Ontario Health Coalition
Protecting public healthcare for all.

April 26, 2017

# 2017 Pre-Budget Briefing Note

In a speech April 13 to the Empire Club, Ontario Finance Minister Charles Sousa reported that in every corner of Ontario he heard from residents, civic leaders and businesses that health care and public hospitals are top priority issues, and he promised significant investments in this year's budget. These increases will follow a decade of cuts to public hospital funding. The following is a briefing note on the key issues:

## Hospitals

Public hospital funding has increased by the rate of inflation in this current year (2% for base operating funding, with an additional 1% for larger more specialized hospitals' specialized programs). This is the first time since 2006 that hospitals have received funding increases to meet inflation (inflation is running at approx. 2%), and it has come after the longest stretch of real-dollar hospital cuts in Ontario's history. For nine consecutive years, hospital funding was less than the rate of inflation. For four consecutive years it was frozen at 0% increases, thereby falling even further behind. Our campaigns pushed the government to make the funding increases to meet inflation this year. This is a major change in policy that has resulted from years of hard work, for which we should take credit.

However, this increase is not enough to keep pace with population growth, ageing and utilization (demand for care).

There is a deep consensus that Ontario needs a 5 percent increase in hospital funding to maintain existing programs. We will applaud a significant increase in hospital funding this year -- if it is close to 5 percent -- and we will measure it against the needed 5 percent. But we will also note that after 9 years of cuts, we are still behind. Ontario's public hospitals have lost many needed beds and services. If the Ontario government does turn the corner on the cuts, we will lead with a message of support, note that they are finally responding to public pressure that considers these services to be a priority in every community, and we will focus our message on what is needed going forward:

- Stable multi-year public hospital funding that meets inflation, population growth, ageing and utilization rates. Years of cuts, followed by a give-back just prior to an election is poor policy and has been deeply damaging to our community's hospitals. This funding cannot be for one year only. We need a commitment going forward to stable, multi-year funding that is enough to maintain services and rebuild capacity.
- An evidence-based plan to rebuild public hospital capacity to meet population need for care. Ontario has the fewest hospital beds, nurses and staff of any province and patients are suffering as a result. Ontario needs to restore cut beds and services.
- A moratorium on cuts, costly mergers and restructuring that take money away from care, and privatization.

## Long-term care

For years, the Ontario government has increased long-term care funding by 2% per year. This is a basic inflationary increase but it does not cover the higher care needs of the increasingly complex residents in long-term care homes. Today, virtually all residents that are admitted into long-term care homes rank at the highest measures of acuity (care needs). But care levels have not increased to match the increasing acuity of the residents. Families, residents and staff alike have all identified this as the top issue of concern. There are also huge wait lists for long-term care, numbering more than 20,000, and these wait lists have persisted for more than two decades.

In this sector, the competing demands are between the for-profit nursing home industry, on one hand, and public interest advocates on the other. The for-profits routinely lobby for ever more money that goes into their profit-taking funding envelopes -- accommodation and renovations/buildings (the accommodation fees paid by residents and government and the physical buildings that are assets owned for the profit of the nursing home companies). The non-profit long-term care homes have supported the call for improved care levels and focus their lobbying efforts on these. In long-term care, we are working with other public interest groups for improved care levels to meet the needs of the residents. To do this, we are calling for a regulated minimum care standard of 4-hours of hands-on care per resident per day on average and the funding to support this. The funding and the regulation go hand-in-hand. We would not want to see more funding going to profit. In this sector, dramatically increasing acuity (complexity and high needs) among residents means that more care is needed, but it is not being provided, and residents, families and care staff are put at risk as a result.

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**Home and community care**

Re. Home and community care: these sectors are going through restructuring as the Community Care Access Centres - the bodies that govern home nursing, health professionals' services such as physiotherapy at home and home personal support (CCACs) -- are closed this month and their services and staff (minus approx 4 senior managers per CCAC) are moved to the LHINS. This sector has received 5 percent increases in recent years, but due to the contracting out and for-profit privatization of home care, significant funding does not make it to care. The problem in this sector is privatization and contracting out that has created redundancies takes funding away from patient care. This sector needs fundamental reform. We are supporting the community sector's call for strong regulations to stop for-profit privatization. We are also calling for the establishment of public non-profit home care.

**Privatization**

With the closure of the CCACs this month and the shift of home and community care to the regional health authority (Local Health Integration Networks that are responsible for funding and organizing health care in each of 14 regions across Ontario -- LHINs), non-profit community care agencies have sounded the alarm about the threat of expanding privatization of community care through the LHINs. The government has so far refused to bring in a regulation that would clearly stop the expansion of for-profit privatization in community care. The Ontario Health Coalition is demanding not just that privatization be stopped, but that it be rolled back.

With the release of the 2015 Ontario Auditor General's report, all justifications for the P3 privatization of new hospitals were stripped away. Ontario's government must stop the P3 privatization of public infrastructure projects including hospitals, and put the billions in savings that result towards needed care and services. The Auditor General found $8 billion in higher costs due to the P3 privatization of Ontario's hospitals and other public infrastructure. The privatized P3 program means that new hospitals are so expensive that for each one new hospital they are planning, they are now planning to close down two or three entire hospitals or more. This privatization is shrinking needed hospital services for decades to come. We will work hard to make this a key election issue.

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