The Inconvenient Truths About Canadian Health Care

by **Daniel Muzyka**, **Glen Hodgson**, and **Gabriela Prada**

- The Conference Board's recent Summit on Sustainable Health and Health Care brought a number of realities about Canada's existing health care system into focus.
- Canadians are incorrect in believing they have the best health care system in the world. But before we can begin to improve the system, we need to face some "inconvenient truths."
- The health care system needs to be transformed. This briefing identifies several key issues regarding Canada's health care, and outlines five priorities for reform.

Health care remains a top priority for Canadians after decades of debate, significant increases in public funding, and intermittent attempts at reform by jurisdictions across the country. A recent survey, conducted by EKOS for The Conference Board of Canada, indicated that 90 per cent of Canadians believe that health care should be the main priority for national decision-makers, ahead of other important issues such as the economy and the environment.

Report Card—Health

Rank	Country	Grade
1	Japan	A
2	Switzerland	A
3	Italy	A
4	Norway	B
5	Finland	B
6	Sweden	B

7	France	B
8	Australia	B
9	Germany	B
10	Canada	B
11	Netherlands	C
12	Belgium	C
13	Austria	C
14	U.K.	C
15	Ireland	D
16	Denmark	D
17	U.S.	D

Source: The Conference Board of Canada.

To help inform and advance the debate about the current state and future directions of Canadian health care, we share some reflections from the Conference Board's recent Summit on Sustainable Health and Health Care. The Summit brought a number of realities about the existing health care system in Canada into focus, and shared them with an audience that included health care leaders, practitioners, public servants, policy analysts, and the media.

The evidence is strongly mounting that many Canadians are incorrect in believing that we have "the best health care system in the world." For years, The Conference Board of Canada has given a "B" to Canada's health care system, ranking it 10 out of 17 countries. (See "Report Card.") A number of issues clearly articulated and shared during the Summit, fuelled by an aging population and internal cost pressures, make it clear that we have to face some "inconvenient truths" when it comes to health care. The Summit heard from some of the leading thinkers in Canada on population health and health care reform. These experts included Alberta Health Minister Fred Horne; CMA president Dr. Anna Reid; *The Globe and Mail*'s Jeffrey Simpson; and many other experts, including the Conference Board's own leadership and health research team.

Call to Action

The Summit identified a number of key issues:

The Canadian Health Care System's Goal Is Not Well Articulated or Shared

There is little agreement among Canadians on the desired health care goal. Some see it in terms of acute care hospital outcomes; others in how many people are serviced, or how much procedure waiting times are reduced. We need a clear and agreed-upon articulation of the goals. At the Summit, there seemed to be a general sentiment that the real goal should be to promote the health and happiness of individuals in our society. This is not necessarily achieved by focusing as strongly as we do on acute care and patient processing.

The Debate About Health Care System Funding Is Also a Debate About Where We Make Tradeoffs in Society

Rising health care costs and public funding for the existing system are limiting public investments in other areas that could make us a more effective, equitable, and successful society—particularly among and between generations. Health care costs are rising toward 50 per cent of provincial budgets and are crowding out spending on other priorities. Interestingly, on the margin, health care services are not a major determinant of the health of a population—social and economic factors and resulting individual behaviours are the primary drivers. As such, an argument can be made that a dollar invested in improving the economic and social factors affecting population health has more impact than an additional dollar invested in our health care system—particularly when the system remains focused on the acute care aspect of health care.

Not Everyone Means the Same Thing When They Speak About "Sustainable Health Care"

As with any enterprise, some individuals and groups are fully vested in maintaining the status quo—the existing system. They wish the system to be "durable"—to continue what it is doing, but with more

resources. Others understand that putting more resources into the "system" to maintain what exists will not lead to its true sustainability. They wish for the sustainability of "health and health care"; not for the existing "health care system" to be sustainable.

