



UBC CENTRE FOR
HEALTH SERVICES AND
POLICY RESEARCH



Breaking Through Bottlenecks

Aligning Infrastructure with Evolving Healthcare Demands

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Canadian Centre for
Healthcare Facilities

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DISCLOSURE

Faculty: Jason M. Sutherland

Relationships with commercial interests:

- None
- Do not accept speaking fees

Managing potential bias:

- Not applicable

LAND ACKNOWLEDGEMENT

I would like to acknowledge that where I live and work is located on the traditional, ancestral, and unceded territory of the Musqueam people.

PERSPECTIVE

Commonwealth Fund Harkness Scholar (USA)

- Centre for Medicare and Medicaid Innovation
- Department of Health and Human Services, Office of the Assistant Secretary for Policy Evaluation
- Obama-care health reforms



Senior Policy Advisor, Director of Agency for Healthcare Research Policy (AHRQ; Bethesda USA)

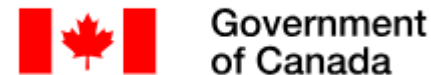
- Intra- and extramural program measuring health system performance



Provincial Governments. Funding policy options. Quebec, Ontario, Alberta, B.C., Health Canada



Australia. Special Adviser, Australian Government, Independent Health and Aged Care Pricing Authority



TOPICS FOR TODAY

01

Canadian Landscape:
Basis for Change

02

Opportunities & Evolving Industry

03

A Path Forward

04

Impact on Infrastructure &
Facilities



BASIS FOR CHANGE

Understanding the Canadian Healthcare Landscape

01



Canada is struggling to maintain a high quality system

STRUGGLES ARE WELL KNOWN

- Significant wait times** for specialist assessment and elective surgery
- Access to primary care** and chronic condition management
- Clogged emergency rooms**
- Staffing challenges** across sectors
- Mix of private and public delivery** creates disparities in access and outcomes
- Long-term care** quality and access

CANADA 2025 (forecast)

