



UBC CENTRE FOR  
HEALTH SERVICES AND POLICY RESEARCH

# An Overview of the Canadian Health Care System

Jason M. Sutherland

Canadian Harkness Fellow in Health Policy

ASPE, NIMH

Washington, D.C., July 1<sup>st</sup>, 2013



a place of mind

THE UNIVERSITY OF BRITISH COLUMBIA



A map of North America showing the outlines of Canada and the United States. Canada is colored red and the United States is colored blue. The map includes Alaska and Hawaii. Text labels provide population and average household net-adjusted disposable income for each country.

**Population: 35 million**

**Average household net-adjusted  
disposable income: 28,194 USD**

**9.98 million km<sup>2</sup>**

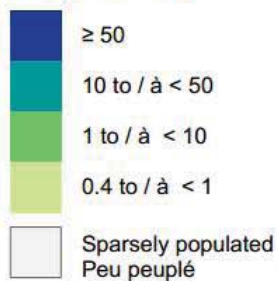
**Population: 316 million**

**Average household net-adjusted  
disposable income: 38,001 USD**

**9.83 million km<sup>2</sup>**

# Where do Canadians live?

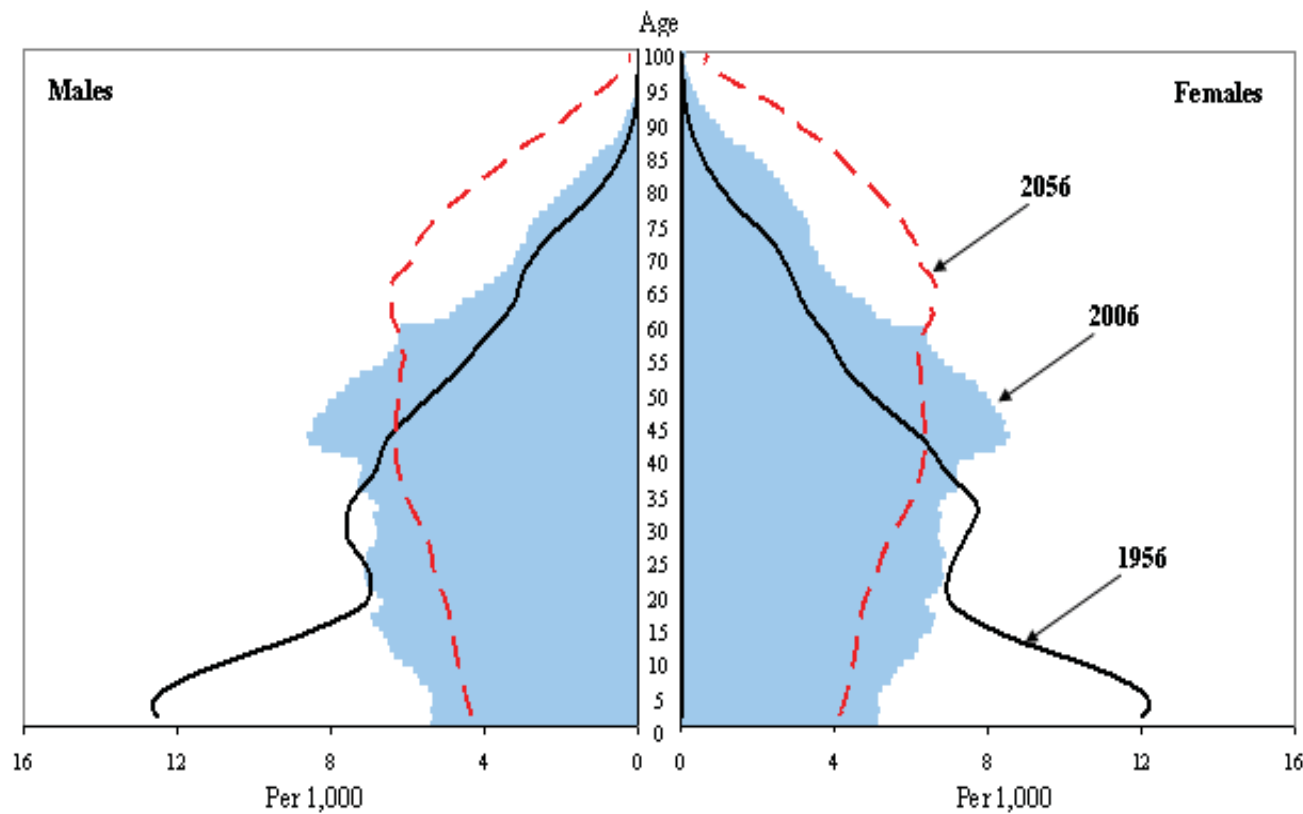
Persons per km<sup>2</sup>  
Personnes au km<sup>2</sup>



Sources: 2006 Census of Canada. Produced by the Geography Division, Statistics Canada, 2007.  
Recensement du Canada de 2006. Préparé par la Division de la géographie, Statistique Canada, 2007.



