

## ***Population Health and Health Reform: Needs-Based Funding in Five Provinces***

**Tom McIntosh  
SPHERU & Political Science,  
University of Regina**

Presented to:  
Johnson-Shoyama Graduate School of Public Policy  
University of Regina  
November 2009

Healthy  
Children

Rural Health

Northern and  
Aboriginal Health



## **Outline**

- Project on “Comparative Health Reform in Five Provinces”
- Population Health & Health Reform
- Population-Needs-Based Funding Models
- Five Provinces, Three Policy Responses
- Understanding the Decisions...
  - Can we “buy change” in the system?



## The Bigger Project

- Collaborative study of health reform decisions in NL, QC, ON, SK & AB
  - Funded by CIHR Operating Grant & Health Canada
  - SPHERU supplements SK studies
- 6 Key Reform Decisions (& non-decisions)
  - 30 individual case studies
- Rolled up for each province (5 studies)
- Rolled up for each decision (6 studies)

## Methods

- Systematic reviews of academic & grey literature
- Key informant interviews
- Rooted in intersection of “ideas, interests & institutions” + external events
  - Opening of window of opportunity for change
- Interested in the stages of policy making:
  - How it got on the agenda?
  - What prompted government action?
  - What choices considered, what barriers/facilitators were encountered?

## Population Health & Health Reform

- Health reform agenda of early 1990s heavily influenced by ideas of “public health, promotion & prevention & population health”
- Restructure ‘medicare bargain’ of 1960s away from emphasis on “docs & hospitals” (acute care system)
- Focus on “upstream” factors, integration with social services
- Action on the determinants of health...
- Philosophical and economic argument
  - Healthier population + cost savings = Less \$\$ on health care

## Population-Needs-Based Funding

- Traditional allocation of \$\$ to **institutions** based on **past consumption** of services
- PNBF allocates \$\$ on a complex formula based on assessing ‘need’ relative to:
  - Demographic profile (age, gender, ethnicity, etc.)
  - Socio-economic status
  - Health status profile (disease prevalence)
- PNBF strongly linked to regionalization of health systems in the provinces
- Need to move focus from “*the institution*” to the “*population in the region*”



## The Decision to Adopt PNBFB

- Two provinces do not adopt PNBFB:
  - **Ontario:** Commissions studies, decides to stay with status quo allocation formula
  - **Newfoundland:** Regions adopt, but not province
- Three adopt PNBFB as component of decision to regionalize systems:
  - **Sask:** Expert committee designs formula, implemented within 2 years of regionalization
  - **Alta:** Provides transition period of “no loss” funding as part of move to regionalized system
  - **Quebec:** Long transition, does not disband hospital boards
- Some changes since the decision...

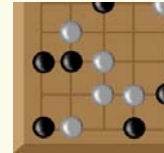
## The No-Go Provinces

- **Ontario**
  - Strong resistance to regionalization from powerful institutions & interests
  - Without regions, PNBFB won't work as \$\$ still flow primarily to institutions
- **Newfoundland and Labrador**
  - Regions adopt PNBFB to calculate “ask” to provincial gov't
  - Gov't won't relinquish allocation authority to formula



## The Go Decisions

- **Alta and Sask:**
  - PNBF is “logical outcome” of regionalization
  - Serves interest in shifting system
  - Limits MLA/Ministerial lobbying for \$\$
  - Little opposition (regionalization opponents have disappeared)
- **Quebec (A Go Very Slowly Decision):**
  - Unique model of regionalization
  - Potential opponents still getting funded
  - Long transition to PNBF provides cushion



## Ideas, Interests & Institutions

- Ideas very important in “go” provs
  - Sig work put into building funding models both conceptually & on the ground
  - Decision strongly driven by philosophical commitment to PNBF as “the right thing to do”
- “New” interests were supportive
  - New regional boards saw PNBF as key to their mandate
  - Old interests were eliminated (e.g. hosp bds) or relatively silent at the time (despite concerns raised privately)
- PNBF designed for new institutional arrangements
  - Strong support inside government @ political & bureaucratic levels

## What's Changed?

- Sadly...very little
- Regionalization (+ PNBFF) part of “reform in hard times”
  - Deficit elimination, debt concern, falling transfers
- By late 1990s, the context had changed
  - Provs have surpluses, fed. transfers growing
  - Post-Romanow billions to “buy change”
- And the nature of the “crisis” had changed
  - Wait times, access to services, technology & HHR
  - The crisis was now in the acute care sector...
- Impetus for “upstream” blunted by acute care needs



## Final Thoughts...

- For policy analysts the agenda has not shifted
  - Reducing focus on docs & hospitals still key...
- Achieved some movement when \$\$ short
- But believed that more \$\$ would *buy change*
- Change in hard times is easier...
  - We can't buy change when \$\$ plentiful
  - Existing system will simply absorb the money
  - But, when \$\$ are scarcer, then incentives will work & political will to enforce change stronger...
- Post-recession recovery may provide an opportunity to re-start change process...

