

health systems in the communities of Northern Ontario, resulting in better health outcomes for patients in the North.



The Federal Minister of Indigenous and Northern Affairs Visits NOSM

NOSM is committed to meeting the needs of the people of Northern Ontario, including Indigenous and Francophone communities in the North. On August 20, the Honourable Carolyn Bennett, MD, the Federal Minister of Indigenous and Northern Affairs, visited NOSM to tour Canada's newest medical school and learn about the ways in which NOSM is working to improve the health of Northern, Indigenous, and Francophone peoples. Pictured here (from left to right) are: Dominic Giroux,

President of Laurentian University; Ray Hunt, NOSM's CAO; Dr. Roger Strasser, NOSM Dean; the Honourable Carolyn Bennett, Federal Minister of Indigenous and Northern Affairs; Dr. Greg Ross, NOSM Professor; Paul Lefebvre, Sudbury Member of Parliament; and, Jennifer Wakegijig, NOSM Project Manager.

Collection of NOSM Videos on YouTube

When NOSM opened in 2005, we had the idea of producing a video about the inaugural year. Dr Hoi Cheu who teaches filmmaking at Laurentian University stepped up and produced "High Hopes" which follows the Charter Class students from orientation week to the end of their first year.

Subsequently, Hoi continued to be involved with NOSM interviewing students as part of the Tracking Studies and then last year he produced "The Rural Challenge" to mark NOSM's 10th anniversary. Most recently,

Hoi brought his camera to ICEMEN 2016 and has produced a series of videos. I encourage you to view the full collection of Hoi Cheu NOSM videos which are available on YouTube

below.



High Hopes: <https://youtu.be/IQZds0FJ9go>

The Rural Challenge: https://youtu.be/gU3LE3vPt_4

Conference on the Move: <https://youtu.be/dKdDtcUoISE>

Indigenous Research Gathering: <https://youtu.be/UKPqFvortEg>

The Fire keeper's story: <https://youtu.be/ZTAVgBAISTs>

Dr. Cynthia Wesley-Esquimaux's complete keynote address: <https://youtu.be/hRuOziYmWWc>

Dot Beaucage-Kennedy's vision: <https://youtu.be/Zl653fpvpBg>

Dr. Frank Sullivan: https://youtu.be/A5jalYf0_QA

Dr. Jill Konkin: <https://youtu.be/DXclSIhMafg>

Dr. Greville Wood: <https://youtu.be/ORw-ngOnD4o>

Dr. Emma Kennedy: <https://youtu.be/CQ4cDPCI5iE>

Dr. Ross Lawrenson: <https://youtu.be/M3gZgAbJI70>

The Oxford Debate: <https://youtu.be/qmwwfAOaUdw>

Northern Passages: Spring/Summer 2016 [\[English\]](#) [\[Français\]](#)

The Scope: <http://nosm.ca/uploadedFiles/Research/Scope%20Fourth%20Issue%20Web.pdf>

For more news and information visit www.nosm.ca

Respectfully submitted,

Dr Roger Strasser AM
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Northern Ontario
School of Medicine

École de médecine
du Nord de l'Ontario

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Memorandum

Date September 7, 2016

To NOSM Staff and Faculty

From Dr. Roger Strasser, Dean

Re ***“Sustaining our Success”***

Over the past several years, the Northern Ontario School of Medicine (NOSM) has been facing fiscal challenges due to province-wide fiscal restraint. As you may remember, we are not alone; virtually all publicly funded organizations are encountering similar challenges.

Through your dedication to achieving a healthier North, we have been able to overcome many obstacles in delivering our distributed, community-engaged learning (DCEL) model across NOSM's wider campus of Northern Ontario. I know this has not been an easy task, and I am truly grateful for all that you do to realize our social accountability mandate.

Since 2010, NOSM's leadership team has embarked on various advocacy strategies to increase our base funding. During this time, we have secured interim and/or one-time funding envelopes that have assisted in the implementation of various initiatives at the School. While additional provincial funding is always welcomed and appreciated, one-time funding does not enable our School to move forward with stable financial footing.

This past summer, members of the Executive Group initiated a tactical communication approach that correlates the success of NOSM (i.e. the School's ability to increase the supply of physicians in the North) with the sustainability of our DCEL model. I have attached a paper entitled ***“Sustaining our Success”*** which provides more information, and was used to advocate for the School with various agencies. As a NOSM Ambassador, I invite you to familiarize yourself with this document in hopes that it may assist you in explaining NOSM's financial situation to our colleagues or stakeholders. From my perspective, the more our Northern collaborators are aware of our challenges, the more it may help in our advocacy efforts to improve our fiscal situation. In the current fiscal environment, every voice helps.

