

## **Renewal of the Federal Health Accord**

**Issue: The 2004 Health Accord will expire on March 31, 2014 and the federal government has refused to negotiate another accord.**

The Health Accord is a legal agreement between the federal and provincial/territorial governments on health-care funding. The 10-year plan, signed in 2004, recommitted leaders to the *Canada Health Act*, set wait times and other goals, and increased health-care funding by six per cent each year.

The accord was important in providing stable funding after deep cuts in the 1990s. It also promoted national standards. The First Ministers recommitted to the *Canada Health Act* and its requirements: public administration, universal access, comprehensive coverage, accessibility without extra charges or discrimination, and portability across provinces. The accord also set common goals around wait times, home care, prescription drugs, and team-based primary care.

**Current Status: On December 19, 2011, the federal government announced it was changing the way it would transfer funds to the provinces.**

- The Canada Health Transfer (CHT) growth would continue at six per cent per year for three years (2014-15 to 2016-17) and then be cut to the rate of growth of GDP.
- The Canada Social Transfer (CST) would continue to grow at three per cent per year.
- Equalization transfers would grow at the rate of growth of GDP.

The Council of the Federation Working Group on Fiscal Arrangements analyzed the impact of these proposed changes.\* With respect to the effect of the reduced CHT transfers, it assessed the net reduction against several alternative scenarios:

- Funding continuing as per the current 2004 agreement (status quo), with a six per cent escalator
- Funding as it would be under the 2007 federal budget plan. This would shift the current 2004 agreement upwards by a base increase in 2014-15

The COF estimated Ontario will lose in excess of \$13 billion over ten years under either scenario. The cost to provinces and territories compared to the current arrangement would be almost \$25 billion. It would be almost \$36 billion compared to the promises of the 2007 federal budget plan. Interestingly, Alberta stands to gain significantly under the December 19 proposal, relative to current transfer rates.

	COF Estimates of the Impact of Proposed CHT Cuts		
	Ontario	Alberta	Canada
<b>Vs. Current 2004 Agreement</b>	-\$13.624 Billion	+\$8.3519 Billion	-\$24.8384 Billion
<b>Vs. 2007 federal budget plan</b>	-\$13.9527 Billion	-\$4.1211 Billion	-\$35.865 Billion

**Question:** Will you commit to RNAO's position to lobby the federal government to negotiate a new Health Accord for Canadians?

\* Council of the Federation Working Group on Fiscal Arrangements. (2012). *Assessment of the Fiscal Impact of the Current Federal Fiscal Proposals*. Retrieved February 6, 2014 at <http://www.conseildelafederation.ca/en/publications>.

## **Increasing the Minimum Wage to \$14.00/hr.**

***Issue:*** The provincial government announced an increase in the minimum wage to \$11.00/hr on January 30 but it is not enough to lift minimum wage workers out of poverty in Ontario.

For the past four years, the minimum wage has been frozen at \$10.25/hour in Ontario. This means a worker employed 40 hours a week earns about \$20,500.00 before taxes. In the face of rising food, rent, and electricity costs, this same worker has an income that is 19 per cent below the poverty line. There are 534,000 people working for minimum wage in Ontario — one in every 10 employees who are more likely to be new immigrants, women and people of colour. In 2012, almost half of minimum wage workers in Ontario were employed by corporations with over 500 employees—like Pizza Pizza for example, which increased its profits by 37 per cent last year. There has also been a significant shift in the age of minimum wage workers across Canada. Between 2004-2012, the number of minimum wage workers 35 years and older increased from 17 to 27 per cent.

***Current Status:*** On January 30, the provincial government announced the minimum wage will increase to \$11.00/hr effective June 2014.

This falls far short of the \$14.00/hr. increase demanded by many health and community groups including RNAO. At \$11.00/hr, a minimum wage worker employed full-time will still have an income that is 16 per cent below the poverty line. This will have a huge negative impact on that worker's ability to make ends meet for his/her family and will have an impact on their health. Low wages affect health, mental health and emotional well-being and result in increased rates of chronic illnesses such as diabetes, heart disease, bronchitis, etc. Low wage workers do not usually have access to insurance coverage for vision, dental or prescription medications so are doubly impacted when working for minimum wage. To ensure the minimum wage brings workers out of poverty, it should be benchmarked at 10 per cent above the poverty line, which would mean an income of \$25,415.00 per year. RNAO and like-minded community groups will continue to pressure the government to increase the minimum wage to \$14.00/hr in the next provincial budget.

