

BRIEFING NOTE

August 14, 2023

Hospitals Advisory Committee - Briefing Note for Ontario Hospital Association Members

From the Co-Chairs of the Hospitals Advisory Committee:

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This briefing note summarizes the recent Hospitals Advisory Committee (HAC) meetings in May and July 2023 to discuss hospital financial stability and the impacts of the Bill 124 retroactive reopener arbitration awards.

Updates

HAC has been meeting since May to discuss the extent of financial risk, operational uncertainty and cashflow challenges being faced by the sector in the context of various factors. These include changes to the reimbursement of hospitals for COVID related expenses, backlogs of care and increased patient demand, health human resource shortages, and ongoing uncertainty regarding funding for retroactive compensation required by the Bill 124 reopeners. An analysis of the YE2022/23 hospital financial position was provided and the funding allocations for FY2023/24 were discussed.

At the meetings, the partner organizations were appreciative of the hospital position and the need for stability for hospitals in the year ahead. Understanding the financial impact of the Bill 124 reopeners was important. The OHA was asked to facilitate the data collection process using an Ontario Provincial Controller Division (OPCD) Bill 124 Contingent Liability Template and an OHA supplementary survey in May. Using this information, the Ministry confirmed its commitment to provide financial support for hospitals affected by reopener retroactive arbitration awards related to the Ontario Nurses' Association (ONA) and other equivalent non-bargaining nurses. The administrative details regarding this support are being developed by the Ministry and will be available shortly.

In the July meeting, HAC partners supported the new OHA survey released on July 14th to obtain data on the Q1 2023/24 and forecasted YE financial and operational position, budgeted inflation, and Bill 124 retroactive payments, now that ONA, SEIU, and CUPE reopener payment amounts had been determined. Ontario Health will also continue to work with hospitals, OHA and Ministry to ensure a common understanding of hospital financial positions and support solutions. Another HAC meeting is being arranged in August to discuss further the financial status of hospitals and to discuss financial stability of the hospital sector.

Discussion also occurred regarding Hospital Service Accountability Agreement (HSAA). Where requested, Ontario Health has issued extensions to the prior year's HSAA. OH noted that that further communications to the field will be provided on this topic.

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Meanwhile, the HAC Sub-Committees have been meeting in May and June and have made progress on some of the deliverables of HAC's FY2023/24 workplan focusing on the Growth and Efficiency Model enhancements using a new ED unit cost model and exploring the use of pandemic and post-pandemic data for funding in 2024/25. The HAC secretariat will meet over to prepare for a return of HAC meetings in September and with a refreshed work plan for 2023/24 where there will be more emphasis on 2024/25 funding methodologies.

With any questions, please contact Imtiaz Daniel, Chief, Financial Analytics and System Performance, OHA at idaniel@oha.com.