STRUCTURE AND HISTORY OF CANADIAN HEALTHCARE

DISCLAIMER
NEITHER THE PUBLISHER NOR THE AUTHORS ASSUME ANY LIABILITY FOR ANY INJURY AND OR DAMAGE TO PERSONS OR PROPERTY ARISING FROM THIS WEBSITE AND ITS CONTENT.

MEDIT CARES ORIGINS
1947 in Saskatchewan, Premier Tommy Douglas passed the Saskatchewan Hospitalization Act. Considered as the "Father of Medicare" Principal of Healthcare as a "right" and not a "privilege"

History of Canadian Medicare
- Prime Minister Louis St. Laurent introduced a national hospital insurance program—outcry from Physicians and Insurance Companies
- 1962 NDP (New Democratic Party) introduces first public Medicare program—Physicians strike over “fee for billing principle”

History of Canadian Medicare
- Strike ends 3 weeks later and physicians keep the principle and can influence healthcare spending
- 4 years later Federal Government follows suit creating a national Medicare program
- Agree to pay half the costs

History of Canadian Medicare
- Few years later the Trudeau government gave the provinces more control of health spending, by shifting to block funding. Meant Federal Government would set a fixed amount per year
History of Canadian Healthcare

- Between 1980 and 84 the Canadian Health Coalition (CHC) issued demands for the healthcare system to reflect five principles.
- Group wanted it to be public and Not-for-profit, comprehensive, universal, portable and accessible.
- Result was Canada Health Act passed unanimously by Parliament in 1984.

Healthcare System Governed by Canada Health Act

- Primary goal to protect, promote, and restore the physical and mental well-being of residents of Canada, and to facilitate reasonable access to health services without financial or other barriers.

Five Governing Principles

1. PUBLIC ADMINISTRATION: To ensure that all provincially run insurance programs are administrated by a public authority, responsible to the Provincial or Territorial government for decision-making and service levels.

Governing Principles

2. COMPREHENSIVENESS: Requires all services provided by physicians, hospitals and dentists doing surgery in a hospital to be covered by provincial health insurance.

Governing Principles

3. UNIVERSALITY: When people move domestically from province to province, the “home jurisdiction” required to continue their insurance during any waiting period. Designed to guarantee residents have access to insured hospital, medical and surgical dental services.

Governing Principles

4. PORTABILITY: When moving domestically “home jurisdiction” must provide coverage for three month waiting period.
Governing Principles

- 5. ACCESSABILITY: Designed to guarantee all residents have access to insured hospital, medical and surgical services which are provided by provincial or territorial insurance plan.
- Additionally each province must provide reasonable compensation to doctors, dentists and hospitals for insured services.

Comparison of US and Canadian systems

- Very similar systems until Canadian reforms in 1960’s and 70’s
- In 2006-per capita spending in Canada was US$3678 and in US$6714
- Canada spent 10% of GDP on healthcare vs 15.3% in US

Comparison of US and Canadian systems

- In 2006, 70% of health care spending in Canada financed by Government vs 46% in US
- 2007 review of all studies comparing health outcomes in Canada and the US in a Canadian peer-reviewed medical journal found outcomes may be superior in Canada but differences not consistent

Comparison of US and Canadian Health systems

- Study rated the US ‘responsiveness” or quality of service for individuals receiving treatment as 1st vs 7th for Canada
- Life expectancy for Canadians was 80.34 years vs 78.6 years for US
- Health care costs in both countries rising faster than inflation

Coverage and Access

- 40% of US citizens do not have adequate healthcare insurance and 5% of Canadians have not been able to find a physician with a further 9% never having looked for one
- In the US The Emergency Medical Treatment and Active Labor act ensures public access to emergency treatment
Wait times

- Studies by Commonwealth Fund - In Canada longer emergency room waits, longer time to see a specialist. Wait times for referrals approximately four and a half months.
- All Canadians have access to similar care at lower cost but latter has come because of “restriction of supply”.

