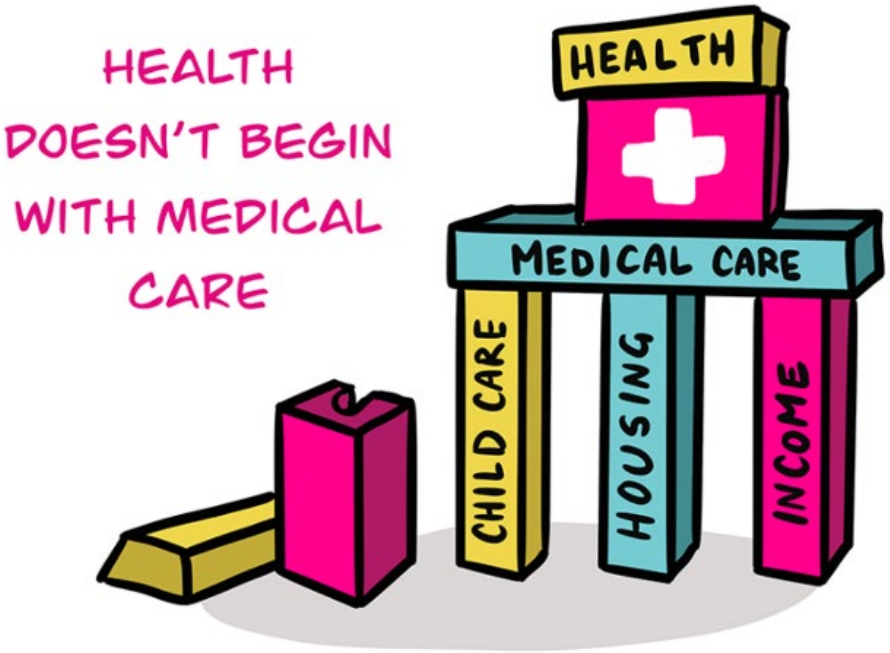
GENERATION|squeeze

Charting a course to better health and greater affordability

More urgent social investments will deliver better health outcomes at lower cost



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Generation Squeeze is a charitable Think and Change Tank promoting wellbeing for all generations. We champion generational fairness to preserve what Canadians hold sacred—a healthy childhood, home and planet—so we all leave a proud legacy.

Get Well Canada is an alliance of researchers, community leaders and medical professionals who want to fulfill the promise of Canada's commitment to health care. Canadians 'Get Well' when we invest in safe and affordable homes, living wages, quality child care and schools, and healthy environments more urgently than medical care.

GET WELL CANADA

Charting a course to better health and greater affordability

Canadians regularly report rising living costs and more timely access to medical care as top priorities for their wellbeing. The solution to both problems is the same: better balancing government spending on medicine with other priorities critical to our wellbeing, such as reducing poverty, housing and child care costs, and climate risks. There is strong evidence to guide us along this path.

Science[i] has long confirmed that our health depends more on the social conditions in which we live than on the medical care we receive. Government investment patterns have diverged from this evidence by allowing rising medical spending to crowd out spending on the building blocks of a healthy society.

Data are also clear that medical waits are not a symptom of doctor shortages. There are more physicians per capita today than ever before (including more family doctors). Still, barriers to access persist.

To deliver more timely medical care, it's time to stop asking why are there too few doctors – and start asking why are there so many patients? This question invites greater attention to root causes of ill health – like financial insecurity and housing precarity. The evidence is clear that investing in these (and other) social supports is linked to improved health outcomes and decreased cost of living pressures.

