Low Wages, No Benefits

Expanding Access To Health Benefits For Low Income Ontarians

Wellesley Institute
advancing urban health

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The Wellesley Institute engages in research, policy and community mobilization to advance population health.

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Executive Summary

In Ontario, important uninsured health services like prescription drugs and dental and vision care are provided through a patchwork of private and public programs. Some people have access to these essential services through employer-provided benefit plans. Other populations, such as seniors and people receiving social assistance, are eligible for some level of coverage through public programs. In-between, there is a large group of Ontarians who do not receive employer-provided benefits and who are not eligible for public coverage. This paper highlights the inequities that exist in Ontario's current model of delivering health benefits and sets out some options for policy changes that would improve health and health equity.

Living with low income and experiencing a lack of resources can increase the risk of poor health. Low income is associated with increased risk of cardiovascular disease[1] and poor mental health, including increased rates of anxiety, depression, psychological distress and suicide.[2] Diabetes rates tend to be higher in low income areas and poorer communities experience higher rates of diabetes-related complications.[3]

Cost can be a major barrier to accessing uninsured health services for Ontarians with low income. In Ontario, about 9 percent of people do not fill medical prescriptions because of cost[4] and more than one in five Ontarians with household income between $15,000-$29,999 report that cost is a barrier to accessing dental care.[5]

Beyond this, living with low income can create situations in which families have to make difficult decisions in the allocation of their limited resources, which can contribute to poor health over time. Access to dental care and prescription drugs is particularly income sensitive. The lower a household's income the more difficult it is to access these essential health services.[6] A lack of access to uninsured health services can create barriers to good health and increase health inequities, reducing opportunities for health promotion and illness prevention and leaving individuals with few resources.

This paper uses data from Statistics Canada's Survey of Labour and Income Dynamics to identify who is more or less likely to have employer-provided health benefits. We found that:

- One-third of paid employees in Ontario do not have employer-provided medical or dental benefits.
- People with low earnings have lower levels of employer-provided health benefit coverage than those with higher earnings, with fewer than one in five people earning less than $10,000 receiving benefits through their employer compared with more than 90 percent of people earning over $100,000.
- Men have are more likely to have employer-provided benefits than women.

While Ontario provides a patchwork of health benefits that cover prescription drugs and dental and vision care to selected populations, people who are working but who have low earnings are likely to fall through the gaps. They are not eligible for public benefits and are less likely to have employer-provided benefits.

Ontario has already begun to make important steps toward improving access to uninsured health services

1 L. Samuel B. Walton-Moss, T.H. Nguyen, Y. Commodore-Mensah, M.J. Hayat & S.L. Szanton, "Community-Based Cardiovascular Health Interventions in Vulnerable Populations: A Systematic Review," *Journal of Cardiovascular Nursing 29*, no. 4 (2014).

2 M.W. Manseau, "Economic Inequality and Poverty as Social Determinants of Mental Health," *Psychiatric Annals 44,* no. 1 (2014).no. 1 (2014

3 I. Daiski F.B Pilkington, T. Bryant, M. Dinca-Panaitescu, S. Dinca-Panaitescu & D. Raphael, "The Experience of Living with Diabetes for Low-Income Canadians," *Canadian Journal of Diabetes 34*, no. 2 (2010).

4 Michael R Law et al., "The Effect of Cost on Adherence to Prescription Medications in Canada," Canadian Medical Association Journal 18, no. 3 (2012).

5 Laleh Sadeghi, Heather Manson, and Carlos R Quiñonez, "Report on Access to Dental Care and Oral Health Inequalities in Ontario," (Toronto: Public Health Ontario, 2012).

6 Sanmartin et al., "Trends in Out-of-Pocket Health Care Expenditures in Canada, by Household Income, 1997-2009."

for people with low income. In Budget 2014 and in its Poverty Reduction Strategy, the Government of Ontario committed to expand access to dental programs for low income children and to examine opportunities to expand access to these programs and other extended health benefits to low income adults.[7]

We recommend that the Province should:

- Continue their efforts to create a national PharmaCare program and, if the federal government does not take a leadership role on this file, should consider options to create a made-in-Ontario program to address this gap.
- Mandate and fund Public Health Units, Community Health Centres and Aboriginal Health Access Centres to provide oral health care services to low income adults and seniors, with provincial standards set for the level of care that is required.
- Relist routine eye examinations as part of OHIP coverage.
- Expand ODSP-level coverage for glasses and lenses to all people receiving social assistance and explore options for providing this level of coverage to other low income populations.

