

BRIEFING NOTE

Emergency Medical Services **EMS Provincial Subsidy**

Issue/Background:

EMS anticipated 2004 provincial revenue shortfall of approximately \$10.5 million is based on current base commitments of approximately \$61.0 million from the Province. It is anticipated the 2004 estimated year-end shortfall might be reduced by one-time payments received throughout the year from the Province, but these are not reoccurring.

In 1999 the provincial government redefined the subsidy allocation to municipalities for the delivery of land ambulance service. At the time of the enactment of the Local Service Realignment Bill, municipalities were required to pay the full cost of land ambulance service delivery. In April 1999, the then Minister of Finance and Treasurer, the Honourable Ernie Eves, announced that the province would subsidize municipalities at 50% of approved costs for the delivery of land ambulance services. In 1998, following amalgamation, Toronto EMS had negotiated a partial subsidy to cover 100% of dispatcher and related communications support and infrastructure.

Toronto EMS, in conjunction with the Association of Municipalities of Ontario (AMO), has been negotiating with the provincial Ministry of Health and Long Term Care (MOHLTC) on the definition of 'approved costs' in order to establish a fair and equitable funding arrangement for the City of Toronto. In 2000, Toronto EMS put forward a proposal to AMO, in concert with other municipalities and EMS services, recommending the establishment of a formalized funding template designed to address the issue of 'approved cost' and current and future operating costs. The funding template was approved by the AMO Board and has subsequently implemented across Ontario.

Based on the funding template and, through agreement with the province, the City of Toronto would be funded at 100% for selected programs such as Toronto CACC, the Critical Care Transport Program and other agreed to programs related to health restructuring. All other programs, principally the delivery and support of land ambulance service would be funded at 50%.

It has been the goal of Toronto EMS to work co-operatively with the province and to take a leadership role through AMO in developing a consistent and fair funding formula for not only the City of Toronto, but also for Ontario municipalities responsible for the operation of land ambulance services. In addition, the establishment of the funding formula had to recognize the unique characteristics of the City of Toronto in relation to call volume, demand on health services and health care restructuring. Furthermore, mechanisms needed to be included in the

subsidy formula to recognize capital works program funding requirements and contributions to reserve funds for the ongoing and future replacement of medical/diagnostic equipment. This was largely achieved for 2001. The 2001 Land Base funding was determined by the province to be \$44,889.1 million.

Effective the 2002 - 2003 funding determination, the province changed the funding arrangements to a grant process to determine EMS Land funding, based on the previously identified Land Base funding of \$44,889.1 million. The basic subsidy rates have been 50% for the Land Ambulance operation and 100% for the Central Ambulance Communications Centre (CACC). The province assumes that 85% of the base Land Ambulance subsidy relates to salaries and wage costs and 15% to non-salary costs. The province has capped the Land Ambulance component at 50% of a 2% salary increase only an inflationary increase, that varies annually on on-salaried items. The inflationary rate is variable. To this point, EMS has been successful in negotiating 100% subsidy for the full salary increases provided to the Central Ambulance Communications Centre through recent settlements. Success has also been gained in areas of one time funding for specific projects.

Overall, the approved provincial funding has not kept pace with Emergency Medical Services salary and wage increases and for 57 new paramedics added in 2002.

Key Point(s):

- The province has set a funding cap on Land Ambulance salary and wage increases of 50% of a 2%, maximum, resulting in an increasing provincial shortfall for years in which negotiated settlements have exceeded 2%.
- Local 416 settlements for non- - paramedic staff were 3.17% in 2001, 3% in 2002, 3%, in 2003 and 3% in 2004. Local 416 paramedics were awarded an additional 2% on top of the 3% for each of 2002, 2003, and 2004.
- Local 79 settlements for CACC staff were awarded 3.17% in 2001, 3% in each of 2002 - 2004. Local 79 CACC staff was awarded an additional 2% for each of the years 2002 – 2004. The province granted 100% funding to the increases for the Central Ambulance Communications Centre (CACC) for the years 2002 – 2003. The Province has approved the first quarter of 2004 in accordance with the provincial fiscal year end. The province applied the cap to the funding for the balance of non-CACC Local 79 staff. Based on history, EMS 2004 base CACC funding will be adjusted by the province effective April 1, 2004, in keeping with provincial fiscal year end.
- One-time funding may offset funding shortfalls received from the province. However, one-time funding is not included in the base funding and therefore represents only a temporary solution.
- Base funding was not received for 57 medics hired in 2002.
- Provincial funding has not kept pace with salary and wage increases and non-salary increases.

Conclusion:

EMS continues to negotiate at their level with the Province for outstanding and increased funding. At the EMT review of EMS 2004 Operating budget, it was indicated that the CAO and other senior staff in direct negotiations with the Province would advance the provincial funding issue.

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