

A Comparison between Canadian and Indian Healthcare Focusing on Financing

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Abstract

Healthcare is significant for a person's comfort as well as the economic benefit of a country. Irrespective of ability, everyone should have access to health care while anyone is sick. This paper aims to compare Canadian and Indian health care highlighting the financing system and people's benefits. In Canada, universal health care means everyone, including citizens, permanent residents, and visitors, can have health care from the government. Canadian health care pays the doctors based on the services they provide the patients. In India, 80% of health financing comes from private sources through out-of-pocket and private insurance. In India, government-paid doctors can do private practice beyond their office hours; any patient can go to any doctor without the general practitioner's (GP) referral as the GP system does not exist there. The healthcare agents are aggressively eager to make money, forgetting quality service to the patients. On the other hand, in Canada, the insurance system plays a supportive role in making payments and ensuring quality health care.

Keywords

Healthcare, Out-of-Pocket, Ayurveda, Yoga, Unani, Siddha, Not-for-Profit

1. Introduction

Healthcare is significant for a person's comfort as well as the economic benefit of a country. An efficient management and sufficient financing can ensure the vibrant healthcare of a nation. Hence, healthcare financing is an issue that is related to the progress of the healthcare system for universal healthcare coverage with adequate service coverage and financial protection as millions of people do not have access to services or have poor quality services due to cost [1]. Irrespective of ability, everyone should have access to health care while anyone is sick.

For ensuring health care, sufficient health care professionals, physical infrastructure, technical equipment, medicine, and other necessary medical items are required. For arranging all the things, financing is an essential issue that comes first. It is the primary responsibility of the government to finance the healthcare, but due to constraints, the government of a country cannot ensure health care alone. In that case, the private companies come forward to bridge the gap between the demand and supply in health care.

Canada is a developed country in North America with 37 million people where the health system is a single payer system which is an insurance based and insurance is covered by the government. On the other hand, India is a developing country in South Asia with 1370 million people, which has a financial constraint, and do not have universal insurance system. In this essay, I would like to show a comparison compare between Canadian and Indian health care system focusing on financing to the healthcare.

Healthcare:

Health care is a systematic approach that is related to the prevention and control of diseases, injuries, and other disorders of health. It also refers to early detection of the diseases and conditions of the health, timely and efficient treatment, and rehabilitation, by application of professional medical measures, activities, and procedures [2]. The procedure of health care occurs between a person needing healthcare, a person possessing expertise, and an institution where they meet and interact. To receive the best performances in this contact, it needs three things: personal competence, organizational empowerment, and the psychological motivation to deliver services in their most effective way when they meet [3]. It requires healthcare professionals including hospitals, clinics, pathological laboratories, health education, and research organizations, and pharmaceutical companies encompass the health care system under the public and the private arrangements.

2. Methodology

This paper depicts a comparison of Canadian and Indian healthcare financing based on the available secondary literature and data, where it mostly considers the financing system, not the expenditure.

3. Canadian Healthcare

Canadian health care has two levels, such as primary or community level and tertiary level. Primary health care providers include community medical centers and general practitioners (GP), which provide health care for the individual, family, and community. The tertiary health care provides through general hospitals where round-the-clock care is available to the patients, including emergent, elective, specialized chronic care, and rehabilitation [4].

In Canada, the universal health care means everyone including citizens, permanent residents and visitors is eligible to have health care from the govern-

ment. However, all kinds of services are not included in the universal health care system. The Universal coverage is limited to “Universally Necessary” hospital and physician services excepting to outpatient pharmaceuticals, dental care, long-term care, and many other mental healthcare services [5]. For these excluded services, the payment is made through private insurance and out-of-pocket system. The people who are working in private firms, they have insurance coverage in their compensation package in addition to the government insurance policy. According to the Canadian Institute for Health, (CIHI, 2019) the Information government covers 70% of the health cost, and private insurance and others cover 30%.

Canadian Healthcare Financing:

In Canada, health care is an issue of the provincial government where both provincial and federal government finance health care through the universal insurance system. Canada has not one but ten provincial and three territorial health insurance schemes, which are linked through the need to comply with federal standards set out in the Canada Health Act (CHA) to receive federal funding [6]. On the other hand, India has twenty-nine states and eight union territories, where there is no universal health insurance system; health care is provided by both the public and private arrangements. The following **Diagram 1** shows the percentage of public and private contribution.

The government finances Canadian healthcare through the universal health insurance coverage system. The Canadian health insurance was introduced in 1947, first in Saskatchewan proposed by Tommy Douglas, after that ten provinces and three territories adapted it. The Canadian Health Care Act, 1984, has set out the primary objective of the Canadian health care policy, which is to protect, promote and restore the physical and mental well-being of residents of Canada and to facilitate reasonable access to health services without financial or other barriers. The act has established some criteria for the provinces and territories to receive funds from the federal government.

