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Working Paper

Health Region Peer Groups: Working paper, 2024

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Health Region Peer Groups: Working paper, 2024

Purpose

The purpose of this document is to define the concept of health region peer groups, provide an overview of their creation process, and demonstrate their practical value. This paper presents the classification of the 2024 peer groups.

1 Introduction

The launch of the Canadian Community Health Survey (CCHS) in 2000, combined with the expansion of existing data products at the health region level, prompted the need for a method to compare regions with similar socioeconomic determinants of health. The rationale behind developing such a method lies in the ability to compare regions by measures of health status after accounting for the effects of various social and economic factors known to influence health. This method enables the comparison of the relative effectiveness of health promotion and prevention activities across regions. To support meaningful comparison, health regions have been grouped into 'peer groups' based on similar socioeconomic characteristics using a clustering technique.

The development of the criteria used to define peer groups required careful consideration of their intended purpose. Since the primary goal was to enable comparisons of health-related issues, variables that directly described health outcomes were excluded from the grouping process. Additionally, all selected variables needed to be reliable and consistently available across all health regions. To ensure objectivity, empirical methods were used to develop peer groups. Finally, to facilitate simplified and relevant comparisons, peer groups were designed to consist of approximately 5 to 10 health regions per group. While applying these parameters, several constraints arose, requiring some adjustments. All criteria were followed as closely as possible, and any deviations are thoroughly explained throughout this document.

The original 2000 peer group classification was released in 2002 and was based on 1996 Census data, along with the health region boundaries as defined by the provinces and territories in 2000. To remain current with respect to data availability and the health region boundary changes, it is necessary to update the peer group classification over time. These updates have occurred through the 2003, 2007, 2014, 2018, and 2023 peer group classification. The latest update to the peer groups is based on the 2021 Census data and the health region boundaries as of September 2024. This latest classification resulted in the creation of ten peer groups, encompassing all health regions across Canada.

Table 1.1
Health Region Peer Groups

| Peer group A | |
|--------------|----------------------------------|
| 1020 | Eastern Urban Zone |
| 1204 | Zone 4 - Central |
| 2413 | Région de Laval |
| 3537 | City of Hamilton Health Unit |
| 3544 | Middlesex-London Health Unit |
| 3551 | City of Ottawa Health Unit |
| 3565 | Waterloo Health Unit |
| 3568 | Windsor-Essex County Health Unit |
| 4601 | Winnipeg-Churchill Health Region |
| 4724 | Saskatoon Zone |
| 4727 | Regina Zone |
| 4834 | Edmonton Zone |

Table 1.1
Health Region Peer Groups

| Peer group B | |
|---------------------|--|
| 2401 | Région du Bas-Saint-Laurent |
| 2402 | Région du Saguenay–Lac-Saint-Jean |
| 2403 | Région de la Capitale-Nationale |
| 2404 | Région de la Mauricie et du Centre-du-Québec |
| 2405 | Région de l'Estrie |
| 2408 | Région de l'Abitibi-Témiscamingue |
| 2409 | Région de la Côte-Nord |
| 2410 | Région du Nord-du-Québec |
| 2412 | Région de la Chaudière-Appalaches |
| Peer group C | |
| 1024 | Labrador-Grenfell Zone |
| 3549 | Northwestern Health Unit |
| 3556 | Porcupine Health Unit |
| 4722 | North Central West Zone |
| 4723 | North Central East Zone |
| 4833 | Central Zone |
| 4835 | North Zone |
| 5950 | Northern Health Authority |
| 6001 | Yukon |
| 6101 | Northwest Territories |
| Peer group D | |
| 2417 | Région du Nunavik |
| 2418 | Région des Terres-Cries-de-la-Baie-James |
| 4604 | Northern Health Region |
| 4721 | Far North Zone |
| 6201 | Nunavut |
| Peer group E | |
| 1021 | Eastern Rural Zone |
| 1022 | Central Zone |
| 1023 | Western Zone |
| 1201 | Zone 1 - Western |
| 1202 | Zone 2 - Northern |
| 1203 | Zone 3 - Eastern |
| 1304 | Zone 4 (Edmundston area) |
| 1305 | Zone 5 (Campbellton area) |
| 1306 | Zone 6 (Bathurst area) |
| 1307 | Zone 7 (Miramichi area) |
| 2411 | Région de la Gaspésie–Îles-de-la-Madeleine |
| 3526 | The District of Algoma Health Unit |

Table 1.1
Health Region Peer Groups

| Peer group F | |
|---------------------|--|
| 3530 | Durham Regional Health Unit |
| 3536 | Halton Regional Health Unit |
| 3553 | Peel Regional Health Unit |
| 3570 | York Regional Health Unit |
| 4832 | Calgary Zone |
| 5920 | Fraser Health Authority |
| 5930 | Vancouver Coastal Health Authority |
| Peer group G | |
| 1302 | Zone 2 (Saint John area) |
| 1303 | Zone 3 (Fredericton area) |
| 3540 | Chatham-Kent Health Unit |
| 3542 | Lambton Health Unit |
| 3550 | Huron Perth Health Unit |
| 3558 | The Eastern Ontario Health Unit |
| 3561 | Sudbury and District Health Unit |
| 3562 | Thunder Bay District Health Unit |
| 3563 | Timiskaming Health Unit |
| 4602 | Prairie Mountain Health Region |
| 4603 | Interlake-Eastern Health Region |
| 4605 | Southern Health Region |
| 4725 | South West Zone |
| 4726 | South East Zone |
| 4831 | South Zone |
| Peer group H | |
| 3527 | Brant County Health Unit |
| 3533 | Grey Bruce Health Unit |
| 3534 | Haldimand-Norfolk Health Unit |
| 3535 | Haliburton, Kawartha, Pine Ridge District Health Unit |
| 3538 | Hastings and Prince Edward Counties Health Unit |
| 3541 | Kingston, Frontenac and Lennox and Addington Health Unit |
| 3543 | Leeds, Grenville and Lanark District Health Unit |
| 3546 | Niagara Regional Area Health Unit |
| 3547 | North Bay Parry Sound District Health Unit |
| 3555 | Peterborough County–City Health Unit |
| 3557 | Renfrew County and District Health Unit |
| 3560 | Simcoe Muskoka District Health Unit |
| 3566 | Wellington-Dufferin-Guelph Health Unit |
| 3575 | Oxford Elgin St. Thomas Health Unit |

