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Gaps in Provincial Funding for Hospital and Healthcare in High Growth Communities Still Widening – Social Services Funding Gap in GTA/905 Remains Large

***Investing in human services and addressing lack of fairness in Ontario is also key to
Ontario's economic turnaround***

Toronto: Four million Ontarians in high growth communities, including those living in the GTA/905, are still well behind other Ontarians when it comes to provincial funding for local hospital services, community-based health care services and social services according to a third annual report issued today by the *Strong Communities Coalition*.

This third report prepared by PricewaterhouseCoopers (PwC), *Assessing the Gap in Provincial Healthcare Funding between LHINs with High-Growth Populations and the Rest of Ontario and the Gap in Provincial Funding for Social Services in the GTA/905 and the Rest of Ontario: A 2008 Update*, finds that there remain sizeable gaps in provincial funding for social services in the high growth GTA/905 regions of Durham, Halton, Peel and York. In 2006/07, social services in the GTA/905 received \$193 less provincial funding per resident services compared to the rest of Ontario. This translated into a total annual operating funding gap of \$641.9 million. The slightly narrower gap for social services in 2006/07 is primarily due to the reduction in overall funding across Ontario for social services on a per resident basis. PwC found that to bring the GTA/905 regions in line with the rest of the province and close the provincial funding gap, provincial social services funding in the GTA/905 would need to more than double.

The report also found that hospital services in high growth communities like the GTA/905 regions, Kitchener and the Waterloo Region, Simcoe County, Wellington County and Dufferin County receive \$255 less per resident in provincial funding compared to the rest of Ontario and that community-based & long-term care services received \$84 less per resident in provincial funding. For four million Ontarians in these regions, this translates into a \$1.404 billion annual operating funding gap for local hospital care and a \$526 million annual operating funding gap for local community-based & long-term care services. Data in the report shows that the hospital funding gap grew by \$44 million between 2007/08 and 2008/09 and the gap for community-based & long-term care services widened by \$36.9 million.

To help support Ontario families during this economic downturn, invest in Ontario's economic turnaround and provide for fairness in Ontario, the *Strong Communities Coalition* is recommending that the Ontario Government:

1. Quickly establish an Ontario Health & Social Services Growth Task Force to complement *Places to Grow* that will provide recommendations to the Premier about how best to support growth in Ontario's high growth communities by investing in hospital care, community-based health care and social services in addition to physical infrastructure.
2. Better distribute hospital, health care and social services funding using a Population Needs-Based Funding formula: The *Health Based Allocation Model* is a good start for hospitals and for community-based health care. We also urgently need a Population Needs-Based Funding formula for Social Services.

3. Safeguard the \$100 million hospital growth funding commitment for hospitals and build on it by providing growth funding for social services and community-based healthcare & long-term care.

“By investing in human services in a way that brings greater fairness and equity to Ontario, the Ontario government will help build strong, supportive and healthy communities that will play a key role in Ontario’s economic turnaround.” said Shelley White, CEO of United Way of Peel and a member of the Strong Communities Coalition. “In addition to greater fairness and equity in Ontario, by investing in hospital services, community-based health care services and social services in high growth communities, the provincial government will help keep Ontarians healthy and productive. Fair funding in high growth communities for key human services will provide families with support as they are affected by the economic downturn and ensure that our seniors and our most vulnerable are protected”

“Beyond growth funding, given limited government revenues and the need to invest provincial funds more wisely, it is doubly important for Ontario to allocate provincial health and social services funding using a population needs-based formula. This will ensure that limited provincial funds for social services and health care is allocated based on the relative needs of our communities rather than historical allocations which have little to do with population growth and the change in demographics”, said Anne McGuire, Chair of the Growing Communities Healthcare Alliance, a member of the Strong Communities Coalition. “The \$100 million hospital growth funding election commitment is clearly a step in the right direction. However, while \$30 million of this has been allocated this year, the funding gap continues to widen and we need to improve how growth funding is distributed at the LHIN level. To continue to address the widening gap in provincial hospital funding, provincial growth funding investments will need to be safeguarded.”

The *Strong Communities Coalition* is an alliance of the United Ways in Peel, York, Durham and Oakville and the Growing Communities Healthcare Alliance with the support of York Region Human Services Planning Coalition and the Peel Fair Share Task Force. The Coalition’s goal is to improve local and timely access to comprehensive and quality health care and social services in the Ontario’s high growth communities including GTA/905.

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The report, *Assessing the Gap in Provincial Healthcare Funding between LHINs with high growth populations and the Rest of Ontario and the Gap in Provincial Funding for Social Services in the GTA/905 and the Rest of Ontario: A 2008 Update* can be found by accessing the Strong Communities Coalition’s website at: www.strongcommunitiescoalition.org

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BACKGROUND to PwC Report: 2008 Update

Facts:

- Ontario's high growth communities like the GTA/905 grow by more than 100,000 residents each year. These communities will continue to grow at more than twice the provincial rate and age twice as fast.
- Provincial Health and Social Services funding have not kept pace with population growth. Consequently there is an ever widening gap between provincial resources in high growth communities like those in the GTA/905 vs. communities in the rest of Ontario.
- **News:** The third annual PricewaterhouseCoopers report shows that provincial funding gaps are \$1.404 billion for hospital care, \$641.9 million for social services and \$526 million for community based & long-term care services.

