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CIHI looks at how Canada measures up in health spending

Canadians know their health care system doesn't come cheaply. And they're concerned about whether its growing price tag is even sustainable. A big part of addressing that concern lies in looking at how much the system costs and what Canadians get for what's being spent. CIHI does that—and we also look at how Canada compares to other countries.

The latest data show Canada's health spending reached an estimated $142 billion in 2005. That's a huge number. But how does it compare to what other countries are spending, and what kind of services and results do those dollars produce? Of course, it's very difficult to make direct correlations between dollars and health. Overall, the latest Organisation for Economic Co-operation and Development (OECD) figures help us understand how Canada's health system compares to that of other countries with similar health systems. And while there are some challenging aspects of international rankings, including methodological differences between countries in the way data are collected, these can be documented, analyzed and understood. CIHI, along with its partner agency, Statistics Canada, collects and shares information on Canada's health system with international bodies such as the OECD. Canadians have a compelling interest in knowing how they stack up against others, and armed with a good understanding of the information, we can help meet this need. Read on . . .

Canadian data provided to the OECD enables Canada to understand how it compares internationally on such measures as cardiovascular disease rates. *Photo: CP*

In this issue

Canadian Institute for Health Information
Institut canadien d'information sur la santé

From the President

Canadians have a great interest in how this country compares to others. When it comes to hockey, figure skating or skiing, we saw how we measured up at the winter Olympics in Turin. But when it comes to health care, comparisons are not quite so easy.

No two health care systems are identical; each is organized in its own particular way. And that makes comparisons, while valuable, also complicated and difficult.

Those who engage in health-policy debates look to different international facts and figures in order to better understand how Canada is doing. At CIHI, we are pleased to be able to offer a range of international data.

Some of the strongest and most comparable data are the high-level health expenditure numbers. When looking at Canada's total health spending compared to other countries, we can be fairly confident that the per capita figures and the numbers showing the breakdown between public and private spending reflect the reality.

Comparing specific areas of health care activities can be a more complex task. Take physicians and nurses, for example. Physicians and nurses fulfill different roles from country to country, work in a variety of settings and are compensated differently. That means simple head-count comparisons between and among countries will not likely tell the full story.

Comparing rates of procedures country-to-country also poses challenges, given the differences in methodologies for collecting data. For example, cataract surgery in Canada is counted as two procedures: first the extraction and then the lens replacement. But in some other OECD countries, cataract surgery would be counted as one procedure.

Health indicators that look at factors outside the health system yield more layers of complexity. Still, knowing how Canada's smoking rate or obesity rate compares to those of other countries is a useful way of measuring the health of our population.

> Canadians have a great interest in how this country compares to others.

CIHI provides a constant flow of such information, and we hope that it is helpful in informing national discussions.

Of course, CIHI also makes it possible to do extensive domestic comparisons. Ensuring that this information "compares apples to apples" is why we put so much energy into developing national standards. This year, a new milestone has been reached: Quebec will adopt the ICD-10-CA and CCI system of classifications, thus strengthening our ability to deliver health information that is relevant right across the country.

One area where there is great interest in comparable data is surgical wait times. The current data on wait times are limited, but the provinces and territories have made a positive commitment to move toward comparable measures. In March, CIHI will be releasing a report on wait times in which you'll see what we do and don't know. You'll also learn how CIHI is supporting the provinces and territories in strengthening the foundations for more complete wait-time information. Stay tuned for more in the months ahead.

Glenda Yeates
President and CEO

Board of directors

New report examines what influences the weight of Canadians

The development of effective public policies to promote healthy weights can be influenced by a variety of factors, including evidence-based research, the availability of resources and political will. Another layer of complexity is that there is no single factor that promotes healthy weights. The community and physical environment—including school, home and the workplace—can play a role in influencing Canadians' healthy choices.

A new report from CIHI's Canadian Population Health Initiative takes a groundbreaking look at the latest research on what factors contribute to and prevent obesity.

