



SENIORS FOR SOCIAL ACTION (ONTARIO)

Editorial

OUR HOSPITALS ARE IN TROUBLE: IMPLICATIONS FOR ELDERS

May 30, 2024

Closure of the Minden Hospital

Nearly a year ago, on June 1st, 2023, after six weeks' notice and no consultation, Haliburton Highlands Health Services (HHHS) permanently closed Minden Hospital's Emergency Room ("Minden ER") and took down the Blue H out front.

HHHS cited serious staffing shortages and an inability to retain health care workers as the reason (Phillips, 2023) for the closure. The Minister of Health declared it a unilateral decision, not about the money, and in the best interest of the community.

Haliburton County is one of the fastest growing regions in Canada for elders. The County (which includes Minden) is growing faster than all surrounding Census divisions. Yet, shockingly, HHHS closed Minden ER – which stood for 30 years without ever closing temporarily - meaning increased travel time to the remaining Hospital in Haliburton for anyone needing emergency care.

Increased travel time can mean life or death, especially for an older person suffering a heart attack or other health emergency. With elders in rural areas already short of services, having their hospital taken from them is a major concern.

The Tip of the Iceberg

It turns out Minden ER's permanent closure was just the tip of the iceberg, as a group called Minden Paper [pointed out to the Standing Committee on Finance and Economic Affairs](#) in their statement regarding Bill 180 the [Building a Better Ontario Act](#).

Their concern related to Schedule 1 of the Bill which sets out the framework for the Building Ontario Fund (formerly the Ontario Infrastructure Bank). They spoke to how it relates to health care planning and provision and how to ensure financial management, governance, and community engagement are embodied in this Act.

Their findings for fiscal years 2022 and 2023 concerning the year-end financial positions and total funding for Ontario hospitals are worthy of note. They found that:

- For fiscal year April 1/21 to March 31/22, 25% of Ontario hospitals posted a deficit. The average deficit was \$545,000 and the total deficit was \$17.9 million;
- For fiscal year April 1/22 to March 31/23, 75% (102) of Ontario hospitals posted a deficit – a 209% increase – with an average deficit of \$5.9 million – a 992% increase, and a total deficit \$610 million – a 3300% increase.
- Interestingly, one hospital system – Mackenzie Health, posted a \$93 million dollar surplus – greater than all 29 other hospitals with a surplus combined and enough to cover 67 hospital deficits.
- The average total funding increase between fiscal year 22 and 23 was 4%. Mackenzie Health had a 24% increase in year-over-year total funding.

- That same year, Haliburton Highlands Healthcare Services posted a \$4.2 million deficit and permanently closed its emergency room.
- While Boards typically wait until annual general meetings to state their year-end financials, five (5) hospitals have publicly stated or projected their deficits for fiscal year 24. The total is \$145.8 million which is one-sixth (1/6) of the total deficit of 102 hospitals in the previous year combined.

How Did This Happen?

Minden Paper sees four factors as having led to Ontario's hospital system now being in financial ruin:

1. Chronic year-over-year structural based under-funding;
2. Insufficient structural base funding leading to dependency on one-time funding which the government has now removed;
3. Bill 124 – Protecting a Sustainable Public Sector for Future Generations Act. Wage suppression legislation that negatively affected recruitment of R.N.'s, nurse practitioners and other health care professionals (Ontario Nurses Association, 2024) thereby incapacitating hospitals' abilities to recruit and retain staff. Bill 124 also forced hospital systems to accrue monies in case the Bill failed and workers had to be paid back. Bill 124 did fail, and, to date, many hospitals are waiting on payment from the government.
4. Bill 124 created dependence on private nursing agencies, forcing hospitals to spend three times as much on labour (Minden Paper, 2024).

Big Developer Donations to Hospitals

While it is important to note that donations are typically designated for capital projects and infrastructure improvements, not operational expenses, Seniors for Social Action Ontario (SSAO) finds Mackenzie Health's significant surplus to be an interesting anomaly especially when considering that the biggest donors to the Mackenzie Health Foundation are the Cortellucci family and other major developers. These include the Giovanni de Gasperis family, TACC Group of Companies, The Kohn, Eisenberger, Gunsburg, and Jakubovic Families, Fieldgate Group of Companies and Paradise Developments, all of whom gave \$20 million or more (Mackenzie Health Foundation, 2024).