\$339 Billion
in Health Care
Spending

\$9,625
in Spending Per
Capita

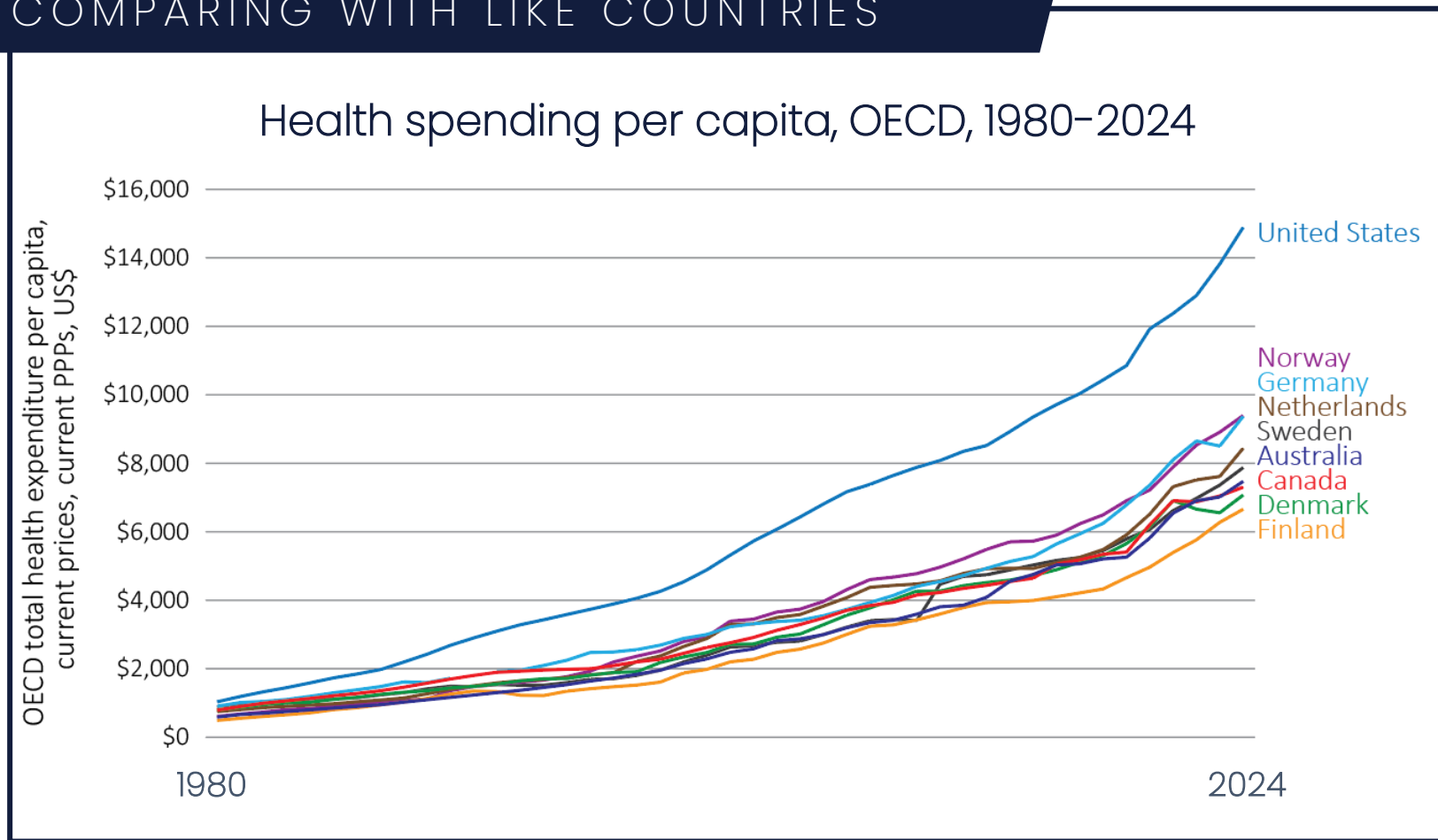
11.3%
of Gross Domestic
Product (GDP)

\$10,439
for Average
Hospital Stay

High spending & lagging performance have people looking for another way

Canada's spending is mirroring most other OECD countries

COMPARING WITH LIKE COUNTRIES



HEALTH EXPENSE

Healthcare spending as proportion of GDP, 2025

Canada	11.3%
Denmark	9.4%
Germany	12.3%
Norway	9.4%
Sweden	11.2%
UK	11.1%

Health care is close to 50% of public spending in Canadian provinces

In 2040, 1 in 4 Canadians will be over 65, increasing demand and spending on the healthcare system

