A wide variety of social and biological factors (of which healthcare is but one) determine the health of individuals and the populations of which they are members. Most recently, the determinants of health were reported on by a committee of the Senate chaired by Senator Wilbert Keon, one of Canada’s leading medical statesmen. Like too many such reports, this one sank like the proverbial stone. It never claimed the attention it deserved, having gone directly to that dusty repository of hard truths politically too uncomfortable even to discuss, much less act upon. I shudder to think of the good ideas (and dead trees) interred therein!

Senator Keon’s committee did not do original work. But it did attempt to draw the attention of the public and governments (especially the federal one) to long-known and compelling evidence showing that healthcare services, important as they are, contribute at best to about a quarter (25%) of our health status. Others of the determinants of health – education (especially in early childhood), family income, housing, employment, personal security, socioeconomic status, healthy lifestyles and supportive communities – combine to exert far greater influence on people’s health.

As healthcare takes its disproportionately large and growing share of the economy, not much is left over for these other determinants. The real problem is with what economists call opportunity cost – a measure of the value of the things you can’t do because you spent your money on something else. The opportunity cost of that winter vacation in Mexico, for example, could be that you don’t take out a family membership at the gym, set up the education fund you have been thinking about for your children or top up your RRSPs.

The opportunity cost of healthcare is not something we hear or talk about very much. The Canadian Institute for Health Information’s data show that the share of Canada’s economy spent on healthcare services continues to grow faster than the rate of inflation; it is now approaching 11% of our gross domestic product. That’s $1.07 out of every $10.00 spent in 2008 from our public and private purses combined. Expenditures on what we call medicare are fast approaching 50% of provincial budgets – $1.00 for healthcare, $1.00 for everything else. We count the dollars spent on healthcare ($5,170 per capita in 2008), but what’s not being counted are the immediate and long-term consequences flowing from the squeeze put on that “everything else” to fund healthcare. We are neither measuring nor acknowledging the cost of the stress on families of having to choose between paying for prescription drugs or the rent, groceries, high-quality child care or any number of other health-enhancing services they need. We are not measuring the consequences of front-of-the-TV child care, big classes and sky-high tuition on the young people whose productivity we all will soon depend upon for our very well-being (and healthcare funding too).

The “everything else” that has done the giving to healthcare over the years includes those factors and services that determine some 60% of people’s health and that of the population (the remaining 15% is attributable to biological/genetic factors). Foremost among the “givers” are the social determinants of health that require investment by governments, provincial, federal and, to some extent, municipal. Funding for education, public housing, social assistance, employment retraining, old age security and so on has not kept pace with inflation; often it has been cut. If we did have an accounting of the opportunity cost of spending an increasing share of our economy on healthcare, it would make frightening reading. The real cost would be revealed in terms of the negative effects over the long term on the health of individuals and of the Canadian population.

This is not a new problem, but the fragile state of the economy makes it particularly dire now. Devotees of the tooth fairy aside, most of those in the know believe it will take up to a decade to recover the robust economy of a short couple of years ago. In the interim, both tax increases and spending cuts will be necessary to balance the federal and provincial budgets. Remember recovering from the last recession in early 1990s? The consequences of comparable or even deeper cuts to the already-compromised funding bases of the social determinants of health, cuts extending to 2020, are frightening to contemplate.

We have to spend more of our gross domestic product on the non-medical determinants of health. To do so, we – providers and governments alike – have to get a handle on the rising cost of healthcare. Simply put, continuing to fund our so-called healthcare system as we do means that our children and grandchildren will be less healthy than they could and should be. Every economy has its necessary trade-offs, but that one’s unacceptable.

About the Author
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