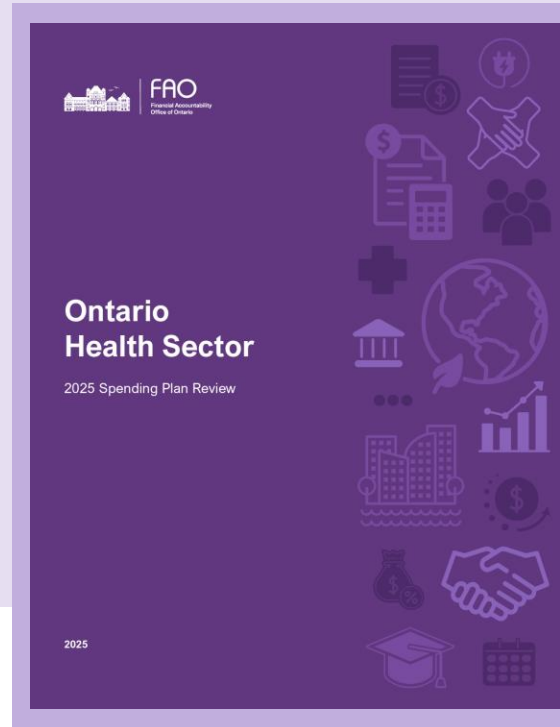




Ontario Health Sector

2025 Spending Plan Review

Briefing Deck



FAO
Financial Accountability
Office of Ontario

Overview

- This report reviews the Government of Ontario's (the Province's) health sector spending plan as outlined in the 2025 Ontario Budget.
- This analysis was undertaken in response to a request from a Member of Provincial Parliament and is part of a planned series that reviews the spending plans for five ministries:
 - Health and Long-Term Care, which form the health sector;
 - Education;
 - Colleges, Universities, Research Excellence and Security (MCURES); and
 - Children, Community and Social Services (MCCSS).
- For additional information on the five ministries' 2025-26 spending plans, see the FAO's *Examining Ontario's 2025-26 Expenditure Estimates*, which compares planned spending against actual spending over the previous four years to the standard account level of detail.



Spending Plan Overview

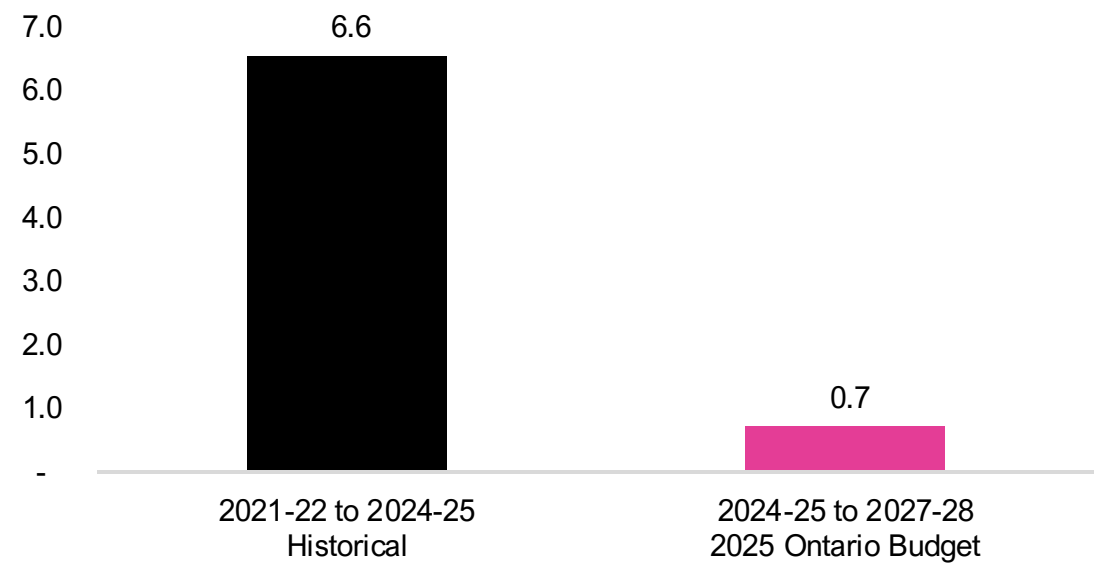


Health Sector Spending Plan

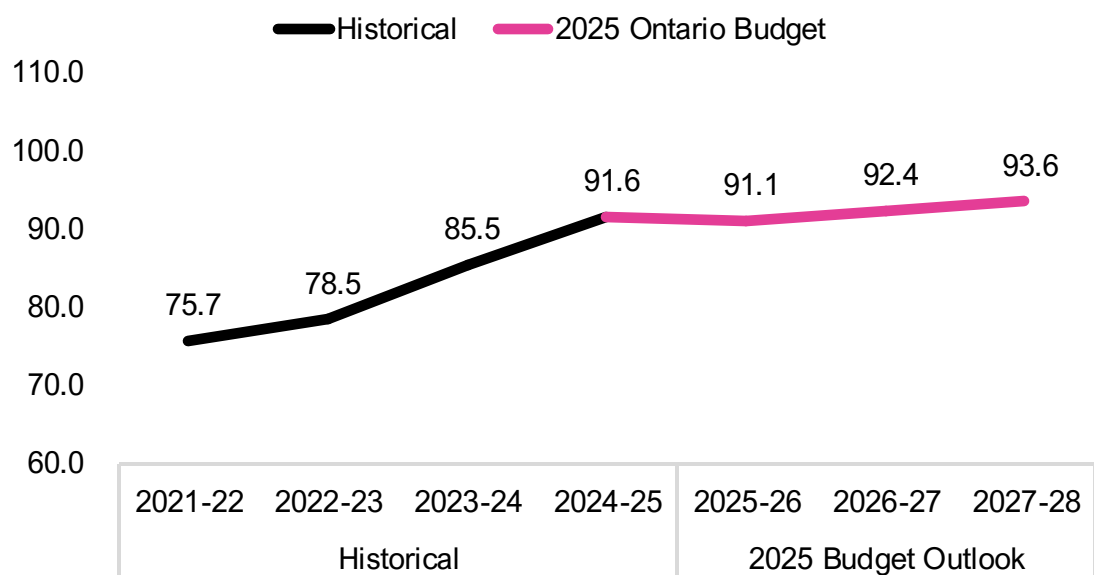
- In the 2025 Ontario Budget, the Province projects that health sector spending will grow at an average annual rate of 0.7%, from \$91.6 billion in 2024-25 to \$93.6 billion in 2027-28.
- This is a significantly slower pace than the 6.6% average annual growth over the previous three years.