Our findings reinforce the importance of making immediate improvements to health benefit coverage for low income Ontarians. People working in paid employment but who have low earnings in Ontario lack access to publicly provided benefits and do not have equitable access to employer-provided benefits. Improving access to health benefits would narrow the health gap between those with and those without employer-provided benefits, creating a healthier and more equitable Ontario.

7 Minister Responsible for the Poverty Reduction Strategy, "Realizing Our Potential: Ontario's Poverty Reduction Strategy," ed. Treasury Board (Ontario 2014); Minister of Finance, "Building Opportunity, Securing Our Future: Ontario Budget 2014," (2014).

Introduction

Canada prides itself on its universal health care system that provides access to quality health care services regardless of ability to pay. While Medicare is the cornerstone of Canada's health care system, it covers some health care services like hospital or doctor visits and excludes other essential health care services like prescriptions drugs, vision care and dental care.[8]

For some, these omissions are not significant barriers to good health because they have access to uninsured health services, often through their employers, or through publicly-provided benefit programs. For others, not having access to uninsured health services has a significant impact on their opportunities for good health. Many people do not have access to private coverage through their employer, as new data in this paper show. For low income earners and other vulnerable populations the lack of private coverage coupled with inadequate publicly-provided health benefits can mean little or no access to essential health services.[9]

Recently, Ontario's Minister of Health and Long-Term Care has begun to publicly advocate for the federal government to establish a national PharmaCare plan, a universal prescription drug plan.[10] A national PharmaCare plan is critical to ensure that all Canadians have access to medically necessary prescription drugs.

In addition to advocating for improved access to prescription drugs for Ontarians, there are also steps that the Province can take to make other health services, including dental and vision care, more easily accessible to low income earners. In Budget 2014 and in its Poverty Reduction Strategy, the Government of Ontario committed to expand access to dental programs for low income children and to examine opportunities to expand access to these programs and other extended health benefits to low income adults.[11] This new policy direction provides an important window to reduce income-related health inequities in Ontario.

This paper explores the needs and options that exist for improving access to prescription drugs, vision care, and dental care for low income earners in Ontario. First, we outline the cost-related barriers to uninsured health services that many Ontarians face and the health and health equity impacts associated with these barriers to care. Following this, we describe the patchwork of public and private health benefit plans that currently operate in Ontario. Next, we present data that shows that Ontarians with low earnings have significantly less access to employer-provided health benefit plans than those who are better off. We conclude with recommendations for how Ontario can improve access to prescription drugs and dental and vision care. This paper aims to highlight the inequities that exist in Ontario's current models for delivering health benefits and set out some options for policy changes that would improve health and health equity.

8 Canada Health Act. This paper's scope is limited to three major uninsured health services for which some level of public coverage is provided in Ontario: prescription drugs, dental care and vision care. There are broader uninsured health services that are not considered, including home care, medical items, paramedical practitioner services, orthotics, emergency transportation, and private or semi-private hospital accommodation.

9 Steven G Morgan, Jamie R Daw, and Michael R Law, "Rethinking Pharmacare in Canada," (Toronto: C.D. Howe Institute, 2013).

10 Eric Hoskins, "Why Canada needs a national pharmacare program," *The Globe and Mail* 2014.

11 Minister Responsible for the Poverty Reduction Strategy, "Realizing Our Potential: Ontario's Poverty Reduction Strategy," ed. Treasury Board (Ontario 2014); Minister of Finance, "Building Opportunity, Securing Our Future: Ontario Budget 2014" (2014).

