

## **A SCAN OF THE HEALTH CARE ENVIRONMENT**

The health care environment in Canada is complex and changing. This brief scan of the health care environment highlights some of the strongest and most significant influences on our health care system.

The reader who is interested in a more extensive review from a single source is referred to the "Health in Canada 2000: A First Annual Report" by the Canadian Institute for Health Information (CIHI) available at [www.cihi.ca](http://www.cihi.ca). Many of the statistics in this report have been taken from this reference.

### **HEALTH CARE REFORM AND FUNDING SHIFTS**

The most significant shifts in the health care environment can be attributed to health care reform and funding related issues.

In 1999, health care in Canada cost \$2,815 per person, according to CIHI's latest figures. Total public and private health care spending in 1999 was expected to reach \$86 billion, up about 5% or about \$100 per person from the year before.

In 1995, the federal share (compared to the provincial and territorial portion) of health care spending was at 33%. In April 1996, the federal contribution to health and social services was consolidated into the Canada Health and Social Service Transfer. This was a major change to the federal/provincial and territorial cost-sharing arrangements for health services. With this, total federal contributions to health care are no longer clearly set. There is now a single contribution to the provinces and territories to support health care, post secondary education, social assistance and other social programs. Provincial/territorial priorities determine the distribution of funds. This change in funding arrangements has led to debates between federal/provincial and territorial partners about the amounts and proportions of health care funding.

What is known is that almost 70% of Canada's health care services are publicly funded and the issue remains as to what Canadians should need to pay for privately. On average, it is estimated that each Canadian spent \$850 on private health care insurance and out-of-pocket health care expenses in 1999 (for a total of 26 billion or approximately 30% of total health care expenditures).

Across the country, there have been substantial provincial and territorial health care reform initiatives. The intended goal of health care reform has been to increase the effectiveness and efficiency of the health care system. This goal has led to a growing emphasis on health promotion (e.g., smoking cessation programs) and illness prevention (e.g., cancer screening programs) as a means of improving the overall health of the Canadian population, thereby reducing the cost of needed health services.

Acute care hospitals have been a particular target of health care reform initiatives. Across the country there have been hospital closures; reductions in the number of available hospital beds (by about 25% since the mid 80's); and a drop in the number of admissions and the length of hospital stays. The number of out-patient procedures tripled with the assurance that a great number of procedures could be performed safely and much more cost effectively. Acute care hospitals are now reserved mainly for births (but with shorter stays), surgery, and treatment of serious illnesses. Much of the rehabilitation occurs after hospital discharge, in the home through community-based programs or private care.

Delivery of health care services in the home has been growing. Many of today's home care services used to be provided in acute and long-term care institutions (e.g., dialysis; physiotherapy). One indicator of this trend

is the drop in hospital spending over the past 20 years from 42.5% to 31.6% of the total health care expenditures. CIHI reports that approximately 12% of Canada's seniors received services from provincial home care programs and it is acknowledged that this may be an underestimation.

## **THE CANADIAN POPULATION AND ITS CHANGING HEALTH CARE NEEDS AND EXPECTATIONS**

The changing characteristics of the Canadian population served by the health care system need to be considered in this scan. These characteristics help guide priorities in the health care system. According to Statistics Canada (1996, 1998), Canada's future will be characterized by slow population growth and an aging population, largely due to a low birth rate and the aging of the baby boom generation.

In 1997, Canada's population was estimated at 30.3 million, an increase of 13.3 million since 1966. The Canadian population is projected to continue to increase, possibly to 37 million by 2016. In addition to slow population growth, Statistics Canada expects the median age of the population (the point in the age distribution where half of the population is older and the other half is younger) to increase to 40.4 years in 2016, from 33.9 years in 1993.

Also significant to the environmental scan is the evidence of declining mortality rate which has resulted in increased life expectancy for Canadians. The health of Canadians is better than ever (although regional variations exist). In 1993, a baby boy was expected to live to age 75 (compared to 66.3 in 1951) and a baby girl to age 81 (compared to 70.8 years in 1951). By 2016, life expectancies forecast by Statistics Canada are to reach 78.5 and 84.0 years for men and women respectively.

