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NOTE TO READERS

This second series of *Aging Vignettes* has been designed by the National Advisory Council on Aging (NACA) to provide a statistical portrait of Canadian health and seniors. They are produced as part of NACA's mandate to disseminate information and are intended for people who are interested in aging and health and who care about seniors.

In these Vignettes, the word 'seniors' refers to people 65+. This is not meant to suggest that the population group 65+ represents a homogeneous group. The Council recognizes that seniors are as heterogeneous and often more so than other age groups.

As a rule the latest data available were cited. Because the sources are varied and may cover a number of years, the year the data were collected is referenced. The reader will note that no effort was made to analyse or interpret the facts stated. A word of caution also concerns the availability of the data - health statistics are not collected by government authorities by age because age is not a criterion of access to health; the facts are not complete for all provinces because not all provinces collect the same information and because the classification of services differs from province to province.

The Council welcomes your comments on these *Aging Vignettes* and suggestions for future editions.

AGING VIGNETTE #21

A Quick Portrait of Canadian Health and Seniors

How Is the Health Care System Financed?

- Of every dollar spent on health care each year, 72.4 cents come from a public source.

Source	Distribution
Federal	24.4%
Provincial	46.0%
Local	1.1%
Worker's Compensation	0.9%

The federal share of health care financing has declined from about 113 of total expenditures in 1980 to 24.4% in 1991.

All 10 provinces use some money from general revenues to pay for health care costs.

Six provinces also levy special health care taxes or premiums:

Alberta and British Columbia charge individual premiums to all residents.

Québec, Ontario, Manitoba and Newfoundland levy special payroll taxes on employers; Quebec introduced a special tax on non-salary individual income.

The remaining 27.6% come from private sources, including private insurance payments and individual expenses for services, drugs or appliances not covered by provincial health care plans.

Source:

Health Canada. Health Information Division. *Green book tables: Provincial government health expenditures and related federal contribution, Canada, the provinces and the territories 1974-75 to 1990-91*. Ottawa: 1993.

AGING VIGNETTE #22

A Quick Portrait on Canadian Health and Seniors

How Much Does Health Care Cost in Canada?

- Total national expenditures for the health care system were \$67 billion in 1991, or 9.9% of the Gross Domestic Product (GDP). Canada has one of the most expensive public health care systems in the world.

Countries	% of GDP spent on health care in 1991
Canada	9.9%
United States	13.4%
United Kingdom	6.6%
Germany	8.5%
France	9.1%
Japan	6.6%

Sources:

Health Canada. Health Information Division. *Health expenditures in Canada: Provincial/territorial summary report 1987-1991*. Ottawa: February 1994.

Organization for Economic Cooperation and Development (OECD). *OECD health data, software package, version 1.5*. Paris: 1993.

AGING VIGNETTE #23

A Quick Portrait on Canadian Health and Seniors

How Are Health Care Dollars Spent?

- Each 1991 health care dollar was spent as follows:

Category	Distribution (in cents)
Hospital	39
Physician's services	15
Drug	14
Other	11
Other institutions	10
Other health professionals	7
Capital	4

"Hospital" expenditures include facilities for acute, chronic and convalescent care, as well as the cost of in-patient drugs and some professional payments to doctors.

"Drug" expenditures include prescribed drugs sold by pharmacies outside of hospitals and non-prescribed drugs sold by retail outlets.

"Other" is a residual category which accounts for expenditures on public health services, administration, medical appliances, ambulances and research.

"Other institutions" include homes for the aged, nursing homes, institutions for physically handicapped and mentally ill persons as well as treatment centres for substance abuse.

"Other health professionals" include dentists, chiropractors, optometrists and physiotherapists.

"Capital" costs include expenditures on construction, repair, machinery and equipment of hospitals and other institutions.

Source:

Health Canada. Policy, Planning and Information Branch. *Health expenditures in Canada: Fact sheets*. Ottawa: March 1993.

AGING VIGNETTE #24

A Quick Portrait on Canadian Health and Seniors

How Have Health Care Expenditures Changed in Recent Years?