Health sector spending plan in the 2025 Ontario Budget

Average Annual Spending Growth (Per Cent)



Annual Spending (\$ Billions)



Note: Historical values are not restated for program transfers or reclassifications, if any.
Source: Ontario Public Accounts and the 2025 Ontario Budget.

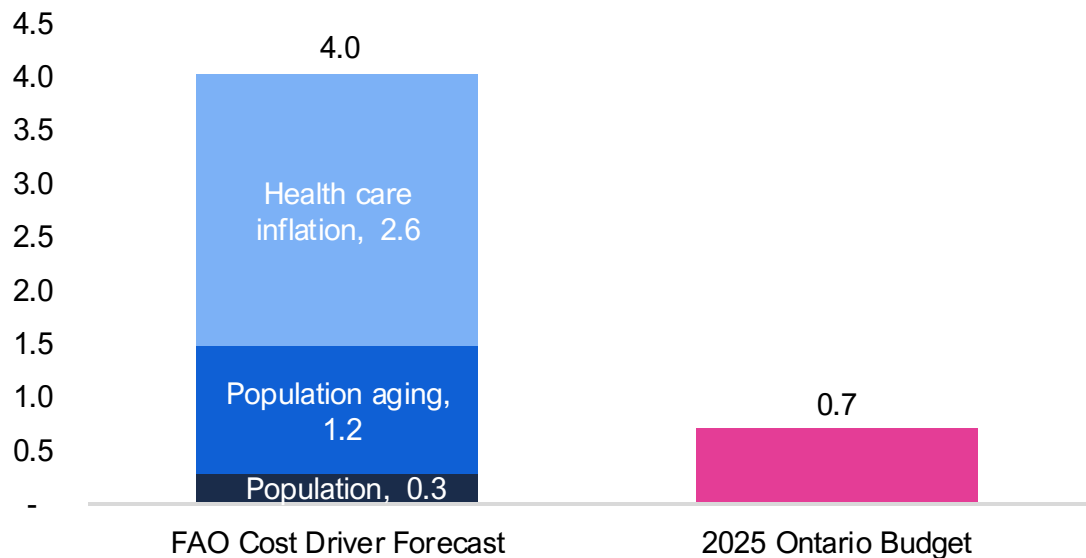


Health Sector Spending Plan

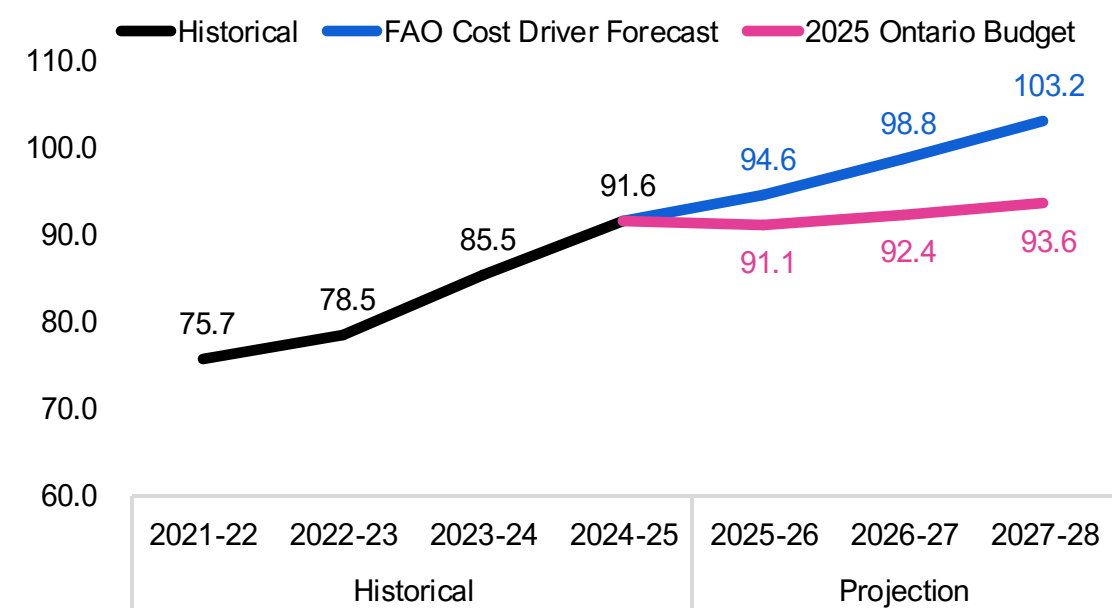
- The FAO estimates that health sector spending would need to grow by an average annual rate of 4.0% over the next three years to maintain 2024-25 health sector service levels.
- Compared to the FAO's cost driver projection, the 2025 budget spending plan has a funding shortfall of \$3.4 billion in 2025-26, \$6.4 billion in 2026-27 and \$9.6 billion in 2027-28.

Comparing health sector spending growth, FAO cost driver forecast vs. 2025 Ontario Budget, 2024-25 to 2027-28

Average Annual Spending Growth (Per Cent)



Annual Spending (\$ Billions)



Note: Historical values are not restated for program transfers or reclassifications, if any.
Source: Ontario Public Accounts and the 2025 Ontario Budget.



