



The Health Care Environment: A Few Facts & Trends

*This document provides a flavour and quick snapshot of **some** facts and figures in health care at a national, provincial and local level. While this list is not exhaustive, it is important to consider these facts and others and what they may mean for the Health Region in planning for the future. We will discuss these and other key issues in more detail on February 20th. (For further details about Saskatoon Health Region please see "About our Health Region")*

The Public Policy Environment...

...at the National level

- With sustainable funding for the healthcare system as a high priority in federal/provincial forums, the 2004 Federal First Ministers' Agreement committed \$41.3 billion in health over 10 years to health care. Priority areas include access, pharmacare, home care and primary health care.
- The Health Council of Canada was created to monitor the progress of government commitments in health care renewal. In 2005, the Council called for accelerated change in the areas of:
 - Training of sufficient numbers of health professionals to meet future demands
 - Focused attention on Aboriginal and First Nations health to bring care closer to home.
 - Strengthening and restructuring Primary health care to meet the needs of Canadians.
 - Modernization of health records to create electronic health records
- In 2006, the Council proposes three pathways for change including:
 - quicker access to needed care
 - better quality of service
 - focus on the determinants of population health outside of the health care system.
- In (Chaouli-Zeloitis 2005), the Supreme Court ruled that Quebec law preventing private payment for medically necessary services is a violation of rights under the Bill of Rights. This has opened the door to a two-tiered health care system in Quebec, and has sparked debate on the feasibility of an expanded private

system that would operate in parallel to the public system in Canada.

...at the Provincial level

- In Saskatchewan, the 2001 Action Plan for Health Care addresses four key areas:
 1. Health Promotion and Disease Prevention
 2. Improved Access to Health Services
 3. Retention, Recruitment and Training of Health Providers
 4. Commitment to Quality, Efficiency and Accountability
- More recently, the province has announced/developed:
 - Capital funding for the UofS new training and research facility
 - "Target Time Frames for Surgery" - to help patients receive surgical care according to their level of need
 - Saskatchewan's Health Workforce Action Plan to address recruitment and retention issues in the province

The Economic Environment...

... at the National level

- Annual growth in public health-care spending averaged 7.4 per cent from 1997 to 2004 which is higher than overall economic growth in Canada at 2.8% in 2004/05. Private spending as a proportion of total health care spending continues to grow.
- Despite increased health spending, the Conference Board of Canada says national health care challenges persist in areas such as high infant mortality rates, high rates of lung cancer, and increases in obesity. (As compared to other OECD countries). Shortages of health care professionals and long wait times for some services are also common.
- The most recent estimates available for the cost of the economic burden of illness in Canada are \$159.4 billion (1998). Hospital care expenditures represent by far the largest direct cost, at \$27.6 billion (17.3%) of total costs. This is followed by drug expenditures (\$12.4 billion, 7.8%), physician care expenditures (\$11.7 billion, 7.3%), expenditures for care in other institutions



(\$8.0 billion, 5.0%), and additional direct health expenditures (\$24.2 billion, 15.2%).

- The following 4 disease categories represent over 50% of the economic burden of illness in Canada: Cardiovascular (\$19.7 billion); Musculoskeletal (\$17.8 billion); Injuries (\$14.8 billion) and; Cancer (\$13.1 billion).
- Drug expenditures from 2001 are expected to increase from 7.2% of provincial government health spending across Canada to 14.6% of health spending by 2020.

...at the Provincial level

- On a per-capita basis, Saskatchewan spent \$2,242 on health care, the fourth-lowest in Canada and just below the national average of \$2,321.
- Recent data indicates Saskatchewan residents paid more out-of-pocket for drugs than the rest of Canada.
- In the past 10 years, Saskatchewan has increased health spending by 75% from \$1.7 billion in 1996 to \$3.0 billion in 2005, and has moved from 6.5% of GDP to 7.5% of GDP. Highest cost services include acute care, supportive care, and medical services payments.
- Overall, Health spending has increased from 29.6% to 36.2% of the Province's total spending.

... at the Regional level

- In Saskatoon Health Region, consistent with national and provincial trends, health spending is growing faster than the growth of the economy.
- The majority of the Region's \$617 million budget is spent on salaries and benefits, with the largest proportion of dollars spent on hospital services.

The Social Environment...

...at the National level

- Population growth in Canada has slowed and the median age of the Canadian population was 33.9 years in 1993 and is expected to increase to 40.4 years by 2016. Slower population growth, combined with declining mortality rates has resulted in a larger proportion of older people in Canada (12.6% of the population was 65 or older in 2002).
- Declining mortality rates have affected life expectancy across Canada which is now 79.5 years. With advances in health care, people are living longer, but are more likely to suffer chronic illnesses.
- Like the general population, health care practitioners are heavily comprised of baby boomers that are likely to soon retire.
- The Aboriginal population in Canada is 3.3% of the total population, compared to 13.3% of the total population in Saskatchewan. Aboriginal life expectancy in Canada is below the national average at 68.9 for males and 76.6 for females in 2000.

