

# **Executive Summary**

## **Assessors Report on the Muskoka-Parry Sound Health Unit**

**Pursuant to Section 82(3)  
*Health Protection and Promotion Act***

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Assessor**

**October 20, 2004**

## **1. Appointment**

On July 12, 2004, I was appointed Assessor for the Muskoka-Parry Sound Health Unit pursuant to Section 82(3) of the *Health Protection and Promotion Act*, R.S.O. 1997, c.30 Schedule D, s. 11.

The assessment was requested as a result of growing concern with regard to governance and operations of the Muskoka-Parry Sound Health Unit.

## **2. The Delivery and Funding of Public Health**

*The Health Protection and Promotion Act* (“HPPA”) attempts to create a regime which constitutes a fine balancing act between the role of the government in establishing a comprehensive public health program for the province, while at the same time devolving the funding requirements and program delivery to the municipalities.

Accountability for the discharge of these crucial public services is divided among:

- the provincial government which determines mandatory programs and services which must be delivered by every local public health unit;
- the Chief Medical Officer of Health for Ontario;
- the Medical Officer of Health for each health unit who has extensive statutory powers and responsibilities quite independently of any reporting relationship with the local Board of Health and who is required under s. 67 to report directly to the Board on issues relating to public health concerns and to public health programs and services under the HPPA and all other provincial statutes; and
- the local Boards of Health

The key to the success of this relationship lies in the effectiveness of the Board of Health. The municipally dominated Board must recognize that they are responsible for the quality and success of the mandatory health programs and in the execution of these duties they are largely reliant on their Medical Officer of Health (“MOH”). The MOH is responsible to the Board for both medical and administrative matters under the HPPA (Section 67). The MOH position is both demanding and pivotal in the provincial-municipal interface. The MOH must ensure the development of a budget that is sufficient to meet the public health needs while administering a health unit that is efficient, and cost effective. This leadership by the MOH and the policy and approval oversight by the Board should provide the local municipalities and their residents with assurance that the public health is protected and that their public health programs are delivered at a reasonable cost to their taxpayers.

Like all balancing acts, there must be both a reasonable measure of respect and understanding between the parties particularly the relationship between the MOH and the Board.

## **THE MPSHU**

### **1. Overview**

The MPSHU covers a very large geographical area and embraces two jurisdictions – the District of Muskoka and part of the District of Parry Sound. This marriage of convenience tries to serve the purpose of creating a jurisdiction large enough to provide a population sufficient to support a public health unit. It should be noted that even the combination of the two leaves the MPSHU with one of the smallest populations in the province to support its work.

The MPSHU has a permanent population of roughly 83,000 which can rise seasonally to as high as 900,000 people. The health unit includes approximately 900 water systems, 70 camps and 1,032 food premises. There are six long-term care facilities and three hospitals.

In this report, the use of the word “Board”, except where one Board is specifically singled out, is intended to cover the overall effectiveness of two Boards, the first serving from the 2000 municipal election and the second serving since the 2003 municipal election. The actions of both Boards are the subject of this report, as both have carried the ultimate responsibility for the performance of the MPSHU since 2000. It would, however, be misleading to suggest that the problems identified in this assessment originated solely during the 2000 timeframe and beyond. Indeed, the Agora Report in 1999 made it obvious that the Board preceding the 2000 Board had problems. The Agora Report provided the opportunity for the subsequent Boards to get it right.

The current Board and the predecessor Boards in recent years have not been effective in their stewardship of the MPSHU. They have not been successful in balancing the health delivery responsibility and the budgetary responsibility. Obviously not all Board members share the same positions on issues but all must share responsibility for the failures and successes of the Board. Some members over the years have been very committed to public health as their primary reason for serving on the Board, but there is overwhelming evidence that the majority have been serving with a view to managing costs with little apparent interest in their health policy responsibilities in the delivery of public health.

## 2. Dysfunctional Governance

One word that has been used extensively to describe the overall governance and operation of the Board and Health Unit and that word is: “dysfunctional”.