I am pleased to report that, based on recent meetings I have had with municipal and provincial political leaders, it appears that our messaging is being heard. There are signs that our current approach may yield a positive outcome. In fact, just recently, the Minister of Health and Long-Term Care, the Honourable Dr. Eric Hoskins, was quoted as saying, *“I don't think any of us really understood just how impactful the Northern Ontario School of Medicine might be—adding that sixth medical school to the province. It has been pretty remarkable.”*

I encourage you to read ***“Sustaining our Success.”*** Should you have any questions or require additional information related to this communication strategy, please do not hesitate to approach your manager.

Again, I want to thank you for all you do every day in making NOSM remarkable.

Dr. Roger Strasser

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Northern Ontario School of Medicine

Sustaining Its Success

Issue

Since its inception, the Northern Ontario School of Medicine (NOSM) has significantly improved the health-care landscape of Northern Ontario and has exceeded expectations guided by its social accountability mandate to help improve the health of people in the North.

Despite this success, NOSM is now at a crossroads. The cumulative effect of a prolonged fiscal constraint will adversely impact NOSM's ability to yield a critical mass of physician services in Northern Ontario. This will result in future challenges and pressures in health-care delivery, leaving much of the Northern population vulnerable and at risk.

Summary of Challenges and Opportunities

- Status quo is unsustainable. The projected funding shortfall, starting in 2017, will put medical education in the North at risk and will dismantle the gains made since the School's charter class of 2005.
- Some Government operating grants have been flat-lined since NOSM's inception in 2002 (while costs have increased annually by an average of 2%).
- Significant reliance on Government funding (which is not adjusted for annual inflation, collective bargaining increases, fixed costs, etc.) has placed NOSM in an annual structural deficit situation.
- Reduced funding has also negatively impacted staff (contributing to turnover, recruitment/retention, burnout/morale).
- An opportunity exists for the Government to help offset NOSM's structural deficit by making NOSM eligible for the "**Northern Ontario Grant**." This grant is currently added to the base funding of four other universities (Lakehead, Laurentian, Hearst, and Nipissing). Extending it to NOSM would address its financial sustainability challenges.
- NOSM will continue to review/explore opportunities to become more efficient while maintaining accreditation standards and its social accountability mandate.
- An immediate increase in base funding (even on an interim basis) is needed, while the province establishes a new funding formula for universities and colleges in Ontario.

NOSM's Success

- Much of NOSM's success can be attributed to an internationally recognized **Distributed Community Engaged Learning** (DCEL) model that was developed by NOSM.
- The unique DCEL model depends on the partnerships and collaborations with individuals, communities, and organizations across the North including strong ties with Indigenous and Francophone communities.
- Together, over 90 organizations/communities and over 1,300 faculty dispersed across the 820,000 sq. km of Northern Ontario (**the NOSM campus**) all play a vital role in educating and supporting learners so that they develop a personal understanding of the challenges and rewards of living and working in Northern Ontario.
- While preparing its graduates to work in a complex environment, DCEL also facilitates the recruitment and retention of physicians and other health professionals in rural and remote communities.
- To date, **94% of the doctors who completed their undergraduate and postgraduate education with NOSM are today practicing in Northern Ontario, including 33% in remote rural communities**.

- Since 2011, **149 NOSM family medicine graduates now practice in the North. This translates to better access to care for an additional 180,000 patients in the North** (about 20% of the Northern population who would have been without a family doctor).
- In addition to its profound influence on Northern health, NOSM has a positive socio-economic impact in the region. A study completed in 2009 by the Centre for Rural and Northern Health Research (CRaNHR), entitled *“Exploring the Socio-Economic Impact of the Northern Ontario School of Medicine,”* demonstrated that **NOSM is generating \$67 - \$82 million per year of new economic activity in the North.**
- CRaNHR notes in another study that many Northern Ontario communities that have historically suffered from chronic physician shortages and reduced access to health care, are now, for the first time in decades, no longer in crisis.
- NOSM and Northern Ontario cannot rest on its laurels. There are still many communities that are underserved and a growing elderly population (in the North) that will need a specialized medical focus that is a key feature of NOSM’s academic curriculum and learning model.
- CRaNHR also predicts that, with an aging physician workforce, Northern Ontario is at risk of experiencing a 50% physician retirement/attrition rate within the next five years. It is well recognized that it takes approximately two physicians to replace a retiring physician (due to a difference in practice style/preference). This phenomenon will require NOSM to achieve even greater success than it has already realized.

