

Ministry of Health | Office of Chief Medical Officer of Health, Public Health

STRENGTHENING PUBLIC HEALTH

Outcomes and Objectives to Support Voluntary Mergers

October 2023

Context: A Strategy to Strengthen Public Health in Ontario



A Three-Pronged, Sector-Driven Approach

In August 2023, the government announced that the province is proceeding with a **three-pronged, sector-driven strategy** to optimize **capacity, stability, and sustainability** in public health and deliver **more equitable health outcomes** for Ontarians.



1. Roles and responsibilities

Conducting a **review of the Ontario Public Health Standards (OPHS)** with an aim to refine, refocus and re-level roles and responsibilities, collaborating with partners to optimize functions, for implementation beginning January 1, 2025.



2. Voluntary mergers

Enhancing capacity by facilitating voluntary mergers between LPHAs, through a **sector-driven approach** and by providing **time-limited funding**, for implementation beginning January 1, 2025.



3. Funding

Restoring **provincial base funding** to 2020 levels by January 1, 2024, implementing 1% **growth base funding** for the next three calendar years (2024-2026), creating a **three-year Merger Support Fund** for 2024-25 to 2026-27, and reviewing public health funding methodology for sustainability.



System Vision & Strategic Approach

The public health sector, municipalities and the province have an opportunity to work in partnership towards a **vision for a public health system in Ontario** where all local public health agencies have the **critical mass** and **capacity**, **skilled personnel** and **competencies** needed to deliver core public health services and address public health emergencies **within a cohesive system** that better aligns with community and system partners.

Voluntary mergers, **particularly among smaller LPHAs**, have significant potential to advance this vision by building critical mass, strengthening human resources, and improving system alignment.

A public health sector comprised of fewer, larger, strengthened LPHAs will lead to **improved public health services** for residents, a greater ability to **respond to the unique needs** of communities, **clearer communications** and more **coordinated action for public health emergencies** and issues that cross regional boundaries.



The ministry is working with sector partners to facilitate the voluntary merger process and advance this vision by:

1. Identifying **outcomes** for the public health system
2. Setting **objectives** to achieve these outcomes
3. Establishing a process through which LPHAs can submit **proposals for mergers** that align with the vision, objectives and outcomes.

Public Health Challenges to Address



Public Health System Challenges

Long-standing challenges and opportunities in Ontario's Public Health sector have been well-documented through multiple reports over the past 20 years. Many of these reports have cited challenges with the current system and proposed merging LPHAs in order to strengthen service delivery both locally and across the province.

Capacity

Some LPHAs do not have the **critical mass** to effectively or efficiently deliver all programs and services and to meet unexpected surges in demand. This results in inconsistent **organizational performance** across the province and barriers to effective emergency response.

Human Resources

Some LPHAs have challenges recruiting and retaining skilled **human resources**, both in leadership and in front-line staff, which impacts their ability to deliver programs and services.

System Alignment & Partnerships

The number of public health units creates challenges for **alignment and coordination** across LPHAs, with key partners and with the broader system, which can lead to duplication of efforts and impede progress on common goals.

Strengths and Benefits of Larger LPHAs



Benefits of Larger LPHAs

Mergers to create larger LPHAs can address long-standing capacity (i.e., critical mass and organizational performance) and human resource challenges.

1 Larger agencies serving larger populations are better able to perform essential services, provide a greater array of services, access timely surge capacity and provide a stronger voice for public health in their region.

2 Programs and services can be strengthened in larger agencies, including through targeted service delivery to meet unique community needs.

3 Larger agencies have a greater ability to recruit and retain staff and allow for career progression, including for specialized roles.

Mergers among LPHAs can also address challenges with system alignment and support stronger community partnerships and coordination.

4 Having fewer, larger agencies can reduce duplication and strengthen coordination within the public health system and among partners to enable progress on public health goals.



Preserving and Bolstering Current Strengths

Key strengths of Ontario's current public health system can be preserved and bolstered.

