

Town Hall Meeting
Picton
March 12, 2009

Presentation by Rick Janson
Ontario Public Service Employees Union

Shock and awe.

With a frenzy of dire economic warnings,
are we being conned out of
public health system?

Are the current cuts to our hospitals borne
out of necessity, or part of a larger plan?

The numbers tell a story...

- Government to provide all hospitals with 2.1 % increase for 2009/10 (last year was also underfunded at 2.4%)
- Ontario Hospital Association says it needs 3.5 % to maintain status quo
- Difference of 1.4 per cent = \$257 million (\$184 million per 1 per cent)
- Jobs to be lost: 5,000 FTEs, 4,000 through attrition

Numbers tell a story

- This funding reflects base budgets
- Additional monies are often given for specific initiatives, such as wait times, but cannot be applied against other operating costs
- “The cost of operating Ontario’s hospitals increases by more than this (2.1%) as the result of inflation, increases due to responsible collective agreements intended to attract and keep nurses, as well as cost increases from an aging and growing population.” – Tom Closson, December 2008

A \$1.6 Billion dividend?

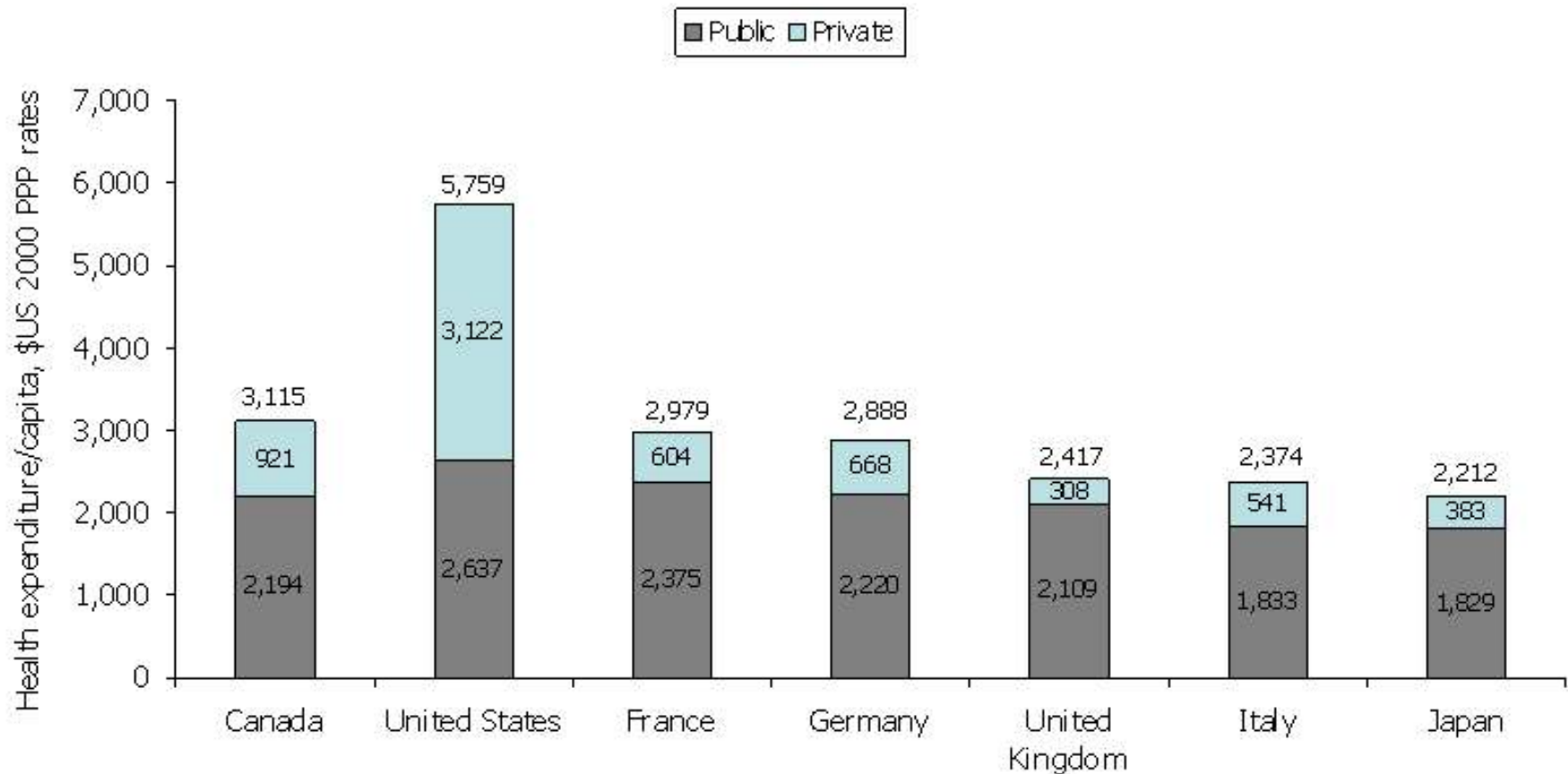
- “Ontario hospitals do more with less funding per capita. Today this produces a remarkable \$1.6 billion “dividend” – up from \$1.2 billion just a year ago – that is then invested in other priorities by the government.” – Tom Closson, December 2008

