

Ontario Health Coalition

Summary & Short Analysis of the Drummond Report

February 15, 2011

Overall

Much of the preamble to the report and the rhetoric surrounding it aim to create a crisis in spending, even in flagrant disregard for the facts, in order to make the case for cuts.

- Drummond reports falsely that health spending is growing as a share of the provincial budget. This claim is patently untrue. In fact, health care has been shrinking as a share of the provincial budget.
- The actual figures from Government of Ontario Annual Budgets show that health care has declined from 47% of the provincial spending on all programs in 2002 to 42% in 2011. (See Ontario Ministry of Finance, Ontario Budgets from 2002 – 2011).
- Ontario now ranks 8th of 10 provinces in all government spending (including payments on the debt). So we spend at almost the lowest rates in the country, both on a per-person basis and as a percentage of provincial GDP.
- Ontario also ranks among the bottom of the country on health care funding. Ontario also ranks 8th of 10 provinces in health care spending. Again, this holds true both if measured on a per-person basis and as a percentage of provincial GDP.
- The measure of sustainability is spending as a proportion of our economic output or provincial GDP. We are significantly below the average for Canadian provinces.

While Drummond focuses on trying to create a crisis around spending which is not supportable by the facts, he never mentions the loss in revenue through tax cuts. This loss now amounts to between \$15 and \$18 billion per year (more than the entire deficit in one year alone).

Drummond projects pessimistic figures for economic growth and productivity that are less than Ministry of Finance projections. He does not make recommendations to revitalize manufacturing, restore jobs and build economic growth.

Many of Drummond's recommendations promote health care privatization. Privatization recommendations cover the gamut from home care to hospitals, from LHIN advisory committees to management of complex patients. Recommendations for privatization include for-profit privatization and dismantling of community hospitals. These recommendations pepper Drummond's report despite government promises that he would not make such recommendations.

The biggest cuts proposed are to hospitals, potentially affecting thousands of hospital beds and a vast range of services. Drummond does not include any measures of need for services or unmet needs in his report. There are a number of contradictory or conflicting recommendations. There are a number of recommendations that would fragment (or dis-integrate) provision of care, despite lots of rhetoric about integration. Drummond does not consider any evidence about for-profit privatization. He recommends more severe curtailment of health care funding than the government has projected to date. There is no costing of his proposals.

Drummond's Recommendations

Cap health funding at 2.5% annual growth through to 2017 – 18.

This is 1 % or \$500 million per year lower than government fiscal projections. It would mean that approximately \$4 billion would have to be carved out of health spending increases over the next three years. Most often targeted for cuts in Drummond's report are hospitals, but he also suggests freezing long-term care beds (though there are 36,000 people on wait lists for long-term care in addition to very significant backlogs for hospital services including acute care services). There are no recommendations to reform home care to provide better, more integrated or public home care. The money is insufficient to match the lip-service paid to the continuum of care.

Cut hospital services and privatize them, "Divert all patients not requiring acute care from hospitals," to other places provided by private for-profit or non-profit entities.

Drummond repeatedly calls for for-profit privatization of hospital services and home care, despite his mandate which expressly prohibited recommendations for health care privatization. Drummond has no plan for acute care other than cuts. He thinks that fragmenting hospital care will somehow lead to integration. He seems to not see any role for complex continuing care, rehab, palliative care, outpatient clinics, mental health services, and a whole range of other hospital services. A number of his recommendations would dismantle community hospitals and privatize a significant range of hospital services.

He expressly recommends that all plans for hospital buildings that involve outpatient services be stopped and private operators be contracted for outpatient services.

Put a moratorium on building long-term care homes

Drummond does not include anywhere in his report any assessment of unmet need. There are huge wait lists for long-term care homes (and home care).

Give more power to regional health authorities, including budget powers and powers over a wider range of providers.