## An aging population



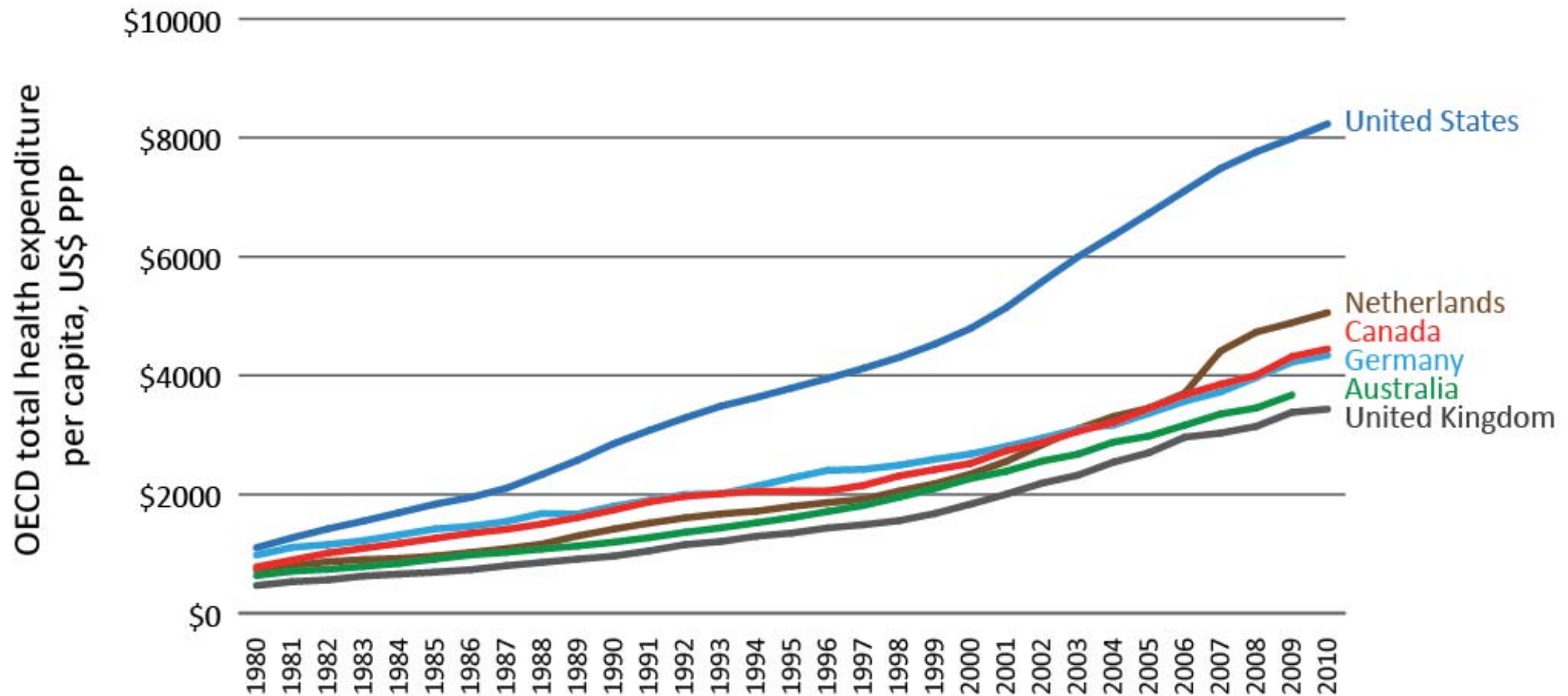
### Proportion of total population aged 60 and over (%)

	2012	2050
Canada	21	31
United States	19	27

Source: Statistics Canada, UN DESA



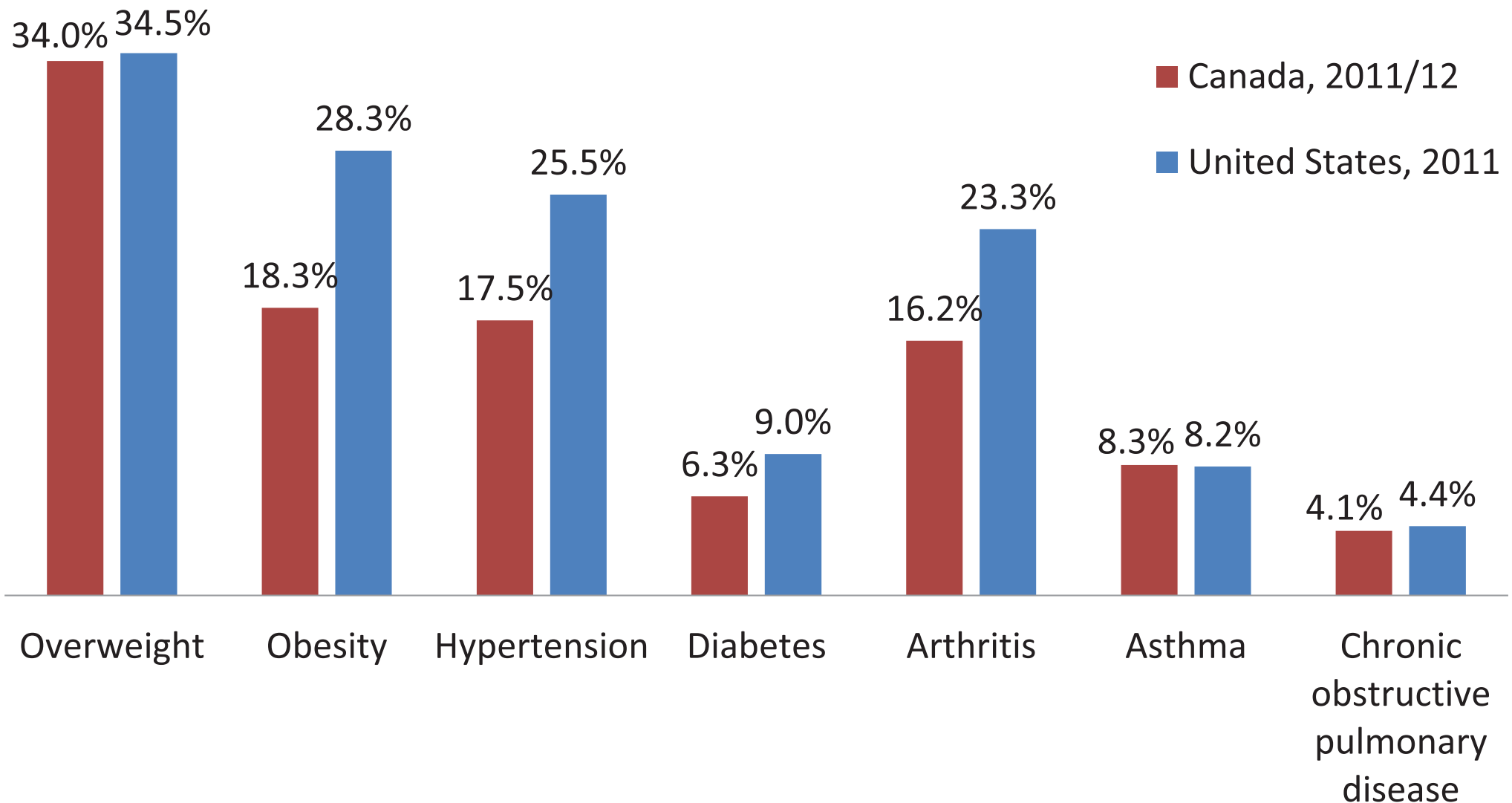
# Health Spending Per Capita, OECD, 1980-2010





