PedsCases Podcast Scripts

This is a text version of a podcast from Pedscases.com on the "**An Introduction to the Canadian Health Care System**" These podcasts are designed to give medical students an overview of key topics in pediatrics. The audio versions are accessible on iTunes or at www.pedcases.com/podcasts.

Introduction to the Canadian Health Care System

Developed by Parker Vandermeer and Dr. Melanie Lewis for Pedscases.com on August 19, 2015.

Introduction:

Hi everyone, my name is Parker Vandermeer and I am a third year medical student at the University of Alberta. This podcast was developed in conjunction with Dr. Melanie Lewis. Dr. Lewis is a General Pediatrician and Associate Professor of Pediatrics at the Stollery Children's Hospital and University of Alberta. The goal of this podcast is to leave you with a cursory understanding of the Canadian Healthcare system as we explore many of its facets, including: who supplies healthcare funding; which groups are responsible for setting guidelines and regulations; who is insured under Canadian Healthcare; what aspects of care are, and are not, covered; and the role of Private Insurance in Canadian Healthcare.

Who is Responsible for Providing Healthcare?

The Federal Government of Canada is directly responsible for providing health services for a number of groups including: eligible veterans, active members of the Canadian Forces and Royal Canadian Mounted Police, refugee protection claimants, inmates of federal penitentiaries, First Nations, and the Inuit People.1 The Federal Government also indirectly funds healthcare for the rest of Canadian citizens through cash and tax transfers to the provinces and territories. While the majority of healthcare in Canada is publicly funded, it is most commonly privately delivered. This is referred to as a Single Payer System and is entirely distinct from a Socialist System. The provinces and territories are responsible for providing healthcare to their residents and ensuring that any monetary deficits are resolved.2 In order for the governments of the provinces and territories to receive funding from the federal government, they must abide by the Canadian Health Act which outlines the principles by which all provincial and territorial health systems must abide. The Canadian Health Act is set and enforced by the federal government and is based upon the principle of providing "reasonable access to medically necessary hospital and physician services, on a prepaid basis."3 In essence it attempts to ensure that all Canadian residents will receive medical aid in proportion to their need, and not their ability to pay.4 Other principles covered by the Health Act include: Public Administration, Comprehensiveness, Universality, Accessibility, and Portability. 5Lastly, the Federal Government is responsible for both public health and

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health research. The majority of medical research in Canada is done through the Canadian Institutes of Health Research {CIHR}. More information on the

Canadian Health care system can be found on the website of the Canadian Institute for Health Information. More information on the Canadian Health Act can be found on the Health Canada Website.

Healthcare for Canadians is supplied through both public and private funding.

In 2013 healthcare cost Canadians an estimated 211 Billion Dollars.6 This amounts to 11.2% of national GDP or $4522 USD per person. Australia spent slightly less at $3800 USD per person, amounting to 8.9% of national GDP and — despite having a highly privatized healthcare system — the United States spent an unwieldy $8508 USD dollars per person or 17.7% of national GDP. Disparity in cost is also seen at the level of the provinces and territories. Nunavut spent the most per resident at $13 152 Canadian, while Quebec spent only $5 531 Canadian per resident. However, these values are biased towards the provinces due to their higher population density and more easily accessible populations.

Public funding provides 70% of the healthcare budget with the three largest expenditures being hospitals and other institutions {33%}, physicians {15%}, and pharmaceuticals {6%}. It is important to note that in most provinces only inpatient pharmaceuticals are covered under provincial healthcare. The remaining 30% of healthcare expenses are covered by private funds coming from an individuals additional insurance or through out of pocket payments by patients. Many Canadians have private insurance plans provided by their employers. These plans cover a variety of outpatient prescription drugs and services, including dental work, which is otherwise not covered by the Canadian Health Act despite being a vital component of both health outcomes, employability, and quality of life. Depending on the plan complimentary health services such as massage, physiotherapy, chiropractic, and health products may also be covered. Pharmaceuticals {11%} and Dental {6%} are the largest privately covered expenses in Canadian Healthcare.

An analysis by Statistics Canada looking at household out of pocket expenditures, by household income, found that “out of pocket expenses” are increasing across all income brackets. However, this increase is occurring faster in lower income households. The percentage of household income spent on healthcare is also higher in lower income households and these expenses may be burdensome for families.

