

MEMORANDUM

TO: Members of Community and Health Services Committee

FROM: Adelina Urbanski, Commissioner

DATE: January 19, 2011

RE: **H1N1 Costs and Subsidies**

This communication has been prepared in response to clarification requested at the November 25, 2010 meeting of York Regional Council related to the submission of the 2009 Public Health Settlement reports and H1N1 funding from the Ministry of Health and Long-Term Care.

The Ministry provides funding to the Public Health Branch under four separate program areas:

- Public Health Programs, cost shared at 75% ministry/25% regional
- Healthy Babies, Healthy Children program, ministry funded at 100%
- Smoke Free Ontario Strategy, ministry funded at 100%
- Children In Need of Treatment Expansion, ministry funded at 100%

All H1N1 costs were identified, tracked and reported within the 2009 Public Health programs in accordance with the directives provided by the Ministry of Health and Long-Term Care.

Table 1 provides the details of the H1N1 related costs in 2009.

Table 1
H1N1 Expenditures and Special Funding

Description	Expenditure \$
Salary and Benefits	\$3,746,969
Services, supplies, equipment	1,276,599
Facilities and Security	888,182
Total H1N1 expenditures	\$5,911,750
Less: Special Funding	(\$1,337,440)
Net H1N1 Expenditures subject to regular 75/25 cost sharing	\$4,574,310

The Ministry of Health and Long-Term Care provided special funding of \$10 per immunization dose administered and 100% funding to acquire laptops and printers to support the ministry's data collection and reporting requirements, totalling \$1,337,440.

Staff Re-deployment and the Financial Implications

In order to effectively respond to the H1N1 situation, additional Regional and external agency staff were retained on a temporary basis. Staff were also re-deployed from across the Region, including Public Health 100% funded programs, Social Services, Emergency Medical Services, Finance, and Information Technology, among others, to support the region-wide H1N1 response.

H1N1 salary and benefit costs reported include costs for staff time in an H1N1 related capacity. Costs for staff who were re-deployed from areas within the Region were treated the same, from an accounting and reporting perspective, across the Region. The costs were relieved from the employee's "home" program area and charged to H1N1. For example, if the staff were re-deployed from a 100% funded program (Healthy Babies/Healthy Children, for example), the employee's salary and benefit costs were reported as H1N1 related and not Healthy Babies/Healthy Children. Likewise, if staff were re-deployed from a program that receives no funding (Corporate Finance, for example), the employee's salary and benefit costs were reported as H1N1 related and not as part of their "home" program expenditures.

Table 2 summarizes the financial results for the Public Health Programs and H1N1 in 2009.

Table 2
Public Health Programs

	Approved 2009 Budget	Eligible Expenditures
Gross Expenditures Public Health Programs	\$45,053,837	\$40,473,210
Gross H1N1 Expenditures		5,911,750
Total Public Health including H1N1	\$45,053,837	\$46,384,960
100% Funding for H1N1		(1,337,440)
75% Cost Shared Ministry Funding	33,790,378	(33,785,640)
Net Tax Levy Public Health Programs	\$11,263,459	\$11,261,880

York Region was able to absorb the H1N1 response costs within its approved cost shared 2009 budget except for an additional \$1.3 million contributed by the Province. Net H1N1 expenditures were cost shared by the Ministry at 75%.

The Public Health Branch managed the net H1N1 expenditures within its 2009 Council approved budget, through in-year under expenditures that developed out of a number of circumstances:

- \$2.3 million of regular services were re-directed to manage H1N1.
- Delays in staff hiring in the spring created financial flexibility to absorb costs.

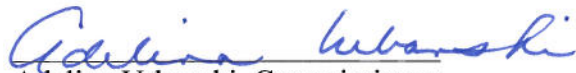
- Public Health Programs were managed throughout the first three quarters of 2009 in line with ongoing messages of constraint from the Ministry. The Ministry did not advise the Public Health Branch of their approved funding allocation (exceeding what was requested) until mid September 2009.

The 2009 Settlements for two 100% provincially funded programs reflected under expenditures primarily as a result of the re-deployment of staffing to the H1N1 response, and interest earned on funds cash flowed. The Ministry will recover 100% funding as a result of the under-expenditure. Table 3 summarizes the under-expenditures for the Public Health Branch's 100% funded programs that relate primarily to the H1N1 response activities.

Table 3
Public Health, 100% Funded Program Summary

Program Area	2009 Under Expenditure
Healthy Babies, Healthy Children	\$201,371
Smoke Free Ontario	\$92,276

The Ministry advised that if public health units were not able to manage the H1N1 pandemic response activities within their approved funding allocation, additional 100% funding would be available. York Region was not eligible to request additional 100% funding based on the directives from the Ministry.



Adelina Urbanski, Commissioner
Community and Health Services

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