Cost-Related Barriers To Uninsured Health Services

In Ontario, about 9 percent of people do not fill medical prescriptions because of cost.[12] A Canadian study found that cost-related non-adherence to prescription drugs was associated with households with incomes under $20,000, those lacking prescription drug coverage and those with fair or poor self-reported health.[13] International research shows the relationship between income and drug utilization: people with low income are less likely to access prescription drugs than people who are better off.[14] These gaps can lead to broader health system costs associated with a lack of access to medications including complications for chronic conditions and hospital readmissions.[15]

A lack of access to dental and vision care services can also have significant health impacts. Data from the 2005 Canadian Community Health Survey show that 22.1 percent of Ontarians with household income between $15,000-$29,999 reported that cost was a barrier to accessing dental care, compared to 16 percent of households earning $80,000 or more.[16] Poor oral health affects more than just teeth and gums. Periodontal disease is linked to respiratory infections, cardiovascular disease, diabetes, poor nutrition, low birth weight babies, and osteoporosis and rheumatoid arthritis in seniors.[17]

Many eye diseases develop without symptoms, making them hard to detect. Canadian research suggests that people living in poorer neighbourhoods had a greater risk of late presentation of glaucoma – the leading cause of blindness in Canada – than people living in wealthier areas.[18] Access to visual aids is also key to good vision and vision related health. In a population-based study of people 40 years of age and over in Brantford, Ontario – chosen for its similar age distribution to Canada – found that 70 percent of participants had an uncorrected refractive error (blurred or impaired vision) that could be treated with corrective glasses.[19] Early detection and monitoring may correct or mitigate the effects of these disorders; however, without access to regular eye examinations or eye glasses and other visual aids, people may not get the treatment necessary to prevent vision loss.[20]

Paying Out-Of-Pocket

People who do not have access to public coverage for uninsured health services and who have no or inadequate private health benefit coverage may not receive necessary health care services or may pay out-of-pocket. Paying out-of-pocket for uninsured health services, either entirely or through cost-sharing

12 Michael R Law et al., "The Effect of Cost on Adherence to Prescription Medications in Canada," *Canadian Medical Association Journal 18*, no. 3 (2012).

13 Ibid.

14 Hai Zhong, "Equity in Pharmaceutical Utilization in Ontario: A Cross-Section and Over Time Analysis," *Canadian Public Policy 33,* no. 4 (2007).; Dana P Goldman, Geoffrey F Joyce, and Yuhui Zheng, "Prescription Drug Cost Sharing: Associations with Medication and Medical Utilization and Spending and Health," *Journal of American Medical Association 298*, no. 1 (2007).

15 Law et al., "The Effect of Cost on Adherence to Prescription Medications in Canada."

16 Laleh Sadeghi, Heather Manson, and Carlos R Quiñonez, "Report on Access to Dental Care and Oral Health Inequalities in Ontario," (Toronto: Public Health Ontario, 2012).

17 Arlene King, "Oral health - more than just cavities: A report by Ontario's Chief Medical Officer of Health," (2012).

18 Yvonne M. Buys, Ya-Ping Jin, and The Canadian Glaucoma Risk Factor Study Group, "Socioeconomic Status a Risk Factor for Advanced Glacuoma," *Canadian Journal of Ophthalmology 48*, no. 2 (2013)

19 B Robinson et al., "Prevalence of Visual Impairment and Uncorrected Refractive Error - Report from a Canadian Urban Population-Based Study" *Ophthalmic Epidemiology 20,* no. 3 (2013).

20 Ya-Ping Jin and Graham E Trope, "Eye care utilization in Canada: Disparity in the publicly funded health care system," *Canadian Journal of Ophthalmology 46*, no. 2 (2011).

arrangements such as deductibles and co-payments, can be prohibitively expensive for some populations and contribute to health inequities.

Data from Statistics Canada's Survey of Household Spending shows that between 1997-2009, there was a greater increase in out-of-pocket health care spending as a percentage of household income for lower-income households than there was for households in the highest income quintile.[21] As well, in 2009 households in the lowest income quintile spent 5.7 percent of their total after-tax income on out-of-pocket health expenses while households in the highest income quintile spent 2.6 percent of their after-tax income.[22]

