

Acute Care Hospital Expenditures in Newfoundland and Labrador are the Highest in Canada

Objective

To assess the cost and use of acute care hospitals in Newfoundland and Labrador (NL).

Practice Points

1. In 2022/23, the NL budget was \$8.8 billion. The surplus was \$784 million and the debt was \$15.7 billion.
2. Health spending was \$3.5 billion of which 35% was for acute care hospitals.

Data

Data were obtained from the Canadian Institute for Health Information (CIHI) National Health Expenditures Database, 2022 forecast. NL data were compared to Canada (CA) and Nova Scotia (NS).

Results

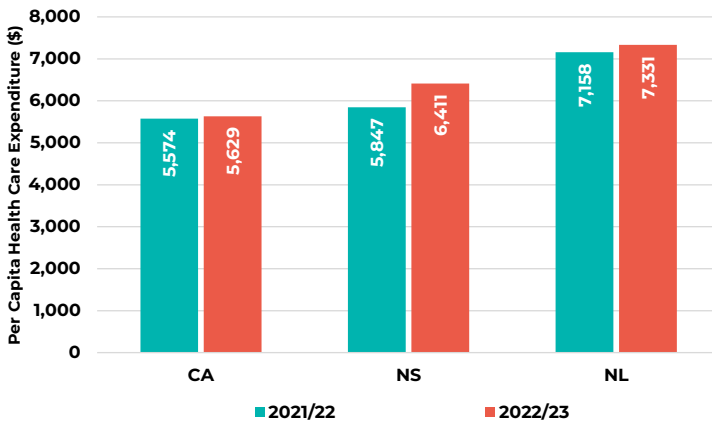


Figure 1. Per Capita Health Care Spending in NL Compared to CA and NS, 2021–2023

- NL has the highest health care spending per capita in CA among the provinces.
- Health care spending per capita is 14% higher in NL than in NS.

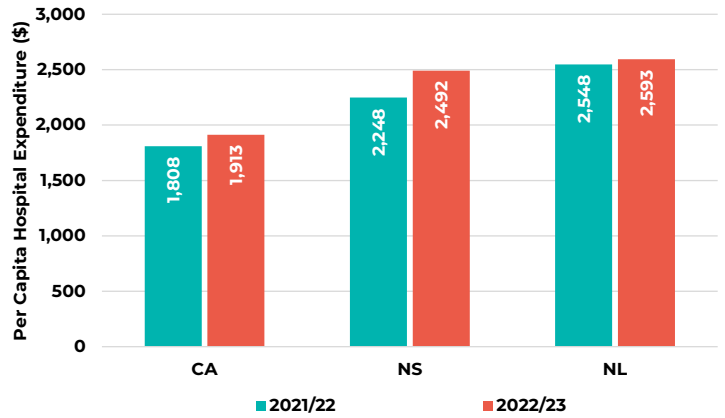


Figure 2. Per Capita Hospital Expenditures in NL Compared to CA and NS, 2021–2023

- NL has the highest hospital spending per capita.
- Hospital spending per capita is 4% higher in NL than in NS.



Figure 3. Cost of a Standard Hospital Stay in NL Compared to CA and NS, 2021/22

- The cost of a hospital stay in NL is similar to NS, but 6% lower than CA's average.

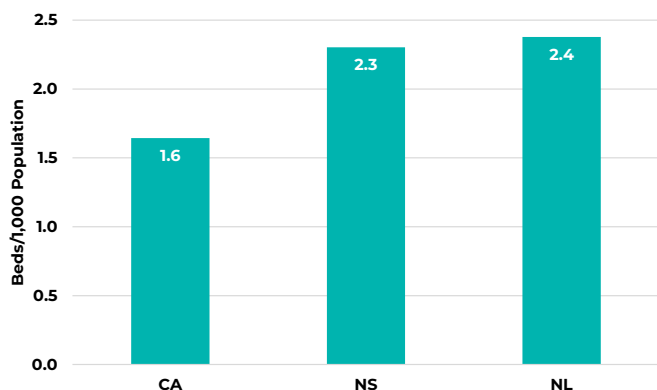


Figure 4. Acute Care Hospital Beds/1,000 Population in NL Compared to CA and NS, 2021/22

- Acute care beds per 1,000 population in NL are 45% higher than in CA and almost identical to NS.

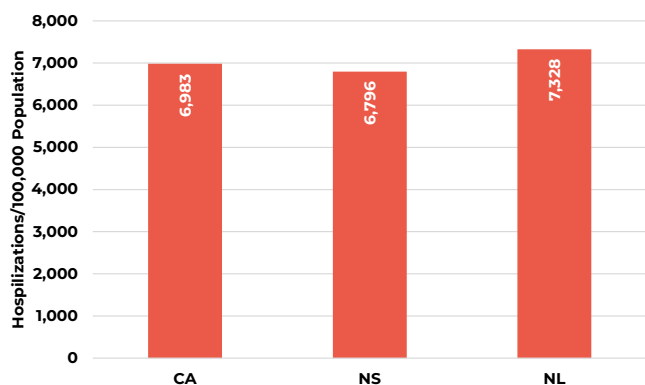


Figure 5. Age-Sex Standardized Hospitalization Rate/100,000 Population in NL Compared to CA and NS, 2021/22

- Hospitalization rate per 100,000 population in NL is 5% higher than in CA and 8% higher than in NS.

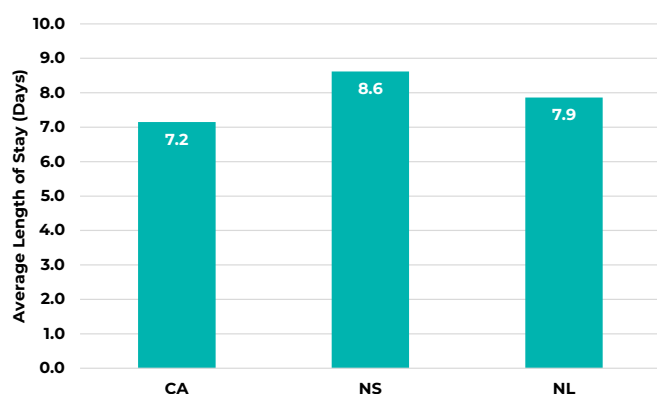


Figure 6. Age Standardized Average Length of Hospital Stay in NL Compared to CA and NS, 2021/22

- Length of stay in NL is 10% higher than in CA but 9% lower than in NS.
- Limitation: This data includes alternate level of care (ALC) – a term used in hospitals to describe patients who occupy a bed but do not require the intensity of services provided in that care setting (as defined by the Canadian Institute for Health Information).



Figure 7. Percentage ALC in NL Acute Care Hospitals Compared to CA and NS, 2021/22

- Percentage ALC in NL is 44% higher than in CA and 17% higher than in NS.

Conclusions

- In NL, hospital spending per capita is 36% higher than in CA, as a result of a 50% higher number of beds per 1,000 population, 5% higher age and sex standardized hospitalization rates, 10% higher length of stay, and 44% higher ALC.
- The biggest contributors to hospital spending in NL are beds per 1,000 population and those beds being used for a high rate of ALC.
- In NL, the majority of ALC beds are being used by patients waiting for a long-term care facility. (see Signs of Capacity Pressure in Acute Care Hospitals in Newfoundland and Labrador for more details). Reducing these drivers of cost will require improvement in primary and long-term care.
- Age standardized per capita spending would be a valuable comparison as it would adjust for the older age of the NL population compared to other provinces.