

---

## ICU Volume 7 - Issue 4 - Winter 2007/2008 - Country Focus:Canada

### Overview of Healthcare in Canada

---

#### Author

**Nathalie Danjoux, MSc**

*Senior Policy Analyst*

*Critical Care Secretariat, Toronto, Ontario, Canada*

[nathalie.danjoux@uhn.on.ca](mailto:nathalie.danjoux@uhn.on.ca)

**"Through the years, I came to believe that health services ought not to have a price tag on them, and that people should be able to get whatever health services they require irrespective of their individual capacity to pay." – T. C. Douglas, Founder of Medicare (1984)**

#### Organisation of the Healthcare System

Canada's publicly funded healthcare system provides universal coverage for medically necessary healthcare services to all legal residents and citizens. The annual healthcare budget in Canada continues to increase, reaching \$148 billion (CAN) in 2006, approximately 10.3% of the total Gross Domestic Product (GDP). Canada continues to rank among the world's top five health spenders when compared to other Organization for Economic Co-operation and Development (OECD) countries, yet remains behind the United States in terms of healthcare spending per person.

Canada has ten provinces, three territories and a population of over 33 million, with 24 million (~80%) living in urban areas. The population reflects an ethnic, cultural and linguistic makeup unique to any other country, with continuous influxes of immigrants. Each province/territory is responsible for administering healthcare services free of charge based on a similar health insurance plan known as Medicare. The federal government shares the roles and responsibilities with the provincial/ territorial governments, providing financial assistance as long as they meet the criteria set out under the federal health insurance legislation (Canada Health Act). The five basic principles of the Canada Health Act ensure that healthcare is universal, accessible to all residents, portable within the country and during travel, comprehensive and publicly administered. The federal government also provides direct funding for specific groups including Aboriginal groups, members of the Armed Forces and eligible veterans.

The provincial/territorial governments provide hospitals with an annual global budget, and certain health programs are funded under special funding agreements. While universal coverage of all medically necessary health services is provided, decision-makers in the health system are constantly struggling to determine which services are deemed 'medically necessary' and therefore eligible for public coverage.

Each province/territory manages their healthcare delivery differently, while remaining true to the values set by the Federal legislation. Some provinces (Alberta, British Columbia, Ontario) charge a healthcare tax, which does not limit access to required services. Many jurisdictions have decentralised their funding structures by creating regional health authorities, or health integration networks within each province/territory, which have become responsible for managing their funds and setting priorities within their region.

Access to healthcare services has become a key concern for many Canadians and government agencies. Funding poses the greatest challenge to effective delivery and quality of care. Under the Canada Health Act, prescription drugs and supplies provided in the hospital are mostly free of charge for patients. However, on discharge from the hospital, coverage is not provided for all services (e.g. physiotherapy, optometry, massage therapy, chiropractic and dental treatments). Comprehensive Health Insurance packages are available through most employers and private providers. While the Canada Health Act does not cover all homecare and community services, provinces/territories generally cover most of these costs. Given varied demographics and competing regional demands, regulation and delivery of these programs differs significantly across jurisdictions, as does the range of services provided.

#### Current Challenges

Canada faces political challenges of meeting public demands for quality improvements in healthcare services. Regional variations in care across jurisdictions and among rural communities are evident, resulting in concerns about access to quality care. The current focus is on addressing concerns regarding patient wait times for access to specialists, elective surgeries and diagnostic tests, improving medical technologies, and the inclusion of pharmaceutical, home and long-term care. Crowded emergency rooms, lack of access to family health practitioners and availability of

© For personal and private use only. Reproduction must be permitted by the copyright holder. Email to [copyright@mindbyte.eu](mailto:copyright@mindbyte.eu).

specialty services are among some of the concerns being addressed by today's health authorities in Canada.

Recruitment and retention of trained healthcare providers in the country presents unique human resource challenges. Nurses and physicians are drawn towards "greener pastures", mostly in the United States, by promises of better wages. Incentive packages and other retention strategies beyond financial incentives are important in addressing these issues.

In an effort to improve the current system, the federal government provided \$34 billion (USD) in 2004 with a detailed ten-year agreement to improve Canada's healthcare system. The focus was on reducing wait times prompting all provinces and territories to establish new criteria and priority schemes to address these issues by hiring more staff, increasing capacity, clearing backlogs and increasing ambulatory and community care programs.

#### **Common Trends**

With an aging population, fiscal constraints, advancements in technologies and rising costs, Canada's healthcare system has come under stress over the years. With the current funding structure, delivery of care has evolved from a reliance on hospitals and physicians to alternative care in clinics, primary healthcare centres, community health, homecare, and public health interventions. Advances in medical technology have led to an increased number of procedures conducted as outpatients, reducing length of stay in hospital for patients and increasing post acute care in the home and community. Reform initiatives have focused on primary healthcare service delivery, creating healthcare teams, initiatives on preventing illness and injury and chronic disease management.

In response to some of the challenges cited, some provinces (Alberta, British Columbia and Quebec) have introduced private care for core services to reduce wait times to improve access for Canadians. This has triggered a widespread debate on the future of healthcare. Concerns with privatisation include preferential treatment and a disproportionate distribution of resources. This debate often ignores the fact that private healthcare has long existed in Canada's public system. The current system has been structured in a way that has avoided the development of a distinct two-tier system where care and services are purchased to bypass existing structures. Universal healthcare is not only one of the pillars of Canadian identity and national pride – it is constitutionally protected. Given the legal obligations, political demands and financial constraints that must be navigated, continued discussion is anticipated among a population that holds strongly to the current values of a publicly funded healthcare system.

Published on : Thu, 15 Aug 2013