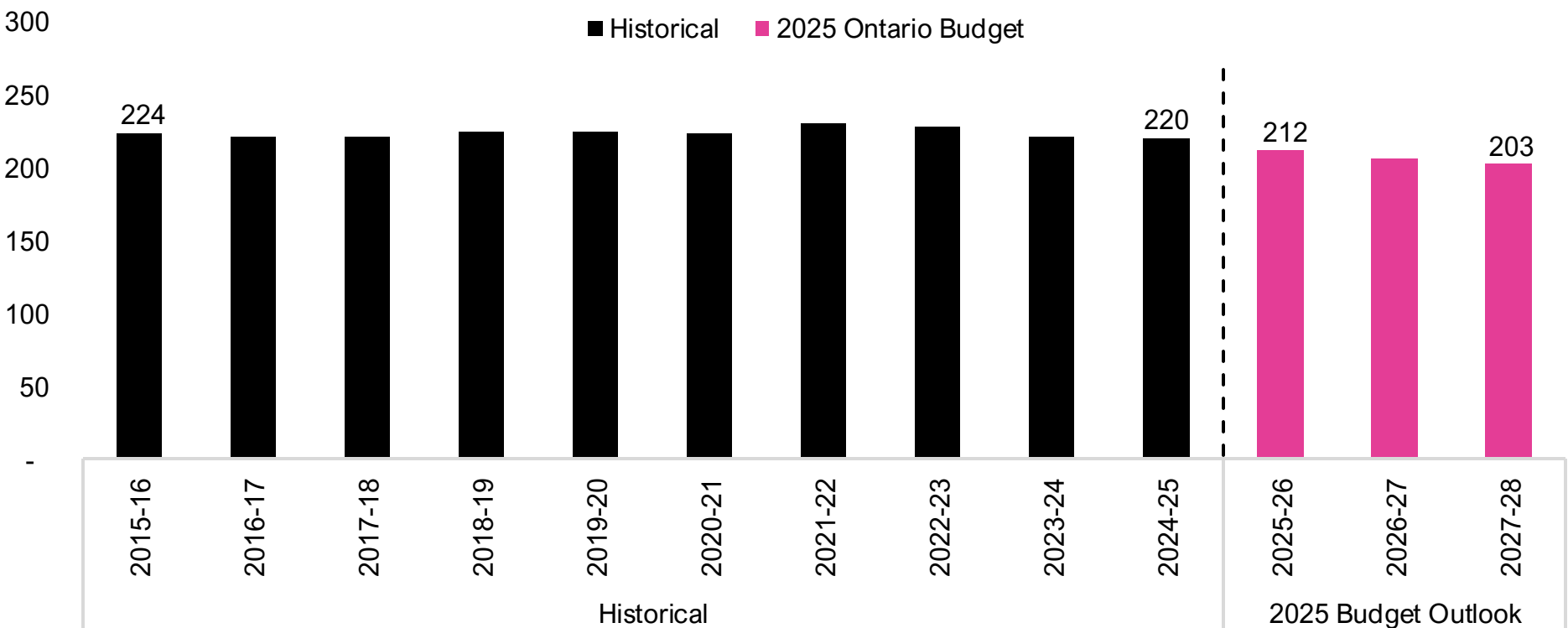
Spending Plan Analysis

The FAO analyzed the potential impact of the ministries' spending plan in the 2025 Ontario Budget on select programs and service level indicators.



Funded Hospital Beds

Number of funded hospital beds per 100,000 Ontarians, 2015-16 to 2027-28
Hospital Beds per 100,000 Ontarians

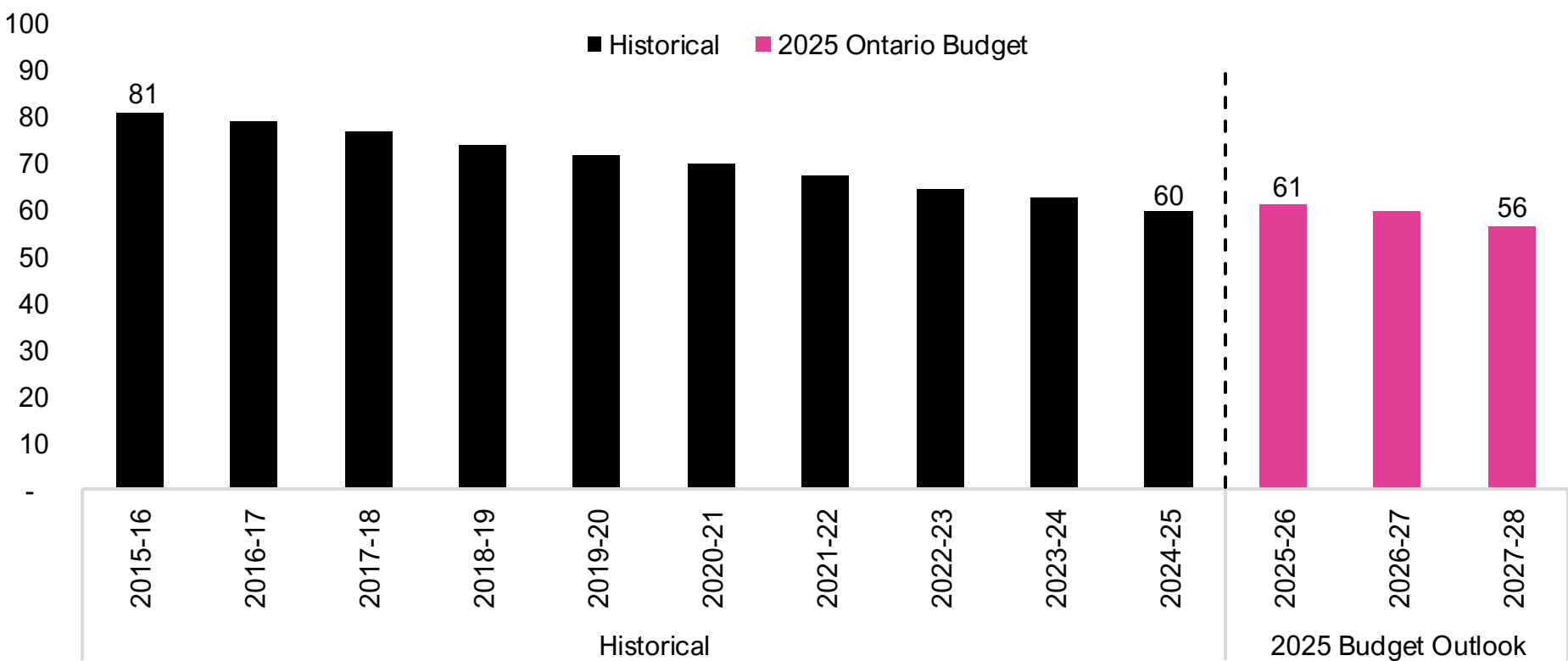


Note: “2025 Budget Outlook” is the FAO’s projection based on the health sector spending plan in the 2025 Ontario Budget. Funded hospital beds represent hospital beds that have been allocated operating funding by the Province and are actively staffed and available to patients.
Source: FAO analysis of information provided by the Province, CIHI Trends in Hospital Spending, 2009-2010 to 2022-2023 - Data Tables - Series D: Beds Staffed and In Operation by Functional Centre, and Ontario Health Coalition hospital beds staffed and in operation Ontario 1990 to 2014.



