

# **Defining Our North Star: Policy Strategies to Improve Health Care Value**

## **Summary**

- Citizens, researchers, delivery system leaders, and decision-makers met to identify strategies to improve the value of health care.
- Canada ranks poorly in health system performance compared to spending, which raises questions about the value of care Canadians derive from current investments.
- Defining a guiding vision for successful reform and new models of equitable primary care, long term care, and community-based care are priorities for reform.
- Effective reform will require community engagement, transparent governance and reporting, and adequate funding and infrastructure.

**To read the full technical report of this issue brief, please see:**

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## Background

The Canadian health care system ranks second to last in overall performance among 11 comparable nations across access to care, care process, administrative efficiency, equity, and health care outcomes (1). Canada also ranks second to last in performance compared to spending (1). This raises questions about the value of care that Canadians derive from current health care spending.

In February 2022, the federal government committed to contribute additional health care funding to the provinces and territories. While additional funding may be needed, structural changes to the health care system are critical to drive meaningful improvements in quality and sustainability. However, structural reforms have been limited in Canada. This is in part due to resistance of policy actors who may benefit from the status quo (2). Successful reforms often result from context changes (e.g., fiscal crises or new governments (2) or when patients and providers are engaged in the policy process (3, 4).

The coronavirus disease 2019 (COVID-19) pandemic is an unprecedented crisis that has opened a policy window for health care reform. In an effort to build a more sustainable future for Canada's health systems at this critical moment, we brought citizens, policy researchers, government decision makers, and health system leaders together at the Health Policy Forum 2022 to identify reform priorities and strategies to overcome historic barriers to implement reform. The meeting included presentations of research on international evidence of drivers and elements of reform, barriers and facilitators of Canadian federal reform, and Canadian's perspectives on reform and three facilitated discussions:

- (1) defining a vision for the future of Canadian health care
- (2) identifying priorities for change; and
- (3) identifying barriers to change

This brief discusses strategies for change based on our interpretation of discussions at the meeting.

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## Strategies for Reform

### *1. Define Our Guiding Vision for Reform*

The need for a guiding vision, a North Star, for health care administration, funding, and delivery system reform was a dominant point of discussion. This discussion further highlighted the importance of citizen participation in creating and mobilizing this vision to ensure health care is equitable, community-based, and improves quality of life. This emerging view of community-focused health systems could be our North Star. A community-focused health system aligns with Canadian values and could be important to overcoming historic barriers to reform because it meaningfully engages the public.

A recent UK think tank report proposed a similar community-focused vision for the National Health Service (5). A community-focused health system could strive to achieve the quintuple aim of improved population health, improved patient and clinician experiences, lower costs, and health equity while including the public as system partners (6).

However, both positive and negative consequences could emerge from community-focused care. The stress felt by Canada's hospitals is due in part to reductions in hospital capacity in the 1990s intended to reduce health care spending (7).

Canada now has fewer hospital beds per capita than many OECD nations (2.5 beds per 1,000 inhabitants) (8). Thus, a shift away from institution-based care toward home-based care must consider implications for system preparedness for ongoing (e.g., COVID-19) and anticipated circumstances (e.g., aging baby boomers).

### *2. Focus the Health Care System on Care Close to Home*

Primary care was identified as a key component of the health care system that requires reform to improve system-wide value for money. The majority of participants suggested that the current Canadian health system prioritizes institutional-based and physician-driven care and may benefit from a shift to services aimed at improving population health as well as care provided in the home and delivered by an interdisciplinary care team. Primary care and public health providers are not always connected with regional health authorities, creating coordination and access challenges. Participants highlighted that access to primary care providers remains a long-standing challenge. Participants also discussed outdated delivery models, typically delivered in private settings by individual or small group providers and reimbursed fee-for-service.

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Focusing our health care system on primary care and population health may require changes to health care financing, coverage, and payment. Changes could include more concrete patient-doctor accountability mechanisms, changes to the Canada Health Act to cover a wider breadth of services, new funding models to incentivize desired behaviours and teamwork, and the prioritization of respectful and responsive care that is reflective of the needs of Canadians. One group of participants suggested allocating patients to primary care providers using catchment areas. Participants also discussed the need to establish publicly funded primary care delivery sites alongside private facilities and alternative options for addressing mental health, substance use, and other social needs (e.g., housing) that are important for people's overall health.

There is evidence from Costa Rica that reforming an entire health care system to focus on primary care and population health can achieve the reforms that participants discussed. Costa Rica responded to financial strain and health care dissatisfaction by overhauling its health care system. The new system was focused on a primary care model, which led to dramatic gains in life expectancy (9).

