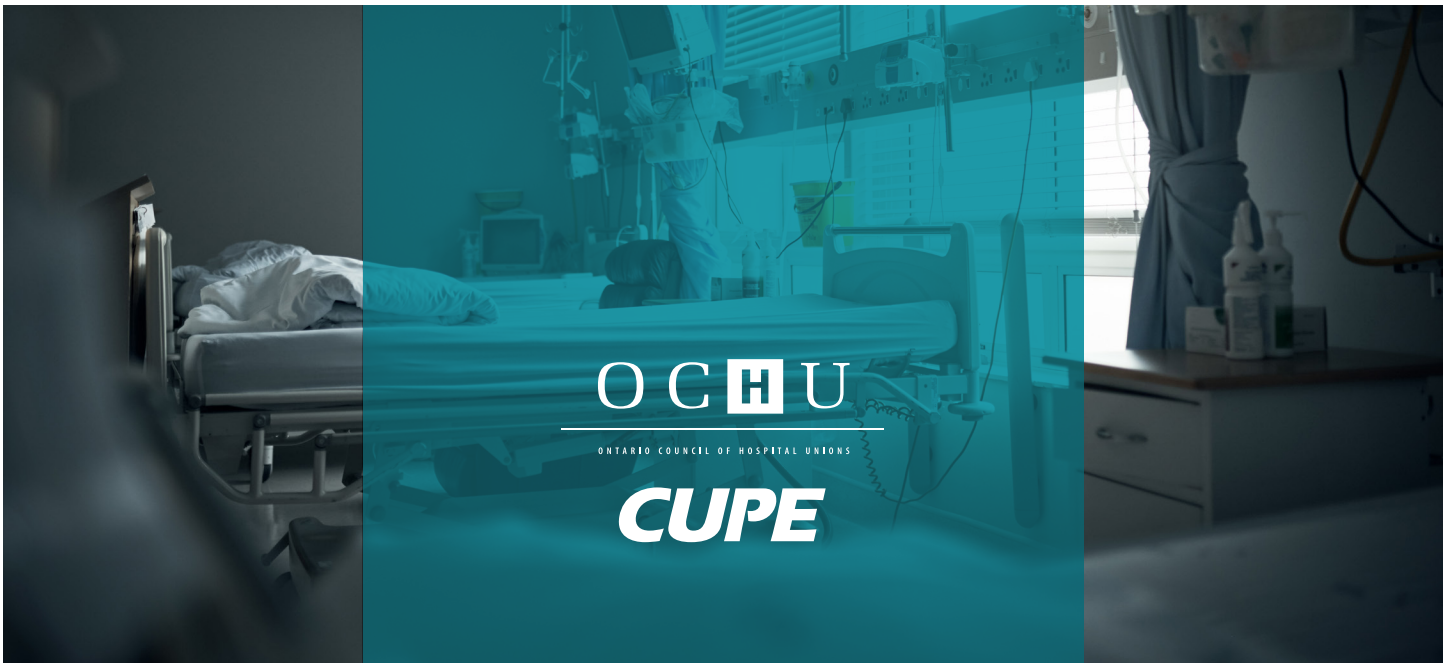
NO RESPITE: ONTARIO'S FAILURE TO PLAN FOR HOSPITAL PATIENTS



OCHU

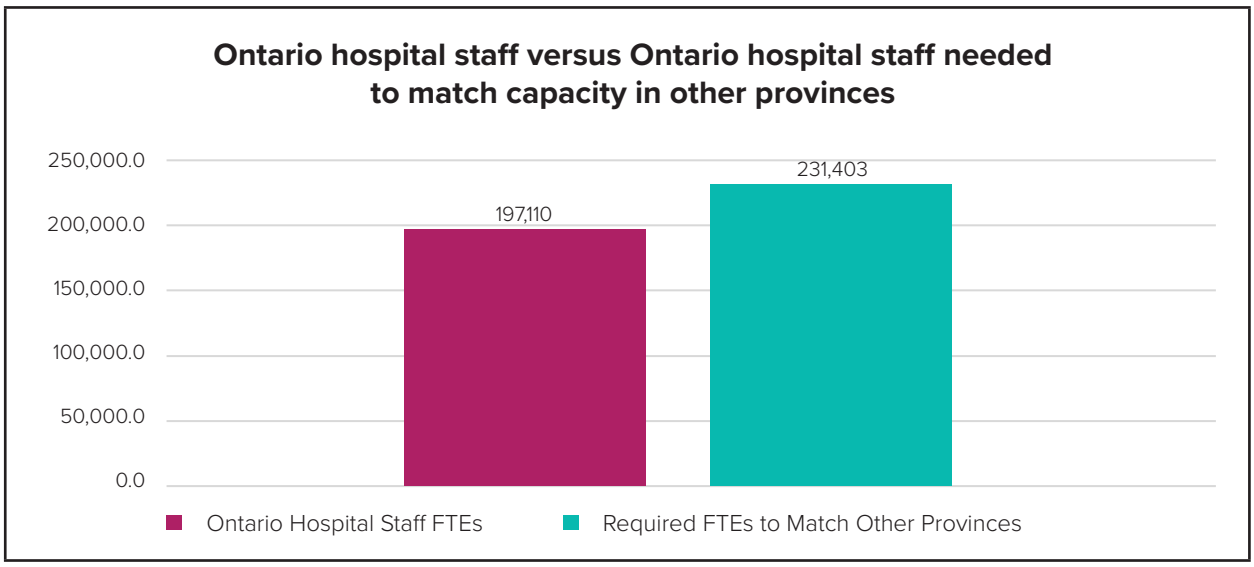
ONTARIO COUNCIL OF HOSPITAL UNIONS

CUPE

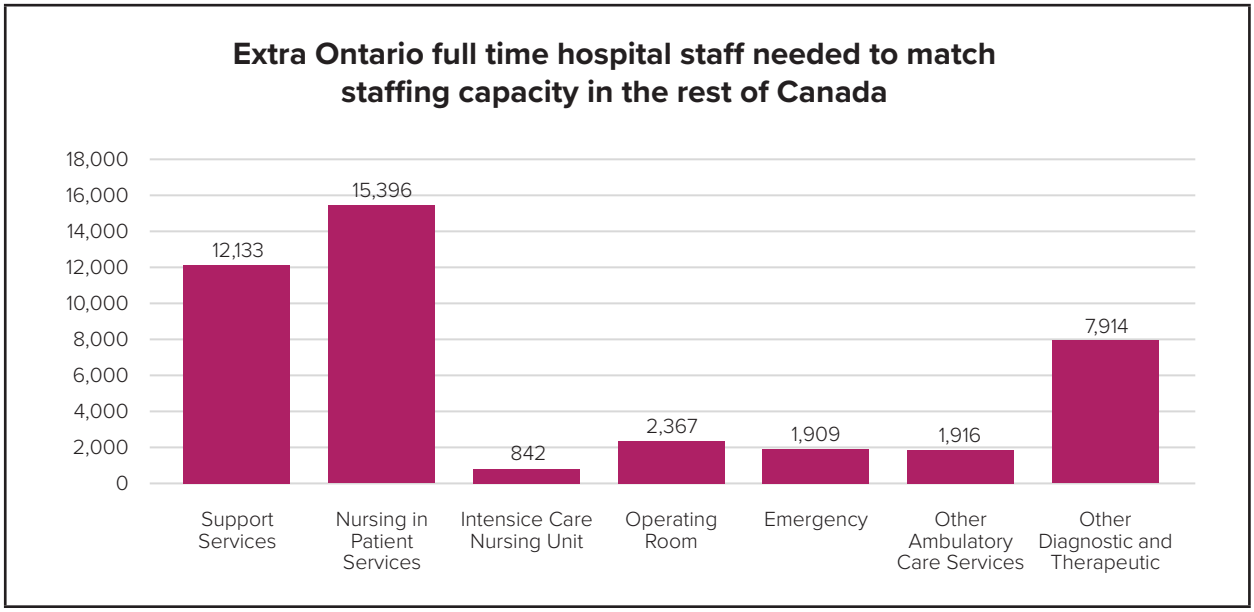
Ontario is experiencing unprecedented hospital capacity problems since the election of the Ford government. Thousands of unplanned closures of hospital emergency departments, permanent closures of hospital facilities, emergency departments and inpatient services, unprecedented levels of inpatients being treated in hallways, long waits to get needed surgeries, and high bed occupancy levels are just some of the key problems undermining Ontario hospitals.

This report will explain key issues driving these problems and show that the government's current capacity plan will make the situation worse.