Table 1.1
Health Region Peer Groups

| | |
|---------------------|-----------------------------|
| 5910 | Interior Health Authority |
| 5940 | Island Health Authority |
| Peer group I | |
| 2406 | Région de Montréal |
| 3595 | City of Toronto Health Unit |
| Peer group J | |
| 1100 | Prince Edward Island |
| 1301 | Zone 1 (Moncton area) |
| 2407 | Région de l'Outaouais |
| 2414 | Région de Lanaudière |
| 2415 | Région des Laurentides |
| 2416 | Région de la Montérégie |

This document provides an overview of the peer group creation process. It presents the 2024 peer group classification and compares the results with previous classifications. Finally, it includes an example illustrating how peer groups can be used to analyze health-related issues.

2 Data

Typically, a set of 23 variables describing the socioeconomic and sociodemographic determinants of health within health regions across Canada is used in the clustering algorithm to generate the peer groups. These variables cover a range of topics including demographic structure, social and economic status, ethnicity, Indigenous status, housing, urbanization, income inequality and labour market conditions. It is important to note that health-related variables were deliberately excluded from the creation of the peer groups.

While some modifications have been made over time, the majority of variables have remained consistent since the creation of the 2000 peer group classification. The 2024 peer group classification uses the same 23 variables as those used in the creation of the 2023 peer groups, with the addition of a new variable— the Gini coefficient. All variables are based on data from the 2021 Census. A detailed list of the variables used in the analysis, along with their respective descriptions, are provided in Table 2.1.

Table 2.1
Variable Definitions

| Variable | Description |
|------------|---|
| AVGDWL | Average value of dwelling -owner-occupied, non-farm, non-reserve (Canadian dollars) |
| EMP | Employment rate (persons aged 25 to 54) |
| GINICOEFF | Gini index on adjusted household after-tax income |
| GOVTRAN | Government transfer income in 2020, as a proportion of total income (percent) |
| GROWTH | Growth rate (% change in regions population between 2016 and 2021) |
| HOUAFF | Households spending 30% or more of household income on shelter, proportion of total shelter-cost households |
| IMMPER | Immigrants who arrived between 2011 and 2021, proportion of total population (percent) |
| INDIG_RATE | Indigenous identity population, proportion of total population (percent) |
| LNEPRNT | Lone-parent families, proportion of census families (percent) |
| LOWKIDS | Prevalence of persons aged 17 years and under living in low-income economic families before tax in 2020 (percent) |
| LOWPOP | Prevalence of low income before tax in 2020 for persons in private households (percent) |

Table 2.1
Variable Definitions

| Variable | Description |
|----------|---|
| LTUNEMP | Long-term unemployment rate, labour force aged 15 and over |
| MEDINC | Median household income |
| MEDSHR | Income share held by households whose incomes fall below the median household income in 2020 (percent) |
| MIGMOB | 5-year internal migrants, proportion of population aged 5 years and over (percent) |
| MIZ | Population living within a Census Metropolitan Area, a Census Agglomeration or a strong Census Metropolitan Area and Census Agglomeration Influenced Zone (percent) |
| OWNDWL | Owner-occupied private non-farm, non-band, non-reserve dwellings (percent) |
| POP20 | Population aged 0 to 19 years, proportion of total population |
| POP21 | 2021 population (based on population and dwelling counts not randomly rounded but adjusted for areas with a pop < 20) |
| POP65 | Population aged 65 years and over, proportion of total population |
| POPDEN | Population density (population per square kilometer) (number) |
| POSTSEC | Post-secondary graduates aged 25 to 54, proportion of population aged 25 to 54 (percent) |
| UNEMP | Unemployment rate 15 years and over |
| VISMIN | Visible minority population, proportion of total population (percent) |

Note: Variables used in the creation of the 2024 Peer Groups are based on the 2021 Census.

3 Methodology

A non-hierarchical cluster analysis was chosen as the method for forming the peer groups. Cluster analysis, in general, aims to assign observations to groups (or clusters) based on how similar they are to each other, using a distance metric. The objective is to create groups in which the observations are internally similar and distinct from those in other groups – in other words, to form homogeneous and clearly separated clusters. Non-hierarchical clustering algorithms work by dividing a dataset into a predetermined number of non-overlapping groups, using a specific optimization criterion. This approach was considered the most appropriate for meeting the original objectives of the peer group project, which were to apply an empirical method to create a set number of peer groups, each consisting of approximately 5 to 10 health regions.

