

PULSE

Onward and upward

Canadian doctors gobbled up a larger chunk of the health care dollar in 2007 as spending on physician services rose 8.5%, according to the Canadian Institute for Health Information.

The growth rate outstripped that of the 2 largest components of Canada's health care outlays: drugs (7.2%) and hospitals (5.6%).

Spending on doctors was projected to be \$21.5 billion last year, an estimated 13.4% of total spending, compared with \$19.8 billion and 13.2% in 2006. Spending on drugs was pegged at \$26.8 billion, or 16.5% of health care outlays. Hospitals retained the largest share of outlays at \$45.4 billion or 28.4%. The remaining 6 categories of use were led by 'Other health professions' (such as dentistry), at \$17.2 billion or 10.8%.

Overall, Canadian health care spending in 2007 continued its explosive growth with outlays forecast at \$160.1 billion, an annual increase of 6.6% (or 3.2% after factoring in inflation and population growth), says the report, entitled *National Health Expenditure Trends, 1975–2007*.

That translates into health care outlays that constitute a 10.6% share of Canada's gross domestic product and a per capita rate of \$4867, or some \$261 more than in 2006.

Institute chairman Graham W.S. Scott noted that 2007 would be the 11th consecutive year in which health care spending outpaced inflation and population growth. "This may be due, in part, to new public investments in health services resulting from federal/provincial/territorial health accords signed in recent years. For example, we have seen recent government initiatives to increase services in wait times priority areas, investments to attract and retain health providers and an increase in spending on buildings and equipment."

The report indicates that public sector health outlays topped \$113 billion in 2007, while private sector outlays topped \$47.1 billion, including \$17.2 billion by

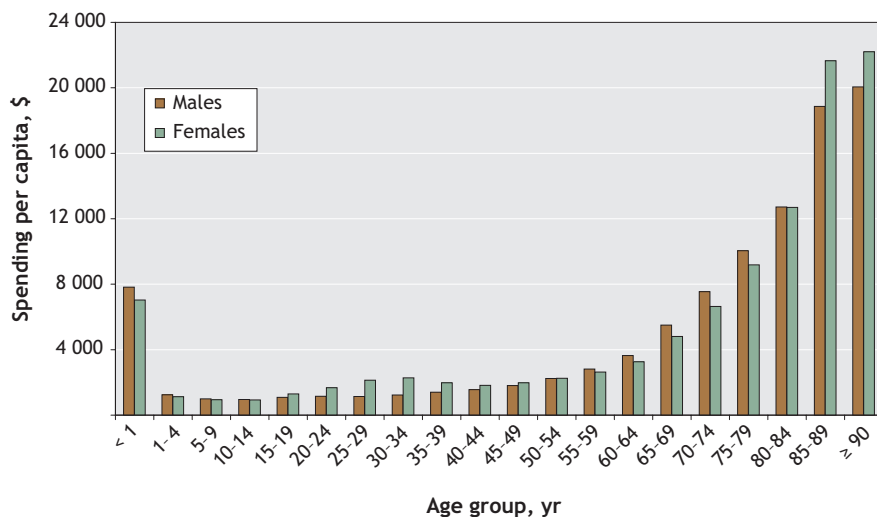


Figure 1: Persons aged 65 and over account for 44% of overall provincial/territorial health spending, as well as 49% of hospital outlays. Children under age 1 account for 6% of hospital expenditure. By contrast, physician expenditure is highest between the ages of 25 and 59, accounting for 51% of total expenditure for females, and 43% for males.

insurance companies and \$20.3 billion in out-of-pocket expenditures by Canadians. That included \$4.1 billion for dental care, \$3.4 billion for prescription drugs, \$2.1 billion for over-the-counter drugs and \$1.8 billion for personal health supplies.

While the national per capita spending outlay is \$4867, the report indicates there are significant variations in that total by age and sex (Figure 1).

In per capita spending by provincial and territorial governments in 2005, the latest year for which age-specific data is available, outlays for infants under the age of 2 averaged \$7437, while those for Canadians aged 1–64 were \$1735 and those for Canadians over 65 averaged \$9502. Among seniors, the variation was even more pronounced. Average per capita spending on Canadians aged 65–69 was \$5142, while spending on those aged 85–89 averaged \$20 731.

Demographically, the population of Canadas over 65 comprises roughly 13.1%, while it consumes 44% of provincial/territorial health spending.

The report also indicates that provincial and territorial per capita government outlays averaged \$3156, led by Nunavut (\$8229), Northwest Territories (\$5728), Yukon Territory (\$4830), Alberta (\$3695), Newfoundland and Labrador (\$3637), Saskatchewan (\$3580), Manitoba (\$3499), New Brunswick (\$3274),

British Columbia (\$3154), Nova Scotia (\$3144), Ontario (\$3082) and Prince Edward Island (\$3010). Quebec (\$2853) trailed the pack. Governments typically pick up 70.6% of the health care tab within each province. Ontario is the least generous, covering only 67.2%, so residents are forced to cough up more out-of-pocket or through health insurance.

The report also indicates that Canada continues to rank as 1 of the world's top 10 health care spenders.

Canada, at 9.8%, ranked eighth among 23 selected Organisation for Economic Co-operation and Development nations in total health expenditure as percentage of gross domestic product in 2005. The United States continues to lead the pack at 15.3%, followed by Switzerland (11.6%), France (11.1%), Germany (10.7%), Belgium (10.3%), Portugal (10.2%) and Austria (10.2%). Among more spendthrift nations were Mexico (6.4%), Poland (6.2%) and Korea (6.0%).

Canada tied the United States and Switzerland in ranking 10th, at 6.9%, when only public sector outlays were measured. It ranked sixth, at 2.9%, in private health outlays as a percentage of gross domestic product. The United States led the pack at 8.4%. — Wayne Kondro, CMAJ

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