UBC CENTRE FOR  
HEALTH SERVICES AND POLICY RESEARCH

# Health Conditions

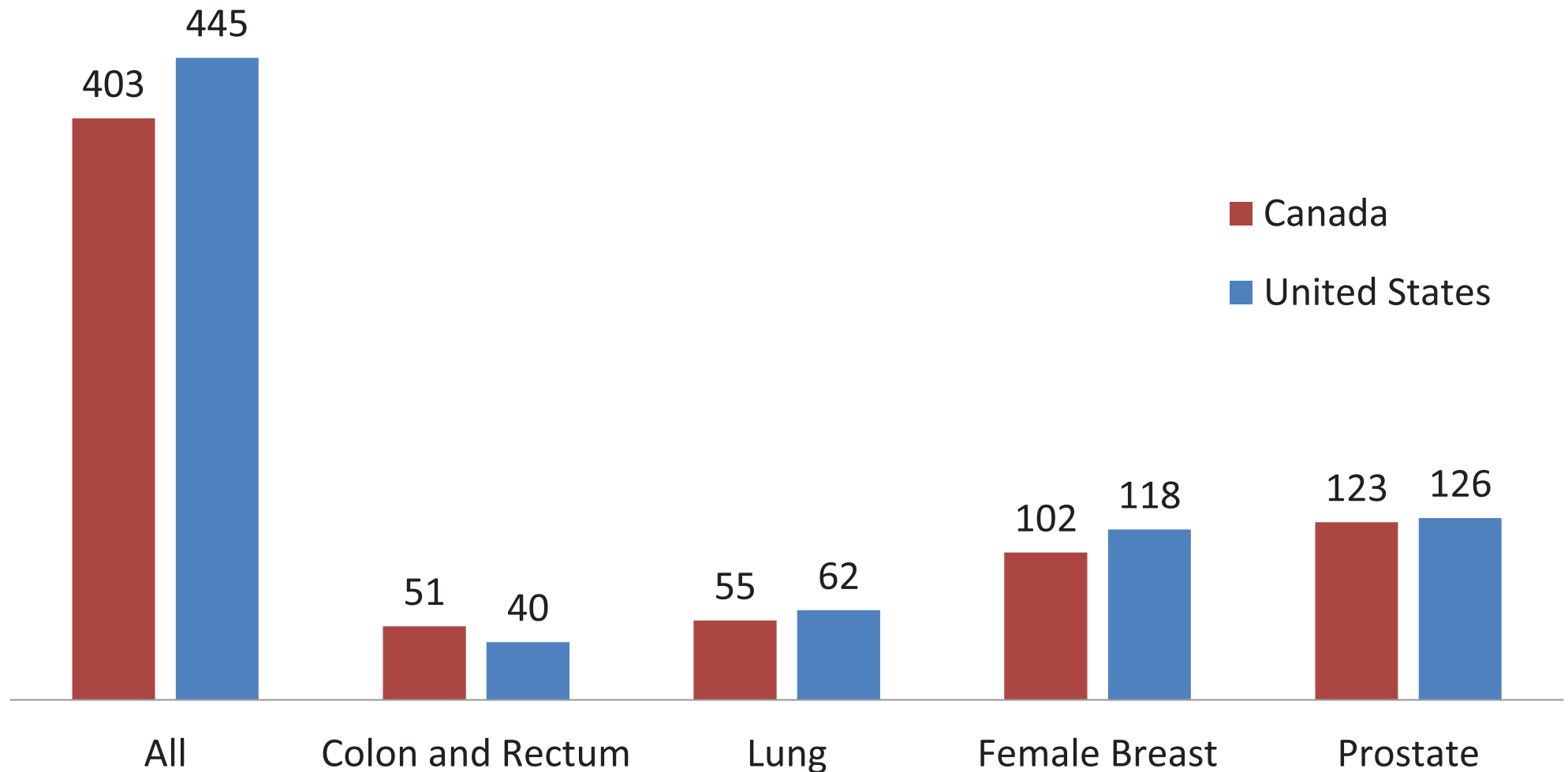


Source: Statistics Canada, CDC U.S.