- Total expenditures are increasing yearly but at a slower rate than in the past. As a percentage of the Gross Domestic Product (GDP), costs increased by 6.5% in 1990-91, compared to 8.5% in 1989-90 and 9.2% in 1988-89.

Provincial/territorial spending on health care grew by 9.5% in 1990-91.

Private spending on health care is increasing at a rate of about 6% per year.

Sources:

Health Canada. Policy, Planning and Information Branch. *Health expenditures in Canada: Fact sheets.*, Ottawa: March 1993.

Health Canada. Health Information Division. *Health expenditures in Canada: Provincial/ territorial summary report 1987-1991.* Ottawa: February 1994.

AGING VIGNETTE #25

A Quick Portrait on Canadian Health and Seniors

How Much Do Seniors Cost the Canadian Health Care System?

- There is no consensus among experts on this issue. According to one estimate, seniors account for 40% of all health expenditures; that is, about \$27 billion of the \$67 billion in national health expenditures in 1991. Other estimates, however, indicate that expenditures for seniors account for 20%-50% of health spending.

How Does Population Aging Affect Health Care Costs?

- Population aging contributes to rising health care costs, but less so than other factors. In the Organization for Economic Cooperation and Development (OECD) community, which includes Canada, population aging was estimated to account for 22% of the growth in health care costs between 1960 and 1988. The remaining 78% of growth in health care costs was attributed to factors such as inflation, the growth of the Gross National Product (GNP) and to political and professional choices.

Sources:

Health Canada. Policy, Planning and Information Branch. *Health expenditures in Canada: Fact sheets*. Ottawa: March 1993.

Organization for Economic Cooperation and Development (OECD). *Ageing populations: The social policy implications*. Paris: 1988.

Getzen, T. Population aging and the growth of health expenditures. *Journal of Gerontology.. Social Sciences*, 47, 3, (1992): S98-104.

AGING VIGNETTE #26

A Quick Portrait on Canadian Health and Seniors

How Costly Are Drugs?

- Expenditures on drugs increased by 10.5% between 1987 and 1991, representing the largest rise in health care costs in that period.

As a proportion of provincial health expenditures, the cost of drugs varied widely among regions; in 1991, the lowest relative costs were those of Manitoba (10.7%), whereas the highest costs were incurred in Newfoundland (20%).

How Many Drugs Do Seniors Use?

- Seniors constitute 12% of the population, but they receive 25% of prescription medication.

In 1993, Ontario seniors each generated an average of 27 prescriptions and Quebec seniors generated 33 prescriptions each.

In 1993, 60% of Québec seniors were taking at least one prescription drug at a given time.

Sources:

Health Canada. Health Protection Branch. Drug use by the elderly. issues, (September 20, 1989).
Health Canada. Policy, Planning and Information Branch. Health expenditures in Canada: *Fact sheets*.
Ottawa: March 1993.
Globe and Mail. *Seniors to lose free drugs*. June 30, 1993, A1-A2.
Saskatchewan Health. *Who uses prescription drugs? Results from a population wide study in Saskatchewan*. Regina: 1992.

AGING VIGNETTE #27

A Quick Portrait on Canadian Health and Seniors

Are Drugs Used Appropriately?

- 25% to 40% of all prescriptions have been found to be inappropriate.

Up to 15% of hospital admissions are due to adverse reactions to prescription drugs.

Are Drug Costs Being Controlled?

- Costs to provincial drug programs are being limited by all provinces by the following methods:

excluding certain drugs from the list of those covered by provincial drug programs (for instance, Manitoba, Ontario and Saskatchewan)

applying and periodically increasing co-payments or deductibles by drug program recipients (for example, Manitoba, New Brunswick, Nova Scotia, Quebec, Saskatchewan)

income-testing eligibility for drug benefits (for instance, New Brunswick, Ontario, Saskatchewan).

Sources:

Hassan, P. *Rx for hospitals: New hope for Medicare in the nineties*. Don Mills, Ont.: Stoddart, 1993.
Buckman, R. and K. Sabbagh. *Magic or medicine.. The myths and realities of healers, doctors and patients*. Toronto: Key Porter Books, 1993.

