



For Immediate Release
March 25, 2020

Attn Assignment Editor

Context for Today's Economic Statement: Health care funding was so far behind that current announcements have just brought funding back to where it should have been before COVID-19 hit

Toronto – In advance of the Ford government's economic statement being released this afternoon, the Ontario Health Coalition released an analysis of the numbers to date to give some context to the announcements that are being made regarding COVID-19 health care funding as follows:

"We believe that governments are beginning to flow resources and may get to what is needed, ultimately, but most people have no idea how to assess what the announcements so far actually mean," said Natalie Mehra, executive director. "We are providing this briefing so that there can be some accountability and meaningful analysis of what is happening. The bottom line is that Ontario had fallen so far behind in terms of health care funding that the emergency announcements only now bring us close to where funding should have been just to keep us at the same level of service per person – that is, to meet inflation, population growth and aging pressures -- before COVID-19. And that, only if we include last fall's hospital overcrowding funding announcement and count last weeks' COVID emergency funding announcements as though they can all be considered to be added to the current year's budgets (this fiscal year ends at the end of the month). Ontario hospital and long-term care home capacity has fallen far below population need and funding was at the bottom of Canada before the pandemic."

Where are we at re. Ontario hospital funding?

In the 2019 Ontario Budget the Ford government gave [\\$384 million](#) in increased funding to Ontario hospitals.

- This is approximately a 2 per cent increase. But inflation, on its own, last year was an average of approximately 2 per cent (until the economic downturn with COVID-19). So this level of funding, far from "ending hallway medicine", did not even meet population growth (equals 1 per cent) and inflation (equals 2 per cent) or aging costs (equal 1 per cent). In addition, health experts generally note that there is about 1 per cent growth in utilization that is not accounted for in those figures.
- There was deep consensus in the year leading into the election that we needed about 5 per cent growth to maintain existing service levels.
- Bottom line? Ontario set the budget far short of the funding needed just to maintain the overcrowded service levels that existed without cutting more services.

In the fall the Ontario government announced another [\\$68 million](#) to address hospital overcrowding.

- This did not quite bring us up to inflation and population growth. It did not cover costs for aging.

In the spring Ontario's Fiscal Accountability Office reported in its 3rd quarter report that Ontario had underspent its health care budget funds by \$400 million.

In the last few weeks the Ontario government has announced additional funding for COVID-19 as follows:

- On March 11 Premier Ford announced a \$100 million contingency fund to fight COVID-19 for medical supplies, additional staff, testing kits, protective gear and anything else deemed necessary.

- On March 17 — Ontario announced a \$300 million investment in health care to combat COVID-19. \$100 million was earmarked for hospitals.
- It is not clear if the March 11 announcement was reannounced in the money announced March 17.
- It is also not clear if that money is for the current fiscal year (ending March 31) or the next fiscal year.

In any case, even if we add it all together, giving the most generous latitude and assuming that all of it counts in the current fiscal year and that there were no reannouncements of previous funding and the underspending by the end of the third quarter was spent in the final quarter, this is what we get for hospital funding in Ontario:

\$384 million (increase in hospital funding in 2019 Budget)

\$ 68 million (fall hospital overcrowding announcement)

\$100 million (March 11 COVID-19 contingency fund announcement if we assume it all goes to hospitals)

\$100 million (March 17 COVID-19 emergency investment for hospitals)

\$652 million -- which would have been a less than 4 per cent increase to hospital funding, thus not quite, but almost brings the funding up to the level required just to meet normal inflation, population growth and aging costs.

The Ontario Health Coalition asked for a 5.3 per cent increase in hospital funding in our 2018 [election platform](#) document to maintain existing services and address overcrowding and wait times.

Even the Ontario Hospital Association issued a report in December (summary [here](#)) asking the provincial government for a 4.85 per cent increase in hospital funding (almost \$1 billion) in the Ontario Budget to maintain existing access to care. This was prior to COVID-19.

For long-term care additional major funding increases are needed to address the crisis-level PSW shortage before COVID-19 and get care levels up to a safe standard.

We hope these numbers help put government funding announcements into proper context.

Background on current funding/capacity:

Ontario funds its health care at among the lowest rates in Canada:

[Click here for link to public health care spending as % of provincial GDP](#) (only Alberta is lower than Ontario)

[Click here for link to public health care funding per capita](#) (only B.C. is lower than Ontario)

Ontario funds its hospitals at the lowest rate in Canada:

[Click here for link to public hospital funding as % of provincial GDP](#) (Ontario is lowest in Canada)

[Click here for link to public hospital funding per capita](#) (Ontario is lowest in Canada)

As a result, Ontario has the fewest hospital beds per person of any province and the second fewest long-term care beds. In comparison to OECD countries (Italy included) we are far below the number of beds per capita.

[Click here for charts comparing hospital beds and long-term care beds per population](#)