

Health Care Expenditures in Newfoundland and Labrador

Practice Points

1. The Canadian Institute for Health Information (CIHI) shows health care spending rising more rapidly in NL compared to the rest of Canada.
2. Statistics Canada shows that higher spending has not increased life expectancy in NL when compared to Canada.
3. It has also been shown that cancer mortality is improving at a slower rate in NL compared to Canada.

Methods

Data were obtained from CIHI Your Health System: In Depth and CIHI National Health Expenditure Trends for the period 1 Apr 2023-31 Mar 2024.

Table 1. Components of Health Care Expenditure

Component	Description
Total	All components together.
Hospitals	Includes acute care, extended and chronic care, rehabilitation and convalescent care, and psychiatric care, as well as nursing stations or outpost hospitals.
Other Institutions	Residential care facilities including homes for the aged; facilities for persons with physical disabilities, developmental delays, psychiatric disabilities, and alcohol and drug problems; and facilities for emotionally disturbed children.
Physicians	Includes primarily professional fees paid by provincial/territorial medical care insurance plans to physicians. Also included are other forms of professional incomes (salaries, sessional, capitation) and primary care expenditures.
Other Professionals	Includes allied health professionals who are primarily engaged in providing care to outpatients. Excludes health professionals in institutional settings and in home care programs.
Drugs	Expenditures on prescribed drugs and non-prescribed products purchased in retail stores. Does not include drugs dispensed in hospitals or other institutions.
Public Health	Expenditures for food and drug safety, health inspections, health promotion activities, community mental health programs, public health nursing, measures to prevent the spread of communicable disease, and occupational health.
Administration	Includes expenditures related to the cost of providing health insurance programs by the government and all costs to operate health departments. The administrative costs of operating hospitals, drug programs, long-term care programs and other non-insured health services are not included.
Home and Community Care	Services provided through home care programs as well as other programs that support individuals with health and aging concerns to live at home independently. The definition of what is included in the basket of home and community care services differs across jurisdictions
Other Health Spending	Expenditures on health research, medical transportation (ambulances), hearing aids, other appliances and prostheses, and miscellaneous health care.
Capital	Expenditures on construction, machinery and equipment, computer software, and databases of hospitals, clinics, first-aid stations, and residential care facilities.