Canada's Demographic Changes

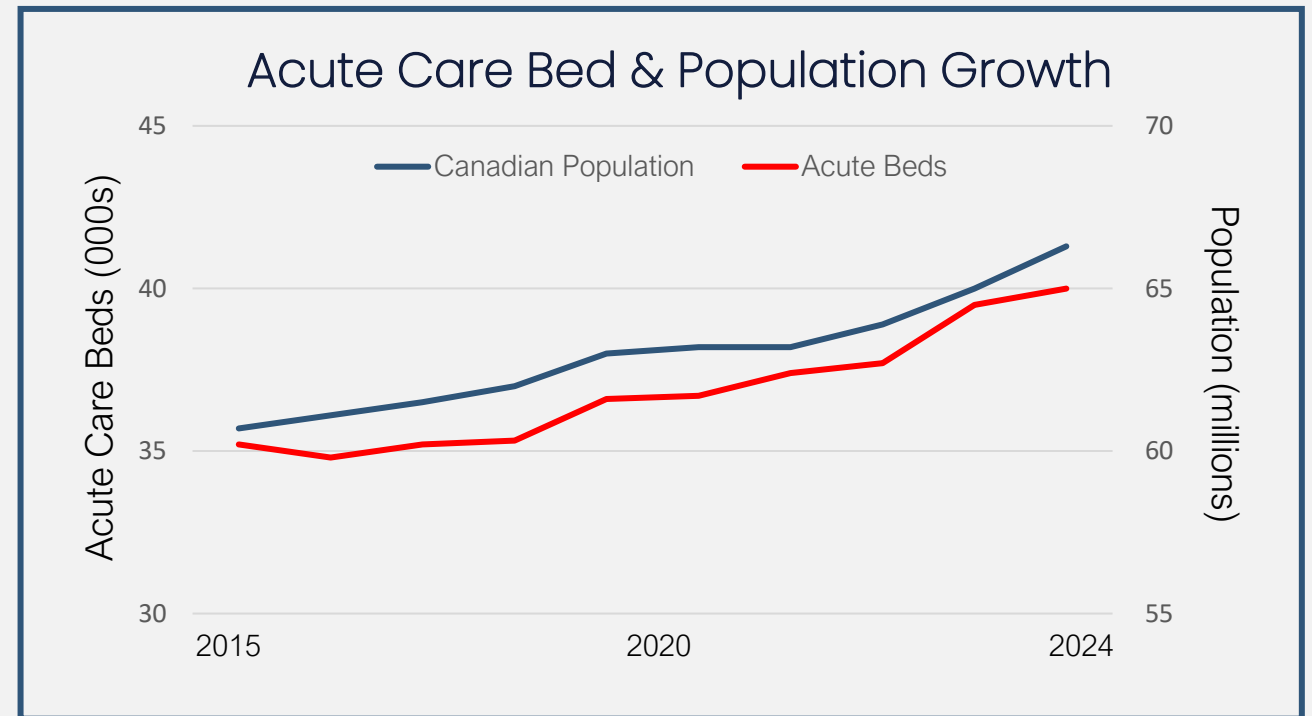
65+ POPULATION¹

- 2025: 8.1 million (19.5% of population)
- 2030: 9.2 million
- 2035: 9.8 million
- 2040: 10.2 million (25% of the population)

HEALTHCARE UTILIZATION²

Seniors spend ~\$12,000 annually on healthcare, 4x higher than those under 65

Seniors account for 45%–47% of public healthcare spending, despite making up only 19% of the population



¹ Statistics Canada

² Canadian Medical Association

HEALTHCARE WORKFORCE TRENDS

Primary care and specialty care workforces have been increasing with population growth and government priorities

Regulated nurses have been increasing at a lower rate than population growth

Labor supply and demand is matched among sectors with LTC and nursing homes disadvantaged due to interest and wage disparities

Significant – and growing – demand for labor substitution, technology solutions and optimizing use of personnel and existing physical assets

Growing the
healthcare
workforce is not
going to solve
healthcare
delivery
challenges

Pulling it together: What do these trends mean for the future of healthcare in Canada?

Healthcare spending growth exceeds tax revenue growth

'Staying the Same' course means

- Increase deficit funding, increase taxes, or shifting resources
- De-insure some services
- Restrict access

...or do things differently

MY PERSPECTIVE

Where is value in healthcare across Canada?