UBC CENTRE FOR  
HEALTH SERVICES AND POLICY RESEARCH

## Age-Standardized Cancer Incidence Per 100,000 Population, 2010





# Health Outcomes

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

Source: OECD



# Top Three Causes of Death, Percent of Total Deaths, 2009

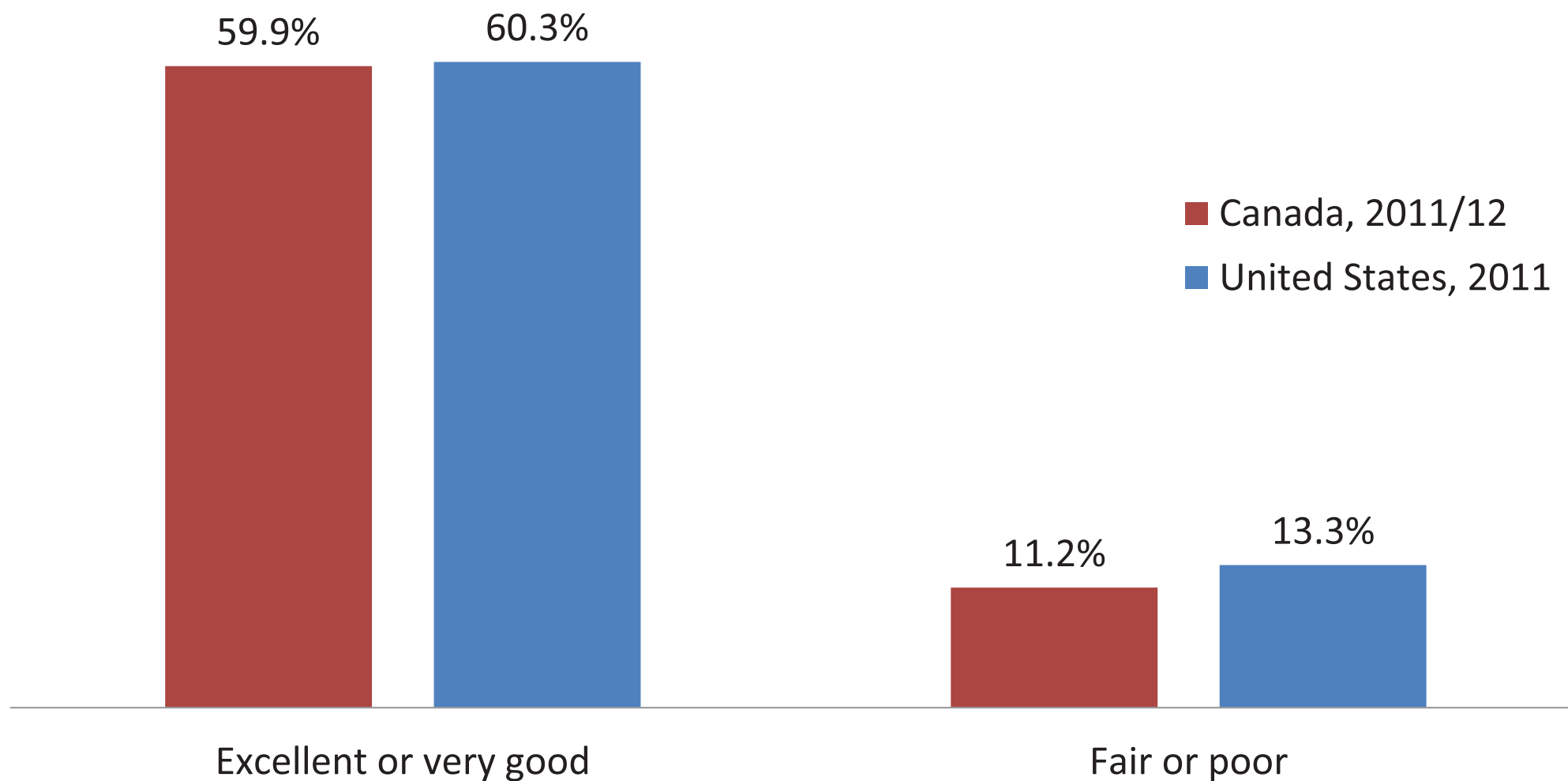
Canada		United States	
Malignant neoplasms	29.8%	Diseases of heart	24.6%
Diseases of heart	20.7%	Malignant neoplasms	23.3%
Cerebrovascular diseases	5.9%	Chronic lower respiratory diseases	5.6%

Source: Statistics Canada, CDC U.S.



UBC CENTRE FOR  
HEALTH SERVICES AND POLICY RESEARCH

# Perceived Health



Source: Statistics Canada, CDC U.S.



# Patient Confidence

Country	"Very confident" that they will get quality and safe care
Australia	34%
Canada	28%
Germany	24%
Netherlands	59%
United Kingdom	28%
United States	35%