Results

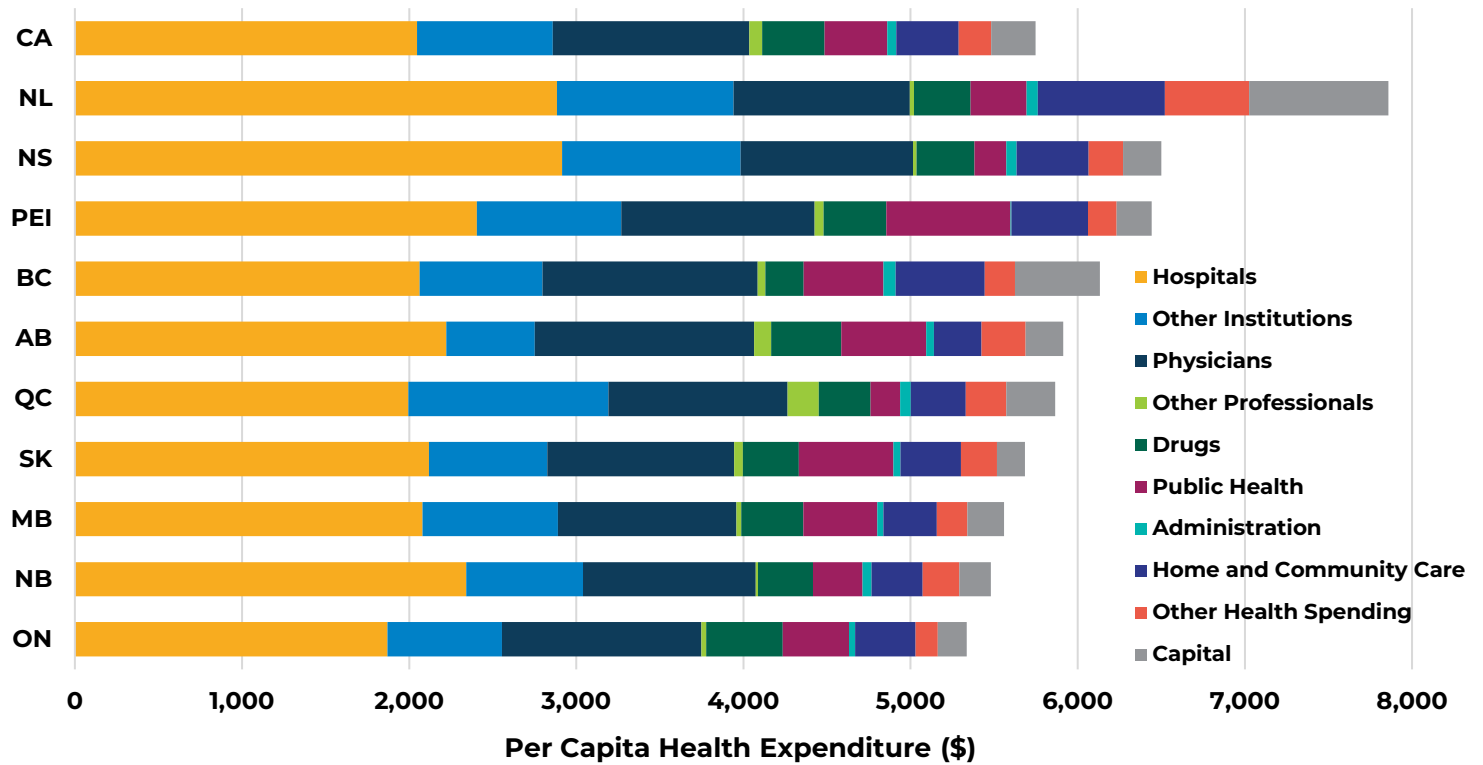


Figure 1. Per Capita Provincial Government Health Spending, 2023

Table 2. Components of Health Care Spending and NL's Rank Among Provinces in Canada

	ON	NB	MB	SK	QC	AB	BC	PE	NS	NL	CA	NL Rank
Hospitals	\$1,869.26	\$2,341.56	\$2,080.21	\$2,118.76	\$1,995.56	\$2,221.31	\$2,061.89	\$2,404.48	\$2,914.75	\$2,884.88	\$2,047.01	2
Other Institutions	\$685.67	\$699.23	\$809.77	\$707.11	\$1,197.37	\$530.48	\$735.38	\$864.16	\$1,067.43	\$1,056.03	\$813.12	3
Physicians	\$1,192.52	\$1,032.99	\$1,067.38	\$1,117.91	\$1,070.40	\$1,311.84	\$1,288.71	\$1,157.38	\$1,032.95	\$1,054.46	\$1,175.68	8
Other Professions	\$30.02	\$13.61	\$30.14	\$51.89	\$187.74	\$102.62	\$46.01	\$54.43	\$21.33	\$25.35	\$76.31	8
Drugs	\$456.77	\$329.45	\$371.42	\$335.40	\$310.12	\$419.37	\$227.78	\$374.43	\$345.66	\$337.31	\$373.38	6
Public Health	\$396.98	\$294.90	\$441.70	\$565.29	\$176.58	\$506.96	\$477.04	\$742.04	\$191.36	\$336.07	\$375.97	7
Administration	\$36.14	\$55.19	\$35.92	\$42.18	\$62.65	\$46.87	\$73.72	\$7.10	\$60.08	\$66.62	\$52.45	2
Home and Community Care	\$362.70	\$304.35	\$320.54	\$363.60	\$330.33	\$285.74	\$532.46	\$457.45	\$432.16	\$760.97	\$374.00	1
Other Health Spending	\$131.91	\$220.83	\$182.37	\$214.31	\$242.29	\$262.76	\$180.78	\$172.09	\$205.61	\$503.81	\$194.26	1
Capital	\$173.78	\$188.30	\$220.21	\$167.33	\$292.10	\$225.62	\$508.14	\$209.55	\$228.23	\$833.59	\$265.85	1
Total	\$5,335.77	\$5,480.41	\$5,559.66	\$5,683.78	\$5,865.15	\$5,913.57	\$6,131.90	\$6,443.12	\$6,499.55	\$7,859.10	\$5,748.02	1

