

Current Structure and Cost of the Health System in NL

Objective

To update the current structure of the health system by Regional Health Authority (RHA), current spending and workforce.

Practice Points

1. In NL, there are four RHAs, 15 hospitals (including a children's hospital, a mental health hospital, and a rehabilitation hospital), 23 health centres, 23 long-term care facilities, 65 medical clinics (primary care), 59 community health offices, and five addiction treatment centres.
2. Per capita, government spending on health is the highest among the ten Canadian provinces.
3. The biggest proportion of health spending is on human resources (health care providers and other health workers).

Data

Data were obtained from the Department of Health and Community Services, the Canadian Institute for Health Information (CIHI), and the Human Resources Benchmarking Network (HRBN) Surveys.

Results

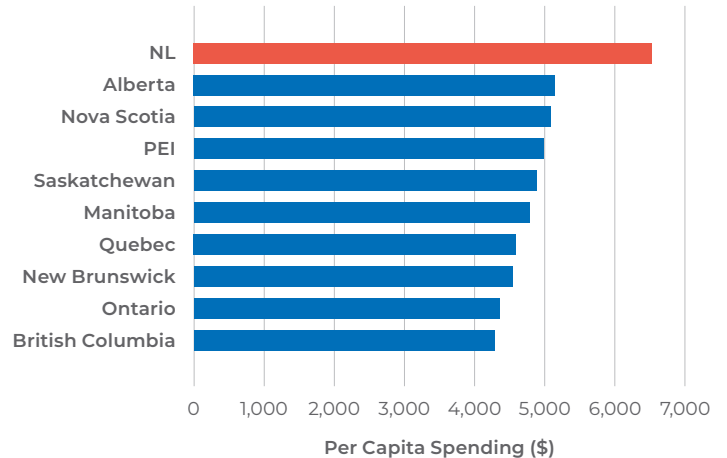


Figure 1. Forecasted Health Spending in NL Compared to the Other Provinces for 2019–20

- NL has the highest provincial government per capita health spending in Canada.
- From the perspective of population density, Labrador-Grenfell Health (LGH) is more akin to a territory than a province, and one could anticipate higher per capita spending in this region.

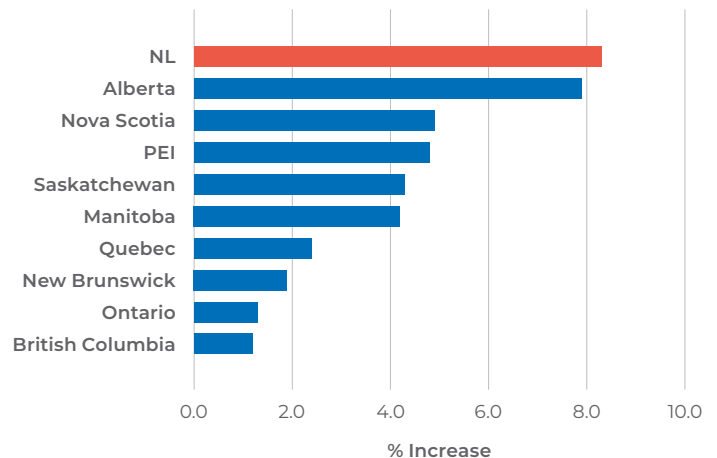


Figure 2. Forecasted Per Cent Increase in per Capita Health Spending in the Canadian Provinces From 2018–19 to 2019–20

- NL had the highest provincial per cent increase in public health spending in Canada over the past year.