...at the Provincial Level

- In Saskatchewan, after six consecutive years of population decline, the province's population appears stable.
- At 14.7%, Saskatchewan has the highest average of people over the age of 65 in Canada.

...at the Regional level

- Projections from 2004 indicate the population of Saskatoon Health Region is expected to increase 10.7% by 2021 from 291,630 to 322,718.
- The 60-69 age group will almost double due primarily to aging Baby Boomers. The less than age 1 group in SHR is expected to increase by 9.6% but the age 1-16 age group is projected to decrease by 1.5%.

Health Status...

... at the National level

- An estimated two-thirds of deaths in Canada are associated with chronic diseases, including



cardiovascular disease, cancer, lung diseases and diabetes.

- In Canada, in 2003, the adult obesity rate was 14.3%, while in 1994-95, that rate was 12.7%. Despite the increase, the obesity rate in Canada remains much lower than the United States (30.6% in 2002), the United Kingdom (23% in 2003) and Australia (21.7% in 1999) (OECD, 2005). In Canada, obesity is estimated to account for roughly 2% to 3.5% of total health expenditure.
- According to OECD (2005), Canada provides an example of a country that has achieved remarkable progress in reducing tobacco consumption. In 1980, the rate of daily smokers among adults was 34%, and in 2003, 17%. OECD attributes much of this decline to policies such as public awareness campaigns, advertising bans and high taxation.

... at the provincial and regional level

- The percentage of the Saskatchewan population (age 18-64) who are obese was 20.5% and 19.1% in Saskatoon Health Region, above the national average. (2003)
- The percentage of the Saskatchewan population who are current, daily or occasional smokers was 24.6% for males and 23.1% for females while in Saskatoon Health Region, 25.0% of males and 11.6% of females smoked (2003)

Core Determinants of Health – Some Quick Facts for Saskatoon Health Region

- As a large urban centre, Saskatoon's population has a slightly higher percentage of families who are below the low-income cutoff (LICO) compared to the rest of the province with wide discrepancies in rates among Saskatoon neighbourhoods, where the proportion of families living below the LICO can range from under 20% to over 50%.
- Currently in the Saskatoon Health Region (SHR) more than one in five adults have a university or post-secondary education, and the number who have completed grade 9 is rising.

- In 2004/05, 36% of all deaths in SHR were due to diseases of the circulatory system and 28% due to cancer. Injuries and poisonings accounted for 5% of all deaths overall.
- Injuries in SHR is high as it ranks second to cancer as an important cause of premature mortality, accounting for 23% of all potential years of life lost in 2001.

Technology

...at the national level

- **Drugs:** As noted above, government spending on drugs in Canada is expected to double by 2020.
- Growing attention to adverse drug events and patient safety has triggered the need for the uptake of technology associated with safe drug distribution and administration systems in Canada. (i.e. computerized prescriber order entry, unit base automated dispensing, smart infusion pumps, bar coding)
- New information on optimal medication use is also growing exponentially and evidence based guidelines for quality drug therapy is increasingly available.

... at the provincial and regional level

- While SHR does not have any of the above noted technologies in use, the region is participating in the *Safer Healthcare Now* medication reconciliation initiative and follows the Canadian Council for Health Service Accreditation Medication Use and Medication Management Standards. As well, the province has implemented mandatory reporting of critical incidents.

...at the National level

- **Diagnostic imaging:** the introduction of diagnostic tools, such as magnetic resonance imaging (MRI) and computerized tomography (CT), has been a leading driver in technological change in health care. Between 1992 and 2001, the rate of outpatient usage of imagery increased by 574%.



- A recent CIHI report shows steady investment in MRI and CT scanners in Canada. The number of CT scanners increased 19% and MRIs increased more than 35% from five years earlier. While Canada has fewer machines per million people, it uses its MRI scanners more intensively than the U.S. and England.

...at the Provincial level

- Saskatchewan has one of the lowest numbers of MRI machines per capita in Canada, despite recent funding for improved access to diagnostic imaging in the province. For CT, the province is slightly above the national average for number of machines and their use. (13 machines and about 90 scans per 1,000 residents)

...at the Regional level

- There has been a steady increase in the number of MRI and CT scans in the Health Region. The number of CT scans performed has increased from just under 20,000 in 1995/96 to a projection of more than 40,000 in 2005/06. The number of MRI scans has increased from just over 4,000 in 1995/96 to a projection of over 13,000 in 2005/06.

...at the National, Provincial and Regional levels

- **Electronic Health Record:** The Canada Health Infoway project provides significant funding for provinces to develop a pan-Canadian Electronic Health Record (EHR). It is expected that by 2010 all regions will have implemented an EHR. It is estimated that the implementation of the EHR in Canada over the next decade could cost up to \$7-\$10 Billion, and roughly half of that represents human resource costs. The province of Saskatchewan is participating in this work.
- The average **Information Technology** budget of Canadian hospitals has doubled in recent years from 1.2% in 2001 to over 2.5% of total operating budget in 2005. SHR's current IT operating budget is 1.1% (which covers not

only hospitals but all other health services offered in the Health Region.

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