*1=Highest Spending; 10=Lowest Spending

*Red=Highest Spending; Yellow=Average Spending; Green=Lowest Spending

- Spending in NL is not proportionately higher in all areas of health care.

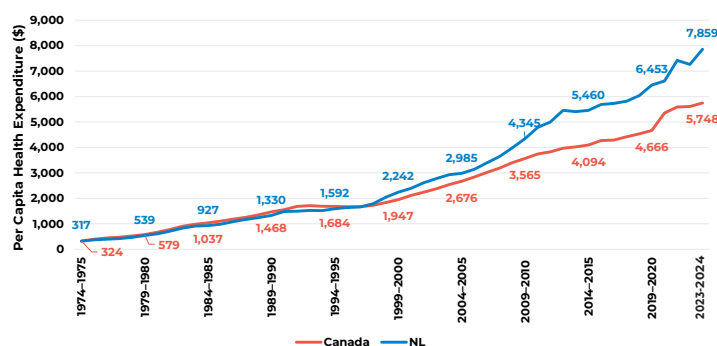


Figure 2. Per Capita Health Spending in Canada and NL by Year, 1974-2020

- Health spending is increasing more rapidly in NL compared to Canada.

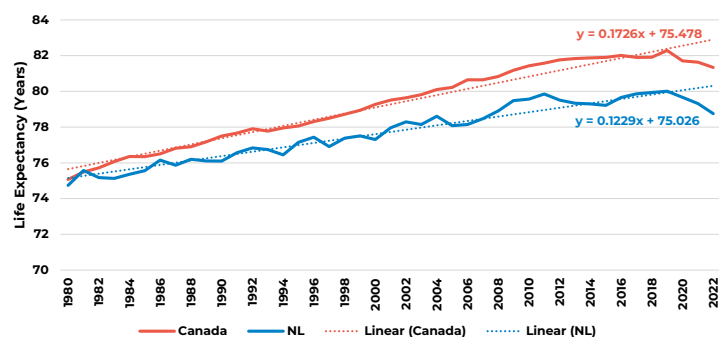


Figure 3. Life Expectancy in Canada and NL by Year, 1980-2022

- Life expectancy in NL has not increased at a higher rate when compared to Canada.

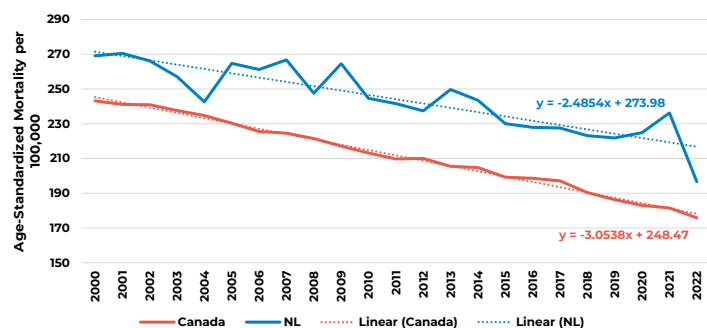


Figure 4. Cancer Mortality in Canada and NL by Year, 2000-2022

- Cancer mortality in NL has improved more slowly when compared to Canada.

Conclusions

1. Spending in NL is driven largely by the second highest spending per capita on hospitals and third highest on other institutions.
2. NL is among the highest spending provinces in the categories of administration, home and community care, capital, and other health spending.
3. NL is among the average spending provinces on the category of drugs and public health.
4. NL is among the lower spending provinces in the categories of physicians and other professionals.
5. Despite having the highest per capita health care expenditure, NL has not shown increased gains in life expectancy and cancer mortality when compared to Canada.