

# What it means for Ontario's health care system



# Today, Finance Minister Peter Bethlenfalvy tabled Ontario's 2026 budget, A Plan to Protect Ontario.

## Context

Today's budget arrives at a moment marked by economic uncertainty and geopolitical risk. In response, the Government of Ontario has continued to double down on its "Protect Ontario" agenda with a clear focus on economic resilience, competitiveness, and fiscal discipline.

While health care is no longer the top government priority, the province continues to underscore its commitment to the system. The government has made significant investments in the health care system over the last several years, with spending increasing by more than 50 per cent since 2018. At the same time, Ontario has been signalling that future investments will need to be more targeted, tied to system impact, and aligned with broader efforts to manage spending.



# Summary of Investments in Health Care

## Primary Care

- Advancing a new provincewide Primary Care Medical Record system that will integrate patient records and provide clinicians with a more complete view of a patient's health history.
- Investing an additional \$1.3 billion in the Primary Care Action Team, increasing overall funding in their primary care plan to a total of \$3.4 billion between 2025 and 2029.

## Hospitals

- Investing over \$1.1 billion in additional hospital funding for 2026-27.
- This investment includes an increase of up to 4 per cent in base and targeted hospital funding.

## Home and Community Care

- Investing an additional \$1.1 billion over three years in home and community care volumes.

## Long-Term Care

- Providing \$139.4 million in additional annual funding to support long-term care.



## Health and Human Resources

- Investing an additional \$124.2 million over the next three years for clinical training and education funding to continue supporting the expansion of 2,000 registered nurse and 1,000 registered practical nurse seats at publicly assisted colleges and universities.

## Life Sciences

- Investing an additional \$24 million over three years, starting in 2026-27, to renew the Life Sciences Scale-Up Fund and support small and medium-sized enterprises in the human health sciences sector to commercialize market-ready products, scale operations, strengthen competitiveness and prepare for procurement opportunities.
- Investing an additional \$117.1 million over three years, starting in 2026-27, through the Ontario Research Fund-Research Infrastructure (ORF-RI), which will help continue to build, renovate and equip cutting-edge research facilities.



# Analysis

Today's budget is centred on competitiveness, growing the economy and fiscal responsibility. With global economic uncertainty, the government is projecting a larger deficit than previously expected. The deficit is projected to be \$13.8 billion in 2026-27 and \$6.1 billion in 2027-28, followed by a surplus of \$0.6 billion in 2028-29. This is pushing out the path to balancing the books by one year to 2029.

Health care spending continues to grow, increasing to \$101 billion this year – a jump of \$10 billion over last year. New funding is concentrated in a small number of priority areas: notably primary care, hospitals, and home care, rather than broad-based system expansion.

After months of tension with the hospital sector, the government confirmed a 4 per cent increase in base and targeted hospital funding. This follows a period of sustained pressure, including provincial direction requiring hospitals to balance their budgets over the next three years – an expectation that will continue despite the new funding.

At the same time, continued investment in primary care and home care reinforces the government's commitment to delivering more care in the community and reducing pressure on acute care settings. These are some areas that the government believes have made tangible progress and system impact, making them priorities in a constrained fiscal environment.

Other sectors are seeing more modest gains, reinforcing a broader theme in this year's budget: maintaining stability in core services while deferring more ambitious system-wide investments.





## What's Next

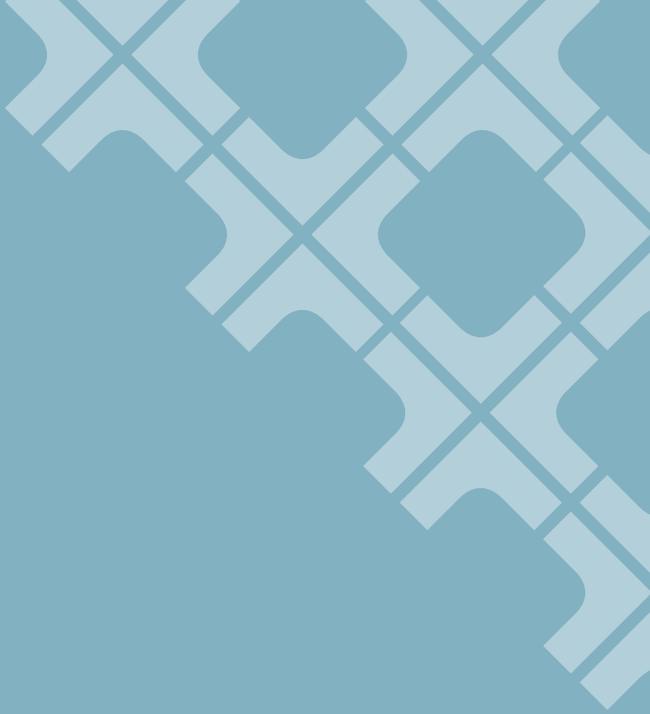
While the government is emphasizing fiscal discipline, additional funding decisions are likely to emerge throughout the year, particularly through the Fall Economic Statement. Organizations seeking to secure new investments will need to act early, using the spring and summer months to build their case and position themselves ahead of in-year funding decisions.

At the same time, the bar for new investments is getting higher. The government is increasingly looking for proposals that clearly align with its priorities: improving access for patients, reducing pressure on the system, and delivering measurable value for money.

In this environment, funding will be selective. Organizations will need to demonstrate not just need, but impact, with clear evidence of how their proposals deliver measurable results and support broader system goals.

Stay tuned for the latest as EnterpriseHealth continues to track Ontario's evolving health care landscape.





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