The numbers tell a story...

- Health care spending was \$40.4 Billion in 2008/09 out of a \$94 Billion operating budget (43% -- Not half)
- Health care spending was 40% in 2003
- Half of that (\$20.2 Billion) is administered by the Local Health Integration Networks primarily for hospitals, nursing homes, and home care
- Next biggest share is OHIP at \$14 million

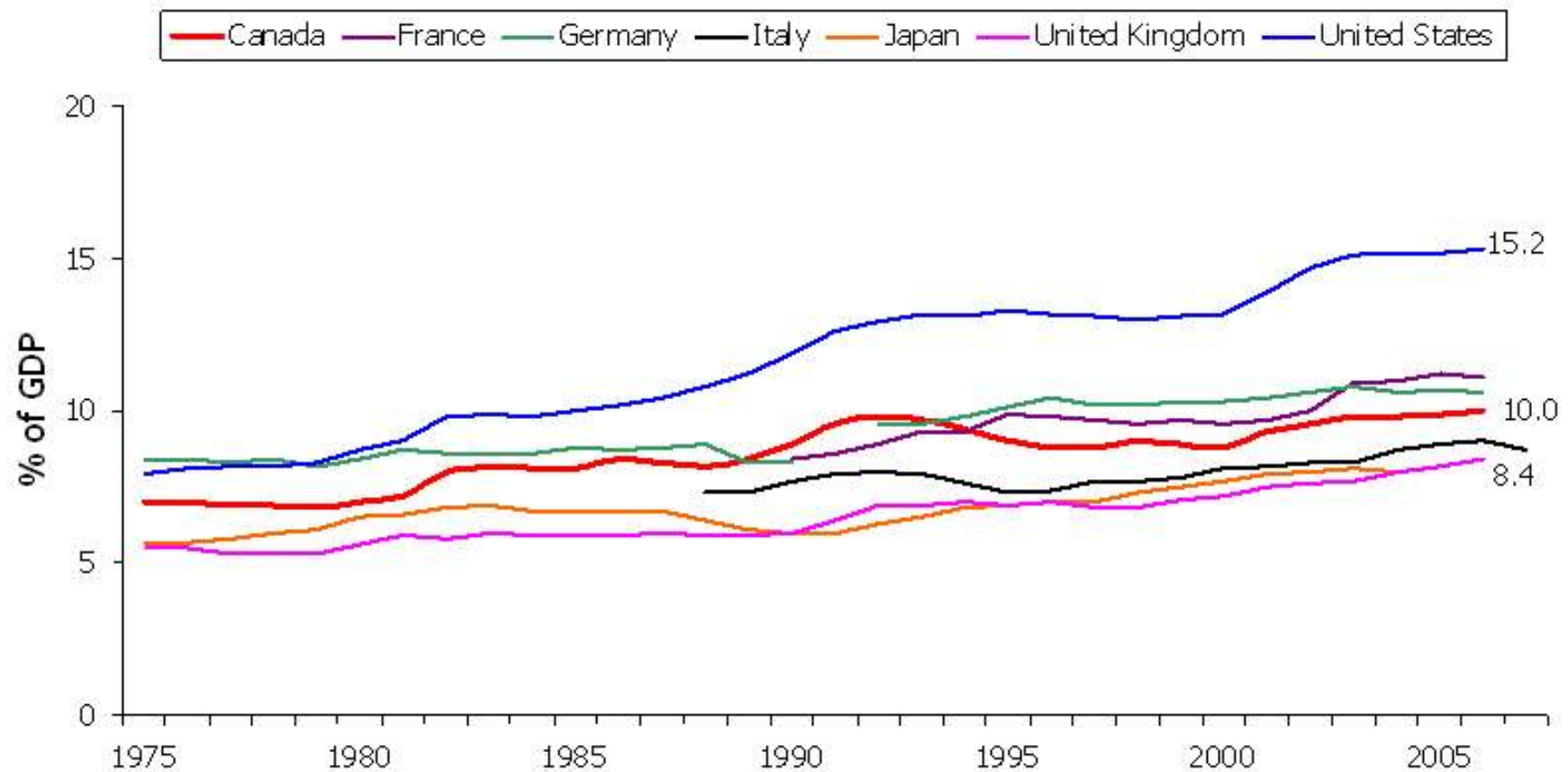
How does Canada compare?