Ideology, Sometimes Promoted by Vested Interests, Is Preventing Real Transformation

There was little disagreement at the Summit with the assertion that we have tied our identity as Canadians to our health care system. We need to decouple our identity and values from the dialogue around health care services if we are to realize real change. A healthy society and health care access for all are values we can share. The notion that the system is largely funded through public resources is a choice we have decided to make. Public resources can, however, be channeled through public or private delivery mechanisms (for profit and not-for-profit) to achieve societal health care goals. The European experience demonstrates that private delivery of health care service within publicly financed health care systems can be beneficial. In the end, transforming the delivery of health care services and creating greater innovation and flexibility in our health care system should not be viewed as an assault on our values.

If We Actually Do Have a Health Care "System," That System Is "Balkanized"

If we had a pan-Canadian health care system, we would be taking full advantage of the benefits that can be captured when we share knowledge development, best practices, and purchasing power for key inputs across and within jurisdictions. Simply stated, we don't share enough in any of these areas. In addition, many speakers at the Summit cited examples where not enough knowledge was being stored or shared in the system to leverage efforts and treatments. While everyone agreed health care should be patient-centred, it was noted that we have been talking about this redesign for decades, but never achieve it as we pass patients through loosely connected health care "workstations."

The Health Care "System" Is Locked Into a Model From the 1960s

This reflection, shared over and over at the Summit, does not mean that clinical procedures haven't changed. Rather, it means that the functioning of the health care system is not configured or operated in a way that helps it achieve maximum effectiveness or efficiency. We are fighting to deliver modern health care within the constraints of multiple outdated systems: physical infrastructure, service delivery models, provider incentives, labour contracts, and the flow of information, to name but a few. The "system," as developed in earlier days, was designed to protect citizens financially should they be hit by catastrophic health events where most of the treatment cost occurs due to acute medical interventions that takes place in hospital. The health care system, as it was designed then, did fairly well in delivering desired results for the first few decades. Much of the available care that once took

place only in hospitals can now be delivered in the community and even in the home. However, the current system that was built in the 60s is ill-equipped to efficiently support this new delivery of health care.

The Health Care System Needs Total Transformation and Patients Should be Empowered and Trusted to Lead This Change

Health care is a service industry that exists to meet the needs of patients. However, the system is still stuck in a model from the past, in which providers made the rules and controlled all decisions. As societies evolve, citizens increasingly demand transparency and participation in decision-making. They also expect the system to respect their values and preferences and to facilitate access to health care services. Patients don't care about silos within the system; they want to have access to seamless services that meet their physical and emotional needs. To achieve this, we need to halt the paternalistic approach that assumes we know what patients need and shift to involving them as active participants in the redesign process.

