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DATE: May 9, 2011

REPORT TITLE: **PROVINCIAL FEES IN HEALTH SERVICES**

FROM: Janette Smith, Commissioner of Health Services

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### **RECOMMENDATION**

**That the Regional Chair write, on behalf of Regional Council, to the Minister of Health and Long-Term Care to seek clarification on the Ministry's position regarding the ambulance user co-payment, in light of municipal cost-sharing and delivery of land ambulance;**

**And further, that the Regional Chair raise the issue of ambulance user co-payments at the quarterly meetings with the Chairs and Chief Executive Officers of the Central West and Mississauga Halton Local Health Integration Networks;**

### **REPORT HIGHLIGHTS**

- Provincially mandated user fees are charged to those using ambulance services and to residents of long term care homes operated by the Region. These co-payment programs differ in how their rates are set and where the revenues from the co-payments are allocated.
- The current distribution of revenues from ambulance user co-payments does not reflect the municipal responsibilities for ambulance services and the 50:50 cost-sharing with the Ministry of Health and Long-Term Care (MOHLTC).
- How ambulance co-payment revenues are collected and allocated is not set in regulations under the *Health Insurance Act*. There is no set timeframe or process for the MOHLTC to review the co-payment.
- Staff recommend that Council seek clarification from the MOHLTC regarding its position on the ambulance patient co-payment.

### **DISCUSSION**

#### **1. Background**

During the 2011 budget presentation, Council directed the Commissioner of Health Services to investigate and report back to Council on patient billing fees in Health Services. This report provides background on fees or 'co-payments' that are mandated by the provincial government for health services delivered by the Region of Peel.

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With respect to the Region of Peel, Council raised concern that while the Region is responsible for funding 50 per cent of the cost for ambulance services, none of the revenues from the ambulance user co-payments are allocated to the Region.

Further to this discussion, Health Services completed a review of what provincially mandated fees are charged by Health Services across all three program areas: Public Health, Long-Term Care and Paramedic Services.

### 2. Findings

Upon review of the Region's Health Services programs, provincially mandated user fees or 'co-payments' are charged to those using ambulance services and to residents of long term care homes operated by the Region. However, these co-payment programs differ in how their rates are set and where the revenues from the co-payments are allocated. There are no provincially mandated fees collected by Peel Public Health.

It should be noted that the Region of Peel also charges user fees for some services (for example fees for Adult Day Services, ambulance paid duty, prenatal/ postpartum class fees). These fees are established through the Region's Financial Control By-law. As such, the fees under this by-law are reviewed annually by the Region and are frequently increased to reflect inflation.

#### a) Long Term Care Co-Payment for Accommodation

Regarding Peel Long Term Care, the provincial government requires all long term care residents to pay a co-payment for accommodation. These rates are set by the provincial government and are increased on a regular basis. Increases are based in part on the annual increase in inflation as measured by the Consumer Price Index, and take into consideration any impact on residents and long term care home operators. The long term care resident co-payment was last increased in July 2010. These co-payments are collected and retained in full by the long term care home operator to contribute to the housing and accommodation costs associated with the long term care home.

Also regarding seniors residing in all long term care homes, the Ontario Drug Benefit Program has set a \$2 maximum co-payment for prescription drugs. While this co-payment is set by the provincial government, it is paid by the resident directly to the dispensing pharmacy and does not involve the Region.

#### b) Ambulance Services Patient Co-Payment

As Council is aware, the Region of Peel is the designated delivery agent for land ambulance services as defined under the *Ambulance Act*. In 2001, responsibility for ambulance services in Ontario was transferred from the MOHLTC to municipalities. The Region of Peel has directly operated Peel Regional Paramedic Services since December 1, 2004.

The MOHLTC provides the Region of Peel with a subsidy of 50 per cent of approved costs for ambulance services. The remaining operating funding is provided through Regional tax dollars.

