HEALTHCARE IN QUEBEC: MORE MONEY IN, FEWER SERVICES OUT

Montreal, October 23, 2012 – Although it spends more on healthcare than the rest of Canada and other countries that are more efficient in this respect, Quebec not only provides fewer services than elsewhere, but has fewer doctors and less equipment. This finding, explained in the Productivity and Prosperity in Quebec – 2012 Overview, is likely to spark considerable debate. “More than a simple diagnosis, in this report we wanted to suggest some approaches to Quebec decision makers that could significantly improve performance in our healthcare system,” says Robert Gagné, Director of the Centre for Productivity and Prosperity (CPP) at HEC Montréal.

The CPP conducted a comparative analysis of best practices in healthcare management in six countries – Denmark, Finland, Norway, Netherlands, Sweden and the United Kingdom – recognized for their quite remarkable economic success over the past three decades. The number one finding is that although most of them devote fewer resources than Quebec to their healthcare systems, they still deliver better-quality services.

More spending for fewer results
More specifically, the study revealed that in 2009, Quebec spent 12.6% of its GDP on healthcare services, compare to 9.1% in Finland (the lowest ratio of the six countries analyzed) and 12.0% in The Netherlands (the highest ratio).

Despite this substantial spending on healthcare, Quebeckers still have trouble finding family doctors. In 2009, close to 27% of Quebeckers were without one. By way of comparison, this proportion stood at 15.3% and 9% in Canada as a whole and in Ontario, respectively. It should also be noted that the number of doctors in Quebec is quite low as compared with the six selected countries for the study. The province had just over two practitioners (2.14) per 1,000 inhabitants in 2009, or nearly half as many as Norway (4.0) or Sweden (3.7).

This shortage of doctors in Quebec has resulted in an overloaded hospital system and longer waiting times, and among the lengthiest treatment times in Canada and the OECD countries. For example, more than 23% of Quebec patients on waiting lists for non-urgent surgery in 2009 had to wait three months or longer. In the other Canadian provinces, the average was 16.8%, according to Statistics Canada.

When it comes to advanced technology, there is also room for improvement. In 2009, Quebec had 6.78 magnetic resonance imaging (MRI) machines per million inhabitants, whereas Finland and Denmark had 16.86 and 15.40, respectively.
Relying on competition

According to the latest report by the Quebec Auditor General on the performance of institutions in the health and social services network, Quebec uses very few financial and non-financial measures to encourage institutions to improve their performance. Although the fee-per-service system of remuneration is intended to encourage doctors to see more patients to maximize their income, there is such a drastic shortage of doctors that waiting lists remain long and access to primary care remains difficult. There is also very little competitive pressure between hospitals. Since there is no link between the number of patients treated and the hospital’s budget, there is little to encourage institutions to improve their performance.

It is in fact because they rely on competition that the six countries analyzed in this study are now able to offer their citizens better healthcare services at lower cost, without having to resort to privatization. As their results in healthcare and transportation show, “public sector” is not necessarily synonymous with “inefficiency.” By divesting themselves of the need to supply of services so as to better concentrate on management and planning and ensuring a degree of competition among operators, their administrations have become more efficient.

“To improve healthcare in Quebec, we consider it essential not only to separate the buyer and supplier functions, but also to institute per-activity financing for institutions,” maintains Robert Gagné. “The Quebec government in fact took the initiative, in its most recent (2012-2013) budget, of creating an expert group to come up with recommendations for introducing per-activity financing in certain healthcare institutions. Now we will see whether this openness leads to true reforms.”

The CPP’s 2012 Overview is not limited to healthcare issues, but also paints a detailed picture of Quebec's economic performance and contrasts it with that of some twenty industrialized countries, including Canada and the United States. For the first time, this year’s report offers a detailed analysis of certain factors with a decisive influence on Quebec’s productivity (competitiveness of goods markets, education, transportation infrastructures, tax policy and assistance for business) and suggests some ideas for improving the situation.

For more information:
- See page 47 of Productivity and Prosperity in Quebec – 2012 Overview
- Téléchargez le communiqué en français

About the Centre for Productivity and Prosperity
The HEC Montréal Centre for Productivity and Prosperity, created in 2009, has a twofold mission. First of all, it is devoted to research on productivity and prosperity, mainly in Quebec and in Canada as a whole. The Centre then shares its research findings, making them widely accessible and, in the end, educating people about productivity and prosperity. For more information on the Centre, visit www.hec.ca/cpp.

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