

STUDY OF HOSPITAL COSTS

The Economic Council of Canada has released a special study, *Canadian Hospital Costs and Efficiency* by Professor R.D. Fraser of Queen's University.

The study served as background material for the health care chapter of the Council's *Seventh Annual Review*, "Patterns of Growth", which focused on sources and patterns of growth in the Canadian economy.

In the *Review*, the Council pointed out that health care was becoming a more important element in the economy, and its economic aspects required more careful appraisal. Increasingly persistent and probing questions are being asked about how to use rapidly-expanding capital and highly skilled human resources to the best advantage to achieve the goals that Canadian society wishes to set for itself in the area of health care. Reinforcing this need are the prospects for further large increases in expenditures on health care during the 1970s — at the same time as the rising expectations of Canadians along various other lines will be competing for some of the same capital and manpower.

In *Canadian Hospital Costs and Efficiency*, Dr. Fraser points out that hospital expenditures account for over half of total health-care expenditures in Canada. The importance of hospital services has been increasing relative to total health care and to the rest of the economy.

COSTS AND OUTPUT

The nature of hospital costs and the existence of relations between them and several economic factors is the major concern of the study. Data for 1966 on each of 1,266 public hospitals in Canada are used for the estimation of cost and production functions. Capital, as well as direct, costs were included. An attempt was made to allow for variations in the "output" of hospitals by calculating a composite measure of output for each hospital.

With regard to the relation between hospital costs and output, the evidence indicates that the greater the measured output of the hospital, the lower its average costs tend to be. The author says that incentives, such as travel subsidies, might be employed to increase the extent to which existing hospitals are used before new ones are built. There would appear to be scope for action in this regard, as average capacity utilization of hospitals varies from 66 per cent in Newfoundland to 83 per cent in New Brunswick.

Professor Fraser also says that a more general regional network of hospitals is probably warranted. Such a network would involve some hospitals specializing in intensive care, some specializing in nursing care, and some others specializing in care for the aged.

The author suggests that detailed study should be made of those hospitals exhibiting costs substantially higher or lower than what would be ex-

pected on the basis of a statistical study of costs in relation to output, capacity-utilization, and the existence of medical-training programs.

KIDS KEEN ON CLEAN-UP CONTEST

Seven thousand youngsters who participated in recent picture and essay contests sponsored jointly by the Keep Canada Beautiful Council and the National and Historic Parks Branch of the Department of Indian Affairs and Northern Development, have definite ideas on how to best use Canada's national parks and to keep them free from litter.

One hundred and eighty-two winners have been chosen for cash prizes totalling \$2,750 and ranging from \$200 to \$1 each.

The two contests, for students aged ten to 12 and 13 to 14 years, are part of a recently-introduced campaign to discourage littering in national parks, after last year's expense of \$3 million to clean up after the visitors. The contests were also designed to instill in Canadian youth a better understanding and appreciation of the values and ideals of a national park.

The response to the contest, which was greater than anticipated, included entries from every province and territory as well as from Europe and the Caribbean. Some entries were submitted from schools as class projects.

National parks officials report that the contestants showed a remarkable grasp of the basic conceptions of parks as nature sanctuaries. Many expressed concern over the deterioration of the natural environment and warned that future generations would be unable to enjoy a wilderness experience.

VARIOUS REMEDIES SUBMITTED

Suggestions and ideas for the management and use of national parks were unique and varied. A large number of students thought national park and unemployment problems could both be solved by hiring extra staff to patrol and clean-up parks. Others had ideas on how parks should be zoned and suggested specific uses for certain areas. A few were in favour of setting aside some sections for the exclusive enjoyment of young people. One youth suggested summer-fallowing national parks by barring visitors from certain areas during alternate years.

Other suggestions ranged from imposing stiff fines on park offenders to restricting national park traffic to horse-drawn buggies.

Many students, however, pointed out that more effort should be concentrated on education — on teaching the public to take a greater pride in their national parks.

Contestants also showed imagination in the decoration of their entries, many of which were embellished with ribbons, bows, drawings and even original designs for garbage cans in the shape of animals.