

Health care in Canada: An overview



Health care system in Canada is a "public system" with most services provided by private entities. 70% of the cost is paid by various levels of government. The Canadian government calls it a "public system" and is well regulated.

Health care system in Lebanon is mostly a private system with most services provided by the private sector. However, about 65 to 70% of the cost is paid by various government related funds. Everybody calls it a "private system" and is not well regulated.

Canada spends about 10.6% of GDP on Health, Lebanon spends about 2 points more. Canada health care system is considered among the best in the world with universal access. The Lebanese health care system does not come near. What would be the basic reforms to consider in this respect? An overview of the Canadian system might inspire some changes.

By Dr. Abdo Jurjus

Health care in Canada is funded and delivered through a publicly funded health care system, with most services provided by private entities^[1]. The Canadian government calls it a "public system"^{[2][3]}.

Health care spending in Canada is about \$160 billion, or 10.6% of GDP, in 2007. In Canada, the various levels of government pay for about 70% of Canadians' health care costs. Under the terms of the Canada Health Act, the publicly-funded insurance plans are required to pay for medically necessary care, but only if it is delivered in hospitals or by physicians. There is considerable variation across the provinces/territories as to the extent to which such costs as outpatient prescription drugs, physical therapy, long-term care, home care, dental care and even ambulance services are covered.^[4] There is also debate about the appropriate 'public-private mix' for both financing and delivering services.

History

The early 20th century saw the first widespread construction of government run hospitals, mainly asylums for the mentally ill and Sanatoriums for those suffering from tuberculosis. Calls for increased government involvement also became common, and the idea of a national health insurance system had considerable popularity. William Lyon Mackenzie King promised to introduce such a scheme, but while he created the Department of Health failed to introduce a national program. However, governments had little money to enact the idea. In 1935,

the United Farmers of Alberta passed a bill creating a provincial insurance program, but they lost office later that year and the Social Credit Party scrapped the plan due to the financial situation in the province. The next year a health insurance bill passed in British Columbia, but its implementation was halted over objections from doctors.

It was not until 1946 that the first Canadian province introduced near universal health coverage. Tommy Douglas' Co-operative Commonwealth Federation government in Saskatchewan passed the Saskatchewan Hospitalization Act, which guaranteed free hospital care for much of the population. Douglas had hoped to provide universal health care, but the province did not have the money.

In 1950, Alberta created a program similar to Saskatchewan's. Alberta, however, created Medical Services (Alberta) Incorporated (MS(A)I) in 1948 to provide prepaid health services. This scheme eventually provided medical coverage to over 90% of the population.^[5]

In 1957, the federal government passed the Hospital Insurance and Diagnostic Services Act to fund 50% of the cost of such programs for any provincial government that adopted them. The HIDS Act outlined five conditions, public administration, comprehensiveness, universality, portability, and accessibility. These remain the pillars of the Canada Health Act.

By 1961, all ten provinces had agreed to start HIDS Act programs. In Saskatchewan, the act meant that half of their current program would now be paid for by the federal government. Premier Woodrow Lloyd decided to use this freed money to extend the health coverage to also include physicians. Despite the sharp disagreement of the Saskatchewan College of Physicians and Surgeons, Lloyd introduced the law in 1962 after defeating the Saskatchewan Doctors' Strike in July.

Medical Care Act

The Saskatchewan program proved a success and the federal government of Lester B. Pearson, pressured by the New Democratic Party (NDP) who held the balance of power, introduced the Medical Care Act in 1966 that extended the HIDS Act cost-sharing to allow each province to establish a universal health care plan. It also set up

the Medicare system.

In 1984, the Canada Health Act was passed, which prohibited user fees and extra billing by doctors.

In 1999, the prime minister and most premiers reaffirmed in the Social Union Framework Agreement that they are committed to health care that has "comprehensiveness, universality, portability, public administration and accessibility."^[6]

Government involvement

The various levels of government pay for about 70% of Canadians' health care, although this number has decreased somewhat in recent years. The British North America Act did not give either the federal or provincial governments responsibility for health care, as it was then a minor concern. The Act did give the provinces responsibility for regulating hospitals, and the provinces claimed that their general responsibility for local and private matters encompassed health care. The federal government felt that the health of the population fell under the Peace, Order, and Good Government part of its responsibilities. Eventually the JCPC decided that the administration and delivery of health care was a provincial concern, but that the federal government also had the responsibility of protecting the health and well-being of the population.