Hospital Staffing: Ontario hospitals are drastically understaffed – if we had the same level of staffing as in other provinces, we would have an additional **34,292** extra full-time staff (FTEs)[1]



Ontario has low levels of staff in key areas: 12,133 full-time staff are missing in support services (cleaning, food maintenance, etc.), 842 in Intensive Care, 2,367 in operating rooms, 1,909 in Emergency Departments, and fully 15,396 in nursing inpatient services.[2]

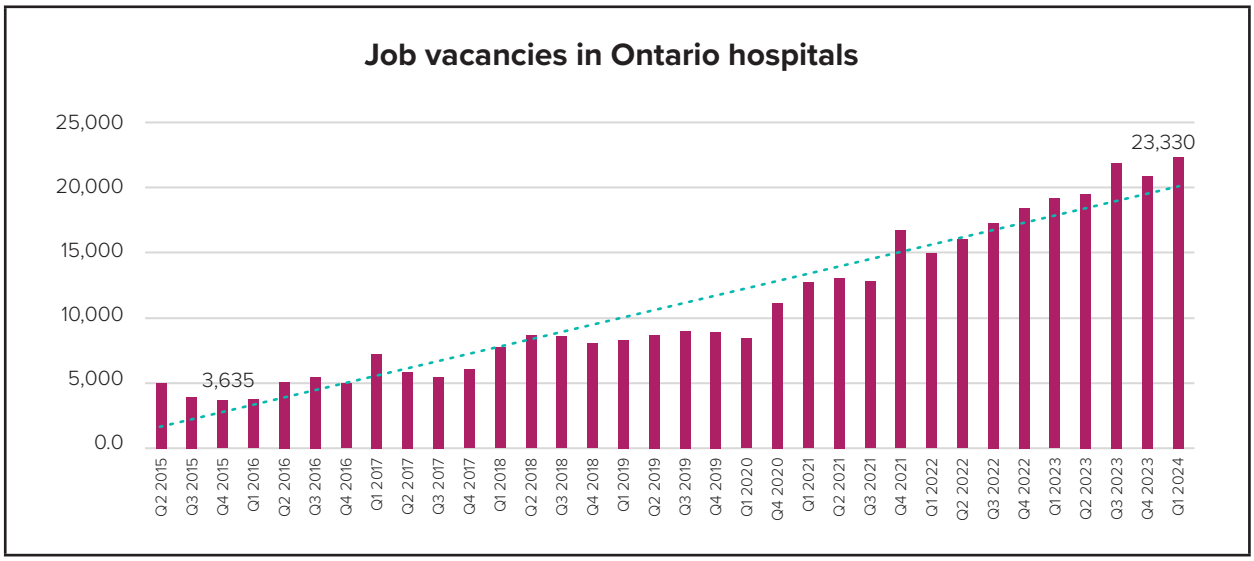


The overall 34,292 FTE staffing shortfall in Ontario occurs despite higher hospital staffing levels in Ontario in non-traditional hospital employment – i.e., research, education and community health.

[1] Calculated from Canada Institute for Health Information data on hospital full time equivalent employees (FTEs) by service area, province/territory and Canada (excluding Quebec and Nunavut) 2021-2 and from Statistics Canada second quarter 2021 provincial population reports.

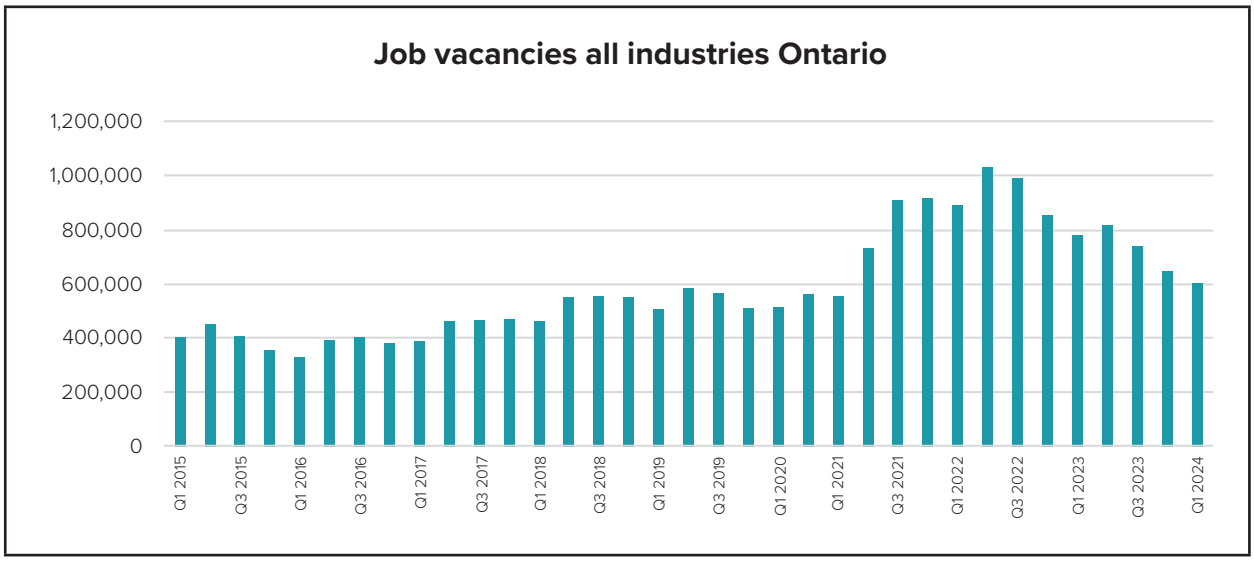
[2] CIHI, Trends in Hospital Spending, 2009–2010 to 2021–2022 — Data Tables — Series E: Hospital Calculated Full-Time Equivalents by Service Area.

In addition, Ontario hospitals also suffer from having a large number of vacant positions. The number of job vacancies has dramatically increased in recent years, with job vacancies now at **534%** of the number of vacancies in 2015.

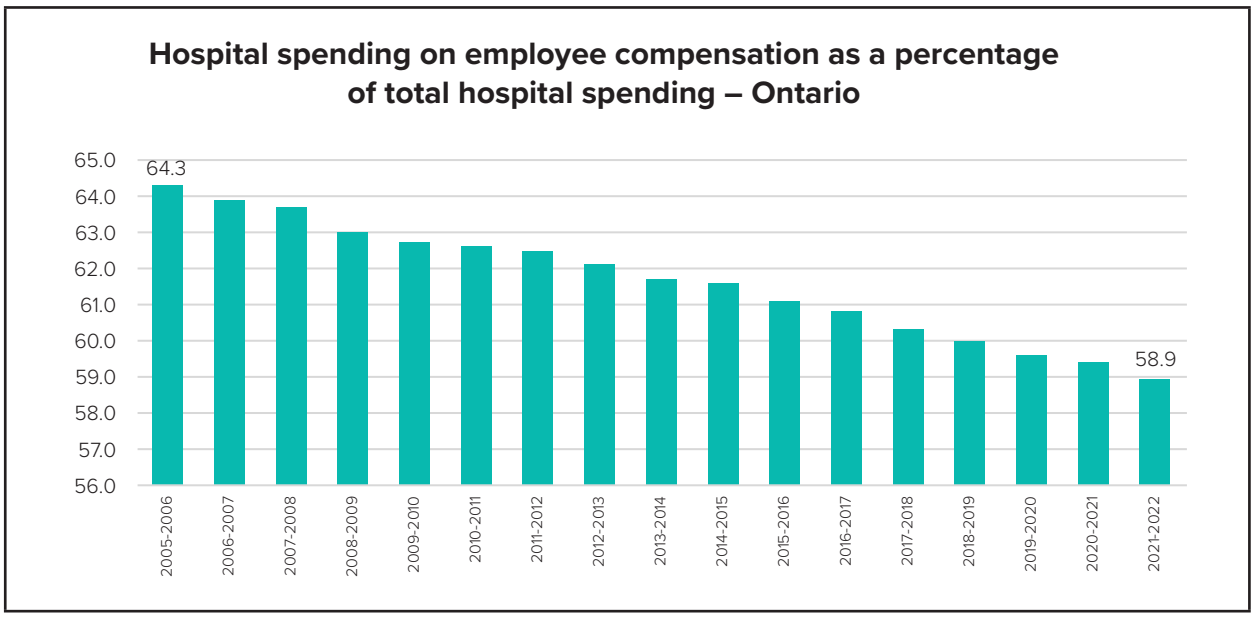


Source: Statistics Canada. Table 14-10-0442-01 Job vacancies, payroll employees, job vacancy rate, and average offered hourly wage by industry sub-sector, quarterly, unadjusted for seasonality

The increase in hospital vacancies has occurred despite a sharp fall in job vacancies across all industries since 2022.