Long-Term Care Beds

Number of long-term care beds per 1,000 Ontarians aged 75 and over, 2015-16 to 2027-28
Long-Term Care Beds per 1,000 Ontarians Aged 75 and Over

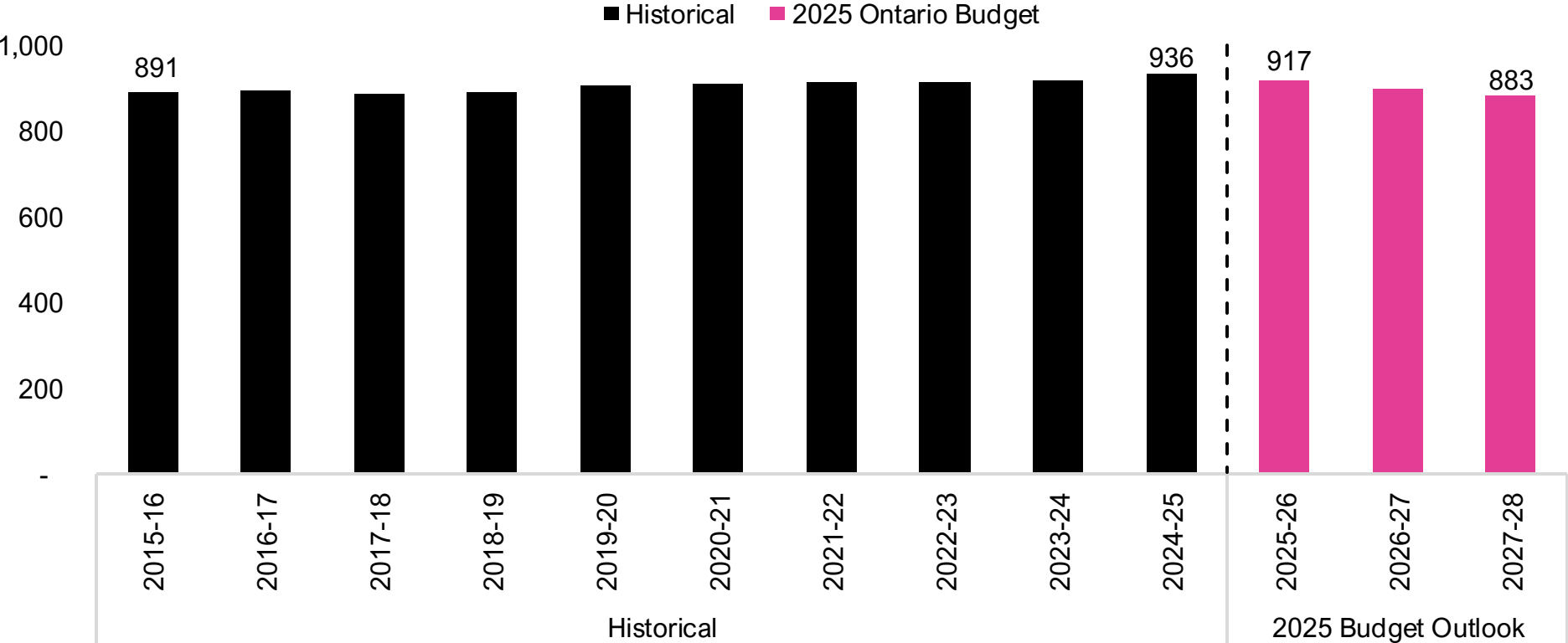


Note: "2025 Budget Outlook" is the FAO's projection based on the health sector spending plan in the 2025 Ontario Budget.
Source: FAO analysis of information provided by the Province.



Provincially Funded Nurses

Number of provincially funded nurses per 100,000 Ontarians, 2015-16 to 2027-28
Provincially Funded Nurses per 100,000 Ontarians

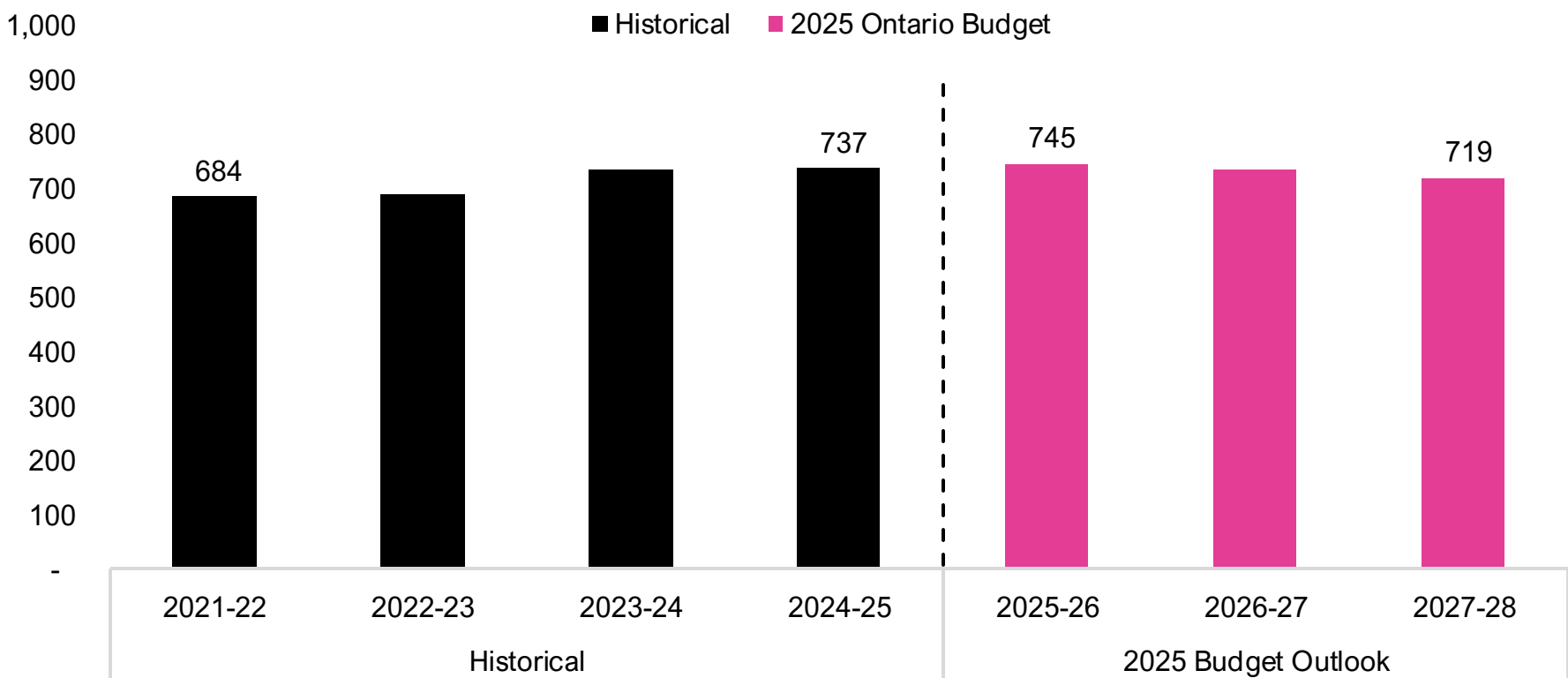


Note: “2025 Budget Outlook” is the FAO’s projection based on the health sector spending plan in the 2025 Ontario Budget.
Source: FAO analysis of information provided by the Province and CIHI Registered Nurses - Workforce of regulated nurses, by jurisdiction and type of professional, 2015 to 2024.



