



## ***Ideas and Opportunities for Bending the Health Care Cost Curve: Advice for the Government of Ontario***

### ***Questions and Answers***

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#### **1. Why is “Bending the Health Care Cost Curve” a priority right now?**

As is the case in other provinces and jurisdictions around the world, Ontario has experienced growth rates in health care expenditures that cannot be sustained indefinitely. This is especially true in view of Ontario's record budget deficit—set to last until 2017—and predictions of slow economic recovery.

Although Ontario's per-capita health care spending is the second lowest in Canada next to Quebec, in the last ten years, health expenditures by the Government of Ontario have grown by an average of 7.7% per year. Ontario currently spends approximately \$3,500 per person on health care.

The recent Speech from the Throne and the 2010 Ontario Budget indicate government's commitment to focus on the viability and quality of the system through a “path of constant reform”. This will necessarily involve finding new ideas and solutions for obtaining the greatest value for the monies spent if Ontario's health care providers are to meet the needs of Ontarians now and in the future.

As a group of provider associations, we feel it is important to take the lead in offering up ideas and identifying opportunities to the benefit of the system.

#### **2. How will “Bending the Cost Curve” impact access to care and quality of care?**

Experience tells us that purely cost-cutting exercises are counter-productive, often leading to unintended cost and quality consequences. However, directing resources *smartly*, to the right places and services, and by focusing on quality, can in fact result in better care at lower cost, enabling timely access for those who need it.

The initiatives offered in the report represent a sampling of key areas of opportunity that will shift the focus to re-designing service delivery in such a way that efficiency, access *and* quality can be enhanced across the system.

The report's recommendations include such things as: implementation of leadership and strategies to better manage and prevent costly chronic illness; systematic province-wide uptake of leading practices; appropriate shifting of services and funding from hospitals to the

community; management of expenditure on physician services and drugs to move towards the significantly lower levels attained in other provinces; targeted human resource initiatives; and others.

### **3. Why haven't initiatives such as these been implemented before?**

There is no shortage of evidence-based initiatives that impact the many dimensions of quality in health care. Organizations and individual providers implement a great many of them. What has not occurred to date is a coordinated effort to adopt a quality improvement philosophy at the provincial level that would prompt quality initiatives *across organizations and health care sectors*. There is currently no drive to achieve a convergence to standardized implementation of leading practices *across the system*.

Also lacking, is a focus on evaluation of the longer-term financial implications of how health care services are provided. Often, there is in fact, a “business-case” that can be made in favour of a new initiative or new ways of operating. In addition to non-financial benefits that can be measured—lives saved, better health, quality of life, greater safety, better access—a comprehensive business-case approach can identify a clear return-on-investment that ensures good practices are not incorrectly perceived as projects that simply add to expenditures.

Effective, lasting change in the system requires support from government. Enablers such as appropriate policy changes, establishment and enforcement of best-practice standards, availability of new and better datasets, and targeted investments with clear objectives will allow health care providers to better respond to the needs of Ontarians.

### **4. What are the next steps?**

Government has signaled its intention to begin a dialogue that will bring forth solutions to the challenges facing the system. Our partnership offers this report for immediate discussion with government.

In June 2010, a “Bending the Health Care Cost Curve” conference will be hosted by our collaboration of health care associations. The conference will highlight strategies to enable implementation of the report’s recommendations as well as other systemic improvements.

We will continue to work in concert with each other and with government to support the realization of these initiatives and to work with our respective memberships to advance systemic change. The vision we hold for this report is that provincial-level leadership will enable these ideas to come to fruition in the very near future.