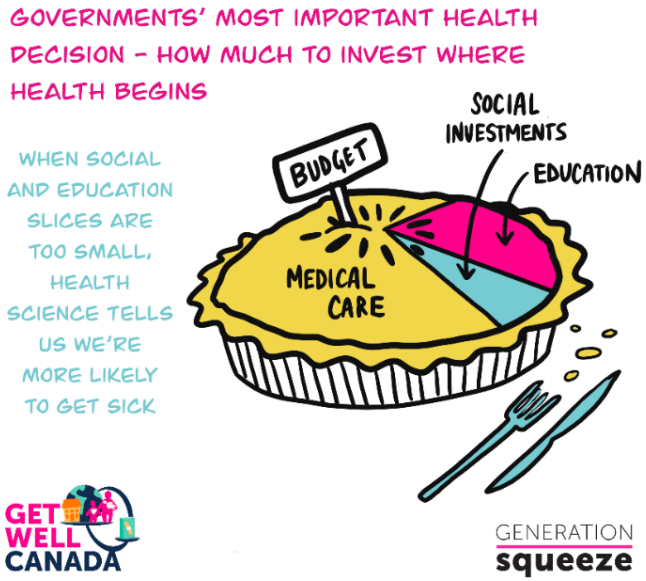
A north star for budgets: the ratio of social to medical spending

According to Canadian and global research, the journey towards rebalancing social and medical spending has a clear starting point: governments must assess investments in social supports and education relative to investments medical care (the SE/M ratio), and track the resulting ratio over time.

This ratio is the north star for recalibrating public investments. It invites politicians and voters alike to judge whether we are budgeting consistent with health science evidence that growing investments in the building blocks for a healthy society more urgently than investments in medical care is the better path to improved health outcomes.[ii]

A SE/M ratio above 1 indicates that social/education spending exceeds medical spending. A ratio below 1 shows the reverse. Since higher social spending is linked to better health outcomes, the prescription from health science is that BC should aim for a ratio greater than 1.

The SE/M ratio is a simple and compelling metric to monitor investments in health over time, and to benchmark what needs



to be done to give British Columbians the best chance to achieve positive health outcomes. By rolling up expenditures into a single value, the ratio facilitates analysis of the balance of expenditures between different priorities, presenting a clear picture of resource allocation trends. This empowers policy-makers to make better decisions about health when resources are limited, demands are high, and demographics are changing.

BC isn't navigating by the north star – we're no longer guided by health science

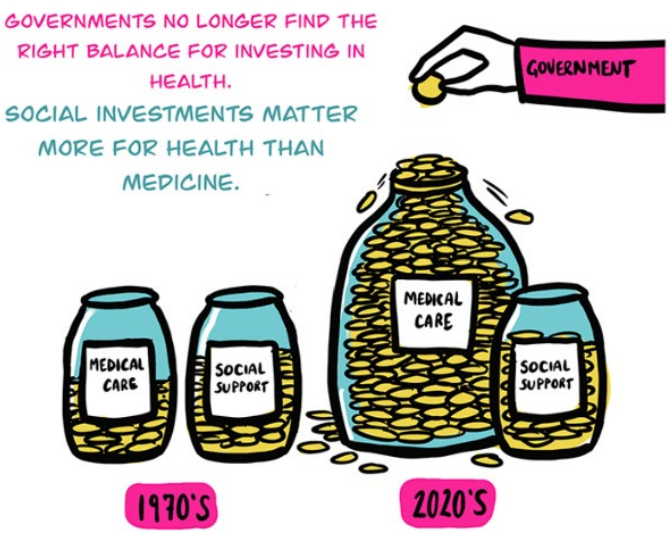
There was a time when BC's budgets aligned with the wisdom of health science, prioritizing investments in the building blocks for a healthy society. In 1976, the province spent 22% more on social and education programs than on medicine (for an SE/M ratio of 1.22).

Over the next quarter century, BC shifted in the opposite direction. Most new government spending *flowed* to medical care. As a result, by the year 2000, the total *stock* of government spending on social and education supports was 2% less than total spending on medical care (for an SE/M ratio of 0.98). This was the first time in decades that investments in health promotion and prevention dipped below spending on illness treatment.

Over the next decade, social supports and education continued to receive relatively little new funding. Just before Premier Clark took office in 2010, social/education spending was 4% below medical spending (for an SE/M ratio of 0.96).

Over six years of Premier Clark's budgets, medical spending received most available new dollars, dropping the SE/M ratio to 0.90 by 2016. In that year, the total stock of social and education spending was now 10% below medical spending.