Personal Support Workers

Number of provincially funded personal support workers per 100,000 Ontarians, 2021-22 to 2027-28
Provincially Funded PSWs per 100,000 Ontarians



Note: “2025 Budget Outlook” is the FAO’s projection based on the health sector spending plan in the 2025 Ontario Budget.
Source: FAO analysis of information provided by the Province.

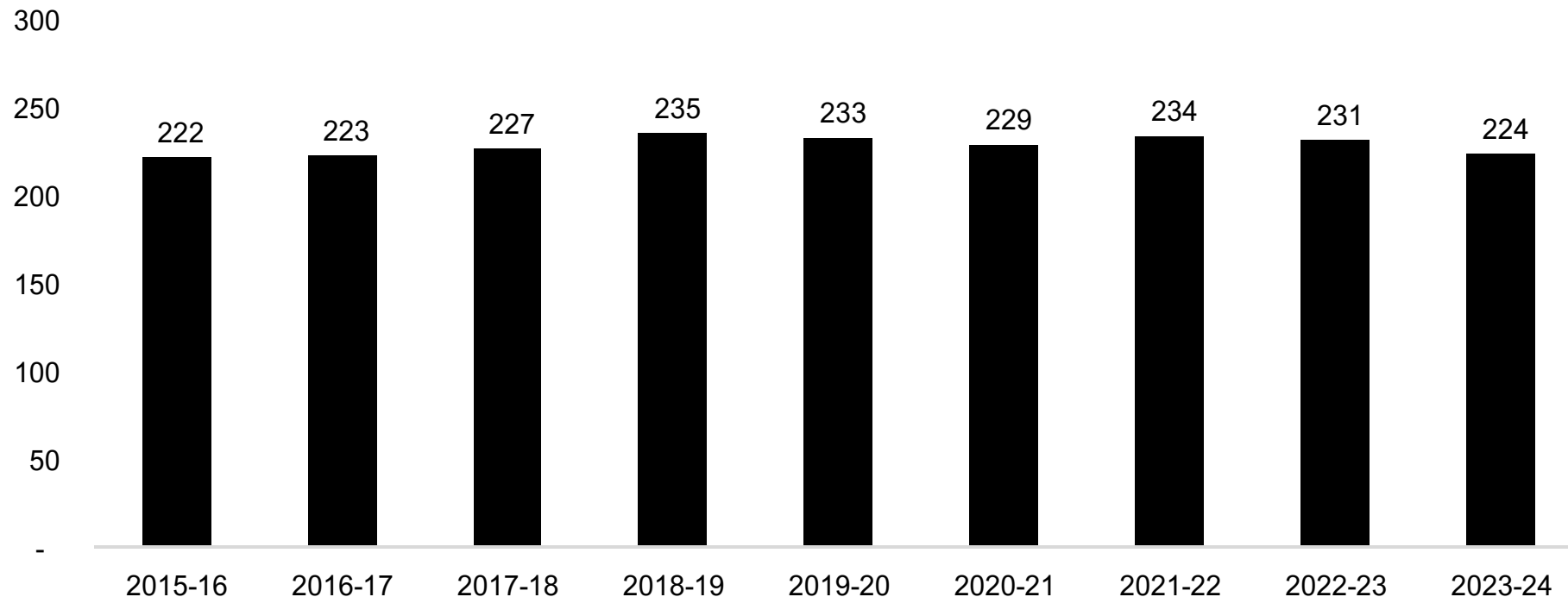


Physicians

- The FAO is unable to project the number of physicians in Ontario based on the 2025 budget health sector spending plan as most physicians are not directly employed by the Province and all physician services delivered through OHIP are funded irrespective of the spending targets in the 2025 budget.

Number of physicians per 100,000 Ontarians, 2015-16 to 2023-24

Physicians per 100,000 Ontarians



Source: FAO analysis of CIHI Supply, Distribution and Migration of Physicians in Canada, 2023- Historical Data.



Interprovincial Comparison

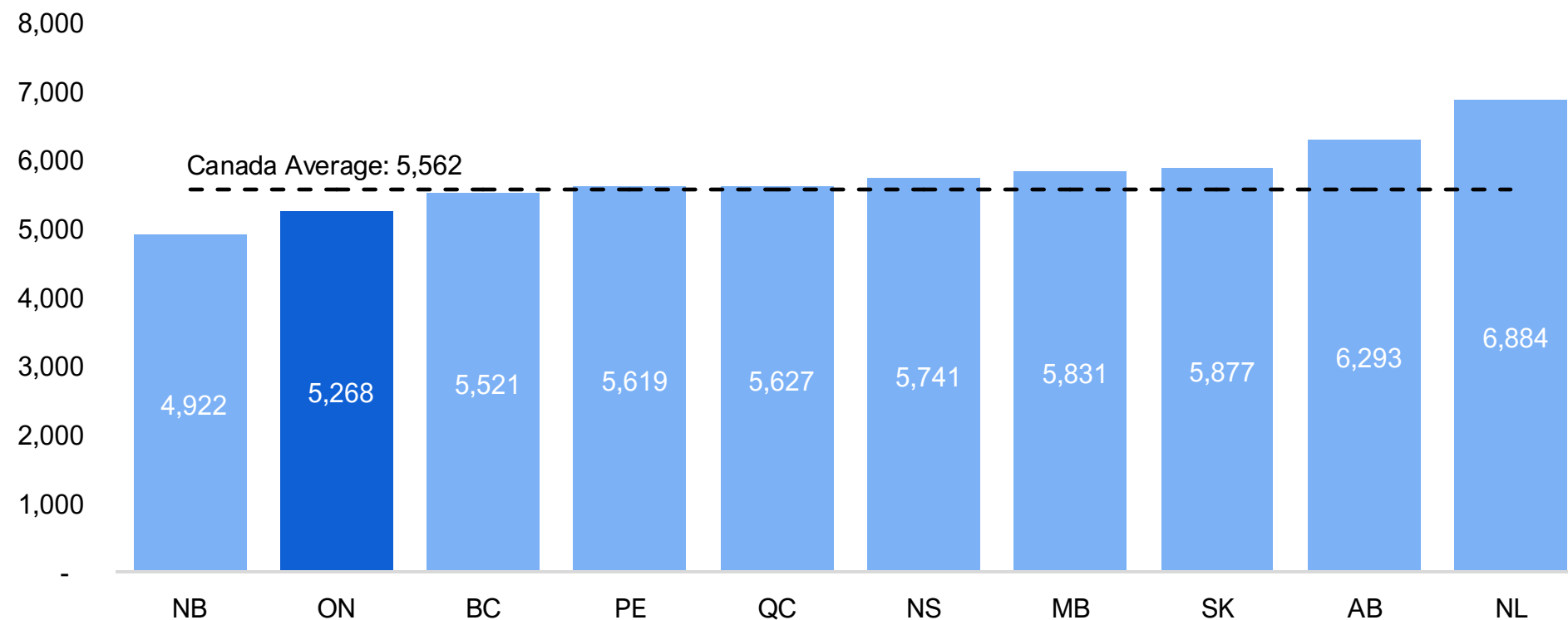
The FAO compared Ontario's historical spending against spending by the other provinces for select programs and services.



