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Health and Social Services Funding Gap in GTA/905 Continues to Widen

Mississauga: GTA/905 residents are still falling further behind the rest of Ontario in terms of the provincial funding for local hospital care and social services according to a report issued today by the *Strong Communities Coalition*.

The update report, prepared by PricewaterhouseCoopers (PwC), finds that each GTA/905 resident receives \$218 less for social services than the average Ontarian which translates into total funding gap of \$708.2 million – an increase in the total operating gap for social services of \$156.7 million or 33% from 2003/04 to 2005/06.

Further, the report finds that for hospital care, each GTA/905 resident receives \$221 less than the average Ontarian for local hospital care which translates into a \$944 million annual funding gap. Data in the report shows that the hospital funding gap grew by \$348.9 million between 2003/04 and 2007/08 and average of 14.6% each year.

The report, *Assessing the Gap in Health and Social Services Funding Between the GTA/905 and the Rest of Ontario: An Update*, was prepared by PwC using most recent provincial health care and social services funding information. It concludes that, "there is still a sizeable gap in both health and social services annual operating funding between the GTA/905 and the rest of Ontario and the gaps are getting wider as population growth continues to outstrip provincial funding".

"While we certainly welcome commitments to begin providing growth funding for hospitals and health care, these commitments must not only translate into providing adequate and annual growth funding, but in fairness and given the growing needs, similar commitments should also be provided to social services in the GTA/905 and other high growth communities," said Anne McGuire, Chair of the GTA/905 Healthcare Alliance, a member of the Strong Communities Coalition. "To truly meet the hospital, healthcare and social services needs of our rapidly growing communities and ensure timely access to health care and social services close to home, steps taken towards developing a new provincial funding formula for health care, while promising, need to be extended to social services and most importantly must ensure that the population-needs-based funding forms the foundation of any new provincial funding formula."

"Building a strong, vibrant and prosperous community is more than just physical infrastructure. Beyond public transit, facilities and roads, residents in high growth communities, like all other Ontarians, need equitable access to local health care and social services and sufficient human services operating funding if they are to thrive and contribute to their communities and the economy," said Shelley White, CEO of United Way of Peel and a member of the Strong Communities Coalition. "We have to remember that providing local health and social services in GTA/905 communities is an investment that pays dividends many times over."

The Strong Communities Coalition is an alliance of the United Ways in Peel, York, Durham and Oakville and the GTA/905 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 GTA/905 regions of Durham, Halton, Peel and York.

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The report, *Assessing the Gap in Health and Social Services Funding Between the GTA/905 and the Rest of Ontario: An Update*, can be found by accessing the Strong Communities Coalition's website at: **www.strongcommunitiescoalition.org**

For further information contact:
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STRONG COMMUNITIES COALITION

A Coalition of Human Services in Durham, Halton, Peel & York

BACKGROUND

Funding No Match for Growth

Provincial funding for health and social services has **not kept pace** with the growing number of residents in the GTA/905 - 100,000 new residents a year for the past 17 years. This growth is expected to continue for the next 20 years.

Funding Gaps Are Getting Wider as Population Continues to Outstrip funding, says PwC

An updated PricewaterhouseCoopers makes clear that there is a large and growing per capita funding gap for health and social services in the GTA/905 when compared with the average funding for other communities in Ontario. As of 2005/06, the annual funding gap for provincially funded social services has reached more than \$708 million; as of 2007/08, the annual funding gap for hospitals is now \$944 million. These funding gaps are not only large but they are worsening.

Based on the findings of the first PwC report released in October 2006 and the updated report issued on September 18, 2007, the underfunding of health and social services is as follows:

Adult Services

Since 2001, the per capita funding gap for GTA/905 residents' in Adult Services has increased from \$17 to \$20 in 2006. GTA/905 residents receive \$13 per resident which is 60 per cent less than provincial average of \$33 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 \$40.8 million below in 2006 – an increase of \$11.9 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.