Wait Times

- 2005 12.3 weeks for an MRI scan, 5.5 weeks for a CT-scan and 3.4 weeks for ultrasound.
- Canada ranked 24th out of 27 OECD countries in number of doctors. 2.3 vs OECD of 2.9.
- Key factor is inability of Canadian systems to provide even basic equipment.

Price of health care and Administration Overheads

- Healthcare one of most expensive items of both nations budgets.
- In the U.S. more is spent per capita than in Canada.
- In 2004 - Government spending was $2120 per person while in U.S. cost was $2724 per person.

Price of Healthcare

- In 1999 report administration accounted for 31% of healthcare expenditures in US vs 16.7% in Canada.
- Provincial single-payer insurance system operated with overheads of 1% vs. 13.2% for private in CDA, vs 11.7% private in U.S. Medicare and Medicaid are 3.6% and 6.8% respectively.
- Private spending for healthcare also greater in the U.S. than in Canada.
Medical Professionals

- Canada has fewer physicians per capita than US - In 2005, 2.2 per 1000 in Canada and 2.5 per 1000 in US
- In 1996, US physicians income nearly 2x that of Canada
- In Canada large number of immigrant physicians

DRUGS

- In both countries limited programs to provide rx drugs to needy.
- Many Provinces provide rx drugs to seniors and in the US Medicare Part D has extended partial coverage to Medicare beneficiaries

DRUGS

- Much higher cost of drugs in the US - In US $728 per capita spend annually vs $509 in Canada
- Consumption higher in Canada with 12 prescriptions annually vs 10.6 in the US
- Patented drug prices in Canada 35-45% lower but generics higher

DRUGS

- Canadian system used centralized buying by provincial governments
- US has explicit laws prohibiting Medicare or Medicaid from negotiating drug prices
- Price negotiations in Canada based on evaluations of clinical effectiveness of particular drug

DRUGS

- The Canadian Patented Medicine Prices Review Board also has authority to set fair and reasonable price on patented drugs
- More limited patent protection in Canada. In US drug patent may be extended five years

Technology

- US spends more on technology than Canada. In 2004 a study on medical imaging in Canada showed 4.6 MRI scanners per million vs 19.5 in US
- Wait times for sophisticated imaging in Canada can vary from weeks to months
MALPRACTICE LITIGATION

- Extra cost of malpractice lawsuits are insignificant proportions of health spending in both the US (0.46%) and Canada (0.27%).
- In Canada total cost of malpractice is $4 per person annually vs $16 in the US.
- Average payouts in US $265,103 vs $309,417 in Canada.

ANCILLARY EXPENSES

In US Administrative costs significantly higher
In US-Government mandates on record keeping and diversity of insurers, plans and administrative layers involved in every transaction results in greater costs
Costs roughly double in US

HEALTHCARE OUTCOMES

- 2007 study concluded that outcomes may be superior in Canada vs US but differences not consistent.
- Only consistent pattern was that Canadian patients fared better with kidney failure.
- In US some conditions such as breast cancer had higher cure rate in US.

HEALTHCARE OUTCOMES

- Life expectancy in 2006 was about two and a half years longer in Canada, with Canadians living to average of 79.9 years.
- Americans have slightly higher rates of smoking and alcohol consumption than Canadians as well as significantly higher rates of obesity.

CANCER

- Cancer mortality rates almost identical in the two countries.
- Most recent studies of survival rates found lower cancer survival in Canada.
- Found cancer survival rates more strongly correlated with socio-economic status in US than Canada.
CANCER
• American survival rates higher for prostate and breast cancer—may be higher screening rates in the US

RACIAL AND ETHNIC DIFFERENCES
• Demographics differ substantially in the two countries
• This may explain differences in health outcomes
• Hispanics and African Americans constitute a much larger proportion in the US than in Canada

RACIAL AND ETHNIC DIFFERENCES
• In Canada many more aboriginal peoples as well as South and East Asians

FLEXIBILITY
• In Canada, increasing demands for healthcare due to aging population must be met by increasing taxes or reducing other government programs
• In US—impact of recent legislation yet to be assessed
• In Canada a trend to privatization.
• In US—trend to Government control