The state of corporate governance is not only dysfunctional, but chronically dysfunctional because:

- The roles and responsibilities as between the Board and the medical/technical/administrative arm of the operation are undefined to poorly defined;
- The Board is dominated by concerns about cost at the expense of addressing the raison d’être of the MPSHU as a health delivery organization;
- The Board does not respect the role of the MOH and is divided on the issue of the duties and responsibilities of the MOH;
- The Board does not require or expect the MOH to attend all Board meetings and report regularly;
- There has been constant upheaval in the office of the MOH for the MPSHU;
- The Board ignores the governing legislation when convenient;
- There is little mutual respect between the Board and its employees;
- There is no clear leadership structure at the senior levels of the MPSHU;
- There has been no qualified Director of Finance or Human Resources for over a year, particularly notable when control of costs is the number one concern of the majority of the Board;
- Communications between Board and staff follow unconventional routes;
- Some municipal Board members acknowledged that being on the Board of Health had not been a matter of choice and that they would have preferred another Board or appointment;
- Many Board members lack certainty as to whether the MPSHU has the ability to function effectively in the face of a major crisis;
- Many Board members are aware of these problems and seem unable to resolve the issues to the point that they question whether they should continue on the Board; and
- Dysfunctionality was identified as a major concern in a consultant’s report to the Board over five years ago and remains unresolved.

A health Board that cannot maintain a quality working relationship with its operational leadership, that cannot act on major decisions that they identify as important, that has no strategic outlook and that spends little time on its health services mandate, cannot be seen as anything other than chronically dysfunctional.

Indeed, in mid-1999, the Agora Group from Markham, Ontario was retained by the Board to do a governance review. The report concentrated primarily on options for geographic

reconfiguration of the MPSHU but the report did briefly address Organizational Effectiveness in Section 11.

*“Yet each group seems to find it difficult to identify, in each other, a sense of common understanding and mutual support. Each ascribes less than positive motivations to the other.”*

The report goes on to state:

*“The consultants believe that Board/staff relations and overall organizational effectiveness have suffered as a result of misconceptions and negative expectations rooted in long standing practices and patterns of inaction that are barriers to communication.”*

*... “However, the “dysfunctional” attitudes, perceptions and behaviours are of such long standing that they have almost become reflexive for some among Board and staff.”<sup>1</sup>*

There is no consensus on the future for the MPSHU at either the Board or staff level. The lack of consistent leadership has had a very damaging impact on the operations of the MPSHU. The Board is divided on a number of issues, and is perceived as having a negative view of the staff, and decisions on leadership have been delayed with the inevitable result that Public Health is not being well served in Muskoka-Parry Sound. The whole operation is so dysfunctional that it cannot be allowed to continue in the same vein; however, because many of the attitudes are entrenched, any turnaround within the existing geographical boundaries will be far from simple.

## CONCLUSIONS

The problems plaguing MPSHU are deeply rooted. The fault lies not with any one individual but with an entrenched governance culture that is focused, not on the delivery of public health programs and their adequacy, but on the cost of public health. Efficient and effective management of the costs of public health is obviously important, but the primary responsibility for the Board is the delivery of public health programs and services to ensure the protection of the residents of the two Districts.

The failure of the Board in not engaging fully in the public health role is overwhelmingly evidenced by the lack of strategic consideration to public health issues and the low regard for the role of the MOH within the MPSHU. Further, the Board, in its attempts to address costs has become a micro-manager of the MPSHU. The Board has no role in

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<sup>1</sup> healthy public health..... a governance review of the Muskoka-Parry Sound Health Unit, November 1999, page 48

management of the MPSHU. Even if it were appropriate for a Board to engage in management, it is an assignment that they are not capable of discharging given their limited experience in public health administration, as well as the other demanding responsibilities that require their time in meeting their responsibilities, particularly those serving as councillors and Mayors.