Total Provincial Health Sector Funding

Age-standardized per capita total provincial health sector funding by province, 2022

Dollars per Person, Adjusted for Population Age



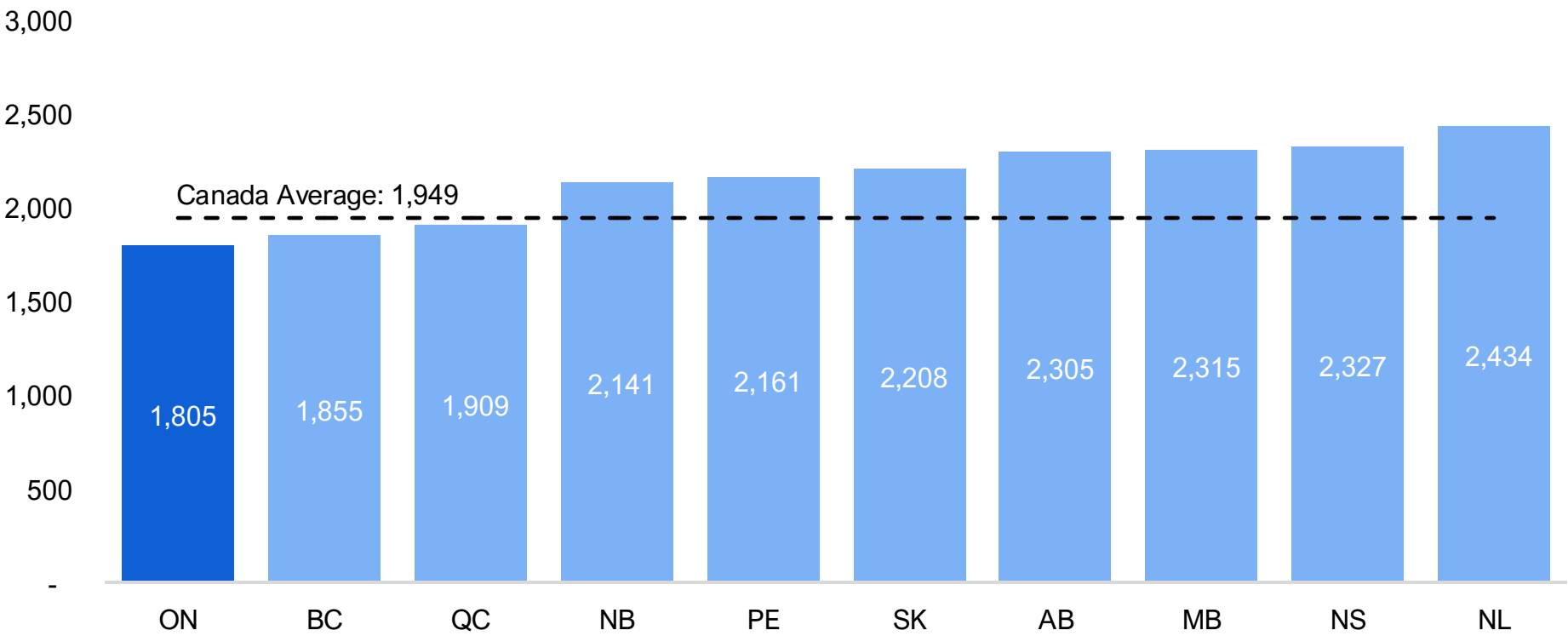
Note: Canada average excludes territories.

Source: FAO analysis of CIHI National Health Expenditure Trends, 2024: Data Tables - Series E1.



Provincial Funding for Hospitals

Age-standardized per capita provincial funding for hospitals by province, 2022
Dollars per Person, Adjusted for Population Age