UBC CENTRE FOR  
HEALTH SERVICES AND POLICY RESEARCH

# 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)



a place of mind

THE UNIVERSITY OF BRITISH COLUMBIA



# Federal Role

Co-finance 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

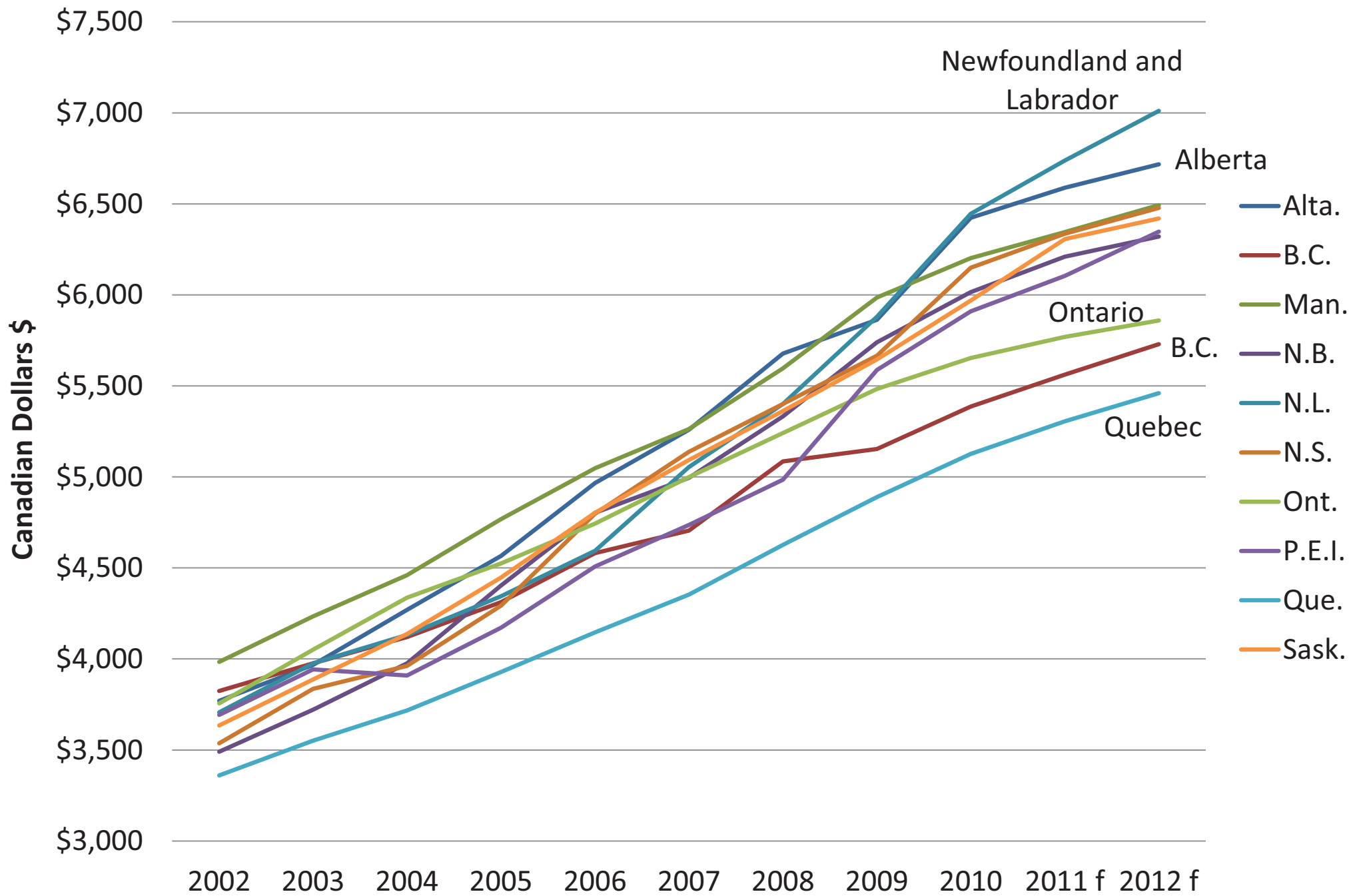
Each province and territory determines what services are medically necessary and thus covered publicly

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

# Total Health Expenditure Per Capita by Province, 2002-2012



Source: CIHI

\*f indicates forecasted values



# 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

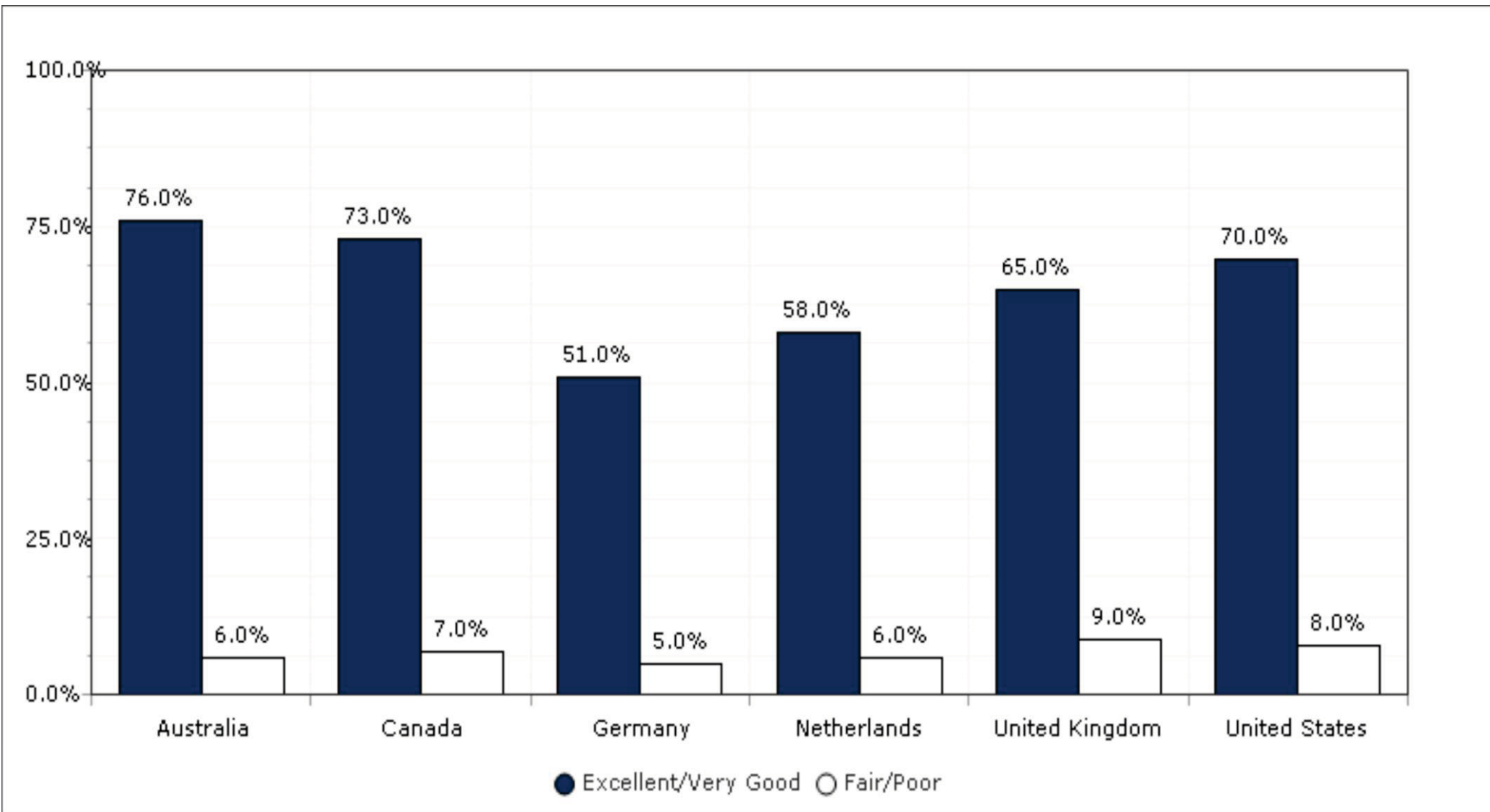
Predominantly fee-for-service (GP and specialist)

