

Spending In Canada*

Total healthcare spending in Canada in 2006 (projected): \$148 billion

In 2006, healthcare spending in Canada is expected to reach \$148 billion in 2006, an increase of \$8 billion over last year or 5.8%. Ten years ago, healthcare spending in the country was \$75 billion.

Total healthcare spending as proportion of GDP in 2006 (projected): 10.3%

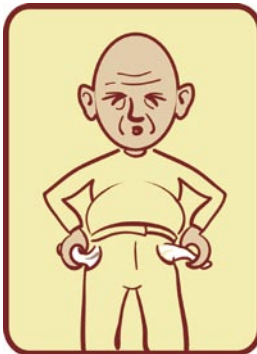
Healthcare spending as a share of Canada's gross domestic product (GDP) is expected to stay relatively stable in 2006 but remains at its highest level in 31 years at 10.3%, compared to 10.2% in 2005 and 2004. Healthcare spending as a proportion of GDP was at its lowest (6.8%) in 1979, climbing to a 10.0% peak in 1992, before dipping and rising again to its current high level.

Total healthcare spending per capita in 2006 (projected): \$4,548

Total healthcare spending per capita is expected to reach \$4,548 in 2006, a 4.9% increase over last year. By comparison, total healthcare spending per capita in 1996 was \$2,523.

Spending by provincial and territorial governments on seniors (65+) in 2004: \$8,969

In 2004 (the latest available year for data broken down by age group), healthcare spending by provincial and territorial governments was highest for infants and seniors, costing an estimated \$7,565 per person for Canadians under the age of 1, and \$8,969 for those aged 65 and over.



Proportion of provincial and territorial government healthcare spending in 2004 on Canadians aged 65 and over: 44%

CIHI's figures show that Canadians aged 65 and over accounted for an estimated 44% of total provincial and territorial government healthcare spending in 2004, a proportion that has not changed significantly since 1998, when national data broken down by age group first became available. Infants (under 1 year of age) account for about 3%.

Canada among top five health spenders

Canada continues to rank among the world's top five health spenders when compared to other countries in the Organisation for Economic Co-operation and Development (OECD), and

remains behind the United States in terms of healthcare spending per person. Among 21 countries with similar accounting systems, the U.S. maintained its rank as the highest per capita spender on healthcare (US\$6,102) in 2004, the latest year for which data are available. Canada ranked fifth in per capita spending (US\$3,165), after Luxembourg (US\$5,089), Switzerland (US\$4,077) and Norway (US\$3,966). The OECD countries that spent the least per person on healthcare in 2004 were Turkey (US\$580) followed by Mexico (US\$662).



Public sector spending on healthcare in 2006 (projected): \$104 billion

Private sector spending on healthcare in 2006 (projected): \$44 billion

Public-sector spending on healthcare is expected to reach \$104 billion this year, while private-sector expenditures will reach an estimated \$44 billion. In 2006, the public share is expected to account for 70.3% of total healthcare spending, in line with the 70/30 ratio of public/private spending seen over the last ten years.

Proportion of healthcare spending on hospitals in 2006 (projected): 29.8%

Proportion of healthcare spending on drugs in 2006 (projected): 17%

Proportion of healthcare spending on physicians in 2006 (projected): 13.1%

Hospitals continue to make up the largest component of healthcare spending, accounting for an estimated 29.8% of total health expenditures in 2006. Drugs, including

both prescribed and non-prescribed medication, represent the second-largest share of total healthcare spending (17.0%), while physicians are expected to make up the third-largest share, with 13.1% of total health expenditures.

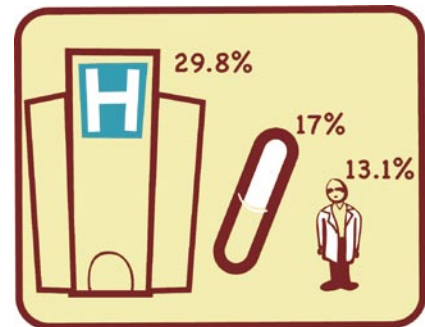


Illustration by Eric Hart.

* Material excerpted from the recent National Health Expenditure Trends, 1975-2006 report from the Canadian Institute for Health Information. <www.cihi.ca>