Rising healthcare costs and population aging have fuelled debate about the financial sustainability of Canada’s healthcare systems. Many Canadians are concerned that the situation may impact their ability to access the health services they need, when they need them. Without question, Canada’s population, as elsewhere, is aging. By 2015, Canada will have more people aged 65 and older than people aged 15 and younger. Further, by 2050, the proportion of the elderly will be one in four. What is questionable is the evidence base that suggests this demographic shift will overwhelm Canadian Medicare, ultimately threatening its financial sustainability. This argument—long debunked in health services and policy research circles—continues to surface in popular press and public discourse.

This focus on Medicare’s sustainability threatens meaningful and productive discussions related to delivering high-quality healthcare to seniors. There is no shortage of pressing issues that demand the attention of health system managers and planners in this area. To help raise and address these issues, the Canadian Health Services Research Foundation (CHSRF) has invited, from across Canada, health system policy- and decision-makers to engage in a dialogue with invited experts about healthcare planning for an aging population. Through October and November 2010, CHSRF is hosting five regional roundtables and one national roundtable as part of its series, “Better with Age: Health Systems Planning for the Aging Population.” The roundtable series aims to bring clarity to the impact of population aging on the financial sustainability of Medicare; raise the profile of the most pressing policy- and decision-making challenges and research gaps; and offer ideas and strategies for delivering high-quality care to seniors.

Following each roundtable, CHSRF will publish a roundtable report. At the end of the series, CHSRF will produce a synthesis report, which will inform CHSRF’s continued work in this area.

Relevant references are provided for more information at the end of this document.

**Myth: The aging population will overwhelm the healthcare system**

There is a general perception that Medicare as we know it is financially unsustainable. In addition, many Canadians worry that as they age they will increasingly have to reach into their own pockets to pay for the services they need. According to a 2010 Canadian Medical Association (CMA) poll that surveyed nearly 3,500 Canadians:

- 80% believe the quality of healthcare will decrease as a result of increased demands from baby boomers
- 72% believe they will not have the funds required to maintain their health as they age
- Over 70% believe the health system must change to accommodate the needs of the aging population.
Fears that the aging population will lead to the demise of the public healthcare system stem from real facts. For instance, population aging is associated with an aging workforce. Coupled with Canadians retiring earlier today than they did in the past, this means fewer tax dollars for public healthcare funding. Additionally, both the cost of acute care and the prevalence of chronic illness (which requires expensive hospital-delivered diagnosis and treatment) increase with age. There is some evidence that suggests seniors are aging healthier (for example, reduced rates of cardiovascular disease, arthritis/rheumatism, hypertension, and bronchitis/emphysema). However, higher rates of diabetes, asthma, respiratory diseases, and obesity among seniors threaten to offset any projected savings. An older population also means increased end-of-life health services, which are substantially higher cost than those provided to other patients. Seniors are also more likely to have co-occurring conditions that require complex, more time-consuming medical attention and tend to remain in hospital for treatment longer than younger individuals.

Although use of health services rises with age, there is much data to refute the myth that the demographic shift will bankrupt the health system. Holding factors like inflation constant, population aging is projected to cause Canadian healthcare costs to increase by an average of about 1% per year between 2010 and 2036. These increases are small compared to the cost pressures from other factors (non-aging and often non-Medicare).

Prescription drug spending is a key cost driver, with drugs having more than tripled their share of the Gross Domestic Product (GDP) over the last two decades. Medicare-related costs have consumed a relatively steady share (around 10%) of the nation’s GDP for the last 20 years. Another cost driver is increasingly expensive diagnostics and treatments that have coincided with technological advancements.

The question that needs to be addressed is this: why are healthy elderly people, in particular, receiving more intensified care? The trend toward providing more treatment to seniors (compared to what they used to receive) is more striking when compared to the healthcare use of other age groups. This is especially concerning because when it comes to invasive procedures, and even diagnostic testing, less may be more. In fact, compared to patients in regions that spend less, patients in high-spending regions are no more satisfied with their care, and actually experience a greater risk of harm and possibly even death.

Is the current structure of Canadian healthcare equipped to manage the influx of seniors?

