

# THE ONTARIO BUDGET AND HEALTH CARE FUNDING

LET THE BAD TIMES ROLL

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Doug Allan, Ontario Health Coalition Board

# THE GOOD NEWS

We made health care a major issue in the election – PC government promised to end hallway health care.

In first budget, health care got a far bigger increase than other program areas (who were actually cut in most cases): 2.2% or \$1.2 billion.

Total program spending only went up by \$1.3 billion.

Health got 92.3% of the total program spending increase.

Cuts more limited.

# HEALTH CUTS BY NEW GOVERNMENT

The Ontario Health Coalition has compiled a list of health care cuts to date under the new government:

Cut OHIP+ so families with sick children will have to seek private coverage first, and pay deductibles and co-payments. (June 2018)

Cut planned mental health funding by more than \$330 million. (July 2018)

Cancelled all new planned overdose prevention sites. (Autumn 2018). Cut funding for six overdose prevention sites. (April 2019)

Cut funding to the College of Midwives of Ontario. (December 2018)

Cut funding for the dementia strategy.

Let surge funding run out for hospital overcrowding. Surge beds are now closed without replacement, despite overcrowding crisis. (Fall-Winter 2018/19)

## CUTS TO DATE (CONTINUED)

Cut and restructured autism funding. (Winter 2018/19)

Municipalities revealed Ford government plan to cut and restructure ambulance services, down from 59 to 10. (April 2019)

Leaked document reveals plans to cut half a billion dollars in OHIP services. On the chopping block are sedation for colonoscopies, chronic pain management services and others. (April 2019)

Cut OHIP funding for residents travelling out of Canada. (May 2019)

Cut 44 positions at the Ontario Telemedicine Network (OTN)— provider of video medical services — which previously employed 265 people. In other words, 1 in every 6 telemedicine staff positions are being cut. The official dollar figure has not yet been released, but, OTN received \$42 million in provincial funding 2017-2018, nearly all came from the Ministry of Health. (May 2019)

Abandonment of the long-held arrangement with municipalities for land ambulance funding, cutting millions in provincial funding for emergency medical services. This arrangement had allowed Emergency Medical Services to avoid the worst austerity cuts of the previous government.

# CUTS (CONTINUED)

Plans to reduce the number of Public Health Units from 35 to 10 and cut 27%, or \$200 million, of provincial funding for public health.

Cut more than \$70 million from eHealth's budget. (May 2019)

Cut almost \$53 million from the Health System Research Fund, a fund dedicated to research relevant to provincial policy and health care system restructuring. (May 2019)

Cut \$5 million in annual funding for stem-cell research at the Ontario Institute for Regenerative Medicine. (May 2019)

Cut \$24 million in funding for artificial intelligence research from the Vector Institute for Artificial Intelligence as well as the Canadian Institute for Advanced Research. (May 2019)

Cut \$1 million in funding to Leave the Pack Behind a free program designed to help young adults quit smoking. (May 2019)

Cut \$22 million from cancer screening programs. (May 2019)

# STILL MORE CUTS



The OHC also notes hospitals are being forced to make cuts:



Cutting 40 nursing positions from Grand River Hospital in Kitchener – Waterloo. Threat of more layoffs with new budget. (February 2019)



Cutting obstetrical care on weekends at West Lincoln Memorial, women need to travel to Hamilton if they go into labour on weekends. (February 2019)



Cutting 14 full-time registered nurses at Orillia Soldiers' Memorial Hospital. (May 2019)



Privatizing lab service, microbiology testing, transcription, Seniors' Centre of Care and patient transportation at South Bruce Grey Health Centre. (January 2019)



Cutting 40 clerical staff at St. Michael's Hospital in Toronto. (May 2019)

## AND AGAIN...

Cutting 80 staff from Windsor Regional Hospital (WRH) mostly in housekeeping and food services departments. (April 2019)

Cutting pediatrics and obstetrics-gynecology from the Birchmount campus of Scarborough Health Network. (January 2019)

After the Budget, London Health Sciences Centre announced it was eliminating 165 full-time equivalent positions, and cutting \$28 million to deal with its deficit which would otherwise grow this year by \$29 million to \$54 million. It has asked all departments to cut 2% to 2.5%.

The Royal Ottawa hospital has also announced cuts of 6.5 full-time equivalent positions in the CUPE bargaining units and more cuts in other bargaining units at the hospital.

Addiction and Mental Health Services – Kingston, Frontenac, Lennox and Addington (AMHS-KLFS) is cutting 60 positions. (June 2019)

The elimination of 815 positions at the health agencies (LHINs, Cancer Care Ontario, etc.) taken over by the provincial government's new "super agency," Health Ontario. (June 18)

# AND AGAIN ONCE MORE...

Closed the Maternal Fetal Medicine Clinic at Windsor Regional Hospital (June 2019).

Privatized outpatient lab services at Clinton Public Hospital, Seaforth Community Hospital, St. Marys Memorial Hospital (June 2019).

Cut more than 120 full-time equivalent staff including nurses, health professionals and patient support staff from Sudbury's Health Sciences North. After protests by the public and the Health Coalition some of the cuts were rolled back, but significant cuts continued nonetheless (November 2018). Plan to cut 22 hospital beds and 176 positions from Sudbury Health Sciences North over a five-year span (July 2019).

Cut South Bruce Grey Health Centre acute care hospital beds up to 40% across all sites. Downgraded acute beds to reactivation beds at a lower staffing level, centralized them to Chesley Site and renamed them "Seniors Centre of Care" (January 2019).



SIGNIFICANT  
PART OF  
2019/20  
FUNDING  
INCREASE WENT  
TO THE  
DOCTORS

Relatively rich arbitration award.

OHIP funding up 6.2% — about \$900 million.

Much less for other health sub-sectors, as we shall see...

# WHAT DOES THAT MEAN FOR HOSPITAL & LTC FUNDING?

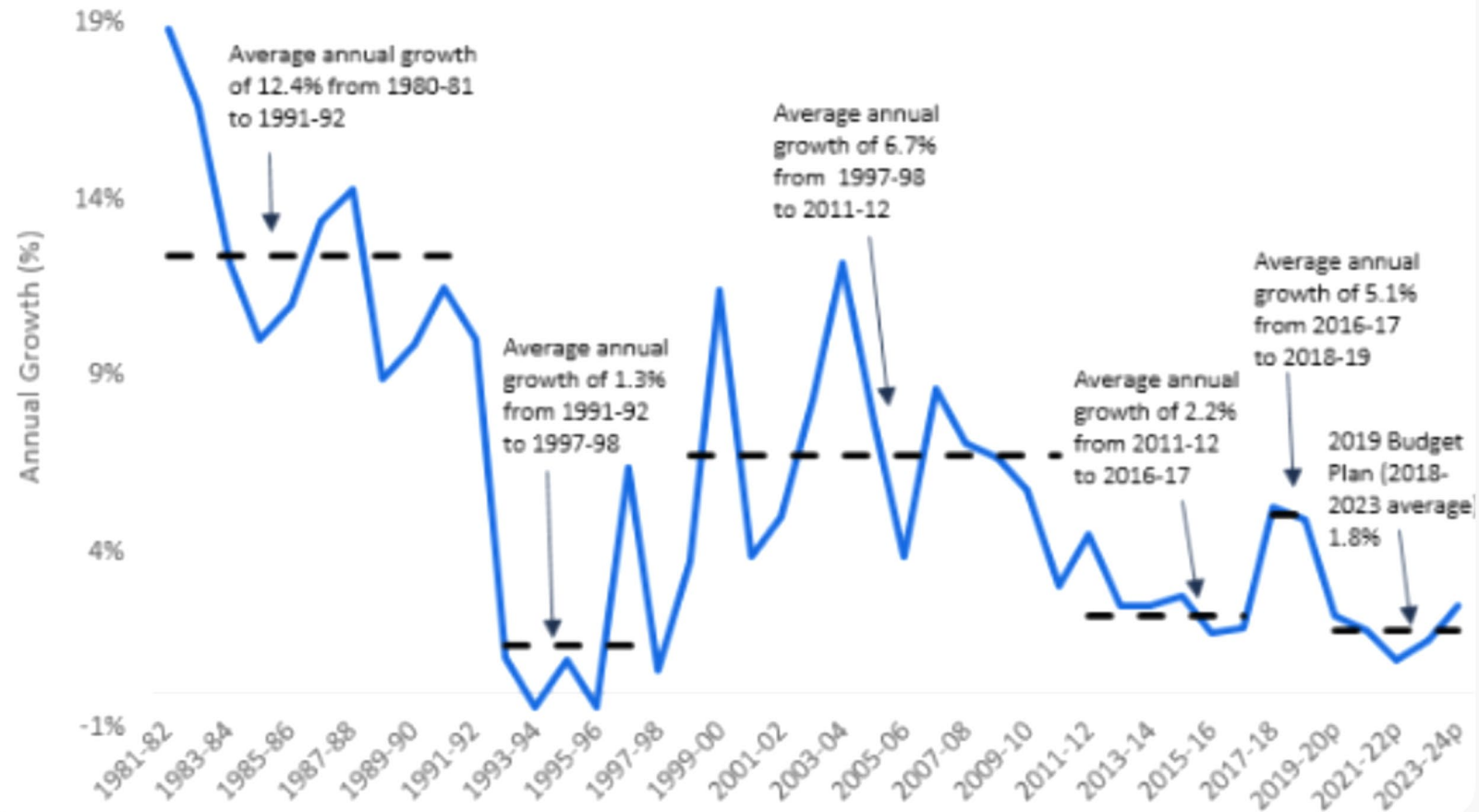
The Financial accountability office (FAO) estimates that 43 per cent of the annual average increase of \$1.1 billion over the next five years will go to the OHIP (physicians and practitioners) program area.

