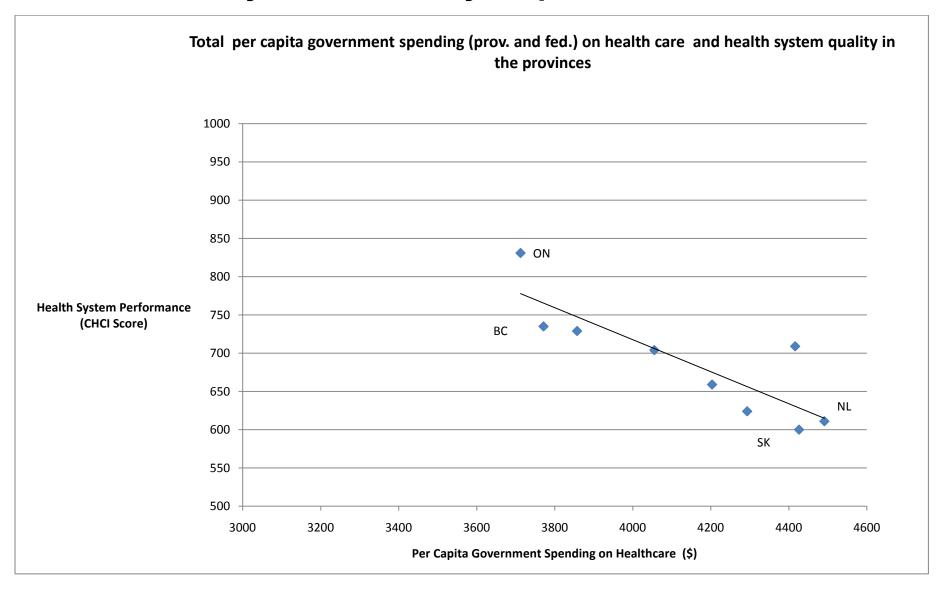


## More money doesn't always equal better health care



High levels of healthcare spending do not necessarily translate into excellent healthcare-system performance. Canada is among the world's highest spenders and yet the performance of our system ranks below many countries that spend far less money.

In order to examine the relationship between health care system and performance among Canada's provinces, we ran a simple regression analysis comparing total government health care spending to overall scores on Frontier's Canadian Consumer Health Index, which provides an overall measure of health system quality. Quebec was excluded from this analysis due to insufficient data.

Interestingly, the top performers were not the highest spenders. In fact, in 2009, Ontario spent the least money per capita on health care, but managed to deliver the highest performing healthcare system in Canada. Similarly, British Columbia and New Brunswick had per capita healthcare spending levels well below the national average but have relatively high performing systems compared to most other provinces.

Alternately, some of the biggest spending provinces are amongst the worst performers in terms of actual health system quality. Newfoundland is the biggest overall spender on healthcare, and yet finishes in second to last place in terms of overall quality. Saskatchewan and Manitoba also have very high levels of per capita spending, but poor health system performance.

This suggests the problems that exist in Canadian healthcare generally are unlikely to be solved simply by throwing more money at the problem. Instead, meaningful structural reforms, such as the elimination of global budgets and increased choice and competition in healthcare, are needed in low -performing jurisdictions.

Data Source: The Canada Health Consumer Index 2009 and The Canadian Institute for Health Information