Financial Context

- NOSM currently receives the majority of its funding (84%) from two Government ministries – MTCU (now known as the Ministry of Advanced Education and Skills Development) and MOHLTC. 14% is derived from student tuition fees that NOSM collects.
- Other than tuition fees and Government funding, NOSM’s business model has limited opportunities to raise revenues (due to NOSM’s relative newness and advancement restrictions put in place by its two affiliated universities).
- The original 2002 PricewaterhouseCoopers (PwC) Business Plan (the plan which the Government used to create NOSM) had recommended a much higher (per student) Government grant due to a higher cost associated with operating a “distributed” medical school with all of the North as its campus. Despite PwC’s recommendation, provincial funding was set at a lower amount.
- NOSM’s expenditures (as a percentage) are not out of line with other academic institutions. For example:
 - 70% related to salaries/wages (including teaching fees) – subject to annual increases due to collective agreements.
 - 5% related to administrative expenses (below provincial average) despite the fact that NOSM operates at two universities (1,000 km apart) along with 90 teaching sites across the North.
- As part of the Government’s fiscal constraint strategy, and a focus to eliminate the provincial deficit by 2017-18, NOSM’s funding has been frozen for the past several years. While the province did increase the number of residency positions in 2015, resulting in new and much needed revenues, years of frozen revenues has the risk of eroding the gains that have been made in NOSM’s first 10 years.
- The following diagram (Exhibit 1) illustrates the current pressures associated with the lingering funding freeze. Exhibit 2 shows how NOSM’s deficit will trend by 2019-20:

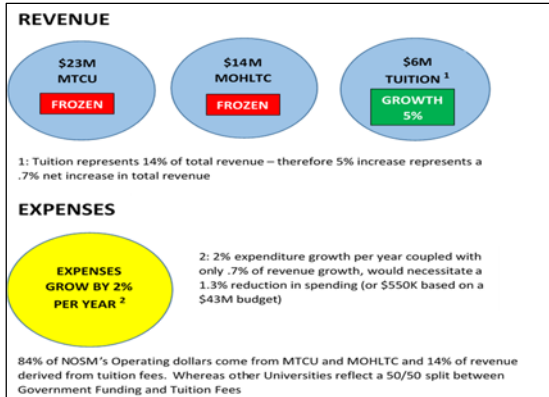


Exhibit 1

Revenue & Expenses \$(000's)	Actual Budget 2014-15 \$(000)	Actual Budget 2015-16 \$(000)	Proposed Budget 2016-17 \$(000)	Projected Budget 2017-18 \$(000)	Projected Budget 2018-19 \$(000)	Projected Budget 2019-20 \$(000)
Revenues	\$43,100	\$43,450	\$44,075	\$44,400	\$44,700	\$45,075
Expenses	\$43,100	\$43,450	\$44,075	\$44,950	\$45,775	\$46,675
Surplus (Deficit)	\$000	\$000	\$000	(\$550)	(\$1,075)	(\$1,600)

Exhibit 2

- In response to financial sustainability concerns raised by NOSM in 2013/14, MTCU recently funded a report, entitled **Organizational Blueprint** (OB), completed by Deloitte, to determine how NOSM could reduce costs while maintaining its *social accountability mandate*.
- Findings of the report suggested that even after reducing costs through operational realignment/efficiencies, integration, and consolidation of select services with the universities (Lakehead and Laurentian), NOSM would still have an annual structural deficit of \$1.4M by 2020.
- Prior to the completion of the OB, NOSM was projecting an annual deficit of \$2.24M by 2019-20.
- As NOSM has continued to implement operational efficiencies that were identified in the OB, it has now reduced its projected deficit from \$2.24M to \$1.6M by 2019-20. With further work on OB implementation over the next two years, NOSM is confident that it can achieve Deloitte's target of \$1.4M deficit by 2019.
- Despite this effort, expenditure reductions alone will not place NOSM in a positive financial position. As noted in the OB, a new funding formula is needed to sustain the NOSM model.

Background

- On May 8, 2002, Cabinet directed three ministries (MTCU, MOHLTC, and MNDM) to develop a single Northern medical school with two universities... one in Sudbury (Laurentian University) and one in Thunder Bay (Lakehead University).
- The Ontario Government's approval of NOSM's original 2002 Business Plan included a "**social accountability mandate**" to:
 - help improve the health of the people and communities of Northern Ontario, and;
 - design and teach curriculum, and undertake research, that responds to the unique needs of the geographically, socially and culturally diverse population (including a focus on Indigenous and Francophone populations)
- NOSM is unique as it is:
 - the only Canadian medical school to be established as a stand-alone, not-for-profit corporation, with a governance that is controlled by the two universities
 - not degree granting institution (MD degree granted jointly by Laurentian and Lakehead)
 - serves as the "Faculty of Medicine" of two universities
 - required to deliver medical education across a vast geography in keeping with its *social accountability mandate*
 - is responsible for 100% of both direct and indirect costs of its operations (whereas other universities cover/subsidize some of these costs for their medical schools)
- NOSM just celebrated its 10th Anniversary from admitting the MD charter class in 2005.