ONTARIO PHYSIOTHERAPY ASSOCIATION

Honourable Peter Bethlenfalvy
Minister of Finance, Government of Ontario
95 Grosvenor Street
Toronto, ON M7A 1Y8

Mr. Glen Padassery
Executive Vice President, Policy and Auto/Insurance Products
Financial Services Regulatory Authority of Ontario (FSRA)
25 Sheppard Avenue West, Suite 100
Toronto, ON M2N 6S6

Submitted via email to minister.fin@ontario.ca; peter.bethlenfalvy@pc.ola.org and glen.padassery@fsrao.ca

July 22, 2026

Dear Minister Bethlenfalvy and Mr. Glen Padassery,

Re: A Reimbursement Framework Frozen in 2014

We recognize the Financial Services Regulatory Authority of Ontario's (FSRA) role as the regulator of Ontario's automobile insurance system and its responsibility for overseeing insurers, health service providers, and the delivery of care to injured persons. As the regulator responsible for maintaining a fair, effective, and sustainable automobile insurance framework, we believe FSRA has not fulfilled its responsibility to ensure that reimbursement under the Professional Services Guideline (PSG) reflects the realities of delivering regulated health care in Ontario.

While physiotherapist reimbursement rates under the Professional Services Guideline have remained unchanged since 2014, Ontario's five largest automobile insurance groups received approved premium increases averaging approximately 42% between 2018 and 2026, with total company-specific increases ranging from approximately 35% to more than 60%.[1]

At the same time, the 2016 automobile insurance reforms substantially reduced accident benefit coverage, including lowering medical and rehabilitation funding limits from $2 million

[1] Unweighted average of approved premium increase calculated across Ontario's five largest automobile insurance groups (Intact, Aviva, TD Insurance, Desjardins, and Co-operators) and their subsidiaries using approved Ontario private passenger automobile insurance rate filings from 2018–2026. https://autorateapprovals.fsrao.ca/

to $1 million for catastrophic impairments and from $100,000 to $65,000 for non-catastrophic injuries. As a result of premium increases, stagnant reimbursement rates, and reduced funding, people in Ontario are paying significantly more for less, and physiotherapists are stretched thin as they work to provide high-quality care with outdated funding.

The disconnect between reimbursement and the actual cost of care has become increasingly pronounced. The Ontario Physiotherapy Association's 2026 Ontario Physiotherapy Market Fee Report found that the average fee for a 60-minute physiotherapy assessment or treatment in Ontario is $148.00.[2] By comparison, the Professional Services Guideline continues to reimburse a maximum of $99.75 per hour for non-catastrophic impairments and $119.92 per hour for catastrophic impairments; rates established in 2014 and never updated.

Physiotherapists are expected to deliver high-quality, evidence-informed care within a funding model that no longer reflects the realities of operating a modern health care practice. Clinics are paying 2026 wages, rent, professional liability insurance, technology costs, regulatory expenses, and increasing administrative costs while reimbursement remains at 2014 levels. There is a limit to how long providers can be expected to do more with less.

As financial pressures continue to mount, physiotherapists are increasingly challenged to participate in Ontario's automobile insurance system, making access to care more difficult for injured people living in Ontario. Restricting rehabilitation funding does not reduce overall costs, it simply shifts those costs elsewhere in the health care system. Injured individuals may require additional visits to family physicians, walk-in clinics, emergency departments, and other publicly funded services to manage conditions that could have been addressed through timely access to physiotherapy. Delayed recovery may also contribute to longer periods away from work, prolonged disability, increased reliance on public and private supports, and poorer quality of life.

For more than two decades, Ontario's automobile insurance reforms have increasingly relied on reducing rehabilitation funding through benefit caps and constrained reimbursement.

After years of these policies, it is reasonable to ask whether they have achieved their intended objectives. Have they improved recovery outcomes? Reduced long-term disability? Shortened time away from work? Reduced litigation? Lowered insurance premiums for people living in Ontario? These are fundamental public policy questions that deserve transparent evaluation.

[2] Ontario Physiotherapy Association. Ontario Physiotherapy Compensation and Fee Report: 2026. Ontario Physiotherapy Association, April 9, 2026.

Ontario's automobile insurance system should prioritize timely access to rehabilitation because evidence consistently demonstrates that early intervention improves recovery, supports return to work, and reduces the long-term impact of injury. Instead, the current reimbursement framework is moving in the opposite direction. It is time to bring physiotherapy reimbursement in line with today's economic realities and with comparable standards across Canada.

The Ontario Physiotherapy Association calls on FSRA and the Ministry of Finance to:

- Increase physiotherapist reimbursement rates under the Professional Services Guideline to reflect the actual cost of delivering care;
- Establish a transparent and predictable process for regularly reviewing and updating reimbursement rates so they keep pace with inflation and economic conditions; and
- Publicly release the outcome of FSRA's review of the Professional Services Guideline and implement its recommendations without further delay.

Ontario's physiotherapists remain committed to helping injured people recover, return to work, and resume their daily lives following injury. However, a sustainable rehabilitation system requires reimbursement that reflects the cost of delivering evidence-informed care.

Ontario's automobile insurance system should not ask injured people to accept reduced benefits, providers to absorb rising costs, and consumers to pay higher premiums. Updating the Professional Services Guideline is an essential step toward restoring a fair, sustainable, and effective accident benefits system. A reimbursement framework frozen in 2014 cannot meet the needs of Ontario in 2026.

Sincerely,

Sarah Hutchison

Charlotte Anderson

Sarah Hutchison, MHSc., LL.M, ICD.D
CEO

Charlotte Anderson, MSc. PT, PhD
President

C: John Dexter, CEO, FSRA
Gadi Mayman, Deputy Minister, Ministry of Finance

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1. Unweighted average of approved premium increase calculated across Ontario's five largest automobile insurance groups (Intact, Aviva, TD Insurance, Desjardins, and Co-operators) and their subsidiaries using approved Ontario private passenger automobile insurance rate filings from 2018–2026. https://autorateapprovals.fsrao.ca/

2. Ontario Physiotherapy Association. Ontario Physiotherapy Compensation and Fee Report: 2026. Ontario Physiotherapy Association, April 9, 2026.

416 322 6866 1 800 672 9668 opa.on.ca
110 SHEPPARD AVE EAST, SUITE 810, TORONTO ON M2N 6Y8