



Better Value:

An analysis of the impact of current healthcare system funding and financing models and the value of health and healthcare in Canada

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KEY MESSAGES

- ▶ Discussions of healthcare reform must acknowledge the following context: on the one hand, public opinion data suggest that Canadians are increasingly concerned about the future viability of public healthcare; on the other hand, Canadians remain highly supportive of universal healthcare in principle, and they remain largely pleased with their own interactions with the system.
- ▶ There has been a striking increase in public spending on healthcare over the last 10-15 years. Specifically, controlling for inflation, per capita spending on healthcare in Canada was more than 50% higher in 2010 than in 1996.
- ▶ This investment in healthcare has positive consequences where public assessments are concerned. Increased healthcare expenditures over the past decade appear to have made a difference: Canadians' assessments of the current system have improved alongside increased expenditures.
- ▶ Cross-provincial differences in the relationship between various measures of healthcare policy outcomes provide a valuable source of evidence on “value” in healthcare, and results confirm that value is not simply about spending more. For instance, the relationship between spending on physicians and the number of doctors per capita or wait times, or between hospital spending and the nursing workforce, clearly varies across provinces. In some cases increased spending appears to lead to better health policy outcomes; in other cases the relationship is much less clear.
- ▶ The relationship between increased spending and improved public assessments also appears to vary across spending domains. Specifically, investments in hospitals, in drugs and in public health are more reliably linked to improved public assessments of the system, while spending in other healthcare domains is not clearly associated with improved public assessments.
- ▶ Capturing “value” in healthcare is possible, then. But at present the required data – including data on key healthcare indicators and public attitudes on healthcare – are only intermittently available. A stronger commitment to monitor system outcomes should accompany a renewed investment in the Canadian healthcare system.

EXECUTIVE SUMMARY

This report examines the interrelationship between measures of government spending on healthcare, health policy indicators and public attitudes on health policy to identify policy approaches capable of achieving better value in the Canadian healthcare system. After describing its context, the report considers some of the many ways in which value can be defined, setting out a working definition that deems “better value” to mean improvements in healthcare policy indicators and/or Canadians’ attitudes toward the healthcare system. Subsequent sections then explore the ways in which spending change has thus far been linked to shifts toward better value in healthcare.

Contrary to what is often heard in the public debate surrounding healthcare in Canada, Canadian attitudes about the current healthcare system are not overwhelmingly negative. At present, Canadians remain highly supportive of universal healthcare in principle, and they remain largely pleased with their own interactions with the system. But Canadians are also much more concerned about the ongoing viability of the system, and their prospective views of the system are rather bleak. As a result, there is more support now than ever before for user fees and various forms of privatization in the healthcare domain. Consequently, public (and political) support for the continuation of a single-tier healthcare system depends at least in part on successful policy change in the short term.

As a first step toward identifying better value in the Canadian healthcare system, we look at cross-sectional differences across a range of health policy indicators. Specifically, examining the variation that exists between Canadian provinces in terms of levels of healthcare expenditure and policy indicators may reveal efficiencies, and difficulties, in translating spending into healthcare. The relationship between numbers of doctors and wait times, for instance, or between hospital spending and the nursing workforce, clearly varies across provinces, and we suggest that these differences may be revealing where “value” in healthcare is concerned. For example, we suggest that increased spending on hospitals tends to coincide with increases in the number of hospital beds and the size of the nursing workforce, while the impact of increased spending on doctors – where policy outcomes are concerned at least – is much less clear.

Our second step toward identifying better value focuses on public opinion. Drawing on data capturing general attitudes toward current system quality over time, we examine trends in public assessments of the Canadian healthcare system. Results suggest that assessments have been improving over the last decade. Moreover, an analysis of opinions across provinces suggests links between public spending, policy outcomes and Canadians’ attitudes about the healthcare system. In short, expenditures on hospitals, on drugs and on public health appear to be the most reliably linked to improved public assessments of the system.

These results are discussed in the report as they relate to value in healthcare. The report produces some clear results where spending and outcomes are concerned, but it also points to a range of possibilities for future discussions (and analyses) of “better value” in the Canadian healthcare system.