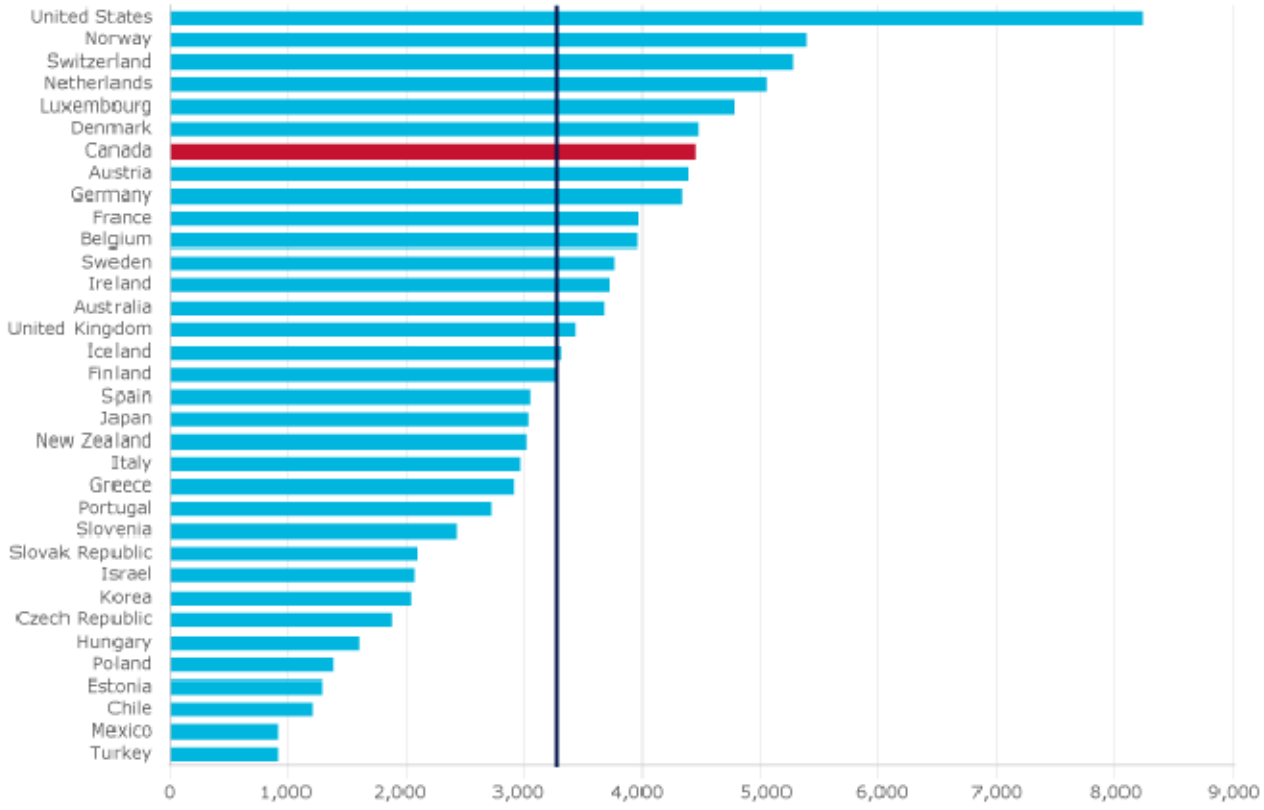
System Transformation Requires Creating the Right Incentives and Holding People Accountable for Patient Outcomes

Health care should put less emphasis on counting transactions and interventions and more on knowing whether these interventions make a difference in patients' lives. Improving the quality of health care services and increasing value for money requires a fundamental transformation in the culture, incentives, and working practices of health care providers and administrators. This shift in culture and practice should be supported by measuring outcomes and establishing accountability frameworks tying these outcomes to performance targets. *Globe and Mai*l columnist, Jeffrey Simpson, who presented at the Summit, asserted that the expenditure of many additional billions of dollars following the 2002 publication of the Romanow Report did less to improve health care outcomes than it did to boost professional salaries. As reported by the OECD, we rank 7th in the cost of our system in terms of total health spending per capita—significantly above the OECD average. (See Chart 1.) But Canada is well below average in terms of available per capita resources such as physicians, hospital beds, CT scanners, and MRI units. And Canada's ranking in health outcomes ranges anywhere from 5th to 25th for key indicators. For example, Canada ranks 13th in life expectancy and 18th in mortality due to neoplasms (which include cancer and benign tumors). (See charts 2 and 3.)

Chart 1

Total Health Expenditure Per Capita

(US$ at PPP)