02



Optimize use of most expensive types of care

Variation in ICU use tied with hospital volume with financial implications

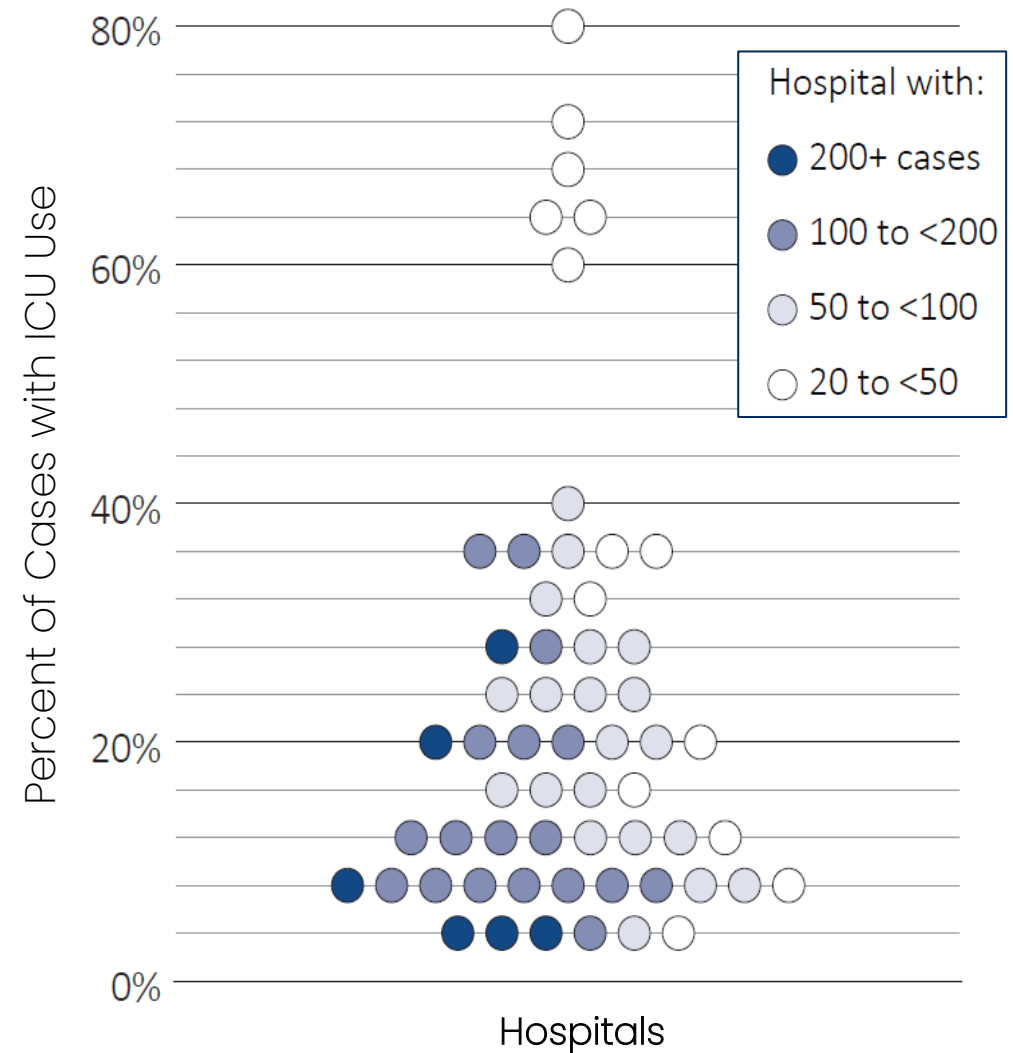
IMPLICATIONS

Hospitals with low volume are more likely to admit to ICU following colorectal surgery

