The Future of Healthcare in Canada 2007-2017

Introduction To The Study

"How will the public sector change over the next decade?" was the theme of this study. In this brief report, we look at the answers for one part of the public sector, namely, healthcare.

Our study relies on face-to-face structured interviews with 120 opinion leaders from across the country. Some 56 of these respondents came from healthcare. Others come from federal-provincial government (15), municipal government (15), public education (16) and post-secondary education (17). Each opinion leader interview took about 90-120 minutes.

The most critical part of the study is identifying the 'right people' as opinion leaders. If this is not done properly, then the logic of the entire process falls apart. We began by identifying people regularly named in articles, publications and speeches. We interviewed these people and asked them who they felt were opinion leaders. We continued interviewing until we got agreement on which people to interview.

At the end of the study, we were quite impressed with the dedication and talent of the people we interviewed. We learned to recognize that the public sector must manage in an environment that is more complex than the private sector. Objectives are inevitably at odds with the desires of some citizens, yet the public sector consistently aims to improve public well-being in the ways that are within its means.

On behalf of the Royal Bank of Canada, we thank all of the opinion leaders for their commitment to the public service and their willingness to share their views with others.

As a final note, we must point out that this report summarizes what opinion leaders say and does not represent the views of the Royal Bank[1]. The authors are writing as "independents". They have no vested interest in the opinions other than portraying them accurately. They are simply seeking to identify common views of the future and their logic.

"Opinion leaders are the people who make the future happen. Because of their leadership role, their views of the future are more accurate than others."

Overview of Findings

Integration will be a key part of change over the next decade. The primary healthcare team (PHT) will be the major vehicle for integration. The "new-era doctor's office" will involve far more care and assessment by nursing staff and less contact with physicians. Other healthcare professionals will also be involved, potentially including people who teach "self-care", physiotherapists and pharmacists. The PHT will be the nexus of integration for healthcare.

Supply, demand and access management will also be a critical element of change. In many cases, we actually do not know the supply of services potentially available, but only the number of procedures done and the number of people waiting. With a better geographic picture of supply, people can get faster access to care by going to where there is a bigger supply with less demand. As an example, it might take 6 months to get cataract surgery in Toronto, but you might be able to get it next week in Windsor. Some people will choose to go to the supply and others will wait. In terms of demand management, we can expect more evidence-based decision-making to help determine who will benefit from a diagnostic procedure or a specific treatment. There are a massive number of initiatives across the country that build on this theme.

Finally, we can expect more systemic integration in healthcare. Late in the decade we will see far more sharing and coordination of electronic health records. IT is already being uploaded back to provincial levels now, in an effort to stem the patchwork of uncoordinated applications that were developing under a completely decentralized model. We can also expect to see more regional SSO as a way to increase efficiency of operations. P3 will become the dominant method for creating large healthcare facilities, but they will come to include arrangements for maintenance and operation, as well as the construction. For small scale operations, there will be more private sector firms delivering publicly-funded healthcare too, thus bearing the cost of their own infrastructure.

How is Healthcare in Canada Changing?

Over the past decade, healthcare experienced more massive upheaval than any other part of the public sector. Healthcare is currently lean and much more efficient in areas like in-patient care. There is a clear sense of what needs to be done to make healthcare better and the opinion leaders in healthcare are optimistic about what they can achieve. Notwithstanding the 'moaning' of the press and individual complaints, systems are generally operating more efficiently.

As one commentator put it, the main challenge of the next decade is letting people know that "Canadians are entitled to all of the healthcare they need, but not all of the healthcare they want." The other notable challenge is that "Canadians will need to learn that access to healthcare does not mean access to a doctor". These comments reflect the fact that demand for healthcare is boundless and that no economy can afford to meet all of our "wants".

Against this background, the challenge of healthcare systems is setting priorities and realigning service delivery to meet the top priorities. The focus of realigning is now on improving the patient experience of the healthcare system, as much as it is on improving the operation of the system itself.

FORCES AT WORK IN HEALTHCARE

Overall, we describe some 17 forces that are shaping the future. Many of the themes that appeared in 1996 recur today in a more differentiated form. An emphasis on cost in 1996 becomes an emphasis on cost-benefit today. A generic need for IT in 1996 is now a need for defined-purpose systems. Personnel shortages have grown to be a systemic problem. The problem of an aging population now extends to aging healthcare workers who will retire without replacements.

Some old themes are gone and new themes have arisen. Public resistance to government spending on health was a major force in 1996 that few mention now. Ethical decisions are now a theme for both economic forces and technology. Many of today's themes deal with getting different parts of the healthcare system to work together smoothly.

The politicized nature of healthcare is reflected by the fact that social-demographic and pollitical forces are seen to have a bigger impact on outcomes than economics or technology. Against this background, we identify four political-regulatory forces shaping the future.