Provincial Funding for Hospitals, Community-Base Care & Long Term Care and Social Services in high growth communities including GTA/905 is much less than provincial average.

An updated PricewaterhouseCoopers [report](#) makes clear that:

- There is a large and growing per resident gap in provincial funding for hospital and community-based & long-term care services in Ontario's high growth communities when compared to the rest of Ontario.

Recommendations to the Ontario Government

1. Quickly establish an **Ontario Health & Social Services Growth Task Force** to complement *Places to Grow* that will provide recommendations to the Premier about how best to support growth in Ontario's high growth communities by investing in hospital care, community-based health care and social services in addition to physical infrastructure.
2. Better distribute hospital, health care and social services funding using a **Population Needs-Based Funding formula**: The *Health Based Allocation Model* is a good start for hospitals and for community-based health care. We also urgently need a Population Needs-Based Funding formula for Social Services.
3. Safeguard the \$100 million hospital **growth funding** commitment for hospitals and build on it by providing growth funding for social services and community-based healthcare & long-term care.

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- There remains a large gap in provincial funding for social services in the GTA/905 when compared with the average funding for other communities in Ontario.
- As of 2006/07, the gap in annual operating funding for provincially funded social services in the GTA/905 is sizeable and stands at \$641 million
- As of 2008/09, the gap in annual operating funding for provincially funded hospital services in Ontario's high growth communities has widened to \$1.404 billion – up from \$1.359 billion in 2007/08.
- As of 2008/09, the gap in annual operating funding for provincially funded community-based & long-term care hospital services in Ontario's high growth communities has widened to \$526 million – up from \$489.5 million in 2007/08.

Based on the findings PwC reports released in October 2006, September 2007 and the third report issued on December 2, 2008, the provincial under funding of hospital, community-based care & long-term care and social services are as follows:

Adult Services – Funding Gap: 42.3 million

Since 2001, the per capita funding gap for GTA/905 residents' in Adult Services has increased from \$17 to \$20 in March 2007. GTA/905 residents receive \$15 per resident which is **57 per cent less than provincial average** of \$35 per Ontarian. This means that the annual gap in funding for these services has grown from \$28.9 million below the provincial average in 2001 to \$42.3 million below in 2007 – an increase of \$13.4 million since 2001. These services include programs for victims of **domestic violence**, rehabilitation services for the **disabled and mentally ill**, as well as outreach programs to the **homeless** and **interpreter and intervener services for the hearing and visually impaired** members of community.

Child Care Services – Funding Gap: \$79.1 million

In the 2006-07 fiscal year, the province reduced its investment in child care by 202 million dollars because of the Federal Government's termination of a child care agreement with the province. This fact has significantly affected the child care per capita funding throughout the province. Since 2001, the per capita funding gap for GTA/905 residents' Child Care Services has decreased from \$202 to \$192 in March 2007. The provincial funding per resident for child care fell from \$707 in 2006 to \$521 while the 905GTA funding per resident level decreased from \$346 to \$329. Thus the 905GTA is receiving 63% of what the rest of

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the province is receiving for child care. This means that children in the GTA/905 do not have equal access to subsidized **child care spaces**, programs for **pre-schoolers with special needs**, and **early childhood education and parenting support programs**. This means that the annual funding gap for these services is 79 million dollars even after a significant decrease in the funding for child care throughout the province. As child care is a significant component of a comprehensive poverty reduction strategy and the child poverty rates in the GTA/905 are rising, this disparity is very concerning.

Children's Services Including Child Welfare- Funding Gap: \$371.0 million

Since 2001, the per capita funding gap for GTA/905 residents' Children's Services including **Child Welfare**, has increased from \$275 to \$418. The 905GTA per resident funding for children's services is \$310 compared the provincial funding of \$728 per resident. This means that parents seeking **children's mental health** services or families requiring services to avoid being in **need of protection** are not able to gain the same access as children in other parts of the province. The funding gap in children services in total dollars is now \$371 million dollars.

Developmental Services: Funding Gap: \$149.5 million

Since 2001 the per capita funding gap for GTA/905 residents' Developmental Services has increased from \$35 to \$45 in March 2007. The per resident funding for developmental services is \$55 in the 905GTA compared to the \$100 per resident average for the rest of the province. These services include **day programs, respite care, in home support and residential programs**. This means that the annual funding gap for these services has grown from \$94.8 million below the provincial average in 2001 to \$149.5 million below as of March 2007. This means very long waits for service for persons with developmental challenges, much greater than in other parts of the province.

