

Sustainability in Public Health Care: What Does It Mean?

July 2008

A panel discussion report

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A panel discussion report

On February 5, 2008, the Health Council of Canada invited six distinguished speakers from across the country to discuss the often used term *sustainability* as it relates to Canada's universally accessible, publicly funded, and publicly administered health care system. In the interests of bringing greater clarity to the concept, the Health Council organized a two-hour public meeting to hear from experts with different perspectives on the subject: health care management and planning, public policy, government, health economics, and bioethics. Their challenge: can sustainability be designed into Canada's public health care system?

This is a summary of their discussion. Video highlights of the meeting are online at www.healthcouncilcanada.ca.

Canada's preoccupation with sustainability

Concern about sustainability began to take hold in Canada in the late 1990s, just as a series of cuts were made to health care in order to manage government spending during an economic recession. Since that time, the sustainability of the health care system has been the focus of considerable debate, with the term featuring prominently in special commissions and reviews undertaken by the provinces, territories, and federal government. While concern for sustainability has been mounting, governments' fiscal positions have improved dramatically (between 2000 and 2006, Canada's real gross domestic product (GDP) grew by more than 16%), and spending on health care has been restored.

Fed by continued media attention and public anxiety about quality and access, the spectre of "un-sustainability" has continued to beleague the health care system. Since 2001, spending on health care has increased steadily, and the majority of people using health care services report excellent experiences. Yet public confidence in the system has not rebounded from the low levels recorded in the mid-1990s.

The meaning of sustainability

Attention to sustainability has led to an expansion of the concept to include more than fiscal concerns. It has become a value-laden concept comprising many ideals such as equity, choice, compassionate care, confidence, and quality. Given that the term now has economic, social, and political dimensions, care must be taken to be specific about its scope when used. A broad, undifferentiated use of the term makes sustainability difficult to understand and to measure. At the same time, a focus on spending alone will not resolve the full range of concerns being expressed regarding sustainability.

Is the health care system unsustainable?

Historically, spending on health care as a percentage of GDP has been used to measure spending on health care in relation to the country's overall wealth. As concern has turned to the sustainability of the system, new metrics — such as government spending on health care as a percentage of total government spending — are being used.

Expressed as a percentage of total government expenditures (including money spent to pay down debt), the money spent on health care over recent years represents a relatively flat line. When expressed as a percentage of the government budget, however, health care shows a sharp increase because the rise in overall government spending, as well as spending in other, non-health sectors, has slowed over time. In the 1980s and 90s Canada's governments focused on deficit reduction, leaving less money available for program spending; in recent years, with their debts paid off, many governments have chosen to cut taxes. As a result, health care appears to be consuming a larger slice of a shrinking pie.

Presenting health care as an insatiable sector and spending as a "squeeze-out phenomenon" raises the disquieting prospect that health care will eventually consume the entire government budget and threaten other public priorities such as education or social assistance. As health care costs consume a larger share of public budgets, pressure to find other, private sources of funding for health care such as user-pay or private insurance schemes mounts.

What can be done to improve Canadians' confidence that the health care system is sustainable?

From the patient's perspective, cost and value are equally important considerations. No one would choose to eat at a restaurant based solely on the listed menu prices. Similarly, taxpayers want to be informed about the nature and quality of the care they are getting for their money.

Although annual health care spending has reached \$160 billion, the health care system is one of the primary ways Canadians define themselves. The question Canadians are asking is not whether tax dollars should be spent on health care, but whether the money spent is worth the services received.

In other sectors, increased investment usually yields greater value. In health care, there are legitimate questions as to whether improvements to date have justified the associated costs. The public institutions and organizations that deliver health care in Canada could deliver more value than they do at present. They could work to reduce variations in the quality of service and in the way services are used across the system.

What seems clear about sustainability in health care?

From the expert panel presentations and the discussion that ensued, what seems clear is that, like other social endeavours, a public health care system is based on choice. Ultimately, the system is as sustainable as the public and politicians think it should and can be.

- Government decisions to cut taxes and spending in other, non-health sectors have had an impact on the size of budgets. With spending on health care remaining constant or increasing over time, health care will comprise a growing proportion of government budgets.

