

Health care delivery in a federal system: strengths and weaknesses of the Canadian approach

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Introduction

- Constitutionnal / legal / financial arrangements
- Outcomes
- Challenges

Constitutional/ legal/financial

- Health is a provincial responsibility (local matters clause of Constitution)
- Health spending is 11% of GDP
- Health spending is 70% public-30% private
- Ten different provincial universal Medicare plans
- Provincial spending is 90%+ of public health spending

Constitutional/ legal/financial -2

- Significant Federal presence begins in 1957 with hospitalization insurance 50/50 cost-sharing
- Expands in 1965 with 50/50 medical care cost sharing (public, universal)
- Moves from 50/50 to block funding in 1977 with \$ and tax points transfers
- Canada Health Act of 1984 penalizes extra billing

Constitutional/ legal/financial-3

- Major reduction in funding by federal government in 1995 (25% of \$) to reduce deficit
- From EPF to CSHT to CHT+CST: labeling conditions
- Substantial increase in funds in 2000-2004 period with 6% annual indexing until 2014: politics play a key role

Constitutional/ legal/financial-4

- Provinces show differences in per capita spending: 2009 4891\$(QC) to 6072\$(Al)
- These have converged over time
- Provinces show increasing share of health spending in total provincial spending from 26% (1989) to 33%(2009)

Health outcomes

- Measurement of health outcomes: difficult
 - Inputs such as the number of MDs available per capita ;
 - Intermediate outcomes such as waiting time for a visit
 - Final outcomes such as health status
 - Measure of impact of spending not easy

Health outcomes-2

	Nfld	PEI	NS	NB	QC	Ont	Man	Sask	Alt	BC	CV
GP per 100 000	107	98	116	99	111	85	92	92	107	106	0,10
Wait Time Weeks(NU)	1.4	1.7	1.4	2.2	6.6	1.6	2.7	1.5	1.6	1.2	0,74
% unmet needs	10.8	9.3	10.4	10.4	11.6	11.4	12.4	11.3	10.9	11.7	0,08

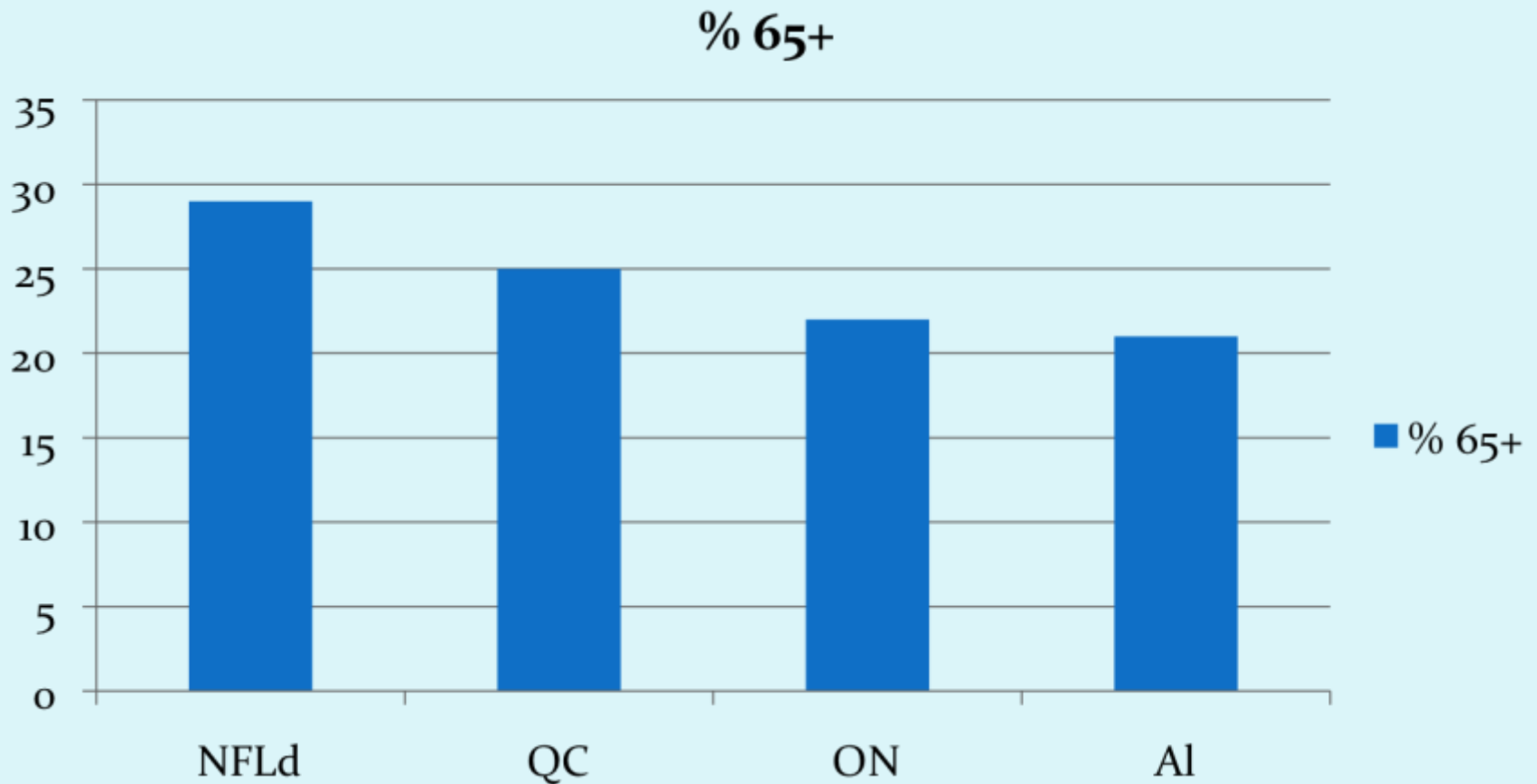
Health outcomes-3

- Differences in inputs
- Differences in intermediate outputs
- Little difference in satisfaction or in life expectancy at birth $CV=0.1$ from 78.5(Nfld) to 80.9(BC) years

Challenges

- Different demographic paths between provinces to 2030
- Poorer provinces(East) age faster
- Federal financing to be renegotiated by 03/2014
 - Nominal or real amount to be maintained
 - More conditions?
 - Return of national medication insurance?(mid-2000s Liberal promise)

% population 65+, 4 provinces, Canada, 2030



Challenges 2

- Reduced acceptance of differences in treatment accross provinces (Internet?)
- Increased availability of high costs treatments
- More resistance to tax increases due to NAFTA integration+ shift in attitudes

Conclusion

- Increased spending on health associated with:
 - Aging impact
 - Technology impact
 - Expectations impact
- Federalism may play *laboratory* role in reducing costs
- Are provinces willing to affirm themselves ?