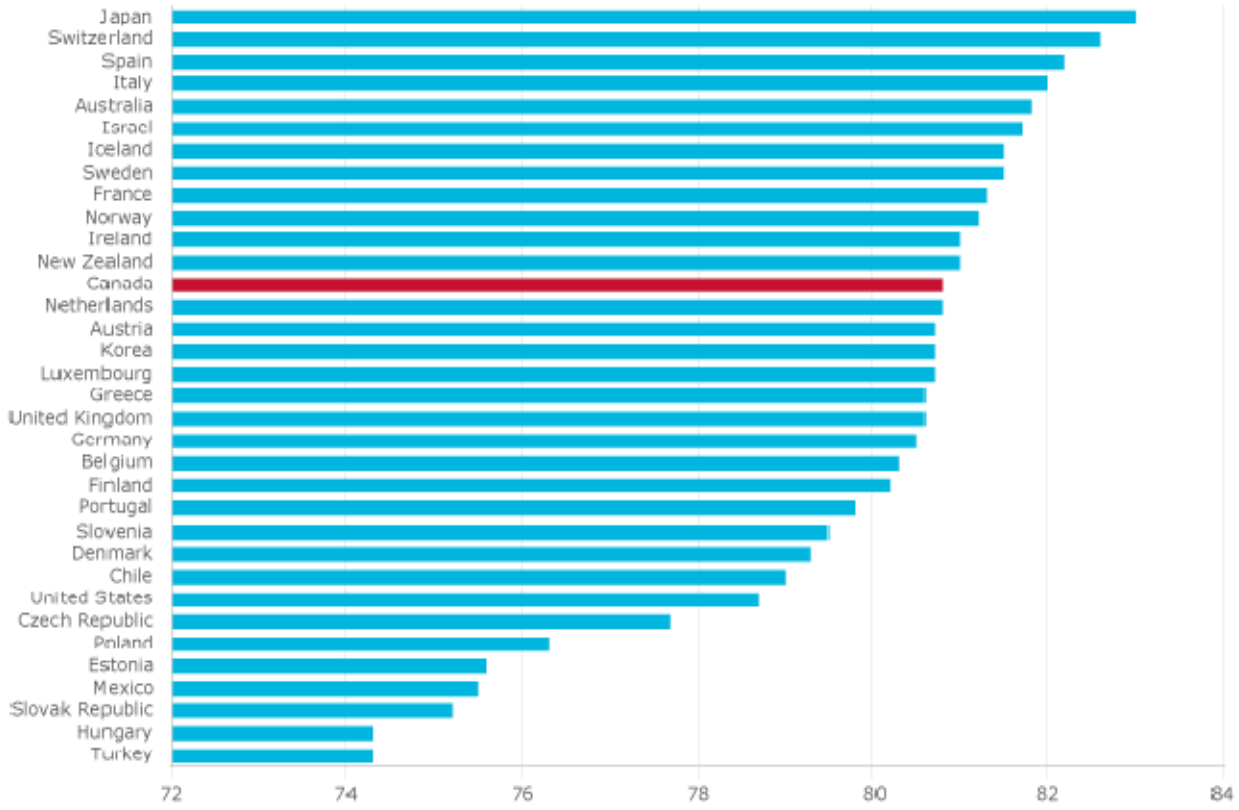
— = OECD average.

Source: OECD Health Data 2012. http://stats.oecd.org/Index.aspx?DataSetCode=SHA.