Recommendations to the Ontario Government

- Immediately begin providing adequate and annual **growth funding** for health and social services in the GTA/905 regions of Durham, Halton, Peel and York.
- Revise the way the province allocates funding across Ontario for health and social services so that it is **distributed on the basis of population size, growth and characteristics** – that is, fundamentally *population-needs-based*.
- **Develop a health and social services strategy for Ontario's high-growth regions** to complement *Places to Grow*, and that this strategy be developed in consultation with the GTA/905 stakeholders, including members of the Strong Communities Coalition.

Coalition members include the United Ways in Durham, Halton, Peel and York and the GTA/905 Healthcare Alliance

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Child Care Services

Since 2001, the per capita funding gap for GTA/905 residents' Child Care Services has increased from \$202 to \$361 in 2006. This is basically half the provincial average of \$707 per child. 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 has grown from \$77.3 million below the provincial average in 2001 to \$148.4 million below as of 2006. This gap has increased by more than 100% since 2001. In July of 2007, the Provincial government added \$132 million to the child care system. However population was not a factor in the allocation formula and **the funding disparity has continued**, although all communities did benefit from the new funding. This further makes the case for growth funding and a population-needs-based funding formula.

Children's Services Including Child Welfare

Since 2001, the per capita funding gap for GTA/905 residents' Children's Services including Child Welfare, has increased from \$275 to \$406 below the provincial average of \$693 per child in 2006. 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 annual funding gap for these services has grown from \$213.7 million below the provincial average in 2001 to \$355.3 million below as of 2006— an increase of \$141.6 million or 66 per cent since 2001.

Developmental Services

Since 2001 the per capita funding gap for GTA/905 residents' Developmental Services has increased from \$35 to \$50 in 2006. This per capita is half the provincial average of \$101 per person with a developmental challenge. 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 \$163.7 million below as of 2006 – an increase of \$68.9 million since 2001 or 73 per cent. Although the province has invested considerable additional funding in this area in the 2007 budget, the funding inequity and the long waiting lists for services in the GTA/905 were not addressed as the priority was much needed salary increases for all staff serving this population across the province. This underlines the importance of the need for growth funding and a population-needs-based funding formula as per the recommendations of the Strong Communities Coalition.

Hospital Services

Since 2003 and as of 2007, the per capita funding gap for GTA/905 residents' hospital care has increased from \$156 to \$221 below the provincial per capita funding of \$939. This means that the annual funding gap in GTA/905 Hospital Services has grown from \$595 million below the provincial average in 2003 to \$944 million below as of 2007 – an increase of \$349 million since 2003 or 59 per cent.

Coalition members include the United Ways in Durham, Halton, Peel and York and the GTA/905 Healthcare Alliance

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Services provided in GTA/905 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, mental health services, day surgery, rehabilitation care, pharmacy

While the need for hospital growth funding was acknowledged by the Government in 2006/07, the \$23 million provided to GTA/905 hospitals while helpful, did not have an impact on reducing the funding gap. GTA/905 hospitals have yet to receive any growth funding for 2007/08 resulting in the funding gap widening ever further.

The “Growing Pains” of the Provincial Funding Inequity

- There are **longer waiting times** for health and social services in the GTA/905.
- GTA/905 residents **often have to leave their communities** (support of family and friends) to get services.
- In many cases, **residents are going without needed services** and require more costly services later on when their circumstances spiral out of control.

The Rationale for Solving the Funding Inequity

By addressing the funding inequity, access to services will be improved and that means:

- **Fewer problems spiralling out of control** and requiring more costly interventions by the health care, child welfare and criminal justice systems.
- Allows GTA/905 residents to contribute more fully to the Ontario economy, **boosting the tax revenues for all Ontarians.**
- Ensures that the Ontario Government’s *Places to Grow* plan fulfills its potential and **maximizes the economic growth of the GTA/905.**

The 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.

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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;

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STRONG **C**OMMUNITIES **C**OALITION

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- *"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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