



2008 Pre-Budget Presentation

By

Mark Rochon
Board Chair
Ontario Hospital Association

And

Tom Closson
President and CEO
Ontario Hospital Association

To

**Standing Committee on Finance and Economic
Affairs of the Ontario Legislative Assembly**

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CHECK AGAINST DELIVERY

Introduction (Mark Rochon):

Good afternoon.

My name is Mark Rochon and I am Chair of the Board of Directors of the Ontario Hospital Association (OHA). I am also President and CEO of the Toronto Rehabilitation Institute.

With me today, is our new President and CEO Tom Closson.

Tom joined the OHA on January 14th and brings a wealth of experience and expertise to his new responsibilities.

A New Way of Doing Things:

This is the first time that the OHA has appeared before this committee without the Ministry of Health and Long Term Care being the direct “funder” of Ontario’s hospitals.

Based on the budget provided to them by the Ontario government, Local Health Integration Networks now allocate financial resources to health care providers.

This change is welcome.

But to succeed in this new environment, strong leadership and strategic investment from the Ontario government must continue, to ensure that Ontario’s health care system is better able to meet growing patient care needs.

Delivering Efficient Services:

Hospitals are well aware of the responsibility that comes with managing the resources entrusted to them by the people of Ontario.

Within our sector, this responsibility has established a continued focus on efficiency.

Hospitals in Ontario are constantly comparing their actual costs to benchmark efficiency levels in an effort to be as efficient as possible in serving patients.

This relentless focus on efficiency is one reason why, as reported by the Canadian Institute for Health Information, Ontario hospitals can offer such comprehensive, high-quality services despite being funded less per capita than hospitals in almost every other province in Canada.¹

¹ “Per Capita Provincial Government Expenditure on Hospitals” - Canadian Institute for Health Information, December 2007

Despite the very significant resources invested in Ontario hospitals, it would still take a \$1.2 billion increase in annual operating funding to move Ontario hospitals to the per capita national expenditure level.

In the time ahead, hospitals will continue to concentrate on being more efficient and doing even better with the scarce resources entrusted to them.

However, given current funding levels, many hospitals will continue to face major challenges in trying to meet the needs of a growing population, and an increasing complexity of patient care.

Access to Health Care Services (Tom Closson):

Over the past several years, access to some services in hospitals has improved.

Thanks to the joint efforts of hospitals, doctors and government, significant progress is being made on Ontario's Wait Times Strategy.

But as many patients are all too aware, there is much more still to do.

Today, the single greatest risk to access lies in the huge number of patients waiting in hospitals for care in another part of our health care system.

Identified as needing an "alternative-level-of-care", these patients have typically finished receiving the care they needed in a hospital.

But now, they are waiting to be transferred to another setting -- like a nursing home, rehabilitation, home care or assisted housing -- where they can receive care that is actually more appropriate for their needs.

Over the past eighteen months, the situation has grown increasingly serious.

And the reason for this problem is clear.

There is neither an adequate nor appropriate mix of service capacity in other parts of Ontario's health care system.

Ontario's acute, rehabilitation and complex continuing care hospitals are working intensely to deal with this situation, both internally, and with their local health system partners.

But despite these efforts, in December of last year 2,800 -- or 18 percent -- of all acute care beds were occupied with alternative-level-of-care patients.

In hospital after hospital, this is creating serious bottlenecks. With so many people waiting, patients who actually need to be admitted through an emergency department have to wait overnight or longer -- sometimes days at a time. Our most recent information suggests that approximately 680 patients at any given time were waiting in the emergency department for a bed to become available on an inpatient unit.

The bottom line is that a significant number of patients are not getting the care they need in the appropriate setting.

And scarce hospital resources are being directed toward caring for people who actually need their care in another, more cost effective setting.

Given these increasing pressures, the Ontario Hospital Association is very supportive of the government's Aging at Home strategy.

This four year, \$700 million investment in community services has great potential to ease the pressure on hospitals by expanding capacity in another part of the system.

It will be important to measure the impact of this investment and ensure that it achieves its objectives over the longer term.

However, in the short term, the OHA believes that immediate solutions, such as expanding the number of assisted living spaces, and increasing hours of home support, are needed quickly.

We intend to work with the Ministry of Health and Long Term Care, and Local Health Integration Networks, to implement short term capacity solutions so that the system is better able to meet the needs of alternative level of care patients.

And into the future, as our population grows and ages, we must ensure that each LHIN has the right mix and volume of service capacities available, so that patients get the care they need, when they need it, in the most appropriate setting.

As you may know, each hospital is now engaged in negotiations with their LHIN to establish a Hospital Service Accountability Agreement for the 2008-09 and 2009-10 fiscal years.

This is an opportunity to further strengthen accountability at the local community level.

But in approaching these negotiations, many hospitals also face serious budget challenges.

The multi-year funding allocations provided to hospitals for this timeframe do not keep up with the cost of providing patient care.

Pressure is especially intense in areas of the province experiencing high population growth.

The large number of alternative-level-of-care patients is also a significant factor.

This means that during negotiations, some hospitals will have to consider service reductions in order to achieve a balanced budget.

Needless to say, with current capacity challenges, service reductions and the layoff of health care staff is the very last step that any hospital wishes to take.

Over the next several months, it will be very important to ensure that for hospitals facing budgetary challenges, decisions regarding future access to services are made very carefully, with a focus on the health needs of the local community.

Safer Patient Care:

The Ontario Hospital Association believes that patients have the right to expect safe care, and the right to know how effectively their hospitals deliver it.

That's why in the past we have called for the creation of an independent Patient Safety Institute and welcomed the public release of hospital standardized mortality ratios, as well as other public reporting requirements.

It should be recognized that improving and reporting on patient safety is a resource intensive undertaking.

In an era of scarce resources, we believe that new mandatory patient safety initiatives should go hand in hand with additional investments, earmarked to support their implementation.

Hospitals can, and are, doing much to improve patient safety with the resources they have.

And with additional investment and supports, they can do even better.

E-health: a High Impact Health System Investment (Mark Rochon):

During the last general election campaign, the OHA was very pleased to see the government make e-health a central part of the health care agenda.

We believe that it is essential for the government to move ahead immediately in implementing its e-health commitments as Ontario is behind most provinces in this area.

This means we aren't taking full advantage of the quality and efficiency improvements that I.T. can provide.

E-health is central to responding to the alternative-level-of-care challenge.

With the support of information technology, the health system will be better able to move patients more quickly, along with their full health record, into home care or the care of their family physician.

The OHA has just released an important policy document entitled --*"Incentives for Transformation: e-Health as a Strategic System Priority."*

This paper recommends seven specific policy solutions that are intended to dramatically advance health system transformation.

A copy is included as a DVD in your information package and we strongly recommend its consideration by this committee and the government.

Ontario's hospitals know that over next several years the emphasis on health system integration will only accelerate.

We support this reform and know that hospitals cannot operate as islands.

By working together, we can improve access to health care services for the people of Ontario.

And as we noted at the beginning, by continuing to play a leadership role and by making strategic investments, the Government of Ontario can help ensure the success of this health system transformation.

Thank you for the opportunity to be here today.

We are delighted to answer any questions you may have.