Per case rate increases if patient is admitted to intensive care

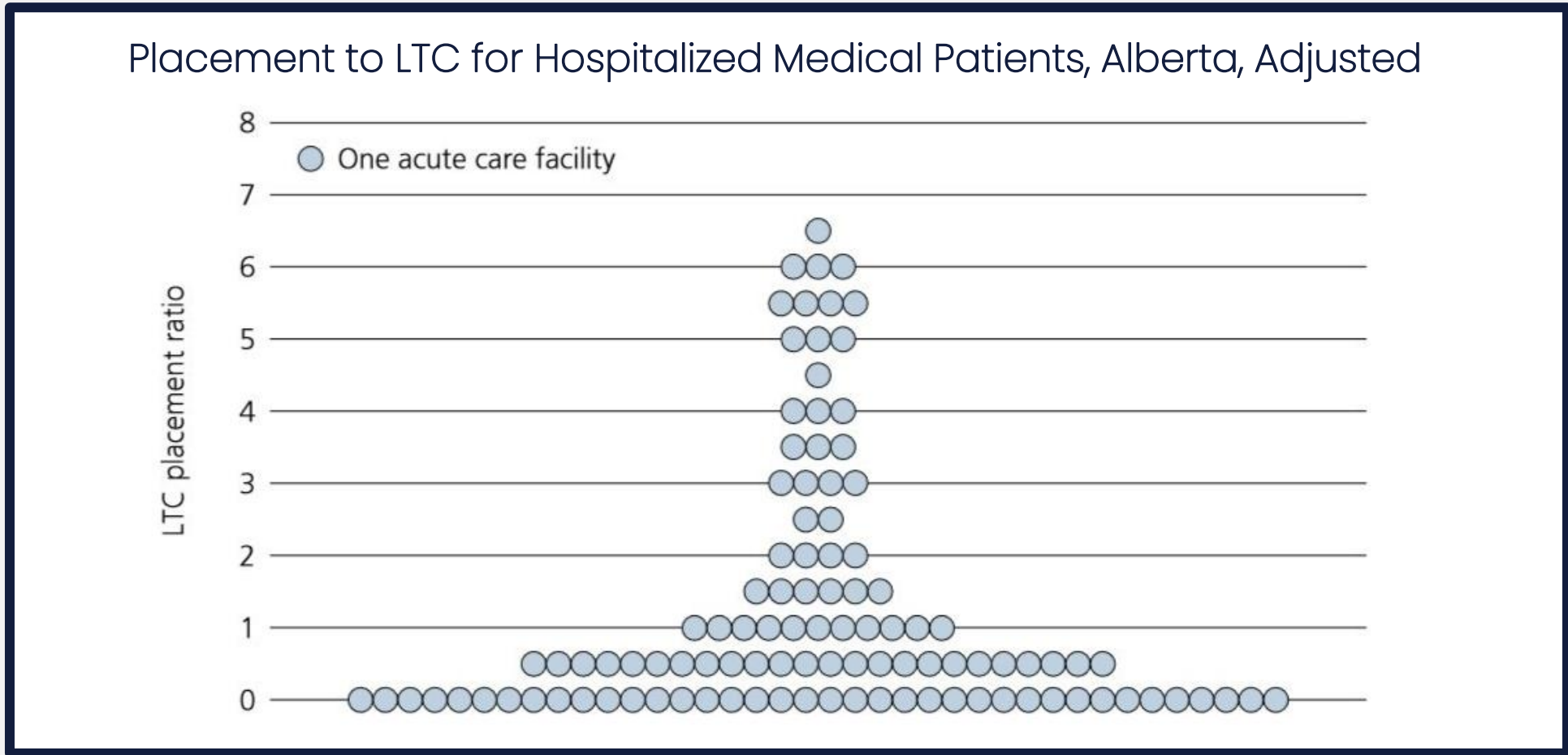
- ICU cost per day: \$3,592
- General cost per day: \$1,135

Colorectal Surgery Cases with ICU, case mix adjusted




Source: Cancer Care Ontario/Ontario Health, 2021

Optimize use of long term care (LTC) for hospitalized medical patients more effectively



Source: Sutherland et al.

What's missing from the value equation?