Improving the Health of Canadians: Promoting Healthy Weights, 2006 examines new evidence about features of the environments where people live, learn, work and play that make it easier—or harder—for Canadians to make healthy choices that promote healthy weights. Along with these new findings, the report also delves into the Canadian public's opinion about options to promote healthy weights.

To download a copy of the report, visit CIHI's Web site at **www.cihi.ca**.

CIHI introduces new Chief Privacy Officer

Andrea Neill, CIHI's new Chief Privacy Officer, is responsible for creating a privacy-sensitive culture at CIHI by guiding the development and adoption of privacy practices. In overseeing the privacy program, with its established principles and policies for the protection of health information, Andrea and her team monitor developments in privacy legislation across the country and ensure that CIHI's practices are transparent to CIHI's stakeholders.

Andrea comes to CIHI from the federal government, where she held increasingly senior roles over a period of 21 years, mostly at Justice Canada. As Senior Counsel and Director of the Information Law and Privacy Section, she played a key role in the development of the Canadian Standards Association *Model Code for the Protection of Personal Information.* More recently, she was General Counsel/Deputy Director at National Defence Legal Services and then Transport Canada Legal Services.

Andrea holds an Honours Bachelor of Arts degree in Political Science from Bishop's University and a Bachelor of Laws (LLB) from McGill University. She is a member of the Ontario Bar.

CIHI is strengthening service to its partners

Serge Taillon was named Executive Director, Quebec, in May 2005. In this new role, he heads up the team responsible for developing client services and strengthening CIHI's ties with its many Quebec partners. Serge has served in other senior positions at CIHI, most recently as Director of Client Relations and Communications. In his distinguished 25-year career in the health field, Serge has worked in both the hospital and government sectors. Over this period of time, he has also served on the boards of several health organizations.

Jack Bingham is now the Executive Director, Ontario. In this new role as chief liaison with Ontario, he will work to strengthen relationships with data providers and users in Ontario. Previously, Jack was the Director of CIHI's Health Report and Analysis branch. He brings more than 25 years of public- and private-sector experience in the health arena to his work at CIHI, including time with the Ontario Joint Policy and Planning Committee and the Ontario Hospital Association.

André Lalonde is now the Executive Director, Corporate Planning and Quality Management. In this new role, he oversees strategic and operational planning and directs the activities of the data-quality, classifications, case-mix and methodology functions at CIHI. André has 30 years of public-sector experience and has held a number of progressively senior positions at CIHI, most recently as Director of Operations Planning and Support.

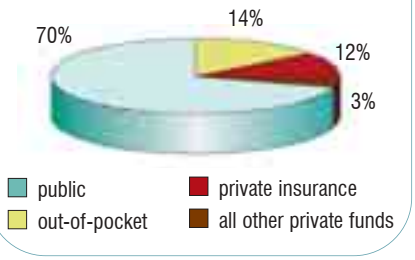
Canada's spending on health similar to that of other wealthy OECD countries

70% of Canada's spending comes from the public purse—30% from private sources

In many ways, the Canadian health care system is typical of other countries with similar systems—such as Australia, Japan and many European countries, including the United Kingdom, France and Germany. They all aim to guarantee universal access to a range of basic health care services, and are all significantly financed by public funds.

The latest data show that 70% of what Canada spends on health care comes from the public purse. The remaining 30% comes from private sources. This makes our proportion of public spending similar to that of other OECD countries, including Britain, France and Germany. Canada's public sector covers 98% of the cost of physicians and 93% of the cost of hospitals, but other countries pay more out of the public purse for dentistry, drugs, vision care and other medical goods and services.

Sources of health spending in Canada 2003



Source: *National Health Expenditure Trends, 1975–2005 (CIHI).*

Like many wealthy OECD countries, Canada spends more than the OECD average on health care per capita. But spending more per capita doesn't mean people will live longer. For instance, the OECD reported that Japan had the highest life expectancy, at 81.8 years in 2003, and it ranks 11 places below Canada in spending. And while rankings change from year to year, the latest data showed Canadians' life expectancy to be just over two years behind, at 79.7 years in 2002. Although United States residents spend the most per capita on health care of all the OECD countries, their life expectancy is 77.2 years.

