Shared health
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Manitoba

1502-155 Carlton Street
Winnipeg, MB R3C 3H8

P: (204) 926-7100

September 1, 2021

Catherine Kloepfer
Chief Financial Officer
City of Winnipeg
510 Main Street – 2nd Floor
Winnipeg, MB R3B 1B9

Dear Ms. Kloepfer:

Re: Winnipeg Fire & Paramedic Services 2021 Funding

Please accept this letter as confirmation of the funding that will be provided by Shared Health Inc. to the City of Winnipeg for the Winnipeg Fire & Paramedic Service for the City's calendar year of operations ending December 31, 2021.

As discussed and agreed to at the EMS Contract Negotiation Meetings, the Shared Health EMS Funding Model will now be based on a Global Funding Allocation instead of the prior funding methodology that was based on a cost allocation formula and recovery process. The prior process related to the completion of a Year End Settlement is no longer in place and the EMS Program will need to balance to the Global Funding allocation.

The approved Global Funding Allocation for the 2021 Calendar Year is summarized as follows:

Total 2020 Funding (as per September 23, 2020 letter)	**$44,680,491**
2021 Funding Adjustments:	
Annualization of funding removal for Professional Services payments for Medical Director, WFPS and Associate Medical Director, WFPS, inclusive of EPIC on-call (January 1 to March 31, 2021) – services provided and funded by Shared Health directly	$(57,500)
Annualization of 2020 Salary and benefit increases (January 1 to March 31, 2021)	$343,070
2021 Salary and benefit increases (April 1 to December 31, 2021 portion of annualized amount of $1,149,139)	$861,854
Subtotal 2021 Funding	**$45,827,915**
Less: Sustainability amount (April 1 to December 31, 2021 portion of annualized amount of $1,149,139) – see below 1.	$(861,854)
Total 2021 Funding	**$44,966,061**

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The September 23, 2020 letter referenced the following two funding changes/items:

1. Sustainability amounts have been assigned to all areas and programs in Shared Health, and an amount of $1.5 million to WFPS was referenced in the September 23, 2020 funding letter. The current Global Funding Allocation of $44.966 million stated above will not be reduced by this amount, but instead will have a spend reduction target equal to the salaries and benefits increase for 2021. Consistent with previous discussions, Shared Health is committed to working in partnership with WFPS on service changes to achieve this sustainability amount and requests a written proposal on identified initiatives for both the short-term for 2021 and for the long-term. Please submit the short-term proposal by September 15, 2021 and the long-term proposal by September 30, 2021.

2. Funding change confirmed: Effective January 1, 2021 non-IFT related FNIHB rejected billings can no longer be submitted as an invoice for payment, separate of the Global Funding Allocation. These costs will instead be treated as normal patient invoices, and subjected to the normal bad debt provision assessment. As this will generate a new cost to EMS, Shared Health is committed to working with WFPS, to further identify and implement changes to billing and collection processes to mitigate the impact and improve these collections or in terms of further service changes to achieve funding parity.

Ongoing monitoring of the EMS financial position will be completed jointly through the Shared Health/City of Winnipeg Quarterly Finance Meetings to ensure that a balanced financial position is achieved at year end.

Please continue to submit quarterly reconciliations related to the Ambulance fee reduction program so that actual revenue reductions can continue to be monitored against funding provided. Funding provided to WFPS for this program to date is sufficient to cover reduced revenues based on 2019 volumes and future volume increases should be submitted through Shared Health's Strategic Operating Plans.

If you have any questions or concerns with the above, please contact Jennifer Bjarnarson at 204-792-9108.

Sincerely,

Jennifer Bjarnarson
Interim Chief Financial Officer
Shared Health

cc: Adam Topp Helen Clark
Ryan Sneath Leah Jenkyns