There is extensive evidence that demonstrates that living with low income and experiencing a lack of resources can increase risk of poor health. Low income is associated with increased risk of cardiovascular disease[23] and poor mental health, including increased rates of anxiety, depression, psychological distress and suicide.[24] Diabetes rates tend to be higher in low income areas and poorer communities experience higher rates of diabetes-related complications.[25] Moreover, many of the individual-level interventions that can prevent or control diabetes, such as healthy eating and regular physical exercise, are not possible for low income people owing to affordability barriers.[26] The impact of living with low income can also differ by gender. An Ontario study found that women in the lowest income group were two and a half times more likely to have diabetes than women in the highest income group, while men in the lowest income group were twice as likely to have diabetes as men in the highest income group.[27]

Living with low income can create situations in which families have to make difficult decisions in the allocation of their limited resources, which can contribute to poor health over time. For example, there is evidence that Canadians with low income may forego visiting the dentist in order to buy groceries.[28] In the absence of public or private coverage for uninsured health services, rising out-of-pocket health care expenses can limit access to crucial health supports and, as a result, compromise overall health. Access to dental care and prescription drugs is particularly income sensitive, meaning that the lower a household's income the more difficult it is to access these essential health services.[29] This can create a barrier to good health and increase health inequities, reducing opportunities for health promotion and illness prevention and leaving individuals with few resources. It is also important to note that, while outside of the scope of this paper, a lack of access to other uninsured health services, such as medical supplies, home care, transportation to and from medical appointments, assistive devices or paramedical practitioners,[30] may pose additional barriers to good health.

21 Claudia Sanmartin et al., "Trends in Out-of-Pocket Health Care Expenditures in Canada, by Household Income, 1997-2009," in Health Reports (Statistics Canada, 2014).

22 Ibid.

23 L. Samuel B. Walton-Moss, T.H. Nguyen, Y. Commodore-Mensah, M.J. Hayat & S.L. Szanton, "Community-Based Cardiovascular Health Interventions in Vulnerable Populations: A Systematic Review," *Journal of Cardiovascular Nursing 29*, no. 4 (2014).

24 M.W. Manseau, "Economic Inequality and Poverty as Social Determinants of Mental Health," *Psychiatric Annals 44*, no. 1 (2014).

25 I. Daiski F.B Pilkington, T. Bryant, M. Dinca-Panaitescu, S. Dinca-Panaitescu & D. Raphael, "The Experience of Living with Diabetes for Low-Income Canadians," *Canadian Journal of Diabetes 34*, no. 2 (2010).

26 Ibid.

27 A.S. Bierman et al., "Burden of Illness," in Project for an Ontario Women's Health Evidence-Based Report, ed. A.S. Bierman (Toronto 2009).

28 V Muirhead et al., "Oral Health Disparities and Food Insecurity in Working Poor Canadians," *Community Dentistry and Oral Epidemiology 37*, no. 4 (2009).

29 Sanmartin et al., "Trends in Out-of-Pocket Health Care Expenditures in Canada, by Household Income, 1997-2009."

30 Paramedical practitioners include chiropractors, physiotherapists, podiatrists, speech therapists and massage therapists, among others.

Health Benefits In Ontario: A Patchwork Of Public And Private Plans

In Ontario access to important uninsured health services like prescription drugs, dental care and vision care is provided through a patchwork of private and public health care plans. For some Ontarians, coverage for uninsured health services is provided privately through their employer. Provision of health benefits through employment is entirely voluntary – employers are not required to provide benefits – and there are no minimum standards required of health benefit plans beyond rules prohibiting discrimination based on employee age, sex and marital status.[31] As a result, even those with access to benefits might have inadequate or insufficient coverage. We begin by outlining the range of public prescription drug, dental and vision coverage for which some Ontarians are eligible.

Prescription Drug Coverage In Ontario

The Ontario Drug Benefit (ODB) program provides basic prescription drug coverage for people who are 65 years or older, living in long-term care or a home for special care, enrolled in home care program or receiving social assistance.[32] The program's cost is income dependant for seniors; single seniors earning over $16,018 and couples earning over $24,175 pay a $100 annual deductible and a co-payment of up to $6.11 per prescription. All others eligible for ODB coverage do not have to pay a deductible, but pharmacists may charge a co-payment of up to $2.[33]