The patient co-payment for those using ambulance services differs from other provincially mandated co-payments as the revenues are not allocated to municipalities

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that operate and fund ambulance services. The rates have not been adjusted for almost 20 years.

Regulations under the *Ontario Health Insurance Act* require Ontario residents insured under the *Ontario Health Insurance Act* (holding a valid OHIP card) who are transported to a hospital by ambulance to pay a \$45 patient co-payment.

There are exemptions to paying the co-payment, namely:

- persons receiving Ontario Works or Ontario Disability Support Plan benefits;
- those being transferred between health facilities for a medically necessary treatment;
- those receiving "certain home care services"; and
- those living in a long term care home, a home for special care, or a psychiatric facility.

A co-payment of \$240 applies to patients:

- without an OHIP card; or
- whose ambulance trip is deemed medically unnecessary by the receiving hospital physician.

In 1992, when this co-payment rate was last set it represented approximately 20 per cent of the total average cost of a land ambulance call.

### **i) Allocation of Revenues from Ambulance User Co-Payments**

The hospital that receives the patient serves as billing agent for collecting the co-payment. The Region does not receive revenues from the patient co-payments that are collected by hospitals. Currently \$15 of the co-payment is remitted to the MOHLTC, and the balance is retained by the receiving hospital.

The provincial government reports that MOHLTC revenues from ambulance user co-payments totaled \$2.4 million in 2009-2010.

### **ii) Ontario Ambulance User Co-payments Lowest Nationally**

A survey of ambulance services in other provinces indicates that all other provinces apply co-payments for ambulance use, and that Ontario has the lowest user co-payments in Canada.

Co-payments for eligible residents in other provinces range from \$80 (British Columbia) to \$250 and \$300 in Alberta and Saskatchewan, respectively. Some provinces (Saskatchewan, Manitoba and Quebec) permit ambulance operators to charge additional fees for mileage. Most provinces have co-payment exemptions for specific groups (social assistance recipients, seniors, veterans and First Nations).

### **c) No Review of Co-payment**

The collection and allocation of the ambulance co-payment revenues are not set in regulations under the *Health Insurance Act*, and as such there is no set timeframe or process for the MOHLTC to review the co-payment.

MOHLTC staff indicate that the existing policy to allocate revenues to hospitals and the Ministry was not reviewed when land ambulance was transferred to the municipalities.

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At that time, the priority was on larger issues associated with the transition and to ensure municipalities were fulfilling their responsibilities operating ambulance services. AMO staff suggest that this issue was a priority for AMO during the transition of land ambulance to the municipalities but they have been unable to make progress on this issue with the Ministry in recent years.

**3. Proposed Direction**

The current distribution of revenues from ambulance user co-payments does not reflect the municipal responsibilities for land ambulance services and the 50:50 cost-sharing with the MOHLTC.

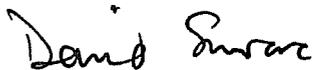
The MOHLTC has made progress in its efforts to reform how health funding is allocated so as to reduce regional funding inequities and to drive greater efficiency and system performance. An example of this includes new health-based funding formulas used for allocating funding to Local Health Integration Networks for the Aging at Home program. In addition, the MOHLTC has also introduced funding measures in key parts of the health system, such as pay-for-performance and activity-based funding, to encourage efficiencies and reduce wait times for many key hospital services.

In addition, the ambulance co-payment amount no longer reflects the total average cost of a land ambulance call as was originally intended in 1992. The provincial government has an opportunity to examine the co-payment rate, based on today's costs for delivering this service. Using the Consumer Price Index the ambulance co-payment would have increased by \$18 to \$63.32 in 2011.

Given the service demands and pressures on municipally funded and operated ambulance services, staff recommend that Council seek clarification from the MOHLTC regarding its position on the ambulance patient co-payment.



Janette Smith  
Commissioner of Health Services

**Approved for Submission:**


D. Szwarc, Chief Administrative Officer

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c. Legislative Services