

# The Regional Municipality of York

Board of Health  
Community and Health Services  
October 8, 2020

Report of the Commissioner of Community and Health Services and Medical Officer of Health

## **Public Health 2019 Annual Reconciliation Report and Healthy Babies Healthy Children Year-End Settlement Report**

### **1. Recommendations**

1. The Board of Health receive and approve the 2019 Annual Reconciliation Report and 2019 to 2020 Healthy Babies Healthy Children Year-End Settlement Report certificates.
2. The Chair of the Board of Health sign the 2019 Annual Reconciliation Report certificate (Attachment 1) for submission to the Ministry of Health.
3. The Chair of the Board of Health sign the 2019 to 2020 Healthy Babies Healthy Children Year-End Settlement Report certificate (Attachment 2) for submission to the Ministry of Children, Community and Social Services.

### **2. Summary**

The province requires the Board of Health under the *Health Protection and Promotion Act* to carry out its legislative duties and responsibilities by completing the Annual Reconciliation (Certificate of Settlement) Report and Year-End Settlement Report for various public health programs.

Boards of Health are responsible for providing or ensuring the provision of health programs and services in their respective geographic jurisdictions. An accountability agreement between the Region and the Ontario government requires separate audited financial returns for various Public Health Programs be reviewed and approved by Council in its capacity as the Board of Health.

Key Points:

- Each year, the Ministry of Health and the Ministry of Children, Community and Social Services provide year-end settlement packages and instructions for completion to service providers. The completed packages are reviewed by an external auditor, and then submitted for approval to the Board of Health.
- Due to the COVID-19 pandemic, the Ministry of Health simplified the 2019 Annual Reconciliation Report by requiring only financial reporting of revenues and

expenditures for individual programs they fund. The requirements for program narratives and outcome indicators have been deferred and may be required at a later date.

- The 2019 to 2020 Settlement Report for the Healthy Babies Healthy Children program funded by the Ministry of Children, Community and Social Services covers reporting period of 15 months from January 1, 2019 to March 31, 2020. The 2019 to 2020 reporting period was the transition year to change the ministry reporting and funding cycle from calendar year to fiscal year basis effective April 1, 2019.

### **3. Background**

#### **The Board of Health is required to submit an Annual Reconciliation Report and a Year-End Settlement Report**

The Ministry of Health and the Ministry of Children, Community and Social Services provide year-end settlement packages and instructions for completion annually to service providers. Upon completion, the settlement packages are forwarded to an external auditor for review and then forwarded to the Board of Health for their approval.

For the 2019 fiscal year, the settlement packages were received in May 2020. The audit engagement was scheduled and conducted during July 2020.

Financial audits have been completed by the Region's audit firm, KPMG-LLP, for the fiscal year ended December 31, 2019 for the Program-Based Grants Funded Programs and March 31, 2020 for the Healthy Babies Healthy Children Program. The audit reports include the Auditors' Report for the 2019 Annual Reconciliation Report (Attachment 3), 2019 to 2020 Healthy Babies Healthy Children Year-End Settlement Report (Attachment 4), Specified Auditing Procedures for the 2019 Annual Reconciliation Report (Attachment 5) and 2019 to 2020 Healthy Babies Healthy Children Year-End Settlement Report (Attachment 6).

### **4. Analysis**

#### **Public Health programs were compliant with standards and managed within Regional budget approval**

The Board of Health is required to deliver mandatory and related Public Health programs and services in accordance with the *Ontario Public Health Standards and the Health Protection and Promotion Act*. These programs include Child and Family Health, Dental and Nutrition, Health Protection, Epidemiology and Research, Healthy Lifestyles, Health Connections, Infectious Diseases Control and Public Health Emergency Planning.

The Ministry of Health provides funding for mandatory and related Public Health programs through an annual subsidy allocation. Although the subsidy in 2019 is primarily comprised of 75% cost shared funding (where the Region must contribute 25%), there are a number of small programs and one-time funding initiatives that receive up to 100% provincial funding. In

2019, Ministry of Health approved grants totalled approximately \$48.62 million, comprised of \$39.33 million in 75% cost shared funding for mandatory programs, and approximately \$8.72 million of 100% funded programs which include the new Seniors Dental Care Program introduced in 2019 and \$0.57 million for one-time initiatives.

Table 1 summarizes the financial results for the Public Health programs funded by Program-Based Grants in 2019.

