



Canadian Hospitals and the Health Care System: Views of Hospital Executives

Findings from the Commonwealth Fund International Health Policy Survey¹

The most recent Commonwealth Fund International Health Policy Survey asked hospital executives in five countries—Australia, Canada, New Zealand, the United Kingdom, and the United States—for their views of their nation's health care system, the level and quality of their hospitals' resources, and efforts to improve quality of care. In Canada, the survey presents a picture of a publicly governed health care system operating under considerable stress, but one with which the vast majority of hospital executives interviewed were at least somewhat satisfied.

Canadian Hospitals: A Current Snapshot

"Canadian hospitals, organized as public or not-for profit, operate under annual budgets set by provincial and regional health authorities. During the 1990s Canada's health system contracted, including hospital closings and bed reductions. In 2002 and again in 2003 the federal government supported major increases in health spending, with a share devoted to reinvestment in hospitals."

From R. J. Blendon et al., "Confronting Competing Demands to Improve Quality," *Health Affairs*, May/June 2004

When asked about the biggest problems facing their hospitals, Canadian respondents reported inadequate funding, staffing shortages, and overcrowded and outdated facilities—challenges echoed by hospital executives in the four other countries surveyed. These constraints are reflected in waiting times for elective surgery, diversions of patients to other hospitals, and cancelled or postponed surgeries. Emergency departments appear to be one area where these problems converge: nearly half of Canadian hospital executives rate the quality of their emergency rooms as only fair or poor.

In all five countries, hospital administrators named information technology and electronic medical records as their top priority for a one-time capital investment to improve quality of care.

The Commonwealth Fund survey, conducted in 2003, is the sixth in a series of surveys designed to provide a comparative perspective on health policy issues in these five countries. The 2003 survey consisted of interviews with a sample of hospital chief operating officers or top administrators of the larger hospitals in each country. The findings were reported in the May/June 2004 issue of *Health Affairs*.

Overall Views of the Canadian Health Care System

The majority of hospital executives in all five countries reported being somewhat satisfied with their health care system, although fewer than one of six say they are very satisfied.

- Canadian hospital executives named inadequate funding and staffing shortages as the two biggest problems facing the health care system, followed by inadequate, overcrowded, and outdated facilities. These concerns also topped respondents' lists in the other countries (Figure 1).

Canada Figure 1
Two Biggest Problems Faced by Hospitals

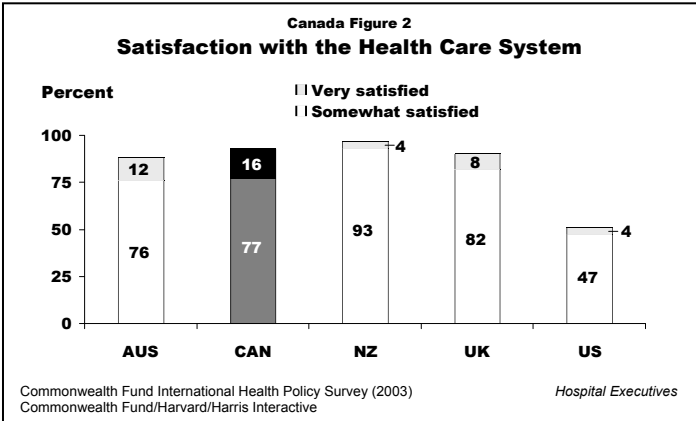
| Percent naming: | AUS | CAN | NZ | UK | US |
|--|------------|------------|------------|------------|------------|
| Inadequate funding | 58% | 62% | 57% | 39% | 10% |
| Inadequate reimbursement | 8 | — | — | — | 60 |
| Staffing shortage | 45 | 60 | 54 | 64 | 47 |
| Inadequate/overcrowded/ outdated facilities | 32 | 39 | 54 | 42 | 7 |
| Indigent care/uninsured | — | — | — | — | 17 |
| Malpractice costs | 6 | — | — | — | 11 |

Commonwealth Fund International Health Policy Survey (2003)
Commonwealth Fund/Harvard/Harris Interactive *Hospital Executives*

¹ R. J. Blendon, C. Schoen, C. M. DesRoches, R. Osborn, K. Zapert, and E. Raleigh, "Confronting Competing Demands to Improve Quality: A Five-Country Hospital Survey," *Health Affairs* 23 (May/June 2004): 119–35.

