

HIGH SYSTEM USERS AND PROVINCIAL HEALTH CARE COSTS

Medicare helps ensure that dealing with serious health conditions does not bankrupt families. An analysis of the costs of treating acute health issues illustrates the value of this public approach to health insurance.

Canadians are asked to contribute to the cost of maintaining our health system regardless of how often or how much we use it. Most people are fortunate in that they do not draw heavily on the system. A minority are less fortunate.

The table provides information on the cost attributable to “high system users.” A high system user is someone ranked in the top 10% of patients receiving acute care, ordered by the cost of providing that care. The table reports costs, by province for 2014-15, for people aged 18 years and older. Data are not available for Quebec.

A significant fraction of provincial health care budget is devoted to paying the costs of treating a relatively small number of people.

In an example from the table, there were 67,851 ‘high users’ of Ontario’s acute care in 2014-5. Their average age was 69.5 years. The maximum amount spent caring for one of them was \$3.16 million, the least was \$22,589, and the average was \$51,294. These amounts would, if only due to inflation, be higher today.

Placing these ‘high users’ in context, the same calculations for people with lower acute care needs are quite different: their average age is typically about 55 years depending on the province. The average cost of their acute care was \$6,215 in Ontario, or \$45,079 less than their ‘high user’ counterparts. These contextual findings are common to the other provinces and can be found in the full report from which the table here is drawn.

Still looking at Ontario, the total cost of providing acute care to ‘high users’ was \$3.48 billion. The total health care expenditure in Ontario in the same period was \$50.04 billion, meaning that, 67,851 patients – 0.6% of the adult population – accounted for

| | No. of High Users | Avg. age | Minimum Expenditure | Maximum Expenditure | Average Expenditure | Share of Health Care Budget |
|----|-------------------|----------|---------------------|---------------------|---------------------|-----------------------------|
| AB | 23,086 | 67.8 | \$33,601 | \$2,214,986 | \$80,501 | 9.6% |
| BC | 25,729 | 69.5 | \$28,504 | \$1,800,280 | \$61,341 | 9.0% |
| MB | 7,592 | 71.0 | \$32,270 | \$4,399,770 | \$79,630 | 11.1% |
| NB | 5,109 | 71.3 | \$27,483 | \$3,551,452 | \$67,009 | 12.1% |
| NL | 3,308 | 69.0 | \$32,229 | \$574,218 | \$75,161 | 8.5% |
| NS | 5,547 | 70.4 | \$32,322 | \$2,268,619 | \$74,488 | 10.1% |
| ON | 67,851 | 69.5 | \$22,589 | \$3,161,723 | \$51,294 | 7.0% |
| PE | 980 | 70.7 | \$32,357 | \$799,993 | \$70,051 | 11.7% |
| SK | 7,675 | 68.3 | \$30,889 | \$822,746 | \$66,346 | 10.2% |

Source: [Dynamic Cohort of Complex, High System Users, 2011-2015](#). Calculation of the share of the provincial health care budget relies on data collected from provincial government public accounts and reported by [Kneebone and Wilkins \(2016\)](#). Updates of those data are available [here](#).

7.0% of total health care spending. Averaging across all nine provinces, 0.7% of the adult population in each accounted for 8.4% of health care spending.

Similar data are also available for children. Including both children and adults, approximately \$10.4 billion, or 9.7% of the health budgets of these nine provinces were used providing acute care to 0.7% of the population whose circumstances forced them to be high system users.

These data suggest the value of broadly pooled public health insurance. Costs at these levels would bankrupt or seriously hurt the finances of most families. Medicare’s universal approach to collecting ‘premiums’ as well as offering ‘coverage’ means the costs of addressing the most serious illnesses are absorbed by all Canadians. By all making the bet, the losing lottery ticket is never held by just one family.