**Table 1**  
**Public Health Program-Based Grants**

	2019 Provincial Approved Allocation	2019 Funding Received	Eligible Expenditures Claimed	Difference between Received and Claimed
Mandatory Programs @ 75%	\$39,333,000	\$39,333,000	\$39,333,000	-
Programs Funded @ 100%	8,717,175	6,505,411	6,189,963	315,448
One-Time Initiatives @ 100%	574,400	318,438	298,090	20,438
<b>Grand Total 2019 Settlement</b>	<b>\$48,624,575</b>	<b>\$46,156,849</b>	<b>\$45,821,053</b>	<b>\$335,796</b>

The \$6.5 million of 100% funding received was \$2.2 million lower than the provincial approved allocation of \$8.7 million, primarily attributable to the new Ontario Seniors Dental Care program. The Ontario Seniors Dental Care program was announced in Q2 of 2019, and funding flowed by the ministry was based on the lower expenditures forecast provided to the Ministry, as a result of delays in receiving provincial guidelines which impacted the start-up planning and implementation of the program operations.

The one-time funding received was \$0.26 million less than the approved allocation of \$0.57 million mainly due to difficulty and delay in recruiting the funded full-time equivalent for the Enhanced Immunization initiative and the Medical Officer of Health/Associate Medical Officer of Health Compensation initiative only required partial approved funding to support the actual compensation top up costs.

The total eligible expenditures claimed in 2019 totalled \$45.82 million, which was \$335,796 less than the actual funding received. The under-expenditure was mainly due to Ontario Seniors Dental Care program and eligible one-time costs being lower than anticipated, and the underspent funding is not permitted to be redirected to another purpose. The Ministry of Health has already recovered Ontario Seniors Dental Care funding received in excess of subsidy claimed and the remainder will be recovered by the Ministry of Health at a later date.

## **The Healthy Babies Healthy Children Program has been managed within Regional budget approval for Public Health Programs**

The Healthy Babies Healthy Children Program is a mandatory preventative early intervention program intended to improve the well-being and long-term prospects of children. In 2019 to 2020, the Healthy Babies Healthy Children Program received \$5,502,041 in provincial funding for the 15 months period, and all funds were expended.

The program does not require municipal cost sharing, however, the actual cost of delivering this mandatory program exceeded the allocated provincial funding. Actual expenditures for the Healthy Babies Healthy Children program were \$6.46 million for the 15 months in 2019 to 2020, exceeding the provincial subsidy allocation by \$0.96 million.

Provincial funding for the Healthy Babies Healthy Children program has remained constant at \$4.40 million for a 12-month period since 2015 and only increased by \$150,000 since 2009. Actual costs over and above the approved provincial allocation have been supported through the approved Regional tax levy for public health programs.

### **5. Financial**

Each year, Council approves the annual operating budget which includes an estimated provincial funding amount for all public health programs. The provincial approved funding allocation for all public health programs in 2019 was \$53.02 million; of which \$4.40 million came from the Ministry of Children, Community and Social Services for the Healthy Babies Healthy Children program, and the remaining \$48.62 million came from the Ministry of Health. Eligible provincial funding amounts are determined on a program by program basis subject to individual program eligibility and funding limits.

In 2019, \$50.22 million or 94.7% of the approved \$53.02 million provincial allocation was applied against the actual eligible public health program expenditures. The majority of the \$2.80 million underspending was attributable to the Ontario Seniors Dental Care program and excess funding was recovered. The recovery for the remaining unused, one-time funding will occur at a later date.

The total 2019 approved Regional budget for Public Health was \$68.36 million in expenditures planned to be funded by \$49.39 million in estimated provincial funding, \$0.57 million in fees and charges, and a net tax levy of \$18.40 million. The Regional approved budget did not include the new provincial funding allocation of \$2.97 million (prorated 9 months) for the Ontario Seniors Dental Care program announced in April 2019. This new program is 100% funded by the province and has no tax levy impact.

### **6. Local Impact**

There are no local municipal impacts associated with this report.

## 7. Conclusion

York Region Public Health plays a critical role protecting and promoting the health and well-being of York Region residents through the delivery of core public health programs and services that are compliant with provincial standards and managed within Regional budget approval.

The province requires the attached 2019 Annual Reconciliation Report and 2019 to 2020 Healthy Babies Healthy Children Year-End Settlement Report be received by Regional Council in its capacity as the Board of Health and signed by the Regional Chair, the Medical Officer of Health and Business Administrator.

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For more information on this report, please contact Karen Antonio-Hadcock, Director, Integrated Business Services Branch at 1-877-464-9675 ext. 72088. Accessible formats or communication supports are available upon request.

Recommended by: **Katherine Chislett**  
Commissioner of Community and Health Services

**Dr. Karim Kurji**  
Medical Officer of Health

Approved for Submission: **Bruce Macgregor**  
Chief Administrative Officer

September 18, 2020  
Attachments (6)  
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