Ontario also provides drug coverage to people who have high prescription drug costs in relation to their household income through the Trillium Drug Plan (TDP). To be eligible recipients must have an OHIP card and either not have private health insurance or have a private health insurance plan that does not cover the full cost of their prescription. Under the TDP, recipients must pay a deductible, usually about 4 percent of their household's net income. The deductible is divided into four equal payments and is paid when purchasing prescription drugs at a pharmacy. Once the deductible has been paid the only additional costs borne by recipients is a co-payment of up to $2.[34]

Dental Care Coverage In Ontario

Public dental coverage is extremely limited in Ontario, with the province funding only 1.2 percent of dental services in 2010, the lowest public expenditure in Canada.[35] People receiving Ontario Disability Support Program (ODSP), their spouses and children have access to basic dental services, and they may be able to access additional services if they have a disability that affects their oral health. People receiving Ontario Works, on the other hand, receive basic dental care only at the discretion of their municipality,

31 Ontario Ministry of Labour, "Your Guide to the Employment Standards Act, 2000," (2013).

32 Ontario Ministry of Health and Long-Term Care, "The Ontario Drug Benefit Program," http://www.health.gov.on.ca/en/public/programs/drugs/programs/odb/odb.aspx.

33 Ontario Ministry of Health and Long-Term Care, "Ontario's Drug Plans: How Much Do I Pay?," http://www.health.gov.on.ca/en/public/programs/drugs/programs/odb/opdp_pay.aspx.

34 Ontario Ministry of Health and Long-Term Care, "The Trillium Drug Plan (TDP)," http://www.health.gov.on.ca/en/public/programs/drugs/programs/odb/opdp_trillium.aspx.

35 Canadian Centre for Policy Alternatives, "Annex 1: Expenditures on dental services: Canada, the provinces and territories, 1975 to 2010," in Putting Our Money Where Our Mouth Is: The Future of Dental Care in Canada (Ottawa: Canadian Centre for Policy Alternatives, 2011).

although their children are covered by the province.[36]

The Healthy Smiles Ontario program provides dental care to low income children in Ontario through local Public Health Units. This program covers regular visits to a dental care provider and includes check-ups, cleanings, fillings, x-rays, and scaling. To be eligible children must be under 17 years old; not have access to any other form of dental coverage, including other government-funded programs like Ontario Works; and be members of a low-income family.[37] Additionally, the Children in Need of Treatment (CINOT) program provides urgent dental care for low income children under age 17.[38] Municipalities can also offer basic dental services through Public Health Units; for example, school dental screening for children from Junior Kindergarten to Grade 8. Beginning in August 2015 Ontario will streamline its children's dental services into a single program.[39]

Few options exist for low income adults to receive dental care. Some municipalities offer free dental care to low income seniors through public health dental clinics.[40] There are also a small number of volunteer-run free dental clinics that offer basic dental services to people with low income and no coverage for dental care.[41]

Vision Care Coverage In Ontario

Coverage for vision care is limited in Ontario. OHIP provides coverage for routine eye examinations for people aged 65 years and older and those aged under 20 years once every 12 months. OHIP also provides eye examinations for people with certain medical conditions or diseases that affect the eyes. OHIP does not provide coverage for glasses or lenses.[42]

People who receive ODSP and their families are eligible for a routine eye exam every two years and receive limited assistance to cover the cost and repair of glasses. ODSP recipients are entitled to new lenses and assistance with the cost of frames every three years, when necessary. ODSP provides coverage up to $300 for lenses and frames, but does not typically cover contact lenses.[43]

People receiving Ontario Works are eligible for routine eye examinations once every two years, but no coverage is provided for the cost of lenses or frames. Children of people receiving Ontario Works are eligible for prescription glasses and for their repair, in addition to the eye examinations that all people aged under 20 years old are entitled to under their OHIP coverage.[44]

36 Ontario Association of Public Health Dentistry, "Staying Ahead of the Curve: A Unified Public Health Program for Ontario?," (2012).

37 Income cut-offs vary based on the number of dependent children in the household. A family with one child may have an income of up to $21,638, while a family with four children may earn up to $26,550. Ontario Ministry of Health and Long-Term Care, "Healthy Smiles Ontario," http://www.health.gov.on.ca/en/public/programs/dental/hso_eligible.aspx.