Public and private health expenditure per capita, G7 countries, 2006

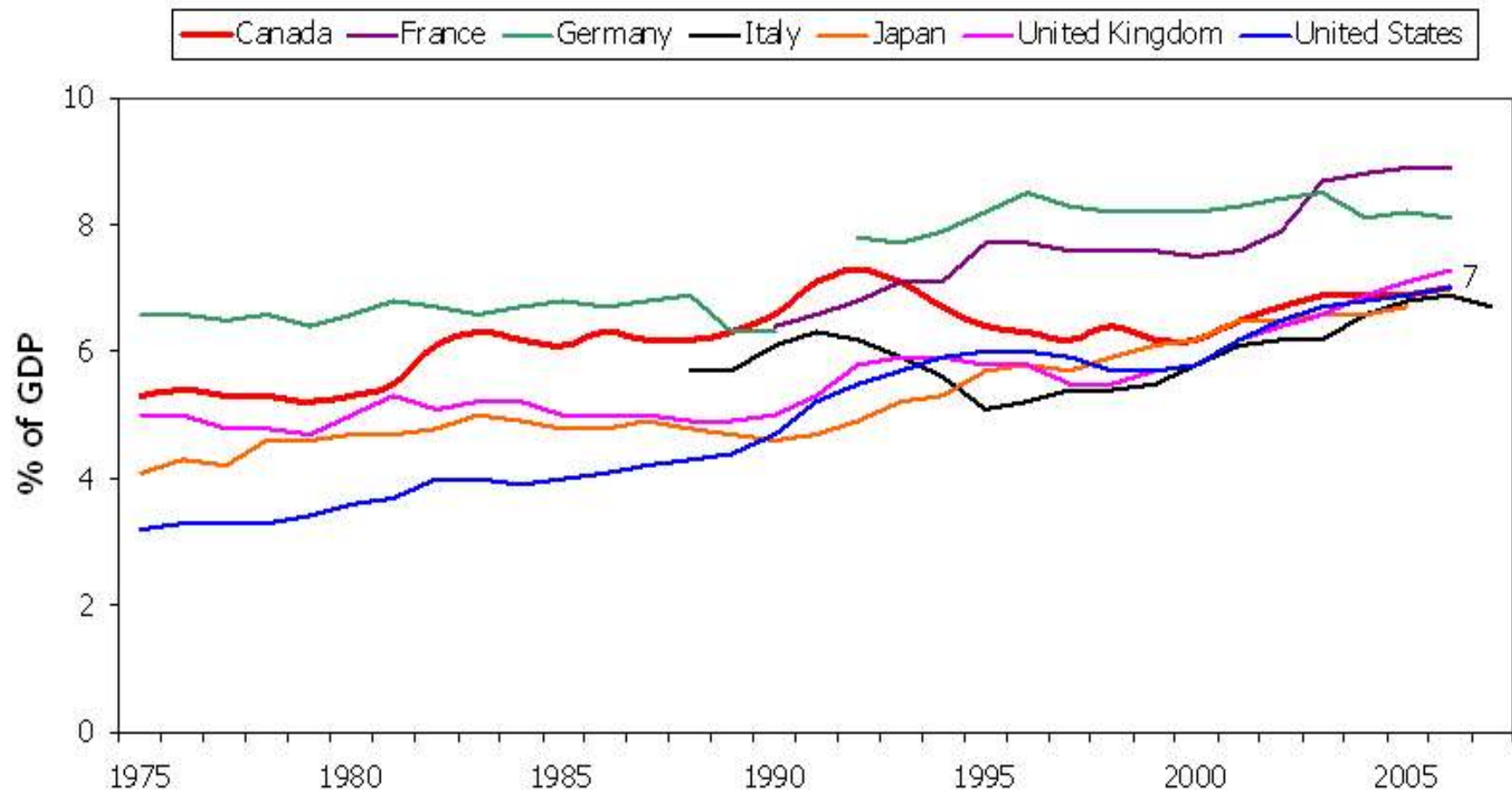


Is spending out of control?