AGING VIGNETTE #28

A Quick Portrait on Canadian Health and Seniors

How Many and What Kind of Hospitals Are There?

- In 1992, there were 1,240 hospitals in Canada, with about 177,000 hospital beds, distributed as follows:

Type	Distribution
General hospitals	75%
Long-term care	10%
Psychiatric, pediatric and rehabilitation	15%

How Have Hospital Budgets Fared in Recent Years?

- The proportion of total health care expenditures allocated to hospitals has decreased from 44% in 1975 to 39% in 1991.

The cost of running hospitals has gone up by 8% a year for the past five years; salaries and benefits account for 314 of public hospital operating costs.

To control costs, hospitals are treating more people on an outpatient basis and doing it more efficiently:

between 1976 and 1988, outpatient visits rose 61.3% while in-patient stays rose just 15.6%

during this period, the real cost of an in-patient stay rose by 16.3% but the cost of outpatient care fell by 2.3%.

Sources:

Health Canada. Policy, Planning and Information Branch, *Health expenditures in Canada: Fact sheets*. Ottawa: March 1993.

Health Canada. Health Information Division. *Health expenditures in Canada: Provincial/territorial summary report 1987-1991*. Ottawa: 1994.

AGING VIGNETTE #29

A Quick Portrait on Canadian Health and Seniors

Are Seniors Heavier Users of Hospital Care?

- Seniors are hospitalized for longer periods than younger adults: Manitoba data for 1987-88 show that the average length of hospital stay was
 - 11 days among those aged 45 to 64
 - 16 days among men aged 65 to 74
 - 17 days among women aged 65 to 74
 - 25 days among men aged 75+
 - 33 days among women aged 75+.

Data from Manitoba reveal that less than 25% of seniors were hospitalized in a given year; 5% of seniors who were admitted to hospital consumed 59% of the hospital days in a one-year period.

What Is Seniors' Use of Health Care Institutions Other than Hospitals?

- There are 6,000 other health care institutions with almost 240,000 beds. Because the levels of service and the classification system of these institutions vary widely among provinces, cost breakdowns are not available on a national basis.

In Saskatchewan in 1991-92, 92% of the residents of nursing homes or special care homes were 65+; 82% of the resident population were 75+.

Canada's rate of institutionalization of seniors is 7.5%; this is higher than that of the United States (4.6%) and of the United Kingdom (4.1%), but lower than that of Holland (11 %).

Almost 10% of Ontario residents (including, but not only seniors) need some form of long-term care, either at home or in an institution.

Sources:

Roos, N. et al. Living longer but doing worse: Assessing health status in elderly persons at two points in time in Manitoba, Canada, 1971 and 1983. *Social Science and Medicine*, 36, 3, (1993): 273-282.

Roos, N. et al. Age and the demand for health services: Which aged and whose demand? *The Gerontologist*, 24, 1, (1984): 31-36.

Health Canada. Policy, Planning and Information Branch. *Health expenditures in Canada: Fact sheets*. Ottawa: March 1993.

Ontario. Ministry of Health. *Partnerships in long-term care: A new way to plan, manage and deliver services and community support*. Toronto: Queen's Printer for Ontario, 1993.

Saskatchewan Health. *Statistical supplement to the Annual Report for the year ending March 31, 1992*. Regina: 1992.

AGING VIGNETTE #30

A Quick Portrait on Canadian Health and Seniors

Who Pays For and Who Uses Home Care?

- The financing of home care services is derived from at least three sources; the provincial health care budget, the budget for social services (with federal assistance through the Canada Assistance Plan) and private sources, including private insurance plans and fees to care recipients. Because the proportion of funding from each source varies widely from province to province, no national data on home care costs are available.

In Ontario in 1992, less than 3% of a \$17 billion health care budget went to community care.

In Saskatchewan, 85% of the clientele for home care services in 1991-92 were 65+; 62% were 75+.

Are Health Services Less Costly If Delivered at Home than in an Institution?

- A 1988 review estimated that the \$300 million per year Ontario Home Care Program engendered savings for the health care system of \$1.8 billion in capital costs and \$0.5 billion in annual institutional operating costs.