38 Ontario Ministry of Health and Long-Term Care, "Dental Health (CINOT)" http://www.mhp.gov.on.ca/en/healthy-communities/dental/default.asp.

39 Ontario Ministry of Health and Long-Term Care, "Ontario Ministry of Health and Long-Term Care, "Giving More Kids Access to Free Dental Care," http://news.ontario.ca/mohltc/en/2014/04/giving-more-kids-access-to-free-dental-care.html.

40 See, for example: Peel Publich Health, "Seniors' Dental Program," http://www.peelregion.ca/health/topics/commdisease/dental/seniors-dental-program.htm.

41 See, for example: Parkdale Community Health Centre, "West End Oral Health Clinic," http://www.pchc.on.ca/programs-services/dental-care/west-end-oral-health-clinic.html.

42 Ontario Ministry of Health and Long-Term Care, "OHIP Coverage for Eye Care Services," http://www.health.gov.on.ca/en/public/publications/ohip/eyecare.aspx.

43 Ontario Ministry of Community and Social Services, "Health benefits: Vision" http://www.mcss.gov.on.ca/en/mcss/programs/social/odsp/income_support/odsp_vision.aspx.

44 Ontario Ministry of Community and Social Services, "How Ontario Works Can Help You: Health Benefits," http://www.mcss.gov.on.ca/en/mcss/programs/social/ow/help/benefits/health_Benefits.aspx

Who Has Employer-Provided Health Benefits In Ontario?

The patchwork of health benefit programs in Ontario means that some populations fall through the gaps. While seniors, people receiving social assistance, children in low income households, and those with high prescription drug costs relative to their income have some coverage for uninsured health services through public plans, little is known about Ontarians who are not eligible for public support and who do not have employer-provided benefits. To address this, this paper shows which populations are more or less likely to have employer-provided health benefits.

Health Benefit Equity Analysis

This analysis uses data from Statistics Canada's Survey of Labour and Income Dynamics (SLID) 2011 survey. SLID is a household survey that covers all individuals in Canada, excluding residents of the Yukon and Northwest Territories and people living in institutions, military barracks and on reserve. The SLID sample is drawn from the monthly Labour Force Survey and is composed of two panels, each composed on approximately 17,000 households. Responding to the survey is voluntary. Interviews are conducted between January and March, with questions focussing on labour market experience and income during the previous year.[45]

The SLID asks several questions to determine the income and earnings of the survey respondent and respondents may give Statistics Canada permission to access their income tax records. An important caveat for this study is that individual earnings are reported, not household earnings. This data is appropriate for this study as we are examining the quality of jobs, as measured by health benefit coverage. Survey participants are asked whether their employer offered a medical insurance or health plan, even if they chose not to accept it, in addition to public health insurance coverage and a dental plan or dental coverage with the health plan.[46] Respondents are not asked about the quality of their employer-provided medical or dental benefits; for example, no questions are asked about employees' financial contributions to health plan coverage or the extent of coverage.

Data reported in Tables 1 through 3 are based on custom cross tabulations of the variable participant's reported employer-provided medical and dental benefit coverage with gender, individual earnings and earnings decile.

Fewer Than Two-Thirds Of Employees Have Employer-Provided Health Benefits

Table 1, below, shows the share of employees by gender in Ontario who had employer-provided medical and/or dental benefits in 2011. Given that most people in paid employment are not eligible for publicly-provided health benefits, it is concerning that in Ontario in 2011 only 63 percent and 64 percent of employees had employer-provided medical and dental benefits, respectively. The lower level of coverage for women

45 Statistics Canada, "Survey of Labour and Income Dynamics (SLID): Detailed information for 2011," http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=3889.

46 Income Statistics Division, "Survey of Labour and Income Dynamics (SLID): Preliminary, Labour and Income Questionnaire for Reference Year 2011," ed. Statistics Canada (2011).

likely reflects their greater likelihood of working in part-time jobs that do not offer health benefits.[47]

Table 1 – Medical and Dental Benefit Coverage in Ontario in 2011 by Gender

	Medical Benefit Coverage (%), 2011	Dental Benefit Coverage (%), 2011
All Employees	63	64
Men	67	68
Women	58	59

Source: Statistics Canada, Survey of Labour and Income Dynamics, custom tabulation.