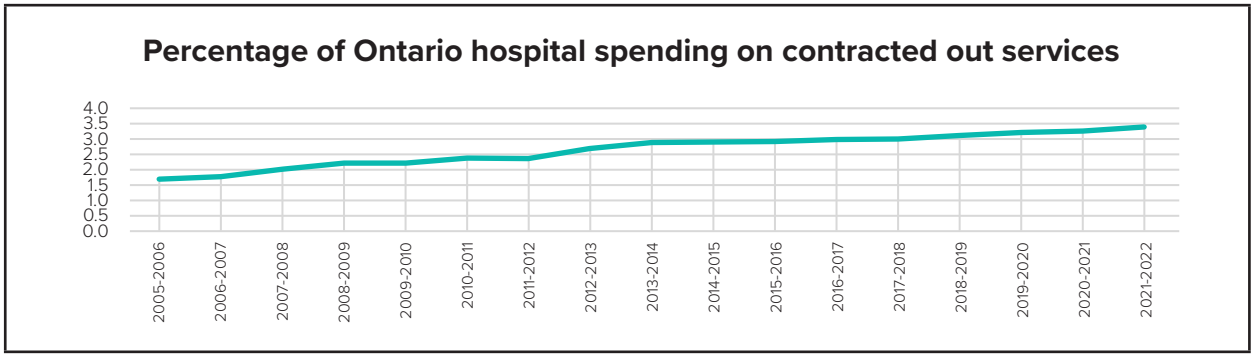


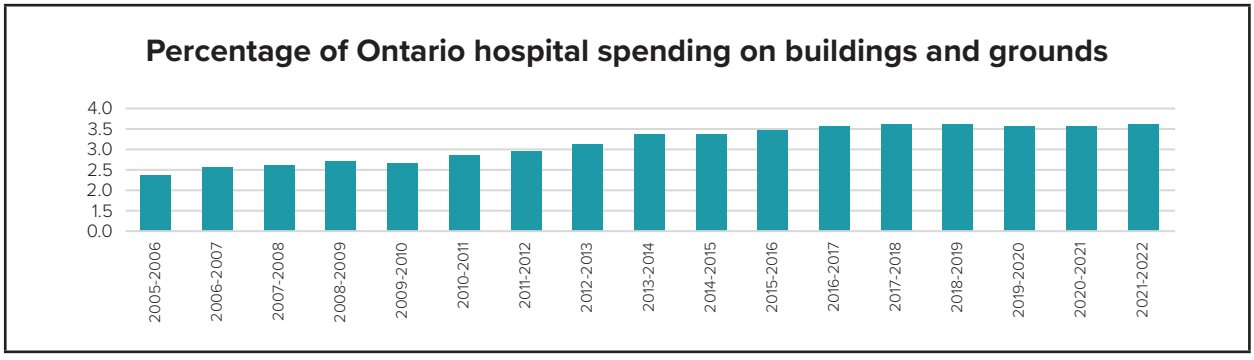
The increase in hospital job vacancies has also corresponded with an ongoing decline in the percentage of total hospital spending on employee compensation.



Source: CIHI, calculated from data table, Provincial hospital spending by type of expense in millions of current dollars, Ontario, 2005–2006 to 2021–2022

This decrease in spending on employment coincided with an increase in spending on contracting out and on hospital buildings after the previous provincial PC government turned to much more expensive privatized P3 (Public Private Partnership) hospital facilities starting in the early 2000s.

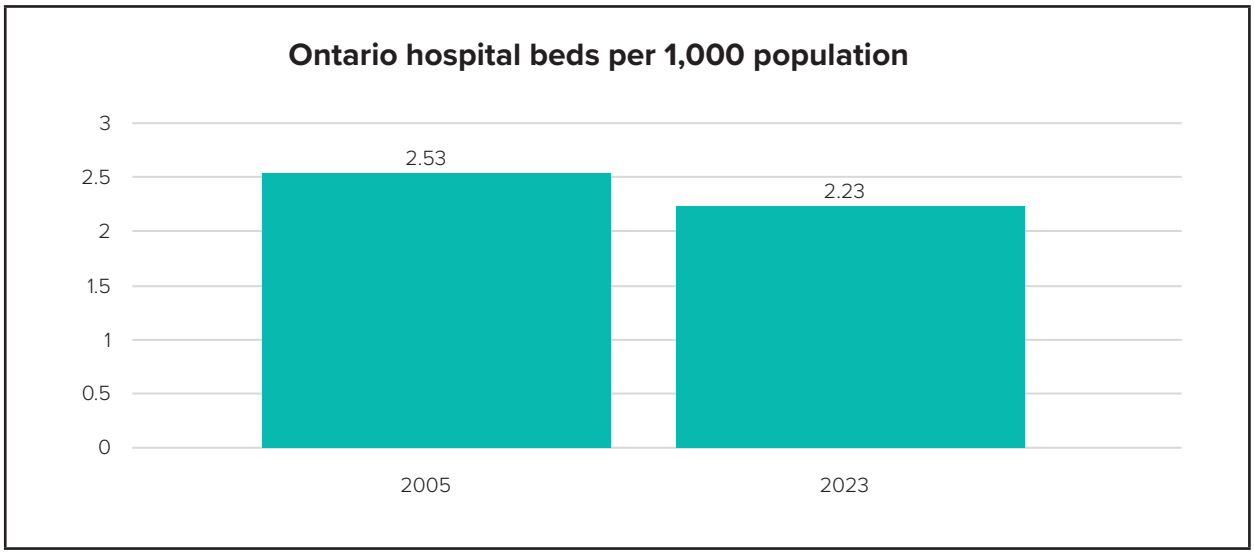




HOSPITAL BED CAPACITY

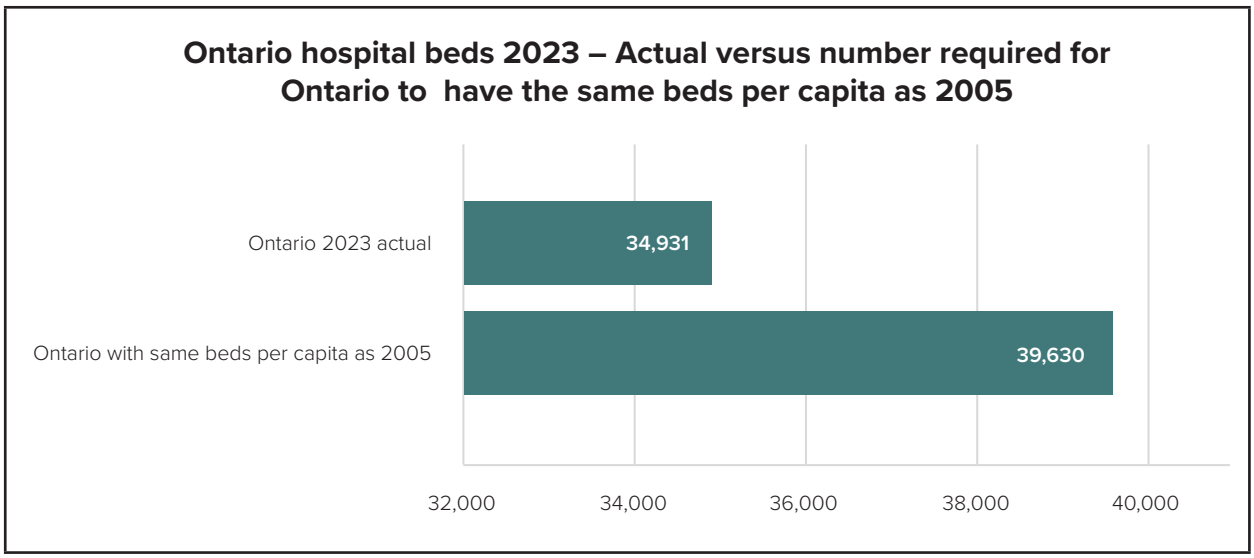
Consistent with the sparsity of hospital staff in Ontario, there is also a very low number of staffed hospital beds. In 2023, there were 34,931 hospital beds staffed and in operation in Ontario. That is 2.23 beds per 1000 people.[3] Despite COVID (and promises to end hallway health care), this is slightly worse than just prior to COVID in 2019, when there was 32,770 beds and a ratio of 2.25 beds per 1000 population.

Between 2005 and 2023, hospital beds in Ontario increased from 31,736 to 34,931, a 10% increase. However, population increased 24.6%. **As a result, hospital beds per 1000 people decreased from 2.53 to 2.23, a 12% decrease**.



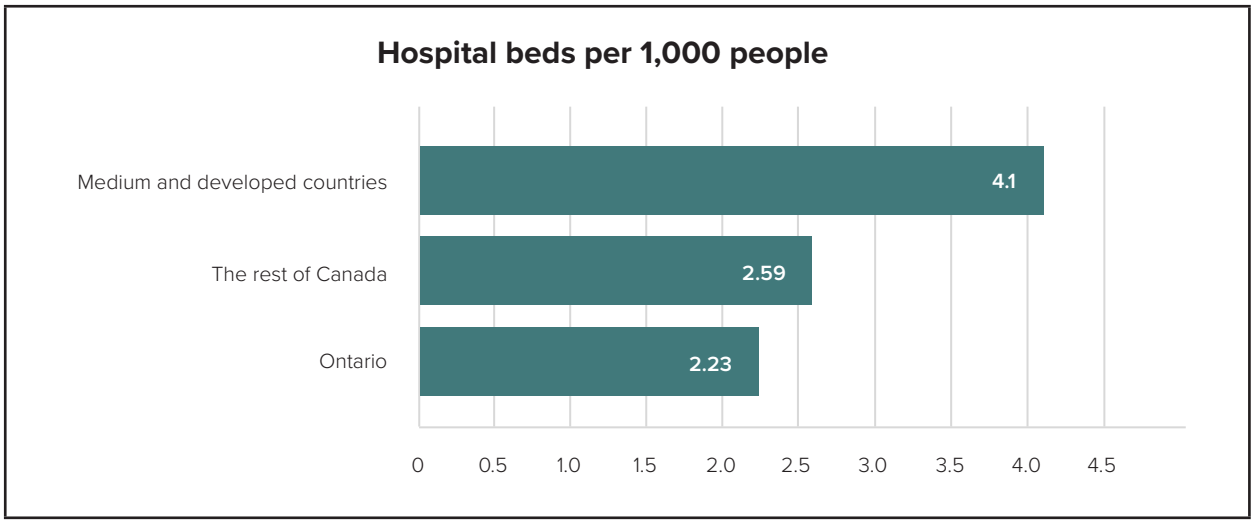
To return Ontario to the same capacity relative to population as in 2005, another 4,699 extra hospital beds would have been required in 2023.