The percentage of GDP going towards health has been on the rise in all reporting OECD countries since 1998, except for Austria. In 2003, Canada put about a tenth of its GDP towards health spending, exceeding the 8.8% OECD average and similar to the Netherlands, France and Denmark, all of which spend more than 9%. The U.S. reported spending a greater proportion of its GDP on health care than any other OECD country, coming in at 15%. Japan spent 7.9% in 2002.

For more information on how Canada compares to other OECD countries, go to **www.oecd.org/health/healthataglance**.

Here's how Canada compares, using international measures





	Number of physician consultations per capita (2001)	Cardiovascular disease mortality per 100,000 (2001)*	Percentage of adults who smoke daily (2003)	Caesarean sections per 100 live births (2003)	Adult obesity rate (2003)†
Canada	6.2	182.1	17%	23 (2002)	14.3%
U.S.	9.0	241.6	17.5%	28	30.6% (2002)
Germany	not available	269.2	24.3%	24	12.9%
France	6.9	153.3	27%	18 (2001)	9.4% (2002)
Japan	14.5	133.8	30.3%	not available	3.2%

* Age-standardized mortality per 100,000 population.

† The U.S. overweight/obesity estimates are based on actual measures of people's height and weight; the other countries' estimates are based on self-reported figures.

Source: *OECD Health Data, 2005, 2nd edition.*

International snapshots: what selected countries spend per person

	Health spending per capita (in U.S.$)	Public-sector health spending per capita (in U.S.$)	Out-of-pocket spending per capita (in U.S.$)	Life expectancy at birth (in years)
Canada	$3,001	$2,098	448	79.7 (2002)
U.S.	$5,635	$2,503	$793	77.2 (2002)
Germany	$2,996	$2,343	$312	78.4
France	$2,903	$2,214	$291	79.4
Japan	$2,139 (2002)	$1,743 (2002)	$370 (2002)	81.8

Note: All numbers represent 2003 data unless otherwise noted. Spending per capita was converted to U.S. dollars using purchasing power parities for GDP.

Source: *Health at a Glance—OECD Indicators 2005*

Statistics Canada reported almost one-fifth (19.6%) of Canadian governments' spending went towards health in 2005. That's $96.2 billion.

Canada uses MRI scanners more intensively than the U.S. and England

A new CIHI report, released earlier this month, shows steady investment in MRI and CT scanners in Canada. The number of MRI scanners in 2005 was up more than 35% from five years earlier, while the number of CT scanners increased 19% in the same period. However, Canada continued to rank below the median among OECD countries in MRI and CT scanners per million population.

At the same time, new analysis in the CIHI report shows that while Canada has fewer machines per million people, it uses its MRI scanners more intensively than the U.S. and England (the only other countries collecting comparable data). In 2004–2005, numbers of MRI exams per scanner were almost 40% higher in Canada than in the U.S. or England. However, the U.S. performed more than three times the number of exams, reporting 83.2 MRI exams per 1,000 population in 2004–2005, compared to 25.5 in Canada and 19.0 in England.

The report also contains new data that show a substantial growth in the number of exams per 1,000 population. MRI exams per 1,000 population increased 13.3% in 2004–2005 from the year before, while CT exams per 1,000 population grew by 8.0% over the previous year.

Medical Imaging in Canada 2005 is based on new provincial, national and international research looking at six different kinds of medical imaging technology.

Positive ties to parents, friends and community linked to good health for youth

A report released last fall shows that teens who feel nurtured and engaged are less likely to report smoking, drinking alcohol and using marijuana.

Improving the Health of Young Canadians, 2005—from CIHI's Canadian Population Health Initiative—looks at the links between adolescents' social environments and their health, exploring the roles families, schools, peers and communities play in helping them make a healthy transition into adulthood. The publication, released last fall, has received positive reactions from the health community.

