NEWS RELEASE

Canada's health-care system stands in stark contrast to more successful universal systems around the world

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For immediate release

VANCOUVER—Canada's approach to health policy is much more restrictive than in other developed countries with more successful universal health-care systems, notably on the use of the private sector and patient cost-sharing, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

Previous research has shown Canada ranks among the top spenders on health care internationally but ranks poorly on a number of key performance indicators.

"Universal health-care systems in other developed countries have evolved and progressed over the years, providing better services for patients—but not in Canada," said Bacchus Barua, associate director of health policy studies at the Fraser Institute and co-author of *How Canadian Health Care Differs from Other Systems*, part of a two-part series on the Canada Health Act.

The study compares the health policies that characterize Canada with those in eight other high-income OECD countries with universal health care: Australia, France, Germany, the Netherlands, New Zealand, Sweden, Switzerland and the United Kingdom.

Crucially, these countries' health policy differs significantly from Canadian health policy in several ways. For example:

- **Private sector delivery:** Canada remains the only country of the nine where the private sector is essentially shut-out of delivering medically necessary treatment. In fact, private for-profit hospitals can help increase capacity or act as an alternative and make-up 39 per cent of hospitals in Australia, and 43 per cent in Germany.
- **Private sector financing:** Canada is the only country of the nine where private financing for medically necessary services is disallowed, leaving the government system as the only option for patients in need of treatment.
- **Cost-sharing:** Canada and the United Kingdom are the only two countries among the nine where patients are not expected to directly share in the cost of medically necessary treatment. By contrast, deductibles, co-insurance payments and co-payments by patients are staple features of other universal health-care systems and can help encourage responsible use of scarce medical resources.
- **Hospital funding:** Global budgeting for hospitals—the allocation of all funds at the beginning of each fiscal year—is also unique to Canada. Elsewhere, hospitals are more commonly paid based on activity, by procedure or on a per-case basis, which incentivize them to treat patients and potentially reduce wait times.

"It's not a question of whether Canada should have universal health care, but rather how can Canada can have the best universal system in the world," said Nadeem Esmail, Fraser Institute senior fellow and study co-author.

"Other countries with universal health care have found ways to improve their systems for the benefit of patients and taxpayers, and Canadian policymakers should learn from their progress."

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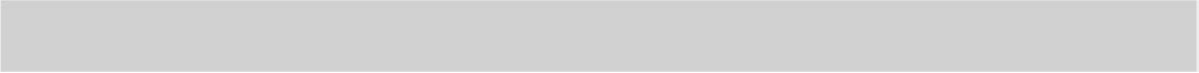
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