***Question:*** Will you commit to support RNAO's position to increase the minimum wage to \$14.00/hr?

## **Investment in Registered Nurses**

**Issue:** Ontario needs 17,588 more registered nurses to catch up to the rest of Canada in terms of the RN-to-population ratio.

Beginning in 2009, RN-to-population ratios fell continuously in Ontario and the burden fell on new graduates in particular—12.9 per cent were unemployed and seeking nursing jobs in 2012. When new graduates are unable to find nursing employment, they move away and it is very hard to get them back. Almost 6,000 Ontario RNs are now working outside Ontario - over 3,000 of them across the border. This represents an enormous loss of skills, talent and compassion for patients here.

**Current Status:** In the fall of 2013, the Canadian Institute for Health Information (CIHI) released data, which examined the number of RNs in the workforce between 2008 and 2012. While the RN workforce slightly increased in the rest of the country, it declined in Ontario. We now have the second worst RN-to-population ratio in Canada. Declining numbers of RNs results in significant workload issues and negatively affects patient care. The RN-to-population ratio gap in Ontario continues to grow to the point where the province now has 69.9 RNs per 10,000 people versus 83 per 10,000 across the rest of the country. We have to hire a minimum of 9,000 additional nurses by 2015 just to begin closing the gap. The actual shortfall is much higher - 17,600 positions are actually needed.

**Question:** Will you commit to support RNAO's position that we need concrete action in the next budget to hire new Registered Nurses?

## **Health System Restructuring**

**Issue:** Local Health Integration Networks (LHINs) are not able to perform whole system regional planning because home care, primary care (with exception of community health centres), and public health - are not part of the act governing LHINs.

This deficiency creates duplication, inefficiencies and ineffective integration of health services. Moreover, the limited role of the LHIN is not cost-effective for the health system. RNAO is recommending that the LHIN mandate be expanded to include the public health, home care and the primary care sectors. This expansion is central to the successful integration and co-ordination of service delivery. RNAO's report, *Enhancing Community Care for Ontarians* (ECCO) proposes a three-year plan to transition the CCAC's 3,500 expert case managers to become care co-ordinators in primary care looking after persons with complex care needs. ECCO also proposes that the LHINs be empowered with whole system planning, thus making CCACs redundant and reinvesting their costly administrative dollars into thousands of additional hours of direct home care for Ontarians.

**Current Status:** The Legislature's current review of the *Local Health System Integration Act* is critically important when considering opportunities for health system reform. This review will be pivotal in determining the future of the health system's planning and accountability structure. In January 2014, RNAO appeared before the Standing Committee on Social Policy (which is overseeing this review) to provide solutions on behalf of Ontario's registered nurses. RNAO's recommendations resonated immensely within the committee and media. Consequently, public discussions are emerging in the media regarding health system structural reform, with specific discussion about the future existence of Community Care Access Centres (CCACs)

**Question:** Given the Legislature's current review of the *Local Health System Integration Act*, will you support amendments to the LHIN Act that enhance the mandate of LHINs to include public health units, home care and primary care?

Toronto Star (February 20, 2014). *Searching for the truth in health spending: Hepburn*  
[http://www.thestar.com/opinion/commentary/2013/10/16/searching\\_for\\_the\\_truth\\_in\\_health\\_spending\\_hepburn.html](http://www.thestar.com/opinion/commentary/2013/10/16/searching_for_the_truth_in_health_spending_hepburn.html)

London Free Press (February 19, 2014). *Huge raises disgust MPP ; HEALTH CARE: HEAD OF AREA HOME CARE BOARD HAS SEEN PAY JUMP \$170,000 SINCE 2006:* <http://www.lfpress.com/2014/02/19/has-your-pay-increased-144>

Toronto Star (February 12, 2014). *Soaring CEO pay and fear rock health-care sector: Hepburn*  
[http://www.thestar.com/opinion/commentary/2014/02/12/soaring\\_ceo\\_pay\\_and\\_fear\\_rock\\_healthcare\\_sector\\_hepburn.html](http://www.thestar.com/opinion/commentary/2014/02/12/soaring_ceo_pay_and_fear_rock_healthcare_sector_hepburn.html)

Toronto Star (February 5, 2014). *Kathleen Wynne fails to act on growing health-care mess: Hepburn.*  
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Guelph Mercury (February 1, 2014). *Guelph 'whistleblower' homecare lawsuit settled out of court.*  
<http://www.guelphmercury.com/news-story/4351759-guelph-whistleblower-homecare-lawsuit-settled-out-of-court/>

Guelph Mercury (February 1, 2014). *LHINs should be responsible for home care*  
<http://www.guelphmercury.com/opinion-story/4355860-lhins-should-be-responsible-for-home-care>