An Overview of the Canadian Health Care System

Jason M. Sutherland
Canadian Harkness Fellow in Health Policy
ASPE, NIMH

Washington, D.C., July 1st, 2013
July 1st = Canada Day
Canada’s B-Day!!!!
Population: 35 million
Average household net-adjusted disposable income: 28,194 USD

Population: 316 million
Average household net-adjusted disposable income: 38,001 USD

Source: Statistics Canada, United States Census Bureau, OECD
Where do Canadians live?

An aging population

Source: Statistics Canada, UN DESA

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>21</td>
<td>31</td>
</tr>
<tr>
<td>United States</td>
<td>19</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, UN DESA
Health Spending Per Capita, OECD, 1980-2010

OECD total health expenditure per capita, US$ PPP

United States
Netherlands
Canada
Germany
Australia
United Kingdom

$10000
$8000
$6000
$4000
$2000
$0

Health Conditions

Source: Statistics Canada, CDC U.S.

- Overweight: 34.0% (Canada), 34.5% (United States)
- Obesity: 18.3% (Canada), 28.3% (United States)
- Hypertension: 17.5% (Canada), 25.5% (United States)
- Diabetes: 6.3% (Canada), 9.0% (United States)
- Arthritis: 16.2% (Canada), 23.3% (United States)
- Asthma: 8.3% (Canada), 8.2% (United States)
- Chronic obstructive pulmonary disease: 4.1% (Canada), 4.4% (United States)
Age-Standardized Cancer Incidence Per 100,000 Population, 2010

- All: Canada 403, United States 445
- Colon and Rectum: Canada 51, United States 40
- Lung: Canada 55, United States 62
- Female Breast: Canada 102, United States 118
- Prostate: Canada 123, United States 126

Source: Canadian Cancer Society, CDC USA

*Canadian rates are estimated
## Health Outcomes

<table>
<thead>
<tr>
<th></th>
<th>Canada</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant mortality per 1,000 live births, 2008</td>
<td>5.1</td>
<td>6.6</td>
</tr>
<tr>
<td>Life expectancy at birth, years, 2008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>78.5</td>
<td>75.6</td>
</tr>
<tr>
<td>Female</td>
<td>83.1</td>
<td>80.6</td>
</tr>
<tr>
<td>Life expectancy at age 65, years, 2008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>18.3</td>
<td>17.3</td>
</tr>
<tr>
<td>Female</td>
<td>21.5</td>
<td>20</td>
</tr>
<tr>
<td>Potential years of life lost for all causes of death per 100,000 population, aged 0-69 years old, 2008</td>
<td>4870.3</td>
<td>3304.6</td>
</tr>
</tbody>
</table>

Source: OECD
## Top Three Causes of Death, Percent of Total Deaths, 2009

<table>
<thead>
<tr>
<th></th>
<th>Canada</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malignant neoplasms</td>
<td>29.8%</td>
<td>Diseases of heart</td>
</tr>
<tr>
<td></td>
<td></td>
<td>24.6%</td>
</tr>
<tr>
<td>Diseases of heart</td>
<td>20.7%</td>
<td>Malignant neoplasms</td>
</tr>
<tr>
<td></td>
<td></td>
<td>23.3%</td>
</tr>
<tr>
<td>Cerebrovascular</td>
<td>5.9%</td>
<td>Chronic lower</td>
</tr>
<tr>
<td>diseases</td>
<td></td>
<td>respiratory diseases</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.6%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, CDC U.S.
Perceived Health

<table>
<thead>
<tr>
<th></th>
<th>Canada, 2011/12</th>
<th>United States, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent or very good</td>
<td>59.9%</td>
<td>60.3%</td>
</tr>
<tr>
<td>Fair or poor</td>
<td>11.2%</td>
<td>13.3%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, CDC U.S.
## Patient Confidence

<table>
<thead>
<tr>
<th>Country</th>
<th>&quot;Very confident&quot; that they will get quality and safe care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>34%</td>
</tr>
<tr>
<td>Canada</td>
<td>28%</td>
</tr>
<tr>
<td>Germany</td>
<td>24%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>59%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>28%</td>
</tr>
<tr>
<td>United States</td>
<td>35%</td>
</tr>
</tbody>
</table>

Source: Commonwealth Fund
Legislation: Canada Health Act (CHA)

Health care is organized, delivered and funded by the 10 provinces.

The Canada Health Act defines national principals for provincial health insurance plans:

- Universality
- Accessibility
- Portability
- Comprehensiveness
- Public administration

Sets conditions for provincial and territorial health insurance plans to meet in order to obtain federal contributions via the Canada Health Transfer (CHT)
Federal Role

Co-finances provincial healthcare programs
20% of total provincial/territorial health care expenditures were federally financed in 2011

Direct delivery of services to select groups of people
- Inuit, First Nations residing on reserves
- Members of Canadian Forces
Financing Health in Canada

Federal government Canada Health Transfer (CHT)
- Paid out on an equal per capita basis

General taxation
- Provincial income tax and sales tax
Provincial and Territorial Roles

Each province and territory determines what services are medically necessary and thus covered publicly

No national ‘benefit’ package

Covers medically necessary hospital and physician services.

Provinces may extend coverage into long-term care, home care on the basis of age, need and income. Other goods or services are insured by public, private and out-of-pocket payments.
Organization

Many provinces have ‘regionalized’ healthcare:
One or several regional entities
Funded by the province with global budget

Region is responsible for the health needs of residents (excluding physicians and drugs)
- Own the hospitals (or private not-for-profit)
- Fund long-term care and home care
- Responsible for quality and efficiency
Physician Payment

Physicians are funded directly by the province.

Predominantly fee-for-service (GP and specialist).

Fee schedule are negotiated and administered by provincial governments.

Several provinces have been implementing alternative funding methods.
Quality of Care from Doctor

Percent of adults with a regular doctor who rate care received in past 12 months as fair/poor or excellent/very good

Source: Commonwealth Fund
Access to Doctor When Sick

Source: Commonwealth Fund
Drugs

Outpatient prescription medications paid for by private insurance or out-of-pocket

Unless qualified to receive supplementary benefits (seniors, children, low-income residents) offered by some provincial governments (BC, ON)

‘Patchwork’ of prescription drug coverage across Canada

Growing yearly expenditure on drugs accounts for second highest share in health spending since 1997
Access to Drugs

New drugs must undergo extensive national review and approval process before available for sale

Often long delays in both federal approval and provincial eligibility for reimbursement
Total Hospital Beds Per 1,000 Population

Total hospital beds staffed and in operation, 2010/11: 76,280

Source: OECD
Average Length of Stay in Inpatient Hospitals

Source: CIHI, OECD
Wait Times for Elective Surgery

Percent of adults who needed elective surgery in past 2 years

Source: Commonwealth Fund
Post Acute Care

Not insured under CHA.... LTC and palliative services typically funded by provincial government while room and board costs are borne by the patient

LTC facilities mostly publicly funded (72%)

Increase in demand for private at-home services due to shortages in publicly funded facilities

Fragmented funding policies
Major Challenges

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
UBC Centre for Health Services & Policy Research
201 – 2206 East Mall
Vancouver, BC  Canada  V6T 1Z3

www.chspr.ubc.ca