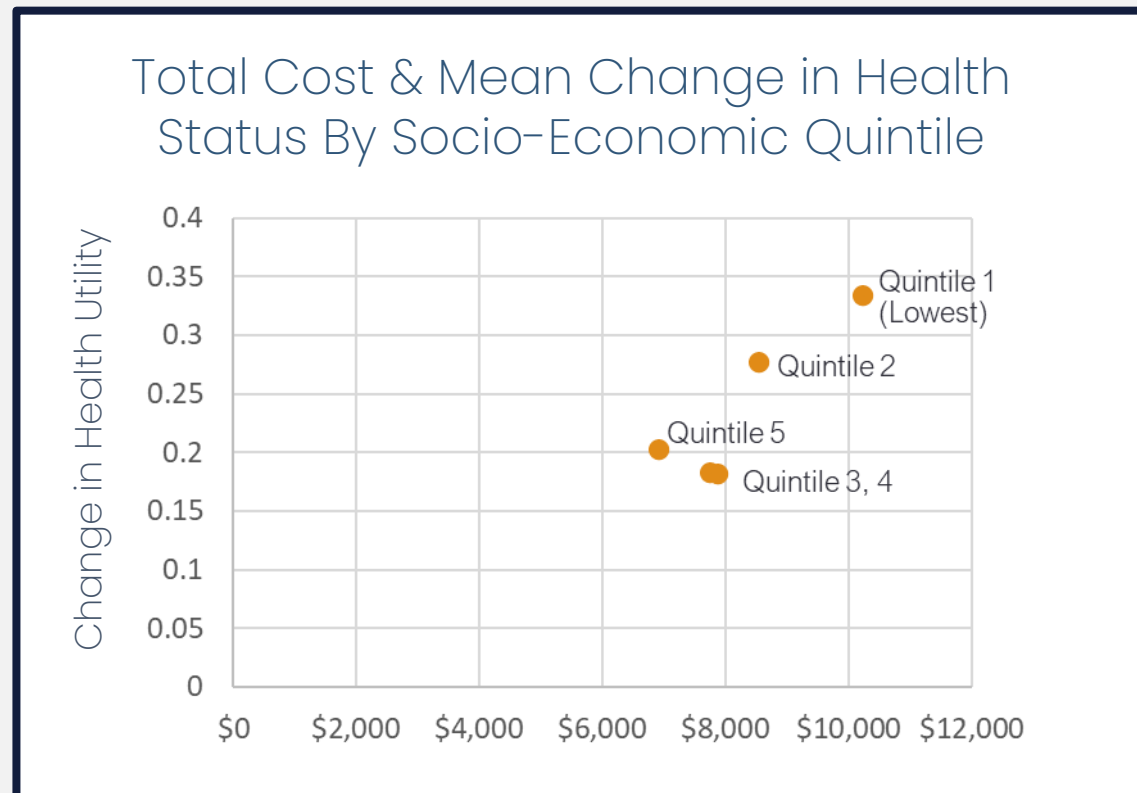
Limited measurement of outcomes
that expand our understanding of what factors
drive improvement or maintain health

Findings: An equity lens shows that patients with a lower socioeconomic status have greater gain in health

PROs DATA & HEALTH DISPARITIES

Ankle Replacements / Fusions By Socioeconomic Status

Socio-Economic Quintile	Total Cost	Mean Change in Health Utility
Quintile 1 (Lowest)	\$10,242	0.3334
Quintile 2	\$8,551	0.2765
Quintile 3	\$7,888	0.1809
Quintile 4	\$7,766	0.1824
Quintile 5 (Highest)	\$6,925	0.2012



