



March 28, 2018
Attn: Assignment Editor

For Immediate Release

Good news budget but most health care funding is back-end loaded to years away: Coalition concerned about one-year bump up followed by austerity

Toronto – Emerging from the budget lock up this afternoon, Ontario Health Coalition spokespeople were positive but cautious about the health care funding announcements.

Overall, the budget plans a one-year bump up in funding and several high-profile public service funding and program announcements. But the budget also contains a number of tax cuts, including corporate and upper income tax cuts. To pay for the one-year increase and the new services, the government is planning to hold overall public spending to below population growth and inflation needs for 7 years starting the year after the election.

Hospitals

Hospitals will receive one year of significant bump up. The budget's 4.6% increase is less than we are asking for (5.3%) but is a significant improvement. However, it comes after 10 consecutive years of real-dollar cuts to hospitals' global budgets which ended in 2016 and is not enough to reverse a decade of cuts, on top of previous decades of hospital cuts.

"We are concerned because the 2017 budget planned to drop hospital funding increases the year after the election. We could not find anything in this year's budget that refers to funding going forward. A short-term bump-up leading into an election followed by a return to budget constraints will not get people off of the stretchers in hallways, lounges and bathrooms, will not open closed ORs, get patients in for their surgeries on time, or get ambulances back on the street," said Natalie Mehra, executive director of the Ontario Health Coalition.

Long-Term Care

The budget re-announces previously promised 30,000 new long-term care spaces over 10-years. But there are currently 34,000 people on the wait list (as at December 2017) and the new beds are back-end loaded. Five thousand are to be built within four years after the election and the remaining 25,000 will not be until the six years thereafter.

Similarly, long-term care funding is back-end loaded. The sector will receive a 2 per cent increase this year as it has each year for approximately a decade. In addition, the budget includes \$300 million over 3-years for improved staffing, back-end loaded with \$50 million in the first year, then the remaining 40 per cent followed by the final 60 per cent.

"The long-term care announcements do not address the current backlog of tens of thousands waiting," said Sara Labelle, board member of the Ontario Health Coalition. "All of the funding and infrastructure announcements are back-end loaded. Meanwhile we have population growth and aging. The plan needs to be moved up to address the real suffering of people who cannot access long-term care and whose care is insufficient in long-term care homes."

Quick Budget Overview

- In rhetoric, at least, and in one-year funding, a sea-change regarding hospitals. Today, public hospitals occupied a prominent place in the budget. Health Coalitions have been campaigning doggedly to save local services and hospitals through more than a decade of devastating real-dollar budget and service cuts, and our work is starting to pay off. However, the longer-range plan is to drop the funding increases again to considerably below need.

The Coalition is asking all political parties to commit to 5.3% increases, multi-year funding, and a capacity plan to re-open beds and services to meet population need.

- Some movement on long-term care backlogs and inadequate care levels. Following the Minister's promise last fall to bring in 4-hours of care, which is, in rhetoric, in accordance with our campaigns of many many years, there is a 3-year bump up in funding to improve staffing levels. Please note: the government is including non-daily hands on care staff in the count of who is included in the 4-hours to water this down.
- \$650 million over 3 years for home and community care. No breakdown of how much per year. (Other funding has all been back-end loaded.)
- Total sea change in policy on user fees for seniors' drugs. After we spent several budgets successfully pushing back governments' attempts to raise the co-payments and deductibles for seniors on the Ontario Drug Benefits Program, this year they eliminated them entirely. Great news!
- Substantial bump up for mental health -- \$2.1 billion over 4-years for psychotherapy, supportive housing and other supports. (No year-by-year breakdown.)
- \$19 billion for new hospital buildings over 10-years. The concern here is that these will be exorbitantly expensive privatized P3 hospitals for which Ontario is paying for two hospitals to get one. If the infrastructure plan built our hospitals publicly, billions could be freed up for front-line services for people, or to build more hospitals.
- \$126 million for PSWs for underserved communities.
- No clear plan to fund this. This is a concern. The budget includes one tax increase that we likely support (we need more details) – a targeting of the Employer Health Tax that will yield about \$50 million in additional revenue per year. But this is offset by an array of tax cuts for corporations and higher-income individuals. The fear is that either the back-end loaded funding will not come through or that other programs will be cut and privatized to pay for these pre-election promises.

For more information: Dana Boettger, Communications Manager (416) 441-2502 (office) or Natalie Mehra (416) 230-6402 (cell).