Fee schedule are negotiated and administered by provincial governments

Several provinces have been implementing alternative funding methods

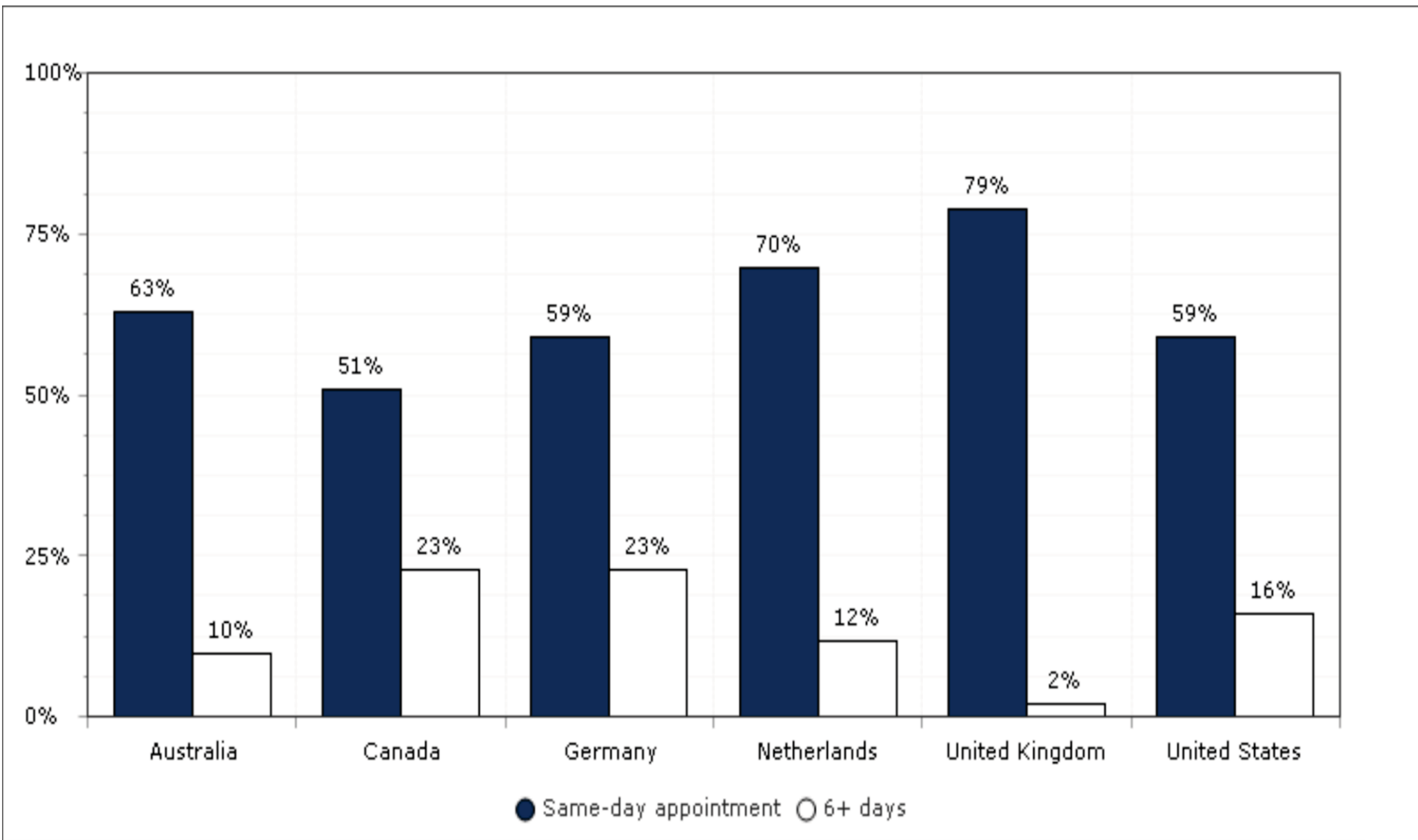
# Quality of Care from Doctor

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