Local Service Delivery

Leveraging local knowledge and relationships, including with municipalities, allows the work of public health to be responsive to the needs of their communities.

Skilled Workforce

Public health professionals are the backbone of program and service delivery.

Focus on Health Equity

Public health's equity perspective is essential for improving population health outcomes.

This means...

Mergers are **not intended to result in a reduction in local public health service delivery** but should maintain these relationships and strengthen LPHAs' ability to be responsive to community needs.

Mergers are **not intended to result in the loss of front-line jobs** but should increase the capacity of LPHAs and enable recruitment and retention of public health professionals.

Mergers are **intended to enhance LPHA capacity to implement health equity strategies** and consider the needs of local populations, including Indigenous partners and Francophone communities.

Desired Outcomes and Objectives



Desired Outcomes

Mergers of smaller LPHAs are a key strategy to strengthen public health in Ontario as they have significant potential to contribute to the following outcomes:

- A public health system where all LPHAs have the **critical mass and capacity** needed to optimize performance and meet unexpected surges in demand.
- A public health system where all LPHAs have the **skilled personnel and competencies needed** to fully deliver **core public health services**.
- A **cohesive public health system that better aligns with community and system partners** to support progress on improving population health outcomes while reducing health inequities.



Capacity Objective: Critical Mass

Expected Outcome: A public health system where all LPHAs have the critical mass and capacity needed to optimize performance and meet unexpected surges in demand.

1

Build critical mass through LPHAs that have a **minimum population base of approximately 500,000** (with consideration for population trends, characteristics and geography, as outlined below).

- *A systematic review found that increasing the size of population served by local public health agencies is the strongest predictor of performance and is associated with economies of scale. One study found increases in performance plateau around a population of 500,000, while Ontario specific data indicates there may be benefits up to 1,000,000.*
- *Multiple inputs from stakeholders in 2019-2020 cited that population size is a predictor of public health performance and noted target population sizes in the range of 300,000 - 500,000.*

When considering the optimal population size, potential merger partners may also consider:

- **Future population growth** as it relates to minimum population base to ensure a critical mass is achieved and maintained.
- **Population density** and **geography** recognizing that in limited circumstances, mergers of geographically large, remote and sparsely populated LPHAs may result in geographic challenges that outweigh the benefits of achieving a minimum population base of 500,000.
- The impact of **population characteristics** on LPHA capacity, including considering whether the merger would benefit from 'like to like' (e.g., multiple rural agencies merging) or the presence of an urban centre (i.e., central hub for service delivery and access to skilled workforce).



Capacity Objective: Organizational Performance

Expected Outcome: A public health system where all LPHAs have the critical mass and capacity needed to optimize performance and meet unexpected surges in demand.

2

Maximize **improvements in organizational performance**, which may include reinvestment of any expected savings.

- *Previous LPHA mergers have demonstrated they provide opportunities for integrating operations and strengthening service delivery over time.*

When considering how to maximize organizational performance, potential merger partners should also consider:

- Addressing **current or ongoing performance issues** based on local organizational assessments and/or previous audits, where applicable.
- Identifying how changes will ensure adequate **infrastructure and support services** (e.g., legal, human resources, I&IT systems, capital infrastructure).
- Identifying opportunities for **changes to the organizational management and governance structures** to maximize performance.
- Achieving an optimal **balance of administrative and program delivery expenses** and opportunities for efficiencies, recognizing that some efficiencies may only be realized in the medium to longer term.



Human Resources Objectives

Expected Outcome: A public health system where all LPHAs have the skilled personnel and competencies needed to fully deliver core public health services.

3

Build and sustain strong **leadership structures** (including MOH, AMOH, CNO and CEO, if appropriate) with the competencies and expertise necessary to navigate the complexities of leading a LPHA and enable deep pathways for succession planning.

4

Achieve and sustain **sufficient competencies and capacities for specialized positions** for which the LPHAs have historical or ongoing vacancies.

