

# Ontario Health Coalition

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Attn: Assignment Editor

For Immediate Release

## **Bad News Budget Will Result in Health Care Cuts and Privatization: Rural Communities Funding & Community Care Claims Are Merely “Smoke and Mirrors”**

Toronto – Ontario’s budget will result in further cuts to all public services, and particularly hospitals, warned Ontario Health Coalition spokespeople as they left the budget lock-up.

### A Low Tax, Low Service Province

*BUDGET PLAN: Funding for all programs and services will be held to below 1 per cent increase, less than the rate of inflation in many cases.*

Ontario already ranks dead-last in funding all public services from roads and transit to education, justice and health care. Why? Because we have the lowest corporate taxes and taxes for the wealthy of almost anywhere in North America. This budget will see Ontario fall further behind. The result is a burgeoning array of user fees and out-of-pocket costs for residents. Ontario students already have the highest tuitions in the country and user fees are soaring for everything from parks to roads. In health care, we already have excessive user fees for seniors’ health care, sneaky extra-charges from hospitals like exorbitant parking charges, more and more offloading of chronic care costs, and a high out-of-pocket health burden compared to the rest of Canada. We are paying for the shortfall in public service investment in a myriad of ways.

### Cuts to Hospitals, Expanded User Fees for Seniors

*BUDGET PLAN: Funding for hospitals will be less than inflation again this year, forcing more and more cuts. More user fees and means-testing are being introduced for seniors’ drugs. These cuts and user fees are obscured by Orwellian rhetoric such as “health transformation” and, unbelievably, “improving the fairness of the drug program”.*

Hospital base operating funding will be held to zero per cent increase in 2013–14. This means very significant cuts to hospital beds (Ontario already rank lowest in the country for the number of hospital beds per person, by far) offloading and privatization of hospital clinics and services. The government’s claim that these services will be maintained as non-profit services is flagrantly untrue and we will be challenging this with the utmost vigour as they proceed to dismantle our local public community hospitals. The government outlines its explicit plan to continue dismantling our public community hospitals.

For the second year in a row, the government has announced a plan to increase user fees for seniors’ drugs. Last year, the budget introduced new user fees for the wealthiest 5 per cent of seniors. Today’s budget expands that to “higher-income” seniors. We have opposed the dismantling of the universality of the drug program, proposing instead that progressive taxation is a fairer and more compassionate way to raise funds for the program. User fees hit people when they are elderly and sick, shifting the burden of cost to the sick and dying whereas a fair tax system does the opposite – it supports people when they are sick and dying. The slippery slope that we warned of last year is certainly becoming a reality as the government keeps moving to expand user fees and means testing to more and more seniors and threatens to include more services.

### Claims about Supporting Rural and Small Communities “Smoke and Mirrors”

*BUDGET PLAN: Home and community care increases to be upped to 5 per cent from 4 per cent per year; 2013 increase to be \$260 million. Not enough to meet existing backlogs let alone offset the severe hospital cuts all over Ontario. No real money has been provided to protect small and rural hospitals despite rhetoric.*

The government's continual claims that hospital cuts are offset by increases in home care are demonstrably false. Home and community care funding increases, while welcome, are not sufficient to meet existing backlogs. Neither are the services commensurate (you don't treat a heart attack in home care for example), nor are they sufficient to deal with downloading and offloading of hospital patients. Last fall alone, thousands of patients were wait-listed or cut off of home care because of a funding crunch. This year's budget sets "targets" (not guarantees) for home care to be provided within 5 days. This does not help all the people deemed ineligible for service, nor is it a guarantee. It will not impact current waits for home nursing, There is no promise of public reporting. This year's budget re-announces the \$20 million for rural hospitals from last year's budget but none of that money flowed during the 2012-13 fiscal year until April when two local announcements were made. None of that money is actually being used to save or protect small and rural hospital services. It is being used for community care. Most of the money was never actually flowed from the Ministry of Health despite the government's lip-service to smaller and rural communities.

#### No Measures to Reduce Massive Long-Term Care Wait Lists, Some Money for Long-Term Care

More than 20,000 Ontarians remain on wait lists for placement in long-term care homes. There are no budget measures to address this. Long term care will get a 2 per cent funding increase earmarked to improve direct care. If actually implemented, this is a positive, but will not be sufficient to address the high acuity of hospital and mental health patients downloaded into long-term care.

#### No Revenue Measures to Save Services and Reduce User Fees and Privatization

The Ontario Health Coalition has recommended a number of revenue measures to help take the pressure off. Chief among these is a proposal from economist Hugh Mackenzie to close the Employer Health Tax loopholes. This measure alone, reports Mackenzie, would improve the fairness of the tax and would generate more than \$2 billion per year – enough to stop all the hospital cuts in Ontario and improve services significantly. Instead, the government has tinkered with the Employer Health Tax but in a way that is "revenue neutral" – in other words, the loopholes are not closed and this revenue-generating potential has been ignored in favour of an ideology of hospital dismantling.

#### On the Positive Side: Some Measures to Help the Most Vulnerable

Those who have been hit hard in the recession, who find themselves among the growing ranks of Ontarians who are ineligible for Employment Insurance (EI) even though they have paid into it, or who have life-long difficulties that make it hard for them to hold a job, will find some help in this budget.

- \$200 monthly earnings exemption for social assistance and ODSP recipients.
- Social assistance rates to increase by 1 per cent.
- Unspecified top up for single mothers and fathers on social assistance.
- Increase of asset limits for people on social assistance.

Also deserving of praise: home and community care will increase five per cent per year, rather than the four per cent in last year's budget.

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