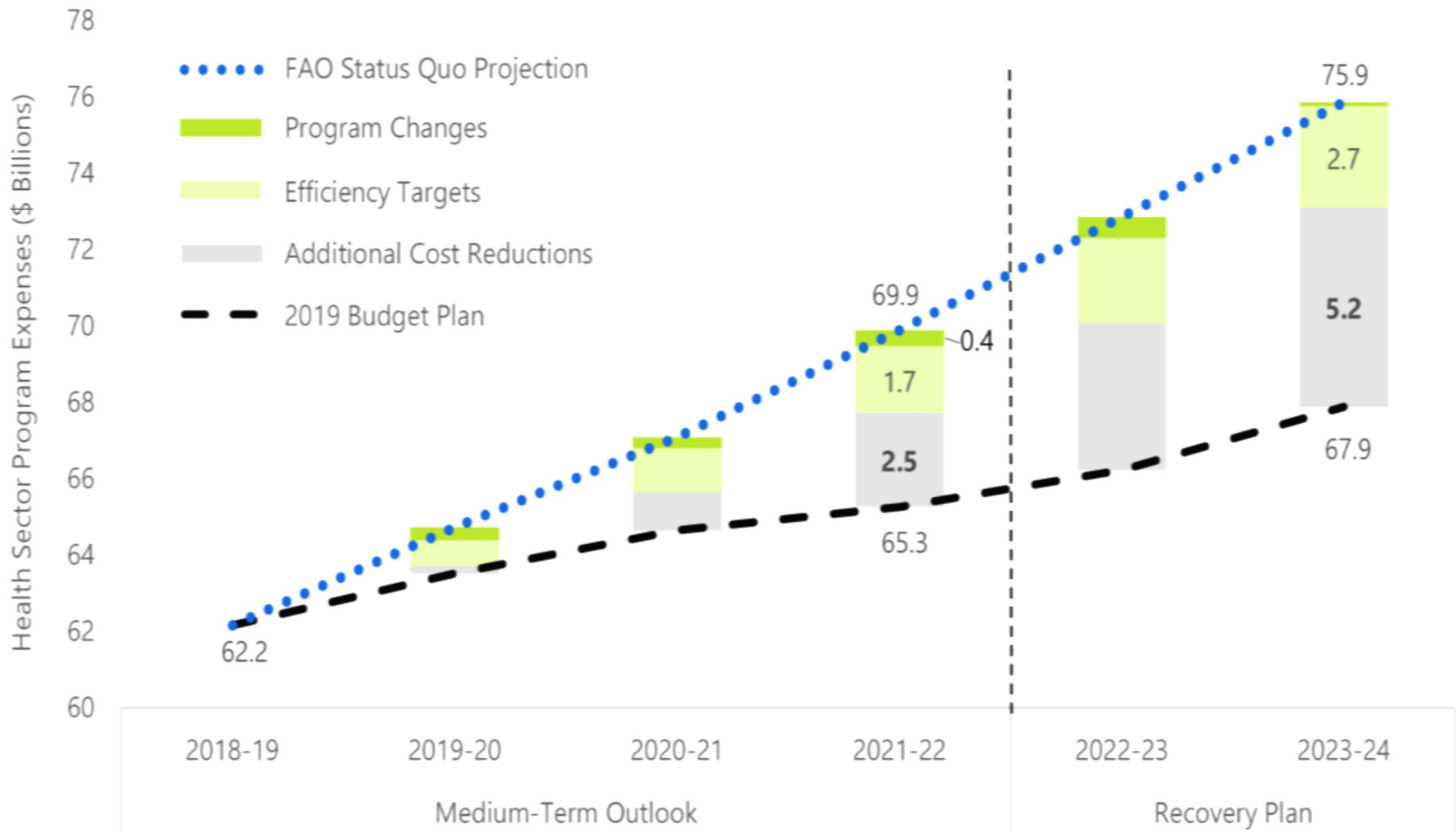
**For hospitals and other parts of health care, that means smaller increases.**

FAO reports: “to achieve the health ministry spending restraint outlined in the 2019 budget, the Province will be required to restrict base hospital operating funding growth to less than one per cent annually over five years.”

**That is in line with what is available to all other sectors outside of physicians: about an annual average increase of 1.1% per year for five years.**

## 2019 budget introduces new period of health spending restraint

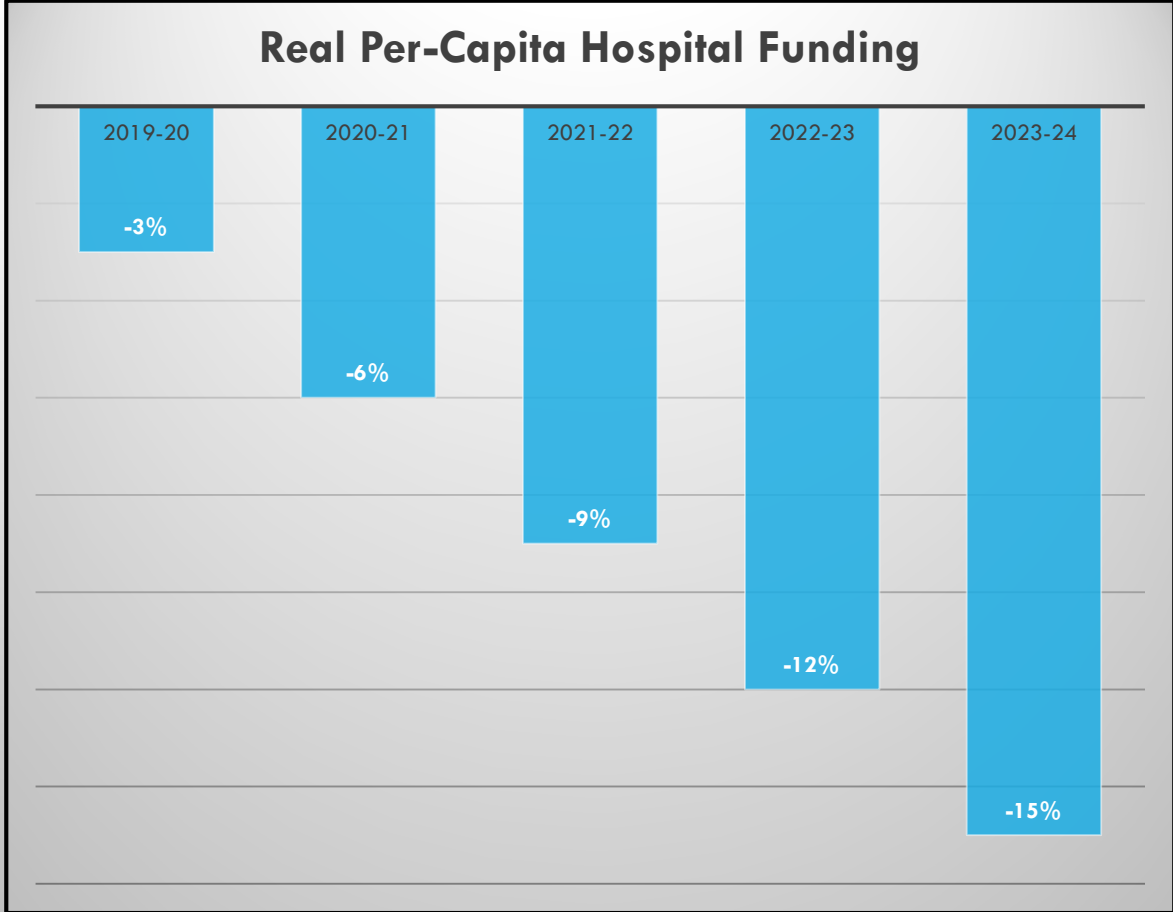




More Cuts are coming to health care.

