



The Corporation of the
City of Sault Ste. Marie
COUNCIL REPORT

April 7, 2025

TO: Mayor Matthew Shoemaker and Members of City Council
AUTHOR: Tom Vair, CAO
DEPARTMENT: Chief Administrative Officer
RE: Physician Recruitment Budget Update

Purpose

The purpose of this report is to provide Council with information related to the budget of the Physician Recruitment and Retention Committee and seek approval to utilize funds from the Physician Recruitment reserve fund.

Background

At the February 27, 2025 Physician Recruitment and Retention Committee meeting, the Group Health Centre (GHC) confirmed they would not be making their regular contribution to physician recruitment and retention efforts (Attachment A – GHC ADMG Letter to Physician Recruitment and Retention Committee March 2025). In 2024, GHC contributed \$65,000 towards the committee’s efforts.

City Council approved an increase of \$50,000 in 2025 budget deliberations to bring the City’s total contribution to \$190,000. The marketplace for physician recruitment is extremely competitive and it was hoped these additional funds would enable the City to better compete and market itself.

The contributions and budget from 2023-2025 are provided below:

Contributors	2025	2024	2023
City of Sault Ste. Marie	\$ 190,000	\$ 140,000	\$ 140,000
Sault Area Hospital	\$ 95,000	\$ 80,000	\$ 80,000
Group Health Centre	\$ -	\$ 65,000	\$ 80,000
Algoma West Academy of Medicine (In-Kind)			
Utilize GHC 2016 Overpayment in Reserve		\$ 10,000	
Donations line item		\$ 5,000	

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Total	\$ 285,000	\$ 300,000	\$ 300,000
<i>Budget Shortfall</i>	\$ (15,000)		

GHC's withdrawal of financial support for physician recruitment and retention efforts leaves the previous annual budget of \$300,000 short by \$30,000. Sault Area Hospital (SAH) has agreed to increase its contribution by \$15,000 (a total of \$95,000) to decrease the shortfall in half.

SAH is committed to the work of physician recruitment and has taken the position that any success in physician recruitment benefits the community and hospital operations.

City staff propose utilizing the physician recruitment reserve to make up the \$15,000 deficit.

Analysis

Physician availability is vitally important to the health of the community and also plays a role in the community's ability to attract and retain skilled professionals. Cities across Ontario are investing increasing amounts in physician recruitment and offering significant incentives to secure doctors. According to media reports, several communities in Ontario are offering incentives, up to \$150,000, to recruit physicians.

An overall budget of \$300,000 for physician recruitment is modest given it covers wages for 1.5 FTE's, advertising, travel and event fees.

Staff have discussed opportunities to raise additional funds for this work and will work with the Manager of Physician Recruitment and Retention to seek additional funding, donations and support for physician recruitment efforts. The City of Sault Ste. Marie can provide tax receipts for donations in support of physician recruitment.

Other important items of note related to physician recruitment include:

- The feasibility study to establish a regional campus of NOSM University in Sault Ste. Marie is being finalized. It provides a solid rationale for advancing a regional campus to help provide long-term solutions to physician recruitment challenges.
- The Provincial government included a number of significant proposed investments in healthcare in their 2025 election platform including:
 - Investing \$1.8 billion to connect two million more people to a publicly funded family doctor or primary care team within four years. This aims to achieve the government's goal of connecting everyone in the province to a family doctor or primary care team. Through the action

plan, the government committed to connecting two million more people to primary care by 2029.

- Expanding residency spots by 50 percent by 2028 and increasing undergraduate medical spots by nearly 40 percent over the same period. This will result in more than 500 new undergraduate spots and 742 new residency positions.
- Investing an additional \$88 million to expand the 'Learn and Stay Grant' to provide free tuition for medical students who practice family medicine in an Ontario community for at least five years after graduation.

Maintaining the current budget of \$300,000 for physician recruitment is important to ensure that Sault Ste. Marie remains proactive in attraction efforts and promotes its need for physicians. Staff recommends utilizing \$15,000 from the physician recruitment reserve in 2025 to continue the current level of effort.

Staff and the Manager of Physician Recruitment and Retention will report back to Council in the future with other options and opportunities to increase the physician recruitment budget and provide further details on attraction efforts.

Financial Implications

The current uncommitted balance of the City reserve fund for Physician Recruitment (Hospital Reserve Fund) is \$66,289 and is sufficient to fund the \$15,000 requested.

Strategic Plan / Policy Impact / Climate Impact

This item aligns directly with the Corporate Strategic Plan 2024-2027 Community Development Focus Area, specifically the goal to "Invest in allied healthcare recruitment and innovative labour force solutions."

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the CAO dated April 7, 2025 concerning the physician recruitment budget be received and Council approve utilizing \$15,000 from the City reserve fund for Physician Recruitment (Hospital Reserve Fund) to support the 2025-26 physician recruitment budget.

Respectfully submitted,

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