Hospital Services: Funding Gap: \$1.404 billion

Between 2003 and 2008, the gap in per resident provincial funding for hospital care in Ontario's high growth communities has widened from \$184 to \$255 below the provincial per resident funding which now stands a \$1,009. This means that the gap in annual operating funding for hospital care in Ontario's high growth communities has worsened from \$864 million below the provincial average in 2003 to \$1.404 billion below as of 2008 – **an increase of \$540 million since 2003 or 63 per cent.**

Services provided in Ontario's high growth hospitals include: **emergency department** care and treatment, complex continuing care, **cancer** care, **cardiac** care, **obstetrics, paediatrics**, hip and knee replacements, diagnostic services (MRI/CT scans), laboratory services, **intensive care units** and critical care, acute care, general and specialized surgery, acute mental health services, day surgery, rehabilitation care, and pharmacy

While the need for hospital growth funding is being acknowledged by the Ontario Government in 2006 with \$23 million in hospital growth funding and during the 2007

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provincial election (“We will: invest \$100M in growth funding for hospitals in our fastest growing communities”), the \$30 million provided to hospitals in high growth communities in 2008 while helpful, did not reduce the funding gap. The provincial funding gap widened and actually widened faster than the previous year. Of the \$70M from the election commitment yet to be allocated, only \$20M has been committed: \$10 M for 2009 and \$10M for 2010 – yet the annual operating funding gaps are expected to increase well above \$10M.

Community-based Care & Long-Term Care Services: Funding Gap: \$526.4 million

Between 2007 and 2008, the gap in per resident provincial funding for community-based care (**Community Care Access Centres; Long-Term Care; Community Support Services; Assisted living; Community Health Centres; Community Mental Health Services; Addictions Programs**) in Ontario’s high growth communities has widened from \$80 to \$84 below the provincial average. This means that the gap in annual operating funding for these community-based & long-term care services in Ontario’s high growth communities has worsened from \$489.5 million below the provincial average in 2007 to \$526.4 million below as of 2008 – an increase of \$36.9 million. Multi-year provincial funding announced to date shows that both gaps will widened in 2009.

The “Growing Pains” of the Provincial Funding Inequities and Lack of Fairness in Ontario

- There are **longer waiting times** for hospital, community-based & long-term care and social services in the GTA/905 and other high growth communities.
- 4 million Ontarians **often have to leave their communities** (support of family and friends) to get care and services.
- In many cases, **residents are going without needed services** and require more costly services later on when their circumstances spiral out of control or care needs become more acute.

The Rationale for Solving the Funding Inequities

By addressing the inequities in provincial funding facing Ontarians living in high growth communities including the GTA/905, access to services will be improved and that means:

- Building strong, supportive and healthy communities will protect Ontarians during the economic downturn, help turnaround Ontario’s economy and is a crucial investment for moving Ontario to the next period of economic expansion
- **Fewer problems spiralling out of control** and requiring more costly interventions by the health care, child welfare and criminal justice systems.
- Allows 4 million Ontarians to contribute more fully to the Ontario economy

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- Ensures that the Ontario Government's *Places to Grow* plan fulfills its potential, builds the "complete communities" envisioned in the plan and **maximizes the economic growth potential of Ontario's high growth communities.**

The Strong Communities Coalition

The Coalition was created to speak out about the need to improve local and timely access to health and social services for the three million residents of Durham, Halton, Peel and York by encouraging the Province of Ontario to provide growth funding for health and social services in the GTA/905 and by revising the way provincial funds are allocated so that funds are allocated on the basis of population size, growth and characteristics.

The mandate of the coalition is to advocate for equitable and sustainable funding policies and formulae for health and social services in the GTA/905 communities.

The GTA/905 Region (Durham, Halton, Peel and York) is the fastest growing region in Ontario and North America.

Containing a quarter of Ontario's population, between 1996 and 2004, the GTA/905 grew by more than 100,000 residents each year – (the equivalent of adding all residents of the City of Kingston to the GTA/905 each year). Growing almost three times faster than Ontario as a whole, the GTA/905 represents more than half the annual population growth in Ontario. This growth is expected to continue into the future with the GTA/905 growing at more than twice the provincial rate.

In addition to growing at a faster rate than the rest of the province, the GTA/905 is also aging at twice the rate of the province as a whole. Not only growing and aging, the GTA/905 is also becoming more culturally and socio-economically diverse. Some parts of the GTA/905 have the highest rate of growth in the country for new immigrants.

In the face of rapid and sustained population growth, and given the increasing cultural and socio-economic diversity, meeting the social service and health care needs of GTA/905 residents has been a challenge due to one factor in particular – the fact that provincial ***funding for social services and health care services has not kept pace with population growth in the region.***

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In Canada, PricewaterhouseCoopers and its related entities have more than 4,200 partners and staff, and offices in 25 locations.

PricewaterhouseCoopers has advised clients such as the Government of Ontario, on critical policy issues, and has authored major reports including:

- *Cities of the Future - Global Competition, Local Leadership* , a recently-released report on the state of cities worldwide;
- *HealthCast 2020*, released in November 2005, a research report on the sustainability issues in global health care;
- *"Will There Be Room For Me?"*, a report on the Ontario post-secondary education sector and the challenge of the "double cohort" and beyond; and
- *"A Fine Balance - The Impact of Offshore IT Services on Canada's IT Landscape"* and *"A Fine Balance - The Buying and Selling of Canada"*, penetrating Canadian studies of the offshore movement in IT and business services.

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