Indeed the evidence is clear that they have failed to bring either sound organization or stability to the MPSHU. This is true even on the administrative and cost side that has been their declared area of priority. On the health side, notwithstanding a previous assessors report, a SARS case in 2003 and the interim report of Justice Campbell, they have not carried out any serious health program or performance review at the Board level, which as a minimum would seem an essential response to critical external reviews.

The Board requires a complete overhaul.

The question of Board geography and structure has long been a matter of debate and discussion and in recent time this has been evidenced by both the Agora Report and the Morley Report. The Agora Report dealt at length with possible merger with one or more neighbouring health units. The concept of merger was also raised by a number of people I interviewed as desirable to constructively address the dysfunctionality of the Board.

I believe that the most effective outcome of my assessment would be to dissolve the existing Board and merge the District of Muskoka operations with the Simcoe County and District Health Unit and merge the portion of the health unit within the District of Parry Sound operations with the North Bay District Health Unit. This would result in a complete break with the culture that has plagued the last two Boards and provide a larger catchment area.

Every public health unit in Ontario is a crucial part of our front line defence against disease and health risk. Any health unit that is dysfunctional puts at risk, to the extent it weakens that defence, the health of its citizens. Anything less than the measures outlined above will weaken our front line defence.

While management and the employees of the MPSHU have operated reasonably in difficult circumstances, the failure of the Board to ensure consistent leadership at the management level at least raises questions as to the need for a thorough review of management operations. The reconstruction of the Board should not obscure the need for a thorough review of operations. The most glaring problem is the lack of any leadership in assessing and managing both the financial and human resources requirements of the MPSHU that have been without direction for over a year.

## **FINDINGS**

### **Has the Board of Health of MPSHU failed to ensure the adequacy of the quality of the administration or management of its affairs?**

Yes, I am satisfied that the Board of Health has failed to ensure the adequacy of the administration and management of its affairs.

The Board has failed to carry out the expected basic governance tasks of a Board in that:

- 1) There is no strategic plan.
- 2) There is no regular overview of the program performance of the MPSHU.
- 3) The Board has little apparent commitment to understanding and monitoring the performance of health programs.
- 4) The Board, when it found it convenient, has ignored certain provisions of the HPPA.
- 5) The Board does not have the benefit of a regular flow of public health advice from the MOH and does not have a current appreciation of the ability of the MPSHU to deal with major health events.
- 6) There has been little or no follow-up by the Board on the performance of the MPSHU following the SARS event and the assessment carried out by Dr. Gardner and Dr. Henning.
- 7) The Board did not have the Acting MOH available for most Board meetings prior to the appointment of Dr. Hukowich by the Chief Medical Officer of Health.
- 8) The Board does not have an agreed concept on how the MPSHU should be led and managed.
- 9) The Board has permitted the MPSHU to operate for a year without a leadership structure in place and without competent expertise in finance and human resources.
- 10) The Board has become involved in micro-management without the time, ability, technical expertise or mandate to manage.

## **Has the Board of Health failed to comply in any other respect with the HPPA, the regulations and guidelines?**

Yes, I am satisfied that the Board has shown little interest in meeting the requirements of the legislation where it is inconvenient. For example:

- 1) The Board has been without a full-time MOH for most of the time since 2000 and consequently has not met the requirements of Section 62 (1) of the HPPA, which require it to appoint a full-time MOH.
- 2) The last time an MOH reported regularly to the Board was during the tenure of Dr. Pfaff. The Board has, at best, been passive about the presence of the MOH at Board meetings and is clearly outside the intent of Section 67 (1) of the HPPA.
- 3) The Board's actions with regard to personnel matters have circumvented and frustrated the intent of Section 67 (2) and (3) which provide that employees are subject to the direction of, and responsible to, the MOH.
- 4) The Board has, by procedural means, made it difficult for the MOH to exercise the right in Section 70 to attend each meeting of the Board and every committee meeting.
- 5) The current Board has appointed Co-Chairs of the Board notwithstanding that they were aware that the HPPA has no provision that permits the appointment of Co-Chairs.