[3] Calculated from hospital 2023 bed data and 2023 Statistics Canada population report.



This extra 4,699 beds would not account for the extra need created by societal aging. During that same period (2005-2023), the 65 and older population increased by 1.25 million, or by 77.5%.[4] As will be discussed below, this also requires a significant increase in hospital capacity – not a decrease.

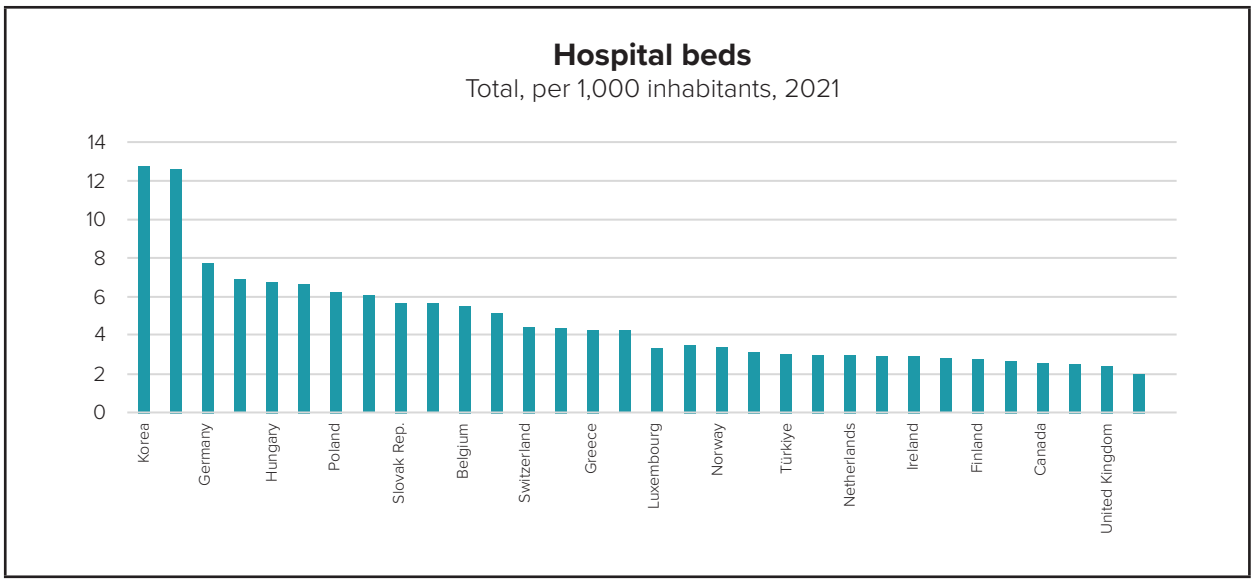
The Ontario number of beds per 1000 population compares poorly with the rest of Canada – 2.23 versus 2.59.[5] **The rest of Canada has 16.1% more beds per capita than Ontario**.



Internationally Ontario is an outlier – only Sweden has fewer hospital beds per capita. The median among rich nations is 4.1 hospital beds per 1,000 population. That is 84% more than Ontario.

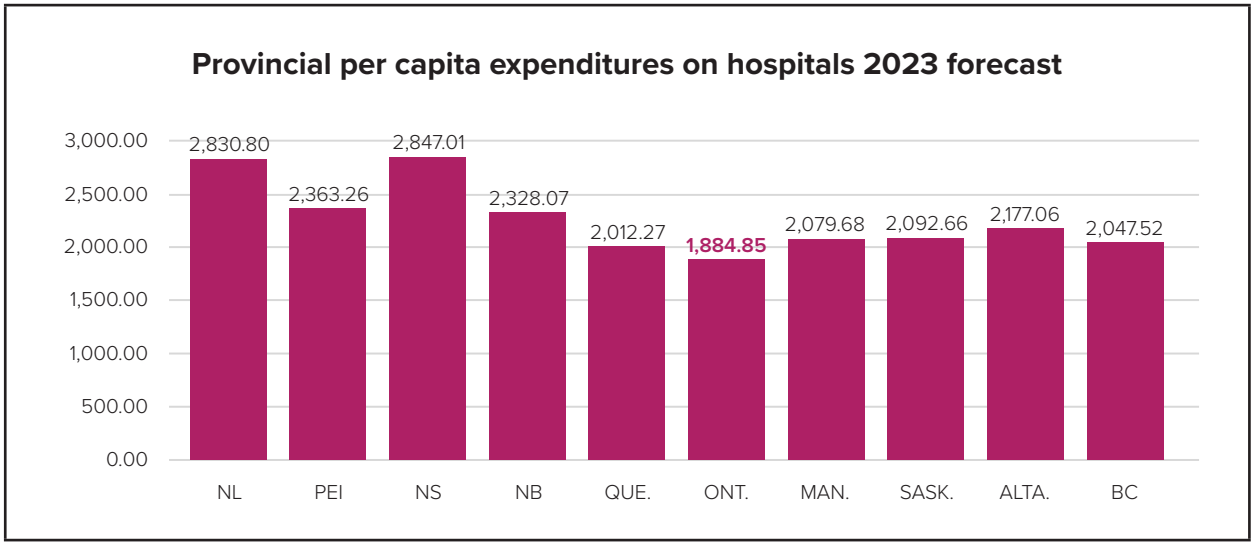
[4] Statistics Canada. Table 17-10-0005-01 Population estimates on July 1, by age and gender

[5] The figures for the rest of Canada are based on the latest Canada-wide data from CIHI data tables, Number of Hospital Beds Staffed and In Operation: Breakdown by care setting, 2021–2022.



Source: OECD Hospital Beds

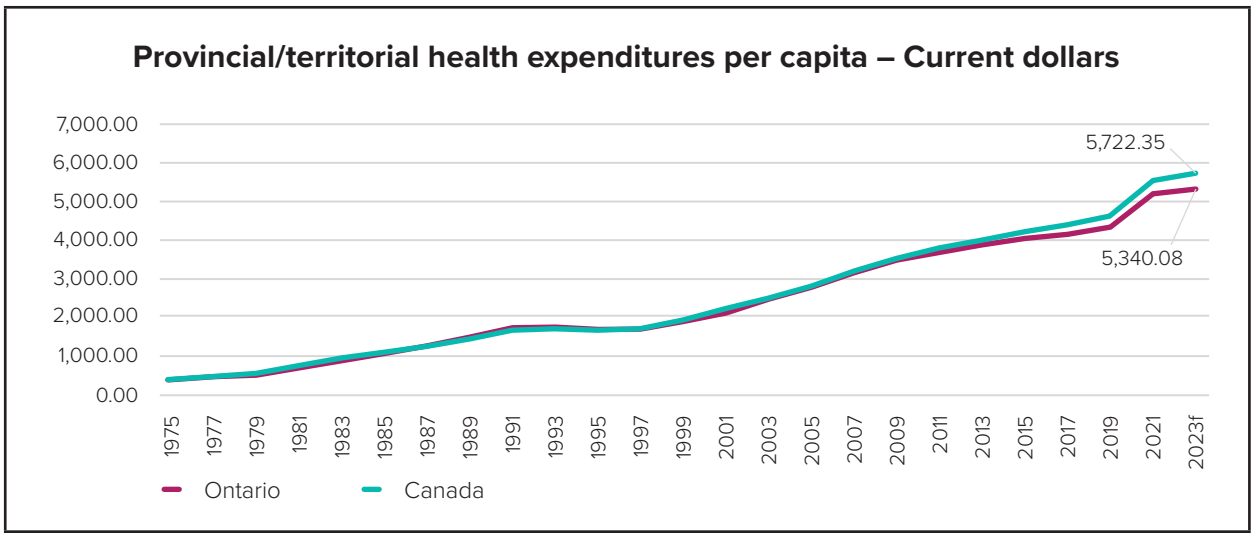
Hospital and Health Care Funding: Provincial government funding of hospitals is lower in Ontario than any other province, according to the latest available data from the Canadian Institute for Health Information.[6]



