

# **A Pre-Budget Consultation to the Standing Committee on Finance and Economic Affairs**

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A Brief submitted by the Medical Reform Group of Ontario

## **Introduction**

The Ministry of Finance has indicated that Ontario's economy remained strong through the last quarter of 2000. Against this backdrop, funding for the health care sector increased in the last fiscal year. Spending must, however, be measured in terms of per-capita funding adjusted for inflation and overall economic growth. In relation to economic growth, and considering inflation, spending in 2001 will still lag behind what it was in 1995. Furthermore, deep cuts to other sectors such as welfare, housing, and education, have had significant deleterious effects on health. In addition, changes to both the funding and policies of health care system have left it vulnerable to privatization.

## **What is the Medical Reform Group**

The Medical Reform Group (MRG), formed in 1979, is a group of 200 practising physicians and medical students. The MRG represents the views of its members on health and health care matters through research, public statements and consultation with other groups who share our aim of maintaining a high quality publicly funded, universal health care system. The MRG believes that health is political and social as well as medical in nature and that health care is a right.

## **Reinvest in Social Programs**

The MRG has long recognized that the greatest improvements in health are achieved through spending on social programs. Good housing, sanitation, education, and nutrition are essential for good health. In Ontario, babies born to parents living in poor neighbourhoods, compared to those born in wealthy neighbourhoods, are twice as likely to die in infancy. At birth, boys of families with the highest income level can expect to live 5.6 years longer, and girls 1.8 years longer, than those with the lowest income. Eliminating these differences would have the same

impact on Canadians life expectancy as eliminating all deaths from heart disease. Ontario Health Survey data show that 69 per cent of those with high incomes report very good or excellent health compared to only 43 per cent of poor Ontarians. Four per cent of the wealthy, but 19 per cent of the poor, report a long-term activity limitation. Deaths among homeless persons, unknown before 1995, are now commonplace.

Alleviating the effects of poverty will improve health. The next Ontario budget should increase welfare payments, restoring welfare payments to 1995 levels, immediately restore funding for new social housing in Ontario, and address the decline in education standards throughout the province. The MRG unequivocally opposes any new cuts in social programs or further tax cuts for corporations or the rich.

### **Bring in Integrated, Effective Primary Care**

Hospital restructuring has created more pressure for re-investment in primary health care and community support for frail, and at-risk populations. Primary health care reform is long overdue in Ontario. OMA pilot projects have done nothing but stall necessary restructuring. Many Ontarians find themselves without a primary health care provider, or with no one to speak to for medical advice after hours. Telehealth will provide some telephone advice and triage but it cannot take the place of an organized, comprehensive, accessible and appropriate primary health care system. All Ontarians deserve 24 hour care, 7 days a week, instead of piecemeal care which is fragmented, inappropriate and wasteful.

With federal dollars earmarked for both primary health care and information technology, the 2001 budget should and must build a strong foundation to support secondary and tertiary health care: we need a well-funded and well-organized primary health care sector. Ontario currently has 56 community health centres, which provide comprehensive primary health care. These centres demonstrate what we know from the published scientific literature: teams of doctors, nurses, nurse-practitioners, social workers and other health care providers can make our health care dollars go further by using non-physicians to deliver appropriate care. Nurse Practitioners, working in collaborative practice with Family Physicians, can help address the fact that many Ontarians can not find a doctor. Health centres, group practices and networks can be funded to provide effective home care services, after hour care, urgent and same day care,

obstetrics, and palliative care, as recommended in the 1996 PCCCAR report. By investing in good primary care, with the proper incentives to enhance the delivery of effective preventive and therapeutic services, the province will save money in treating illness and its complications. The MRG calls on the government to make that investment now.

### **Establish Universal Pharmaceutical Insurance**

Since the imposition of user fees for prescription medications covered by the Ontario Drug Benefit Formulary, our most vulnerable residents have had to pay more and more out-of-pocket expenses for their medications. Such expenses totalled \$200 million in 1997–1998 and \$215 million in 1998–1999. This is a significant amount: it represents approximately one of every six dollars spent on prescription drugs. Even seemingly small co-payments can severely limit access for the most vulnerable groups in Ontario. Recent data from Quebec illustrates how user fees for drugs lead to severe adverse health effects. Additionally, the Trillium Drug Program often falls short of providing the requisite level of assistance.

An alternative to user fees, incomplete coverage, and high deductibles exists. Universal drug insurance is both just and feasible. Universal drug insurance is both viable and more economically attractive than the limited public insurance available currently. Universal coverage allows for risk pooling, eliminating unfairly high deductibles. Economies of scale allow for potentially large cost savings. In addition, universal coverage may save money in some situations by eliminating gaps in coverage, which ultimately result in worse ill health and unnecessary hospitalizations.

### **Make Homecare Accessible and Accountable**

Homecare services in Ontario are in serious trouble. About half of all people who need homecare must purchase services privately or rely on family and friends. In some areas, such as Metro Toronto, the availability of homecare services is severely limited. The decrease in access is contemporaneous with a shift in how homecare services are delivered in Ontario. Since April 1999, Community Care Access Centres have acted as brokers for health care, with private for-profit agencies competing for these services. The impact of this change in policy has been a decline in the accessibility and reported quality of homecare services in Ontario. Additionally, details of the contracts between the Community Care Access

Centres and the provinces are not public. The result is that there is no public accountability left in the homecare system. The next budget should increase the amount of public funding for homecare, but even more importantly, should restore a universal, publicly funded homecare system in accordance with the Canada Health Act, an act this government has endorsed.

## **Keep Funding for Health Care in the Public System**

Homecare services are the most glaring example to date of how privatization of the Ontario health care system leads inexorably to a loss of quality. But privatization is increasing in other areas as well. During the 1990s, the proportion of funds spent on health care which were private increased from 27 per cent to 34 per cent. We are witnessing a determined shift away from the very concept of social insurance. In real terms, fewer costs are paid through public insurance and more are paid directly from households. This is already occurring, for example, with the last government's institution of user fees. And we are also witnessing the increasing stratification between those who can afford to pay for these services and those who cannot. Examples of privatization are:

- private provision of homecare services
- user fees for prescription drug benefits
- "delisting" of prescription drug benefits
- increasing reliance on private providers for long-term care delivery

The hospital sector is also threatened with privatization. The current government's last election platform, the "blueprint", states that "Hospitals will have their funding directly tied to how well they live up to their service obligations under [a] Patients' Bill of Rights". Hospitals that do not perform well on standardized ratings will have, to quote again from the blueprint, "health care efficiency and service experts ... revamp their systems," a phrase loaded with the jargon of privatization.

Cost-shifting is not cost-saving. The provincial government may be able to claim that they have saved money because they are asking others to pick up the tab, but most Ontarians will be worse off, particularly those with poor health or limited financial resources.

Privatization will lead to worse quality of care, a weakened public health

care system, and diminished access to care. The only effective defence against privatization is a strong, universal, accessible, publicly funded health care system. The budget should reflect this commitment.

Recent economic indicators suggest that the U.S. economy may be experiencing a downturn, and perhaps heading for a recession. The MRG is concerned that crisis language serves well the agenda of those eager to dismantle or weaken social insurance. During the severe economic recession of the 1980s, governments in Canada used the state of the economy to justify cuts in social programs. The experience in health is instructive in this regard a large literature indicates that public administration of health care funds is the most efficient use of these resources. A decision to bolster, not weaken, publicly funded insurance programs in times of economic downturn is evidence of rational decision making and visionary political leadership.

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