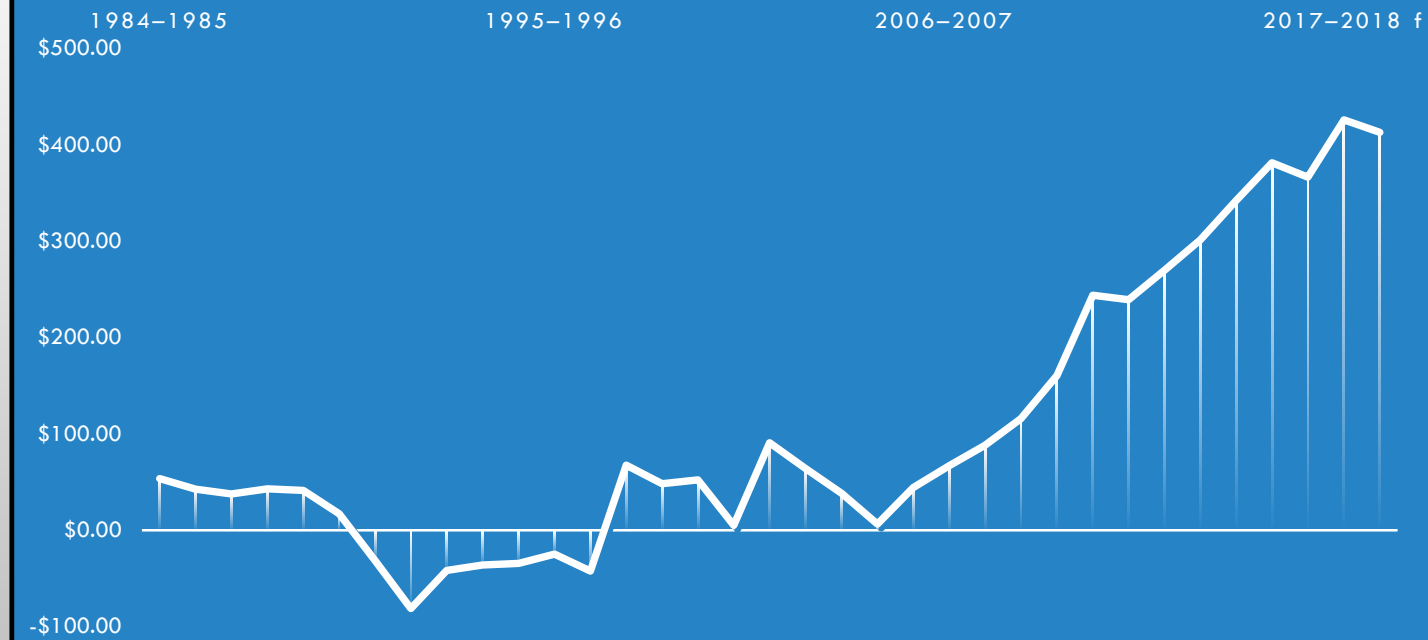
Most are not yet announced.

Even worse for all programs (as we shall see).



**REAL HOSPITAL  
FUNDING  
DOWN ABOUT  
3% PER YEAR**

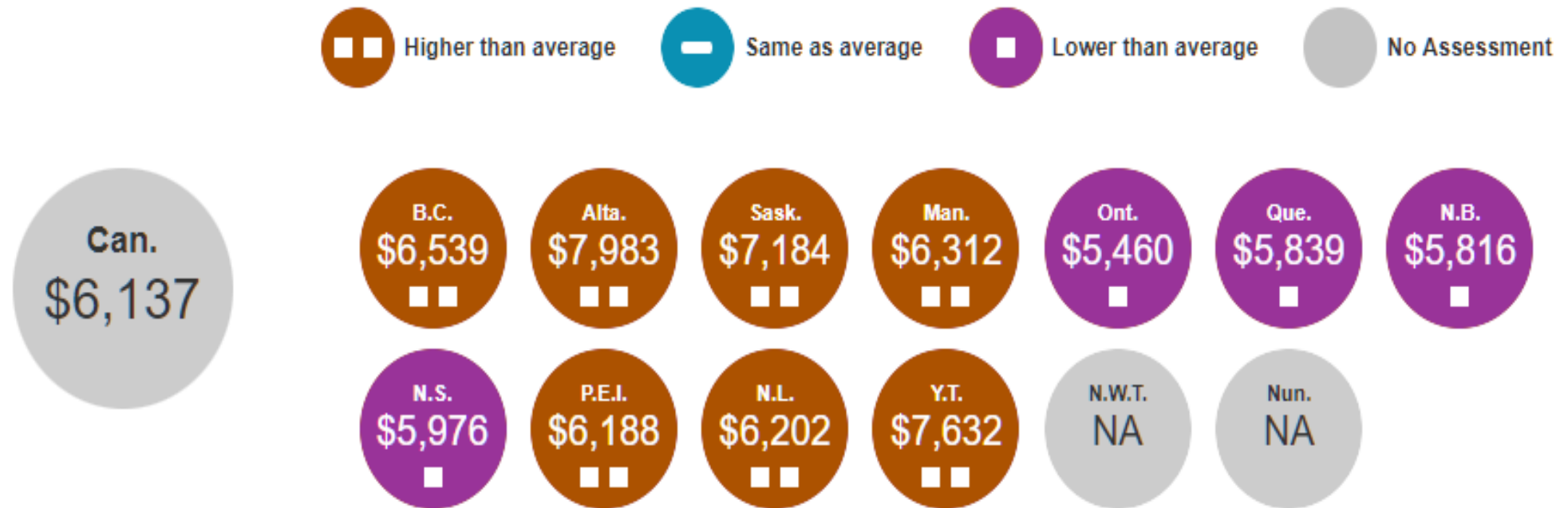
## ONTARIO HOSPITAL PER CAPITA FUNDING SHORTFALL COMPARED TO REST OF CANADA, 1984/5 TO 2018/9



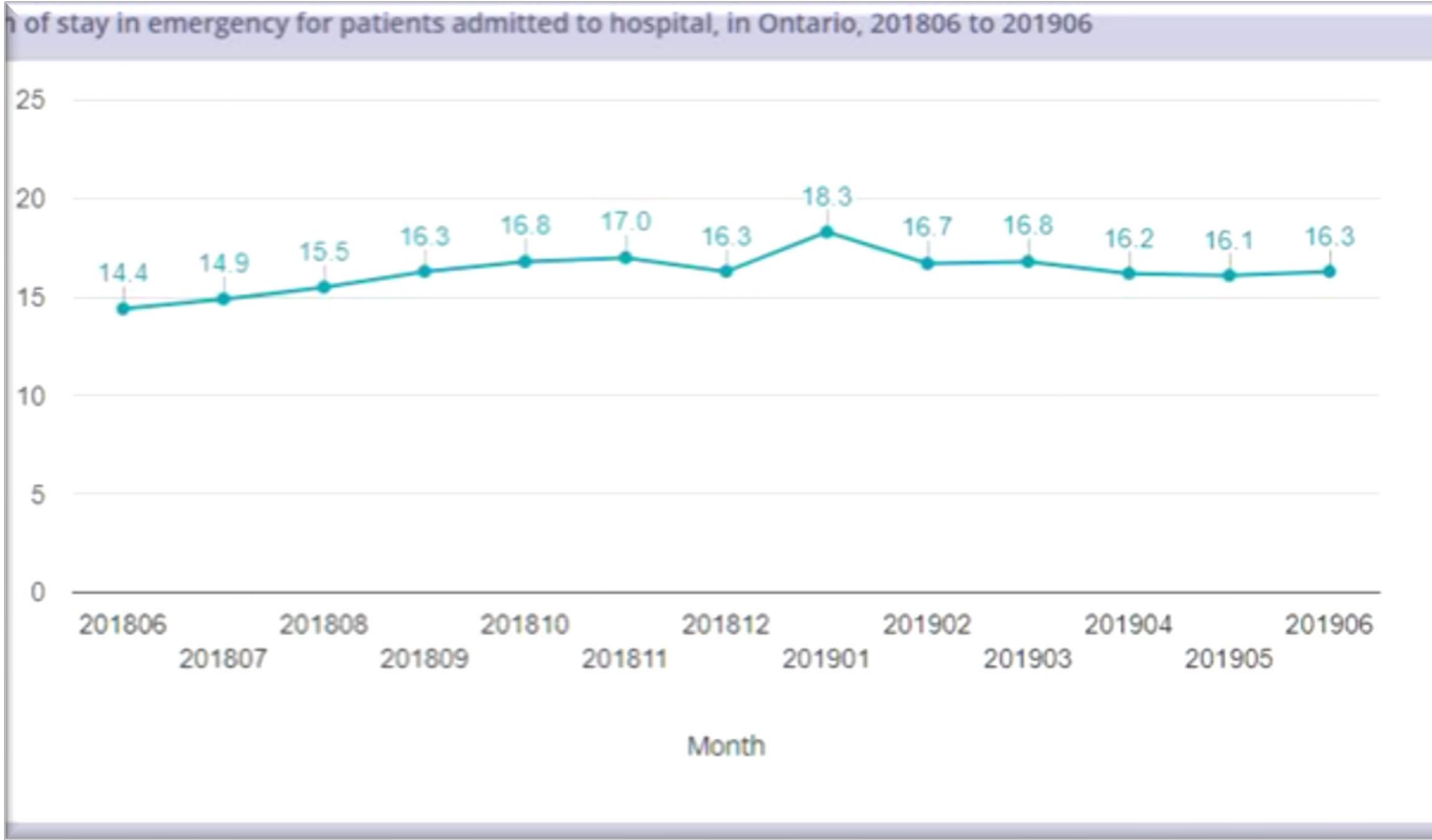
**HOSPITALS ARE  
ALREADY  
UNDERFUNDED**

## 2017–2018: Cost of a Standard Hospital Stay (Dollars)

Select a province or territory to compare to the national average and customize your view on this page.