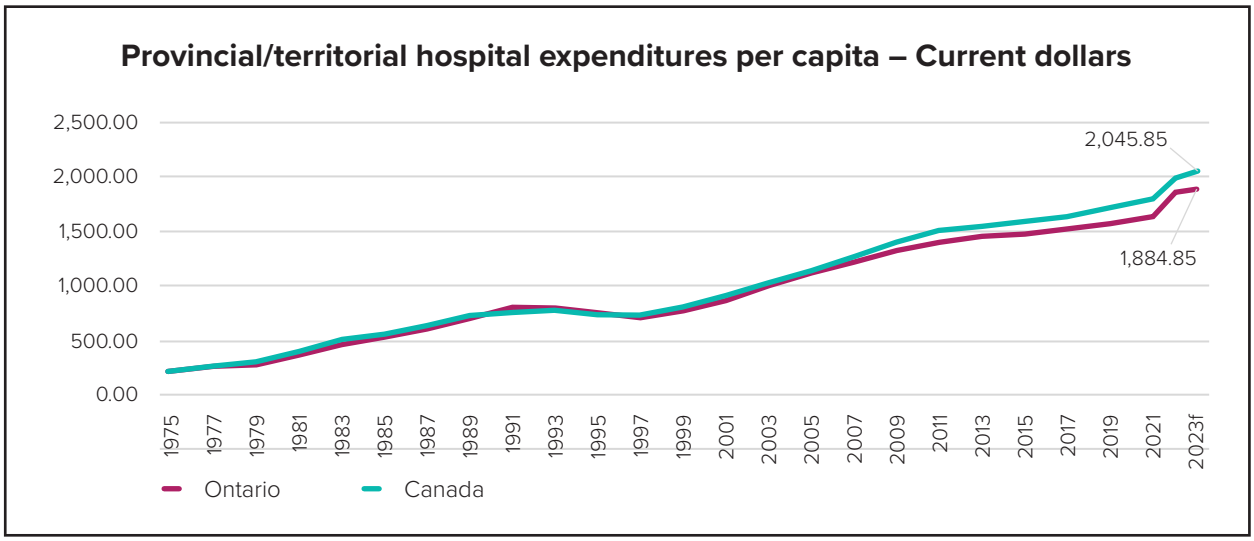
For many decades Ontario followed the Canada-wide funding pattern, but, starting in the first decade of this century, Ontario began to fall behind. According to the latest figures from CIHI, we are about 6.7% behind the Canada-wide average for provincial health expenditures per capita (which, of course, is itself pulled down by Ontario).[7]

[6] National Health Expenditure Database, 2023, Canadian Institute for Health Information. Provincial government per capita health expenditure by use of funds in current dollars, Ontario, 1975 to 2023. Nbex Full data tables 2023.

[7] Canadian Institute for Health Information (CIHI), National Health Expenditure Trends, 2023, Data Tables: Provincial government per capita health expenditure by use of funds in current dollars, Ontario, 1975 to 2023 and Provincial/territorial government health expenditure per capita by use of funds in current dollars, Canada, 1975 to 2023.



Much of this is due to hospital underfunding, where Ontario is 7.9% behind the Canada-wide average. The gap between Ontario and the other provinces (excluding Ontario) is even larger, of course: 12.8% more, or $239 more per person in Ontario. If Ontario hospitals were funded at the same rate as in the other Canadian provinces, Ontario would provide $3.7 billion more to hospitals.[8]



Source: National Health Expenditure Trends, 2023, data tables.

Since the most recent CIHI forecast, public sector workers forced the government to abandon Bill 124 that slashed real wages for three years. Hospital workers won significant retroactive wage increases as a result and the government was required at the very end of the fiscal year 2023-24 to increase hospital funding. Hospital funding often falls short of interim plans, but if the hospital funding plan is fully implemented, Ontario per capita hospital funding may reach the level of the second lowest province. In any case, the PC government reverted to form immediately, and now plans to cut hospital (and psychiatric hospital) operating funding for 2024-25 by $305 million.

[8] The Ontario Hosptial Association, Ontario Hospitals -Leaders in Efficiency, Second Edition, August 2024

That's a 1.2% cut from the 2023-24 interim funding level.

Some hospitals are running deficits already – this requires special permission from the province. Here are some examples of 2023-4 deficits reported in audited hospital financial statements:

- London Health Sciences: $78.1 Million
- Hamilton Health Sciences: $20.4 Million
- Huron Perth Health care Alliance: $3.3 Million
- Niagara Health System: $9.5 Million
- St. Mary's General: $2.6 Million
- Lakeridge: $36.9 Million
- Kingston Health Sciences: $2.9 Million
- Cornwall Community Hospital: $587 thousand
- North Bay Regional Health Centre: $5.5 Million
- The Ottawa Hospital: $1.1 Million

It remains unclear to CUPE that the government will 100% fund the need created by the failure of their Bill 124 real wage cuts. As a result, hospital deficits may become even larger this year.

THE CURRENT SITUATION UNDER THE PCS AND THEIR FUTURE PLANS

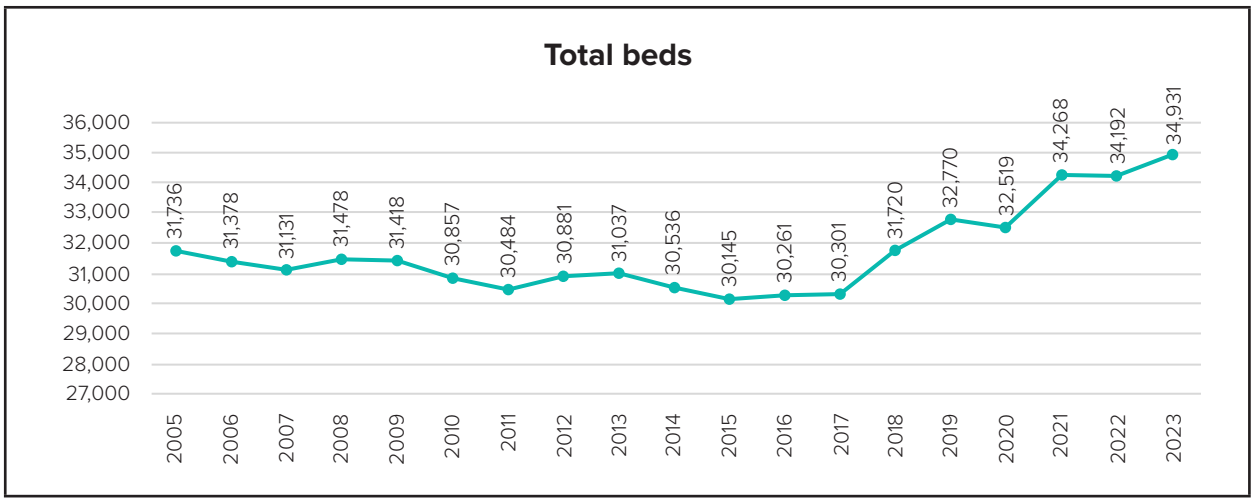
The PC government promised to end hallway health care. This promise is now more or less forgotten given the many hospital capacity failures that have arisen during this government's reign. However, the government does make some promises to increase capacity. These promises do mark a change in policy. After decades of shrinking or stagnating capacity, the promise now is to increase it. The problem is that what has been done, and what has been promised for the future are totally inadequate to meet the need for care.

The promise to increase LTC capacity remains officially in place – but the government's execution of this promise has been inept, inadequate, and slow.

A] Hospitals: The government has claimed for some years now that it increased hospital capacity during COVID by 3,000 beds. It further promises that it will increase hospital capacity by another 3,000 beds 2032. If true this would be a capacity increase by almost 18.3% over 13 years, or by about 1.3% per year. There are several problems with this, however.

First, the hospitals themselves report an increase of only 2,161 beds since the COVID pandemic (i.e. since 2019).[9]

[9] Hospital bed numbers were reported by hospitals in central hospital bargaining through disclosure.



Source: Central Hospital Bargaining disclosure

If 3,000 additional beds are added to that, this would mean an increase of 15.7%, or an annual average increase of only 1.1%.

Second, the demand pressure for hospital and other health care capacity is growing much more quickly than 1.1% (or 1.3%) per year.

