Submission on Bill 36

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The Local Health System Integration Act, 2005

to the

Standing Committee on Social Policy

by the

Ontario Federation of Labour

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February 7, 2006

Good morning, my name is Terry Downey and I am the Executive Vice-President of the Ontario Federation of Labour (OFL). The Ontario Federation of Labour welcomes this opportunity to appear before the Standing Committee on Social Policy to discuss this proposed legislation the *Local Health System Integration Act, 2005 (Bill 36).*

Since our founding convention in March 1957, the OFL has consistently advocated for our vision of a universally accessible health care system for all Ontarians. The OFL constitutes the largest provincial federation of labour in Canada. Our 700,000 members are drawn from over 40 unions. Our members work in all economic sectors and live in communities across Ontario, from Kenora to Cornwall and from Moosonee to Windsor.

We believe that committee hearings are a vital part of our parliamentary democracy which allows interested individuals and organizations the opportunity to share their perspective on proposed legislation with their elected representatives. Given the importance of this proposed legislation there should have been extensive public hearings in communities across Ontario. There has not been and that is a sad reflection on the government that won election on a slogan of "Choose Change".

This proposed legislation will have a profound negative impact on the quality of health care available to and delivered by Ontarians across our province. We are not alone in this assessment. Like members of this Committee we have attended all of the committee hearings across Ontario in Toronto, London, Ottawa and Thunder Bay. Like you, we have heard the concerns raised by Ontarians. It is incumbent on committee members, especially members of the government to use their influence to alter this proposed legislation to better address the concerns of Ontarians. We will briefly discuss a number of concerns regarding Bill 36.

Our vision for health care draws on the experiences of:

- Dedicated health care workers who provide needed services, and who are profoundly troubled by the misdirection of public policy and the failures of the institutions which employ them; and

- Workers and their families who in the past used or continue to use the services of Ontario's health care system.

Recent examples of our advocacy in health care include the discussion and endorsement by delegates to our recent convention (November 2005) of a comprehensive policy paper - *Rebuilding Health Care*.

Another example is our campaign on understaffing. In May and June 2005 the OFL organized meetings in 15 communities across Ontario with workers from all sectors of health care. They came to the mutual conclusion that all sectors and workplaces have

been hard hit by understaffing and that the problems associated with understaffing are systematic and serious. The report *Understaffed and Under Pressure - A Reality Check by Ontario Health Care Workers* was released in October 2005 and a copy was sent to every MPP. The report concluded that:

> There is no health care without people. The Ontario government must immediately and significantly increase staffing members in all sectors.
>
> For starters, the provincial government must:
>
> - Declare an immediate moratorium on layoffs in hospitals.
>
> - Establish a required minimum standard of 3.5 hours per day of nursing and personal care for residents in nursing homes and homes for the aged.
>
> - Establish required minimum standards for staffing with appropriate complement of full-time workers in all health care sectors.

The work of health care economist Armine Yalnizyan illustrates that there are financial resources available to the government to address this issue. The Ontario labour movement has and will continue to lobby for positive and immediate action to address the issue and impact of understaffing which we consider a fundamental issue in health care. This proposed legislation will do nothing to address this important issue.

Bill 36 - Orwellian Exercise

Bill 36 is an Orwellian exercise, the latest installment of this government's vision for health care in Ontario.

The preamble of the bill states in part that:

> The people of Ontario and their government:
>
> (a) acknowledge that a community's health needs and priorities are best developed by the community, healthcare providers and the people they serve;
>
> (b) are establishing local health integration networks to achieve an integrated health system and enable local communities to make decisions about their local health systems...

Noble words that do not reflect the intent of this proposed legislation which gives little power to health care providers, the people they serve or local communities to make

decisions concerning health care. Instead Bill 36 transfers control of such decisions to the Minister of Health and Long-Term Care and the Lieutenant Governor in Council (Cabinet) through their creation of the Local Health Integration Networks (LHINs).

The Health of our Health Care System

The LHINs are presented as the "made-in-Ontario" solution for the challenges facing our health care system. From our perspective, the government has pre-determined that LHINs are the "cure" which must be imposed on "the patient" (Ontario). This "cure" is based more on faith and ideology than on the reality of the needs of Ontarians.

We view Bill 36 against the backdrop of what is the state of health care in our province. An important part of the "cure" is concern with costs. Provincial spending on health care has stayed in a narrow range of five and six per cent of GDP over the last ten years. Health spending accounts for an increasing share of total programming reflecting the legacy of the previous Conservative government's policy of reducing taxes and cutting back on public services. Over the term of the previous government, the province's annual revenue base was reduced by $13.3 billion. This means that tax revenues available were 27 per cent lower than they would have been without the tax cuts (*Ontario Alternative Budget 2005)*.