● Excellent/Very Good ○ Fair/Poor

# 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



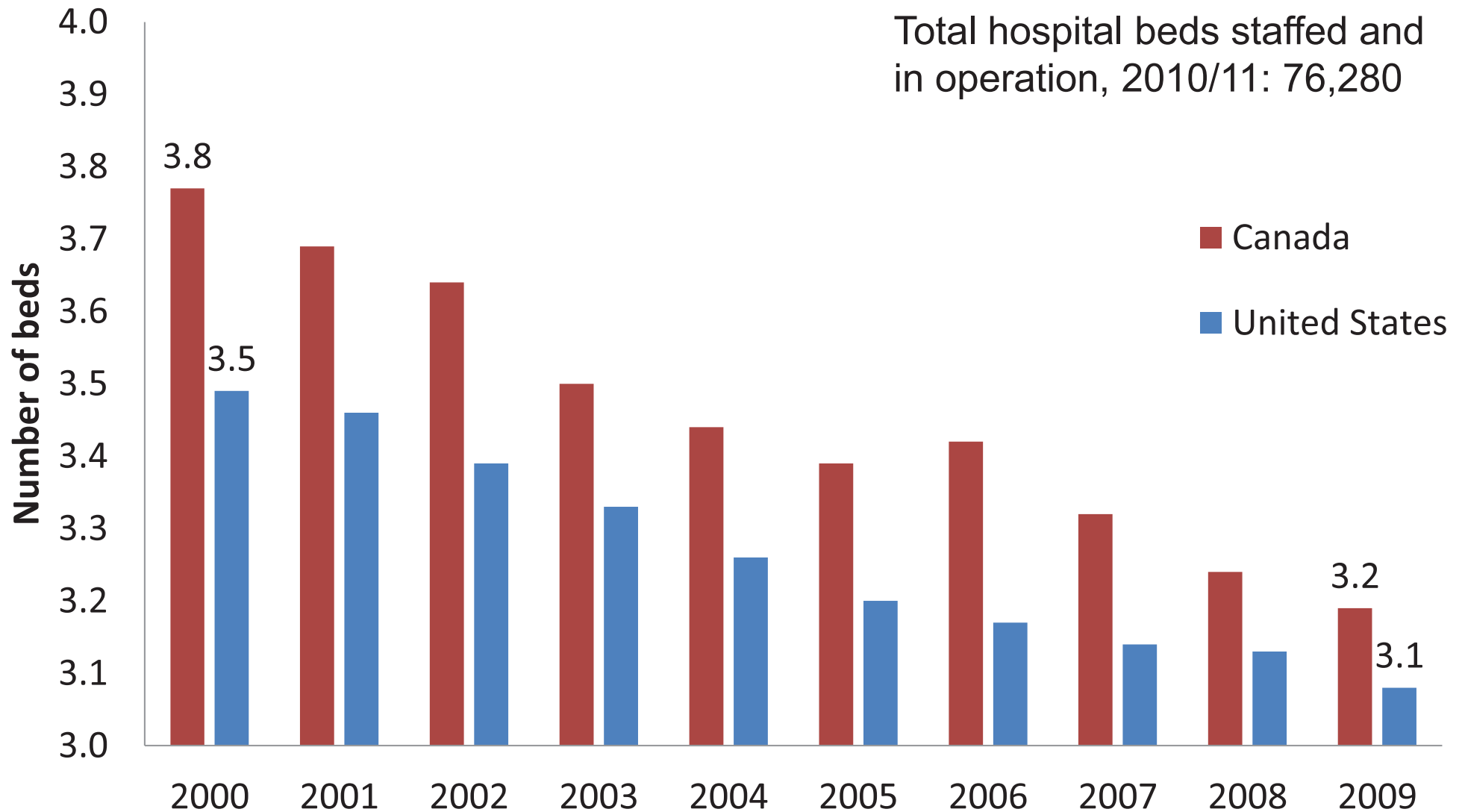
# Access to Drugs

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



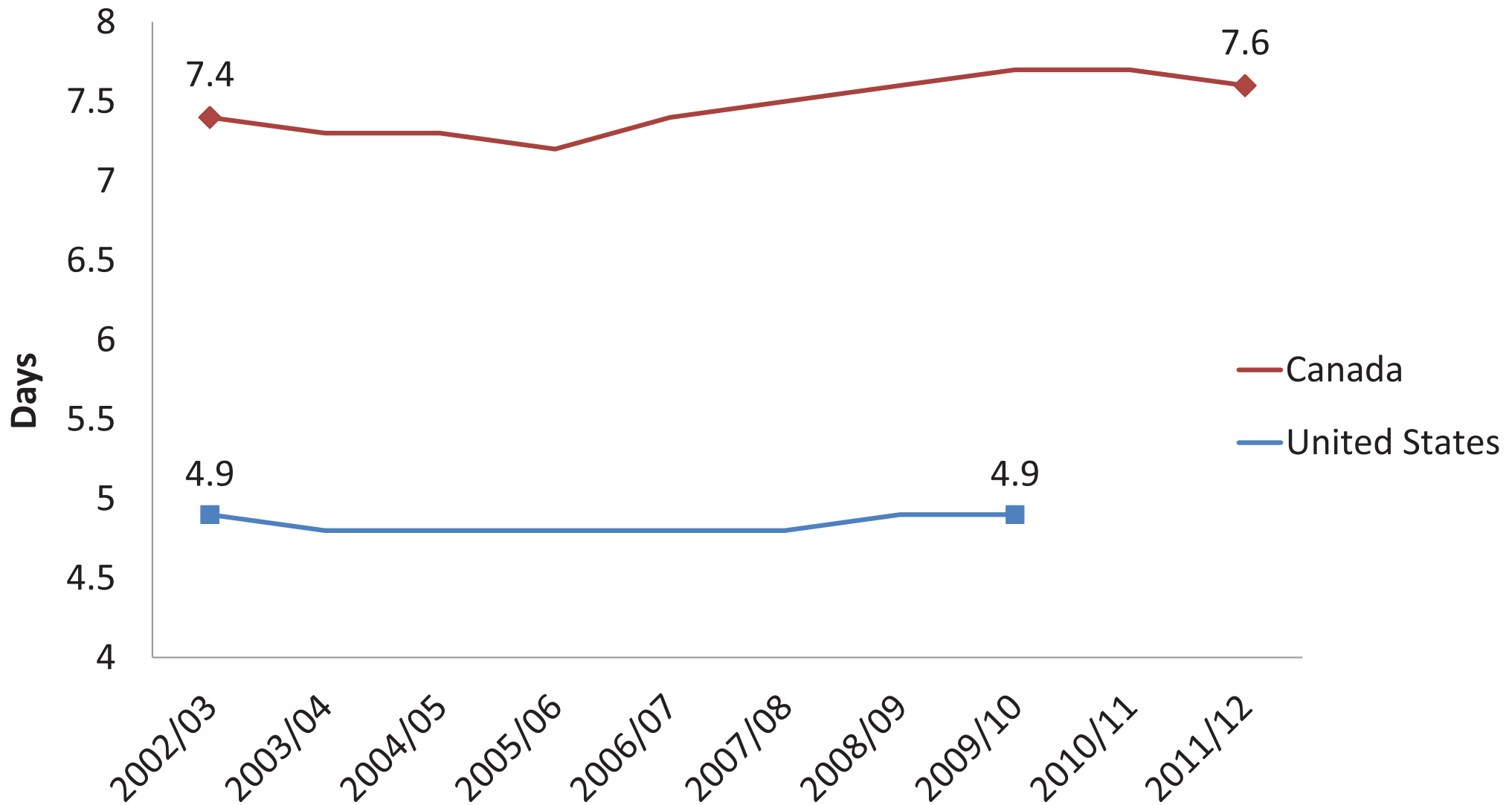
## Total Hospital Beds Per 1,000 Population