Source: Canadian Institute for Health Information.



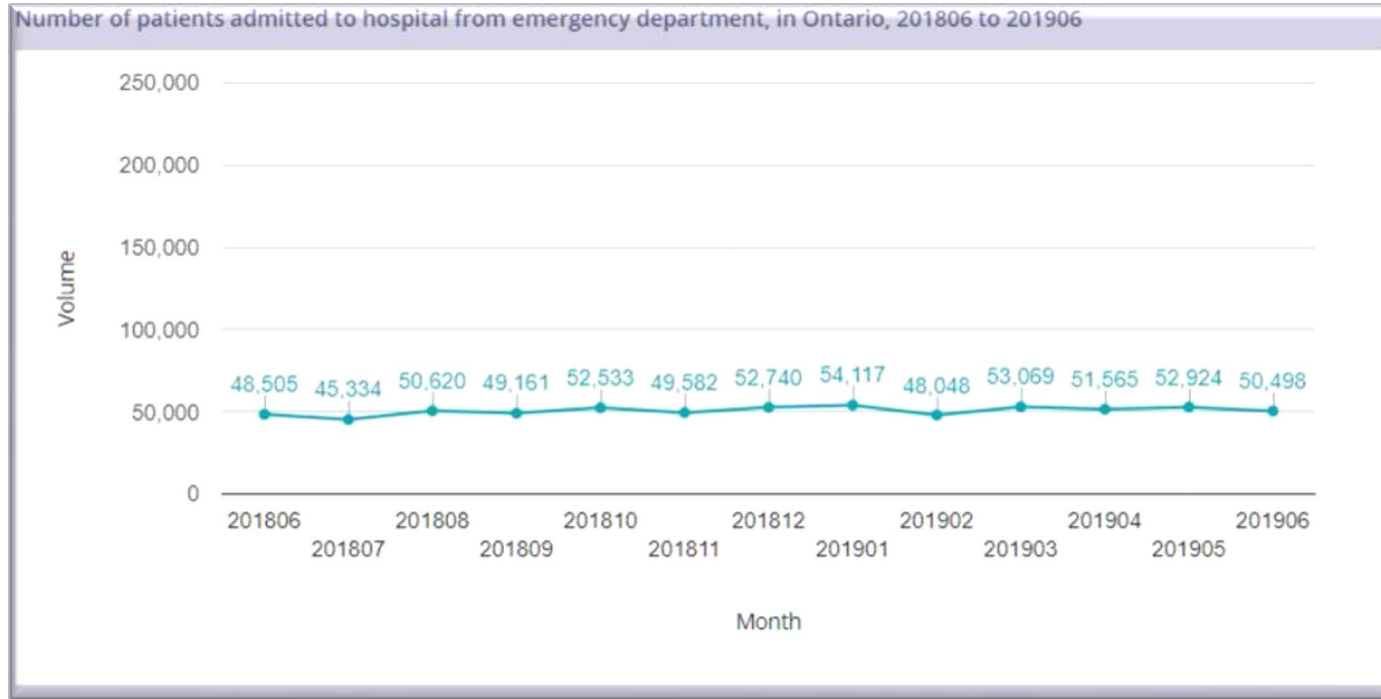
Usually backs up first into the Emergency rooms, as patients wait to be admitted to non-existent beds.

13.3% ER wait time increase since new government was elected.

13.3% increase in just one year.