1. Public pressure is forcing political action.
2. Governments are not providing coordinated leadership.
3. The election cycle affects the initiatives that get funded.
4. Jobs are a political issue.

Public pressure for political action is a positive force for change in health. It is moderate now and will have more impact about 2009-10. The other three political forces are all negative. Lack of coordinated government leadership is seen as the biggest obstacle to success among forces of all kinds, but coordination will improve steadily over the next seven years.

Four economic forces shaping the future of healthcare are widely agreed upon. They are related to one another.

1. Costs are rising faster than inflation or GDP.
2. Drive to increase cost-effective use of limited resources.
3. Lack of information on supply, demand, capacity and output allows inefficiencies.
4. Traditional compensation schemes are dysfunctional.

Rising costs are the most cited economic force and also the economic force with the most negative impact. Costs are certainly a barrier to achieving objectives and the problem will only start improving some 5 years from now. Lack of information about supply, demand, capacity and output can obscure inefficiencies. The pressure to get needed information to improve efficiency is expected to increase steadily over the next 5-7 years. This will help improve the cost effective use of limited resources as well. Dysfunctional compensation has no real impact at the moment, but the push to change compensation will help improve healthcare as time progresses.

There are four major social-demographic forces consistently cited as shaping the future of healthcare.

1. The aging of the Canadian population.
2. More chronic illness in the population.
3. Shortage of skilled healthcare personnel.
4. Consumers expect a "patient-centric" system.

The one single force that was deemed high impact by the largest number of opinion leaders is the shortage of skilled healthcare personnel. This is the negative force that interferes with the achievement of the largest number of objectives.

The aging of the Canadian population adds an extra burden. The aging population will remain a negative bringing with it a need to treat more chronic illness. Healthcare is increasingly focused on the efficient management of chronic care and this is helping to drive changes in how healthcare is delivered. Consumer expectations for a patient-centric system are not viewed as a dominant force by many, but those that are affected by the patient service mindset see it as an increasingly positive force for change. Consumer demands for patient-centered service will be the leading social force for change by 2010.

It was a challenge to narrow down the technological forces to a manageable number. At the risk of missing some niche issues, we focus on five technological forces today.
1. Changes in drug care are significant.
2. Diagnostic imaging is high demand.
3. New technologies raise ethical questions.
4. IT infrastructure is essential to improved economics.
5. Willingness to adopt new technology is uneven.

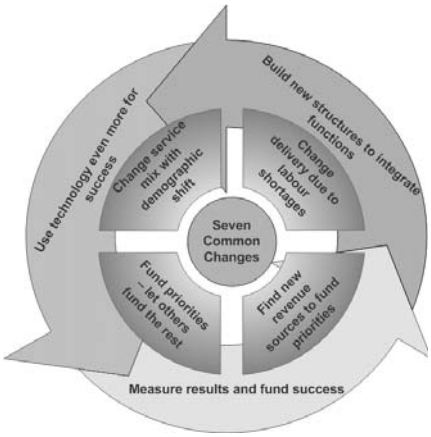
These forces are direct descendants of the two technological forces identified in the 1996 study:
1. Advances in medical technology affect costs and outcomes (especially drugs & diagnostics).
2. Changing operations need information technology support.

IT infrastructure is the single most positive force that we encountered. It is essential to improving costs and outcomes in healthcare. As the infrastructure is built over the next decade, it will increasingly improve healthcare. The positive impact will begin to be felt within the next two years.

The impact of drug care is much more ambivalent. While there is great promise to some of the drugs on the horizon, their cost mitigates their benefit. It will be some five years before the cost-impact of drug care is expected to improve.

HOW THINGS WILL CHANGE

There are seven changes that affect all parts of the public sector. The four changes in the inner circle are core changes that respond to the forces at work in the public sector environment. The three outer changes are basically strategies than will help deal with the four core changes. All of the changes are shown in a circle because they affect one another and there is really no single starting point or end-point.



The four core changes, in an order that seems logical to us, are:
1. Change the services you provide in response to changes in demand and supply arising out of demographic shifts.
2. Change the method of delivering services in order to compensate for the shortage of people available to deliver public services. Typically this means outsourcing, contracting or converting to online or self-service in order to reduce the labour required.
3. Find new revenue sources to fund priorities.
4. If you don't have the revenue you need after funding your priorities, let others fund their own priorities.

To make the core changes practical, a government must:
5. Use technology to lower costs and achieve results.
6. Measure results and fund organizations that are successful at achieving the results you want.
7. Build new integrated structures that help solve problems or deliver service in a cost-effective manner. These structures can cross departments or different levels of government. Sometimes they are informal coordination, sometimes they are formalized and shared responsibility for related action on a common problem, and other times the structures will be new special-purpose agencies.