Diseases common to older Canadians include heart disease, stroke and cancer. With advances in health care, people are living longer but, because of their age, are more likely to suffer from chronic illnesses which require diagnosis, rehabilitative or long term care and monitoring. At the same time, the current and coming generation of seniors is generally healthier than previous generations because of more advanced technology to detect illnesses earlier, more effective treatment options, and healthier lifestyles.

The combined effects of low birth rate and mortality levels in Canada results in an age structure with a larger proportion of older adults and a smaller proportion of younger people. This aging of the population is expected to continue because of improved longevity and the aging of the baby boom generation. Naturally, population aging and longevity both have an impact on health care needs.

The consumers of health care services have changed not only in demographics but also in their active rather than passive involvement in the maintenance of their health. Two relevant trends that have emerged are (1) the increased patient awareness of health care and treatment options, largely attributable to the greater availability of information (e.g., on the Internet) and (2) the interest in and pursuit of alternative medicine.

## **THE CHANGING PROFILE OF HEALTH PROFESSIONALS IN CANADA**

For the most part, health care services are delivered to the Canadian population by regulated health care professionals (although there is obviously assistance provided by health care support workers and administrative personnel). Over the past years, a number of changes have shifted the composition and scope of practice of these practitioners.

The practice of the different health care professional groups has been affected by advances in science and technology (see next section) and the move to shorter hospital stays and community-based care. This has resulted in a different level of expected professional competencies (for initial registration or licensure as well as for recognition in a specialty within the profession).

Generally, a greater knowledge base, more autonomy, application of a larger range of treatment modalities, understanding of new diagnostic tools, and opportunities for expanded scopes of practice have led a number of health care professions to introduce significant changes to their professional requirements.

Overall the acknowledged increase in the complexity of health care has led the health care professions to make adjustments in order to maintain competence and public safety. Some professions have responded by increasing the length of the educational preparation or the basic education requirement (e.g., from College diploma to University degree). Others have introduced new specialty areas (e.g., physicians) to address the ever growing body of knowledge and practice areas.

As professional competencies and requirements have evolved, the relative supply and demand for different health care professions has also changed. For example, CIHI recently reported that the number of health professionals from 1988 to 1997 did not keep pace with Canada's population growth, resulting in fewer health professionals per capita in 1997. While the number of professionals grew from 499,603 to 547,580 over the 10-year period, the number of professionals per 10,000 population declined by 1.7%, from 185 to 182.

This change in ratio has not been constant across occupational groups. During this period, occupational groups that experienced decreases in the number of professionals per 10,000 population included nursing services (8.2%), administrative services (6.9%) and laboratory and therapeutic technological services (5.4%). Within these groups, the greatest decreases were seen in two professions, medical laboratory technologists (20%) and licensed practical nurses (17.1%).

The following occupational groups experienced increases in the number of health professionals per 10,000 population over the same period: rehabilitation services (52.6%), dental services (26.1%) and psychological and social services (22%). Within these groups, occupational therapists and dental hygienists saw the greatest increases of 104% and 64.1%, respectively.

Physiotherapists saw the third largest increase with 34.8% more practitioners in 1997 than in 1988. Despite the growth in physiotherapists per population, the number and distribution of physiotherapists does not appear to have yet reached a sufficient level as many regions and provinces experience persistent problems in recruiting sufficient physiotherapists.

There are likely a variety of issues affecting the supply and demand of physiotherapists. It is not clear what might be considered an adequate supply of physiotherapists to sustain the needs of the Canadian public.

Like the general population, health care practitioners are heavily composed of baby boomers. Many will be retiring in the next 5 to 15 years, after which further significant shortages may be seen if the educational programs are not graduating sufficient replacements. These replacements will need to deal with a growing older patient base with the related increase in need for physiotherapist care.