By far the largest government health program is Medicare, which is actually ten provincial programs, such as OHIP in Ontario, that are required to meet the general guidelines laid out in the federal Canada Health Act. Almost all government health spending goes through Medicare, but there are several smaller programs. The federal government directly administers health to groups such as the military, and inmates of federal prisons. They also provide some care to the Royal Canadian Mounted Police and veterans, but these groups mostly use the public system. Prior to 1966, Veterans Affairs Canada had a large health care network, but this was merged into the general system with the creation of Medicare. The federal government also covers any user fees the province charges. At the provincial level, there are also several much smaller health programs alongside Medicare. The largest of these is the health care costs paid by the worker's compensation system.

Despite being a provincial responsibility, the large health costs have long been partially funded by the federal government. The cost sharing agreement created by the HIDS Act and extended by the Medical Care Act was discontinued in 1977 and replaced by Established Programs Financing. This gave a bloc transfer to the provinces, giving them more flexibility but also reducing federal influence on the health system. In 1996, when faced with a large budget shortfall, the Liberal federal government merged the health transfers with the transfers for other social programs into the Canada Health and Social Transfer, and overall funding levels were cut. This placed considerable pressure on the provinces, and combined with population aging and the generally high rate of inflation in health costs, has caused problems with the system.

Private Sector

About 30% of Canadians' health care is paid for through the private sector. This mostly goes towards services not covered or only partially covered by Medicare such as prescription drugs, dentistry and

optometry. Some 65% of Canadians have some form of supplementary private health insurance; many of them receive it through their employers.^[7] There are also large private entities that can buy priority access to medical services in Canada, such as WCB in BC.

The Canadian system is for the most part publicly funded, yet most of the services are provided by private enterprises. Most doctors do not receive an annual salary, but receive a fee per visit or service.^[1] According to Dr. Albert Schumacher, former president of the Canadian Medical Association, an estimated 75 percent of Canadian health care services are delivered privately, but funded publicly.

The Canada Health Act of 1984 "does not directly bar private delivery or private insurance for publicly insured services," but provides financial disincentives for doing so. "Although there are laws prohibiting or curtailing private health care in some provinces, they can be changed," according to a report in the *New England Journal of Medicine*.^{[8][9]} In June 2005, the Supreme Court of Canada ruled in *Chaoulli v. Quebec (Attorney General)* that Quebec's prohibition against private health insurance for medically necessary services laws violated the Quebec Charter of Human Rights and Freedoms, potentially opening the door to much more private sector participation in the health system.

Physician organization

Each province regulates its medical profession through a self-governing College of Physicians and Surgeons, which is responsible for licensing physicians, setting practice standards, and investigating and disciplining its members.

The national doctors association is called the Canadian Medical Association (CMA)^[10]; it describes its mission as "To serve and unite the physicians of Canada and be the national advocate, in partnership with the people of Canada, for the highest standards of health and health care"^[11]. Since the passage of the 1984 Canada Health Act, the CMA itself has been a strong advocate of maintaining a strong publicly-funded system, including lobbying the federal government to increase funding, and being a founding member of (and active participant in) the Health Action Lobby (HEAL).^[12]

Criticisms

Wait times

One of the major complaints about the Canadian health care system is waiting times, whether for a specialist, major elective surgery, such as hip replacement, or specialized treatments, such as radiation for breast cancer. Studies by the Commonwealth Fund found that 57% of Canadians reported waiting 4 weeks or more to see a specialist; 24% of Canadians waited 4 hours or more in the emergency room.^[13]

Since 2002, the Canadian government has invested \$5.5 billion to address the wait times problem.^[14] In April 2007, Canadian Prime Minister Stephen Harper announced that all ten provinces and three territories would establish patient wait times guarantees by 2010. Canadians will be guaranteed timely access to health care in at least one of the following priority areas, prioritized by each province: cancer care, hip and knee replacement, cardiac care, diagnostic imaging, cataract surgeries or primary care.^[15]

Medical professional shortage

Canada's shortage of medical practitioners causes problems.^[16] With 2.2 doctors per thousand population, Canada is well below the OECD average of 3.0, although its 10 nurses per thousand was slightly above the OECD average of 8.6.^[17] Suggested solutions include increasing the number of training spaces for doctors in Canada, as well as streamlining the licensing process for foreign doctors already in the country.^[18]

Doctors in Canada make an average of \$202,000 a year (2006, before expenses).^[19] Alberta has the highest average salary of around \$230,000, while Quebec has the lowest average annual salary at \$165,000, creating interprovincial competition for doctors and contributing to local shortages.^[19]

According to a 2007 article, the Canadian medical profession is suffering from a brain drain. The article states, "One in nine trained-in-Canada doctors is practising medicine in the United States... If Canadian-educated doctors who were born in the U.S. are excluded, the number is one in 12."