Traditionally, peer groups were generated in SAS using the **FASTCLUS** procedure. However, for this publication, the groups were created in R using the **cluster** and **flexclust** packages. These packages implement the *k*-means algorithm, which assign observations to a predefined set of *k* clusters. A detailed explanation of *k*-means clustering, and several variants of the method can be found in Johnson and Wicheren (2002). The basic steps of the *k*-means algorithm are:

1. **Initialize:** Select *k* observations to serve as the initial cluster centres (seeds).
2. **Assign:** Allocate each observation to the nearest cluster seed. Once all observations are assigned, update each cluster seed to be the mean of the observations within the cluster. Repeat this step until changes in the cluster centres are minimal or zero.
3. **Finalize:** Assign each observation to its nearest final cluster centre to form the definitive clusters.

3.1 Number of Clusters

One of the main challenges in cluster analysis is determining the appropriate number of initial clusters. Several criteria have been proposed (Everitt et al., 2001) typically involving the optimization of one or more statistical tests. In practice, however, the final decision is often left to the analyst's judgment based on the specific objectives of the study. For the 2024 peer group classification, a maximum of 14 clusters was chosen. This allowed for an average of 7 health regions per peer group,¹ aligning with the study's objectives. The maximum number of clusters used in 2023 was 15.

1. Note that peer group and cluster are used interchangeably to refer to the classification of health regions into groups with similar socioeconomic characteristic.

4 Results

4.1 Standardization of Variables

Variables measured on different scales—or on the same scale but with differing variances—are often standardized to minimize the influence of these disparities. For this exercise, all 24 socioeconomic variables were standardized (mean 0, variance 1) prior to performing the cluster analysis.

Some variables contained missing or zero values, indicating unavailable information for certain health regions. Specifically, the proportion of low-income individuals in private households (LOWPOP) and the proportion of low-income children (LOWKIDS) had missing values, as low-income data are not derived by the Census for the three territories and Indian reserves. These missing values were observed in regions such as “Région des Terres-Criées-de-la-Baie-James” (2418) and the territories. Similarly, the proportion of households spending 30% or more of income on shelter (HOUAFF) and the proportion of owner-occupied dwellings (OWNDWL) also contained missing values for region 2418. All missing values were imputed as zeros before standardizing the variables.

Additionally, the MIZ (Metropolitan Influenced Zone) variable had a value of zero for some health regions. In this case, a zero does not indicate missing data but rather that no large metropolitan area exists within the region. Thus, a zero value for MIZ is valid and was retained in the analysis.

4.2 Creation of Peer groups

To initiate the clustering process, the algorithm was directed to partition the health regions into 14 clusters. However, 6 of the resulting clusters contained fewer than five health regions, suggesting that this number of clusters may be too high for meaningful comparison. The primary objective of forming peer groups is to enable effective comparisons among similar health regions, so the clustering was refined accordingly.

The analysis was rerun with a greater number of iterations, and the K-means algorithm was replaced with K-medians. Unlike K-means, which defines cluster centres by the mean of data points, K-medians uses the median, making it less sensitive to outliers. A final iteration of the clustering was performed with an imposed maximum cluster radius to limit the spread of each group.

The final results of the cluster analysis are presented in Table 4.2.1. This table includes the number of health regions in each peer group and several cluster statistics:

- **Root Mean Square Standard Deviation:** Measures the variability of data points around the cluster centre.
- **Radius:** The maximum Euclidean distance from the cluster centre to any observation within the cluster.
- **Nearest Cluster:** Indicates the most similar peer group based on Euclidean distance.
- **Distance to Nearest Cluster:** Displays the Euclidean distance between the current cluster centre and that of its nearest neighbor.

In this context, each cluster centre is defined by the mean coordinates of all observations within the cluster, and Euclidean distance serves as a standard statistical measure of distance between two points.

Table 4.2.1
Results of final cluster analysis of health regions

| Cluster | Frequency | Root Mean Square Standard Deviation | Radius | Nearest Cluster | Distance Between Cluster Centres |
|---------|-----------|-------------------------------------|--------|-----------------|----------------------------------|
| A | 12 | 0.52 | 3.74 | I | 3.77 |
| B | 3 | 0.38 | 2.32 | C | 2.82 |
| C | 6 | 0.34 | 2.11 | B | 2.82 |
| D | 2 | 0.53 | 2.55 | H | 4.99 |
| E | 2 | 0.47 | 2.27 | F | 7.18 |
| F | 3 | 0.74 | 3.91 | E | 7.18 |
| G | 4 | 0.33 | 2.12 | J | 3.48 |
| H | 8 | 0.48 | 3.67 | K | 2.17 |
| I | 7 | 0.68 | 4.88 | A | 3.77 |
| J | 8 | 0.40 | 2.66 | G | 3.48 |
| K | 15 | 0.45 | 3.01 | H | 2.17 |
| L | 16 | 0.43 | 2.86 | N | 2.56 |
| M | 2 | 0.49 | 2.34 | I | 8.36 |
| N | 6 | 0.38 | 2.25 | L | 2.56 |

Source: Results of the health regions clustering analysis conducted using 24 indicators from the 2021 Census.

4.3 Collapsing Small Clusters

The results in Table 4.2.1 represent clusters that are roughly evenly distributed and have minimal within cluster variance based on the parameters used by the clustering algorithm. The results indicate the formation of 14 clusters, varying in size from 2 to 16 health regions. However, having a cluster with fewer than five regions is not practical as it limits options for comparison. To enhance comparability, clusters with less than five members were combined with their nearest neighbour. The exception was cluster M (Montréal and Toronto). Cluster M was not combined with another cluster since these health regions tend to be very different than other regions across the country.

