

dialogue

March 27, 2008

A bi-weekly update on issues
affecting health care in Ontario

Ontario Budget gives health care 6 per cent more — not enough to stem hospital job cuts

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A six per cent increase in provincial funding may sound a lot, but it may not stem the tidal wave of job cuts likely to hit the hospital sector.

Rather than celebrate, the March 25 budget provided little cheer to any health sector, spreading out the money into a myriad of programs, from wait times reduction to improving the performance of emergency rooms.

The Ontario Hospital Association (OHA) noted that inflation-related costs are significantly higher than the funding increases announced to date, suggesting that the dialogue about hospital funding may not be over.

The latest hospital to announce major cuts is the Rouge Valley Health System. The day after the provincial budget, staff were told the hospital must cut 220 positions, including 13 managers, over the next three years. This is in a high growth area of the GTA. The pattern has been the same across the province, as hospitals try and meet the requirement to balance budgets as part of their accountability agreements with the LHINs. Six per cent will not allow hospitals to get out from years of deficits resulting from underfunding.

In the latest comparative figures from the Canadian institute for Health Information, Ontario placed only ahead of BC and Quebec in per capita funding for hospitals in 2007. The \$1,163 spent per Ontario resident is slightly below the national average of \$1,227.

Changes in health funding from 2003-04 to 2008-09 (Six Years)

Hospitals	\$3.5 Billion
OHIP Services	\$2.8 Billion
Ontario Drug Programs	\$1.2 Billion
Long Term Care Homes	\$1.1 Billion
Community Services	\$0.8 Billion
Public Health/Promotion	\$0.6 Billion
Other*	\$1.2 Billion

*includes Cancer Care Ontario, Mental Health, Emergency Health Services and other programs.

Canada slips to last place in G7 for funding public health care

Further, according to 2007 OECD data, Canada has slipped to last place among G7 countries in public funding of health care as a percentage of the overall economy. As a percentage of gross domestic product (GDP), we spend less than we did in the early 1990s despite the constant barrage of propaganda about the sustainability of health care.

In a world of shrinking government budgets, health care continues to take up 45.2 per cent of all Ontario government program spending. The provincial budget states 6.9 per cent of the funding for both the Ministry of Health and Long Term Care and the Ministry of Health Promotion comes from the dedicated health tax — amounting to \$2.8 billion.

Total spending for this year is expected to be \$40.4 billion, rising to \$44.7 billion by 2010-11.

Some of the new funding areas include:

- \$90 million to extend the Nurse Graduate Guarantee program
- \$107 million over three years to hire 2,500 more personal support workers for long term care homes
- \$700 million over three years to implement the LHIN-based aging at home strategy
- \$180 million over three years to improve ER wait times
- \$64 million over three years to fund more surgeries — 12,400 this year
- \$120 million over three years to help hospitals in areas of high population growth
- \$135 million over three years to provide dental care to low-income families
- \$47 million into e-health systems such as diagnostic imaging, drug and lab information, and a diabetes registry

In addition to providing \$80 million over three years to improve mental health and addictions, the government is promising a comprehensive mental health and addictions strategy.

Funding also includes \$500 million towards the government's long march towards hiring 9,000 nurses by 2011-12.

The funding for new positions in long term care falls far below the \$513 million the Ontario Long Term Care Association says it would need to provide 24 minutes more of care per resident per day.