B] DEMAND PRESSURES

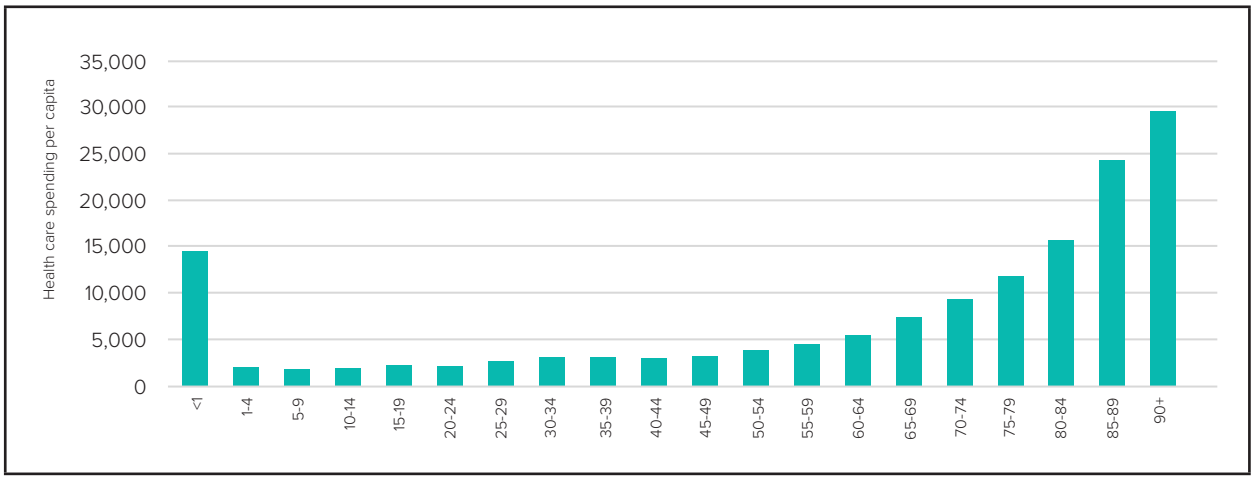
1] Population growth: Part of the failure of the government to solve hospital capacity problems lies with their unwillingness to keep up with rapid population growth.

According to Statistics Canada, Ontario's population in the second quarter of 2018 (when the Ford government was elected) was 14,251,136. This rose to 15,996,989 by the second quarter of 2024, a 12.3% increase. This is a compounded annual average increase of 1.94%. Since just prior to the pandemic (2019), the annual average increase has been 2.0%. The increase over the last two years has been particularly rapid, with the population increasing by 950,778, indicating an annual average increase of 3.1%.

This puts significantly more pressure on our hospital and health care system. Just to keep up with population growth we would have had to have added 6.3% extra capacity over the last two years and 12.3% since the Ford government was elected in 2018.

This increase in health care demand pressure is exclusive of other health care demand pressures such as aging and increased utilization of health care. These other factors, beyond population growth, makes the bed crisis worse. Hospital capacity has to go up for other reasons aside from population growth.

2] Societal aging. Health care needs are very sensitive to aging. Currently about 60% of hospital beds are occupied by people aged 65 or older. This group, however, is growing at a very rapid pace. Between 2018 (when the Ford government was elected) and 2023, the 65+ population has grown 18.4%, or, on average 3.4% per year. To maintain a comparable level hospital bed capacity for this age group, the total number of beds would have to increase by 2.04% each year.[10] This level of growth in the elderly population is expected to continue through this decade.

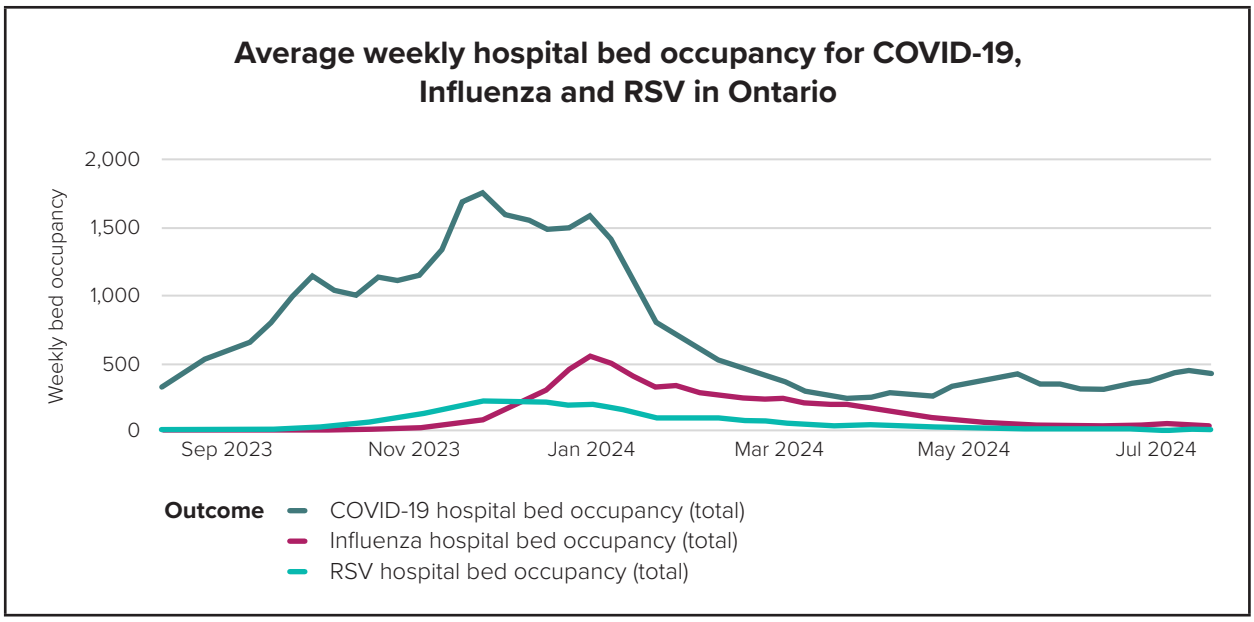


Source: Financial Accountability Office, Ontario Health Sector, Spending Plan Review, 2023.

3] Increasing Utilization: Utilization refers to increases in demand for health services that arise outside of population growth and aging. For example, a new medical discovery could result in an increase in utilization. Diseases and conditions that could not be treated, now can be. The last Ministry of Finance discussion of the impact of health care utilization estimated that health care utilization increases at a constant annual rate of 1.5 per cent.

One new factor affecting utilization is COVID. The ultimate impact of COVID and post COVID on hospital demand remains uncertain but right now COVID remains a significant factor affecting hospitalization. Hospitalizations for patients with COVID continued to go up and down over the last year, ranging from a high of 1,753 average weekly hospital bed occupancy in November 2023 to a low of 249 in March 2024. Average weekly COVID bed occupancy remained far above that for influenza or RSV, even during the flu season. Influenza was often associated with hospital bed capacity issues in the past. Notably, CIHI data indicates patients with COVID stay three times as long and cost three times as much as other inpatients.

[10] The actual demand pressures are likely greater as the oldest part of the 65 and older age group (which requires much more health care) is growing more rapidly. The 75 and older age group grew 21% over the five-year period – or at an annual average rate of 3.9% since 2018. According to the Ontario Ministry of Finance projections, this more rapid growth of the oldest part of the elderly population is expected to continue.



The health system is also impacted after people no longer have the COVID infection. The exact impact on hospital usage for health conditions affected by post COVID remains unclear. But the Lancet notes in a recent article that post-COVID "can affect multiple organ systems and lead to severe and protracted impairment of function as a result of organ damage. The burden of this disease, both on the individual and on health systems and national economies, is high."[11]
A recent study in Nature Medicine reports:

> *Because of the large burden of long COVID and its multisystemic effects, it has profound impacts on health systems. Patients with long COVID frequently require ongoing medical care and multiple specialist consultations to manage their complex symptoms. This increased demand exacerbates existing pressures on health systems, leading to longer wait times, potential delays in essential care and increased costs.*[12]

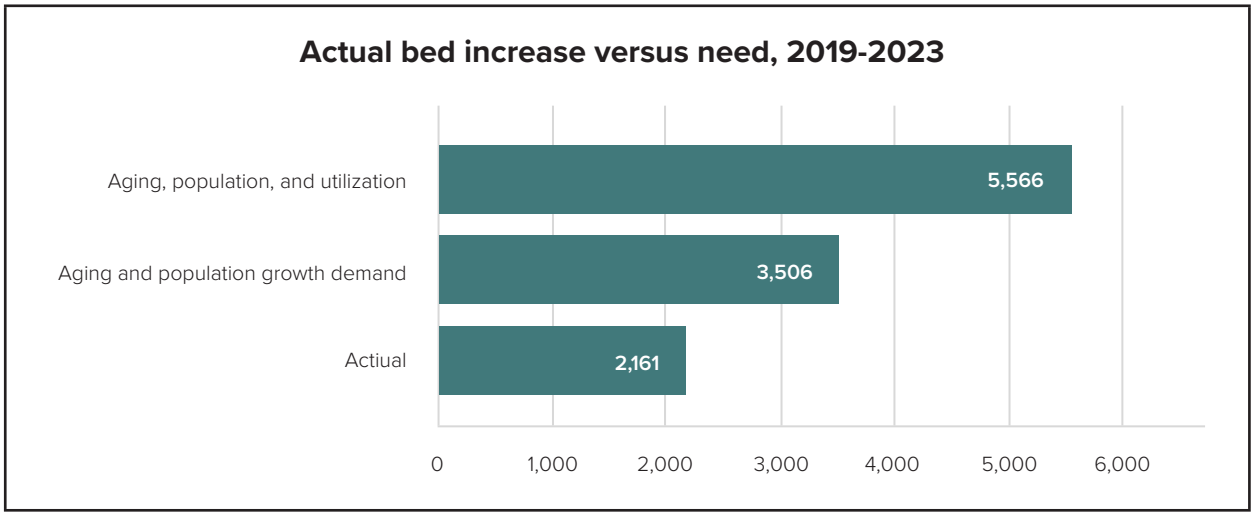
Combined, current population growth, aging, and increasing utilization create significant pressure for growth – over 4% per year. That, as we shall see, is over four times the planned hospital bed growth rate over the next ten years.