Jane Page of the Merrickville District Community Health Centre near Ottawa says she has already used it in her adolescent health seminars. "This report really helps my students understand the unique needs of their young patients," she says. "It points out how links with family, friends, school and the community are—or aren't—related to health and to risky health behaviours."

The study shows that teens who feel nurtured and monitored by their parents or feel engaged in their school are less likely to report that they smoke, drink alcohol, use marijuana or associate with peers who commit crimes. But while feeling connected to peers is associated with positive health outcomes, such as very good/excellent health status, male youth with high levels of peer connectedness are more likely to report having been injured in the last year.

Youths who volunteer also reported having better health and self-worth, and lower rates of tobacco and marijuana use. Non-volunteers were more likely to report low anxiety levels compared to those who do volunteer (63% versus 56%, respectively, in 2000–2001).

Improving the Health of Young Canadians, 2005 draws primarily on Statistics Canada's National Longitudinal Survey of Children and Youth (NLSCY, Cycle 4) and the Canadian Community Health Survey (CCHS, Cycle 2.1, 2003). More information on the report is available online, at **www.cihi.ca/youth**.

e-Health 2006 will focus on electronic health records at all levels of care

Making electronic health records a reality at all levels of care requires a commitment to action through funding, resources and knowledge sharing.

e-Health 2006: e . . . for Everyone!—hosted jointly by CIHI and COACH: Canada's Health Informatics Association—will look at the myriad ways that having a secure, private and lifetime record of an individual's health history and care would improve the timeliness and quality of care to Canadians.

Presentations at e-Health 2006 will include the following:

- How decision-making improves as a result of electronic health records
- How privacy and security best practices are adopted in electronic health-record management

e-Health 2006: e . . . for Everyone!

April 30 to May 3, 2006
Victoria Conference Centre

For further information, please contact the e-Health Conference Office at:
info@e-healthconference.com
Phone: (416) 979-3423
Fax: (416) 979-1144

Where You'll See CIHI Next!

March 2006

5–7 2006 Ontario Injury Prevention Conference, Toronto

22–25 Trauma 2006 Conference, Banff

April 2006

April 30–May 3 e-Health 2006, Victoria

May 2006

12–13 2006 World Congress of Psychiatric Nurses, Calgary

18–19 Association québécoise des archivistes médicale, Sainte-Foy

28–31 2006 Canadian Public Health Association Conference, Vancouver

28–31 Joint CSMLS/MSMLT Congress, Winnipeg

June 2006

2–4 2006 Canadian Orthopaedic Association Meeting and Exhibition, Toronto

5–7 2006 ICF Conference, Vancouver

Quebec is moving forward with new classification methodology

Quebec will be implementing ICD-10-CA and CCI as of April 2006, an important step in realizing "apples to apples" national comparisons on many fronts.

CIHI has worked closely with Quebec in the last year to develop a French version of the new classification methodology. This will represent a major deliverable of the three-year agreement signed between CIHI and Quebec's ministère de la Santé et des Services sociaux. In this agreement, CIHI committed to working in accordance with the province's needs and priorities in its quest to update Quebec's information systems in the health and social-services sector. Incorporating standards such as ICD-10-CA and CCI will improve comparability and, ultimately, allow for improved decision-making.

"One of the challenges in creating standards that work across Canada is agreeing to common frames and definitions," explains Serge Taillon, Executive Director of CIHI's Quebec office. "Up until now, some of the pan-Canadian indicators have excluded Quebec because the data were not entirely comparable—so this is an important first step in the right direction."

Other initiatives with Quebec focus on data quality, data access and data sharing (in compliance with existing Quebec privacy legislation), and include joint projects and studies.

CIHI's new Montréal office is now up and running:

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Phone: (514) 842-2226
Fax: (514) 842-3996

CIHI named one of Canada's top 100 employers 2006

Every day, CIHI contributes to improving Canada's health system and the health of Canadians. At the heart of this work is our winning team of highly skilled, knowledgeable professionals who care about making a difference.