The daily cost of home-based palliative care in Hamilton-Wentworth, Ontario was \$142 while the cost for equivalent services in hospital was \$363.

Sources:

Health Canada. Policy, Planning and Information Branch. *Health expenditures in Canada: Fact sheets*. Ottawa: March 1993.

Ontario. Ministry of Health. *Partnerships in long-term care: A new way to plan, manage and deliver services and community support*. Toronto: Queen's Printer for Ontario, 1993.

Saskatchewan Health. *Statistical supplement to the Annual Report for the year ending March 31, 1992*. Regina: 1992.

Price Waterhouse. *Operational review of the Ontario Home Care Program*. Toronto: 1988.

AGING VIGNETTE #31

A Quick Portrait on Canadian Health and Seniors

Is There a Doctor in the House?

- The number of doctors in Canada has nearly doubled in the last 20 years, from 31,000 in 1970 to 59,500 in 1990.

On average, there are 1.6 full-time physicians per 1000 residents in Canada.

It is estimated that every doctor in Ontario costs the government about \$500,000 a year, half in direct billing for service and half in drugs prescribed, lab tests ordered and hospital admissions authorized.

How Often Do People Use Doctors' Services?

- Data from Saskatchewan show that seniors use doctors' services more often than people in other age groups: in 1987, a physician was consulted 21 times by men 65+ and 23 times by women 65+; in comparison, men and women aged 45-64 used a doctor's services 11 times and 14 times, respectively.

People of all ages are using physicians' services more often than in the past: for instance, in 1975, Saskatchewan women and men aged 65+ consulted a physician 5 times less often than in 1987.

Sources:

Health Canada. *Fact book on social, economic and health issues* (unpublished). Ottawa: 1993.
Health Canada. Policy, Planning and Information Branch. *Health expenditures in Canada: Fact sheets*. Ottawa: March 1993.
Saskatchewan. Commission on Directions in Health Care. *Future directions for health care in Saskatchewan*. Regina: 1990.

AGING VIGNETTE #32

A Quick Portrait on Canadian Health and Seniors

How Are Physician-related Costs Being Controlled?

- Provincial health ministers decided in 1992 to cut medical school admissions by 10%.
- Several provinces have placed controls on the number of physicians admitted to practice. Others have capped levels of payment doctors can receive from the provincial health plan.

AGING VIGNETTE #33

A Quick Portrait on Canadian Health and Seniors

How Can You Be Healthier, Happier-and Cheaper To Care For?

- *Maintain an adequate income throughout life:* the incidence of emotional disorders, heart trouble and arthritis/rheumatism decreases with increasing income levels.

Maintain relationships with family and friends: people who have social support are healthier and live longer than those who do not.

Obtain information about maintaining health and treating symptoms of common ailments yourself these have been shown to reduce visits to physicians by 50% in cases of colds and flu.

Become more active physically:

- a year of physical endurance training has been found to improve heart function in men and women in their 60s by 25%-30%
- a physical activity throughout life (combined with adequate calcium intake) decreases the likelihood of osteoporosis
- active adults aged 45-64 are less likely than sedentary adults to report heart trouble, diabetes, bronchitis, arthritis and high blood cholesterol
- active living helps maintain intellectual functioning, reduces stress and improves sleep
- active seniors are less likely to be depressed.

Before taking medication, consult a health professional, get written information and use memory aids: these materials have been found effective in increasing seniors' knowledge of medications and reducing errors in medication use.

Sources:

Simons, A. et al. *Before you call the doctor.. Safe, effective self-care for over 300 medical problems.* New York: Fawcett, 1992.

Fitness Canada. Secretariat for Fitness in the Third Age. *A fit third age.* Ottawa: October 1991.

Bouchard, C. et al. *Exercise, fitness and health: A consensus of current knowledge.* Proceedings of the 1988 International Conference on Exercise, Fitness and Health, held in Toronto in 1988. Champaign, IL: Human Kinetics Books, 1990.

Health Canada. *Canada's health promotion survey.. Technical report.* Ottawa: Supply and Services Canada, 1993.

Health Canada. *Fact book on social, economic and health issues* (unpublished). Ottawa: 1993.