The critical elements of success were multidisciplinary integrated care teams that serve a geographically empaneled population (often in the home), performance measurement and data feedback. If Canada similarly focused on a primary care model, it would likely be important to include similar features, such as a) geographically empaneled populations served by public primary care providers, b) alternative payment models, c) trusting relationships with providers across the lifespan, and d) data, measurement and feedback related to system performance.

*"Care close to home, better home care, expanded home care services... I think the outcome we would like to see is better quality of life for everybody, particularly those who are older and have high healthcare needs." -Group comment from deliberative dialogue, Health Policy Forum 2022*

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### 3. Implement Financing, Payment, and Delivery Reforms that Include Accountability Mechanisms

The need for new financing, payment, and delivery models to support these reform priorities was clearly articulated during the discussion. Participants suggested the possibilities of increasing taxes to support an expansion of covered services, paying physicians alternative payment models, and utilizing team-based care models. However, it will be critical to include accountability mechanisms in any new financial arrangements in order to determine if reforms lead to desired outcomes performance.

Participants suggested that provincial and territorial governments could be responsible for managing providers similar to private health plans in the United States or that providers or professional societies could monitor their own performance.

***"In the guiding goal are payment models that elicit the behaviours and outcomes desired. How you pay people influences how they're to behave. And critically, especially when negotiating with physicians, make physicians collectively responsible for solving collective problems." -Group comment from deliberative dialogue, Health Policy Forum 2022***

## Recommendations

Each of these strategies has the potential to improve Canada's health care system by engaging citizens, prioritizing spending on services that address the social determinants of health, and improving quality and equity.

Ultimately, these strategies speak to the need for a new paradigm to guide health care transformation: community-focused health systems. A community-focused health system would be co-led and co-designed by community members and health care payers and providers. While questions of governance would still need to be answered by co-leaders, empowering Canadians to be more actively engaged in health care could improve the value of care by aligning citizen and system goals.



Define a guiding vision, a North Star, for health care administration, funding, and delivery system reform



Shift from institutional-based, physician-driven care to services aimed at improving population health, care provided in and close to home



Implement financing, payment, and delivery reforms that include accountability mechanisms

Figure 1. Strategies to Improve Health Care in Canada

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## References

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## Authors

Amity E. Quinn, PhD  
Co-Director, Health Policy Trials  
Unit  
Centre for Health Policy, O'Brien  
Institute for Public Health  
University of Calgary

Rachelle Drummond, MPP  
Research Associate  
Centre for Health Policy, O'Brien  
Institute for Public Health  
University of Calgary

Fiona Clement, PhD  
Director, Health Technology  
Assessment Unit  
O'Brien Institute for Public Health  
University of Calgary

Stephana Julia Moss, PhD  
Postdoctoral Fellow  
School of Health Administration,  
Faculty of Health  
Dalhousie University

Henry T. Stelfox, MD PhD  
Scientific Director, O'Brien  
Institute for Public Health  
University of Calgary

## About the Initiative

Government spending on health care has been growing more rapidly than inflation for years and is at risk of crowding out spending on other publicly funded services. This has been exacerbated by the COVID-19 pandemic which has increased health care spending, reduced government revenues, deferred care for non-urgent health problems and exposed and exacerbated health inequities. The result is that urgent action is needed to ensure the long-term sustainability of health care systems and other publicly funded programs.

In an effort to build a more sustainable future for Canada's health system, The Centre for Health Policy is leading the Health System Sustainability Initiative (HSSI). The goal of this initiative is to design evidence-informed health policy options to increase value for money in Canada's health care systems and to improve health system sustainability. By prioritizing evidence and engagement, this initiative aims to foster evidence-informed health policy reform that is urgently needed for the well-being of all Canadians.

Learn more about the initiative [here](#).



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Centre for Health Policy

### About the Centre for Health Policy

The mission of the O'Brien Institute for Public Health is to advance public health through research excellence. Our role is to support academic scholars to tackle public health challenges, bringing them together with health practitioners, citizens, governments, businesses, and non-governmental organizations when collective actions is required.

The Centre operates using a partnership model where community organizations and university researchers bring health policy challenges and solutions to the Centre. We broker partnerships between those with public health challenges and those working on solutions. We bring together all the key players - citizens, community groups, researchers, government officials and health system leaders to ensure we have both the necessary expertise at the table and a 360 degree view of the challenge.

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### Disclaimer

The opinions expressed are the authors' alone and therefore do not represent those of the Centre for Health Policy or the University of Calgary.

### Media Inquiries and Information

Please contact Brenlea Farkas at [brenlea.farkas@ucalgary.ca](mailto:brenlea.farkas@ucalgary.ca)

Centre for Health Policy | [healthpolicy@ucalgary.ca](mailto:healthpolicy@ucalgary.ca)



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