Canadian health care follows a one-point payment system through universal insurance, where the provincial and territorial governments are responsible for financing on a not-for-profit basis. The eligible residents of Canada have a government-funded insurance policy that covers all kinds of health services anywhere in the country and outside of the country, which carries a significant value for the residents. The extra-billing and private practice of the physicians are also prohibited [6].

Long waiting times to see a doctor is an issue in Canadian healthcare. For seeing a doctor or nurse in Canada, it takes six days to wait, a specialist waiting time is two months or more, and having elective surgery, waiting time is four months or more [4]. The cause of long wait time in Canada is an insufficient workforce, including physicians, nurses, technicians, infrastructure including building, bed, mechanical equipment, etc. For arranging all, this it needs financial flow.

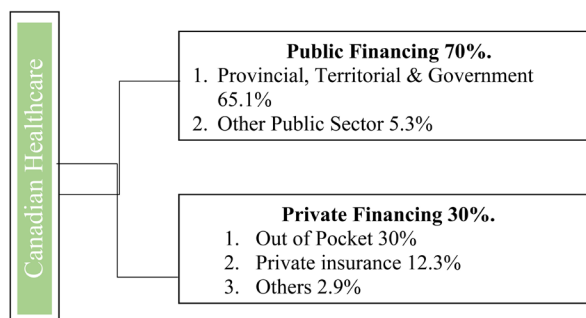


Diagram 1. Canadian Health care public vs Private Financing. Source: Canadian Institute of Health Information (CIHI), forecasted for 2019.

4. Indian Healthcare

The goal of the latest health care policy of India, National Health Policy (NHP), 2017 is to envisage the attainment of the highest possible level of health and well-being for all through a preventive and promotive health care orientation in all developmental policies, and universal access to excellent quality health care services without anyone having to face financial hardship as a consequence. Increasing access and lowering the cost, it would be achieved. India has divided its health care into three levels, such as primary health care secondary health care and tertiary health care. Registered Medical Practitioners (RMP), with some basic medical training, are providing health services in the rural and urban areas as an essential part of the primary health care. Primary health care includes traditional Ayurveda, Yoga, Unani, Siddha as well as Homeopathy (AYUSH) [7]. The secondary health care consists of the district level medical college hospitals and also some sub-divisional hospitals. Tertiary care is provided through regional, zonal, and apex referral centers. Hospitals and pathological laboratories are also established by private companies, which is 80% of the total health care of India, which enhances medical tourism.

Indian Healthcare Financing:

Based on the sources of funds and profitability, health care is classified into two categories, public and private. The funding of health care is not the same throughout the world; in some countries, it is fully funded by the government, whereas in some countries, it is funded by public, private, and the person concerned. In India, 80% of health service is covered by private health care providers, and only 20% is covered by the government [8]. Private health care in India is like a marketable commodity, but in Canada, health care is on a not-for-profit basis fully payable by the government in the case of medically necessary health care, but some services such as cosmetic surgery is for-profit basis.

The public and private arrangements provide Indian health care. Public health care is based on free of cost, where the government pays the physician, nurses, technicians, and other supporting staff. Pathological laboratory's examination and medicine are also free of charge for inpatient and outpatient care. The physicians are also allowed to perform private practice after office hours in hospitals. But private health care is for-profit based. The quality of private health is al-

so better than that of public health care. A referral is not necessary to receive health care from the private health care providers as the payment is out-of-pocket basis. The patient with money can receive any sorts of services from private health care providers.

In India, the health care expenditure is only 4.46% of Gross Domestic Product (GDP), out of which 20% is public finance, and the private companies cover 80% of health care. India is among the top 20 private spending countries where out-of-pocket spending is 82%, employers pay 9%, and private health insurance covers only 5 to 10 [7]. Private health care is also the cause of the poverty of India. To pay the bill for private health care, some people sell their homestead. In such a situation, the supportive role of the government in financing health care assumes decisive importance to protect people from the medical poverty trap [9]. The following **Diagram 2** shows the capacity and private and public shares of Indian health care.

The government of India is also committed to ensuring universal healthcare to the residents, but the total number of hospitals bed in India is 1.37 million. The private sector has 833,000 beds, whereas the public sector arranges 540,000 beds only. Among them, 70% of the private sector's bed is functional, but in the public sector, it is only 50%. In consideration of location, 70% of the private establishment is in the top cities, and 30% is in small towns. On the other hand, 60% of the government beds are in the top cities, and 40% are in small towns [10].

