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**Christian Saint Cyr**

Publisher

Ontario Labour Market Report

# Health Care Sector in Ontario



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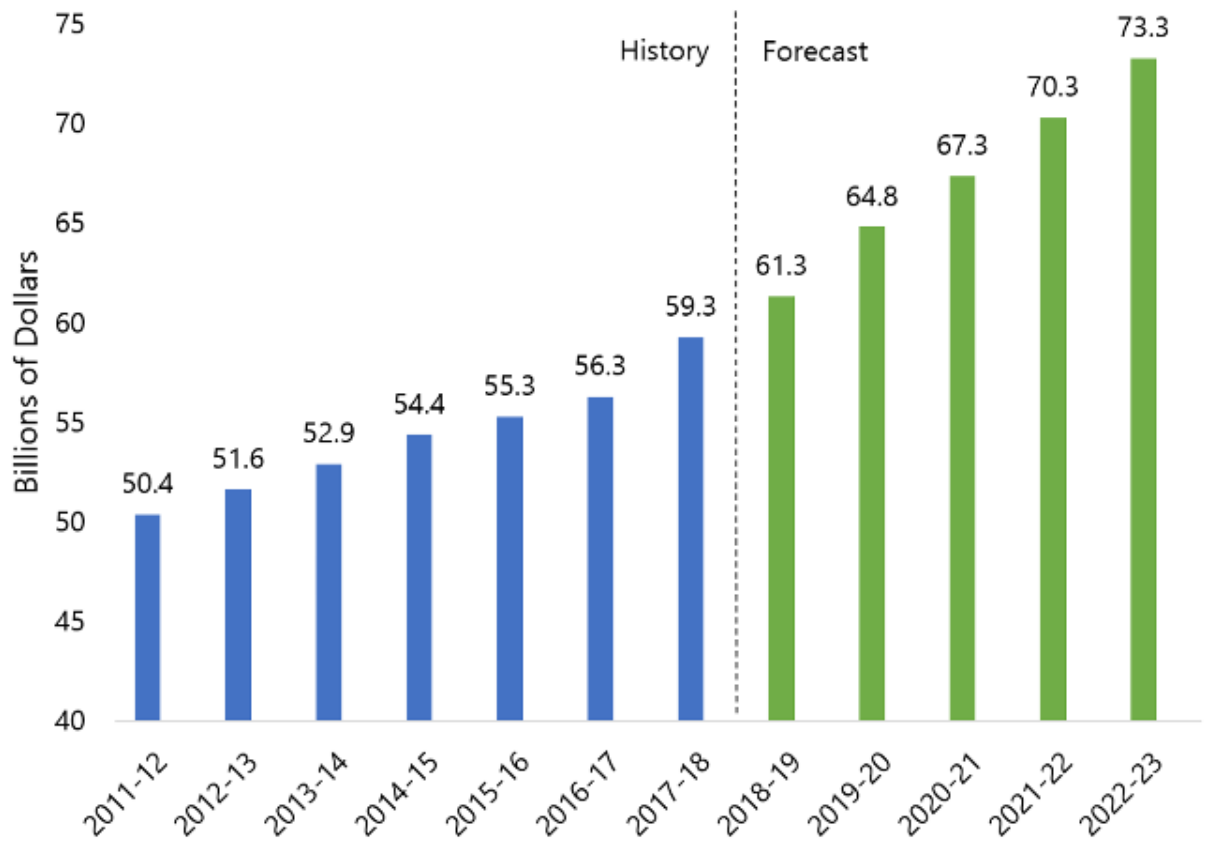
After five years of fiscal restraint, Ontario's health spending grew significantly over the past two years. From 2011-12 to 2016-17, health spending grew by an annual average of 2.2 per cent, while between 2016-17 and 2018-19, health spending growth doubled to 4.4 per cent on average. The most significant increases in funding growth rates were for Ontario drug programs, hospitals, long-term care homes and community programs.



