

# What it means for Ontario's health sector



# Today, Finance Minister Peter Bethlenfalvy tabled Ontario's 2024 budget, Building a Better Ontario.

## Context

The budget comes midway through the government's four-year mandate and at a time of ongoing economic uncertainty, with [recent polls](#) demonstrating that affordability remains top of mind for Ontarians.

Midterm budgets typically bring limited surprises or centrepiece political investments. Minister Bethlenfalvy has been careful to manage expectations in the lead-up to budget day, emphasizing that the budget is intended to “continue investing in building” – including building homes, highways, transit and health care, while helping to keep costs down for Ontarians and businesses.

While health care issues no longer hold the same level of precedence as they did throughout the COVID-19 pandemic, the government has continued to face political pressure to invest in and improve access to health care services, specifically the limited access to primary care services and ongoing concerns surrounding capacity of the province's acute care system. At the same time, the government is dealing with the fiscal pressures of repealing Bill 124 and retroactive pay of \$6 billion for health care and other public sector workers.

To address these many challenges, the Ford government continues to chip away and make progress towards the implementation of [Your Health: A Plan for Connected and Convenient Care](#) – the government's plan for health care reform, released early last year. Progress includes the creation of new medical schools – including the medical school in Vaughan that was teased prior to the release of the budget, building and redeveloping long-term care homes and investing in pediatric care across the province. Despite these efforts, critics remain skeptical and continue to call on Health Minister Sylvia Jones to take bold action. These issues continue to be top of mind for the government heading into this year's budget.



# Summary of Investments in Health Care

## Hospitals

- \$965 million in 2024-25, including a four-per-cent increase in total base hospital funding for a second year in a row.
- \$620 million over 10 years for the Health Infrastructure Renewal Fund and the Community Infrastructure Renewal Fund.
- \$500 million over 10 years for small hospital projects and community health programs.
- \$743 million over three years to continue to address immediate health care staffing needs, including making the extern program permanent, making the supervised practice experience partnership program permanent and increasing nursing enrolment.
- There are no new capital redevelopment projects included in this year's budget.

## Home Care

- \$2 billion over three years to support earlier investments to increase compensation for personal support workers, nurses and other frontline care providers, and to stabilize expanded services.
- Investing in new models of care and modernizing the Client Health and Related Information System (CHRIS), the digital infrastructure system supporting home care.



## Long-Term Care

- \$155 million in 2024-25 to increase the Construction Funding Subsidy, to support the cost of developing or redeveloping long-term care homes. Eligible projects will receive an additional construction funding subsidy of up to \$35 per bed, per day, for 25 years.
- \$46 million over three years for 200 additional Behavioural Specialized Unit beds.

## Primary Care

- \$546 million over three years, starting in 2024-25 to support connecting approximately 600,000 people to team-based primary care through new and expanded interprofessional care teams.
- Supporting a new medical school at York University, which will be the first medical school in Canada focused on training family doctors.

## Mental Health and Addictions

- \$396 million over three years to support the stabilization, improved access and expansion of existing mental health and addictions services and programs.
- \$152 million over the next three years to support individuals facing unstable housing conditions and dealing with mental health and addictions challenges. This funding will go towards a suite of supportive housing initiatives designed to bolster support for vulnerable populations.



# Analysis

The 2024 budget is focused on addressing the very real affordability challenges Ontarians are currently facing. High interest rates and inflation continue to pose risks to Ontario's economy and fiscal position. The government's solution to this is to continue investing in building Ontario while reducing costs on Ontarians.

While the government has increased health care spending modestly this year, by \$500 million for a total of \$85 billion, economic uncertainty and Bill 124 have left the Ford government with limited opportunities for new spending on health care.

While the bulk of the Bill 124 costs will be felt this fiscal year, downstream impacts will continue as a broad range of health stakeholders look for funding to “catch up” on wages in addition to calling for a comprehensive strategy to increase the number of health workers. Similarly, cost pressures tied to large-scale capital projects already on the government's books have slowed progress on funding announcements for any new hospital projects.

Of note, the government's medium-term outlook projects substantial growth in health care expenses, increasing from \$84.5 billion in 2023-24 to \$89.9 billion in 2026-2027. Expect to see investments aligned with the Your Health plan, including increasing funding for hospitals and cancer treatment services, addressing ongoing health workforce recruitment and retention issues, ongoing home care modernization, and targeted investments for mental health and addictions services.





## What's Next

The Ford government is focused on delivering on its previous commitments and showing the public it can “Get it Done.” This includes expanding community surgical centres to further reduce waitlists across the province and the ongoing expansion of primary care teams.

The government continues to focus on health system transformation, including the continuing evolution of Ontario Health Teams, further defining the vision and purpose of Primary Care Networks and advancing home care modernization.

As part of its top priority of building housing heading into the latter half of its mandate, the government will also need to lay out details on its plan to build supportive housing for those living with mental health and substance use challenges.

The government believes it will be judged on how well it can deliver on this plan and the tangible outcomes voters will see before the next provincial election.

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





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