

Ministry of Health

Assistant Deputy Minister
Ontario Health Insurance Plan
Division

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Ministère de la Santé

Sous-ministre adjointe
Division du Régime d'Assurance-
santé de l'Ontario

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Toronto ON M5S 2B1
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73-2020-957

May 1, 2020

Mr. Dominic Noel
Interim Administrative Lead
Algoma Nurse Practitioner-Led Clinic
443 Northern Avenue
Sault Ste Marie ON P6B 5L3

Dear Mr. Noel:

Re: Ministry of Health Agreement with Algoma Nurse Practitioner-Led Clinic (NPLC) dated April 1, 2012 (the "Agreement")

The Ministry of Health (the "ministry") and the Ontario Medical Association (OMA) have been working together to implement the compensation adjustments on eligible physician payments outlined in Section 21(a) of the Binding Arbitration Framework (BAF) in accordance with the 2019 Kaplan Board of Arbitration Award (Award).

Increases to physician compensation have been implemented, in part, through a Health Insurance Act regulation change effective April 1, 2020.

Year 4 (2020-2021) of the Award provides for a permanent 3.54% compensation increase on physician payments effective April 1, 2020. The distribution of the total compensation increase across physician specialties is subject to the relativity adjustments agreed to between the ministry and the OMA in the Interim Relativity Process Agreement dated November 7, 2017.

I am, therefore, pleased to provide you with a new Budget, new Terms and Conditions and corresponding Expenditure Guidelines that pursuant to section 3.03 of the Agreement, shall replace the Budget in Schedule "A" and shall replace the Banking and Payment information in Schedule "C". All terms and conditions contained in the Agreement remain in full force and effect.

Effective April 1, 2020, the Monthly Consultation Fee will be increasing by 5.008% from \$838.40 to \$880.39 per Full Time Equivalent Nurse Practitioner.

Mr. Dominic Noel

We appreciate your cooperation with the ministry in managing your funding as effectively as possible. You are expected to adhere to our reporting requirements, particularly for in-year service and financial reporting, which is expected to be timely and accurate. Based on our monitoring and assessment of your in-year service and financial reporting, your cash flow may be adjusted appropriately to match actual services provided.

It is also essential that you manage costs within your approved budget.

Please review your new Budget carefully. Should you require any further information or clarification please contact Michelle Lisi, Senior Program Consultant by e-mail at michelle.lisi@ontario.ca.

Sincerely,



Patrick Dicerni
Interim Assistant Deputy Minister

Enclosure

c: Mr. Doug Abbott, Board Chair, Algoma Nurse Practitioner-Led Clinic
Mr. Jim Yuill, Director, Financial Management Branch, Ministry of Health
Ms. Teresa Buchanan, Director, Fiscal Oversight & Performance Branch, Ministry of Health

**Schedule A: Approved Annual Operating Budget
Algoma Nurse Practitioner-Led Clinic
Effective April 1, 2020**

HUMAN RESOURCES SALARIES & BENEFITS		
1. Stipend		Approved Funds
Collaborating Physician (\$10,565/Year/FTE NP)		\$42,260
Nurse Practitioner Lead		\$10,000
Total Stipends		\$52,260
2. Inter-professional Health Providers (IHP)	# of FTE	Approved Funds
Nurse Practitioner	4.0	
Registered Practical Nurse	2.0	
Pharmacist	0.2	
Registered Nurse	0.8	
Social Worker	1.0	
3. Management and Administrative Personnel	# of FTE	Approved Funds
Administrative Lead	1.0	
Receptionist/Clerical Staff	1.0	
Administrative Assistant	1.0	
Total Salaries		\$748,461
Total Benefits		\$149,692
Recruitment and Retention*		\$248,000
TOTAL HUMAN RESOURCES		\$1,198,413
OVERHEAD		
Operational Overhead (INCLUDES HST)		Approved Funds
<i>Equipment, General Overhead, Information Technology (IT), Insurance/Professional Liability, Premises, Service Fees</i>		\$233,962
TOTAL OVERHEAD		\$233,962
Adjustment		-\$63,102
Total Approved Annual Base Funding		\$1,369,273

*See Schedule A Appendix 2: Additional Budget Terms and Conditions

Schedule "A" - Appendix 2: Additional Budget Terms and Conditions
Algoma Nurse Practitioner-Led Clinic
Recruitment and Retention

The amount showing represents an increase to the base Budget which may only be applied by the Recipient for the sole purpose of compensation (salaries, benefits, holiday pay, leave, etc.) increases for existing ministry/LHIN-funded positions with the goal of addressing challenges associated with or otherwise improving recruitment and retention.

The Recipient must make best efforts to prioritize salary increases for ministry/LHIN-funded Nurse Practitioners (and Psychologists in CHCs and AHACs). If these positions are not prioritized, the Recipient must report back to the Ministry the rationale for why they were not prioritized.

The Recipient must ensure that the level of benefits (including pensions) provided to existing ministry/LHIN-funded positions supports improved recruitment and retention and addresses barriers that limit the ability of providers to move from other settings into primary care.

The Recipient must be transparent in defining its method of allocating funding and must avoid any conflicts of interest (actual, potential or perceived) in arriving at decisions.

The Recipient must make best efforts to ensure all staff are able to receive some level of compensation increase.

For Executive management positions, defined as management positions that report directly to the governing body, the Recipient must:

- i. Undertake a factor-based analysis to arrive at specific compensation level(s);
- ii. Not exceed the following rates of salary increases: 2018/19: 4.3%; 2019/20: 4.3% and 2020/21: 3.9%, irrespective of the results of the factor-based analysis;
- iii. Not provide an increase if current salary level(s) exceed ministry funding level(s).

