

February 1, 2021

MEMORANDUM TO: Chief Executive Officers of Ontario Public Hospitals
Regional Leads, Ontario Health
Chief Executive Officers, Local Health Integration Networks

FROM: Mike Heenan
Assistant Deputy Minister

RE: **Hospital Incremental COVID-19 Expenses**

I am pleased to provide an update on the release of new expense guidelines related to incremental COVID-19 expenses being incurred by hospitals in Ontario.

At this time, the Ministry of Health (ministry) has received incremental expense submissions for the months of March 2020 (2019-20 Fiscal Year), and April – November (2020-21 Fiscal Year). To help hospitals in managing cash flow, submitted operating expenses for March to September 2020 have been reimbursed. The ministry remains committed to regular reimbursement of capital and operating expenses as we progress through the year and we will be in communication regarding approaches for reimbursement and accrual as we approach year end.

As previously communicated, the ministry will keep the Extraordinary COVID-19 Expense Claim process open until March 31, 2021, as we recognize hospitals may be called upon to aid in other efforts as we manage the province's pandemic response, including areas such as Long-Term Care, Vaccine Administration and Critical Care capacity. With that in mind, attached is the most recent version of the 'COVID-19 Hospital Expense Guidance Document' (Version 5).

As with previous versions, Hospitals are directed to track all COVID-19 incremental expenses incurred, attest to and submit them to their respective Local Health Integration Network (LHIN)/Ontario Health (OH) Region for review prior to submission to the ministry. Version 5 includes updates to the guidelines for expense reporting and reimbursement process as well as a revised excel submission template.

As previously communicated, the ministry is committed to working closely with hospitals to uphold the notion of fair treatment of COVID-19 expenses. As such, we are working with Ontario Health in analyzing and validating reimbursed expenses, with potential recovery and reconciliation exercises to be completed thereafter. In turn, the ministry asks that hospitals continue to maintain detailed financial records for these expenses and submit to the ministry as requested.

Finally, the ministry is examining multiple reconciliation options related to hospital funding and is working with the Ontario Hospital Association on how we may offer flexibility given the extraordinary circumstances this year. These options however are not final, and any recommended option will need government approval.

Thank you for your continued commitment to delivering high quality care to patients during this unprecedented time.

Sincerely,



Mike Heenan

Attachments

- c: Helen Angus, Deputy Minister, Ministry of Health
- Matthew Anderson, President and CEO, Ontario Health
- Richard Steele, Deputy Minister, Ministry of Long-Term Care
- Anthony Dale, President and CEO, Ontario Hospital Association
- Dr. David Williams, Chief Medical Officer of Health, Ministry of Health
- Peter Kaftarian, Assistant Deputy Minister and Chief Administrative Officer, Ministry of Health
- Melanie Fraser, Associate Deputy Minister, Ministry of Health
- Alison Blair, Associate Deputy Minister, Ministry of Health
- Ronnie Gavsie, Executive Lead, COVID-19 Vaccine Distribution, Logistics and Administration, Ministry of Health
- Michael Hillmer, Assistant Deputy Minister, Ministry of Health
- Patrick Dicerni, Assistant Deputy Minister and Executive Officer, Ministry of Health
- Susan Picarello, Assistant Deputy Minister, Ministry of Health
- Rhonda McMichael, Assistant Deputy Minister, Ministry of Health
- Melanie Kohn, Assistant Deputy Minister, Ministry of Health
- Sheila Bristo, Assistant Deputy Minister, Ministry of Long-Term Care
- Amy Olmstead, Executive Lead, Ministry of Health
- Marysia Szymczak, Director, Communications Branch, Ministry of Health
- Elham Roushani, Chief Financial Officer, Ontario Health
- Jeffrey Graham, Director, Fiscal Oversight and Performance Branch, Ministry of Health
- Jim Yuill, Director, Financial Management Branch, Ministry of Health
- Tara Wilson, Interim Director, Hospitals Branch, Ministry of Health
- Kristin Taylor, Director, Provincial Programs Branch, Ministry of Health
- James Stewart, Director, Health Capital Investment Branch, Ministry of Health
- Sherif Kaldas, Director, Health Sector Models Branch, Ministry of Health
- Marnie MacKinnon, Director, Vaccine Implementation, Ministry of Health
- Allison Costello, Director, Implementation and Supports Branch, Ministry of Health
- Elizabeth Walker, Director, Accountability and Liaison Branch, Ministry of Health
- Neeta Sarta, Director, Laboratories and Genetics Branch, Ministry of Health
- Aileen Chan, Director, Health Data Branch, Ministry of Health
- David Lamb, Director, Capacity and Health Workforce Planning Branch, Ministry of Health
- Steven Haddad, Director, Emergency Health Regulatory and Accountability Branch, Ministry of Health
- Angie Wong, Director, Drug Programs Policy and Strategy Branch, Ministry of Health
- Jovan Matic, Director, Supply Chain Modernization Branch, Ministry of Health
- Andrew Mukoma, Director, Ontario Health Oversight Branch, Ministry of Health
- Abby Dwosh, Director, Long-Term Care Funding and Programs Branch, Ministry of Long-Term Care