Cluster B (3 regions) was combined with its nearest neighbor cluster C, producing a cluster of 9 regions. Cluster D (2 regions) was combined with its nearest neighbor cluster H, producing a cluster of 10 regions. Cluster G (4 regions) was combined with its nearest neighbor cluster J, producing a cluster of 12 regions. Finally, clusters E (2 regions) and F (3 regions) were joined together, producing a cluster of 5 regions. The result of collapsing the smaller clusters was that the 14 peer groups produced from the final cluster analysis and presented in Table 4.2.1 were reduced to 10 groups. To maintain continuity in the alphabetical nomenclature of peer groups, the clusters were renamed from A to J. A list of Health regions categorized by the final peer groups can be found in Table 1.1.

4.4 Ontario Health Regions (OHR)

Ontario has two levels of geographic divisions: 6 Ontario Health Regions (OHR) and 34 Public Health Units (PHU). Because of the relationship between these two levels, it was possible to incorporate both into the peer group classification. Information at the PHU level was used to create the peer groups. At the final stage of the cluster analysis, the OHR level geography was incorporated to the existing clusters. The OHR did not affect the placement of the other health regions within the final peer groups. For any analysis involving the peer groups, only one geographic level in Ontario should be used.

Table 4.4.1
Peer Groups for the OHR in Ontario

| OHR | Name | Peer Group |
|------|------------|------------|
| 3501 | West | A |
| 3502 | Central | F |
| 3503 | Toronto | I |
| 3504 | East | A |
| 3505 | North East | G |
| 3506 | North West | G |

5 Discussion

5.1 Strongest Predictors

To determine which variables played a key role in defining the health region peer groups, the final clusters were analyzed using a stepwise discriminant analysis with all 24 variables. A preprocessing step was conducted to detect groups of variables containing redundant information. By automatically removing one variable from each highly correlated pair, we generated a reduced set of predictors in which the remaining variables are largely independent of one another. The `stepclass()` function from the `klaR` package in R was then run in order to sequentially evaluate each candidate predictor's contribution to classification performance by adding or removing variables based on the information criterion (**ability to separate**). A minimum improvement factor was applied to ensure that each variable added to the model provided a meaningful enhancement (≥ 0.05) to its performance. Overall, five variables emerged as the most important predictors. Table 5.1.1 summarizes the results.

Table 5.1.1
Stepwise discriminant analysis of final health region groupings on the 24 variables

| Step | Variable | Ability To Separate |
|---|------------------|---------------------|
| 1 (Population of Age 0 – 19) | POP20 Added | 0.2905 |
| 2 (Average Value of Dwelling) | AVGDWL Added | 0.4749 |
| 3 (Children Living in Low Income Families) | LOWKIDS Added | 0.5831 |
| 4 (Long-term Unemployment Rate) | LTUNEMP Added | 0.6511 |
| 5 (5-year Internal Migrants) | MIGMOB Added | 0.7085 |

Source: Results of the discriminant analysis conducted on the 24 indicators from the 2021 Census used for clustering.

5.2 Principal Component Analysis

Principal component analysis (PCA) is a multivariate technique that reduces the number of variables in a dataset to a smaller set of factors called principal components. These components are linear combinations of the original variables and are uncorrelated with each other. They are derived in order of decreasing importance, so that the first few components explain as much of the total variance in the data as possible. Consequently, the first principal component holds the greatest importance, accounting for the largest proportion of total variance in the dataset.

In this study, PCA was performed on 24 socioeconomic variables used in the cluster analysis. The first two principal components accounted for just under 57% of the total variability.

Here is a brief description of the first four components:

1. The first principal component appears to represent factors associated with “urbanicity,” including housing affordability, the proportion of visible minorities, the proportion of immigrants, average dwelling value, and the proportion of the population under the age of 20.
2. The second principal component seems to reflect family profile characteristics, such as the proportion of the population aged 65 and over, the proportion of lone-parent families, the proportion of employed individual aged 25 to 54, the total population in 2021 and the proportion of the Indigenous population.
3. The third principal component can be interpreted as reflecting income inequality, indicated by variables such as the proportion of income received from government transfers, the proportion of low-income children, the proportion of low-income individuals in private households and the unemployment rate.
4. The fourth component is related to the living environment with variables such as population density and owner-occupied private dwellings.

The first six principal components accounted for over 88% of the total variability in the data, demonstrating that 24 variables can be effectively reduced to six factors with minimal loss of information. These results are consistent with the previous peer group classification, indicating that the key variables driving the analysis are remaining fairly stable over time.

5.3 Peer Group Description

The five key variables identified through stepwise discriminant analysis were used to represent each of the clusters. The mean values of these five variables for each peer group are provided in Appendix A. For each variable, several percentiles were calculated and used to classify the peer groups. Values were classified based on the following ranges.

Very High: $X > 85\text{th percentile}$

High: $65\text{th percentile} < X \leq 85\text{th percentile}$

Medium: $35\text{th percentile} < X \leq 65\text{th percentile}$

Low: 15th percentile < **X** ≤ 35th percentile

Very Low: **X** ≤ 15th percentile

The results from this classification can be found in Table 5.3.1. While the methodology is simplistic as a descriptive tool, it effectively distinguishes the characteristics of one peer group from another. As shown in the table below, no two peer groups share the same category for all five variables. For example, peer group I (comprising Montréal and Toronto) is the only group characterized by a very high average value of dwellings, a very high prevalence of children living in low-income families, a very low proportion of 5-year internal migrants, a high long-term unemployment rate and a low proportion of the population aged 0-19.

