

## Canada's Healthcare Systems: Key Features and Major Issues

# The 2013 Harkness Canadian Health Policy Briefing Tour

Jason M. Sutherland Montreal, May 14<sup>th</sup>, 2013





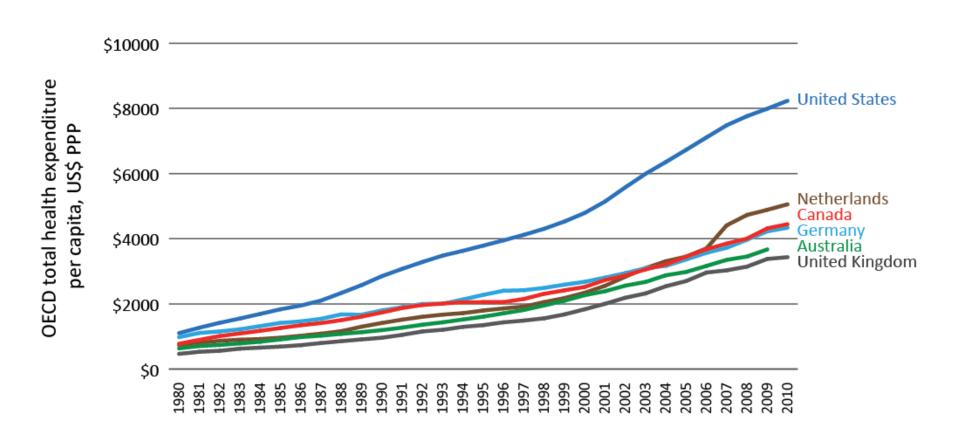
9.98 million km<sup>2</sup>

Big area: 35 million residents in 10 provinces





#### Health spending per capita, OECD, 1980-2010



Source: OECD



#### Role of Government

Provinces and Territories have responsibility for organizing and delivering healthcare to residents

The federal government co-finances health provincial healthcare programs

Healthcare delivery is primarily private actors non-profit hospitals, physicians and for-profit post-acute care





## Financing the System

General taxation

Federal government contributes ~20% of provincial health spending

Source of continual tension

Public funding is ~70% of total health expenditures

Health is now ~50% of provinces' expenditures





### Coverage

Canada Health Act (CHA) includes:

- -Medically necessary hospital, diagnostic and physician services
- -Portability between provinces

Other services are insured by public, private and out-of-pocket expenditures

Coverage decisions are made by each province





### Coverage

Absence of national 'benefit' package

There is no cost sharing for insured services: 'first-dollar' coverage

No surcharges by physicians for services

Provinces may extend coverage into long-term care, home care on the basis of age, need and income





## Organized

Many provinces have 'regionalized' healthcare: a regional entity, funded by the province

The region is responsible for the health needs of the residents (excluding physicians and drugs)

Own the hospitals (or private not-for-profit)