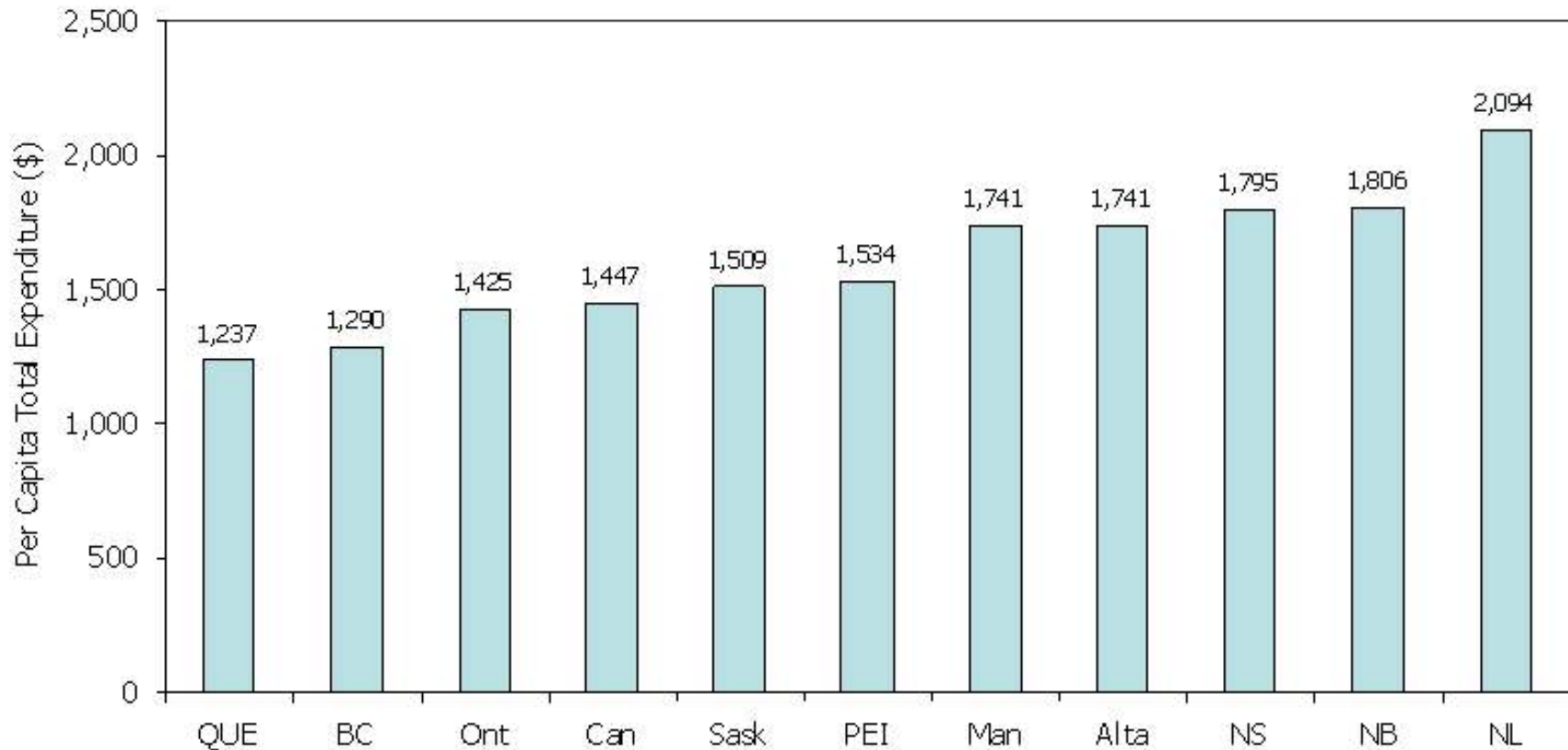
Total (public and private) expenditure on health as a percentage of Gross Domestic Product, G7 countries, 1975-2006