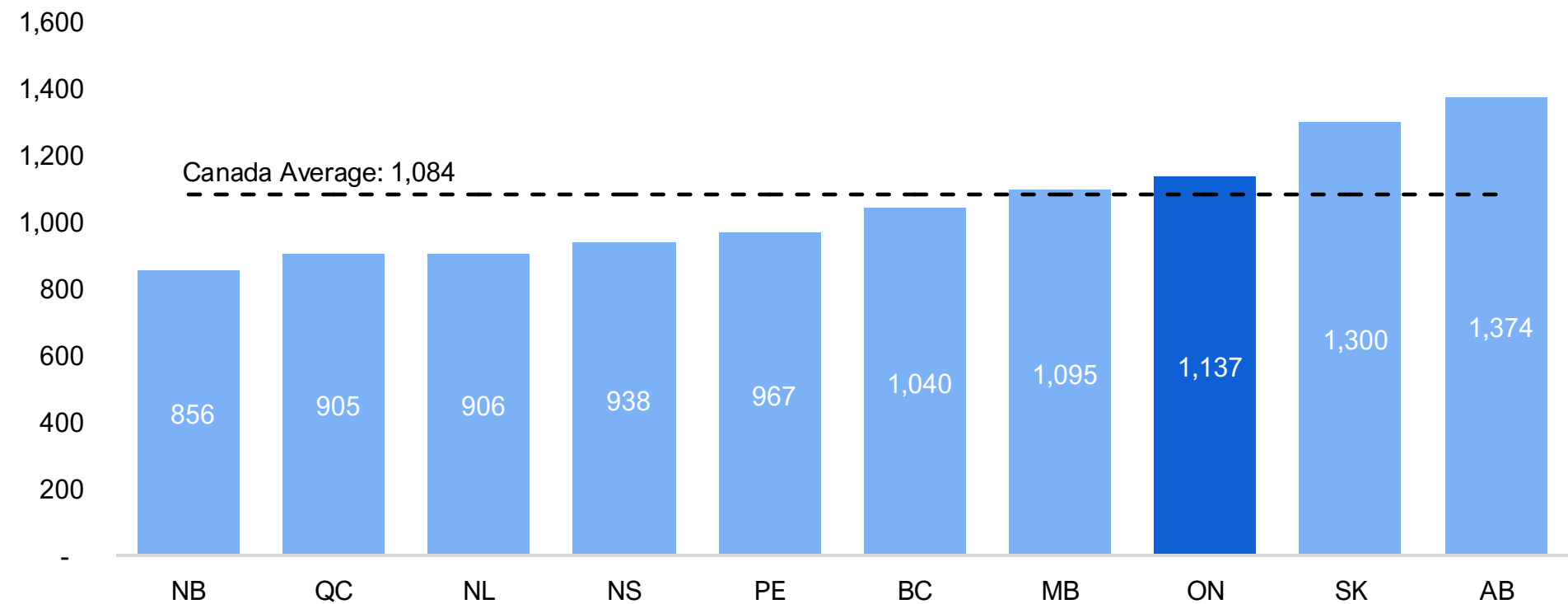


Note: Canada average excludes territories.
Source: FAO analysis of CIHI National Health Expenditure Trends, 2024: Data Tables - Series E2.



Spending on Physicians

Age-standardized per capita spending on physicians by province, 2022
Dollars per Person, Adjusted for Population Age

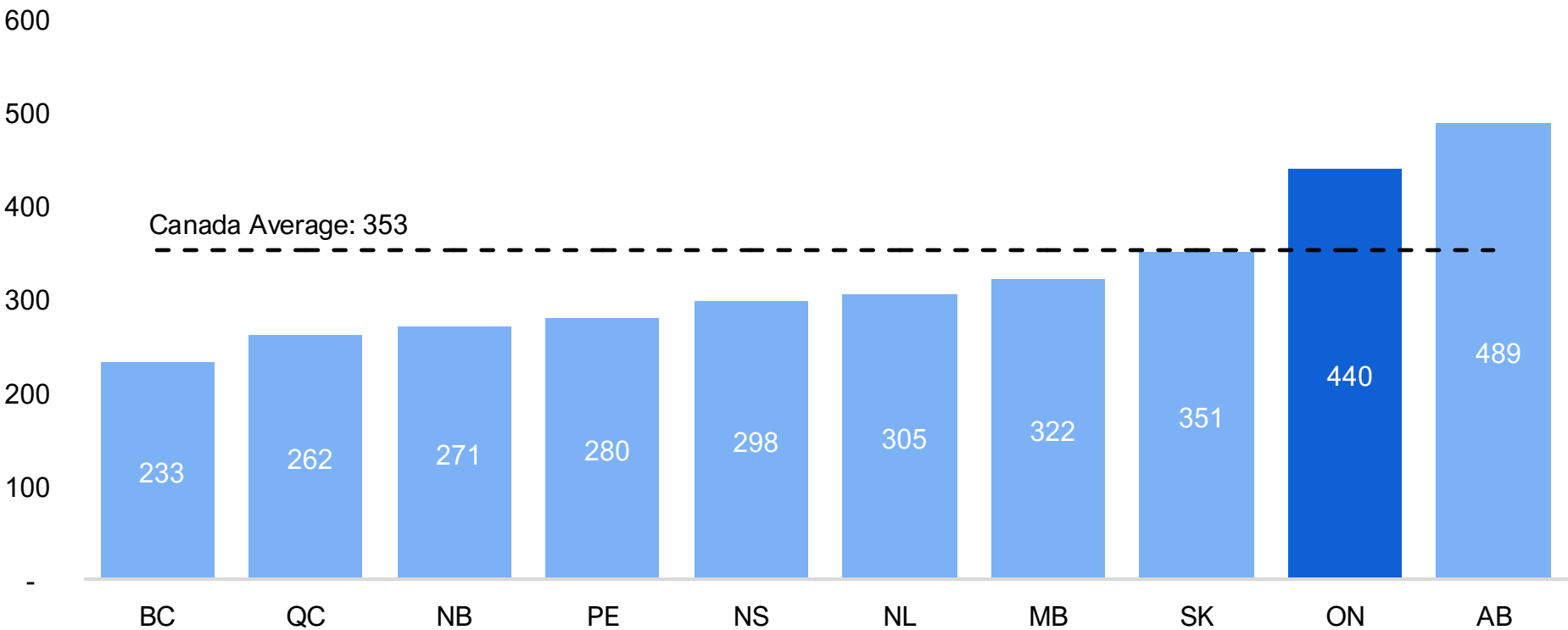


Note: Canada average excludes territories.
Source: FAO analysis of CIHI National Health Expenditure Trends, 2024: Data Tables - Series E4.



Public Drug Spending

Age-standardized per capita public drug spending by province, 2022
Dollars per Person, Adjusted for Population Age