**FUNDING CRISIS BEGINNING TO SHOW**

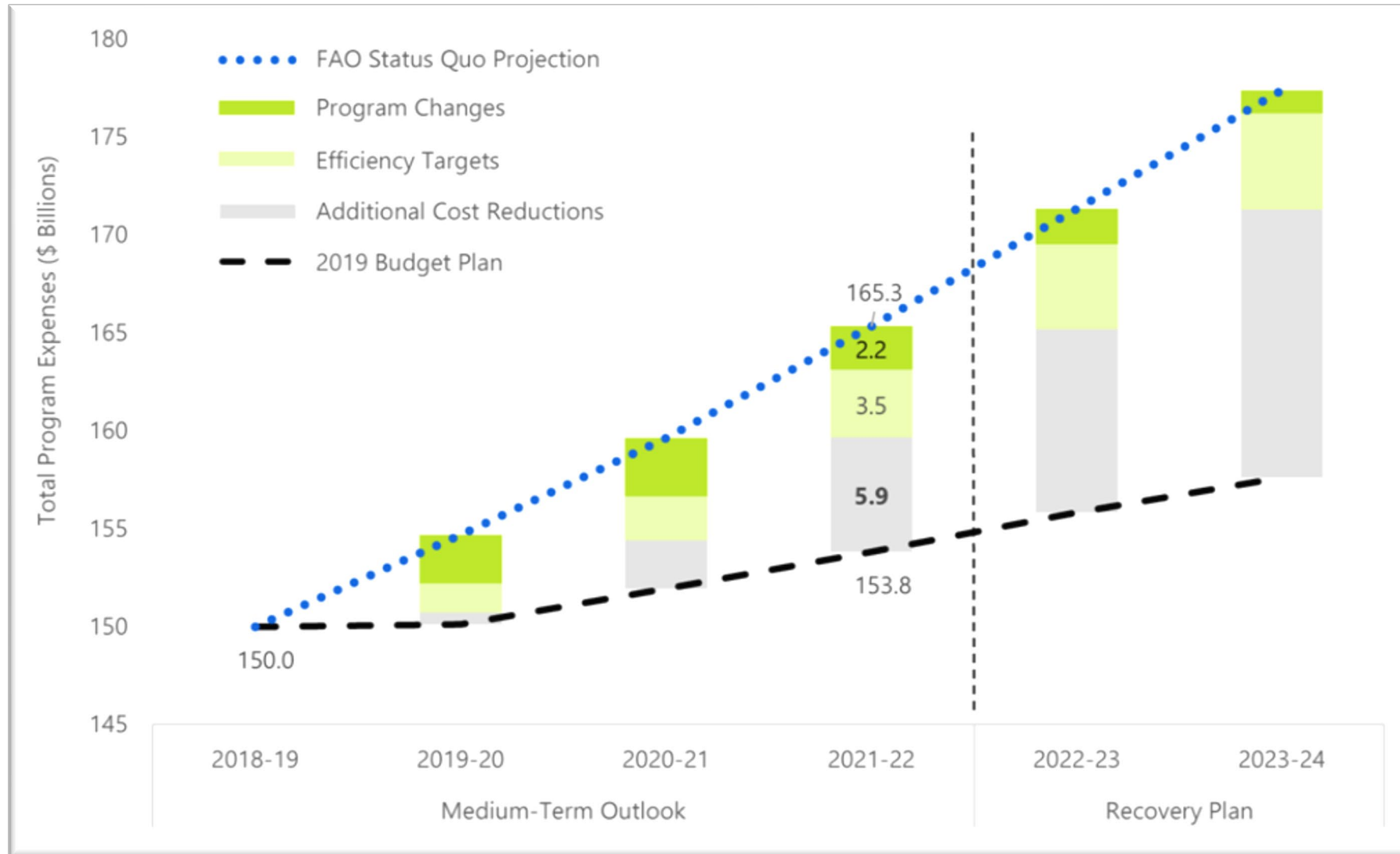




**4.4% INCREASE IN VOLUME OF PATIENTS ADMITTED FROM ER IN ONE YEAR**

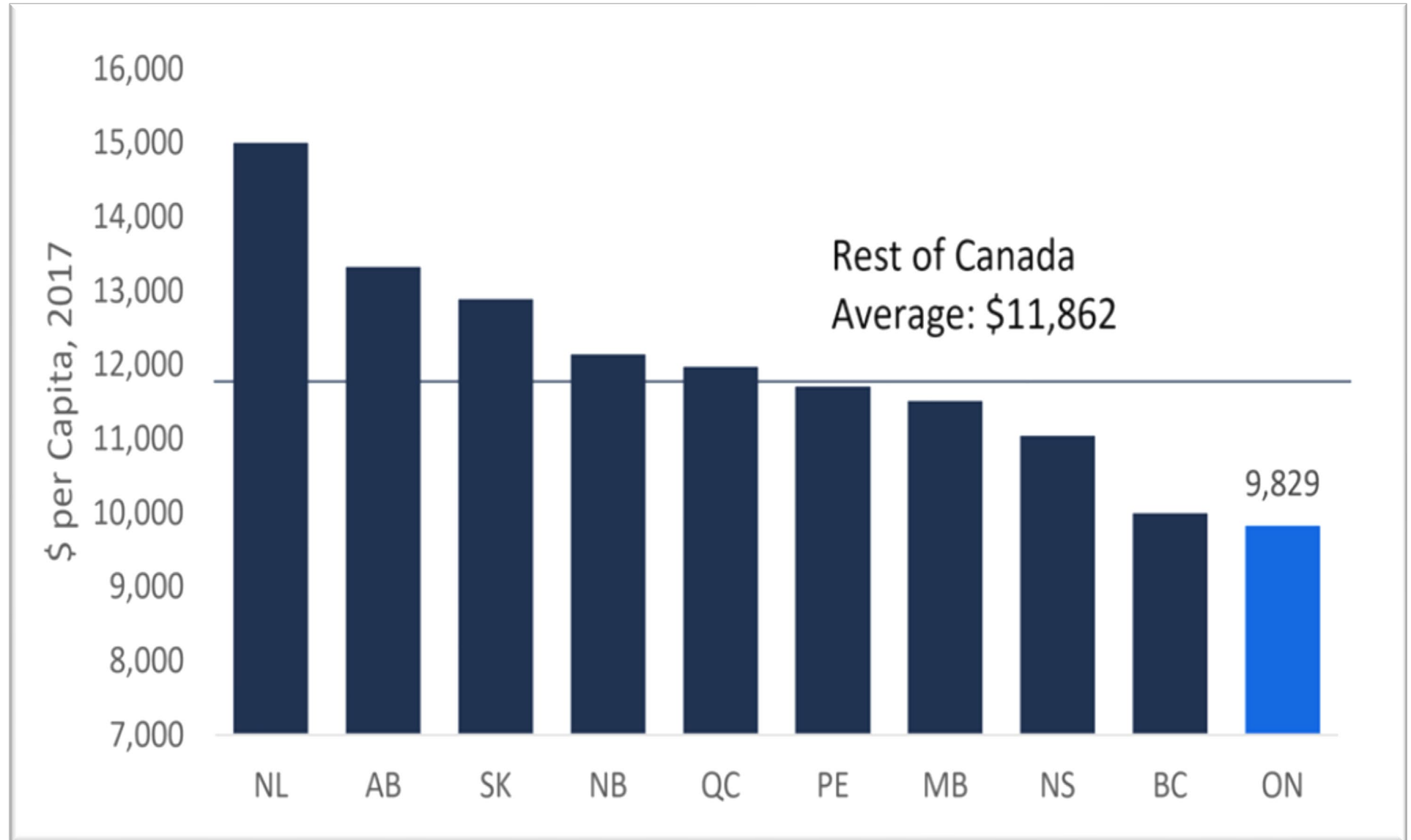
But funding only went up 1.3% this year.

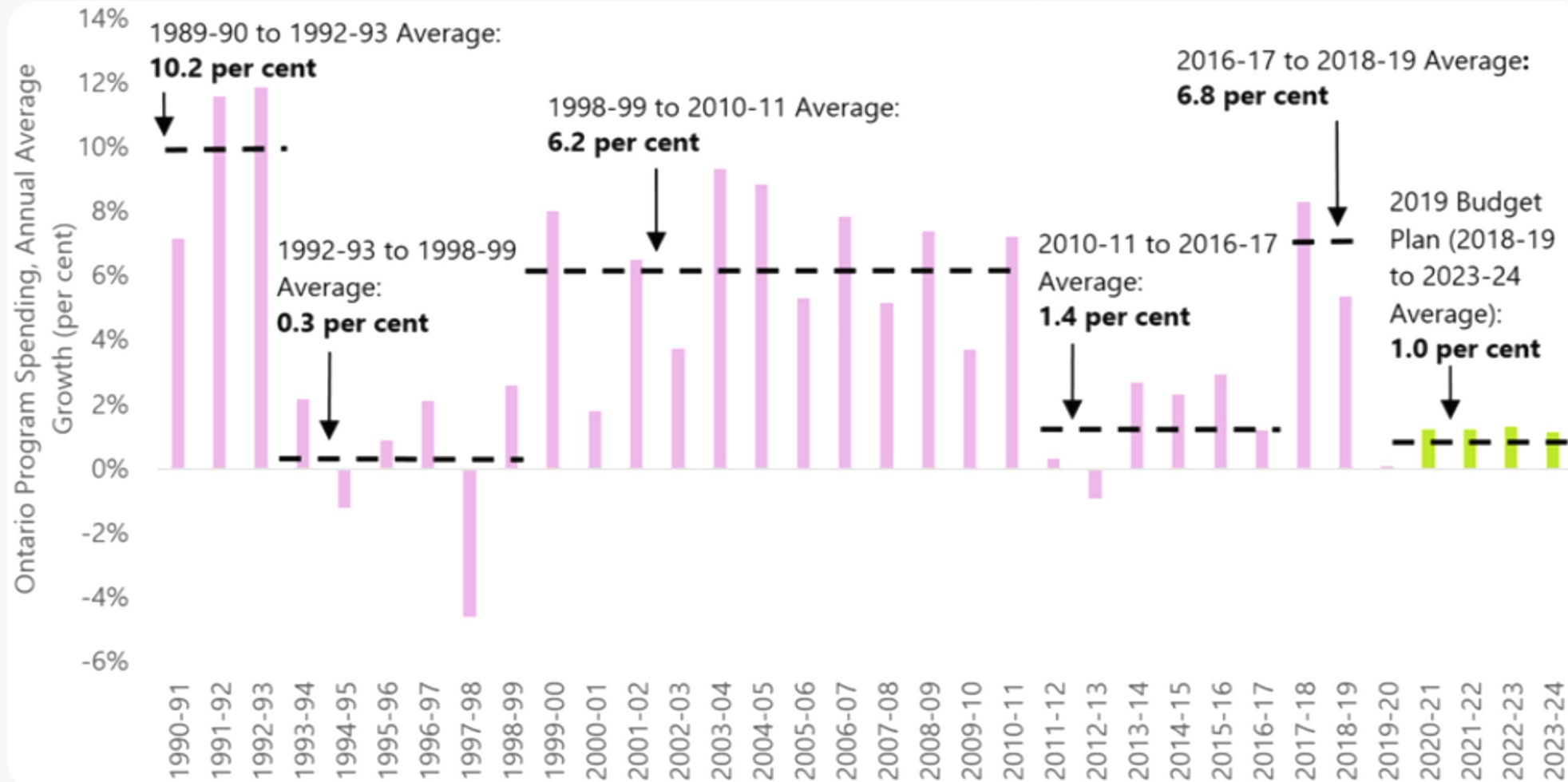
# CUTS PLANNED FOR ALL PROGRAM SPENDING EVEN WORSE THAN THOSE PLANNED JUST FOR HEALTH CARE