Restrictions on privately funded health care

This does not constitute a ban on privately

funded care; indeed, about 30% of Canadian health expenditures come from private sources, both insurance and out-of-pocket payments.^[20] The Canada Health Act does not address delivery. Private clinics are therefore permitted, albeit subject to provincial/territorial regulations, but they cannot charge above the agreed-upon fee schedule unless they are treating non-insured persons, or providing non-insured services. This provision has been controversial among those seeking a greater role for private funding.

In a 2007 interview on ABC News, Professor Regina Herzlinger of Harvard Business School said, "Many clinics all across Canada are illegal for-profit... They know they can't get the health care they need from the legal system, so they're complicit in creating an illegal system that'll give them what they need."^[5]

Governments have responded through wait time strategies, discussed above, which attempt to ensure that patients will receive high-quality, necessary services in a timely manner. Nonetheless, the debate continues.

Cross-border health care

The border between Canada and the United States represents a boundary line for medical tourism, in which a country's residents travel elsewhere to seek health care that is more available or affordable.

Canadians visiting the U.S. to receive health care

Some residents of Canada travel to the United States in frustration with the limitations of their own health care system.

In 2007, it was reported that Canada sent scores of pregnant women to the US to give birth.^[21] In 2007 a woman from Calgary who was pregnant with quadruplets was sent to Great Falls, Montana to give birth. An article on this incident states, "There was no room at any other Canadian neonatal intensive care unit."^[22]

A January 19, 2008, article in The Globe And Mail states, "More than 150 critically ill Canadians - many with life-threatening cerebral hemorrhages - have been rushed to the United States since the spring of 2006 because they could not obtain intensive-care beds here. Before patients with bleeding in or outside the brain have been whisked through U.S. operating-room doors, some have languished for as long as eight hours in Canadian emergency wards while health-care workers scrambled to locate care."^[23]

US citizens visiting Canada to receive health care

On the other hand, some US citizens travel to Canada for health-care related reasons:

Many US citizens purchase prescription drugs from Canada, either over the Internet or by traveling there to buy them in person, because drug prices in Canada are substantially lower than in the US; this cross-border purchasing has been estimated at \$1 billion annually.^[24] Because medical marijuana is legal in Canada but illegal in the US, many US citizens suffering from cancer, AIDS, multiple sclerosis, and glaucoma have traveled to Canada for medical treatment.

Canadian health care in comparison

The Canadian health care system is often compared to the US system. The US system spends the most in the world per capita, and was ranked 37th in the world by the World Health Organization in 2000, while Canada's health system was ranked 30th. The WHO ranking has

been criticized by some for its choice of ranking criteria and statistical methods, and the WHO is currently revising its methodology and withholding new rankings until the issues are addressed.^{[25][26]} Canada spent approximately 9.8% of GDP on health care in 2005, almost one percentage point higher than the average of 9.0% in OECD countries.^[17] According to the Canadian Institute for Health Information, spending reached \$160 billion, or 10.6% of GDP, in

2007.^[27] This translates to \$4,867 per person. Most health statistics in Canada are at or above the G8 average.^[26] Direct comparisons of health statistics across nations is complex. The OECD collects comparative statistics, and has published brief country profiles.^[27]

Country	Life expectancy	Infant mortality rate	Physicians per 1000 people	Nurses per 1000 people	Per capita expenditure on health (USD)	Healthcare costs as a percent of GDP	% of government revenue spent on health	% of health costs paid by government
Australia	80.9	5.0	2.7	10.4	3,128	9.5	17.7	67.5
Canada	80.2	5.3	2.2	10.0	3,326	9.8	16.7	70.3
France	80.3	4.0	3.4	7.7	3,374	11.1	14.2	79.8
Germany	79.0	3.9	3.4	9.7	3,287	10.7	17.6	76.9
Japan	82.0	2.8	2.0	9.0	2,358	8.0	16.8	81.7
Sweden	80.6	2.4	3.4	10.6	3,149	9.1	13.6	84.6
UK	79.0	5.1	2.4	9.1	2,724	8.3	15.8	87.1
US	77.8	6.8	2.4	7.9	6,401	15.3	18.5	45.1

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