At current utilization levels, the growth of the 65+ population is creating annual average increases in demand pressure for hospital services of 2.04% (3.4% x .6). The growth of the under 65 population (averaging 1.336% annually between 2018 and 2023) has created another 0.53% annual increased demand for hospital services. Increasing utilization would add another 1.5%, for a total estimated demand pressure of just over 4%.

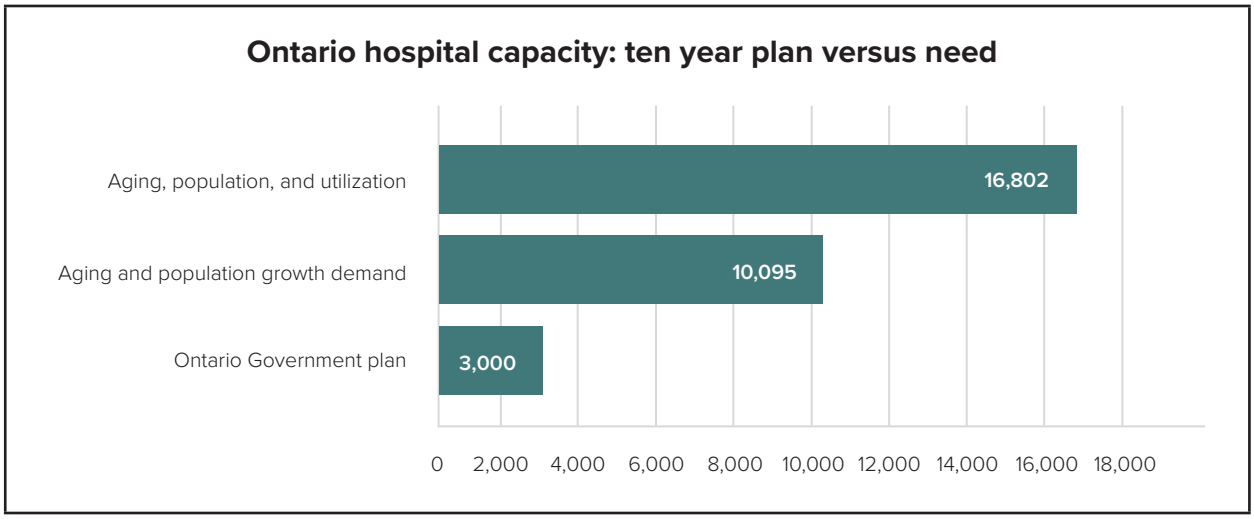
[11] Trisha Greenhalgh et. Al, The Lancet, "Long Covid: A clinical update,", July 21, 2024.
[12] Al-Aly, Z., Davis, H., McCorkell, L. et al. Long COVID science, research and policy. Nat Med (2024). https://doi.org/10.1038/s41591-024-03173-6.

It is important to note that this increase does not deal with the staffing crisis, the workload crisis, the bed shortages, the ER back-ups, and it does not offset inflationary cost pressures. This is simply to maintain the current service levels.

The 6.6% increase (or an average annual increase of 1.6%) in hospital beds over the four years since the beginning of COVID (2019 through 2023) falls well below this. It is less than half of the needed extra capacity. This helps explain the deepening problems faced by our hospital system.



The Future: The existing PC plans for the future are even worse. The official government plan to increase hospital capacity by another 3,000 beds over ten years (approximately 8.6%) falls even further behind demand pressures – it is less than a quarter of expected demand pressures. Based on population growth and aging, we need 10,095 added beds. Based on population growth, aging and utilization, we need 16,802. We are already thousands of beds behind the capacity we had in 2005. Unless the current PC plan is improved, the decline of the hospital system will intensify.



Worse still, a 2023 Financial Accountability Office report indicates that, based on government plans, few new beds will be added between 2022-3 and 2027-8 – 1.8% over five years or **0.3%** annually. This is far, far short of what is needed, less than a tenth of need.

Hospital care has been suffering for some years now, but this plan will make it much worse.

Health Care Infrastructure Failures: The inadequate nature of the government's actions is found in a multitude of examples. For example, even the government's frequent boasts about its plans to build new hospitals and new LTC beds fall far short under examination.

In real dollar terms the Financial Accountability Office reported in 2023 that the ten-year planned increase in health infrastructure funding announced by the provincial government amounts to a 10.8% increase in the actual spend over the previous decade. Meanwhile, the population has grown 18% between 2014 and 2024. That is 2/3 more than the increase in health infrastructure funding. Bed construction is not keeping up with population growth and aging and utilization will more than double the extra demand for health care infrastructure created by population growth.

The hospital capacity crisis is also compounded by a lack of new long-term care beds. Despite a promise to increase beds by 30,000 by 2028 and by 15,000 by 2023-4, the government reports in the 2024-25 Budget to have only opened 2,246 new beds. **That would be only 7.5% of their six-year-old promise to add 30,000 beds over ten years (i.e. by 2028) and just 15% of their promise of the number of beds they would create by 2023-24**.

If the 2,246 beds is a net increase in beds, it amounts to a 2.9% increase in the total number of LTC beds. However, the population of the relevant age group (75+) increased by 21% between 2018 and 2023. As with hospital infrastructure, LTC infrastructure development has fallen far short of need – and government promises.

It is unlikely however that there has even been a net increase of 2,246 beds, as some LTC operators are closing facilities and beds. In Toronto, six entire LTC facilities have closed or have announced their closure since 2022. This will close 650 beds. Homes in Guelph and Burlington have also announced closures of their facilities.[13]

The government is having serious difficulties with LTC development. In the 2022-23 Budget, the government claimed 3,689 new LTC beds would be created by 2023. Now in the 2024-25 Budget they say 2,246 new beds have been created.

Given the lack of new beds, the wait list for LTC has grown to 43,000, **about 20% more than when the PCs were elected** in 2018 on a promise of adding many more LTC beds.

The current government's failure to meet its promises to increase LTC capacity in a timely way contrasts with the previous PC government. It promised in 1998 to add beds and, by 2005, 17,000 new beds had been added.[14]

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[13] It is notable that LTC operators report only 76,000 available beds as of January 2024 based on government data – a decline in the number of operating beds (78,000 were reported by the government in 2019).

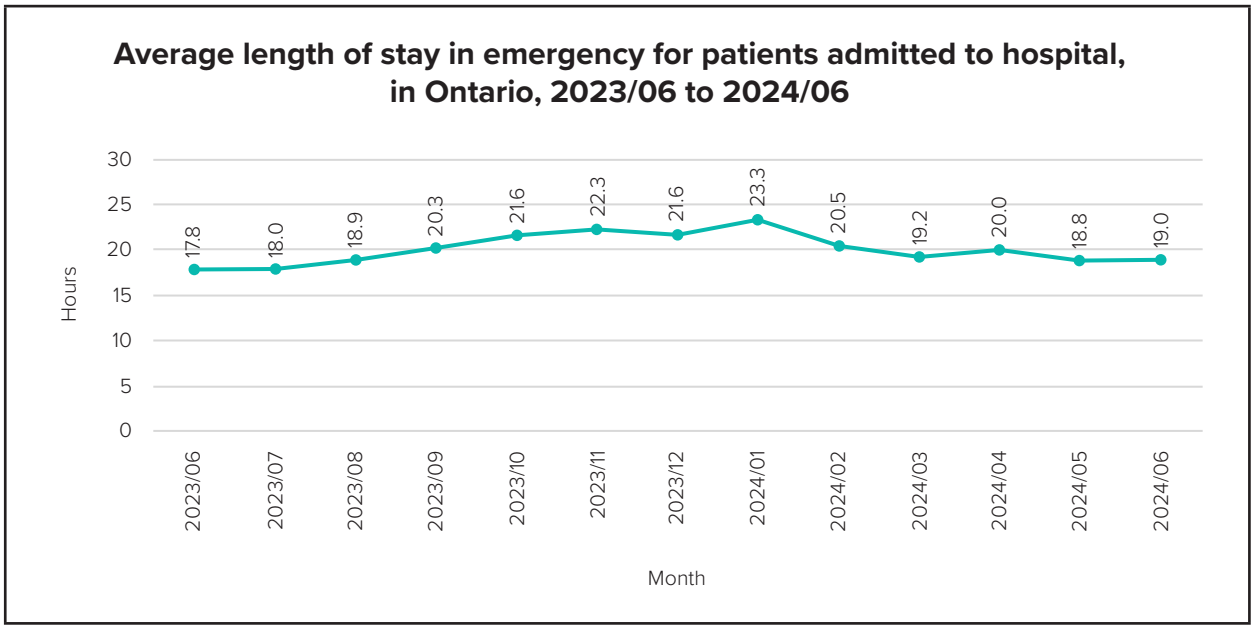
[14] Ontario Legislature, Standing Committee of Public Accounts, Long-Term Care Facilities Activity (Section 4.04, 2004 Annual Report of the Provincial Auditor), 2nd Session, 38th Parliament 54 Elizabeth II, 2005. See pages 2 and 11.