Earnings

People with low earnings are less likely than those who are better off to have employer-provided health benefits. Table 2 shows that the share of employees who receive employer-provided health benefits increases as earnings increase. It is not until individual earnings exceed $60,000 that nine out of ten employees have access to health benefits.

At the lower end of the earnings scale, fewer than one-third of people earning $20,000 or less annually receive employer-provided health benefits. This means most people working at or near minimum wage do not have access to health benefits. This is problematic given that people in paid employment are ineligible for most of Ontario's public extended health benefit programs, like the Ontario Drug Benefit. This low level of benefit coverage is consistent with Statistics Canada's finding that lower income households pay a larger proportion of their total after-tax income on out-of-pocket health expenses compared to higher income households.[48]

Table 2 – Medical and Dental Benefit Coverage in Ontario in 2011 by Individual Earnings Before Tax

Annual Individual Earnings	Medical Benefit Coverage (%), 2011	Dental Benefit Coverage (%), 2011
$1-$10,000	15	13
$10,001-$20,000	30	29
$20,001-$30,000	54	55
$30,001-$40,000	72	74
$40,001-$60,000	85	86
$60,001-$80,000	91	94
$80,001-$100,000	92	95
$100,000 +	93	94

Source: Statistics Canada, Survey of Labour and Income Dynamics, custom tabulation.

Table 3 shows employer-provided medical and dental coverage by earnings decile. The share of employees receiving employer-provided health benefits increases for both medical and dental benefits as earnings increase.

47 Vincent Ferrao, "Women in Canada: A Gender-based Statistical Report," ed. Statistics Canada (2010).

48 Sanmartin et al., "Trends in Out-of-Pocket Health Care Expenditures in Canada, by Household Income, 1997-2009."

Table 3 – Medical and Dental Benefit Coverage in Ontario in 2011 by Earnings Decile

Earnings Decile	Medical Benefit Coverage (%), 2011	Dental Benefit Coverage (%), 2011
1	14	12
2	18	18
3	31	28
4	45	46
5	63	64
6	76	79
7	86	87
8	89	90
9	91	94
10	93	95

Source: Statistics Canada, Survey of Labour and Income Dynamics, custom tabulation.

Employer-provided health benefit plans provide access to essential health services for a large number of Ontarians, but many low-wage and precarious jobs do not include these benefits. This means that people with low income who can least afford to pay out-of-pocket for prescription drugs, dental or vision care find themselves shut out from public and private plans.

Ontario's Changing Labour Market

These data show that many Ontarians lack access to employer-provided health benefits and that people with lower earnings are disproportionately affected. This is troubling in light of recent trends in Ontario's labour market and the shift toward precarious work. Recent economic changes, including a recession followed by slow economic growth, have had negative impacts on Ontario's labour market. For example, a recent United Way Toronto and McMaster University study found that only 60 percent of workers in the Greater Toronto-Hamilton Area have stable, secure jobs with benefits. Moreover, the study found that 80 percent of precarious workers have no health benefits.[49] In 2005, there were 113,000 working poor individuals in the Toronto Region alone, an increase of 42 percent from 2000.[50]

Not all populations are equally affected by precarious employment. Precarious workers are over-represented by marginalized populations such as women, single parents, racialized groups, new immigrants, temporary foreign workers, Aboriginal persons, persons with disabilities, older adults and youth.[51] A recent Wellesley Institute study found that the share of racialized employees earning minimum wage in Ontario in 2011 was 47 percent higher than for the total population; 13.2 percent of racialized employees earned minimum wage as compared to 9 percent for the total population.[52] Being over-represented in precarious employment includes having less access to important employer-provided health benefits.

49 Wayne Lewchuk et al., "It's More than Poverty: Employment Precarity and Household Well-Being," (PEPSO, McMaster University, United Way Toronto, 2013).

50 J Stapleton, B Murphy, and Y Xing, "The "Working Poor" in the Toronto Region: Who they are, where they live, and how trends are changing," (Metcalf Foundation, 2012).