While there is no evidence to suggest nor do I believe that either the previous Board or the current Board were acting in any intentional manner to prevent the effective delivery of public health programs, the fact remains that in my view they have not ensured the adequacy of the quality of administration or management of the MPSHU.

## **RECOMMENDATIONS**

1. The Board of the MPSHU should be dissolved and the Muskoka District operations should be merged with the Simcoe County District Health Unit and the Parry Sound District operations should be merged with the North Bay District Health Unit.
2. While the Board of Health of the MPSHU should remain in place pending the transfer of authority through the merger process proposed in recommendation #3, the business of the MPSHU should be managed under the policy direction of the Chief Medical Officer of Health by the exercise of her powers under the HPPA.

3. The MPSHU should be merged with neighbouring health units as follows:
- (a) The Lieutenant-Governor-in-Council should act to amend the regulations under the HPPA to permit the MPSHU to be divided and the operations merged with the portion of the health unit within the District of Parry Sound operations becoming part of the North Bay & District Health Unit (“NBDHU”) and the District of Muskoka operations becoming part of the Simcoe County District Health Unit (“SCDHU”).
  - (b) The process should begin immediately to commence the merger of the MPSHU into its new regional alignment.
  - (c) A merger Transition Team should be created to oversee the merger of the MPSHU with the new health alignment and two Transition Teams appointed, one for the merger of the District of Muskoka and the SCDHU, and one for the merger of the District of Parry Sound and the NBDHU.
  - (d) The following process is suggested for transition:
    - The Transition Team for the Muskoka District and SCDHU merger should consist of one representative from the District of Muskoka and one representative from the current Board of the SCDHU, the Acting Medical Officer of Health from MPSHU and the Medical Officer of Health from the SCDHU and a Chair appointed by the Chief Medical Officer of Health.
    - The Transition Team for the Parry Sound District and NBDHU merger should consist of one representative from the District of Parry Sound and one representative from the current Board of the NBDHU, the Acting Medical Officer of Health from MPSHU and the Medical Officer of Health from the NBDHU and a Chair appointed by the Chief Medical Officer of Health.
  - (e) The Transition Teams would make recommendations to the Chief Medical Officer of Health to address all the issues including but not limited to:
    - i. The redeployment of employees between the health units and all related labour issues;
    - ii. The realignment of management positions;
    - iii. The allocation of assets and liabilities between the health units including the resolution of the equity rights of the province and the Districts of Muskoka and Parry Sound in the Gravenhurst office and other physical assets of the MPSHU;

- (f) To minimize the disruption in the SCDHU, the Lieutenant-Governor-in-Council should amend the regulations in the HPPA to maintain the current formula for the membership of the Board originating in Simcoe County and add two members from the District of Muskoka.
  - (g) To minimize the disruption in the NBDHU, the Lieutenant-Governor-in-Council should amend the regulations in the HPPA to maintain the current formula for the membership of the Board originating in North Bay and District and add three members from the District of Parry Sound.
  - (h) The same chair should be appointed for both Transition Teams to ensure continuity in addressing the issues in the division of assets and human resources of the MPSHU.
  - (i) The full costs of the transition process should be assumed by the MOHLTC.
4. For continuity, it is recommended that Dr. Alex Hukowich, the Acting Medical Officer of Health remain as MOH for the MPSHU. Should this not be possible, another Acting MOH should be appointed by the Chief Medical Officer of Health until recommendation #3 is completed.
  5. The Chief Medical Officer of Health should take immediate action to authorize the appointment of an interim Transition Director for the MPSHU to address the financial and human resources organization of the MPSHU to facilitate the merger of organizations under recommendation #3 and to provide assurance that the administration of the MPSHU meets provincial standards.
  6. The current on-call arrangement should remain in place until the MPSHU is realigned in accordance with recommendation #3. If realigned in accordance with #3 on-call would be subsequently renegotiated in accordance with the legislation governing the merger of the staff of the units involved.