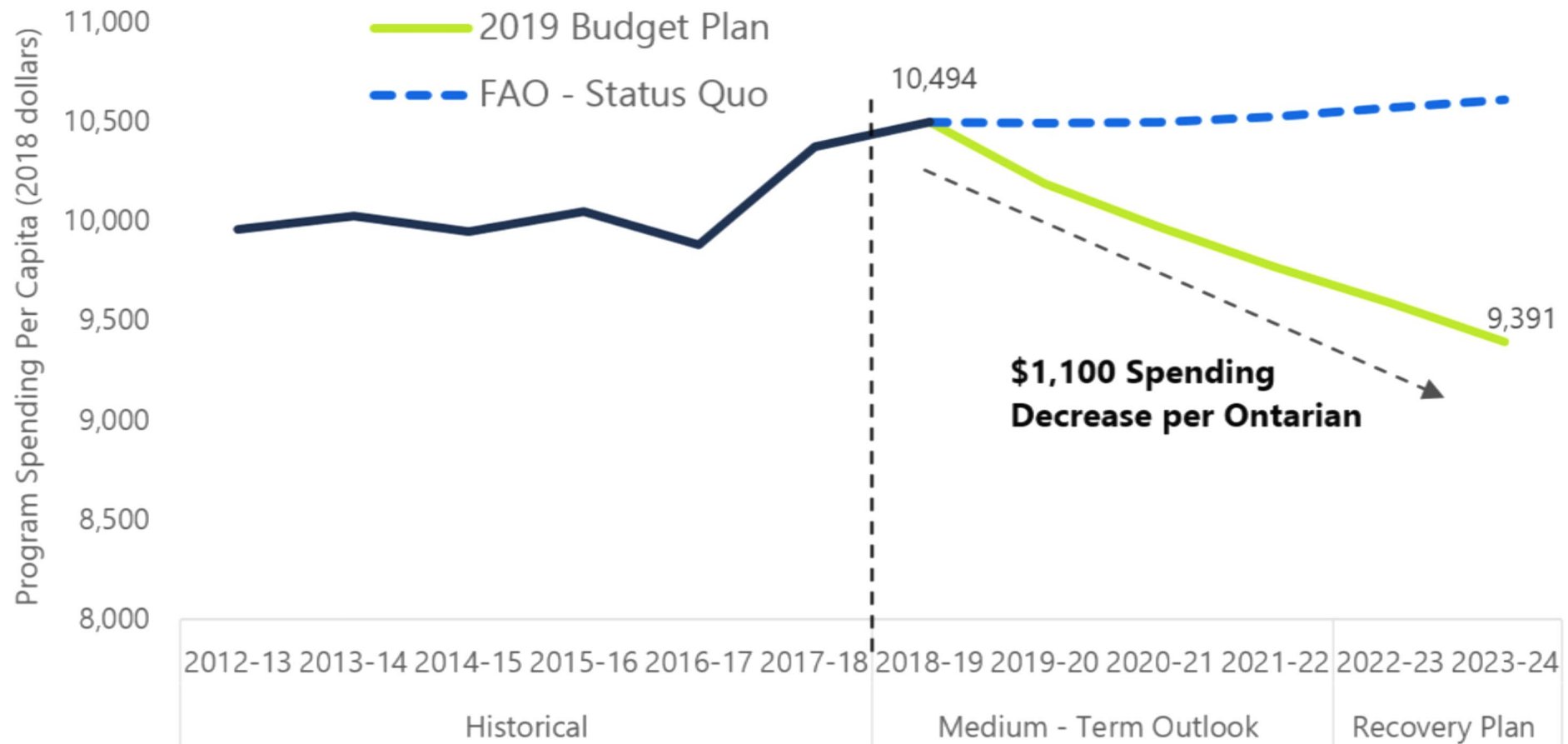


# OVERALL PROGRAM SPENDING

Far lower in Ontario than the rest of Canada.







### Ontario health ministry spending by program area (\$ billions)

Fiscal Year	Actuals							Interim	Budget Forecast
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Hospitals	19.3	19.9	20.4	19.9	20.2	20.3	20.8	22.2	22.4
<i>Growth</i>		3.3%	2.4%	-2.2%	1.4%	0.3%	2.8%	6.3%	1.3%
OHIP	12.5	12.8	12.9	13.4	13.5	13.8	14.9	14.9	15.8
<i>Growth</i>		2.3%	0.9%	3.5%	0.8%	2.3%	8.2%	-0.3%	6.2%
Ontario Public Drug Programs	3.5	3.4	3.5	3.8	3.9	3.8	4.2	4.8	4.6
<i>Growth</i>		-1.8%	2.7%	7.8%	3.9%	-2.2%	9.2%	13.5%	-2.6%
Long-Term Care Homes	3.6	3.7	3.8	3.9	3.9	4.0	4.1	4.3	4.4
<i>Growth</i>		1.7%	3.2%	2.2%	2.1%	1.9%	2.6%	3.9%	1.5%
Community Programs	4.4	4.6	4.9	5.2	5.4	5.6	5.7	6.2	6.5
<i>Growth</i>		4.9%	5.8%	5.1%	4.3%	4.5%	1.1%	9.0%	5.3%
Other Programs	5.7	5.8	5.9	6.6	6.7	7.0	7.7	8.0	7.8
<i>Growth</i>		1.5%	2.0%	10.5%	2.6%	4.5%	9.0%	4.3%	-2.2%
Capital	1.3	1.3	1.4	1.6	1.6	1.7	1.8	1.9	1.9
<i>Growth</i>		2.2%	6.2%	15.5%	-5.4%	8.6%	6.2%	3.2%	2.3%
Total Health Ministry	50.4	51.6	52.9	54.3	55.3	56.3	59.3	62.2	63.5
<i>Growth</i>		2.5%	2.4%	2.8%	1.7%	1.9%	5.3%	4.9%	2.2%

Source: FAO analysis of data from MOHLTC, the 2019 Ontario Budget and FAO.

# HOME CARE

“Community programs” reported increase: 5.3%. Not bad but comparable to previous increases.

But “home and community care” got only \$155 million – much less than \$250 million increases reported in recent years.

So the Tories cannot credibly claim they are doing anything different (funding-wise) in that area to solve hallway health care. It may be worse.

# LHINS AND HEALTH ONTARIO

Now part of Health Ontario.

815 job cuts – At *maximum* this would be a cut of \$81.5 million.

\$350 million in cuts planned.

So there is more to come.

LHINS work going to hospitals, primary care, home care providers (mostly for-profit).



# LTC SECTOR

Homes: 626

Beds: 78,762

2018-19 Ontario Budget: \$4.281 billion

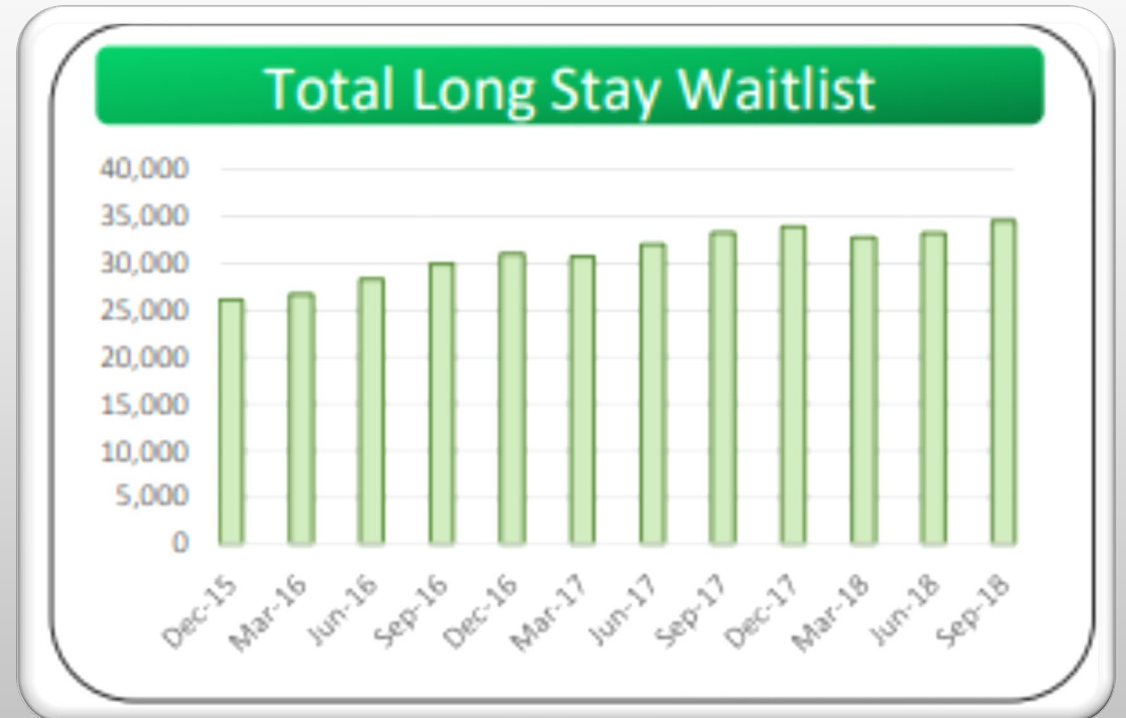
Occupancy: 98.7%

Homes	Beds	Long Stay Beds	Short Stay Beds	Basic Beds	Preferred Beds	2018-19 Ontario Budget	Long Stay Utilization	Average Home Size
626	78,762	77,324	1,438	35,946	41,378	\$4,281,473,170	98.7%	126