In June, 2020 the Mackenzie Health Centre was "renamed the Cortellucci Vaughan Hospital in honor of Mario Cortellucci, who had been a Senate candidate for Italy's far-right political party and a top donor to Ontario Premier Doug Ford's leadership campaign". This renaming was thanks to a \$40 million donation from the Cortellucci family and top ups from the Ford government. Mr. Ford personally attended the unveiling of the hospital's new name (Press Progress, 2020).

Funding Inequities for Other Ontario Hospitals and Forcible Discharge to Long-Term Care of Vulnerable Older Adults Under Bill 7

Both Minden Paper and Seniors for Social Action Ontario are deeply concerned about the funding allocation inequities in Ontario's hospital system. Cutbacks to hospital services negatively affect many older adults struggling to remain at home in spite of serious health conditions.

The Ontario government, under Bill 7, is pressuring predominantly older adults classified as alternate level of care patients to move to long-term care facilities that are not of their choosing and are 70 to 100 kilometers from their homes. If they refuse, they face charges of \$400 per day to stay in the hospital. This move now seems connected to the Ford government's funding arrangements for hospitals.

This raises some difficult questions for SSAO.

What exactly is the Ford government's agenda when it comes to hospital funding in light of the involvement of big donors from the private sector's contributions apparently helping to address the funding needs of Mackenzie (Cortellucci) Health?

Why has the Minister of Health not undertaken a review of funding processes to ensure fair distribution and a transparent, data-driven approach to meeting each hospital communities' needs and concerns while maintaining system integrity?

Why has the Ontario government found the funding – over \$6 Billion to support expansion of long-term care institutions that are predominantly for-profit, while failing to address public hospital deficits?

Minden Paper Recommendations

In light of the serious consequences for older adults when public hospitals are in deficit, SSAO supports the Minden Paper's recommendations to the Standing Committee

- Introduce emergency funding provisions in Bill 180 to address our health care system's financial constraints.
- Develop a funding formula that considers the social and commercial determinants of health relative to each localized region.
- Establish mandatory financial health assessments for each Hospital in Ontario, led by an external organization instead of the Ministry of Health and/or each healthcare board.
- Mandate public reporting with committee-established, dedicated Key Performance Indicators (KPIs) and/or OKRs (Objectives and Key Results) for all hospitals receiving provincial funding.
- Implement universal standards for transparency and accountability that all healthcare boards must meet. We're concerned that Ontario's Not for Profit Corporations Act (ONCA), Excellent Care for All Act (ECFAA), the Canada Hospital Act and other critical legislation are not being followed or enforced. They exist for a reason.
- Introduce rigorous oversight mechanisms within Bill 180 that require boards to report information in a timely, relevant manner.
- Mandate specific qualifications and training for board members to ensure they are adequately prepared to oversee complex healthcare environments. This training should include elements of financial management, ethical decision-making, and patient-care quality standards.
- Move away from large, ambiguous funding announcements and towards clear, detailed communication that reaches and involves community members directly. This will help with accountability.
- Mandate mechanisms for regular community feedback and involvement in healthcare planning and provision. The process must reflect the demographic and socio-economic composition of the areas served.
- Enhance the visibility of how community feedback influences decisions. Detailed reports should be published following any major decision, outlining the rationale and community input.

- Implement initiatives to educate the public on healthcare planning and provision, including financial management and governance, to foster a well-informed community that can advocate effectively for its needs.

ANALYSIS

The Ontario government has taken a stealth approach to the dismantling of our public hospitals. Our hospitals have been chronically underfunded and forced to rely on one-time funding for years, which has now been removed. Simultaneously, our hospitals have been forced to rely on private, for-profit nursing agencies at astronomical costs while being unable to pay their public sector employees fairly. The devastating impacts of Bill 60 and Bill 124 are now being felt widely across the sector.

We're shipping elders off to for-profit long-term care institutions in droves – and usually the ones with the worst track records because they tend to have the first available beds.

Older citizens of Ontario deserve better than to have the public hospital system to which they have contributed their entire lifetimes destroyed by a government that appears to favor its cronies in the private sector over the health of its population.

Jeff Nicholls is a member of Minden Paper.

Dr. Patricia Spindel is the Chair of Seniors for Social Action Ontario

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