Comments from our Opinion Leaders

Healthcare is prone to pithy comments. Some of these are relayed here to give you a sense of what opinion leaders think about the future.

"It will be tougher to get into hospital. You will have to be sicker."

"Team-based primary care requires major change in attitudes and culture... Right now it's like an open market for the buyer with no control on consumption."

"Private delivery that is publicly-funded will become common. It will change the delivery system and funding options."

"More case managers, more interdisciplinary teamwork and more education."

"Revolution of how IT is used in healthcare... with regards to knowledge exchange, doctor is now distintermediated."

Top 10 Changes In The Sector

The future of the healthcare sector was a completely separate study completed two years ago. With the complexity of healthcare and the level of public interest involved, we interviewed almost as many people in healthcare as we did for all other parts of the public sector combined. Healthcare has seen more massive changes than any other part of the public sector and there is more to come. With that in mind, we present the top ten changes in healthcare for the next decade.

1.The Primary Healthcare Team (PHT) becomes the key coordinator of patient care. An office composed of a single physician (or in remote areas, an itinerant physician), one or more nurse practitioners and other experts will provide most care. They will not only provide care directly in the office, but will be responsible for access to hospital services, outpatient services, home care, teaching patients to care for themselves and other services.

2. There will be more private delivery of publicly-funded services. Just as the PHT is really private delivery of publicly-funded services, so we will also see cataract clinics and other private delivery services providing care that the public will fund.

3. There will be more community & family-based service delivery. A great deal of chronic disease management will be delivered through educational efforts in the community and more care of chronic patients will be delivered in the home.

4. There will be a push to self-help for chronic disease management. Patients and their families will be increasingly required to deliver the care, since there will not be enough trained professionals to deliver the care to them.

5.Technology will enable more mobile & remote delivery. Instead of flying people to a central place for diagnosis and treatment, much of this will be done by telemetry and the use of traveling diagnostic facilities like X-Ray and MRI vans.

6. Active management of demand, supply & delivery will bring better balance to the healthcare system. For many services, we are just now learning how much of the service can be delivered as IT makes it possible. Quite often there is excess capacity in one geographic area and waiting lists in another. Open information on service availability and more evidence-based decisions on who needs a procedure will be used to improve access and efficiency.

7. Having consolidated and outsourced most non-core functions over the past decade, hospital and **healthcare corporations will now consolidate administrative and management functions** in Shared Service Organizations (SSO).

8. Electronic health records for patients & operations will be used to improve patient care through better and more complete patient information. They will also help reduce duplication in services. The sharing of information about things like prescriptions will help reduce conflicts in care that may inadvertently harm some patients.

9. There will be a common drug review and core formulary for pharmacare. Drug reviews from other provinces, the US and the EU will increasingly be accepted as satisfactory evidence of efficacy and safety. Core drug formularies are likely to develop at the regional level at least, albeit some of these may be by informal agreement.

10. Training & licensing of skilled healthcare professionals will be altered to relieve personnel shortages. In addition to increased enrolment in healthcare programs, we can expect more programs that help foreign-trained professionals adapt their learning to the Canadian healthcare system so that they can enter practice here. We can also expect more programs for para-professionals that can relieve some of the labour burden on higher paid professionals.

[1] Note that "The Futur eof Healthcare in Canada" was jointly funded by both RBC Royal Bank and Manulife Financial. "The Future of The Public Sector" study was solely funded by RBC Royal Bank.

Comments from our Opinion Leaders

"We will create a more integrated approach to healthcare systems with connections between policy makers, decision makers, universities, unions and nurses."

"Setting access and wait time and quality targets. Putting initiatives in place to make sure they are delivered should result in reduction of bottlenecks and wait times, better clinical outcomes and better efficiency outcomes."

"Move to interdisciplinary teams. The healthcare system is not a system. Teams bring together fragmented care. We are moving care to a seamless system, including the patients."

"Chronic disease such as diabetes, asthma and CHF will be taken care in the community. Tele-triage will help to manage the cases in the community. Home care services will gain and EHR will help to improve information sharing."

"We will post 25 indicators of performance across <province> to foster pressure for improvement... Accountability to public and politicians... Managers and clinical leaders will pay attention."

"Increased focus on standards, less on individual standards by each institution - more on universal standards.

"We need to involve users in the creation of the systems or our investment will go to waste. We need to understand and put into practice the psychosocial side of computing."

"Chronic disease management is key to future system health. Prevent acute episodes and secondary complications. The System now rewards episodic care. We need to intervene to reduce the incidence of sequelae. The Family Healthcare Team will help, but we need to integrate them with the rest of the system."