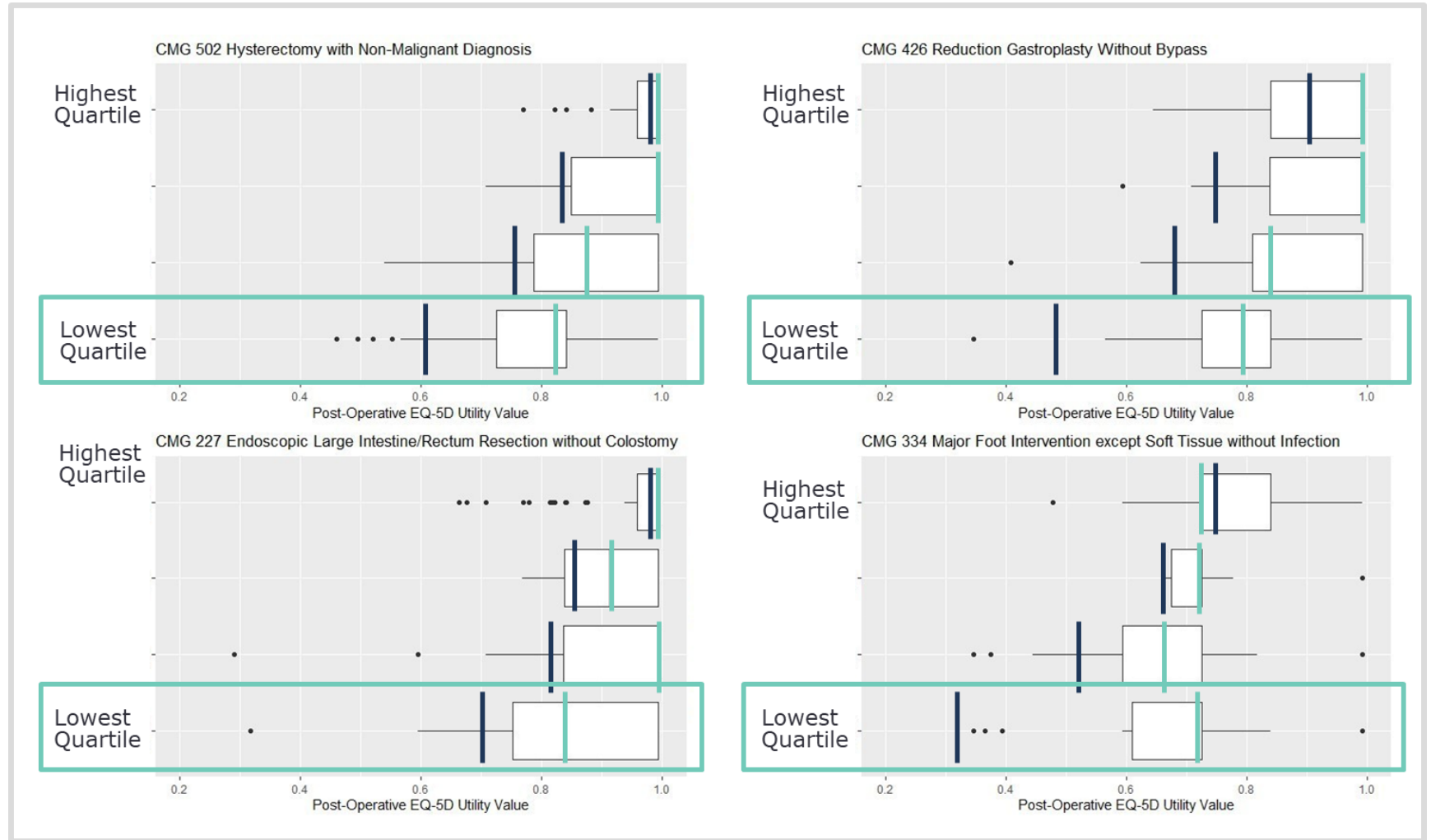
*Cost Data Source: Patient Cost Estimator. Canadian Institute for Health Information (CIHI). Accessed Sept 19, 2022.

Pre- & Post-Operative EQ-5D Utility Value

POLICY QUESTIONS AND FOCUS ON IMPACT

Do we best spend our money to invest in 'health'?

Can we expand our understanding by capturing new data?



Source: Sutherland, et al., J Health Serv Res Policy. 2023 Jun 11

KEY

- Pre-Surgery Mean Health Utility Value
- Post-Surgery Mean Health Utility Value

EVOLVING INDUSTRY

What is evolving in
other parts of the world
that will affect
Canadian healthcare?

02

Healthcare is evolving: Global trends among high-income countries will inform changes in Canada

IDENTIFYING TRENDS IN HEALTHCARE

GLOBAL CHANGES

Pressure to reduce cost growth both labor and non-labor cost inflation

New therapies' cost growth, immunotherapies, gene therapies, GLP1s,

Technology costs including EMRs, diagnostics, AI

Patient preferences for care, such as coordinated care, convenient, space for families

UNITED STATES

Push procedures to outpatient wherever possible and hospital acuity increases

Expansion of virtual care, including hospital-at-home, mental health and primary care

Urgent care for decanting emergency rooms and improved experience

Flexible spaces for adapting

OTHER TRENDS

Remote monitoring technologies, such as fall detection and wearable devices

Dementia care models within communities with integrated physical and mental health