Table 5.3.1

Final peer grouping descriptions based on five factors resulting from the stepwise discriminant analysis

| Cluster | Average Value of Dwelling | People Aged 0 - 17 in Low Income Family | Proportion of 5-Year Internal Migrants | Long-term Unemployment Rate | Population Aged 0 - 19 Years |
|---------|---------------------------|---|--|-----------------------------|------------------------------|
| A | High | Very High | Low | Medium | Medium |
| B | Low | Very Low | Medium | Very Low | Medium |
| C | Medium | Medium | Medium | Medium | High |
| D | Medium | Medium | Very Low | Very High | Very High |
| E | Very Low | Medium | Medium | Very High | Very Low |
| F | Very High | High | Medium | High | High |
| G | Medium | Medium | Medium | Low | Medium |
| H | High | Low | Very High | Medium | Low |
| I | Very High | Very High | Very Low | High | Low |
| J | Medium | Medium | Very High | Low | Medium |

Source: Summary of the discriminant analysis results conducted on the 24 indicators from the 2021 Census used for clustering.

The results of this classification were used to derive a written summary of the ten peer groups based on the five key variables from the discriminant analysis. This summary is presented in Appendix B.

5.4 Geographic Limitation

Each province and territory define the geographic boundaries for a health region based on administrative preference, and these boundary definitions change over time. Health regions can be strictly urban or rural or some combination of both. Considerable variability can exist within health regions regarding health measures due to the lack of geographic homogeneity. This variability should be taken into account when making inferences about a specific region. For example, although health indicators in Vancouver compare favourably with the national averages, this does not imply that residents of Vancouver's downtown core enjoy better-than-average health. This lack of homogeneity in defining health region boundaries complicates the assignment of health regions to peer groups. Such variability can significantly affect how well a specific variable represents the entire region, and in some cases, important defining factors may be overlooked.

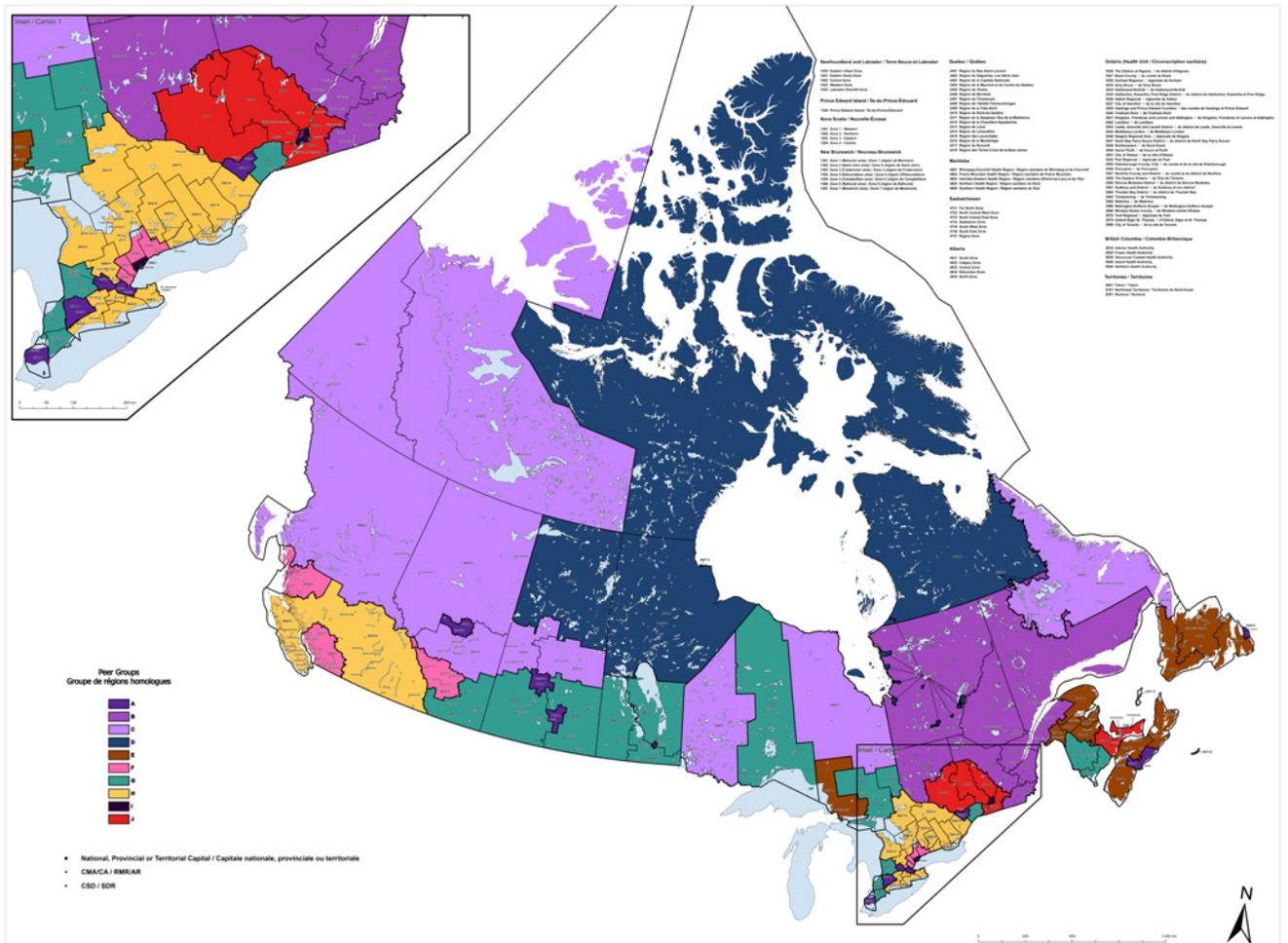
It should also be noted that considerable variability may exist amongst health regions within a peer group regarding the socioeconomic factors used in the cluster analysis. This should be considered when comparing regions within the same peer group. This variability is evident among the 2024 peer groups listed in Appendix A, highlighting the diversity across the five key variables identified through stepwise discriminant analysis.