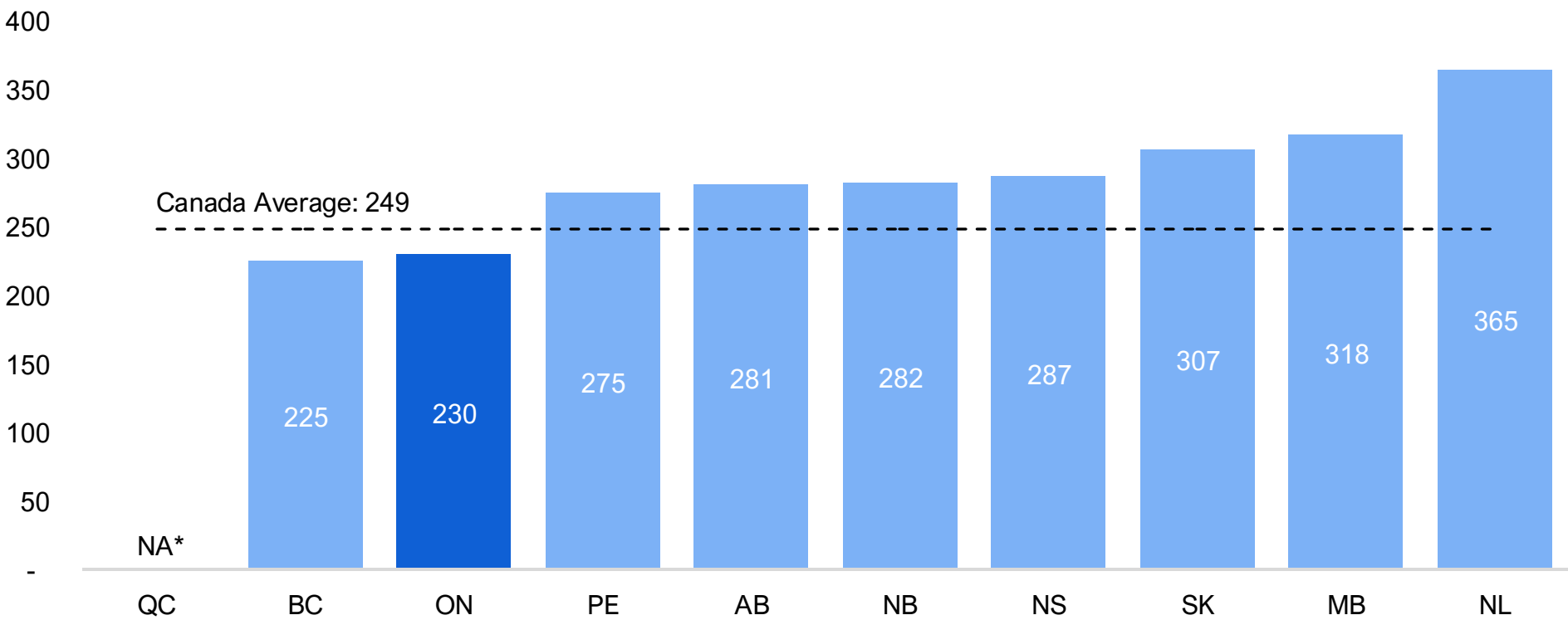


Note: Canada average excludes territories.
Source: FAO analysis of CIHI National Health Expenditure Trends, 2024: Data Tables - Series E6.



Hospital Beds

Age-standardized number of hospital beds per 100,000 population by province, 2022
Beds per 100,000 Population, Adjusted for Population Age

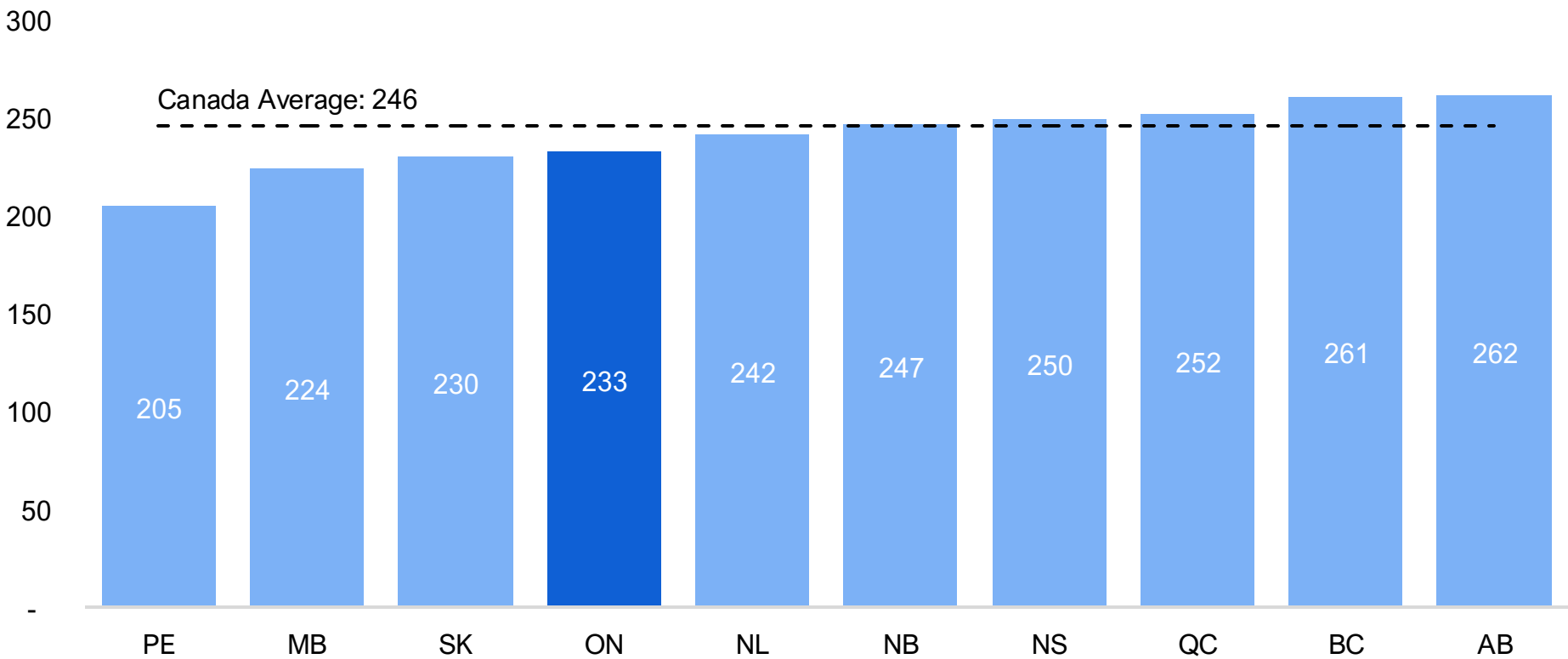


Note: *Quebec is excluded from the comparison because it does not report to CIHI hospital-based long-term care beds (referred to as chronic care beds in Ontario). These beds are distinct from long-term care beds in residential facilities. Canada average excludes territories.
Source: FAO analysis of CIHI Trends in Hospital Spending, 2009-2010 to 2022-2023 - Data Tables - Series D: Beds Staffed and In Operation by Functional Centre.



Physicians

Age-standardized number of physicians per 100,000 population by province, 2022
Physicians per 100,000 Population, Adjusted for Population Age



Note: Canada average excludes territories.
Source: FAO analysis of CIHI Supply, Distribution and Migration of Physicians in Canada, 2023 - Historical Data.



Thank you!



FAO

Financial Accountability
Office of Ontario

2 Bloor Street West, Suite 900
Toronto, Ontario, M4W 3E2
416.644.0702

info@fao-on.org

fao-on.org