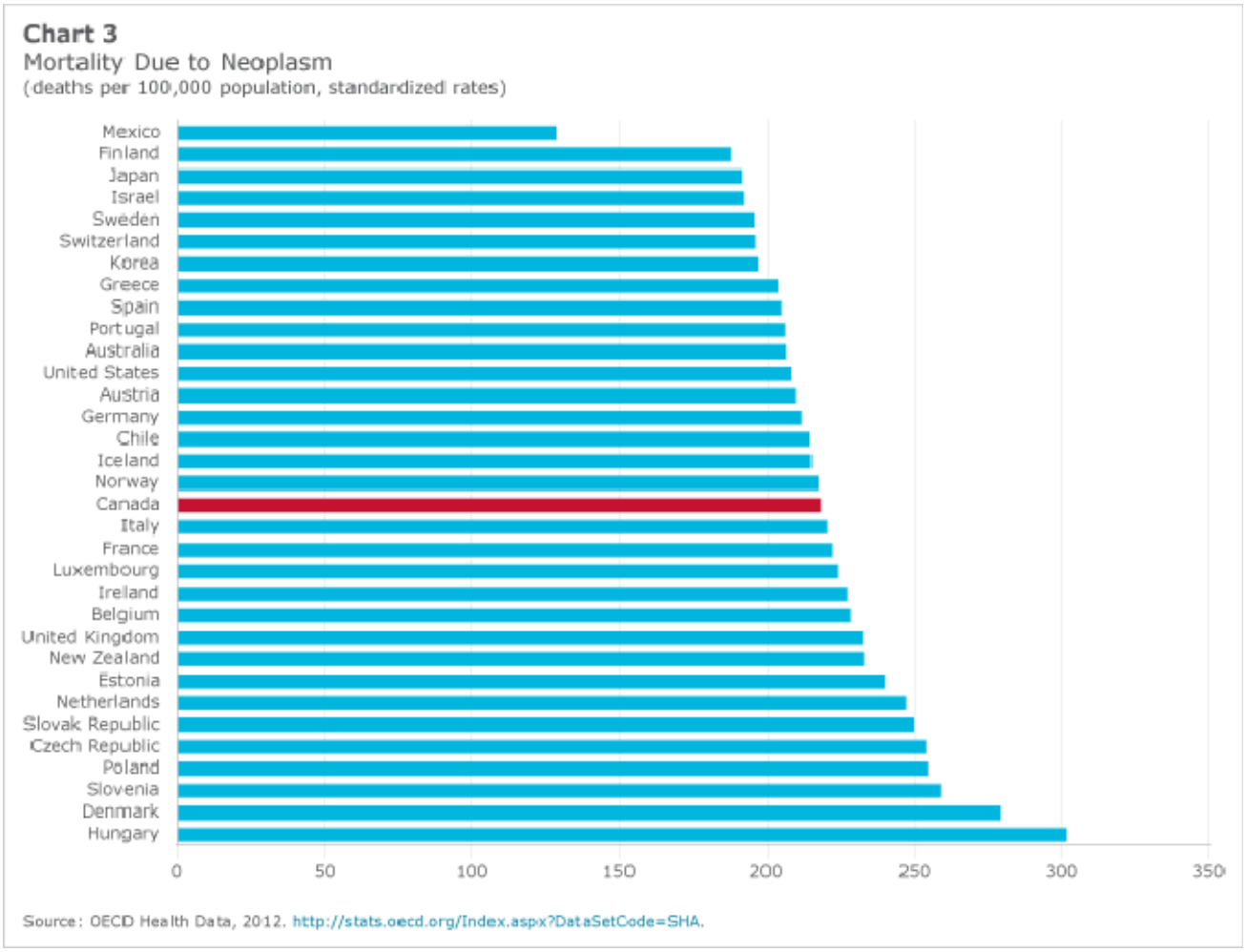
Chart 2

Life Expectancy

(total population at birth, years)



Source: OECD Health Data, 2012. http://stats.oecd.org/Index.aspx?DataSetCode=HEALTH_STAT.



The System Does Not Effectively Utilize Innovative Technologies and Modern Management Tools

This is especially true of information and communication tools to improve *performance and outcomes.* Canada is a slow adopter of innovative technologies that could enhance the quality of health care services and improve the health and quality of life of Canadians. In addition, there was widespread agreement at the Summit that the health care sector is one of the last outposts of slips of paper and fax machines. Progress on applying information technology more widely within the health care system has been stifled by suboptimal strategies to engage health providers in the uptake of these technologies. Progress has also been restrained by endless debate focusing solely on privacy needs that could be accommodated through appropriate security. These obstacles are blocking the adoption of even rudimentary tools that would improve outcomes, speed process, ease work burdens, and improve the sharing of useful information and protocols.

The Health Care System Is Misaligned With the Needs of an Aging Population

The majority of patients in today's hospitals, particularly in the medical units, are elderly. They are in the hospital because they are losing overall functionality due to a complex set of conditions, often

related to age. Many of these patients end up in hospitals because they have limited or no access to appropriate geriatric, psychological, and physical care. Nor do they have the behavioural, social, and healthy living support required to maintain seniors' independence and safe living at home. Hospitals are risky places, particularly for seniors who are more vulnerable to infections and who don't cope well with limited mobility and disruptions in their routines. The frail elderly often do not do well when they are eventually discharged from the system, having been bed-bound and out of their routine for a week or even several weeks. Again, the current system has not adjusted to the very real differences in our population and its needs as they have changed from the 1960s through to the 21st century.

Society Must Cast a Broad Net in Improving Health

We need to include social housing, mental and addiction health services, and childhood nutrition and development in our calculations about the "system," rather than myopically focusing mostly on acute care activities. As one individual powerfully noted, "acute care is where societies' failures end up."

