

# Health spending may top \$183B

## Hospitals to take a \$51B bite, pay for docs totals 14%

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Canadian health care spending is expected to reach \$183.1 billion in 2009 or \$5,452 per Canadian, according to figures released Thursday by the Canadian Institute for Health Information.

The estimate represents a \$9.5 billion increase from 2008, when health-care spending was estimated to be \$172 billion.

As a proportion of the gross domestic product, health expenditures represent 11.9%, an all-time high, says the CIHI report. In 2008, it was 10.8%.

The jump in health spending as a proportion of the GDP can be attributed to a slowdown in the economy, said the organization's interim president and CEO Anne McFarlane.

"The reason for that increase is not particularly because of the growth in health-care expenditure . . . but because of the decline in the size of the economy because of the recession," she said.

"If everything had remained constant, if the recession hadn't happened, we would have projected that the GDP ratio for 2009 would be basically what it was for 2008." Taking into account inflation and population growth, health care spending is estimated to increase by 2.5%, the report says, down from 4.2% in 2008.

"Every year, health-care expenditure basically does outpace inflation and population growth . . . the question is by how much," McFarlane said.

Hospitals are expected to account for the largest proportion of health-care spending in Canada this year, at 27.8%, or \$51 billion, although hospitals in previous years have accounted for a higher share of the spending.

In 1975, hospitals accounted for 44.7% of total spending.

Next in line are drugs, which are estimated to account for 16.4 %, or \$30 billion of the \$183.1 billion total. The report takes into account both prescribed and non-prescribed medications.

Fourteen per cent of total spending went to physician payments in this year's estimate, which account for the third largest proportion of the expenditure.

Governments are expected to account for 70.2% of total health care spending and the private sector for 29.8%.

According to data from 2007 broken down by age group, health care spending for seniors is the highest, with \$10,318 for each Canadian over the age of 65.