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Ontario Budget: Austerity Continues For Community Hospitals Plus Some Good News on Minimum Wage, Pensions

Toronto – In today's Budget Speech, the Minister of Finance pledged "what we will not do is sacrifice important public services". But for the fifth year in a row, community hospitals will see their funding levels set below the rate of inflation which will result in further cuts to needed care services, movement of services out of local towns, and privatization. The worst news in this year's budget for health care is 0% increase for hospitals for the third year in a row. Overall, the general "austerity" budget approach continues. But there are a few bright lights including an improved minimum wage to alleviate poverty among low income workers and a significant new initiative on pensions that will help alleviate poverty for future seniors. Income inequality is perhaps the most significant social determinant of health.

In a budget that was unusually short on actual health care funding details, the health care plan is nothing new. Most newsworthy is that more and deeper hospital cuts will be the result of the government's budget decision to continue the freeze on hospital funding despite the fact that Ontario has already cut hospital funding to the point that Ontario ranks last among all Canadian provinces in hospital funding per person and have the fewest hospital beds per person. Major cuts to local clinical services as well as privatization are happening across Ontario as a result. Small community and rural hospitals are once again at risk of total closure.

"Despite the government's rhetoric, the hospital cuts are not offset by community care funding," said Natalie Mehra, executive director of the Ontario Health Coalition. "While we are supportive of the home and community care increases which, after a significant decline, have brought home care funding per client back to the same amount as in the early 2000s; we are concerned that the rhetoric surrounding this funding is being used to obscure real cuts to needed community hospitals."

Key Health Care Budget Items

Hospitals increase: 0%

Long term care: not in budget

Home and community care funding increase: 5%

The worst news:

5th year in a row of austerity for Ontario's community hospitals – funding has been increased at less than the rate of inflation for 5 years. For the last 3 years it has been frozen at 0% increase.

Billions of dollars in infrastructure funding appears to be in the works, with no change in the P3 privatization policy that will siphon millions away from improving front-line health care to multinational financial corporations and their consortia.

The good news:

An Ontario pension plan that will provide an enhanced public pension for those with no private pensions.

Increase to the home care PSW minimum wage by \$1.50 per hour immediately, going up to \$16.50 per hour by 2017.

Increase overall minimum wage to \$ 11. Tie minimum wage increases to Consumer Price Index rate of inflation beginning in 2015.

Increase in maximum allowable child benefit per child to \$1,310. Index OCB to inflation.

Increase in taxes for very high income earners: 1% increase for those earning \$150,000 - \$220,000; lowering of top income threshold to \$220,000 from \$500,000.

The budget papers include mention of an expansion of low income health benefits for children and expansion of access to dental care for low income children & youth up to age 17, but there are no numbers included.

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