Canada's Health Care System

Medicare – the logistics

- **Medicare** is Canada's national health care system, a group of socialized health insurance plans
    - Canada boasts one of the **highest life expectancies** and **lowest infant mortality** rates of industrialized countries, which may attribute to Canada's health care system.
- **Publicly funded –** funded by the government through taxes
- **Single-payer healthcare system** – costs are covered by one payer, i.e. a single government-owned pool of money
    - The Canadian 'single-player system' contracts healthcare services *from* private organizations, and thus most services are actually *provided by* private providers (e.g. physicians, hospitals)
        - Family physicians usually work on a fee-for-service basis, while specialists are usually paid through a combination of fee-for-service *and* fixed contracts with hospitals etc.
        - The U.K.'s NHS is a single-payer system that actually *owns* its own healthcare resources and employs its own personnel (see comparison of healthcare systems below)
    - Advantages of Canada's universal healthcare / single-payer systems:
        - **(1) Guaranteed health-care,** regardless of social or financial status
            - **Non-discriminatory** against those who can't afford insurance
        - **(2) Reduces costs**
            - a) Government has a **higher degree of control over total nationwide expenditure** on healthcare, and have **greater leverage to negotiate lower** drug and device **prices** from sellers.
            - b) Non-profit administration, so the **maximization of profits** is not a primary incentive.
            - c) **Reduced administrative costs**
                - Why? In multi-payer systems, the providers must follow different procedures with each of the different insurance companies, creating a great deal of administrative work.
                - Thus, single-payer systems have reduced administrative costs and less-complex billing.
    - Disadvantages:

        - **1) Longer wait times,** sometimes leading to an inability to access necessary health-care in a timely fashion
            - Why? Main reason is perhaps that there are many more people using (/overusing) the health-care system
            - Is this necessarily accurate though? Some argue that increasing private services merely siphons off a percentage of medical professionals from the public sector, thereby *increasing* the workload and backlog in the public sector.
        - **2) Reduced incentive to improve**
            - Why? There becomes less of a financial incentive for companies to to carry out research and develop new medicines and treatments.
        - **3) Higher taxes**
            - Problematic if there is a mismatch between how much someone *pays for* health-care and how much someone *uses* health-care
            - Problematic if someone has reservations about how their tax money is being spent, ex. treating criminals, funding something they are morally against (e.g. abortion) etc.
    - Comparison: U.S. Health-Care
        - U.S. health-care operates under a 'multi-payer healthcare system', whereby individuals and employers obtain health coverage from private sources.
        - This comes at the cost of control over the total expenditure on health, complex billing and extra administrative costs, wealthy/healthy vs. poor/poorly, etc.
            - In fact, the U.S. spend more on healthcare than any other developed nation (15%+ of GDP), while still having worse overall health than other developed nations spending significantly less.
    - Comparison: British Health-Care
        - Like Canadian healthcare, health care is provided by a single payer — the British government — and is funded by the taxpayer.
        - *Un*like Canadian healthcare, the NHS is a single-payer system that actually *owns* its own healthcare resources and employs its own personnel.
        - All appointments and treatments are free to the patient, prescriptions have a fixed rate:
            - If an adult gets a prescription from a doctor in England and then buys the drugs themselves, there is a set charge of £8 ($15 CAD)

                - The charge is the same whether it's a packet of aspirins that would normally cost under £1 or you are the only user of a drug that cost millions to research.
                - Alternatively, a flat change for 3 months or a year can be paid.
                - This fee is waivered for those who are pregnant, children, >60 years old, and low-income patients
            - Dental not covered
            - Britain spends 10% of its GDP of healthcare.
    - Comparison: French Health-Care
        - Universal health care, largely financed by government national health insurance. Considered one of the best overall healthcare systems in the world.
        - As a nation, 11.6% of GDP is spent on health care, a figure much higher than the average spent by countries in Europe but still less than in the US (15%+).
        - Technically a multi-payer system, with the government as one of the biggest payers.
            - The French government generally refunds patients 70% of most health care costs, meaning that *everyone* gets basic care for very cheap (note: 100% can be refunded in case of costly or long-term ailments).
            - Supplemental coverage is available from private insurers.

Canada operates on a 'two-tier' healthcare system

- Public:
    - 70% of total national healthcare expenditure falls under the public branch
- Private:
    - 30% privately funded, with services may be paid for out-of-pocket or through private insurance (e.g. benefits offered by an employer)
    - Due to federal law, private insurers generally have a reduced scope on what they can cover, and generally cannot cover services that are already publicly insured and covered in the Canada Health Act.

        - Thus, private insurers generally cover services that are not covered by the government (ex. prescription medicines, dental, optometry/vision, physiotherapy, elective surgery such as cosmetic surgery)
    - Private clinics typically offer services with reduced wait times (e.g. MRI), leading this two-tier system to be a subject of controversy, as some feel that it promotes an unbalance in the health care system and undermines the principle of free and equal access to care.

Primary goals

- **Free universal coverage** for **medically necessary health-care services**
    - Includes maternity care and infertility services
    - Provided on the basis of **need,** rather than on the ability to pay.
- **Canada Health Act** principles:
    - **Comprehensiveness**
        - All medically necessary services (i.e. hospitals, physicians, etc.) are *available* and *insured*
    - **Universality**
        - All insured residents are entitled to the same level of health-care.
    - **Public administration**
        - Administration and operation on a *non-profit* basis
    - **Portability**
        - All persons are entitled to coverage from their home province, even if they move to another province or territory within Canada.
    - **Accessibility**
        - All persons must have *reasonable access* to medically necessary facilities and services *without financial or other barriers* (ex. age, health status, etc.)

The Canadian health-care system is also responsible for **public health** (ex. sanitation, preventing infectious diseases, and health-related education)

Statistics

- 83,000 physicians, ~half are FM/GP, ~half are specialists,
    - ~ 1 physician / 450 people

        - ~ 1 primary care physician / 900 people
        - ~ 1 specialist / 900 people

Control of health-care at different levels of government:

- Federal (nation-wide)
    - Drug prices are negotiated at this level (allowing negotiation of bulk medicine rates to control and reduce costs)
    - Quality of care is maintained at federal standards (i.e. federal government provides guidelines)
    - Federal government provides funding support to its provincial governments for healthcare expenditures
- Provincial/Territorial (10 provinces, 3 territories)
    - Spending decisions of a fixed budget are made at the level of the province (i.e. instead of having a single national plan for spending, there are 13 provincial/territorial health care insurance plans)
    - In each province, each doctor handles the insurance claim against the provincial insurer
- Municipal (e.g. Halifax)
    - e.g. emergency services, water