectiveness of public health programs and services.
- Reduced municipal representation on the board despite an increased financial contribution from municipalities.
- Changes in public health programming to meet regional, rather than local, health needs.

Risks versus benefits
The Provincial Budget outlines an intent to save $200 million from these changes to the local public health units. The structural change to a regional public health entity for Northwestern Health Unit is unlikely to result in cost-savings as the organization is already fiscally lean:

- NWHU is a flat organization with no director level in the organizational structure.
- Multiple managers have 17 or more staff reporting to them, which is substantially larger than what is considered best practice.
- NWHU regularly collaborates with other local health units and partner agencies in order to allow efficiencies.
- A regional public health entity will lead to increased travel costs over the large geographical area of Northwestern Ontario; weather could also lead to hazardous or dangerous travel conditions.
- There is a cost with changing to a regional public health entity, including potential costs from wage harmonization, collective agreements and change management.

Summary
Such a large change in Northwestern Ontario towards a regional public health entity has little cost savings for the province, increases financial burdens for municipalities while decreasing municipal representation on boards of health, could be overwhelmingly disruptive to the system, and the resulting system may be less effective and may reduce services for smaller communities.

A template letter to provincial representatives (attached) can be used or adapted to inform and engage the provincial government on this issue.

For more information

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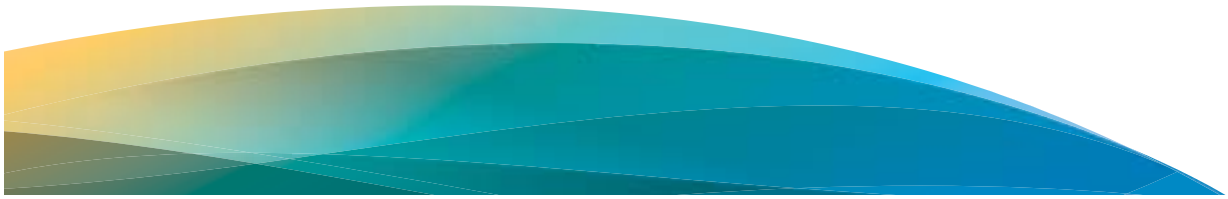
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