In India, sometimes, the physician advises the patient to have some unnecessary pathological tests and to buy useless medicine. For writing an unnecessary medication, pathological examination, and referring to private hospitals, the physician receives money from the concerned company. The cost of unnecessary medicine, lab test, and hospital admission, including ICU, surgery, and other kinds of advice enhance the treatment cost. In the absence of any comprehensive health insurance coverage and extra billing for the health care more than 40% of all patients, admitted to the hospital must borrow money or sell assets, and 25% of farmers are driven below the poverty line by the costs of their medical care [7]. This is because of the private and out-of-pocket payment system. Except for this, there are no monitoring systems to ensure the quality of the doctors' prescriptions.

5. Significant Characteristics

Both the countries have public and private healthcare arrangements, where cost-effectiveness is an issue. There is an issue of cost and benefit sensitiveness in health care decision making. The physician prescribes the curative measures of the patient; however, it is also the cost-effectiveness of the intervention. There is a lack of cost and benefit sensitivity in the part of physicians in every system of health care. In a controlled mode, it shifts from public to private [11]. The following **Table 1** shows some significant characteristics of the health care system of the two countries.

Table 1. Comparison between Canadian versus Indian health care system:

Country	Funding Source	Characteristics	Service Providers
Canada	Provincial, territorial, and Federal budget: payable through insurance policy	<ul style="list-style-type: none"> -Universal health care based on residency except tourist and visitors. -Medically necessary health care excluding, long term and some others -Universal, inclusive, and portable insurance policy -Non-for-profit based and free of cost -On average 70% of cost 	<ul style="list-style-type: none"> Primary health care: community health center/ general practitioner (GP) Territory health care: general hospital and specialized hospitals
	Private Funding: Out of pocket, private insurance, and others	<ul style="list-style-type: none"> -30% cost borne by private sources, uncovered part of the government -Non-for-profit based 	-Do-
India	State, union territorial and central government payable through salary of the doctor, nurse and staffs, medicine, diagnostics lab test and other expenditure	<ul style="list-style-type: none"> -Universal health care based on residency -free of cost public health care -need based health care -coverage 20% 	<ul style="list-style-type: none"> -Primary: Community health care, AYUSH -Secondary: District level Hospital, 300 beds Hospitals -Tertiary: General and specialized hospital
	Private financing (investment) in health care: out of pocket, insurance, and others	<ul style="list-style-type: none"> -For-profit based private health care -80 % coverage 	-Own hospitals, diagnostics labs in urban areas,

Source: Prepared based on the literature.

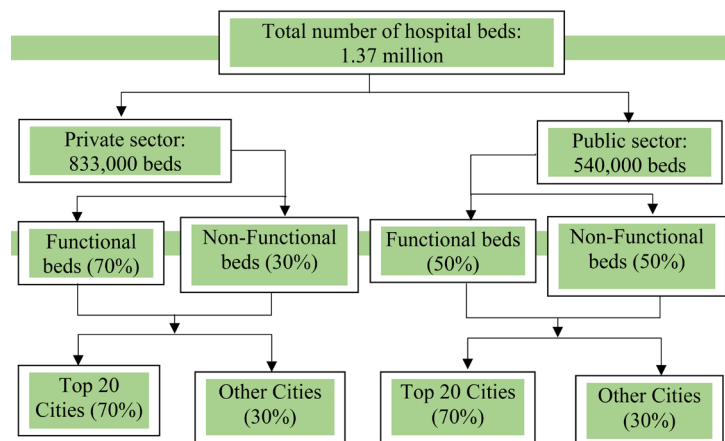


Diagram 2. Hospital beds distribution in India. Source: Vikash Bajpai.

There is some significant difference between Canadian and Indian health care system. Canadian health care is free of cost for all relevant residents, payable through universal and portable insurance. In India, only 20% of health care is the not-for-profit basis, which is provided by the government, but the rest 80% private health care is for-profit basis payable by the patient on out-of-pocket mode. This private system leads to malpractice and corruption, which affects the patient and worse for the poor.

India has the scope of learning from the Canadian health care, especially the Canadian payment system, where financing goes through a universal insurance system, insurance is covered by both the provincial and federal government; people picked the benefit directly. In Canada, physicians are paid based on the

services are done. On the other hand, in India government pay the physician a monthly salary irrespective of services provided, and private health care makes money in the name of services, and people suffer a lot.

6. Conclusion

In Canada, universal health care does not include all the services of health care, but every resident with some exceptions receives medically necessary services from the government that is 70%, and 30% of the services are covered by private insurance, out-of-pocket and others. In India, the government pays 20% of the services, which includes all the services, but 80% of the private facility is the for-profit basis, which causes 40% additional cost for unethical clinical practice. Canada provides health care with two levels of arrangement where India has three levels. The primary level in India encompassed the YUSHA, but the MDs run Canada's primary level of health care. Canadian health care is suffering from a shortage of workforce, which leads to a longer wait time [12]; however, India has less coverage, which is not comfortable for the poor. India can learn from Canada how to introduce health insurance instead of paying physicians directly to ensure proper use of public money and benefit the people.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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