Intelligence MEMOS

From: Tingting Zhang

To: Healthcare Watchers

Date: February 6, 2025

Re: THE CHOICE FACING CANADA'S HEALTHCARE SYSTEM

Canada's healthcare system is facing a sobering diagnosis. In a recent international comparison of 10 wealthy nations – Germany, Australia, Switzerland, New Zealand, the United States, Canada, the United Kingdom, France and Sweden – Canada ranked ninth, outperforming only the United States.

This statistic highlights a troubling paradox: While Canada delivers relatively high-quality care, accessing this care has become increasingly difficult for millions of Canadians.

Today, 5.4 million adult Canadians – 17 percent of the population – lack a regular healthcare provider. Nearly half of Canadians wait two months or longer to see specialists, and an astounding 59 percent face similar delays for elective surgery – the worst rates among peer nations. These statistics are staggering and represent real people enduring pain, anxiety, and deteriorating health conditions while simply waiting for care.

My recent C.D. Howe Institute report examines 118 measures across five main categories – access to care, care process, administrative efficiency, equity and healthcare outcomes. The findings are drawn from the Commonwealth Fund surveys as well as data from the World Health Organization, the OECD, and the Canadian Institute for Health Information, which are used to benchmark our healthcare system against other wealthy nations for priorities for improvement.

Unfortunately, all Canadian provinces and territories performed poorly relative to the international comparators. Newfoundland and Labrador and Nunavut had the weakest results, with Newfoundland and Labrador ranking below the international average in every category.

Nationally, Canada ranked second last in access to care and below the international average in administrative efficiency, equity and healthcare outcomes. Access to timely care, obtaining after-hours care and long wait times are nearly universal challenges. No province reported scores near the international average in these measures. Affordability challenges are most acute in the Atlantic provinces, Alberta, British Columbia, and Yukon, where many residents forgo medications, mental health services, and home care due to costs. Only PEI exceeded the international average in this sub-category.

But one of the most troubling findings is the equity gap. Low and middle-income Canadians are twice as likely as higher-income earners to face cost-related barriers to healthcare. Approximately one-quarter of Canadians with low or average incomes reported at least one cost-related barrier to accessing healthcare in the past year. This inequity undermines the fundamental promise of Canadian medicare: Universal access regardless of ability to pay.

How can we do better?

Enhancing access to healthcare requires addressing patients' attachment to care, after-hours care availability and reducing wait times. However, even closing gaps in drug and dental care and improving timeliness would only enable two provinces to surpass the international average in overall health rankings. This highlights the need for broader improvements across all jurisdictions, particularly in mental health and homecare affordability, patient engagement and equity challenges.

The Netherlands and the United Kingdom, which lead international rankings, offer proven models for success. The Netherlands excels with its robust primary care infrastructure and mandatory after-hours care provision. The country also has local and regional general practitioner offices that provide after-hours care and help reduce the need for emergency room visits.

Germany, another leader, caps medical costs at 2 percent of gross income (1 percent for chronically ill patients) and covers 82 percent of pharmaceutical costs through government or compulsory insurance schemes. Its comprehensive approach ensures financial barriers don't prevent access to essential care. Both nations also invest significantly in home care and support seniors in living independently, reducing pressure on hospitals and long-term care facilities.

Nearly two-thirds of Canadians believe that major system change is needed, while only 5 percent believe that increasing public funding alone will solve the crisis. This reflects a growing public consensus that structural reforms, rather than simply allocating additional resources, are necessary.

To improve Canada's healthcare system, we need action on multiple fronts.

First, the primary care crisis needs to be addressed by developing innovative models to attract and retain family physicians, nurse practitioners, and other primary care providers. Second, proven strategies to improve after-hours availability and reduce wait times need to be implemented. This includes stricter enforcement of contractual obligations for after-hours care and optimizing the use of surgical facilities. Third, coverage gaps in pharmaceuticals, dental care, mental health services, and home care must be closed to help Canadians.

As our population ages and healthcare needs grow, the current system will face even greater pressures. Top-performing countries have shown that universal coverage can coexist with efficiency and innovation. The choice is clear: Continue with a system that increasingly fails Canadians or embrace transformative changes to ensure quality healthcare is truly accessible to all. The health of millions of Canadians depends on it.

Tingting Zhang is a Junior Policy Analyst at the C.D. Howe Institute.

To send a comment or leave feedback, email us at blog@cdhowe.org.

The views expressed here are those of the author. The C.D. Howe Institute does not take corporate positions on policy matters.