

NEW HOSPITAL FUNDING METHOD

The McGuinty government is providing new hospital operating funding in 2005/06 based on a fairer and more flexible funding method. This new funding method, which supports the historic move to multi-year funding, is the result of a great deal of collaboration between the government and the hospital sector.

The Joint Policy and Planning Committee – a body of government officials and the Ontario Hospital Association – developed the funding method being used this year. In collaboration with hospitals, a funding method was developed that recognizes differences in hospitals both in terms of size, location and demand for services.

The new funding method is better than previous methods of funding hospitals because it:

- Focuses more on funding stability, recognizing the unique needs of all hospitals
- Rewards efficiency
- Accounts for growth in demand for services and different requirements across regions
- Provides equitable funding among hospitals within their peer groups (small, specialty, medium/community and large/academic) that recognizes the unique role each plays
- Is flexible enough to accommodate key government priorities like reducing wait times (for MRI/CT exams, and cancer, cardiac, cataract, and hip and knee joint replacement services), as well as improving access to nurses (by creating more full-time nursing positions)
- Follows meaningful geographic boundaries that match those of Local Health Integration Networks.

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