# Ontario Health Coalition	MEDIA RELEASE

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Eves guilty of hidden money, misspending: Ontario Health Coalition

Toronto - In anticipation of the First Ministers' meetings in Ottawa this week, the Ontario Health Coalition is releasing a briefing note on provincial transparency and accountability in health spending. The coalition takes issue with the Eves government's attempts to win more health spending without accountability. The briefing outlines the enormous difficulty in accessing spending data in Ontario, the total lack of public consultation on critical health reforms, the use of directed funds for other purposes, and unreported profit-taking that characterize Ontario's health system.

Among the key findings:

- The province mis-spent its portion of the 2001 agreement of a $1 billion federal equipment fund meant for diagnostics and high tech needs. In Ontario $60 million - enough to fund all of the planned private MRI/CT scanners - was spent on grants to for-profit long term care homes and for-profit radiology clinics. It also used the money for medical equipment that was bought long before the federal funding became available.
- Homecare in Ontario is explicitly exempted from access to information legislation. When community agencies charged with the governance of homecare publicly complained about cuts in 2001, the province passed legislation giving itself the power to fire all the CEOs, disband elected community Boards, replace them with appointees and terminate all community memberships. Secrecy in homecare spending is now almost total.
- A look at hospital staffing trends in Ontario makes it clear that Ontarians are paying more for less. Details of hospital spending are not publicly accessible.
- Despite a provincial audit showing that for-profit cancer treatment is costing Ontarians more than public treatment, the province has repeatedly renewed the contract for a for-profit cancer treatment centre at Sunnybrook Hospital.

"The province has proved itself to be an untrustworthy guardian of public Medicare", noted Bea Levis, coalition Board member. "In the last decade we have seen a disturbing

trend towards increased secrecy and lack of access to information about the use of health funding."

Last week, Premier Ernie Eves suggested that the province may use new funding that will be announced this week to pay for the current year's health budget rather than focussing on target national priorities.

"The issues that confront the people of Canada this week are fundamental to the future of Medicare. Ernie Eves' attempts to win a deal that will allow his government to continue on the path towards a shrunken public system must not be allowed to prevail. We expect that our health care dollars will go to enhanced care, not to profit or tax cuts," added Derek Chadwick, coalition Board member. "Eves is showing blatant disregard for Canadians' call to strengthen our public health system."

Ontario Health Spending, Transparency and Accountability
Briefing Note - February 4, 2003

Since its election in 1994, the Ontario Conservatives have pursued a radical new policy direction in healthcare. Ultimately, it has amounted to an overwhelming trend towards for-profit delivery of health services and a shrinking of the public health system, reductions in regulations protecting patients and residents, and untold spending on advertising, consultants, lay-offs, restructuring and profit-taking. All of these have occurred with little or no public consultation. Ontarians have suffered the announced closure of dozens of hospitals and approximately 9,000 hospital beds. Homecare and long term care, meant to fill in for the patients who were formerly in hospital, have been largely privatized and moved out of the public realm. In long term and homecare, more of the burden for payment of care has been downloaded onto patients and residents, and more of the burden of caregiving has been downloaded onto families. In the last 8 years, a reported $100,000,000 in OHIP services have been delisted in backroom negotiations. Tracking money in the hospital, long term and homecare systems is a full-time exercise in frustration. Tracking OHIP delisting is a tough task requiring dedicated staff time and extraordinary resourcefulness.

Where's the Money? Health Care Spending in Ontario

Federal Medical Equipment Fund

In 2001, the provinces and the federal government came to an agreement on a $1 billion medical equipment fund. Public announcements at the time stated that the fund would be used to improve access to diagnostic tests and to upgrade high-tech healthcare needs. A report from the Canadian Medical Association released in July 2002 shows that in Ontario, as in provinces across the country, the actual spending of this fund is very difficult to ascertain. What is clear is that in Ontario the fund did not purchase new diagnostic equipment. Instead the CMA reports that more than $60 million in Ontario was spent on bathtubs, beds and mattresses in for-profit long term care homes, and on grants to privately owned radiology clinics. According to Normande

Laberge, CEO of the Canadian Radiologists Association (CRA), Ontario also used part of its funding to pay for medical equipment that had been purchased long before the federal funding became available. $60 million would have been enough to purchase all of the MRI and CT scanners the province now wants to privatize.

