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April 24, 2020

**Office of the Deputy Premier and Minister of Health**

**777 Bay Street, 5th Floor**

**Toronto ON**

**M7A 1N3**

**Dear Deputy Premier and Minister of Health Elliott:**

**Re: Funding Support for IHF Sector**

We are writing on behalf of the independent health facilities (IHF) sector, which has been significantly affected during our fight against COVID-19. While some IHFs have been forced to discontinue their regular services during this period, many others have continued to perform very essential services under extreme and personally dangerous circumstances.

The funding support that has been extended to IHFs and to the physician community, announced on April 22, 2020, is disappointing, as it is simply a loan advance. The initiative does nothing to address the financial crisis that the pandemic has caused. Rather than emergency grant funding which had been requested, the loan advance program simply defers our problems for a few months. The proposed recovery of these advances may very well bankrupt clinics in the fall and winter, as many anticipate that another wave of the virus will hit us at that time.

We fail to understand how an advance payment to top-up IHFs to 70% of pre-pandemic billings will assist in the sustainability of the sector. Clearly it is based on a misapprehension, i.e. that IHFs will be able to magically make up the losses incurred during this lockdown period by doing ‘catch-up’ work later in the year. It fails to appreciate that most IHFs were operating at their patient capacity prior to the crisis and that technical fee compensation remains virtually unchanged since the 1980s. Moreover, it ignores the tremendous incremental costs in operating health care facilities during this pandemic, whether in the form of extra PPE, additional staffing costs, or otherwise. It also assumes that the summer will bring with it a return to full, uninterrupted operations. Frankly, if IHFs use this money to re-open and/or to rehire staff, they may simply be digging a bigger hole for themselves later in the year.

Unfortunately, even the announcement of this program will have a detrimental impact on the IHF sector. Over the past month, creditors to IHFs have been very willing to work with our sector to either defer or discount some of their goods and services, such as rent, other fixed costs, or supplies. This announcement effectively undermines our ability to negotiate more flexible terms. Our creditors can now point to “support” that we receive as a justification for ending discussions regarding payment or credit flexibility.

Minister, the advance loan program does not effectively assist IHFs in sustaining themselves during this crisis. What is needed is some form of grant initiative, or a forgivable loan, that will allow IHFs to survive the current crisis and rebuild over the course of the next year. We would ask you to re-consider the program and substitute an initiative that provides IHFs with the resources to continue to perform the truly essential services that they currently conduct.

As you may already be aware, many IHFs are already working with local hospitals to attend to many ambulatory patients that would otherwise be forced to be seen at our overburdened hospitals. The IHF community has stepped up and has shouldered a great burden in order to assist their communities during this time of extremis. We ask your help in order to ensure that we can continue to serve Ontario’s communities.

Please do not hesitate to contact us, via our Executive Director, Stephanie Bolton (sbolton@idca.ca), if you have any questions or require clarification regarding any of the matters herein referred to.

Sincerely,

**The Board of Directors of the Independent Diagnostic Clinics Association**