SUBJECT: Ontario Drug Benefit Program Rebate (ECS08043) (City Wide)

RECOMMENDATION:

That the $243,844 rebate, provided by the Ministry of Community and Social Services from the Ontario Drug Benefit Program, is to be applied first to offset any year end departmental deficit and any remainder is to be applied to the reserve.

Joe-Anne Priel,  
General Manager,  
Community Services Department

EXECUTIVE SUMMARY:

On April 29, 2008, the Ministry of Community and Social Services (MCSS) notified the Community Services Department that the City of Hamilton would be receiving a rebate in the amount of $243,844. This represents the City’s portion of a manufacturers’ rebate for pharmaceutical products, related to the Ontario Drug Benefit (ODB) Program, for the MCSS’s fiscal year 2007/08. This refund represents the municipality’s 20% share of the rebate for the April to December 2007 period only. Cost-sharing of the ODB with municipalities ended, effective January 1, 2008.

As the rebate was received without prior notice from the MCSS, it was not budgeted as revenue for 2008. It is recommended that the rebate be applied first to offset any year end departmental deficit and any remainder be applied to the reserve.
BACKGROUND:
As a result of the provincial downloading of responsibilities to the municipalities, the City of Hamilton contributed financially to the cost of drug benefits for individuals and families who receive assistance through the Ontario Works (OW) and Ontario Disability Support Program (ODSP) up to the end of 2007. As the rebate was unexpected, it was not budgeted as revenue for 2008. Approval is being sought from Council to apply this revenue to potential budget pressures within the Community Services Department in 2008 or alternately to be transferred to the Social Services Initiative Fund for future projects.

ANALYSIS/RATIONALE:
No further analysis or rationale is available at this time.

ALTERNATIVES FOR CONSIDERATION:
That the funds be allocated to the 2008 corporate year-end surplus/deficit position.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:
Financial:
There are no financial implications associated with the recommendation contained in Report ECS08043.

Staffing:
There are no staffing implications associated with the recommendation contained in Report ECS08043.

Legal:
There are no legal implications associated with the recommendation contained in Report ECS08043.

POLICIES AFFECTING PROPOSAL:
None.

RELEVANT CONSULTATION:
Corporate Services Department, Budgets and Finance Division, Finance and Administration Section
CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☐ Yes ☑ No

Environmental Well-Being is enhanced. ☐ Yes ☑ No

Economic Well-Being is enhanced. ☑ Yes ☐ No

Additional revenue of $243,844 has been received by the City of Hamilton which may be used to off-set in-year budget pressures or alternately will be accessed in the future for social service initiatives.

Does the option you are recommending create value across all three bottom lines? ☐ Yes ☑ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☐ Yes ☑ No