Individuals Need to Accept Responsibility for the Quality of Their Lives and Deaths

A patient who arrives in an acute care setting with medical problems induced from a lifetime of unhealthy choices is not something the system can, or should be fully expected to, address on its own. Hospitals are not like auto repair shops staffed by mechanics: spare parts are not always available or possible to obtain, and the problems caused by complex and interrelated diseases cannot always be repaired. In addition, individuals and their families have to recognize the sole common reality of life: we all die. Deciding how far to go to avoid the inevitable is something individuals should have an explicit dialogue about with their loved ones and their medical providers.

As psychologists note, the first step toward a cure is understanding that you have a problem. We need to start with a broad understanding that real change is needed in our approach to better health and the care of our health.

Moving to Action

In the end, the health care system needs to be transformed. This transformation will require several things:

- Society, in the form of patients and citizens, need to be involved in this dialogue. Given that patients and citizens are both the users and the payers of the publicly funded health care system, their input is essential if we are to set the right goals for the system. In addition, public input is required on the necessary tradeoffs. Some of the areas that need to be addressed (e.g., housing, the workplace, and even urban design) are not within the purview of existing health care professionals and experts.
- A true interprofessional dialogue is required. There are strongly articulated positions and implicit beliefs among members of the various health care professions, including physicians, nurses,

pharmacists, and others. Everyone needs to engage in an open-minded dialogue and come to the discussion table—not to defend their own interests, but to advance the interests of patients and their families.

- Governments will have to coordinate the dialogue: it involves many moving parts, often simultaneously.
- System redesign will involve reconfiguring key elements across many jurisdictions—from access to the system to coordination of services and to patient navigation.
- Implementing the transformation will have to move us from "endless experimentation" to real planning and implementation.

Five key priorities for reform emerged from the Summit.

1. **Fix the gateway to the health care system** as we begin to reimagine how we deal with all aspects of health care delivery. Primary care, not the emergency room, should be the first contact point within the health care system and the key access point for other health-related services. There was a strong consensus that interdisciplinary family care teams should be the standard model for primary care, and that these teams should be expanded and strengthened in all provinces and territories. These teams need to be armed with the knowledge and tools needed to care for seniors and other vulnerable populations.
2. **Invest in and use technology** in the health care system, particularly information and communication technology. More intensive and standardized use of information technology will allow patient information to be collected and shared seamlessly, making treatment more effective (better outcomes and fewer errors) as well as efficient—thereby boosting the productivity of the system overall.
3. **Change the compensation system and related labour contracts** for health care professionals. Compensation models need be linked more to patient and community health care outcomes and less to activities such as treatment and consultation. This is necessary to create the right incentives structures and improve the alignment with accountability.
4. **Focus on the state of the health and wellness of Canadians** overall. A healthy population should be our goal. A healthy population will demand fewer acute care services caused by preventable chronic diseases. We need a system focused on "wellness" as well as "health care." Employers, community organizations, and families have important roles to play in supporting individual wellness.
5. **Build a more transparent and accountable health care system** with respect to goals, management, and performance. Creating greater transparency and accountability in a properly configured system will go a long way in mobilizing support for changes among all stakeholders—patients, taxpayers, and care providers. The health care system also needs the energy and commitment of more individuals like Helene Campbell and Dr. Chris O'Connor,

who have been empowered by data and are using social media to raise awareness and mobilize action.

Pouring more resources into a system that isn't configured to achieve the outcomes society wishes, and doesn't necessarily focus on the drivers of health and wellness, is, as one Summit participant noted, like "pouring water into sand." We need to identify practical solutions among the many experiments and pilots that have been undertaken across the country over the past decade. There is a deficit in how we manage the system: the deficit can be addressed by reconfiguring the system and by selecting and implementing the best processes. These new solutions, backed by transparency and accountability, will deliver effective and fair health and economic outcomes. If fully implemented, the fundamental reforms we can put forward should allow Canadians to truly say we have "*the best* health care system in the world" and make Canada more competitive internationally