Automated technologies and robots. E.g., for meal/lab delivery

AI adoption for efficiency for scheduling, panel management, and symptom checking

TREND ANALYSIS

Priorities for a Path Forward for Healthcare in Canada



03

Areas of Focus

(1 of 2)

2. APPROPRIATENESS

Reducing low-value care to improve system effectiveness

- Reducing unnecessary diagnostics and labs

Practice-level analytics and outcomes to understand practice patterns

1. ACCESS

Reducing wait times for specialist care and ED

Regional variations in access and spending

Government leadership and policies

Information systems and governance

Remote monitoring and virtual care

3. PRIVATIZATION & CONTRACTING

Surgical Centres and community-based care

- Process for determining which services should be paid for by public
- Privately operated facilities and contracted out
- Infrastructure with increasing demand

Areas of Focus

(2 of 2)

5. INCENTIVES & OPERATIONS

System-level initiatives for access and effectiveness

- Funding policies and incentives. DRG, P4P, Bundled payment, and outcome-based payment
- Province-wide centralized referrals, triage, automated follow-up

4. OUTCOMES CROSS CONTINUUM

Measuring patients' perceptions of outcomes

- Articulating 'value' and social determinants of health
- Include all aspects of care and recovery
- Behavioural health
- Social prescribing

6. TECHNOLOGY REVOLUTION

Integrating new AI-based technologies into health care and practice

- Change in workflows
- Other sectors' ability to adapt; integration with hospitals' systems
- Competing for funding
- Demonstrating value

Common concerns to understand...

Sector Priorities: direct care, capital, staffing, technologies, other

Health Systems' Leaders may have limited experience to lead delivery system and policy transition

Cost of Care will be in focus

Facilities and Organizations may suffer as demand pressures increase and limited vision, robust policy, or strategy from public payers

Performance Management

Aging infrastructure and change management talent among providers is limited

CONNECTING THE DOTS

Impact on Infrastructure & Facilities

04



Impact on facilities likely focused on a few key areas

INFRASTRUCTURE IMPACTS

Demographics and longevity will mean 'more' demand for healthcare services

Long-term care capacity likely to expand to accommodate growing 65+ population

- Private, not-for-profit, and for-profit footprint needs will differ

Inpatient hospital designs likely to evolve:

- Higher acuity spaces as lower acuity care moves to outpatient and home
- Flexible designs to match pace of practice change and unknowns
- Incorporation of technology and automation requirements
- Multidisciplinary primary care

Urgent and emergent care likely to expand resulting in redesign and expansion of emergency rooms and urgent care centres

Increasing demand for healthcare: The critical role of facilities in meeting the challenge

IDENTIFYING EFFECTS ON FACILITIES

PRIMARY CARE

New and expanding space for multidisciplinary teams who manage complex chronic conditions; Use space differently for practice

Workspace changes to support physical, mental health, and social care providers' team-based models of care

Information flow expected to accelerate; Remote monitoring and wearable devices

Making room for urgent care

HOSPITALS

Integrated practice units which co-locate multidisciplinary providers.

Social care integrated into facilities (e.g., loneliness, lifestyle and depression)

Expanded 'networks' of care, including hospital-at-home and step-down care options

Capital for new technologies, automation and aging infrastructure

COMMUNITY CARE

High need for new facilities and aligns with governments' attempts to free hospital beds

Considers impact of new models of care and providers' needs of facilities

Incorporates understanding of immigrants, preferences for care, social values, communication barriers, and access challenges

Tip scale back to under-invested communities, often rural

Conclusion

Increasing demand for healthcare: demographics and longevity will mean 'more' and 'different' healthcare services

Require new approaches

- Flexible space in a rapidly evolving environment
- Focus on family friendly environment
- High acuity in hospitals, low acuity in a lower cost setting

Impact on healthcare facilities

Financial pressure will leave public providers little room in the short term; redesigning services for flexibility and technology will be critical

THANK YOU

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