

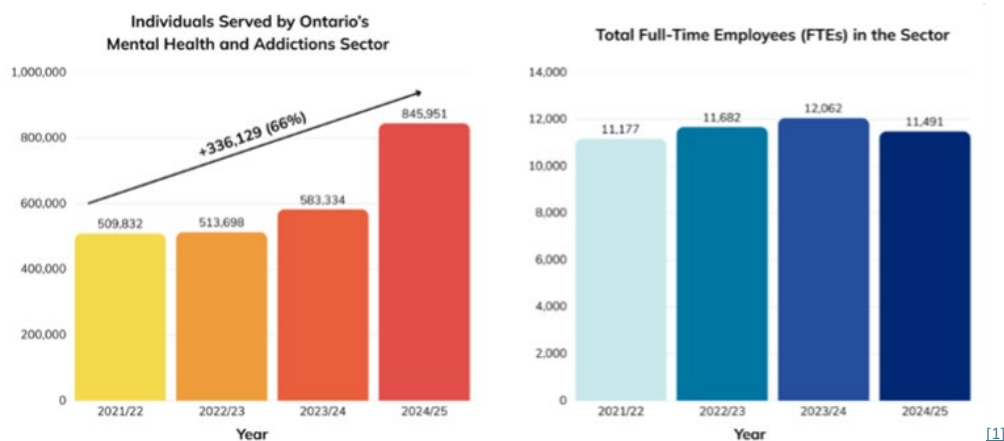
AMHO Submission to the Ontario Pre-Budget Consultations 2026

Introduction

Addictions and Mental Health Ontario (AMHO) represents more than 150 mental health, substance use health, and addictions service providers across the province, driven by a shared vision of building the best mental health and addictions system, anywhere.

AMHO members understand the challenges Ontario's mental health and addictions sector is facing, and most importantly, they see the solutions. **Last year, almost 846,000 Ontarians turned to our sector for support.** More people than ever before are reaching out for help and taking critical steps towards care. That's a good thing. But underinvestment in these essential programs and services is leaving health care staff stretched and too many Ontarians without timely access to the care they need. It is imperative that AMHO members can meet people where they are, in communities across the province before their health concerns become health crises.

Over the last four years, **service volumes have increased by 66%, while staffing levels have grown only 2.81%.** AMHO members have stretched every resource available and pushed efficiency to its limit. Without stable, sustained investment, they won't be able to continue meeting this demand.



Meeting the needs of our communities begins with a plan to ensure that everyone has access to the mental health, substance use health, and addictions health care they need, where and when they need it. As of March 2025, average wait times for services in Ontario included:

- Bed-Based Substance Use Supportive Treatment – **83 Days**
- Community-based Substance Use Treatment - **113 Days**
- Assertive Community Treatment (Mental health) - **117 Days**
- Early Intervention Mental Health Services - **126 Days**

If people cannot access mental health, substance use health, and addictions care in a timely manner they may continue seeking care from more costly access points within the healthcare system, or abandon seeking care entirely. In 2024, 40% of adults and 35% of children and youth in Ontario^[2] with a diagnosed mental health disorder reported their needs as completely unmet or only partially met; while a study of 13,144 emergency department visits in Ontario^[3] found that **approximately 1 in 3 mental health related visits to the ED take place for non-urgent needs.**

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When someone reaches out for help, the window to act is short. Timely, targeted investments that tackle long-standing structural issues including competitive compensation for the MHA workforce, appropriate and predictable operating funding, and support for the system to implement change initiatives envisioned in the Roadmap to Wellness, are the best ways to help Ontarians be well.

Sufficient investment in the people, programs, and services powering the sector, means we reduce the risk of missing critical opportunities to engage people early, avert crisis, and support recovery.

Across Ontario, AMHO members are shaping innovative, community-powered solutions that are transforming care, their clients, and their communities. Our members are also shaping system change activities, whether it be the development of service standards or the implementation of new data systems and processes. They are embracing change. They need the resources to adopt and scale it.

AMHO's proposed investments will help MHA health care providers focus on the things that matter most: improving client health outcomes, reducing incidents of crises, reducing health care wait times, and relieving pressure on emergency departments and emergency services. These investments will contribute to the development of a more accessible, effective, and sustainable health care system.

AMHO's Recommendations

To enable the continued transformation of Ontario's mental health, substance use health, and addictions health care services, into one of the best systems anywhere, AMHO respectfully recommends the Ontario government prioritize the following investments and initiatives in Budget 2026:

1. **Commit to predictable annual funding increases of at least 2.5% for the mental health, substance use health, and addictions sector, preserving the positive impact of Budget 2025's investment intended to stabilize these essential health care services.**
2. **Urgently address the issue of competitive compensation within the next three years by closing the significant \$300 million wage gap that is drawing away in-demand, skilled and specialized community-based mental health, substance use health, and addictions workers to other public sector employers, including education, acute care, and municipal services.**
3. **Allocate appropriate funds and resources to begin implementation of the proposed Minimum Care Expectations for Bed-based Substance Use Health Services, developed in collaboration with the sector in 2024, achieving the updated operating standards and per diem rates within five years.**
4. **Fund the development of at least 1,000 new MHA supportive housing units in 2026/27, as part of a commitment to get Ontario on track to open 36,000 new units by 2035.**
5. **Create a \$15 million state of good repair fund for existing MHA supportive housing units, to ensure these homes remain safe, livable, and accessible for the Ontarians who rely on them as part of their journey to recovery and wellness.**

A Sustainable System of Care

Recognizing the growing financial pressures on community-based mental health and addictions service providers, in Budget 2025, the Ontario government committed a 4% base funding increase to help stabilize those operations.