The consequences of PC policy to date: In 2018, the Progressive Conservatives ran on a promise of ending hospital hallway health care. In fact, the problem has gotten worse, despite this promise remaining a "key priority" for the government. The number of inpatients being cared for in hallways has hit 1,326 according to the most recent report from Ontario Health. This is an all-time high, 25% higher than when the government was elected in June 2018.[15]

In an unprecedented development, we now have hundreds of unplanned hospital Emergency Department closures every year, often due to staffing problems. Prior to the Ford government this happened only very rarely. Small town and rural hospital are especially under threat.

After the hospital crisis and the cancellation of tens of thousands of surgeries with COVID, hospital bed occupancy fell from 96% in 2018-19 to 84% in 2020-21 – an almost safe bed occupancy level. However, hospital bed occupancy returned to 93% by the first quarter of 2023[16], a dangerously high level. This, despite the fact that the number of hospital surgeries still had not returned to their pre-pandemic level by the first quarter of 2023 – falling 638 surgeries short of the number performed in the first quarter of 2020, just as the pandemic hit.

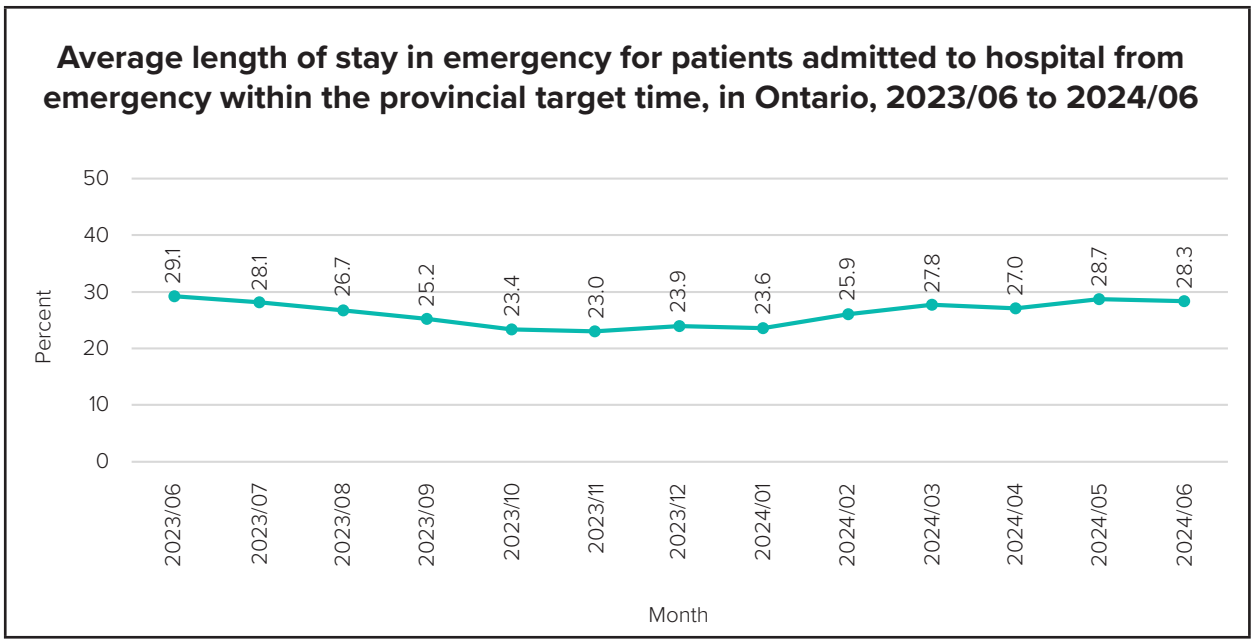
With so few hospital beds and staff, patients who turn up at Emergency Departments must wait. Currently the average wait time is 19 hours before a patient can be admitted to the hospital.[18]



Source: Ontario Health

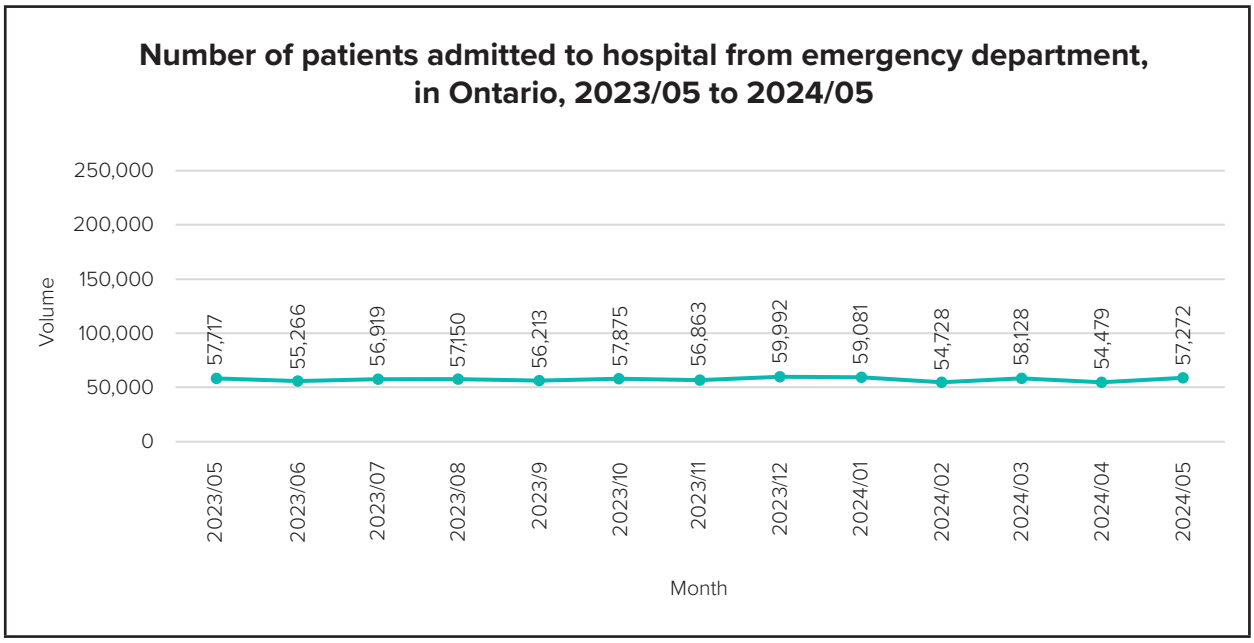
This is well over twice the target wait time of eight hours. Over the last year reported, about a quarter of patients admitted to hospital via emergency rooms are admitted within the target time set by the government.

[15] Ontario Health, Annual Report 2022-3, page 40. The data refers to March 2023.
[16] FAO, Ontario Health Sector: Spending Plan Review, March 2023.
[18] As of August 16, 2024.



Source: Ontario Health

That is about a 75% failure rate. This is not because of unusual increases in Emergency Department admissions. In fact, admissions via Emergency Department have been stable over the past year and highly predictable.



Conclusion: Ontario lacks hospital capacity. Under Ford, hospital capacity has fallen behind the growth in need. Ford government plans for the future, especially for the next several years, will see capacity fall behind at an even more rapid pace. The Ford government capacity plan has to improve.

To begin this process, the government must at the very least fund hospitals to maintain their current service levels. That would require the 4% funding to offset population, aging, and utilization. Inflation would also have to be offset, meaning that hospital funding to maintain service levels should be the in 7% range. **That would mean a provincial funding increase of $2 billion**. To improve hospital capacity (e.g. by returning beds per capita to 2005 levels) would mean significantly more funding.

Applied to local hospitals a 7% increase to maintain services would mean (approximately).[19]

- London Health Sciences Centre: $99 million
- Hamilton Health Sciences: $118 million
- St. Joseph's Health care Hamilton: $50 million
- Huron Perth Health care Alliance: $11.5 million
- Niagara Health System: $48 million
- St. Mary's General Hospital: $15.3 million
- Grand River Hospital: $35 million
- Lakeridge: $59 million
- Kingston Health Sciences: $45 million
- Cornwall Community Hospital: $9.6 million
- Health Sciences North: $39 million
- North Bay Regional Health Centre: $21 million
- The Ottawa Hospital: $104 million
- Hôpital Monfort: $16.3 million
- The Royal Ottawa: $14.6 million
- Windsor Regional: $40 million
- Sault Area Hospital: $16.2 million
- University Health Network: $135 million
- Unity Health Network: $84 million

[19] These estimates are based on provincial funding indicated in the respective hospital's 2023-24 audited financial statements.

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