Another aspect of the "cure" is finding greater efficiencies. The Minister has often targeted the hospital sector. Yet, this sector has the shortest stays in Canada, treats more patients on an ambulatory basis than any others in Canada. Ontario has fewer hospital beds per capita than any other province. According to the 2004 Hay Report Ontario hospitals are more efficient than others in Canada.

Another aspect of the "cure" should be an understanding of the cost drivers. A number of them come to mind. Pharmaceutical costs made up 16.7 per cent of health expenditures in 2004. Drug costs are the fastest growing expenditure in health care but they are left out of this "cure".

The shift to privatization has been a cost driver. In home care where there has been a massive shift from not-for-profit to for-profit, costs have increased by 21.3% per year from 1980 to 2001. This has not been matched by similar service increases. In 2001 when the government imposed a one year funding freeze, service to patients was cut by 30%.

Another cost driver now and into the future is the Liberal government's embrace of their Tory predecessor's policy of public-private-partnership (P3) model for privatization which they renamed and are imposing on communities across Ontario.

Coverage of Services in Bill 36

We find it odd that given the goals found in the preamble already cited, whole sections of our health care system are not included under this proposed legislation.

Physicians the “gatekeepers” of the system are left outside. Hospitals are included, but ambulance services are not. A fate they share with public health. Hospital labs are in but not private ones. Psychiatric hospitals run directly by the Ministry are out but divested facilities are in. Independent health facilities are out as are provincial drug programs. Long Term Care facilities are in but Homes for Special Care are out. There is a provision in this proposed legislation to move services around but this present configuration suggests to us that there will be a disconnect between services.

Governance

The Orwellian nature of Bill 36 is most evident in the issue of governance. The LHINs are local in name only. This is an exercise in the centralization of power and decision-making.

The Boards, Chair and Vice-Chairs of the 14 LHINs are chosen by the Cabinet (Lieutenant Governor in Council) and serve at pleasure. The Cabinet may create, amalgamate, dissolve or divide LHINs. LHINs are defined as an “agent of the Crown”. LHINs enter into “accountability agreements” with the Ministry on such matters as performance goals, measures and plans for spending. Each LHIN must develop integrated health service plans within the time and form specified by the Minister which are consistent with a provincial strategic plan. It is obvious that the LHINs are creations and creatures of the provincial government.

The LHINs structure will be politically beneficial to the provincial government. The most obvious benefit is as a vehicle for the implementation of government policies. Given the nature of appointment to the LHINs they will be unaccountable to the local community and unlikely to oppose provincial government initiatives. If community opposition to these initiatives develop the provincial government will insulate itself from criticism by simply pointing out that the LHINs, not the provincial government, made the decision in question. The same tactic will likely will also be used against opposition MPPs who may wish to question members of the government.

Through Bill 36 this government has turned its back on a long tradition in Ontario of locally elected representation who carry out their responsibilities while still being responsible to their local community. It appears that this government believes that “a community’s health needs and priorities” are best determined without the local democratic involvement of “community, health care providers and the people they serve.”

Accessibility

This proposed legislation makes a mockery of the already quoted preamble.

Fourteen LHINs cover the province of Ontario. Five of them serve populations larger than five Canadian provinces. As a provincial organization, we have an appreciation of the size

of Ontario and the distances between communities. An appreciation which seems to be lacking among those who created the LHINs. Some examples of the distances and travel time between communities in the same LHIN are:

Scarborough to Haliburton	203km/2.5 hours
Cornwall to Pembroke	248 km/3 hours
Parry Sound to Timmins	468 km/6 hours
Kenora to Thunder Bay	491 km/6.5 hours

This illustrates the point yet again that there is little “local” in LHINs.

The current LHINs boundaries do not make sense to many Ontarians. For example, Ontarians who live in the City of Toronto find themselves in a number of different LHINs. Common sense suggests that this will be a disaster for everyone involved – the users of services, the workers who provide these services and for the City of Toronto itself. Communities with little historical connections are lumped together in the same LHIN.

Given the large size and diversity of the areas covered by the LHINs there will be significant conflicts over resource allocation. The most likely scenario will be that smaller communities will see their existing services “integrated” into the larger centres in the LHINs. The loss of these services in the community will force Ontarians to travel to where the services are available. It will be disruptive for their families and likely result in increased costs for travel and lodging. Communities will lose the economic and employment spin offs of having these services in the community. Communities without a range of services will become less attractive as destinations for economic development.