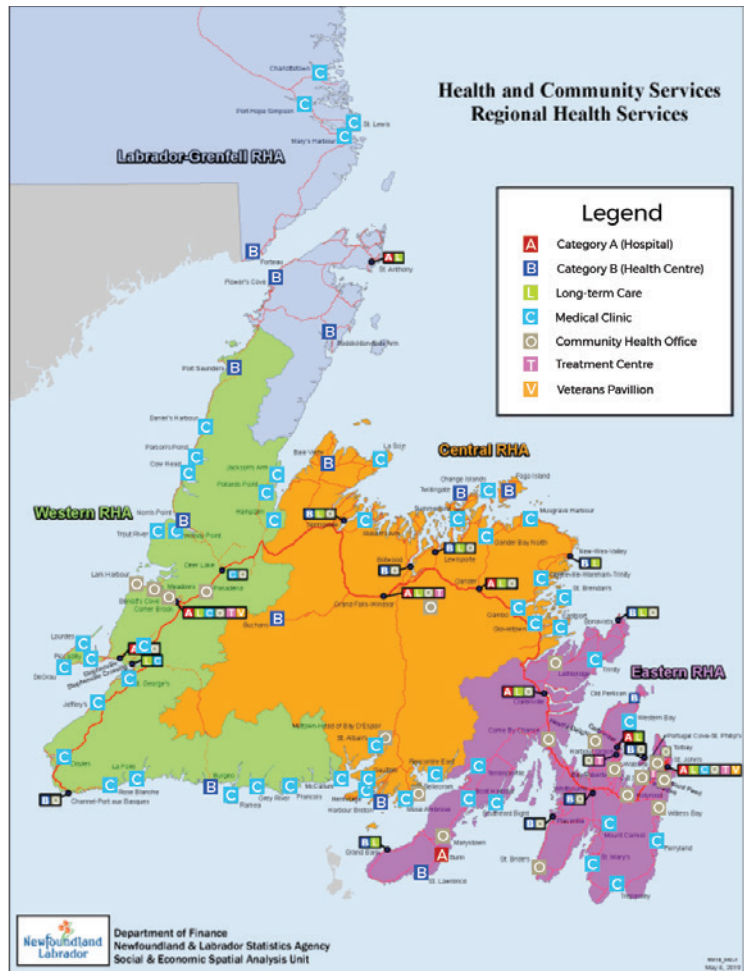
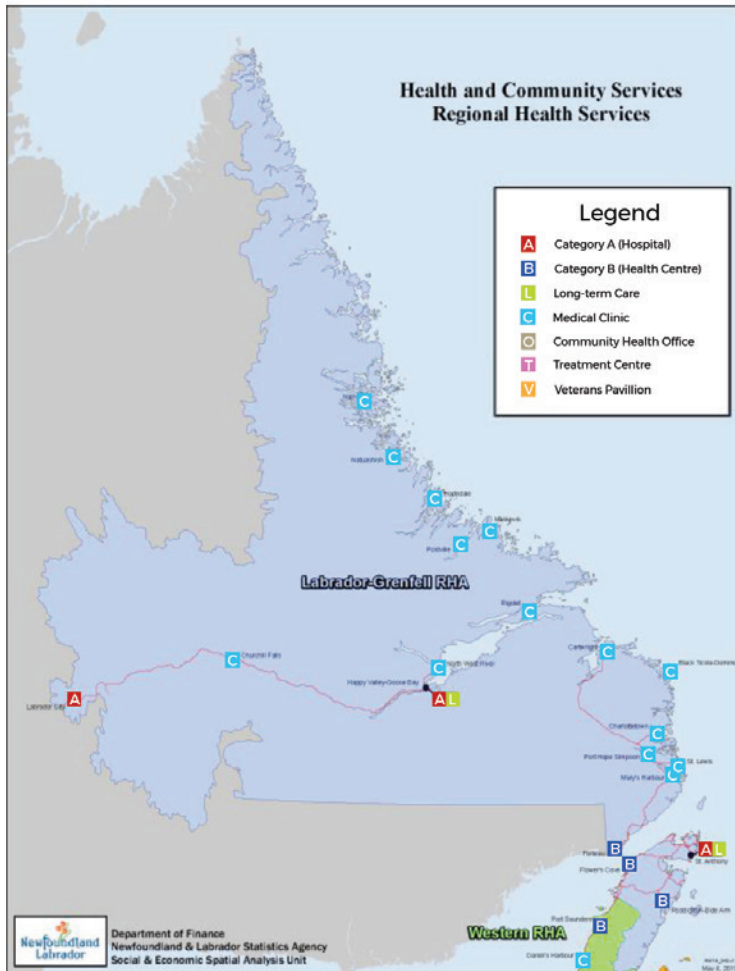


