

Costs without benefits for patients? Non-medical spending in Canada's public health system

Description

CHPI's 2017 Health System Metrics Series

The purpose of this paper is to identify and quantify non-medical spending in Canada, as well as known instances of waste from financial mismanagement and redundancy that represent costs for the health system with no direct benefit to patients, in order to illustrate the scale of potential savings from more public scrutiny of these categories of health spending. To manage public healthcare costs, governments devote substantial resources to assessing the cost-effectiveness of, and rationing access to pharmaceuticals, medical devices and diagnostics that directly benefit patient health outcomes, and even though such medical technologies account for a minor percentage of total health spending. Governments also spend a lot of political effort to control the number of practicing physicians, physician fees, hospital operating budgets (and by extension the number of practicing nurses), even though it is these health professionals that deliver medical care directly to patients. By contrast, there is a serious lack of political attention to assessing the efficiency and effectiveness of healthcare administration and to scrutinizing spending on things other than medical care. The evidence suggests that billions of dollars are potentially being squandered annually on non-medical expenses without any demonstrable benefits for patients.