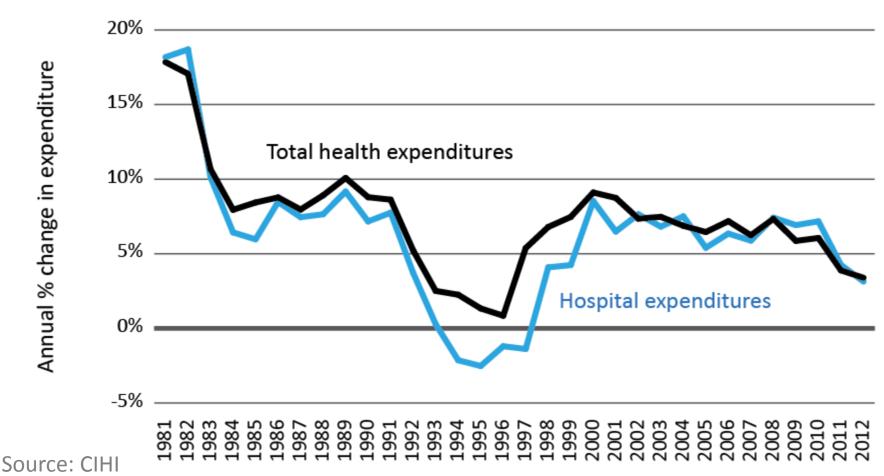
Fund long-term care and home care

Responsible for quality, efficiency



Annual % change in expenditure

### Annual % change in total health and hospital spending, 1981-2012





## Physician Payment

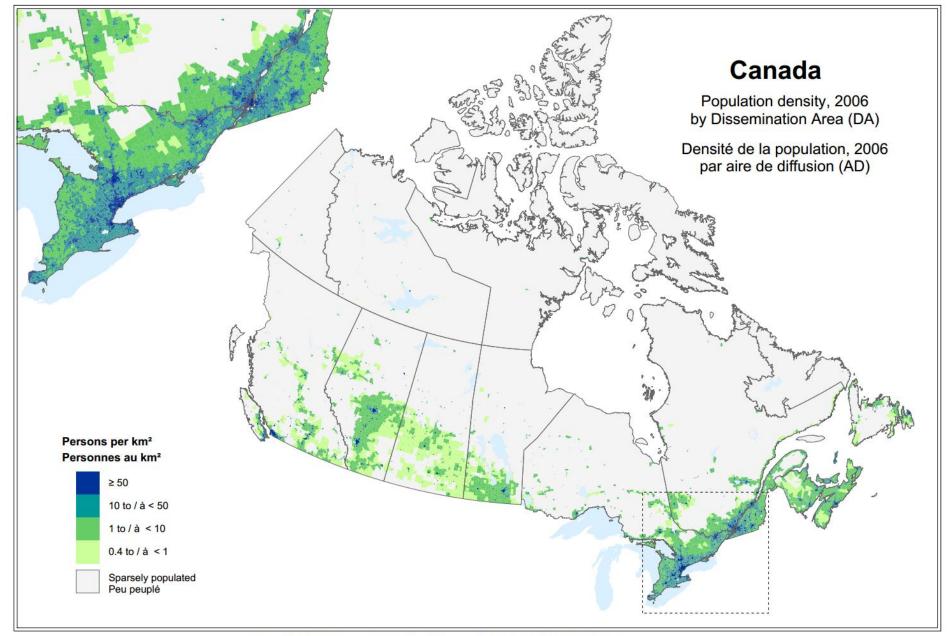
Physicians are funded directly by the province

Predominantly fee-for-service funding (GP and specialist) in many provinces

A number of provinces have been implementing alternative funding methods Fee schedule negotiations are challenging

Access to physician care is a source of tension







#### Access

#### **Wait Times**

- Last in access to specialist care
- Last in access to elective surgery
- Poor access to off-hours primary care

	Australia	Canada	France	Germany	Netherlands	New Zealand	Norway	Sweden	Switzerland	United Kingdom	United States
Able to get Same/Next Day Appointment When Sick	65%	45%	62%	66%	72%	78%	45%	57%	93%	70%	57%
Very/Somewhat Difficult Getting Care After-Hours	59%	65%	63%	57%	33%	38%	45%	68%	43%	38%	63%
Waited Two Months or More for Specialist Appointment <sup>a</sup>	28%	41%	28%	7%	16%	22%	34%	31%	5%	19%	9%
Waited Four Months or More for Elective Surgery <sup>b</sup>	18%	25%	7%	0%	5%	8%	21%	22%	7%	21%	7%

Ref: Commonwealth Fund



## Improving Ourselves?

Wait Time Reduction Fund
Cancer, cardiac, cataracts, joint and imaging

Common Drug Review

Canadian Agency for Drugs and Tech in Health

Non-binding review of cost- and clinical eff.

Other initiatives are based on the provinces Changing the funding methods: Ontario, B.C.





## What are other countries doing about the missing elements that case-based payment doesn't provide?

Lever	Quality	Fragmentation	Effectiveness			
	Value based Durchasing	Episodes of Care	Episodes of Care			
Funding Policy	Value-based Purchasing and Non-Payment	Meaningful Use of EHR	Meaningful Use of EHR			
Organization and	Accountable Care	Accountable Care Organizations	Accountable Care Organizations			
Delivery System	Organizations	Medical Home	Medical Home			
System-Level	Cross Sector Data Standardization Patient Outcomes and Experience					



## Canadian Healthcare: Current Key Issues

Over reliance on hospital-based care
Access (geographic and equitable)
Global budgets haven't been successful
Mis-aligned incentives: co-ordination
Drug payment policy
Fragmentation

Poor accountability for quality and effectiveness





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