

National Health Expenditures Trends 1975 to 2009



- In 2007, total health expenditure in Canada was estimated at \$161.0 billion, and is forecast to reach \$173.6 billion in 2008 and \$183.1 billion in 2009.
- Healthcare spending continues to rise, outpacing inflation and population growth for the thirteenth consecutive year. After adjusting for inflation, healthcare spending in Canada is expected to increase by 3.3% in 2009.
- Healthcare spending continues to increase as a share of Canada's gross domestic product. The ratio of health expenditure to GDP reached 10.5% in 2007. This ratio is projected to be 10.8% in 2008 and 11.9% in 2009. The relatively higher ratio for 2009 is attributed to a projected fall in GDP growth which is the outcome of current economic decline.
- Since 1997, the public-sector share of total health expenditure has remained relatively stable at around 70%. It accounted for 70.3% of total expenditure in 2007 and is forecast to account for 70.2% in both 2008 and 2009.
- In 2007, private health insurers and households (the private sector) spent \$47.8 billion. Private-sector expenditure is forecast to reach \$51.8 billion in 2008 and \$54.5 billion in 2009. Prescribed drugs and dental care are the greatest components of total private health spending.
- From 1988 to 2007, private insurance expenditure grew more rapidly than out-of-pocket expenditure and non-consumption expenditure. Private insurance firms increased their share of private-sector expenditure from 29.2% to 40.7%, while the out-of-pocket expenditure proportion dropped from 58.1% to 49.0%.
- Hospitals continue to make up the largest component of healthcare spending. However, its share of total health expenditure has steadily declined, accounting for 27.8% of the total in 2009.
- Drug spending (prescribed and non-prescribed drugs) makes up the second largest proportion of total health dollars at 16.4%.
- Physician spending accounts for the third largest category of total healthcare spending at 14.0%.
- Total health expenditure (including public- and private-sectors) per capita varies among the provinces.
- In 2009, Alberta and Newfoundland and Labrador are forecast to spend more per person on healthcare than any other province, at \$6,072 and \$5,970, respectively.
- Quebec and British Columbia are forecast to have the lowest expenditure per capita at \$4,891 and \$5,254, respectively.
- Total health expenditure as a percent of provincial GDP ranges from 8.2% in Alberta and 9.9% in Saskatchewan to 16.1% in Nova Scotia and 16.7% in Prince Edward Island in 2009.
- Among the territories, the ratio of health expenditure to GDP is 8.3% for the Northwest Territories, 13.8% for the Yukon and 25.8% for Nunavut in 2009.
- In 2007, the latest available year for data broken down by age group, healthcare spending by provincial and territorial governments was highest for infants and seniors. Canadians under the age of 1 cost an estimated \$8,239 per person. From youths age 1 to adults age 64, spending averaged less than \$3,809 per person.
- Canada continues to rank among the world's top 10 health spenders when compared to other countries in the Organization for Economic Co-operation and Development (OECD). Among 26 countries with similar accounting systems, the U.S. maintained its rank as the highest per capita spender on healthcare (US\$7,290) in 2007, the latest year for which data are available. Canada ranked fifth in per capita spending (US\$3,895).

Source: National Health Expenditure Trends, 1975 to 2009. The Canadian Institute for Health Information.
http://secure.cihi.ca/cihiweb/disPage.jsp?cw_page=AR_31_E&cw_topic=31

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