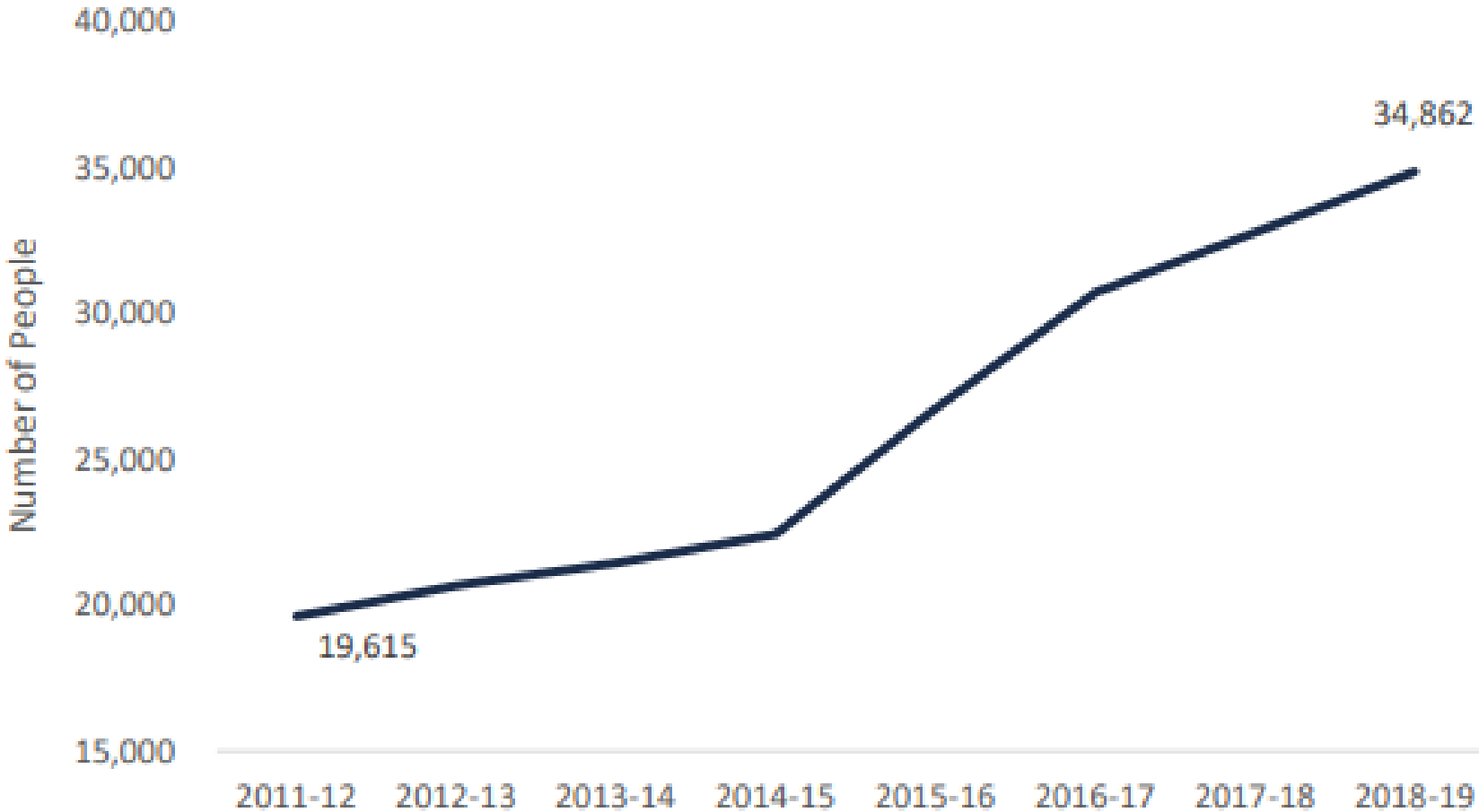
# WAIT LISTS ARE GROWING

Now at 35,000 people.

More evidence PC government is not solving hallway health care.



## Long-term care wait list in Ontario has grown significantly



Source: FAO analysis of information provided by the Province.

## Waitlist by Priority Categories

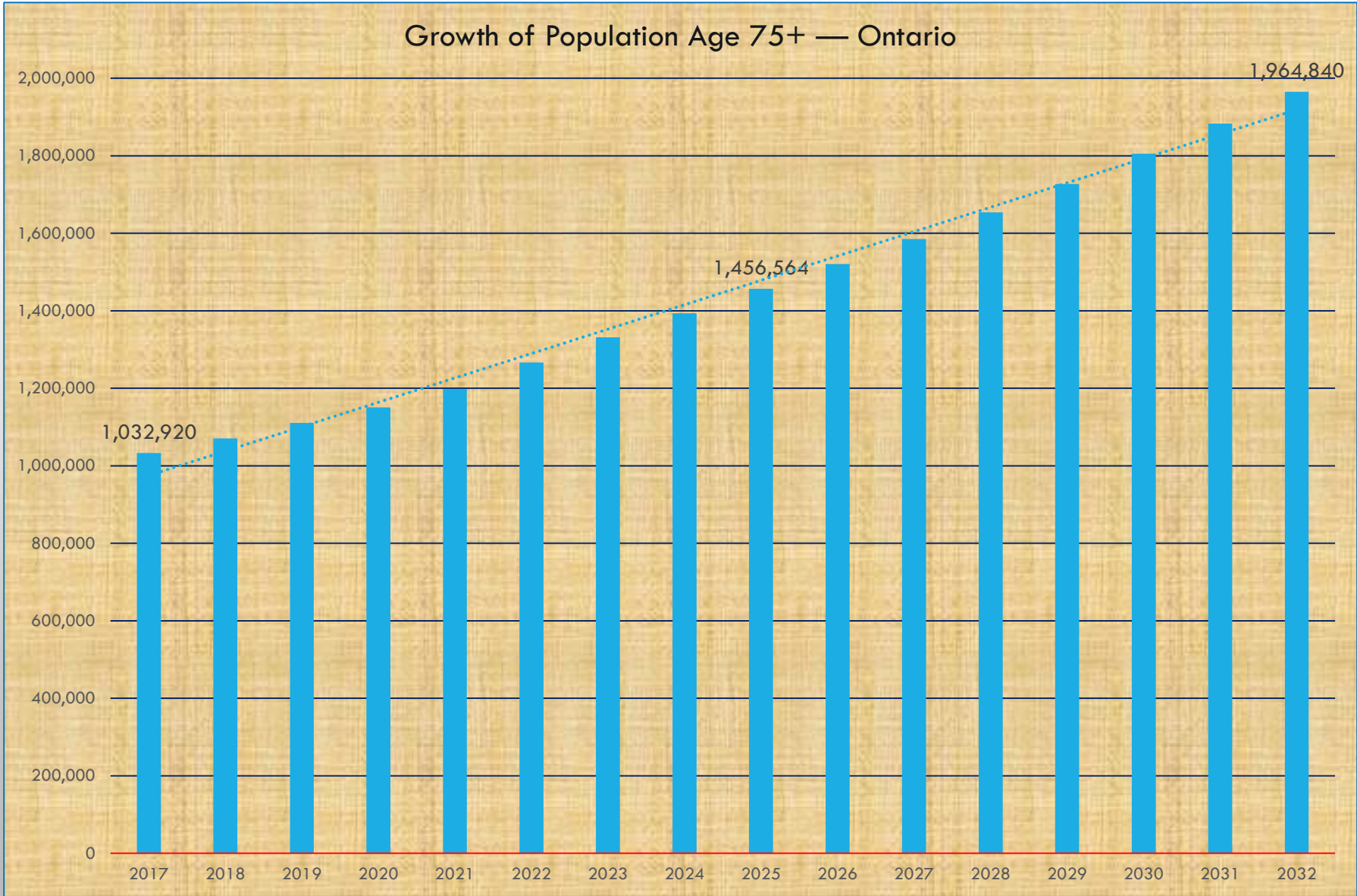
# of Individuals

	<u>Oct-17</u>	<u>Oct-18</u>	<u>Chg.</u>
1: Crisis	1,595	1,322	▽
2: Spousal Reunification	239	226	▽
3A: Religions/Ethnic- High Care Needs	2,984	3,490	△
3B: Religions/Ethnic	1,298	1,127	▽
4A: High Care Needs	20,925	23,096	△
4B	6,687	5,559	▽
Other	47	42	▽