The Recipient must submit a report to the ministry/LHIN by end of Quarter 3 of 2018-19, 2019-20 and 2020-21 identifying how funds were used for each funded position, as directed by the ministry.

Schedule C: Banking and Payment Information
Algoma Nurse Practitioner-Led Clinic
Effective April 1, 2020

The ministry has granted funding to the “Recipient” for the implementation of the Plan. This amount will be deposited in:

Bank:	Northern Credit Union
Address:	PO Box 2200, 280 McNabb Street, Sault Ste Marie ON P6B 1Y6
Account Name:	Algoma Nurse Practitioner-Led Clinic
Branch Transit Number:	14492
Institution Number:	828
Account Number:	700057670

The payment amount for the Plan will be allocated as follows:

Total Base Funding Amount	\$1,369,273
Total Payment Amount	\$1,369,273

Deposit Dates	Payment
Mid of the Month in April - One-Time Funds	\$0
Mid of the Month in April of each funding year	\$57,053
End of the Month in April of each funding year	\$57,053
Mid of Month in May of each funding year	\$57,053
End of the Month in May of each funding year	\$57,053
Mid of Month in June of each funding year	\$57,053
End of the Month in June of each funding year	\$57,053
Mid of Month in July of each funding year	\$57,053
End of the Month in July of each funding year	\$57,053
Mid of Month in August of each funding year	\$57,053
End of the Month in August of each funding year	\$57,053
Mid of Month in September of each funding year	\$57,053
End of the Month in September of each funding year	\$57,053
Mid of Month in October of each funding year	\$57,053
End of the Month in October of each funding year	\$57,053
Mid of Month in November of each funding year	\$57,053
End of the Month in November of each funding year	\$57,053
Mid of Month in December of each funding year	\$57,053
End of the Month in December of each funding year	\$57,053
Mid of Month in January of each funding year	\$57,053
End of the Month in January of each funding year	\$57,053
Mid of Month in February of each funding year	\$57,053
End of the Month in February of each funding year	\$57,053
Mid of Month in March of each funding year	\$57,053
End of the Month in March of each funding year	\$57,054

NOTES:

The funding will cover expenditures incurred for each funding year or upon completion of the Plan, or the termination of this agreement, whichever occurs first.

NPLC EXPENDITURE GUIDELINES - UPDATED 2020-2021

General

- The Accrual Basis of accounting records the effects of transactions as events that give rise to them occur, regardless of when cash is received or paid. The ministry policy allows for the accrual of anticipated settlements of unresolved expenditures incurred as of the close of the reporting period. The accrual must be based and supported upon a reasonable expectation of the costs associated with the settlement in accordance with Generally Accepted Accounting Principles (GAAP). Examples would be unresolved wage compensation situations where labour contracts have expired and negotiations for the new contract are not complete or at arbitration.
- Funds must be expended according to terms and conditions as stipulated in the funding agreement. Schedule A (annual human resource, overhead, and one-time budget) and any amendments to Schedule A form the basis of quarterly financial reports.
- All financial reports will be reconciled; significant variances (greater than 10%) between approved funding lines and actual expenditures must be detailed for approval.
- Any funding (or any part of funding) advanced and not spent in accordance with the terms of the Agreement, must be reported and may be dealt with by any one or combination of the following ways:
 - Will be offset by the ministry against any money owed by, or to become due from, the ministry to the NPLC
 - Will be repaid to the ministry by the NPLC within four (4) weeks of the NPLC's receipt of written notice from the ministry demanding such repayment
 - Is in accordance with the terms of the ministry's additional written instructions to the NPLC.
- **Effective April 1, 2020**, the NPLC Overhead budget will be merged into one budget category, allowing NPLCs more flexibility in managing overhead expenses.
- **Financial reporting, as outlined in Schedule D.1, remains unchanged: NPLCs must report overhead expenditures on a line-by-line basis in their quarterly reports.**

Reallocation

- NPLCs are eligible to reallocate funds equaling up to the lesser of ten percent (10%) of the total annual budget or \$10,000 (the “tolerance threshold”) between and within eligible budget categories. Eligible reallocation of funding between approved budget lines should be noted at the bottom of the Quarterly Financial Reports.
- Eligible budget categories include:
 - Human Resources (**excludes physician stipend**)
 - Overhead Category
 - One-Time Category
- Requests to reallocate funds in excess of the tolerance threshold (applicable only to eligible reallocations) must be submitted to the ministry in writing, and the NPLC must obtain written ministry approval before proceeding. The ministry will consider the reallocation request according to the following criteria:
 - The NPLC is in good standing
 - The NPLC’s progress so far has met expectations
 - The reallocation request is within the scope of the originally approved outcomes for the NPLC
- A written response will be provided to the NPLC with the results of the review.
- NPLCs are not allowed to reallocate funds in any fashion other than what is stated above.
- Ineligible reallocations will be recovered at a time stipulated by the ministry.
- The ministry is not liable for any unapproved expenditure or reallocation.

HST Rebates

- HST Rebates: NPLCs qualify as not for profit organizations since they receive at least 40% of their funding from the provincial government. This makes them eligible to claim rebates for the provincial and federal components of the HST paid or payable on most inputs used to provide exempt supplies. When providing financial statements, NPLCs should report actual costs **net** of the rebate and book the projected rebate as a receivable so that their financial statements reflect actual expenditures. NPLCs who choose not to book expenses net of the rebate **must first seek approval to reallocate the rebate** toward operational costs. NPLCs should contact the Canada Revenue Agency for information and forms. ***At the end of the fiscal year, the ministry will recover any HST rebate that the ministry did not approve for use by the NPLC.***