Overall, hospitals, pharmaceuticals, and physicians are the three most expensive aspects of the Canadian health system and they are only becoming more expensive as time goes on. Pharmaceuticals are growing in expense out of proportion to the costs of hospitals and physicians and are likely to become the second biggest expense in our healthcare.

One commonly utilized method of combating these continually rising expenses is

the implementation of Global Budgets in which a fixed budget is allocated each year for provinces by the federal government. The provinces must then find a way to provide healthcare within this budget. Global budgets are frequently used for health providers, regions, and hospitals as well. In order to remain fiscally feasible, certain high expense pharmaceuticals or procedures may be artificially limited to lower expenses. A downside of this form of budgeting is increased wait times, decreased access, and unfortunately sometimes decreased level of care.

Standards of Care and Healthcare Delivery

As previously mentioned, the Canadian Health Act contains the standards which must be provided by the provinces and territories to qualify for federal funding. Services which must be provided include Ward Accommodation, Nursing Services, Diagnostic Procedures, Pharmaceuticals used for inpatient care, and the Use of Operating Theatres, Case Rooms, and Anaesthesia.9 While these standards are set by the federal government, it is the responsibility of the provincial and territory governments to plan, budget, and administer effective healthcare systems for their residents. Provinces and Territories also have the freedom to, in conjunction with their respective physician colleges and groups, define which procedures will be considered medically necessary. This is largely responsible for the differences in medical coverage between provinces.

Primary Care services are an essential component of any health system and are vital in the implementation of preventative medicine practices and chronic disease management.

In Canada, Primary Care doctors act as the gatekeepers to more specialized areas of the healthcare system. Most specialists will require a referral from a primary care practitioner before an appointment will be booked to see a patient. Beyond this, primary care practitioners are often responsible for the long term care and monitoring of patients after they have seen a specialist.11

In Alberta, Primary Care Networks, or PCNs, are collections of health providers including: nurses, dieticians, doctors, and pharmacists which work and communicate together. They share the common goal of promoting and increasing access to multidisciplinary approaches which work towards disease and injury prevention, chronic and complicated disease management, and health promotion.12 Similar inter-professional teams exist in other Canadian provinces, namely Quebec and Ontario, though under different names.

The majority of hospitals in Canada are run by provincially established regional health boards, voluntary organizations, or trustee boards. While some secondary care occurs in hospital, a growing proportion may be provided in the home or community of the patient, or in non-hospital institutions. Referral to such programs does not necessarily need to be done by a doctor. Some patients may even refer themselves! After referral, assessments by medical professionals must still occur to determine what patients needs

are, and how these needs will best be met. In general, home care services are not covered by the Canada Health Act and as such are not directly paid for by the federal government. However, all provinces and territories have aspects of home care which they have decided to provide. In many cases, providing care in patients community is cheaper than in hospital care. The federal government does provide home care for some populations, namely certain Veterans who would not otherwise have access to such services, the First Nations, and the Inuit. Long term care services are generally covered, though room and board may be the responsibility of the patient with subsidies sometimes available.

Who Decides what Drugs and Medical Devices are Available?

Health Canada is responsible for approving new medications for use in Canada as well as regulating advertising to both the public and physicians regarding these drugs. Only products which have been approved for sale by Health Canada may be advertised in Canada, and these adverts must be reviewed and pre-cleared before they are Distributed.

Natural health products must abide by a similar system, though requirements are not quite as stringent. For example, natural health product adverts distributed to physicians may be exempt from review prior to its distribution. Medical devices; including pacemakers, implants, contraceptive devices, and medical diagnostic instruments; must also be approved for use. This is done by the Medical Devices Bureau of the Therapeutic Products Directorate.15 Medical devices are often approved much more quickly than pharmaceuticals and are arranged into 4 classes based on the risk associated with their use. These classifications determine what licenses and documentation are required for distribution. Class one devices, which would include something like a medical thermometer, do not require a medical device license while class Two, Three, and Four, must obtain a license. In select situations doctors may acquire a device which has not been licensed for use in Canada through the Special Access Program {SAP}. This is only done after all approved medical options have failed, or are unsuitable for treatment in the specific patient. Both pharmaceuticals and medical devices are subject to yearly reviews examining continued safety and effectiveness.

Conclusion

In this podcast we have learned about the Canadian Healthcare system. We discussed who funds healthcare, who sets healthcare standards and approves pharmaceuticals and medical devices, and who is responsible for providing it to Canadian residents. We also discussed what must be provided by the healthcare system, a few areas which often are not, and the place of private insurance in filling those gaps.

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