

## **2. Some Proposed Solutions To The Problems Of Financing Health Care In Canada**

During the Committee's public hearings, witnesses presented a number of options as at least partial solutions to financing problems. These options included reallocation of public funds, privatization of certain aspects of the health care system, changing the system of remuneration for physicians and increasing applied research efforts to develop new, innovative and more efficient ways to deliver high quality care.

### **a. Reallocation Of Public Funds**

Many witnesses argued that the problems currently facing the health care system are not so much the result of underfunding as of maldistribution of funds over the various categories of services. They emphasized the fact that funding arrangements tend to favour curative services that comply with the medical model. Generally, they argued that resource reallocation would make it possible to prevent needless hospitalizations and provide access to appropriate community and home care services in particular. Hospitalization is the most costly single component in the system and deserves special attention. It seems apparent that an emphasis on community and home care, health promotion and health consumer education will be cost-effective in the long-term but it is still unclear, according to some witnesses, what the impact will be on costs in the shorter term.

Although it is popular wisdom that community-based care could be more cost-effective than institutional care, Dr. Raisa Deber cautioned the Committee that, unless such services are provided within a fixed budget and managed so as to limit services to those who would otherwise be in institutions, costs would probably increase.

On the reallocation of funds, Kenneth Fyke said:

I am not directly advocating either cost curtailment or financial aid for our present system. What I am advocating is the reallocation of some of the existing resources away from traditional services and into community-based services and home support infrastructures. It is well documented throughout the literature that a substantial proportion of inpatient hospital care is non-acute; that is, it does not have to be provided in an acute-care inpatient hospital setting. In many of these instances, care can be provided in less expensive settings such as outpatient clinics or in the patient's home.<sup>33</sup>

Similarly, other witnesses said this recommended reallocation of resources would make possible more efficient use of available funds, help meet current and future health care needs more effectively and help slow the growth in health care costs in Canada.

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<sup>33</sup> Brief, p. 5.