The geographic (point on the map) community is one kind of community but there are others in Ontario. The Franco Ontarian community in Ottawa made this Committee aware of the needs of their community for French language health care services. The Canadian Hearing Society shared with the Committee the needs of deaf and hard of hearing Ontarians. These are two examples of the needs of Ontarians of particular communities that could be overlooked in this LHINs model.

Integration and Restructuring of Services

Bill 36 gives the government and the LHINs a range of tools which can be used to restructure existing health care organizations.

The LHINs are given the responsibility to provide funding to health service providers for the provision of services. These providers will sign accountability agreements with the LHIN (section 19). This purchaser/provider split and the competitive bidding process which flows from it has proved to be disastrous in home care and has been disruptive for both users and providers of services in this sector. As a committee you have heard from home care

workers who have shared with you their personal stories. This model has been a failure in home care and should be replaced. The competitive bidding model should not be used in the provision of service in any part of our health care system.

Section 24 states that LHINs will work with health service providers to "identify opportunities to integrate the services of the local health system to provide appropriate, co-ordinated, effective and efficient services." Section 25 outlines that LHINs may encourage integration by "providing or changing funding to a health care provider" and "facilitating and negotiating the integration of persons or entities or the integration of services between health service providers or between a health service provider and a person or entity that is not a health service provider." Under the title "required integration" section 26 allows the LHINs to require one or more health service providers "to provide all or part of a service or to cease to provide all or part of a service; to provide a service to a certain level, quantity or extent; to transfer all or part of a service from one location to another; to transfer all or part of a service to or to receive all or part of a service from another person or entity…" Section 27 notes that providers may integrate without the involvement of the LHINs but they (LHINs) have the power to order the provider not to proceed.

Section 28 gives the power to the Minister (after receiving advice from the LHINs) to order a not-for-profit provider to "cease operating, to dissolve or to wind up operations; to amalgamate with one or more health service providers that receive funding …" There is no such provision for the for-profit providers.

Section 33 under the title "Integration by regulation" the Cabinet may, by regulation order persons or entities operating a public hospital and the University of Ottawa Heart Institute "to cease performing any prescribed non-clinical service and to integrate the service by transferring it to a prescribed person or entity on the prescribed date".

For the labour movement these sections of Bill 36 taken together are a clear indication of the thinking of this government. It is the appeal of competitive bidding, a bias for the for-profit over the not-for-profit model and for privatization of services. This approach will be disruptive for the lives of our members who provide the needed services and for Ontarians who need these services.

Apologists for the government will say that our concerns are just fear-mongering. To which we would response if the imposition of competitive bidding and privatization across our health care system are not the goals of Bill 36 then amend this proposed legislation to clearly state that fact.

Human Resources Strategy

As noted earlier the OFL has worked closely with our affiliates on the issue of understaffing in health care. There is an obvious need for a human resources strategy for our health care system but this is overlooked in this proposed legislation. The recommendations from

our OFL report should be part of any such strategy. The issues of retention and recruitment of qualified personnel are critical. Rumours and talk of amalgamations and transfers of services within the LHINs boundaries will make it more difficult to find people to move to where their expertise is needed.

The government must commit itself to developing, funding and negotiating human resources adjustment plans. Plans which have such points as:

- Layoff as a last resort
- Measures to avoid layoff
- Voluntary exit opportunities
- Early retirement options
- Pension bridging
- Retraining options

The Ontario labour movement, especially our affiliates in health care could make an invaluable contribution to the development of such a human resources strategy.

A Provincial Strategic Plan

A provincial strategic plan should be the starting point for building and sustaining the kind of health care system we want in our province. The active involvement of the labour movement, especially our affiliates in health care would be most helpful to this process.

In Bill 36 section 14 mentions a provincial strategic plan to be developed by the Minister which includes “a vision, priorities and strategic directions”. Section 15 notes that each of the LHINs will develop their own strategic plan that “shall be consistent with a provincial strategic plan.

The government appears to want to rush the LHINs into service prior to the development of a provincial plan. Perhaps, the strategy is to enact changes first and then develop a plan. It makes little sense for LHINs to spent time and resources to develop local plans which must be consistent with the provincial plan that has not yet been developed.

Conclusion

In our brief remarks we have touched on only a few points of concern with this proposed legislation. We share the concerns raised by our affiliates. The all too brief public hearings undertaken by this committee have given you a clear indication that Ontarians are very concerned about LHINs and the implications for our health care system.

To the government we would say withdraw Bill 36 and commit yourself to an inclusive process to involve Ontarians in the development of a provincial strategic plan for our health car system.

Thank you again for the opportunity of appearing before this Select Committee on Social Policy.

Respectfully submitted,

ONTARIO FEDERATION OF LABOUR

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