5.5 Geographic Representation of Final Peer Groups

The map below provides a clear visual representation of the geographic clustering of the health regions into the final 10 peer groups. Montréal and Toronto form the smallest cluster due to their significant differences in population size and diversity compared to other health regions, making them unsuitable for inclusion in any other peer group.

Clusters of health regions have clearly formed, largely due to shared characteristics influenced by their geographical location within Canada. For instance, the northern regions have clustered together based on the Indigenous composition of their populations and the low population density.

Map 1
Health Regions and Peer Groups in Canada, 2024



Source: Statistics Canada, Health Regions: Boundaries and Correspondence with Census Geography, catalogue no. 82-402-X.

A larger version of the map is [available](#).

6 Peer Groups in Action

The purpose of this section is to illustrate the usefulness of peer groups. Two valuable but distinct types of analyses are possible using peer groups: comparing health-related indicators between and within peer groups. Since peer groups are formed from regions with similar socioeconomic characteristics, differences between them are expected. Peer groups with more favorable socioeconomic indicators are likely to show better health outcomes. Additionally, estimates from a single peer group can be compared to national averages to assess the overall performance of that group of regions.

A second, and perhaps more relevant, type of analysis involves comparing health regions within the same peer group. Once the effects of socioeconomic factors known to influence health have been accounted for, comparisons based on health status measures become more meaningful.

The example provided in Section 6.1 is a simple illustration of how and when peer groups can be used. The example uses 2024 peer group classification and 2019-2020 Canadian Community Health Survey (CCHS) data. A more in-depth analysis using peer groups is available in the paper “The Health of Canada’s Communities” by Margot Shields and Stéphane Tremblay of Statistics Canada (2002).

6.1 Example: Heart Disease

This example examines the prevalence of heart disease among the population aged 18 years and over across different regions of the country. Every respondent in the Canadian Community Health Survey (CCHS) is asked about their heart disease status. The national prevalence of heart disease among adults in 2019-2020 was 5.0%. The rate of missing data for this health indicator is less than 0.5%. In this example, the missing values have been excluded.

The prevalence of heart disease in each peer group is shown in Table 6.1.1, along with a description of each peer group. The prevalence of heart disease in Peer Group F is 1.15 percentage points lower than the national average. It is also 1.8 percentage points lower than in Peer Group J. Both differences are statistically significant (p -value<0.01). Peer Group F consists of large cities and suburbs in Ontario, Alberta and British Columbia, characterized by very high population density. This group exhibits a low smoking rate (10.6%), a low heavy drinking rate (15.8%) and an above-average exercise rate (74.2%). Conversely, Peer Group J includes regions with urban and rural areas in Quebec, New Brunswick and Prince Edward Island. This group has a higher smoking rate (16.3%), a higher heavy drinking rate (19.9%) and a lower physical activity rate (66.0%). The differences in these risk factor rates between Peer Groups F and J are statistically significant (p -value<0.01).

Table 6.1.1
Prevalence of Heart Disease by Peer Group

| Peer Group | Number of Health Regions | Principal Characteristics | Heart Disease Prevalence |
|------------|--------------------------|---|--------------------------|
| A | 12 | <ul style="list-style-type: none"> Mainly urban centres High average dwelling value Very high proportion of children living in low income families Low proportion of 5-year internal migrants | 4.60% [4.2%, 5.0%] |
| B | 9 | <ul style="list-style-type: none"> Regions in Québec outside of Montréal Low average dwelling value Very low proportion of children living in low income families Very low long-term unemployment rate | 6.29% [5.7%, 6.9%] |
| C | 10 | <ul style="list-style-type: none"> Mainly Northern regions in Ontario and British Columbia, rural regions in the Prairies, and Yukon, and Northwest Territories High proportion of individuals aged 0 to 19 years | 5.19% [4.6%, 5.8%] |
| D | 5 | <ul style="list-style-type: none"> Northern and remote regions with very low population density Very low proportion of 5-year internal migrants Very high long-term unemployment rate Very high proportion of individuals aged 0 to 19 years | 3.88% [2.0%, 5.8%] |
| E | 12 | <ul style="list-style-type: none"> Mainly rural Eastern regions Very low average dwelling value Very high long-term unemployment rate Very low proportion of individuals aged 0 to 19 yearsw | 8.32% [7.6%, 9.0%] |
| F | 7 | <ul style="list-style-type: none"> Large cities and suburbs in Ontario, Alberta and British Columbia Very high average dwelling value High proportion of children living in low income families High long-term unemployment rate High proportion of individuals aged 0 to 19 years | 3.85% [3.5%, 4.2%] |
| G | 15 | <ul style="list-style-type: none"> Sparsely populated urban-rural mix from coast to coast Low long-term unemployment rate | 6.34% [5.7%, 7.0%] |
| H | 16 | <ul style="list-style-type: none"> Sparsely populated urban-rural mix in Ontario and British Columbia High average dwelling value Low proportion of children living in low income families Very high proportion of 5-year internal migrants Low proportion of individuals aged 0 to 19 years | 6.06% [5.6%, 6.5%] |

Table 6.1.1
Prevalence of Heart Disease by Peer Group

| Peer Group | Number of Health Regions | Principal Characteristics | Heart Disease Prevalence |
|------------|--------------------------|--|--------------------------|
| I | 2 | <ul style="list-style-type: none"> Largest metro centres (Toronto, Montreal) Very high average dwelling value Very high proportion of children living in low income families Very low proportion of 5-year internal migrants High long-term unemployment rate Low proportion of individuals aged 0 to 19 years | 3.97% [3.3%, 4.7%] |
| J | 6 | <ul style="list-style-type: none"> Regions with urban and rural areas in Québec, New Brunswick and Prince Edward Island Very high proportion of 5-year internal migrants Low long-term unemployment rate | 5.63% [4.9%, 6.3%] |

Note: Values in brackets represent the lower and upper limits of the 95% confidence interval.

