

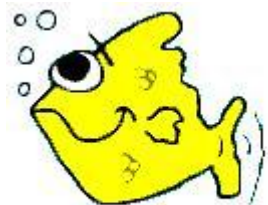
Health Care Spending: THE FACTS

The Harris Conservatives are now telling us that spending on health care is out of control. And if we don't do something drastic, health spending is in danger of eating up the entire provincial budget. This argument is being used to justify privatizing the health care system. But spending figures can be manipulated in many ways. Here are the facts....

is there a SUDDEN CRISIS?

There is no sudden crisis. The provincial government has simply changed the measure that it is reporting. Recently Harris has begun claiming that health care spending "now accounts for 44 cents of every dollar of government program spending." But in the past, the government has reported health care spending as a percentage of total *operating* spending, not merely as a percentage of *program* spending (which excludes about \$9 billion in spending on public interest debt). So it is inevitable that this most recent figure is much higher than the figure usually quoted.

For the record: health care spending as a percentage of total operating expenditures was 35% in 1997-8, 35.2% in 1998-9, 36.2% in 1999-00, and, according to the most recent date from the Ministry of Finance, 37.4% in 2000-2001.



**A BIG FISH
in a
SMALL POND**

Why is health spending as a percentage of total operating expenditure increasing at all? This modest change comes despite an aging population, increasing drug prices demanded by pharmaceutical corporations, and massive spending cuts in other areas of government activity. As well, provincial operating spending cuts in other areas of government activity. As well, provincial operating spending has become a smaller and smaller part of the economy (shrinking from 17.2% of the economy in 1994-5 to 14.1% in 2000/1). It's easy to be a big fish when the pond keeps shrinking.

what's the BOTTOM LINE?

When you consider population growth, aging, and inflation, real health care spending in Ontario has remained flat since the Conservative government came to power.

In fact, provincial health care spending has actually shrunk as a percentage of the provincial economy (from 5.7% of the economy before Harris in 1994-5 to 5.3% in 2000-01). It has also shrunk as a proportion of provincial revenues (from 38.2% in 1994-5 to 35.1% in 2000-2001) – despite massive tax cuts.

what's really OUT OF CONTROL?

What's really out of control is Conservative Party spending on campaigns and advertising to convince the public that they have been good guardians of the public system but that Medicare just doesn't work anymore. Both of these assertions are untrue. But with some slick advertising and public relations campaigns, the Harris government hopes to convince us to give up our treasured health care system.

Make no mistake. Conservative Party elections and advertising campaigns are funded by the same companies that want to privatize the Medicare system for their own profit. And thanks to new Tory rules on campaign financing, corporations are able to give more money than ever to do this.

Why Create A Phoney Crisis?



Creating a phoney crisis over health care spending meets two interests of the Conservative government. It helps justify health care cutbacks - cutbacks that the government will use to pay for its tax cuts. As well, they will use this so-called crisis to justify privatization. This will benefit the private health care corporations that richly fund the Conservative party. Unfortunately for us, the for-profit U.S. health care system shows that we will pay with increased costs and worse care.

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