



1. How is Canada’s health care system funded?

Canada’s health care system is publicly funded, with 70 per cent coming from payments by federal, provincial/territorial and local governments, and other social security structures. The remaining 30 per cent is private funding from private insurance firms and individuals.

The [Canadian Institute for Health Information](http://www.cihi.ca) anticipates total care costs in 2015 to be \$219.1 billion.

2. What is the difference between a public and private health care system?

Public and private can refer to two elements of health care: funding or delivery. Funding refers to how services are paid for. Delivery encompasses how health care services are managed and provided to patients.

Funding can either be public or private. Delivery can be public, private not-for-profit or private for-profit. Public health clinics, for example, are both financed and managed by a government. Hospitals are predominantly financed with public money, but managed privately and not-for-profit. Cosmetic surgery and some long-term care facilities are examples of care that is financed privately (by insurance or an individual) and delivered by a private, for-profit company.

The table below illustrates the different combinations of public and private financing and delivery.¹

		DELIVERY		
		Public	Private Not-for-Profit	Private For-Profit
FINANCING	Public	<ul style="list-style-type: none"> Public health Provincial psychiatric institutions Home and long-term care in some provinces 	<ul style="list-style-type: none"> Most hospitals Some addiction treatment 	<ul style="list-style-type: none"> Primary health care physicians Ancillary services in hospitals (e.g., laundry, meals, maintenance) Laboratories and diagnostic services in most provinces Some hospitals
	Private	<ul style="list-style-type: none"> Enhanced non-medical (e.g., private room) and medical (e.g., fibreglass cast) goods and services in a publicly-owned hospital 	<ul style="list-style-type: none"> Some home care and nursing homes in some provinces 	<ul style="list-style-type: none"> Cosmetic surgery Long-term care Extended health care benefits, such as prescription drugs, eye care and most dental care in some provinces Some MRI/ CT scan clinics Some surgery clinics

¹ Deber, R. B. (2002). Delivering Health Care Services: Public, Not-For-Profit, or Private? (Commission on the Future of Health Care in Canada Discussion Paper No. 17). Retrieved from: <http://publications.gc.ca/collections/Collection/CP32-79-17-2002E.pdf>

3. What is two-tier health care?

Two-tier health care refers to a system with public health care, as well as a second tier of care available at a cost to patients. Currently, health legislation in Canada does not permit a second tier of care for services that are publicly funded. For example, cosmetic surgery is not covered by provincial/territorial health insurance. Therefore, private clinics are permitted to charge patients who want that service. However, a medically-necessary intervention, such as surgery for a broken bone, is covered by provincial/territorial health insurance. A "second tier" type of clinic would not be permitted to provide that surgery and charge a patient for it.

4. What is extra- or double-billing?

Defined in the [Canada Health Act](#), extra-billing refers to when a medical practitioner bills a patient for an insured health service, in addition to any amount a public health insurance plan would reimburse. Double-billing refers to taxpayers paying for health services that have been billed to the provincial/territorial health insurance plan that were already billed directly to patients.

In the news: [Toronto Star: B.C. doctor faces court for billing for private health-care services](#)

5. Which is better: public or private?

The debate over public versus private health care isn't exclusive to Canada. Researchers around the world have long been examining wait times, costs and health outcomes in different systems. Aside from the issue of equal access, evidence indicates that countries with a parallel private hospital system have larger waiting lists and longer waiting times than countries with a single-payer system, such as Canada.

- An Australian study confirmed that increased use of private health insurance is associated with longer wait times in the public sector.²
- A similar study in the United Kingdom also concluded that increased use of privately-paid-for health services are related to longer waiting lists. Also, the more use of a private pay system resulted in more resources leaving the publicly-funded system.³
- Manitoba patients were at one time allowed to pay an additional facility fee if they chose to have cataract surgery in a private facility (until 1999). The median wait time for patients of doctors working only in public facilities was 10 weeks; however, the median wait time for patients with surgeons working in both public and private facilities was between 21 and 26 weeks.⁴

There is little evidence to confirm that the introduction of a second-tier private system would either improve wait times or reduce the cost of public health systems. There is a finite number of health-care providers in Canada. Removing some from the public system to work in a private system does not duplicate their capacity to see patients.

² Duckett, S.J. (2005). Private care and public waiting. *Australian Health Review*; 29(1): 87-93. Retrieved from http://www.publish.csiro.au/?act=view_file&file_id=AH050087.pdf

³ Besley, T. (1998) Private and public health insurance in the UK. *European Economic Review* 42(3-5):491-497. Retrieved from <http://www.policynote.ca/the-evidence-on-wait-times-and-private-care/>

⁴ DeCoster, C., MacWilliam, L., Walld, R. (2000). Waiting Times for Surgery: 1997/98 and 1998/99 Update. Manitoba Centre for Health Policy. Retrieved from <http://mchp-appserv.cpe.umanitoba.ca/reference/waits2.pdf>