While this acknowledgement of the sector's operating challenges was welcome, it was not sufficient to close the existing service gaps, ease workforce pressures or address vacancy budgeting that threatens the stability of mental health and addictions care. Predictable, annual funding increases of at least 2.5% are the best way to protect the gains made through that investment and help AMHO members and our sector partners keep pace with rising operating, program, and workforce costs.

Recommendation 1: To support sustainable system planning and service delivery, AMHO recommends the Ontario government commit to predictable annual funding increases of at least 2.5% (approximately \$52 million in year one) for the mental health, substance use health, and addictions sector, preserving the positive impact of Budget 2025's investment intended to stabilize these essential health care services.

Since 2014, inflation in Ontario has averaged 2.6% annually. Without predictable annual operating funding increases, the impact of Budget 2025's 4% investment in community-based MHA care will be short-lived. **If no further increases are provided in 2026 or 2027, the value of 2025's 4% adjustment will be eroded, leaving AMHO members further behind by 2027.**

Predictable, annual funding increases, like those provided in other health care sectors, are essential. When ongoing operations are sustainably funded, AMHO members can respond more effectively to changing client needs and acuity, deliver innovative approaches to care, and overall, meet the growing demand for programs and services in communities across Ontario. The absence of this funding approach has meant that over the course of several decades, operations have become very challenging, and notably, compensation rates have not kept pace with peers in other publicly funded services for similar work.

Recommendation 2: AMHO recommends the Ontario government urgently address the issue of competitive compensation within the next three years by closing the significant \$300 million wage gap that is drawing away in-demand, skilled and specialized community-based workers to other public sector employers, including education, acute care, and municipal services.

Competitive compensation is a core determinant in our members' ability to recruit and retain skilled staff, deliver high quality health care and client experiences, and fundamentally strengthen the sustainability and effectiveness of MHA care. **Rising disparities in compensation are driving staff turnover and vacancy rates, eroding system capacity, and destabilizing organizations.**

For example, in November 2025, the City of Toronto began recruitment for 200 new caseworkers (including MHA-specific roles) with a posted hiring range of \$38.58- \$42.26/hour. This is a difference of almost \$10/hour from the average caseworker salary cited in the Community Health Compensation Report (2023)^[4]. This rising disparity between MHA and other publicly-funded sectors is having a serious impact on the workforce.

In 2025, 40% of AMHO members reported turnover rates between 10-20% for experienced staff. This workforce churn leads to longer wait times for clients, and a rising reliance on emergency services, often for non-crisis needs. High turnover also affects institutional knowledge, staff morale, and carries a significant financial cost.

Implementing Minimum Care Expectations for Bed-Based Services

Recommendation 3: To support sustainable, high-quality care, AMHO recommends that the Ontario government allocate appropriate funds and resources to begin implementation of the proposed Minimum Care Expectations for Bed-based Substance Use Health Services, developed in collaboration with the sector in 2024, achieving the updated operating standards and per diem rates within five years.

Minimum Care Expectations have been identified as a critical component of the Roadmap to Wellness by the Ministry of Health and Ontario Health's Mental Health and Addictions Centre of Excellence. These expectations will enable a more consistent experience for clients, no matter where they access service, while helping to drive continuous quality improvement. These expectations are welcomed by the sector as a core element of system transformation. Drafted in collaboration with mental health, substance use health, and addictions health care professionals and persons with lived and living experience (PWLLE), the Minimum Care Expectations for Bed-Based Substance Use Services represent a shared commitment to safe, consistent, and high-quality care across Ontario that is both evidence-informed and person-centered.

Prioritizing the confirmation and implementation of the Minimum Care Expectations and associated per diem rates will help harmonize vastly different funding rates across providers, while setting common standards for program design, staffing levels, and performance measurement. Setting and appropriately funding minimum care expectations within the next five years will help Ontario ensure safe, consistent, and equitable care for everyone who relies on this health care intervention.

Expanding Supportive Housing

MHA supportive housing provides a stable environment for people who need support managing their mental health and/or addictions concerns. It combines affordable accommodation with structured health and social support services that are tailored to the individual's needs.

Recommendation 4: Fund the development of at least 1,000 new MHA supportive housing units in 2026/27, as part of a commitment to get Ontario on track to open 36,000 new units by 2035.

Demand for MHA supportive housing in Ontario is soaring. Between March 2016 and March 2025, Ontario added approximately 2,300 new units of MHA supportive housing. The province's investment in HART Hubs will add close to 900 supportive housing units. **Yet today, more than 36,000 people in Ontario find themselves on wait lists for MHA supportive housing – a city the size of Stratford or Orillia.**

MHA supportive housing is one of the smartest, most cost-effective and high-impact health care investments Ontario can make, reducing emergency department use, hospitalizations, and justice

involvement for people across a wide range of socioeconomic circumstances.