It is a widely held belief that the healthcare system in Canada—driven by a common set of values, democratic principles and tax-based funding—provides Canadians with equal access to a range of healthcare services, free from direct, out-of-pocket costs. In reality, though, healthcare in Canada is fragmented: access is inconsistent, services are limited, and out-of-pocket costs are endemic and varied. Canadians value their public healthcare, but they have good reason to wonder if it is keeping pace with their health needs. This is especially relevant for Canadian seniors and their caregivers. Provinces and territories have covered non-Medicare services demonstrated to be effective in the management, treatment and prevention of illness in the elderly in at least some jurisdictions.

---

1 For example, in the 2004 Health Accord, provincial and territorial leaders agreed to fund certain services not required by the Canada Health Act, such as two weeks of home care after hospital discharge, some mental health community services and two weeks of palliative care in the home.
since the late 1970s. However, the need to improve the access and integration of services in order to provide high-quality care for the growing aging population remains. While the Canada Health Act covers medical and hospital services, provinces have typically provided a wider range of service, including a range of support and health services for the elderly.\textsuperscript{iv, xv}

Arguably, changes to the current healthcare system will only take us so far toward one that meets expected needs and helps ensure healthy aging for all Canadians. A more comprehensive response requires the development of integrated/coordinate systems of care delivery,\textsuperscript{xvi} and partnerships across government sectors. This would allow housing and income support issues, as examples, to be addressed in tandem with health services issues. Particular attention must be paid to improving access to culturally appropriate and technologically advanced care for people of First Nations, Inuit and Métis decent as well as northern, rural and remote populations. Further, the unique challenges of certain marginalized populations (for example, Canadian immigrants and seniors living in their own homes) must also be better understood and addressed. Finally, the contribution of family and other unpaid caregivers needs to be recognized.\textsuperscript{viii, x, xvi}

**Key policy- and decision-making issues for consideration**

Health services and associated policies will need to adapt to address the needs of Canada’s aging population. But what needs to change? When? How? Among the top issues for consideration are:

- **Funding** (for example, hospitals, home care or services for special populations such as First Nations, Inuit, Métis as well as northern, rural and remote populations)
- **Health human resources** (for example, recruitment, retention, mix of workers, wage equity and adequacy of workforce)
- **Unpaid and informal caregivers/volunteers** (for example, recruitment, training, compensation and respite care)
- **Re-focus of home support services** (for example, including non-professional or lay worker care as part of the care delivery system)
- **Drug and health supplies coverage** (for example, seniors rationing their medications to make prescriptions last longer, lack of awareness of drug coverage and health supplies entitlements)
- **Technological innovation** (for example, telemedicine including tele-home care and information communication technologies that make use of the Internet)
- **Integration of service delivery** (for example, care coordination/navigation, transitions between services, drawing from a single-funding envelope, reduction of “bed blockers” and other system stovepipes and delivering patient-centered, seamless care)
- **Special topics** (for example, chronic disease management including chronic mental health management for the elderly).
Conclusion and next steps

Canada’s population is aging, but it is unclear what impact this will have on individuals, our society and the social and health services on which we depend. Realizing improvements in health services and associated policies for seniors’ care will entail moving past the rhetoric to a focus on what needs to change and how to manage that change. There are a number of reports that provide evidence-driven recommendations for action to guide health system transformation. The 2009 Special Senate Committee on Aging’s report, “Canada’s Aging Population: Seizing the opportunity,” in particular, makes a number of recommendations for embracing the challenges of an aging population and turning these into healthy public policy. As a signatory to the *Madrid International Plan of Action on Ageing* (tabled at the 2002 United Nations Second World Assembly on Aging), Canada committed “to help ensure that people everywhere can age with security and dignity, and continue to participate in their societies as citizens with full rights.”

Now, eight years later, the promise remains unfulfilled.

CHSRF’s roundtable series on health services and systems planning for the aging population provides an opportunity to confront the challenges that population aging presents for Canadian health system managers and planners. More importantly, these roundtables create the space for managers and planners to liaise with experts to discuss strategies for realizing improvements. For CHSRF, it also serves to inform our continued work in this area, and in so doing make Canada’s healthcare system better.
References


Additional References


Keefe, J., Rajnovich, B. (2007). To pay or not to pay: Examining underlying principles in the debate on financial support for family caregivers. Canadian Journal on Aging, 26 (S1), S77-90.