- *Issues with recruitment and retention of specialized staff can impact a LPHA's ability to meet requirements of the OPHS.*
- *Studies indicate the presence of full-time, highly qualified leadership and the number of staff and specialized employees in local public health agencies is positively correlated with performance and health outcomes.*
- *Larger agencies can enable strengthened medical leadership, including through the presence of Associate Medical Officers of Health, who can provide additional expertise, support and coverage, and allow for organizational succession planning.*

Potential merger partners should consider:

- Addressing **current or persistent recruitment challenges** for positions within the LPHA(s).



System Alignment and Partnerships Objectives

Expected Outcome: A cohesive public health system that better aligns with community and system partners to support progress on improving population health outcomes while reducing health inequities.

5

Support **improved alignment and coordination with key system partners** both within and outside the health system, to improve public health service delivery.

6

Support **strengthened alignment and partnerships with communities** and **priority populations** to address health inequities.

- *Strengthening alignment with the health system and community partners can support public health's role in delivering health services (e.g., immunization, sexual health, school health), foster action on shared goals and allow for a more coordinated response during emergencies.*

Potential merger partners should also consider:

- That they only include LPHAs with **contiguous boundaries** and **do not result in isolated LPHAs** (i.e., leaving a small neighbouring LPHA behind).
- **Avoiding divisions to existing LPHAs where possible**, unless significant benefits for critical mass, system alignment and partnerships can be achieved.
- That they **preserve relationships with municipalities**.

Implementation Approach



Approach

The objectives and key considerations are designed to support LPHAs in considering voluntary mergers that will benefit local communities while supporting system-level outcomes and priorities.

- LPHAs will be invited to submit a voluntary merger business case that demonstrates how the proposed merger is anticipated to achieve progress on these objectives and advance the intended outcomes.
 - The ministry recognizes that there is considerable diversity across LPHAs and that challenges vary across regions.
 - Based on local and regional circumstances, it is understood that proposed mergers may advance the objectives in different ways and to greater or lesser degrees, depending on the objective.
- LPHAs will also be required to provide implementation and readiness information.
- Transition costs for approved mergers will be funded by the province, along with business continuity requirements.



Implementation and Readiness Information

LPHAs will need to provide additional information for proposed mergers.

This will include:

- Resolution or other form of agreement from existing boards to request approval from the Ministry of Health to create a new LPHA.
- Description of the proposed new LPHA (boundaries, name, governance and leadership structure) and the leadership structure that will be responsible for the planning and oversight of the proposed merger (e.g., joint steering committee structure and its mandate).
- A preliminary transition budget, including funding request for up to 3-years to support merger processes based on admissible costs.

A description of how the proposed new LPHA supports broader policy objectives, including:

- Reducing the number of LPHAs.
- Maintaining or enhancing service levels through the new structure.
- Minimizing impact on frontline jobs.
- Incorporating input from local partners into the planning process and enhancing the new organization's capacity to implement health equity strategies and consider the needs of local populations, including Indigenous partners and Francophone communities.



Merger Transition Funding

The Ministry will establish a three-year Merger Transition Fund to support voluntary mergers.

Examples of merger/transition costs include, but are not limited to:

- Temporary dedicated FTEs to support transition and assist with change management
- Consulting services
- Wage harmonization
- Severance costs
- Communication and community engagement costs
- Legal costs
- Information and Information Technology supports
- Capital infrastructure supports
- Moving and relocation costs