This data brief was prepared by Robin Osborn, Catherine M. DesRoches, Elizabeth Raleigh, Phuong Trang Huynh, Olivia Ralston, and Alice Ho.

- One of six (15%) Canadian respondents named access to capital as one of the two biggest problems facing their hospitals.
- Despite financial and operational problems, 16 percent of hospital executives in Canada said they were very satisfied with the health care system; 77 percent reported being somewhat satisfied (Figure 2).



Financial Health and Quality of Resources

Hospital executives in Canada were among the most likely to report that their hospitals were under financial stress and that renovations were needed. In all five countries, emergency department facilities were rated relatively poorly, a finding consistent with physicians’ ratings in the 2000 International Health Policy Survey.²

- Seventy percent (70%) of hospital executives in Canada reported that their hospital operated at a deficit in the past year or was unable to stay within budget. This is a higher proportion than that found for Australia, the U.K., and the U.S.
- Eight of 10 Canadian respondents reported that their hospital’s current financial situation was insufficient to maintain current levels of service (Figure 3).

| In the past year: | | | | | |
|--|-----|-----|-----|----|-----|
| | AUS | CAN | NZ | UK | US |
| Had a surplus or profit | 35% | 9% | 11% | 7% | 71% |
| Broke even | 25 | 22 | 7 | 61 | 6 |
| Had a loss or deficit | 40 | 70 | 82 | 32 | 23 |
| Current financial situation: | | | | | |
| Insufficient to maintain current levels of service | 57 | 81 | 75 | 63 | 30 |
| Allows for some improvements* | 11 | 2 | 4 | 8 | 32 |

* Does not include percent reporting sufficient to maintain current levels of service.
Commonwealth Fund International Health Policy Survey (2003)
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- The quality of Canadian hospital facilities received mixed ratings. Some 70 percent said that their intensive care unit was either excellent or very good, while another 62 percent said the same about their operating rooms. However, half (48%) of Canadian hospital administrators rated their emergency departments as only fair or poor (Figure 4).

| Percent rating as only fair or poor: | AUS | CAN | NZ | UK | US |
|--|-----|-----|-----|-----|----|
| Intensive care unit | 9% | 13% | 10% | 11% | 5% |
| Operating rooms or theaters | 7 | 20 | 12 | 17 | 5 |
| Emergency room or department facilities | 21 | 48 | 30 | 17 | 19 |
| Diagnostic imaging equipment or other medical technology | 13 | 19 | 22 | 18 | 4 |

Commonwealth Fund International Health Policy Survey (2003)
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- Of the five countries surveyed, Canadian respondents were the most likely to report that their hospital needed major renovations (Canada, 79%; U.S., 57%; U.K., 53%; Australia, 48%; New Zealand, 46%).
- Similar to their U.S. counterparts, one-quarter of Canadian hospital executives said they were very prepared for a terrorist attack and another 63 percent said they were somewhat prepared.

Waiting Times

Many Canadian hospital executives reported that waiting times for elective surgery were growing longer. Waiting times for elective surgery were longest in the U.K., although U.K. hospital executives overwhelmingly reported that they were improving. The very short waits for elective surgery reported in the U.S. are striking compared with other countries; however, these may not take into account indigent or uninsured individuals discouraged from seeking elective surgery altogether.

- Survey results indicate that waiting times in Canada are a problem: 44 percent of hospital administrators in Canada say that waiting times have gotten longer in the past two years, a significantly higher percentage than in the other four countries (U.S., 27%; New Zealand, 18%; Australia, 11%; U.K., 8%).

² R. J. Blendon et al., “Physicians’ Views on Quality of Care: A Five-Country Comparison,” *Health Affairs* 20 (May/June 2001): 233–43.

