

## Ontario Health Coalition

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Attn: Assignment Editor

### **New Documents Reveal Soaring Costs and Capacity Cuts in New Brampton P3 Hospital: Health Coalition Releases Indictment of Government Cover-Up & Recommends Full Investigation**

Toronto/Brampton – In a detailed report, using internal government and hospital documents and public announcements, the Ontario Health Coalition revealed a litany of broken promises, cost overruns, capacity cuts, delays and secrecy in Ontario's first privatized P3 hospital.

The new Brampton Civic Hospital was supposed to be the flagship of a new privatized hospital development program. Termed P3 or "Public Private Partnership", a multinational consortium of for-profit companies built the hospital and will run the building and 50% of its patient support services in a 25-year lease-to-own arrangement. The total deal will cost more than \$3 billion.

The hospital has been in the centre of a swirl of controversy since it opened in late October. Protests have been growing since community fundraising targets have more than doubled, plans for the redevelopment of the old hospital site have been cut, and two patients have died amid claims by family and friends of extraordinary waits for care.

Despite repeated promises of transparency and public accountability, the details of the P3 deal were kept secret until a court order last spring. Using new documents and a detailed review of the history of government claims and promises, the coalition has traced the evolution of Brampton hospital bed planning and the costs of the P3 project. The report shows, irrefutably, that as the costs increased from \$350 million to \$650 million (capital costs alone), one of the three clinical care buildings was cut, the number of ORs was cut, and the total number of beds planned for the community was reduced from 720 to 479 (with a new promise to open 608 beds by 2012). The bed total is now only half of the projected need for 930 beds in Brampton by 2008, according to the latest hospital infrastructure planning review done by the Halton-Peel District Health Council in 2003.

#### Key findings:

1. Significant cost increases of 186% from the beginning of the P3 negotiations with the for-profit consortium to the end of construction. The hospital was projected to cost \$350 million. It was finally built for \$650 million, plus equipment and service privatization contracts amounting to a total of more than \$3 billion.
2. Changes to the hospital plans from a three-building facility with 20 operating rooms to a two-building facility housing 12 operating rooms.
3. Significant bed reductions of 22% (from 608 to 479 beds) in the new facility alone, and 34% across the two hospital sites in Brampton (from 720 to 479 beds). These bed reductions occurred as the costs increased in the P3 deal. This is in line with British Medical Journal findings that the high P3 costs led to an average 30% bed cuts.
4. More than 2 years delay in the construction deadlines
5. An increase in the local community fundraising burden of more than 200% (from an announced target of \$60 – 100 million to a final figure of \$270 million) as the costs escalated in the P3 scheme.

The government has repeatedly claimed the hospital P3 model is justified, despite higher financing costs because it will deliver projects "on time and in budget". McGuinty has now announced more than 30 hospital P3s as part of a \$30 billion infrastructure program, the most aggressive hospital P3 privatization plan in Canada. The new documents reveal that successive governments have misled the public about the following:

- The model used in hospital financing and development
- The increasing costs of the hospital and the consequent reductions in planned beds and capacity
- The progress of the construction
- The amendments to the P3 deal
- The unprecedented extent of privatization
- The cancellation of the planned new hospital at the Peel Memorial site after the P3 cost increases

The coalition released a set of recommendations calling for a full audit, full provincial funding for the Brampton hospital, reinstatement of plans to rebuild the Peel Memorial site as a 112-bed public hospital (not a P3), and a moratorium and review of the P3 privatization policy.

The Ontario Health Coalition is a non-profit, non-partisan organization committed to protecting the public health system under the principles of the Canada Health Act. It is the broadest public interest health advocacy organization in the province, with more than 70 local chapters and 400 member organizations including non-profit care organizations, seniors' groups, concerned citizens, ethnic and cultural organizations, unions, doctors, nurses and health professionals.

The summary and report are available at [www.ontariohealthcoalition.ca](http://www.ontariohealthcoalition.ca)

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