# DEMAND IS INCREASING

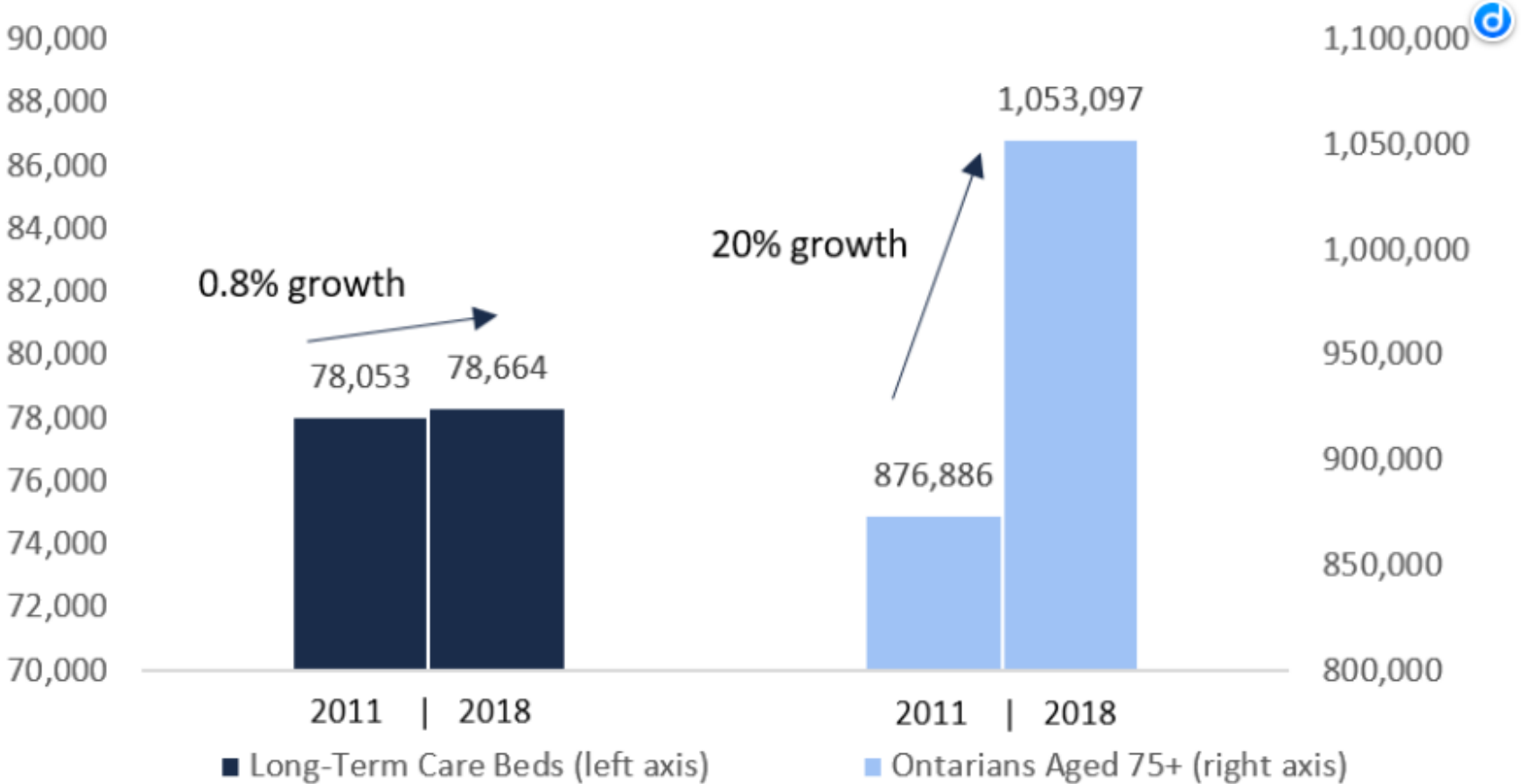
10% increase in long stay demand in less than three years.



**RAPID  
GROWTH IN  
POPULATION  
AGED 75+**

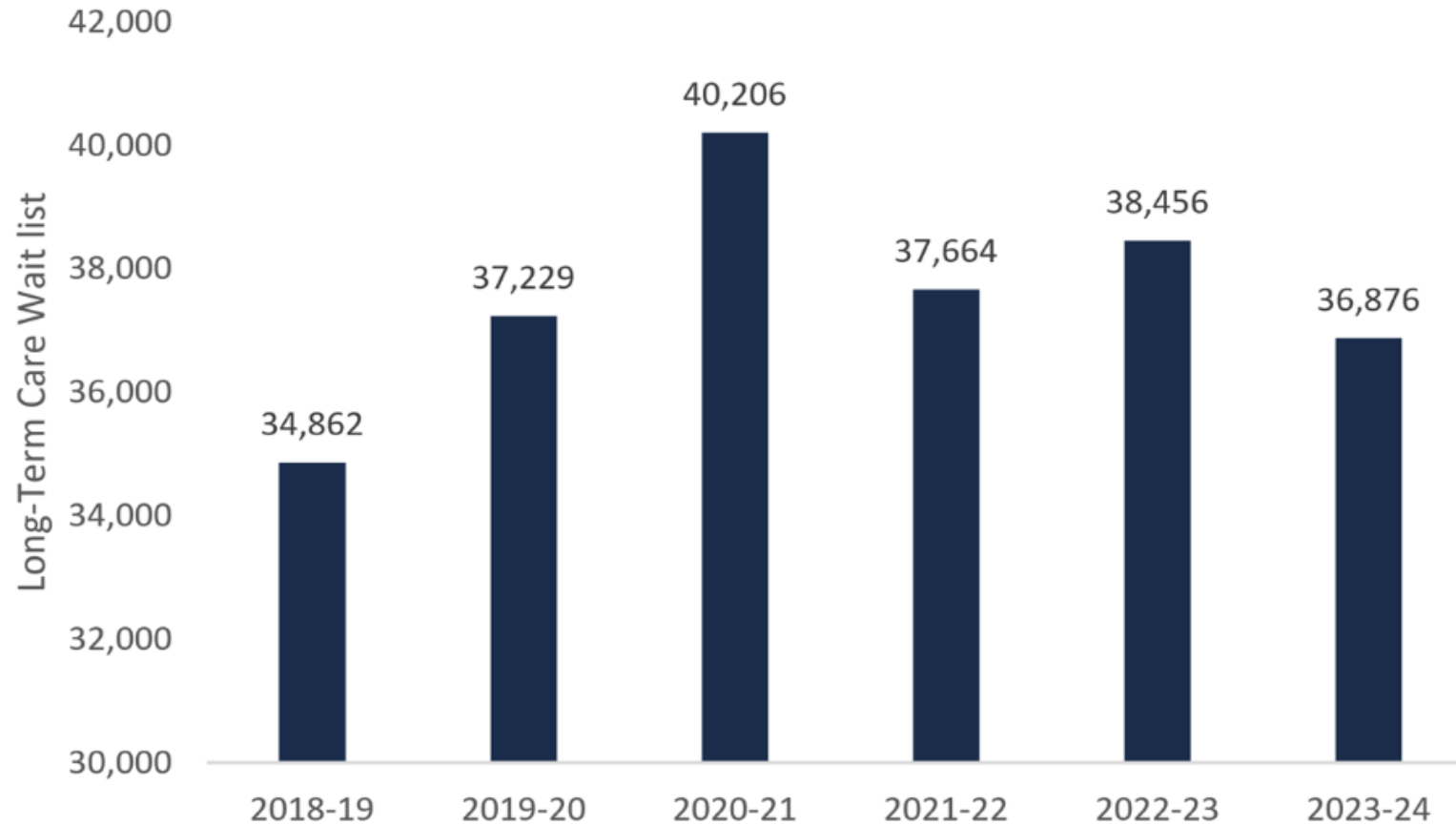
# WHY HAS LTC WAIT LIST INCREASED?

Growth in elderly Ontarians has exceeded growth in the number of long-term care beds



# EVEN WITH 15,000 NEW BEDS IN NEXT FIVE YEARS, WAIT LISTS WILL GROW

LTC wait list projected to increase to 36,900 Ontarians by 2023-24



Source: FAO.



# GOVERNMENT PLAN



In election: 30,000 new LTC beds over ten years. After election: 15,000 new beds in five years.



FAO: “Once all 15,000 new beds are in service, the LTC expansion will increase long-term care homes program spending by an ongoing annual amount of approximately \$970 million.”



But the LTC expense increase this year is 1.5% (or around \$100 million). Lowest percent increase reported since (at least) 2012-13.



Need to open 3,000 beds a year for five years. This year? Zero.

# 30,000 LTC BEDS WILL NOT KEEP UP WITH DEMAND

Rapid growth of the population aged 75 and over for decades to come.

This will drive need for more LTC, more hospital beds, more home care.

My estimate 40,000 LTC beds needed by 2028 to maintain status quo.

\$2.5 billion extra every year. 50% increase in 10 years needed.

FAO November 2019 report now estimates **70,000 new beds needed by 2033-34 just to maintain 37k wait list.**

**90% bed increase.**

AFTER 2023-2024  
ONTARIO NEEDS  
55,000  
NEW LTC BEDS  
JUST TO MAINTAIN  
WAIT LIST AT  
36,900 PEOPLE

FAO quote:

“After 2023-24, in order to maintain the projected wait list at approximately 36,900 Ontarians, the Province would need to create an additional 55,000 new long-term care beds by 2033-34. The need for 55,000 more long-term care beds to maintain the wait list results from higher projected demand growth for long-term care. From 2023-24 to 2033-34, the growth rate in the population of Ontarians aged 85 and older is projected to average 4.7 per cent, up from an average annual growth rate of 3.0 per cent from 2018-19 to 2023-24.”

# WHAT DOES LTC NEED TO MAINTAIN STATUS QUO?

Based on Financial Accountability Office review before 2019 Budget:

1. 11.6% increase in 2019-20 (Actually got 1.5%)
2. Need 6.9% in 2020-21
3. Need 7.5 in 2021-22
4. Need 7.0% in 2022-23

Government plan is to increase health funding (outside of physician care) by about 1.1% annually according to FAO.

# WE HAVE WON NEW FUNDING SINCE 2019 BUDGET

Sharp criticism of government cuts. Response: \$800 million in new program funding to date, \$404 million (a little over half) went to health care.

We have won:

1. \$68 million for hospitals,
2. \$41 million for Public Health units,
3. \$26 million for land ambulance,
4. \$227 million for OHIP and for removing the prescription co-payment requirement completely,
5. \$42 million for other items including re-instatement of some cut LTC funds.

# THANK YOU

DOUG ALLAN

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