Drummond recommends reconstituting the LHINs with more powers and higher CEO salaries, and establishing Advisory Panels for each LHIN hired from the executives of hospitals, long-term care, community care, and physicians (without regard to their for-profit or non-profit/public status). Drummond seems to have no concept of conflict-of-interest among the for-profit providers in particular. Despite lip-service paid to patient-centred care, there is no mention of democracy, nor any consideration of the involvement of patients, public interests and the community in regional health planning. Further, Drummond recommends the government include public health and physicians under the LHINs (no details about this). He recommends the LHINs "steer" patients to different family health teams (no details here either).

Possibly merge or somehow tightly integrate CCACs and LHINs.

Restructure Family Health Teams.

Reduce the number of health care providers by amalgamating more hospitals, creating one entity to represent long-term care homes (for-profit and non-profit/public), amalgamating and closing health service agencies and/or their boards.

Bring in private-sector managers to contain costs for complex patients

Drummond recommends the province involve the private sector in providing advice on complex case management and reducing costs for complex patients. There are some contradictory/conflicting recommendations about this also. In another part of his recommendations, Drummond proposes team-based approaches for complex patients.

Centralize leadership of chronic disease management, particularly for mental health, heart and stroke and renal disease, based on the Cancer Care Ontario model.

More nurse practitioners and physicians assistants, training more nurses and using the health care team to their full scope of practice.

Change funding arrangements.

There are a number of contradictory or at least conflicting recommendations regarding funding. He recommends HBAM (health based allocation model which is global funding) but also fee-for-service hospital funding which is about centralizing care into fewer places and is the opposite of global funding, incentive systems (which up costs if health providers do what the government wants) and also funding that follows patients (no details). These are all different proposals.

Re. physicians' funding – see the next point. Also, Drummond proposes the LHINs integrate physicians into a rostered system with a blend of salary/capitation(population based) and fee-for-service funding. He repeatedly recommends moving more physicians into family health teams and different funding arrangements.

Move decisions about what is covered under OHIP out of OMA-provincial government negotiations.

Have the Health Quality Council, with the Institute for Clinical Evaluative Sciences (ICES) guide treatment decisions and OHIP coverage.

Include “efficiency” (undefined) in mandate of ICES and the Health Quality Council. Make the test more stringent to limit whether or not a treatment practice or drug is adopted.

Move to fee-for-service funding for more hospital procedures and force hospitals to compete.

Move services out of local hospitals into those that provide volumes for lower prices. Bring in competitive bidding for specialist services. Drummond recommends that “all hospitals” specialize so they would no longer provide a wider range of services. Patients would have to travel from hospital to hospital (or private clinic) to hospital (or private clinic) to access care. Bring in private hospitals (Drummond calls them clinics.) This is not integration.

Redefine the role of smaller hospitals with large ALC populations.

A number of Drummond's proposals would dismantle community hospitals and reduce the range of services available. He recommends more amalgamations, moving a vast array of services and beds out to private providers, centralizing care into fewer sites, bringing in private hospitals (he calls them clinics). This is all bad news for rural and smaller towns, but also bad news for larger communities who want to access services in their local hospitals.

Implement David Walker's recommendations for addressing ALC.

Including measures to provide a continuum of care.

Consider fully uploading public health (the remaining 25% paid for by municipalities) to provincial funding.

Have doctors address diet and exercise before making prescriptions. Promote healthy lifestyles.

Change the Ontario Drug Benefit Program to limit payments for drugs for wealthier seniors, increase co-payments, extend it to lower income people of all ages.

Pursue common drug pricing across Canada to reduce the cost of drugs.

Drummond makes other good recommendations to reduce drug costs, including comparisons between drugs, expansion of generic drugs, making sure the Canada-European Free Trade Agreement (CETA) does not undermine attempts to expand generic substitution.

Centralize all back-office functions.

Bring in electronic health records.

Expand the scope of medicare to cover pharmaceuticals, long-term care and aspects of mental health care.

Drummond suggests either a social insurance model (like Germany) or a public payer model (like Medicare in Canada). There is no money for this given Drummond's proposed cut to spending targets.

Establish a Commission to guide health reform and consult on the 20-year health plan.