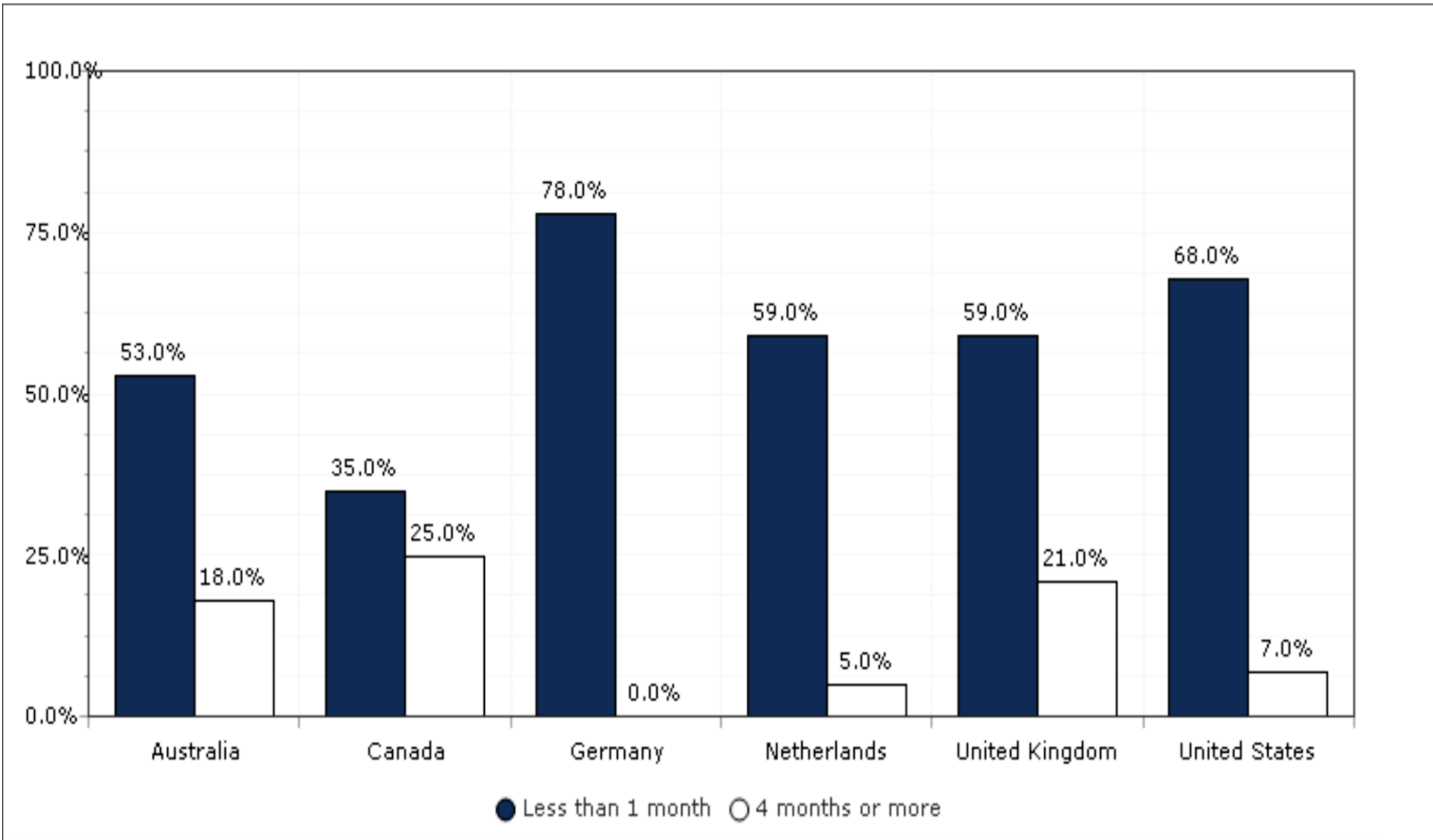
UBC CENTRE FOR  
HEALTH SERVICES AND POLICY RESEARCH

## Average Length of Stay in Inpatient Hospitals



# Wait Times for Elective Surgery

Percent of adults who needed elective surgery in past 2 years



Source: Commonwealth Fund



UBC CENTRE FOR  
HEALTH SERVICES AND POLICY RESEARCH

# 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



a place of mind

THE UNIVERSITY OF BRITISH COLUMBIA



# 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 AND POLICY RESEARCH

# **UBC Centre for Health Services & Policy Research**

**201 – 2206 East Mall**

**Vancouver, BC Canada V6T 1Z3**

**[www.chspr.ubc.ca](http://www.chspr.ubc.ca)**



a place of mind

THE UNIVERSITY OF BRITISH COLUMBIA