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Provincial Task Force to develop new hospital funding formula urged by GTA/905 Healthcare Alliance

Population-needs-based funding used by other provinces is needed in Ontario according to Alliance Discussion Paper

TORONTO: The Ontario Government should establish a task force to recommend how Ontario can move to a population-needs-based approach to funding hospital care in the province, according to the GTA/905 Healthcare Alliance.

The recommendation is one of ten contained in a discussion paper released today by the Alliance which represents community hospitals serving more than three million Ontarians in Durham, Halton, Peel and York regions and Dufferin County.

“We prepared this paper to help Ontario develop an equitable, transparent and accountable approach to funding hospital care. I think that everyone understands that Ontario’s current approach to funding hospital services is inequitable and based on the demographics and hospital capacities from years ago. It does not take into account the differing health care needs of Ontarians in different communities, and does not promote health care close to home.” said Anne McGuire, Chair of the GTA/905 Healthcare Alliance.

According to a November 2006 report developed for the Ontario Hospital Association, hospital funding in Ontario is effectively allocated on an across-the-board basis. The report noted that hospital operating funding pressures resulting from population growth in the fast-growing GTA/905 regions as well as Dufferin County, Kitchener-Waterloo, Simcoe and Ottawa-Carlton, are not being taken into account by provincial funding practices, according to McGuire.

Population-needs-based funding formulas are in place in Saskatchewan, Alberta and British Columbia and are used in many countries such as the UK and Sweden, noted McGuire.

“As Ontario implements its version of health system regionalization, it should look to other provinces that regionalized years ago and note that they quickly developed a population-needs-based approach to distributing provincial health care funding,” said McGuire.

“A population-needs-based approach takes into consideration not only the number of people served by a hospital but also other factors such as the age, gender make-up, socio-economic status, and the fact that small northern and rural communities have higher costs to providing care,” said McGuire.

“It also recognizes that some Ontarians will want to get some care outside their communities. Population-needs-based funding means fairness for every Ontarian,” added McGuire.

Other recommendations include implementing a “no-loss” protection for hospitals ensuring that all Ontario hospitals receive at least the same amount of money as they did on March 30, 2007.

“Moving to a population-needs-based approach to funding hospitals is not about robbing Peter to pay Paul. It’s about how we move forward and allocate *new* hospital funding so all communities get a fair share of new funds based on the health care needs of residents in the community, whether you live in a high growth community, a small northern or rural community or a large urban centre,” emphasized McGuire.

“We appreciate that the provincial government has started to recognize the under funding of hospitals in high-growth communities,” McGuire said, referring to an additional \$30 million in growth funding for hospitals in high-growth areas last year.

“But we need to go beyond growth funding that the GTA/905 and other high growth hospitals will need for several years. To fix the problem that created the funding inequities in the first place, Ontario needs to allocate new hospital funding so that it actually reflects the demographics of today and tomorrow rather than the demographics from a decade ago,” McGuire said.

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For a copy of the Discussion Paper, “Funding Hospital-Based Care in Local Health Integration Networks” visit the Alliance website: www.gta905health.com