- One-third (32%) of Canadian respondents reported that patients often or very often wait six months or more for elective surgery (compared with U.K., 57%; New Zealand, 42%; Australia, 26%; U.S., 1%).
- When asked about expected waiting times for a breast biopsy for a 50-year-old woman with an ill-defined mass in her breast (but no adenopathy), the majority (70%) of Canadian administrators anticipated that treatment would be available within two weeks or less. When asked, however, about a routine hip replacement for a 65-year-old man, 50 percent of Canadian hospital executives projected a wait of six months or more.
- Almost half (46%) of Canadian respondents reported average emergency department waiting times of two hours or longer (compared with U.K., 58%; U.S., 39%; Australia, 23%; New Zealand, 17%).
- More than half (58%) of Canadian hospital administrators reported that delays and problems discharging patients because of limited post-hospital care occur often or very often, which was similar to the other countries, except New Zealand (U.K., 58%; Australia, 43%; U.S., 40%; New Zealand, 7%).

Medical Errors

The 2002 International Health Policy Survey found that a quarter of Canadian patients with health problems experienced a medication error or a medical mistake.³ As a follow-up, the 2003 survey asked hospital executives about policies to inform patients about errors and to assess the effectiveness of hospitals' efforts to identify and address preventable medical errors.

- According to the survey, nearly half of Canadian hospitals have a written policy for informing patients or their families of a preventable medical error made in their care (Figure 5).
- While a large majority of hospital executives in Canada said that their hospitals' programs for finding and addressing medical errors was at least somewhat effective, far fewer believed that the program was very effective (13%).
- Four of five Canadian respondents said that physicians were either somewhat or very supportive of reporting and addressing preventable medical errors.

Canada Figure 5
Addressing Preventable Medical Errors

| | AUS | CAN | NZ | UK | US |
|---|------------|------------|------------|------------|------------|
| Percent saying hospital has written policy to inform patients of preventable medical errors made in their care | 59% | 47% | 50% | 74% | 88% |
| Percent saying hospital's program for finding and addressing medical errors is: | | | | | |
| Very effective | 22 | 13 | 4 | 24 | 24 |
| Somewhat effective | 58 | 66 | 71 | 67 | 70 |
| Percent reporting that physician support for reporting and addressing medical errors is: | | | | | |
| Very supportive | 17 | 21 | 7 | 35 | 30 |
| Somewhat supportive | 59 | 59 | 57 | 54 | 56 |

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- While the U.K. and U.S. appear to be in the lead on patient safety efforts, in no country were a majority of hospital administrators very confident of their hospital's ability to find and address medical errors.

Quality Improvement and Public Disclosure of Data

Across all five countries, the majority of hospital executives agreed that recognized strategies to improve quality of care in hospitals were at least somewhat effective and that provider performance data should be reported to the public.

- The strategies rated most highly by Canadian hospital executives were treatment guidelines for common conditions and computerized ordering of drugs, with 59 percent and 51 percent, respectively, considering these very effective. One-third or more also regarded electronic medical records (45%) and comparing medical outcomes with other hospitals (33%) as very effective.
- Overall, hospital administrators in Canada were very supportive of publicly disclosing quality-of-care information. Three-fourths or more said there should be public disclosure of the frequency of specific procedures, patient satisfaction ratings, nosocomial infection rates, average waiting times for elective procedures, mortality rates for specific medical conditions, and medical error rates (Figure 6).
- Only about two of five Canadian (46%) and U.S. (40%) hospital executives rated current government policies for improving quality as somewhat or very effective. A majority of executives in the other three nations endorsed their government's policies (U.K., 75%; Australia, 68%; New Zealand, 61%).

³ R. J. Blendon et al., "Common Concerns Amid Diverse Systems: Health Care Experiences in Five Countries," *Health Affairs* 22 (May/June 2003): 106–21.

