

REGULATIONS AND HOSPITAL CAPACITY

Ontario's policy experiments in regulating hospital bed usage have been controversial. Where did they come from and what effect have they had thus far?

Alternative Level of Care (ALC) is a [designation](#) describing patients occupying an acute care hospital bed while awaiting transfer to a more appropriate (and often less expensive) setting. [Recent research](#) shows that 10-20% of all hospital beds are occupied by such patients. Moving ALC patients to more appropriate settings not only potentially saves money but opens much needed acute care spaces.

The figure shows the number of ALC-occupied beds in Ontario. Prior to COVID-19, there was relatively little variation, averaging approximately 4,500 beds per month from mid-2017 to early 2020. But what explains the volatility in the number of ALC beds since March of 2020? A combination of behavioral and regulatory change.

The initial onset of the pandemic prompted families and physicians to complete hospital discharges both to decrease the risks that patients would be infected, and to free up system capacity to deal with an expected (and potentially overwhelming) influx of critically unwell patients. Thereafter however, the figure shows that Waves 2, 4, 6, and even the Omicron wave (which resulted in the [highest recorded number](#) of hospitalizations overall) had minimal effect on the number of ALC patients occupying acute care beds.

Wave 3, however, is clearly an outlier. It placed [extreme demands](#) on the health system, and an initial modest drop in ALC patients was massively accentuated by government

implementation of emergency regulations. [Regulation 272/21](#) made it easier to transfer ALC patients to alternative settings, specifically revoking portions of the *Health Care Consent Act* to optimize transfers and discharges. The significance of the resulting decrease in ALC numbers by 1300 beds (in a setting with a [total 21,000 beds](#) at that time) cannot be overstated. This remarkable success in reducing ALC numbers was short-lived however, with *Reg 272/21* allowed to lapse as the burden of extreme disease activity subsided.

Seeking to replicate the *Reg 272/21* improvements, the government subsequently passed *Bill 7 (More Beds, Better Care Act)* in August 2022. *Bill 7* provoked [controversy](#) with concerns expressed that it was forcing vulnerable seniors into non-preferred nursing homes on a temporary basis. This fierce debate notably contrasted with comparatively uncontroversial implementations of [similar provisions](#) in other [Canadian](#) and [comparable international](#) jurisdictions. Unfortunately, *Bill 7* thus far has had only muted effects compared to *Reg 272/21*. Possible explanations include minimal enforcement of provisions, greater hesitancy to respond by [some health regions](#), or new bottlenecks in other areas.

Given the magnitude [of the ALC crisis in Canadian hospitals](#), further research is needed to determine the independent effects of regulations on health care costs and outcomes. Recent evidence from Ontario suggests well-designed regulations have an important role to play in controlling health care costs.

Number of Alternate Level of Care (ALC) Patients in Ontario Hospitals (Source: Ontario Health)