Health Care Setting	Avg Cost Per Person ^[5]
Psychiatric hospitals	\$31,500
Inpatient mental health hospitals	\$17,000
Correctional facilities	\$11,000
Emergency shelters	\$3,300
MHA supportive housing (low–high support)	\$2,000 – \$5,000

MHA Supportive Housing Success stories

Since opening in August 2024, 10 Shelldale^[6] in Guelph, operated by AMHO member Stonehenge Therapeutic Community, alongside Guelph Community Health Centre and Kindle Communities, clients have experienced **zero deaths from drug poisonings, zero evictions, zero program departures, and 100% connection to primary care**. Client contacts with police and hospital emergency departments have dropped significantly, underscoring the program’s positive impact on individual safety, community wellbeing, and system use.

Similarly, initiatives like Dunn House in Toronto^[7], operated by AMHO member Fred Victor in partnership with University Health Network (UHN), United Way Greater Toronto, and the City of Toronto, have seen resident **visits to UHN’s emergency department drop by 52% (reducing ED costs \$413,000 annually), and total hospital admissions reduced by 79% (saving an additional \$1.66 million annually)**.

Governments across Canada are taking note of the effectiveness of this healthcare intervention. In September 2025, the federal government announced its intention to invest \$1 billion for new transitional and supportive housing projects across the country through Build Canada Homes. The Ontario government could leverage Build Canada Homes funding to offset the \$193 million in capital costs (\$193,000 / unit) required to deliver at least 1,000 new units of MHA supportive housing. With a provincial investment in the required health care operating costs of approximately \$52 million per year, Ontario could add at least 1,000 new MHA supportive housing units over the next year.

Protecting Supportive Housing

Preserving Ontario’s existing MHA supportive housing is as important as expanding new housing opportunities. Research conducted by AMHO⁴ found that over 50% of Ontario’s existing MHA supportive housing units require moderate or major repairs. Over 90% of Ontario’s approximately 25,000 units of MHA supportive housing are over 30 years old, and need repairs and routine maintenance to remain safe and accessible for tenants. The provincial Community Infrastructure Renewal Fund provides funding to community-based MHA providers for repairs and minor renewal but excludes supportive housing providers.

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Recommendation 5: AMHO recommends the Ontario government create a \$15 million state of good repair fund for existing MHA supportive housing units, to ensure these homes remain safe, livable, and accessible for the Ontarians who rely on them as part of their journey to recovery and wellness.

Supportive housing providers have cited the need to dedicate a large portion of their budget to repairs and maintenance, which continue to rise as the cost of owning and operating buildings increases, and buildings age. With more residents aging in place, it is essential that we meet the changing physical health, mental health, and addictions needs of this demographic by making units accessible.

Conclusion

Taken together, these five investments in mental health, substance use health, and addictions care provide a clear path forward to help Ontarians be well, supporting people on their journey to recovery, preventing crises, and protecting communities across the province. By building on the government's existing efforts, these new investments will further strengthen Ontario's mental health and addictions system.

AMHO looks forward to our continued collaboration and partnership with the Ontario government to make this vision a reality.

^[1] Ministry of Health. (2025). Healthcare Indicator Tool. https://hsim.health.gov.on.ca/hdbportal/HIT_CSV_Datasets

^[2] Canadian Institute for Health Information. (2025). Many Canadians with mental health disorders are not having their needs met. <https://www.cihi.ca/en/taking-the-pulse-measuring-shared-priorities-for-canadian-health-care-2025/mental-health-and-substance-use-services-2025/many-canadians-with-mental-health>

^[3] Mowbray, F. I., Omar, A. E., Pfaff, K., & El-Masri, M. M. (2019). *Exploring the factors associated with non-urgent emergency department utilisation for mental health care*. *Journal of Research in Nursing*, 24(8), 663–674. <https://doi.org/10.1177/1744987119845020>

^[4] Eckler Ltd.; Addictions & Mental Health Ontario. (2023, November). *Ontario Community Health Compensation Market Salary Review*. <https://amho.ca/wp-content/uploads/2023/12/Ontario-Community-Health-Compensation-Study.pdf>

^[5] Ganesan, K., Matte, A., Williams, AR., Wilkie J., Chan., C., O'Connor, K. (2025). Unlocking Solutions: Understanding and Addressing Ontario's Mental Health and Addictions Supportive Housing Needs. AMHO

^[6] Stonehenge Therapeutic Community. (2025, December 1). 10 Shelldale: One year of stability, dignity and collective impact 2024-2025. <https://stonehengeetc.com/10-shelldale-one-year-of-stability-dignity-and-collective-impact-2024-25/>

^[7] CBC News. (2024, October 3). Toronto hospital to open permanent supportive housing apartments for homeless people. CBC. <https://www.cbc.ca/news/canada/toronto/dunn-house-toronto-hospital-1.7650086>