Figure 3. The Geographic Distribution of Health Services in NL

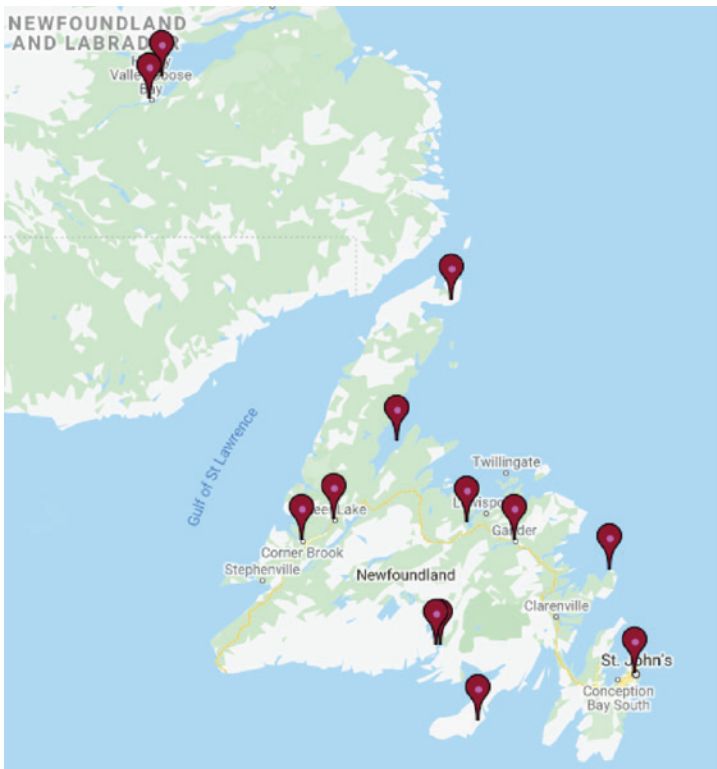


Figure 4. The Geographic Distribution of Primary Health Care Teams in NL

- This map includes both primary care teams and other primary care initiatives being undertaken by an RHA, but excludes clinics of fee-for-service family physicians.

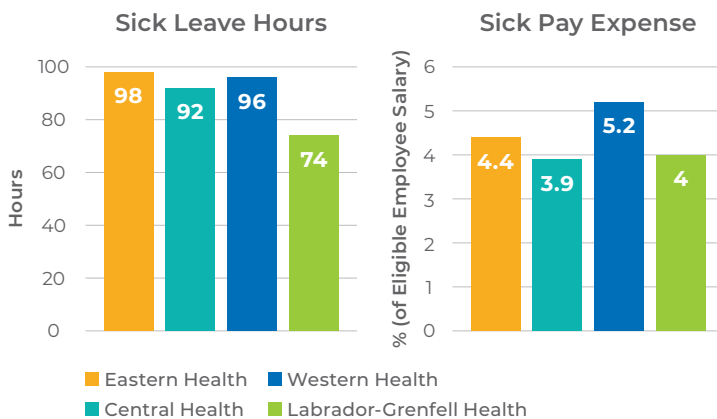


Figure 5. Sick Leave Hours and Expense per Eligible Employee in 2017-18 by RHA

- In addition to the cost, sick leave has a big effect on the management of a hospital (finding replacements).

Table 1. Provincial Government Health Expenditures by Category in NL Compared to Canada, With the Change in Spending Required to be at the Canadian per Capita Average

Categories:	Canada Per Capita Health Expenditure (\$)	NL Per Capita Health Expenditure (\$)*	Per Capita Variance from Canadian Avg. (\$)	Increase (Decrease) in \$ (in millions) required to be at Canadian Avg.
Hospitals and Public Health**	1,930.57	2,690.99	(760.42)	(395.20)
Other Institutions	534.43	906.78	(372.35)	(193.50)
Physicians	994.80	951.36	43.44	22.60
Other Professionals	58.81	24.63	34.18	17.80
Drugs	324.71	282.63	42.08	21.90
Capital	173.07	135.29	37.78	19.60
Administration (DHCS)	44.10	58.37	(14.27)	(7.40)
Other Health Spending Less Faculty of Medicine***	415.85	780.40	(364.55)	(189.50)
Total	4,476.34	5,830.45	(1,354.11)	(703.70)

Source: CIHI and Department of Health and Community Services, Teledata System

*Based on population of Newfoundland and Labrador in 2016 – 519,716.

**Public Health cost is included with hospitals because in Newfoundland and Labrador Public Health is part of the regional health authority structure.

***Cost of Faculty of Medicine, Memorial University, \$114.60 per capita or \$59.6M removed from health spending for comparison purposes as Faculties of Medicine are not funded by the Department of Health and Community Services in other Canadian jurisdictions.

- Institutional health spending in NL in 2018 was higher than in Canada. If spending were at the Canadian per capita average, the cost decrease in the NL budget would be \$703 million.
- The higher proportion of the NL budget spent on other institutions is related to long-term care for seniors without the money to pay for it.

