

What it means for Ontario's health sector



Today, Finance Minister Peter Bethlenfalvy tabled Ontario's 2023 budget titled, *Building a Strong Ontario* – the first budget since the Progressive Conservative government returned to Queen's Park with a second majority.

Context

With the worst of COVID-19 in the rearview mirror, this year's fiscal plan comes at a time when health care remains top of mind for Ontarians – only second to cost of living concerns.

Despite meaningful progress in recent months, hospitals are still operating beyond capacity, surgical backlogs continue to strain the system and a lack of access to primary care remains the harsh reality for far too many Ontarians. Debates relating to the state of Ontario's health system remain alive and well.

In February, Health Minister Sylvia Jones unveiled, *Your Health: A Plan for Connected and Convenient Care*, featuring three key pillars: The Right Care in the Right Place, Faster Access to Care and Hiring More Health Care Workers. The plan included changes that would expand the scope of practice for pharmacists, introduce new rules allowing health care workers from other jurisdictions to immediately start working in Ontario and broaden the role of community surgical and diagnostic centres to address backlogs to reduce the strain on hospitals.

Despite commitments from the government that care will remain available with a health card and not credit card, debate surrounding the plan and its accompanying legislation have focused on the role of privatization in Ontario's health system. Critics argue the changes will create additional strain on the system as both public hospitals and community surgical and diagnostic centres fight for the limited number of health care workers in the province. These issues are all top of mind for the government heading into this year's budget.



Summary of Investments in Health Care

Despite being a fiscally responsible budget, there are several wins for the health care sector, including important investments in hospitals, mental health and addictions, and home care.

Health expenditures are expected to increase from \$74.9 billion to \$81.0 billion in 2023-2024 – an increase of 8.1 per cent. It is expected that by 2024-2025, health spending will be \$87.6 billion.

Mental Health and Addictions

- \$425 million over three years, including a five per cent increase in the base funding of community-based mental health and addictions service providers. This builds on an investment of \$3.8 billion over 10 years included in the Roadmap to Wellness.
- \$202 million each year in the Homelessness Prevention Program and Indigenous Supportive Housing Program to help those experiencing or at risk of homelessness, struggling with mental health and substance use, those escaping intimate partner violence, community organizations that deliver housing services.



Health Human Resources

- \$200 million in 2023-2024 to extend supports to address immediate health care staffing shortages, as well as to grow the workforce. This includes:
 - Offering up to 6,000 health care students training opportunities to work in hospitals providing care and gaining practical experience as they continue their education through the Enhanced Extern Program.
 - Supporting up to 31,150 internationally educated nurses to become accredited nurses in Ontario through the Supervised Practice Experience Partnership Program.
- \$100.8 million over the next three years to expand and accelerate the rollout of undergraduate and postgraduate seats. This more than doubles the previous investment of \$42.5 million over two years and will result in an additional 160 undergraduate positions and 295 more postgraduate positions by 2028.
- \$33 million over three years to add 100 undergraduate seats beginning in 2023, as well as 154 postgraduate medical training seats to prioritize Ontario residents trained at home and abroad beginning in 2024.
- \$51 million over three years to support the Dedicated Offload Nurses Program to support timely 911 responses by hiring health care workers focused exclusively on transferring ambulance patients to hospital care, allowing paramedics to respond to more calls.

Home Care

- \$569 million in 2023-2024, including nearly \$300 million to support contract rate increases to stabilize the workforce. This is part of the government's previous commitment to invest to \$1 billion over three years for home care.



Long-Term Care

- \$5.5 million in 2023-2024 to build new Behavioural Specialized Units in long-term care homes, including approximately 70 new specialized beds, to expand care for individuals with complex needs.
- \$174 million over two years, starting in 2024-2025, to continue the Community Paramedicine for Long-Term Care Program. The program leverages paramedics' skills to provide additional care for seniors in the comfort of their homes before admission into long-term care.
- \$1.2 million to the Ontario Personal Support Workers Association to promote the PSW profession in the long-term care sector to help with recruitment.

Hospitals

- A four per cent increase in base operating funding for hospitals.
- \$72 million in 2023-2024 to increase surgeries at community surgical and diagnostic centres. This builds on \$300 million as part of the surgical recovery strategy and \$18 million for diagnostics and surgeries in existing facilities.

Pharmacy and Drugs

- The government commits to expanding the scope of practice for pharmacists to cover additional minor ailments including for mild to moderate acne, canker sores, diaper dermatitis, yeast infections, pinworms and threadworms, nausea and vomiting in pregnancy.

Primary Care

- \$60 million over two years to expand existing teams and create up to 18 primary care teams in communities with the greatest need (\$30 million was previously announced for 2022-2023 and this commits this funding into 2023-2024).



Analysis

With the budget's significant focus on ways to combat the affordability crisis and tumultuous economic times, the Ontario government has made a strategic decision in this budget to shift the public dialogue from health care to those files.

The *Your Health* plan released in February and today's budget document share many similarities, including three main pillars: The Right Care in the Right Place, Faster Access to Care and Hiring More Health Care Workers. The budget includes numerous reannouncements outlined in that plan, as well as next steps government will take to achieve their strategic goals.

Budget 2023 also includes significant investments that, while likely not overly exciting to the average Ontarian, will result in meaningful improvements in the health system. Notably, hospitals, for example, will receive a four per cent increase to their base operating funding – an investment that exceeds any increase in recent years. Mental health and addictions receive a significant five per cent boost in hopes of combatting the record level of Ontarians seeking support.

Perhaps the most obvious item missing from Ontario's first post-election budget is the flashy capital investments that were so common in last year's pre-election fiscal plan. This should not be surprising, given the demands of having so many capital projects on the government's books. It also signals that the government is focused on addressing other pressing needs, such as health human resources and operational needs, to make the capital announcements a successful reality.





What's Next

Following the budget, we can expect to see active discussions between stakeholders and government to determine how some of the investments will be distributed to support Ontarians.

Further, those keen on following the government's plans for the future of the health system will shift their attention back to the ongoing debate in the legislature relating to the role of community and surgical diagnostic centres. Expect to see numerous regulations proposed in the near future relating to the implementation of the legislation.

Onlookers should also expect discussions to pick up between Ontario and the federal government following their recently signed agreement-in-principle for additional federal health dollars. In addition to the negotiated top-ups to the Canada Health Transfer, the two governments must also negotiate the nitty gritty relating to \$2.5 billion in tailored bilateral agreements and a long-term care bilateral agreement worth \$689 million.

Stay tuned to EnterpriseHealth as we continue to follow the latest developments in health care.





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