Homecare

In 1997, the provincial Conservatives created the Community Care Access Centres to govern the delivery of homecare in the province. The Conservatives forced these CCACs to privatize homecare services leading to the closure of the VON and Red Cross offices in many communities. The government explicitly exempted the entire system from access to information legislation. In a report released in 2001, the Ontario Health Coalition found evidence that contracts in the sector are secured with gag-orders. In at least one case, the Ottawa CCAC Board reported that the forced privatization of rehabilitation therapy would cost approximately $1Z• 2 million more per year. The province insisted that they proceed with the privatization anyway. In the fall of 2000, when the community Boards of Directors for the CCACs complained about the impact of health spending cuts on their clients and information about the flaws in the system began to leak out, the provincial government stepped in and passed legislation giving itself the power to fire all CEOs, disband community Boards of Directors and replace them with provincially-appointed Boards and all community memberships were eliminated. There is no public accountability for the CCAC system, no public control, no community input, no access to information, no disclosure of contracts, no measure of profit-taking.

Long Term Care

Last summer, the province announced plans for a fee hike for long term care facility residents. In response to seniors' and caregivers' outrage, the provincial government agreed that new funds would go to patient care and staffing. Anecdotal reports from facilities around the province show that facilities have simply moved costs into the resident care envelope, freeing up money in the funding envelopes that are allowed to go to profit and other items. There is no tracking of this, no public reporting on enhancement of care levels, no tracking of profit-taking. Much of the information is impossible to get from private companies that are not required to disclose details about their spending.

OHIP Delisting

Announcements about OHIP delisting occur after the province negotiates with the Ontario Medical Association. Despite public calls for a more representative transparent process, these negotiations happen behind closed doors with no patient representation and little public accountability. Tracking of OHIP delisting requires one to compare the entire OHIP list pre-negotiation (thousands of items) against the entire OHIP list post-negotiation. The list is coded and coding must be cross-referenced to determine what items are missing from the new list.

Hospitals

In an Alternative Federal Budget Technical Paper in April 2001, economist Bill Murnighan looked at hospital funding. He found that while spending had increased by nearly 10%, staffing levels had decreased by 10%. At fiscal year end in 1995, there were 26 hospital and long term care staff for each 1,000 Ontarians. By 2001 this number had dropped to just over 22 staff per 1,000 people (Stats Can figures). Although the government was in the middle of a massive advertising campaign to convince Ontarians it was spending more than ever on healthcare, what it did not disclose was the hundreds of millions spent on laying off staff and closing down hospitals. Murnighan notes that the reasons that Ontarians are paying more for less are hidden because about 1Z• 2 of the total health budget is handed over to hospitals and long term care facilities "where the spending details never become accessible." In the recently announced for-profit (P3) hospitals, secrecy is the code of conduct. The province has refused to disclose even the names of the for-profit corporations who are bidding on the Brampton hospital. Similar refusal to disclose for-profit bidders is occurring in the newly tendered for-profit MRI/CT clinics.

Cancer Care

Cancer Care Ontario, a public body charged with overseeing Ontario's cancer treatment centres, created the first for-profit after-hours treatment centre at Sunnybrook Hospital in Toronto in January 2001. An audit by the Provincial Auditor found that treatment at this clinic costs more than treatment at public facilities. Nonetheless, the province has repeatedly renewed the contract with for-profit corporation Canadian Radiation Oncology Services headed by Dr. Tom McGowan who served as a VP at Cancer Care Ontario until his company won the contract to create the for-profit cancer centre.

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