Canada Figure 6
Disclosing Quality Information to the Public

| Percent saying should be released to the public: | AUS | CAN | NZ | UK | US |
|--|-----|-----|-----|-----|-----|
| Mortality rates for specific conditions | 62% | 72% | 79% | 82% | 66% |
| Frequency of specific procedures | 82 | 94 | 96 | 85 | 85 |
| Medical error rate | 62 | 78 | 54 | 82 | 59 |
| Patient satisfaction ratings | 94 | 97 | 96 | 98 | 82 |
| Average waiting times for elective procedures | 94 | 98 | 100 | 99 | 70 |
| Nosocomial infection rates | 71 | 89 | 71 | 89 | 68 |

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Staffing Issues

Hospital staffing levels were a top concern for hospital executives in all five countries. Sixty percent of survey respondents in Canada named staffing shortages as one of the top two problems facing their hospital.

- More than one of four Canadian hospital executives reported serious shortages of pharmacists, nurses, and specialists. Hospitals in Canada were significantly more likely than those in Australia, New Zealand, and the U.S. to report serious shortages of specialists (Figure 7).

Canada Figure 7
Staffing Shortages

| Percent reporting serious shortages of: | AUS | CAN | NZ | UK | US |
|---|-----|-----|-----|-----|-----|
| Nurses | 23% | 30% | 11% | 22% | 31% |
| Pharmacists | 26 | 33 | 14 | 27 | 14 |
| Specialists or consultant physicians | 11 | 26 | 7 | 17 | 16 |
| Trained managerial staff | 5 | 12 | 0 | 6 | 3 |
| Lab technicians | 3 | 9 | 0 | 17 | 4 |

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- Staff shortages have an impact on care delivery: one-quarter (26%) of hospitals in Canada reported that 10 percent or more of scheduled surgeries or procedures were cancelled due to staff shortages or lack of capacity.
- Three of 10 (31%) hospital administrators in Canada rated physician morale in their hospital as only fair or poor (U.S., 33%; U.K., 22%; Australia, 15%; New Zealand, 7%).

Information Technology

When hospital executives in the five countries were asked what their top priority would be for a one-time capital

investment to improve quality of care for patients, information technology (IT) was the dominant choice.

- Nearly one-half of Canadian hospital executives named IT and electronic medical records as their top priorities for a one-time capital investment to improve quality of care (Figure 8).

Canada Figure 8
If You Had New Funding to Invest in a One-Time Capital Improvement in Only One Area of Your Hospital, What Would It Be?

| Percent saying: | AUS | CAN | NZ | UK | US |
|--|-----|-----|-----|-----|-----|
| Electronic medical records/IT | 35% | 47% | 46% | 38% | 62% |
| Emergency room/OR/Critical care facility | 26 | 18 | 4 | 22 | 13 |
| Basic hospital/patient facilities | 17 | 14 | 21 | 22 | 3 |
| Diagnostic equipment/medical technology | 9 | 16 | 11 | 10 | 3 |

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- The majority of hospital administrators in all countries named high startup costs as a major barrier to expanding the use of computer technology (New Zealand, 93%; Australia and Canada, 84%; U.S., 71%; U.K., 69%). Projected maintenance costs, insufficient technical staff, and lack of uniform industry standards also were seen as major barriers.

Survey Methods

The Commonwealth Fund International Health Policy Survey consisted of interviews with hospital executives of the larger hospitals in Australia, Canada, New Zealand, the United Kingdom, and the United States. The survey drew random samples from lists of the largest general or pediatric hospitals in each country, excluding specialty hospitals. The largest hospitals surveyed in Australia and Canada had 100 or more beds, and in the United Kingdom and United States had 200 or more beds. In New Zealand, the study included hospitals in the country's 34 District Health Boards regardless of bed size. Final survey hospital sample sizes were: AUS 100; CAN 102; NZ 28; UK 103; and US 205. Harris Interactive, Inc., and country affiliates conducted the interviews by telephone with the chief operating officer or top administrator of hospitals between April and May 2003. The May/June 2004 *Health Affairs* article based on the survey provides tests for statistical differences between countries.