



Information Sheet

CIHI tracks health spending at a high level in its National Health Expenditure Database (NHEX), Canada's most comprehensive source of information on health spending.

The annual report series *National Health Expenditure Trends* provides an overview of

- How much is spent on health care every year;
- What the money is used for; and
- Where that money comes from.

The report features comparative expenditure data at the provincial/territorial and international levels, as well as Canadian spending trends from 1975 to the present.

This information sheet highlights key facts from the 2013 edition.

Our Vision

Better data. Better decisions.
Healthier Canadians.

Our Mandate

To lead the development and maintenance of comprehensive and integrated health information that enables sound policy and effective health system management that improve health and health care.

Our Values

Respect, Integrity, Collaboration,
Excellence, Innovation

Health Spending in 2013

How much is being spent on health care?



\$211
billion

Total health spending in Canada is expected to reach \$211 billion in 2013, or \$5,988 per person. For the third year in a row, the rate of increase, 2.6%, has not kept pace with inflation and population growth.



\$5,988
per person

Spending per person is forecast to be highest in Newfoundland and Labrador (\$7,132) and Alberta (\$6,787) and lowest in British Columbia (\$5,775) and Quebec (\$5,531).



11.2%
of GDP

On average, provincial/territorial governments spend almost 40% of their budgets on health care.

What is the money being spent on?



Hospitals represent 30% of the total dollars spent on health. In 2013, spending in this category is expected to grow by 2.6% to reach \$62.6 billion.



Spending on drugs represents 16% of total spending on health. It is forecast to grow by 2.4% in 2013 to reach \$34.5 billion.



Spending on physicians accounts for 15% of total spending on health. Spending increased by 3.6% from 2012 to 2013, reaching \$31.4 billion.

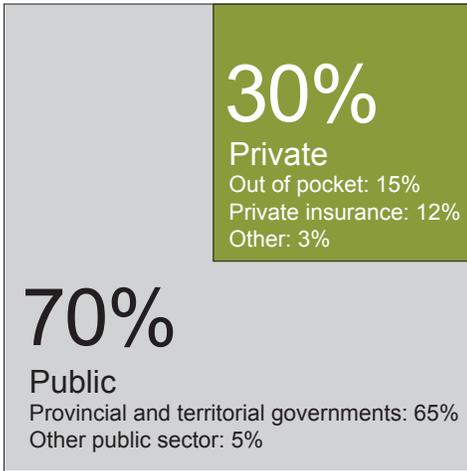


Canadian Institute
for Health Information

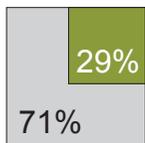
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At the heart of data

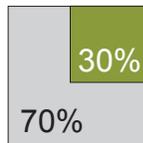
**Public/Private Split,
1995 to Present**



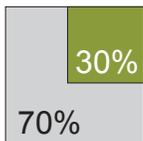
Projected for 2013



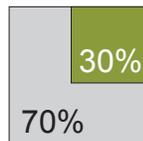
1995



2000



2005



2010

Where does the money come from?

Governments pay for most of the costs of hospitals and physicians. Drugs and dental care are paid for mainly through people's health insurance or directly by individuals.

Overall, the public sector pays for about 70% of health care in Canada (\$148 billion). The remaining 30% (\$63 billion) comes from private sources. This split has been fairly consistent since the mid-1990s.

Why is health spending increasing?

Compensation for health care professionals has been the major driver of health spending in the last decade.

- The number of physicians has increased, and so have physicians' salaries and fees.
- Hospitals spend more than 60% of their budgets on nurses and other health care professionals.

Canadians are using more health services, including receiving more medical procedures and drugs, which increases total health care costs. Newer and more costly drugs, diagnostic tests and surgical procedures also contribute to growing expenses.

The overall population is aging. Health spending per person increases with age and is three times higher for older seniors (age 80 and older: \$20,387) than for younger seniors (age 65 to 69: \$6,431). Aging of the population is a slow process and is only a relatively modest contributor to overall growth in health spending.

How does Canada compare internationally?

Canada is among the top spenders in the Organisation for Economic Co-operation and Development (OECD). Canada's cost per person (US\$4,522) is just more than half of what is spent on health care in the United States (US\$8,508) and is similar to per person costs in countries such as Denmark, Austria and Germany.

Canada spends more on health as a percentage of its economy than most OECD countries (11.2% of our gross domestic product, which is less than the United States' 17.7% but on par with Germany and Switzerland).

More information

To download the annual report, presentation, methodological notes or up-to-date data tables, visit our website at www.cihi.ca/nhex.

Feedback and questions are welcome at nhex@cihi.ca.