## **TECHNOLOGICAL AND SCIENTIFIC ADVANCES**

As in most aspects of our lives, the rapid developments in technology and the advances in scientific discoveries have also had a great influence in the type and quality of the health care service that Canadians receive and expect. Diagnostic equipment and laboratory tests have become more sophisticated, powerful, numerous and precise, allowing for earlier detection of health problems and/or more accurate health information on patients.

These new tools have become immediately popular with both health care practitioners and patients but their high cost does not always permit adequate availability (e.g, MRI scan services can have 9-month waiting list because of the high demand coupled with the high cost of additional equipment). The new focus on illness prevention has resulted in high usage of new technology, with the application of these advancements toward screening (e.g., in 1998/99, 66% of Canadian women between the ages of 50 to 69 had a mammogram to screen for breast cancer).

As new research findings emerge, the options for treatment and therapies for health problems have grown. Practitioners and patients seek the less invasion procedures (e.g., laparoscopy) to address health problems with quicker recovery and lowered costs.

Telemedicine and telehealth has introduced new challenges for the health care professions. Now that health care professionals can connect to a client who is in a remote location (e.g., to view an radiograph or ultrasound), new health care issues arise. For example, the jurisdiction of regulatory authorities when a provider deals with a client outside its jurisdiction is a currently unresolved issue. Some argue that the supply issues for certain type of health care providers can be addressed with telemedicine (e.g., having a centralized specialist deal with a broad geographical region).

Computerization has revolutionized the data management component of the healthcare system. It has also reduced the demand for some health care professionals (e.g., fewer laboratory technologists are needed because of the automation of some of their functions).

## **LEGISLATIVE CHANGES AND TRADE AGREEMENTS AFFECTING HEALTH CARE PROFESSIONALS AND SERVICE DELIVERY**

Trade agreements are working to eliminate barriers to the free flow of goods and services across borders. Within Canada, the Agreement on Internal Trade (AIT) was established to remove barriers to mobility across provincial or territorial borders. Much progress has been seen among the regulatory authorities for various health professions in Canada, with the support of the federal government.

As these AIT discussions progress, legislative renewal and revision continues to occur at the provincial level.

The Ontario Regulated Health Professions Act, the Alberta Health Professions Act, and the British Columbia Health Professions Act, are recent examples of the evolution seen in regulatory legislation. These acts change and consolidate the legislation of all regulatory colleges for the health professions within the province. This has had many effects including imposing common requirements across the health professions. It has also introduced new mandatory requirements that will serve to enhance public protection (e.g., continuing competence programs, patient relations programs, etc.).

Very recently, a new bill (C-31) was tabled in the House of Commons to create a new Immigration and Refugee Protection Act. Under the proposed act, health professionals applying for immigration to Canada will be classified under the Skilled and Business section. The new legislation proposes to attract and select skilled workers with a broad range of skill sets and communication skills that are flexible and transferable within the larger context of the Canadian labour force. The impact on regulated health professions is currently being addressed

With professional mobility on the rise, our country is often a target destination for immigration or temporary work opportunities, especially where shortages exist (e.g., registered nurses). A number of relatively recent trade agreements have a direct impact on the international mobility of health care professionals. The North American Free Trade Agreement (NAFTA) for example, encourages regulatory bodies to establish mechanisms to facilitate the mobility of professionals across international borders while maintaining their regulatory standards. Although NAFTA has no mandatory requirement for health care professionals, an agreement similar in intent, the General Agreement on Trade in Services (GATS) seeks to promote fairness, objectivity and transparency in the licensing processes while maintaining service quality. The full implications of NAFTA, and more directly GATS, are not fully understood.

## **CONCLUSION**

From the information presented in this scan, it is clear that few issues in health care can ever be addressed in isolation. A shift in one aspect of the system can influence, sometimes both positively and negatively, a number of other aspects. The health care environment is changing with complex and evolving trends. It takes a solid understanding of the many influences on the environment to effectively address any issue.

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