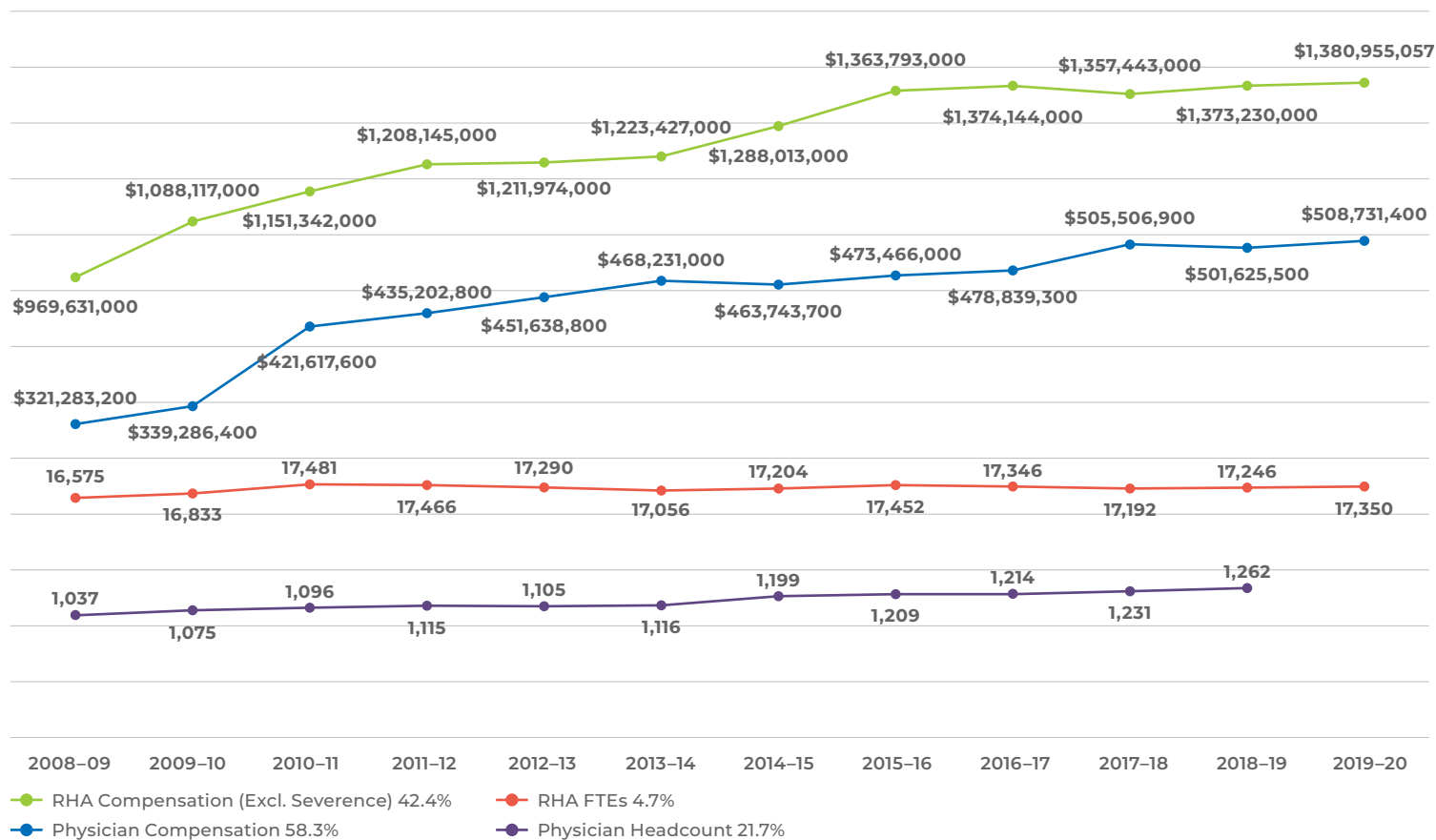


Figure 6. Spending on RHA Employees and Physicians From 2008-09 to 2019-20

- RHA compensation for employees in 2019-20 was \$1,380,955,057 — an increase of 42.4% since 2008-09 (a 12-year period). However, the number of Full Time Equivalent employees increased by only 4.7%. Thus, most of the compensation cost increases were the result of negotiated salary increases.
- In 2019-20, physician compensation was \$508,731,400, an increase of 58.3% since 2008-09. The number of physicians has increased by 21.7%. The number of services provided by fee-for-service physicians has increased by 4% from 2008-09 to 2017-18. Together with negotiated compensation increases, these accounted for the increase in compensation.

Conclusions

1. NL has the highest provincial government health spending per capita in Canada and the highest forecast per cent increase in spending during 2019-20.
2. Institutional care is manifest across NL in different ways, all of which impacts on the disparity between NL and Canada in the proportion of the health budget spent on institutional care.
3. Nearly \$2 billion is spent on human resources, over 66% of the provincial health spending. From 2008-09 to 2019-20, RHA spending on employees increased by 42.4% and on physicians by 58.3%.
4. Although the sick leave hours lost are high, the bigger impact may be the disruption caused to the continuity of care and services by replacing workers calling in sick.