- Canadians appear willing and able to use tax dollars to fund health care. The challenge will be to instill greater confidence in the system and to ensure Canadians perceive they are receiving good value for the money spent.
- Regardless of how real or perceived the funding crunch is, the financial imperative should be an impetus for change. However, while it may be a necessary stimulus, the spectre of cuts does not appear sufficient to create positive system change.
- While many solutions for improving quality and efficiency exist, they are not systematically applied. Much of health care delivery has been built up around the hospital, although care needs to be based on preventive and primary care interventions. Shifting the focus of care in this way must involve health care providers, so it is critical that they view themselves as part of the solution. Trust among partners is fundamental in making progress.
- New investments may be needed but the money currently in the system needs to be used differently to maximize its value (for example, to reduce waste and to better integrate services). This requires a willingness and commitment to make fundamental changes in the way health care is organized and delivered. Innovation and ideas from other sectors should be welcomed.
- Fixed, single-year funding may not allow the degree of flexibility required to achieve and sustain the fundamental structural shifts that are needed. Multi-year budgets may help to generate efficiencies, and encourage innovation, organizational change, and cost savings over time.
- The health care workforce needs to be better employed and deployed. The drive to increase the number of doctors in Canada was fuelled by arguments that the population is growing and people are getting sicker. But these arguments did not fully account for the possibility of making better use of all providers who deliver care. To do this, we need to allow professionals to practice to the full scope of their skills and qualifications, and increase the amount of time health care providers spend in actual clinical service delivery. Currently only 40–60% of providers' time is value-added patient time. In addition, providers can be organized into teams to manage care more effectively. This concept is popular with the public and abundant evidence from numerous demonstration projects shows that it works, particularly in the delivery of primary health care for patients with chronic health conditions. The next step may be to convince medical professionals of its soundness. Given medical schools' more comprehensive and integrated learning curriculum, interested champions can make this happen.
- Canada's health care system does not have adequate means of separating wants and needs. Decisions must be made about choices and limits. While limits are implicitly set in some areas already (some services are not publicly funded), an explicit ethical framework may be helpful in resolving some debates. When tough choices need to be made, both decision-makers and the public must be confident that they are made fairly.

What's next?

The concept of sustainability in publicly funded health care embraces a wide range of complex questions from “what is socially and ethically acceptable?” to “how do societies decide what they can afford?” In the Health Council’s view, it is important to ask what kinds of investments are most cost-effective to improve the health of Canadians. For example, one key to a sustainable health care system is a healthier population—a piece of the equation that is too often absent from discussions on health care funding. Early next year, the Health Council of Canada will launch the first in a series of reports on value for money in health care. These reports will explore issues such as: What do Canadians mean when we talk about getting value for money from our public health care system? What kinds of health care are we buying, and for what purposes? In what ways does the system deliver good value for the money we spend now, and where can we do better?

Acknowledgements

Panel speakers:

Dr. Adalsteinn (Steini) Brown
Assistant Deputy Minister and Lead of Information Management,
Health System Strategy Division, Ontario Ministry of Health and Long-Term Care

Ms. Cheryl Doiron
Deputy Minister of Health, Nova Scotia Department of Health

Dr. Bob Evans
Associate Director, Senior Faculty, Centre for Health Services and Policy Research (CHSPR),
University of British Columbia

Mr. Dan Florizone
Chief Executive Officer of Five Hills Regional Health Authority in Saskatchewan,
Chair of the Health Quality Council of Saskatchewan

Dr. Jennifer Gibson
Director of Partnerships and Strategy at the University of Toronto Joint Centre for Bioethics
Assistant Professor in the Department of Health Policy, Management, and Evaluation,
University of Toronto

Dr. Carolyn Hughes Tuohy
Professor Emeritus of Political Science and Senior Fellow,
School of Public Policy and Governance, University of Toronto

Moderator:

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ABOUT THE HEALTH COUNCIL OF CANADA

Canada's First Ministers established the Health Council of Canada in the 2003 *Accord on Health Care Renewal* and enhanced our role in the 2004 *10-Year Plan to Strengthen Health Care*. We report on the progress of health care renewal, on the health status of Canadians, and on the health outcomes of our system. Our goal is to provide a system-wide perspective on health care reform for the Canadian public, with particular attention to accountability and transparency.

The participating jurisdictions have named Councillors representing each of their governments and also Councillors with expertise and broad experience in areas such as community care, Aboriginal health, nursing, health education and administration, finance, medicine and pharmacy. Participating jurisdictions include British Columbia, Saskatchewan, Manitoba, Ontario, Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland and Labrador, Yukon, the Northwest Territories, Nunavut and the federal government. Funded by Health Canada, the Health Council operates as an independent non-profit agency, with members of the corporation being the ministers of health of the participating jurisdictions.

The Council's vision

An informed and healthy Canadian public, confident in the effectiveness, sustainability and capacity of the Canadian health care system to promote their health and meet their health care needs.

The Council's mission

The Health Council of Canada fosters accountability and transparency by assessing progress in improving the quality, effectiveness and sustainability of the health care system. Through insightful monitoring, public reporting and facilitating informed discussion, the Council shines a light on what helps or hinders health care renewal and the well-being of Canadians.

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