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FAO status quo health sector spending projection (\$ billions)



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THREE FACTORS: 1. Core health care cost drivers (population growth, population aging and health sector inflation) are expected to increase to 4.5 per cent annually from 2018-19 to 2022-23, compared to an annual growth rate of 3.8 per cent from 2011-12 to 2018-19. The increase is primarily due to higher inflation over the projection, along with a modestly higher rate of population growth and aging.





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THREE FACTORS: 2. Recent government policy decisions are adding to health care expense over the outlook, including the commitment to add 15,000 long-term care beds over five years, as well as the investment of \$1.9 billion in mental health over ten years.



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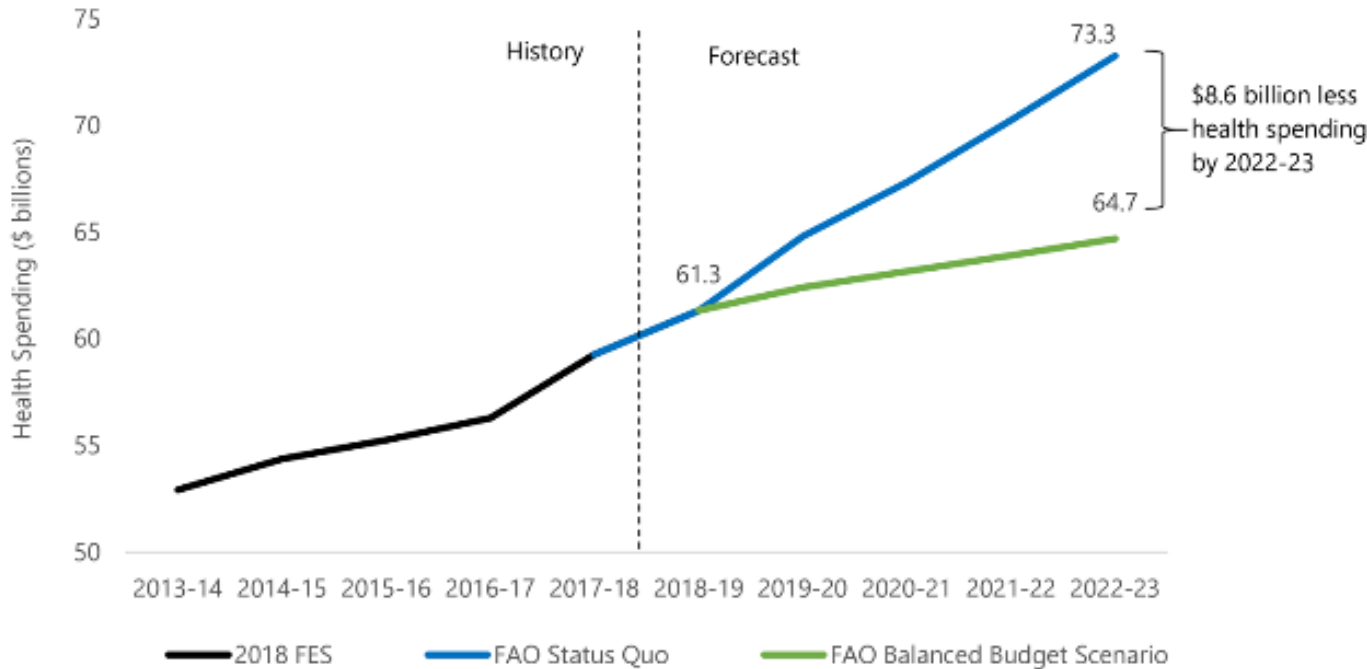
THREE FACTORS: 3. The FAO estimates that the new physician services agreement will add a net \$1.5 billion to health spending from 2017-18 to 2020-21.



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## Balancing the budget without raising new revenue would require spending \$8.6 billion less on health care by 2022-23



Source: 2018 Fall Economic Statement and FAO.