51 Law Commission of Ontario, "Vulnerable workers and precarious work," (Toronto 2010).

52 Sheila Block, "Who is Working for Minimum Wage in Ontario? ," (Toronto Wellesley Institute 2013)

Recommendations: Laying The Foundations For Equitable Access To Health Benefits

Ontario is at a crossroads in the development of programs that could improve access to uninsured health services for all Ontarians and reduce health inequities. The Province is currently expanding access to dental care for children living in families with low income and has committed to exploring ways to provide prescription drug coverage to these children. Importantly, the second Poverty Reduction Strategy, released in 2014, committed to exploring long-term options to expand access to health benefits to all low income Ontarians.

As Ontario develops policy solutions to address barriers to health benefits, it is important to consider the particular challenges faced by people working in paid employment but lacking employer-provided health benefits. The fundamental challenge is the inability of many Ontarians to access essential health services owing to financial barriers and a lack of public, universally available extended health programs. The changing nature of the labour market and the increase in precarious employment means that fewer Ontarians have access to employer-provided health benefits. While the provincial government and municipalities offer public health benefits and services to some populations, many people in low wage work and their families are not eligible for public programs.

Ontario's Minister of Health and Long-Term Care has recently begun working with his provincial counterparts to explore a national, universal prescription drug program. This is an important development – a national PharmaCare program would align Canada with every other nation with a universal health care system and could make significant progress in reducing inequities in access to prescription drugs.[53] The Province should continue their efforts to create a national PharmaCare program and, if the federal government does not take a leadership role on this file, should consider options to create a made-in-Ontario program to address this gap, with an approach that would be similar to the Ontario Retirement Pension Plan, which is currently under development.

Beyond prescription drugs, Ontario's existing public dental coverage should be expanded to include more people with low income. Ontario provides a public dental coverage to children living in families with low income through public health units, but there are very few options available for adults with low income, including seniors. The lack of access to preventative and routine dental care has implications for Ontario's health care system. An analysis of hospital emergency room visits for dental problems in Ontario in 2013 found 58,882 visits at a cost of around $30 million,[54] while an analysis of visits to Ontario physicians' offices for oral health problems in 2012 totaled 217,728 visits at a cost of $7.3 million.[55] As a first step toward universal dental coverage for all Ontarians the Province should mandate and fund Public Health Units, Community Health Centres and Aboriginal Health Access Centres to provide oral health care services to low income adults and seniors, with provincial standards set for the level of care required.

There are also important opportunities to improve access to essential vision care for Ontarians with

53 Morgan, Daw, and Law, "Rethinking Pharmacare in Canada."

54 Jacquie Maund, "Information on Hospital Emergency Room Visits for Dental Problems in Ontario," http://aohc.org/news/Information-Hospital-Emergency-Room-Visits-Dental-Problems-Ontario.

55 Jacquie Maund, "Information on Physician Visits for Dental Problems in Ontario," http://aohc.org/Information-Physician-Visits-Dental-Problems-Ontario.

low income. Currently in Ontario, children aged under 20, adults over 65 and people with certain medical conditions or diseases that affect the eyes are eligible for routine eye examinations once every 12 months through OHIP. Prior to 2004, routine eye examinations were provided for all Ontarians with OHIP coverage but this coverage was eliminated in an effort to reduce health care system costs. Vision health is critical to overall health; Ontario should relist routine eye examinations as part of OHIP coverage.

There is limited assistance for low income families to purchase glasses and lenses – only people receiving ODSP and children who have a parent receiving social assistance are eligible for subsidized glasses and lenses. For people with low income, the cost of glasses and lenses can be prohibitively expensive. The Province should expand ODSP-level coverage to all people receiving social assistance and explore options for providing this level of coverage to other low income populations.

This paper has highlighted the inequities in Ontario's current models delivering health benefits. Too few Ontarians have access to public or private health benefits and men and those with higher earnings disproportionately benefit from employer-provided benefit plans. There are, however, opportunities to expand access to uninsured health services and to improve health and health equity in Ontario. The Province is making important progress with its Poverty Reduction Strategy commitments, which acknowledge barriers to good health for low-wage workers. People working in paid employment but who have low earnings in Ontario lack access to publicly provided benefits and do not have equitable access to employer-provided benefits. Improving access to health benefits would narrow the health gap between those with and those without employer-provided benefits, creating a healthier and more equitable Ontario.

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