

Ontario Health Coalition

MEDIA
RELEASE

For Immediate Release
August 6, 2004

Over \$100 Million Wasted in Secretive P3 Hospital Deal

TORONTO — This morning at Queen's Park, the Ontario Health Coalition and the Ontario Council of Hospital Unions released a cost analysis of the Brampton private (P3) hospital contract.

The analysis was based on Schedule 28 of the project agreement, which the two groups fought to see. **The lease agreement for this public money still remains completely secret, inaccessible to media or the public.**

The key findings of the analysis include:

- The capital cost for the project has increased from \$350 million to \$536 million in two years, a 53% increase.
- The total cost for the deal, including capital costs and the privatization of staff and services is an astounding \$2.6 billion at least, with no equipment and other costs included. If the deal is signed under the terms disclosed, the government will pay a 1% higher borrowing rate than the government-borrowing rate. This higher borrowing rate means the public will pay at least \$124 million more for this privatized hospital than it would if the government financed the hospital directly and kept it public.
- Costs for the hospital continue to escalate. Recently, leaked hospital documents revealed that the private companies were demanding an additional \$22 million in order to move forward with the negotiations of the deal. The hospital has admitted that it will have to reduce the size of the hospital and its beds and services due to financial constraints.

"In the last two years, costs for this private hospital have almost doubled. Dalton McGuinty's broken election promise to stop the private hospitals will cost taxpayers the entire first two years of new health premiums, if he does not reconsider," said Michael Hurley, president of the Ontario Council of Hospital Unions. "This is a financial disaster."

"It is outrageous that we are paying enough for two hospitals and getting one. The government could cancel the Brampton deal and, for the same cost, build both the Brampton and Ottawa hospitals publicly," said Natalie Mehra, provincial coordinator of the Ontario Health Coalition. "The exorbitant payments to the private companies are already forcing service cuts. The P3s must be stopped or we will lose the comprehensiveness and universality of our health system."

The cost analysis will be posted on the Ontario Health Coalition website at 10 am on Friday, August 6.

Go to: www.web.net/~ohc/040806fact.htm to view our fact sheet online
or www.web.net/~ohc/040806fact.rtf to download as a document.

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