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Health spending is 41% of total program  
spending in 2018-19

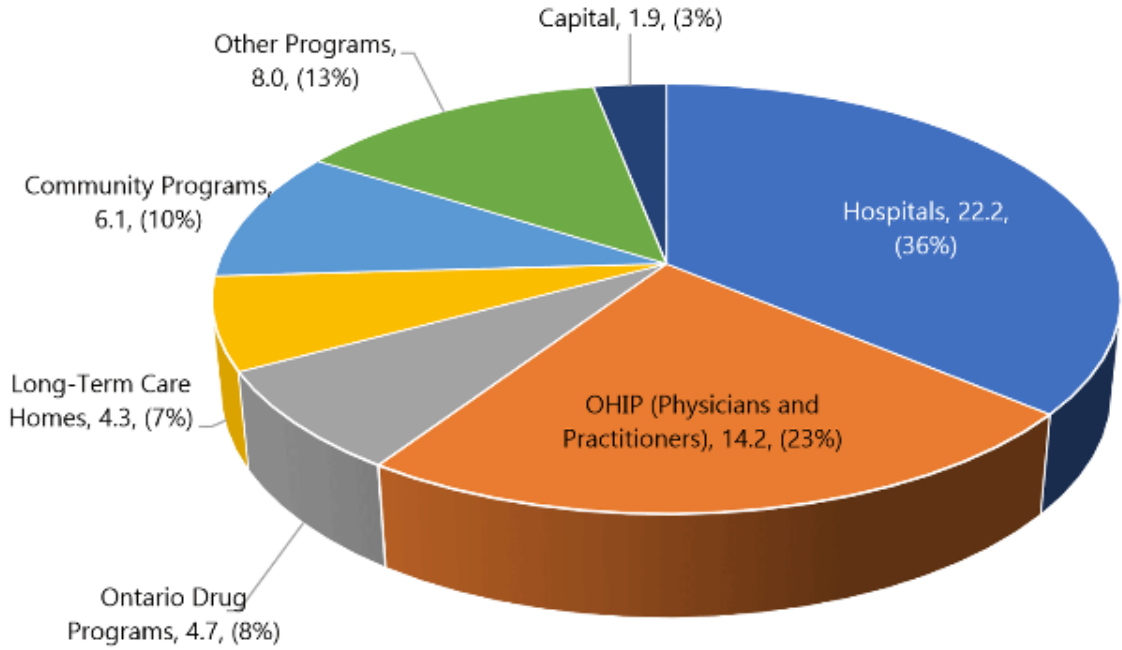
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### 2.1 Health sector expense by program area, 2018-19 (\$ billions)



Source: FAO analysis of data from MOHLTC, TBS, the 2018 Fall Economic Statement and the February 19, 2019 Kaplan Board of Arbitration decision on physician compensation.






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The waitlist for a long-term care placement in Ontario has increased from 22,601 in 2015 to 32,835 in 2018. The cost of a patient occupying a hospital bed is more than four times the cost of a patient in long-term care, and the growing waitlist has resulted in more patients occupying hospital beds while waiting to go to a long-term care facility.




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The number of days spent by patients in Ontario hospitals waiting to go elsewhere reached a six-year high of 14.8 per cent in 2016-17. This is “the equivalent of more than 10 large hospitals being occupied every day by patients waiting for care elsewhere.”






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High volumes of visits to emergency departments are also placing strain on hospitals. Emergency department visits have increased 11.3 per cent since 2011-12 and wait times reached a six-year high in 2017-18. Ontario's growing population, a lack of timely access to primary care and the ongoing opioid crisis are all contributing factors to growing emergency room wait times. As a result of these and other factors, many Ontario hospitals have regularly reported being over 100 per cent capacity.



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After four years without a contract, the Province and Ontario's doctors have reached a new agreement through binding arbitration



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## AGREEMENT INCLUDES:

1. physician fee rate increases (averaging one per cent each year),
2. the reversal of physician fee reductions made in 2013 and 2015,
3. a mandate that \$480 million in annual savings be identified, and
4. no cap in the physician services budget.



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## DRAWING CONCLUSIONS:

1. What does the current state of Ontario's health care system tell us about the sector?
2. What does it tell us about the occupations in that sector?





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**Any Questions?**

