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# THE CANADIAN HEALTHCARE ENVIRONMENT

## II. 1 THE HEALTH CARE SYSTEM

The Canadian healthcare system provides universal access to quality health care. Within Canada, responsibility for primary health care rests with the provinces. They have authority over the availability and distribution of pharmaceuticals through provincial pharmacy legislation. The federal government transfers money to each province to pay a portion of health-care costs, thus ensuring that a national healthcare standard is maintained throughout Canada.

The federal government exercises its jurisdiction over health matters under the *National Health and Welfare Act* of 1944. Under the Act, the Minister of National Health and Welfare (now called Health Canada) has responsibility for, and authority over, matters relating to the promotion and preservation of the health, security and social welfare of Canadians.

Although government programs cover basic physician and hospital expenses, and provide financial assistance for the disabled, most Canadians also seek additional health coverage provided by private life and health insurance companies.

### **National Health Expenditures**

In 1993, Canada spent 10.1 per cent of its gross domestic product (GDP) on health (\$72 billion or \$2 507 per person). Government spending accounted for 72 per cent of all health expenditures. Private spending for uninsured or privately insured health services accounted for the balance.

According to a 1994 Health Canada Report entitled *National Health Expenditures 1975-1993*, 47 per cent of expenditures went to hospitals and other institutional care facilities (e.g. homes for the aged). Services by doctors comprised 15.1 per cent of the total, and other health professionals accounted for another 6 per cent. Prescription drugs amounted to 5.5 per cent, while over-the-counter drugs made up 4.8 per cent of total health-care spending. The remainder went toward distribution and operating expenses.

Like many other developed countries, Canada is now studying the cost-effectiveness of the present health-care system.