Public expenditure on health as a percentage of Gross Domestic Product, G7 countries, 1975-2006



Total Health Expenditure (Public + Private) per Capita, on Hospitals, by Province, 2008



Source: National Health Expenditure Database, Canadian Institute for Health Information, 2008.

Notes: 2008 Forecast. Canada average includes the territories.

Every \$100/capita is about \$1.2 Billion

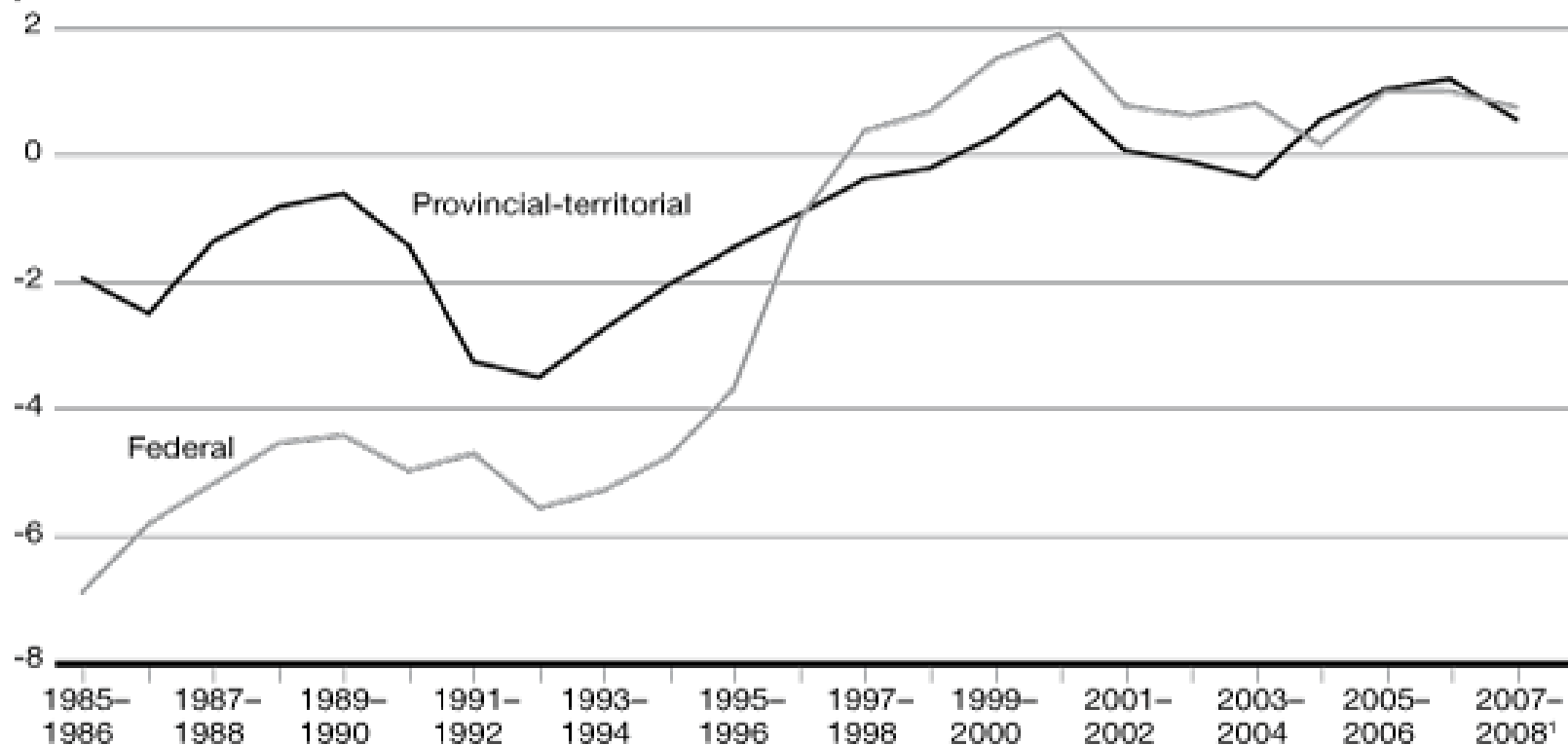
Our fiscal position to 2007-08

Chart A1.1

Federal and Provincial-Territorial Budgetary Balances

(Public Accounts Basis)

per cent of GDP



¹ Projection.

Sources: Federal and provincial-territorial Public Accounts and budgets.

Public-Private

- More of our health care system is private
- In 1980 27 per cent of total health care spending was private
- In 2008 it was 31 per cent
- In Ontario it is 33 per cent private in 2008
- If private was more efficient, the US would be the most efficient health care system in the developed world.

Bigger share of government spending?

- Health care spending only had to stand still to become a larger share of the pie
- Governments across Canada shrunk by 10 per cent of GDP between 1992 and 2006, compared to an average of 2.2 per cent average in the OECD (30 countries belong to the Organisation for Economic Cooperation and Development)
- Health care is not eating up the provincial budget, tax cuts are.
- Dwight Duncan still going ahead with \$3 billion in corporate tax cuts (fall economic statement)

Bigger share of government spending?

- At present spending by all three levels of government amounts to 38 per cent of GDP.
- Stephen Harper would like to see all government expenditures reduced to 30 per cent of GDP
- In 1992 more than half of our economy – 53 per cent – was in the public sector.

Does that mean we are spending our tax dollars well?

- Ontario auditor noted one new hospital cost taxpayers at least \$392 million more under questionable private development scheme
- Ontario has more than 30 hospital development schemes in the works under the same failed model.

Does that mean we are spending our tax dollars well?

- Home care to return to expensive competitive bidding system this fall – about a quarter of home care spending tied up in the issuing and evaluation of private contracts