Understanding and celebrating the value of our staff has always been a key part of CIHI. That is why we are so proud to have been named one of Canada's top 100 employers once again in 2006.

Update on new acute care grouping methodologies

Hospitals, health regions and ministries of health across Canada will soon start reaping the benefits of new and refined acute care grouping methodologies that have been under development for the last two years. These new methodologies will take full advantage of the increased specificity of the ICD-10-CA and CCI classification standards that were introduced in Canadian hospitals starting in fiscal year 2001–2002.

CIHI's enhanced ambulatory care grouping methodologies, including its comprehensive ambulatory classification system (CACS) and day procedure groups (or DPG™) methodologies, will be the first to be implemented, starting in April 2006. One year later, in April 2007, CIHI will implement its newly redeveloped inpatient grouping methodology (Case Mix Groups—CMG™Plus). This will allow CIHI to work closely with clients and software vendors to conduct more rigorous testing and validation of this brand new methodology (and related software applications), thus ensuring a more effective and successful implementation.

Four national advisory groups are involved in the redevelopment of the new acute care grouping methodologies. These advisory groups include representatives from hospitals, regional health authorities and all provincial and territorial ministries of health.

For more information, please consult the Frequently Asked Questions (FAQs) section posted on the Case Mix page of the CIHI Web site (**www.cihi.ca**) or write to **grouperredevelopment@cihi.ca**.

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Careers at CIHI

At CIHI, employees are encouraged to take on new challenges and are provided with the tools, the training and the opportunity to make a difference in the health system and the health of Canadians. We offer competitive salaries, an excellent flexible benefit scheme and a comprehensive pension plan.

If you would like to join our team, please visit our Web site for more information on current opportunities, at **www.cihi.ca**.

Credits

CIHI Directions ICIS is published by the Canadian Institute for Health Information (CIHI). CIHI collects and analyzes information on health and health care in Canada and makes it publicly available. For comments, suggestions or additional copies of this publication, in English or French, please contact the editor, at:

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Cette publication est également disponible en français.

Recently Published Reports

Medical Imaging in Canada, 2005

Topics covered in this report include the number and distribution of selected imaging technologies, the cost of medical imaging services and issues related to medical imaging, including medical imaging human resources in Canada.

Geographic Distribution of Physicians in Canada: Beyond How Many and Where

This report, a description and analysis of the geographic distribution of physicians in Canada, with particular attention to rural and remote areas, is an update of the first report, which was completed in 1999 by J. R. Pitblado and R. W. Pong.

Ontario Trauma Registry, 2005 Report: Major Injury in Ontario

This report contains demographic, cause-of-injury, diagnostic and procedural information on injury admissions to acute care hospitals in Ontario (2003–2004 data).

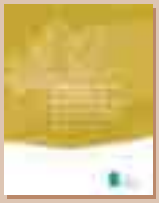
Treatment of End-Stage Organ Failure in Canada, 2002 and 2003

This report highlights key data on end-stage organ failure treatments in Canada. Its eight main sections deal with renal replacement therapy for end-stage renal disease patients, liver transplantation, heart transplantation, lung transplantation, pancreas transplantation, intestinal transplantation and deceased organ donors.

National Health Expenditure Trends, 1975–2005

This publication includes updated expenditure data by source of funds (sector) and use of funds (category) at the provincial/territorial level and for Canada. It also contains an overview with discussion on the trends of health care spending in Canada from 1975 to 2003 and outlooks for 2004 and 2005. International comparisons, such as health-spending-to-GDP ratio, are also included.

Preliminary Provincial and Territorial Government Health Expenditure Estimates, 1974–1975 to 2005–2006



This report provides preliminary estimates of provincial/territorial government health expenditures by use of funds (categories) from 1974–1975 to 2005–2006 at the provincial/territorial level and for Canada.