Sources: Statistics Canada, Canadian Community Health Survey (CCHS), 2019 and 2020.

Peer Group F comprises seven health regions. Table 6.1.2 presents the prevalence of heart disease in each of these regions. All seven regions have a prevalence below the national average of 5.0%. The highest prevalence, at 4.8%, is observed in health region 3570. In contrast, the lowest prevalence of heart disease, at 3.3% and is found in health region 4832.

Table 6.1.2
Prevalence of heart disease in Health Regions belonging to Peer Group F

| Health Region | Name | Heart Disease Prevalence |
|---------------|------------------------------------|--------------------------|
| 3530 | Durham Regional Health Unit | 4.1% [2.6%, 5.5%] |
| 3536 | Halton Regional Health Unit | 4.3% [2.7%, 5.9%] |
| 3553 | Peel Regional Health Unit | 3.8% [2.7%, 4.8%] |
| 3570 | York Regional Health Unit | 4.8% [3.5%, 6.2%] |
| 4832 | Calgary Zone | 3.3% [2.4%, 4.1%] |
| 5920 | Fraser Health Authority | 3.7% [3.1%, 4.4%] |
| 5930 | Vancouver Coastal Health Authority | 3.6% [2.7%, 4.6%] |

Note: Values in brackets represent the lower and upper limits of the 95% confidence interval.

Sources: Statistics Canada, Canadian Community Health Survey (CCHS), 2019 and 2020.

Note that the heart disease prevalence figures presented in the tables 6.1.1 and 6.1.2 can be published without reservation, as they are based on a sufficient number of respondents. The confidence interval can be used to assess the reliability of the estimate itself.

For peer groups that include more remote health regions, conducting the same analysis may not be feasible due to the small number of respondents. In such cases, the results are typically published at the provincial level to increase the sample size and produce more reliable estimates. In these situations, peer groups offer a useful alternative to provinces.

7 Summary

Due to changes in health region boundaries as of September 2024 and the availability of 2021 Census data, it was necessary to update the 2023 peer group classification. Consistent with the original working paper, the objective was to create a classification that clusters health regions with similar social and economic determinants of health into peer groups. Twenty-four variables covering a broad range of social, economic and demographic factors were used to cluster the health regions.

Starting with an initial set of 14 clusters and ensuring that each cluster contained at least two health regions, the results indicate that six clusters contained fewer than five health regions. Peer groups with fewer than five health regions were combined with their closest neighbour to ensure an adequate number of health regions within a peer group for meaningful comparisons. Cluster I, consisting of Montréal and Toronto, was not merged with another cluster, as these health regions share more similarities among themselves than with others. The final classification comprised 10 peer groups ranging in size from 2 to 16 health regions (excluding Ontario Health Regions (OHR)).

Stepwise discriminant analysis was used to identify the variables that had the greatest influence on the final peer groupings. The five most important variables were the population aged 0 to 19, average dwelling value, children

living in low-income families, long-term unemployment rate, and 5-year internal migrants. Each peer group is characterized by at least one distinctive factor among these five variables.

Peer groups are valuable for analyzing health-related indicators because, after accounting for the effects of various social and economic characteristics known to influence health status, they allow for more meaningful comparisons between regions. Health indicators can be compared both between and within peer groups. Additionally, peer groups serve as an alternative to provinces when analyses cannot be presented at the health region level due to insufficient sample size or high sampling variability.