- Government gives last of community medical lab testing to the private sector despite report that indicates hospitals can deliver the same service for one-third less cost

Does that mean we are spending our tax dollars well?

- Local Health Integration Networks are rapidly expanding their staff
- Central East LHIN is negotiating with its landlord for more space to house bureaucrats
- Central East LHIN stated at its last meeting new reporting requirements from the MOHLTC will mean another FTE

It's a bad time to be a hospital

- Ontario hospitals are more crowded and understaffed than ever.
- A report published in the British Lancet medical journal links the spread of superbugs to crowded and understaffed hospitals.

Superbugs

- Britain set a target of keeping its hospitals below 82 per cent occupancy
- A scandal broke in 2007 when it was reported 40 per cent of hospitals were above this threshold, putting Britains at risk.
- Netherlands set a standard of keeping their hospitals below 65 per cent

Superbugs

- Most Ontario hospitals are at or ABOVE 100 per cent occupancy
- Anything over 90 per cent means a hospital is in perpetual bed crisis
- Ontario trying to empty “ALC” beds despite no real agreement on what ALC is.
- Docs in crowded hospitals pressured to classify patients as ALC to move them out

Overcrowding

This means patients are being sent out quicker and sicker yet...

- Professional staff are leaving home care due to a lack of job security and poor wages and benefits
- 24,000 people are presently on the waiting list for nursing home beds

Overcrowding

- Quinte's new consolidated plan is to substantially reduce beds
- They justify this by claiming a new nursing home with 190 beds will take their ALC patients
- But with 24,000 Ontarians already on the waiting list...?

Reform is needed – not more privatization...

- Reform is needed in our health system, not more opportunities for privatization
- Underfunding hospitals is putting all of our communities at risk
- We should no more consider cutting our hospitals in tough economic times than we would taking snow plows off the road during a tough winter