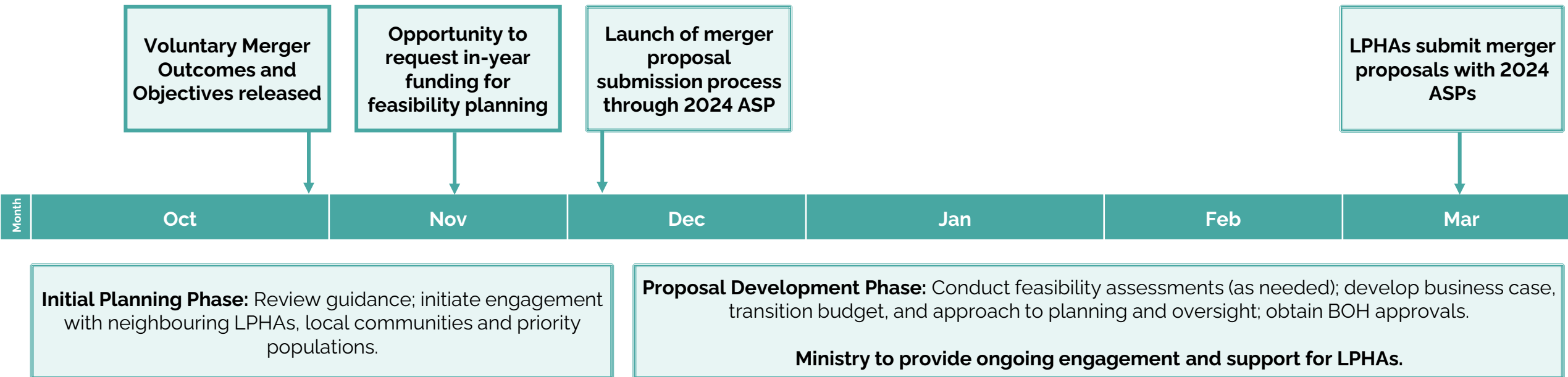
Additional funding will also be considered for those LPHAs that are approved for mergers to support business continuity and to ensure program and service delivery stability while change is underway.

LPHAs will also have an opportunity through a 2023-24 in-year process to request one-time funding to support feasibility assessments and initial planning processes, where such costs cannot be managed from within operating funding.



Key Milestones

Additional information on the merger proposal submission process (including merger proposal business case template and eligible expenses) will be shared with the 2024 Annual Service Plan and Budget Submission template in early December 2023 with merger proposal business cases due in March 2024.





Next Steps

LPHAs, together with their BOHs, are encouraged to pursue the following next steps in considering voluntary mergers:

- Review the information provided and participate in ministry outreach about voluntary mergers.
- Initiate or continue discussions with other LPHAs about mergers where there is potential to advance the outcomes and objectives, considering local/regional and provincial/system-level perspectives.
- Engage with local communities and priority populations, including Indigenous and Francophone communities, early in the planning process.
- Share updates with the ministry on the status and progress of consideration of voluntary mergers, including any resolutions issued by Boards of Health.
- Consider need for one-time funding from the ministry to support merger planning or feasibility assessments, if these costs cannot be managed from within the LPHA's existing funding/budget. Information on an in-year request for one-time funding mechanism to be released in late Fall.

Questions about voluntary mergers can be emailed to StrengtheningPH@ontario.ca.



Sources

Multiple inputs were used to inform the development of the voluntary merger objectives and considerations, including:

Reports

- Public Health Modernization Discussion Paper (2019)
- Minister's Expert Panel on Public Health (2017)
- Final Report of the Funding Review Working Group (2013)
- Building Capacity – Ministry Discussion Paper (2009)
- Final Report of the Capacity Review Committee (2006)
- Walker Reports - For the Public's Health: Interim and Final Report of the Ontario Expert Panel on SARS and Infectious Disease Control (2003-04)

Other Sources

- Engagement with sector stakeholders, including the Public Health Leadership Table and the Voluntary Merger Key Informant Group, with representation from Boards of Health, LPHA Leadership (Medical Officers of Health and CEOs), Municipalities, the Association of Local Public Health Agencies, and the Association of Municipalities of Ontario.
- Syntheses of research evidence on public health performance and capacity.
- Documentation from previous LPHA mergers, including Southwestern, Huron-Perth and Simcoe-Muskoka.
- Stakeholder submissions in response to the Public Health Modernization Discussion Document (2019-2020).