8 References

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Appendices

Appendix A

Descriptive statistics for final peer groups

| Cluster | Statistics | Average Value of Dwelling | People Aged 0 - 17 in Low Income Family | Proportion of 5-Year Internal Migrants | Long-term Unemployment Rate | Population Aged 0 to 19 Years |
|---------|------------|---------------------------|---|--|-----------------------------|-------------------------------|
| A | N | 12 | 12 | 12 | 12 | 12 |
| | MIN | 344000 | 5.7 | 6.4 | 8 | 19.7 |
| | MAX | 752000 | 13.6 | 19.6 | 16 | 25 |
| | Mean | 499900 | 8.22 | 13.78 | 11 | 22.6 |
| | St. Dev | 148008.93 | 2.01 | 3.36 | 2 | 1.66 |
| B | N | 9 | 9 | 9 | 9 | 9 |
| | MIN | 170600 | 1.5 | 11.9 | 5 | 19 |
| | MAX | 321600 | 4.1 | 21.8 | 8 | 25.1 |
| | Mean | 232866.67 | 2.79 | 16.61 | 6 | 21.2 |
| | St. Dev | 54401.01 | 0.86 | 3 | 1 | 1.77 |
| C | N | 10 | 10 | 10 | 10 | 10 |
| | MIN | 210400 | 0 | 13.6 | 7 | 22.1 |
| | MAX | 488800 | 8 | 21.6 | 16 | 28.6 |
| | Mean | 320720 | 4.24 | 18.82 | 10 | 25.2 |
| | St. Dev | 85531.4 | 2.51 | 2.84 | 2.43 | 2.43 |
| D | N | 5 | 5 | 5 | 5 | 5 |
| | MIN | 185000 | 0 | 8.2 | 8 | 37.9 |
| | MAX | 470000 | 8.2 | 15.3 | 19 | 42.9 |
| | Mean | 325320 | 4.26 | 11.62 | 14 | 40.1 |
| | St. Dev | 124149.88 | 4.03 | 3.1 | 5 | 1.95 |
| E | N | 12 | 12 | 12 | 12 | 12 |
| | MIN | 135000 | 1.9 | 10.8 | 10 | 14.7 |
| | MAX | 266800 | 6.8 | 22.6 | 21 | 19.5 |
| | Mean | 193050 | 5.2 | 16.7 | 15 | 17.18 |
| | St. Dev | 38650.61 | 1.35 | 3.12 | 4 | 1.34 |
| F | N | 7 | 7 | 7 | 7 | 7 |
| | MIN | 531500 | 4.3 | 11.1 | 8 | 16.7 |
| | MAX | 1548000 | 10.2 | 23.8 | 14 | 25.6 |
| | Mean | 1047071.43 | 7.09 | 17.27 | 11 | 22.57 |
| | St. Dev | 318480.82 | 1.88 | 4.45 | 2 | 2.88 |
| G | N | 15 | 15 | 15 | 15 | 15 |
| | MIN | 222600 | 4 | 11.8 | 6 | 20.3 |
| | MAX | 528500 | 7.4 | 24.6 | 11 | 30.5 |
| | Mean | 323593.33 | 5.28 | 19.51 | 9 | 22.93 |
| | St. Dev | 90810.69 | 1.11 | 4.4 | 2 | 2.9 |
| H | N | 16 | 16 | 16 | 16 | 16 |
| | MIN | 378000 | 2.7 | 20.8 | 8 | 17 |
| | MAX | 802000 | 6 | 29.4 | 16 | 23.8 |
| | Mean | 592737.5 | 4.14 | 25.23 | 11 | 20.17 |
| | St. Dev | 120658.79 | 0.94 | 2.9 | 2 | 1.99 |
| I | N | 2 | 2 | 2 | 2 | 2 |
| | MIN | 638000 | 11.5 | 7.6 | 10 | 18.6 |
| | MAX | 1131000 | 11.6 | 10.2 | 14 | 20.3 |
| | Mean | 884500 | 11.55 | 8.9 | 12 | 19.45 |
| | St. Dev | 348603.64 | 0.07 | 1.84 | 3 | 1.2 |
| J | N | 6 | 6 | 6 | 6 | 6 |
| | MIN | 230000 | 3.4 | 18.1 | 6.3 | 19.6 |
| | MAX | 411200 | 6.9 | 31.1 | 10.3 | 23.1 |
| | Mean | 334200 | 4.85 | 24.62 | 8.1 | 21.83 |
| | St. Dev | 61645.57 | 1.35 | 4.43 | 1.79 | 1.37 |

Appendix B**Descriptive summary of final peer groups**

| Peer Group | Number of Health Regions | Percent of Canadian Population | Principal Characteristics |
|------------|--------------------------|--------------------------------|--|
| A | 12 | 18.84% | <ul style="list-style-type: none"> Mainly urban centres High average dwelling value Very high proportion of children living in low income families Low proportion of 5-year internal migrants |
| B | 9 | 7.95% | <ul style="list-style-type: none"> Regions in Québec outside of Montréal Low average dwelling value Very low proportion of children living in low income families Very low long-term unemployment rate |
| C | 10 | 4.51% | <ul style="list-style-type: none"> Mainly Northern regions in Ontario and British Columbia, rural regions in the Prairies, and Yukon, and Northwest Territories High proportion of individuals aged 0 to 19 years |
| D | 5 | 0.46% | <ul style="list-style-type: none"> Northern and remote regions with very low population density Very low proportion of 5-year internal migrants Very high long-term unemployment rate Very high proportion of individuals aged 0 to 19 years |
| E | 12 | 3.15% | <ul style="list-style-type: none"> Mainly rural Eastern regions Very low average dwelling value Very high long-term unemployment rate Very low proportion of individuals aged 0 to 19 years |
| F | 7 | 23.34% | <ul style="list-style-type: none"> Large cities and suburbs in Ontario, Alberta and British Columbia Very high average dwelling value High proportion of children living in low income families High long-term unemployment rate High proportion of individuals aged 0 to 19 years |
| G | 15 | 6.62% | <ul style="list-style-type: none"> Sparsely populated urban-rural mix from coast to coast Low long-term unemployment rate |
| H | 16 | 13.03% | <ul style="list-style-type: none"> Sparsely populated urban-rural mix in Ontario and British Columbia High average dwelling value Low proportion of children living in low income families Very high proportion of 5-year internal migrants Low proportion of individuals aged 0 to 19 years |
| I | 2 | 12.97% | <ul style="list-style-type: none"> Largest metro centres (Toronto, Montreal) Very high average dwelling value Very high proportion of children living in low income families Very low proportion of 5-year internal migrants High long-term unemployment rate Low proportion of individuals aged 0 to 19 years |
| J | 6 | 9.14% | <ul style="list-style-type: none"> Regions with urban and rural areas in Québec, New Brunswick and Prince Edward Island Very high proportion of 5-year internal migrants Low long-term unemployment rate |