

## MEDIA STATEMENT

**Ontario Hospitals Will Continue Adapting in the Face of New Financial Challenges**

**Toronto, ON – October 3, 2025** – “In Ontario, all levels of government and public-sector institutions are working hard to safeguard our prosperity, which is threatened by the trade war initiated by the United States, and challenged by demographic trends including a growing and aging population and increasing prevalence of one or more chronic conditions. These factors are putting tremendous pressure on the health care system, particularly hospitals, and this is being felt more and more every year.

As detailed in the September 2025 Financial Accountability Office (FAO) Report, Ontario’s financial position is forecasted to change from a deficit of \$1.3 billion in 2024-2025 to \$12 billion in 2025-2026, before declining to \$7.9 billion in 2028-2029. This includes health sector spending growing at an average of 4.9 per cent annually over the outlook, consistent with the 4.7 per cent expected combined impacts of the health sector’s key cost drivers: population growth, population aging and health sector inflation of wages and supplies. Ontario’s Minister of Finance has subsequently stated that the province will achieve its objective of balancing the budget in 2027-2028.

Ontario’s hospitals welcome the investments announced in the 2025-2026 Ontario Budget. At the same time, the full revenue needs of the hospital sector – and many individual hospital organizations – will not be fully met this year. Unfortunately, many Ontario hospitals are facing significant financial and operational pressures due to an increased demand for health care services and growing numbers of patients with more complex care needs.

Ontarians are living longer with more complex chronic diseases and there are rising rates of illness across all age groups. Approximately one in four adults over the age of 30 will be living with a major illness by [2040](#), requiring significant hospital care.

Ontario’s hospitals have a long record of strong financial management and take their responsibility to be effective stewards of public resources very seriously. Under the leadership of voluntary boards made up of local community leaders, hospitals continuously do their part to ensure access to safe, high-quality care while working continuously to improve efficiency and productivity. As outlined in the recently published third edition of the [Ontario Hospitals – Leaders in Efficiency](#) report, Ontario spends \$1,935 per person on hospitals, the lowest per capita in Canada, while maintaining access to high quality health services. Through continuous improvement efforts, Ontario has Canada’s second lowest provincial hospitalization rate and the lowest provincial average length of stay in acute care hospitals.

At the request of the Ontario government, all hospitals are conducting long-term scenario planning for their finances based on an assumption of lower levels of revenue growth. The most important priority in this exercise for all hospitals is to seek to protect and maintain access to care.

Given the complex and changing environment, the OHA believes that a long-term health services capacity building strategy is necessary for hospitals and all health services in Ontario. Technological and clinical innovation will continue to reshape health care and improve productivity and efficiency, and Ontario’s hospitals will continue to lead the way in transforming the way care is provided for patients.

Ontario’s hospitals continue to play an anchor role in the health care system and are committed to being here to care for their communities. Hospitals will always do their part to carefully manage their resources and adapt, as they always have, in the face of major economic and fiscal challenges.”

- Anthony Dale, President and CEO, Ontario Hospital Association

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### **Ontario Hospital Association**

Established in 1924, the OHA serves as the voice of the province's public hospitals, supporting them through advocacy, knowledge translation and member engagement, labour relations, and data and analytics with the goal of helping hospitals build a better health system. The OHA is also attuned to the broader strategic questions facing the future of the province's health care system and we work to ensure Ontario's hospitals have a voice in shaping this longer-term vision.

### **For more information:**

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