The ratio continued to deteriorate under Premier Horgan's leadership. By his departure from office, social and education spending was 12% lower than medical spending (for an SE/M ratio of 0.88). While Premier Horgan did increase social spending more than his predecessor, he increased medical spending even more.



Premier Eby's first two budgets were steps forward in realigning fiscal policy with health science. His government accelerated spending on social supports and education faster than medical spending, propelling the SE/M ratio back up to 0.92 by 2023. Premier Eby was aided in this shift by the fact that BC had the most doctors per capita in the province's history (including family physicians).

Table 1: BC's SE/M ratio over time

SE/M ratio: 1976	SE/M ratio: 2000	SE/M ratio: 2010*	SE/M ratio: 2016	SE/M ratio: 2021	SE/M ratio: 2023	SE/M ratio: 2026 (projected)
1.22 Social & education 22% **more** than medical	0.98 Social & education 2% **less** than medical	0.96 Social & education 4% **less** than medical	0.90 Social & education 10% **less** than medical	0.88 Social & education 12% **less** than medical	0.92 Social & education 8% **less** than medical	0.87 Social & education 13% **less** than medical

*Between 2000 and 2010, there is a change in the data set. Data for 2010 *over*-estimate the SE/M ratio by comparison with data prior to 2010.

Budget 2024 halted this progress, allocating what is likely the largest single increase to medical spending in BC's history – a whopping $4.5 billion more compared to the previous year. By 2026, annual medical spending is projected to grow still further, reaching $6 billion more than in 2023.

This rate of increase far exceeds the $3.6 billion in new spending that Budget 2024 plans for social supports and education. With social and education spending receiving 38% less new money than medical care over the next three years, the SE/M ratio for the total stock of provincial spending is projected to fall to 0.87 – as low as any time under Premier Clark.

Table 2: Social and education spending aren't keeping pace with medical spending in Budget 2024

Housing spending goes down Annual operating investments in housing will drop from $2.0 billion in 2023 to $1.9 billion by 2026/27 – despite punishing levels of unaffordability.	**Ottawa drives child care spending increases** Child care will receive $0.4 billion more by 2026 (rising from $1.6 to $2.0 billion). This increase is driven almost entirely by new federal money. The province has yet to allocate the full $750 million in new annual provincial funding promised in 2020.	**Social services & education spending dwarfed by medicine** K-12 education will receive another $0.8 billion, and postsecondary another $1.3 billion. Social services (excluding child care) will receive $1.2 billion.

It is noteworthy that these fiscal decisions are at odds with principles articulated in the 2024 Budget Strategic Plan. "Health goes well beyond the clinic or hospital," the Strategic Plan affirms. "It starts when we invest in affordable homes, livable incomes, affordable child care, healthy communities and a clean environment" (p. 3).

While there is a worrisome gap between Strategic Plan language and actual investment patterns, the province's recognition that health does not begin with medical care opens an important window for advocacy to increase social and education spending as a means to better health.

The Strategic Plan also underscores why provincial budgets should regularly report the SE/M ratio. Elected officials, the media and voters should be able to easily review

whether provincial fiscal plans align with the call from health science to grow spending on the building blocks for a healthy society even more urgently than medical care.

Getting BC back on course

Without a quick course correction, BC 2024's budget sets the province on a costly and inefficient path.

Relying on medical care is an unnecessarily expensive way to advance health. Social investments can help prevent illness at lower cost, while also alleviating living cost pressures and addressing unfair health burdens that go along with economic and social inequality. BC can get back on course by shifting the balance of provincial spending so that social and education supports are prioritized in new investments.

By focusing on the *flow* of new spending, we make clear that **improving the SE/M ratio does NOT require cuts to medical funding.** Rather, BC can improve the SE/M ratio for the total *stock* of government spending by ensuring that a larger share of all planned *future spending* goes to the building blocks for a healthy society. If the flow of several years of new spending has an SE/M ratio above 1, then the total stock of spending on social, education and medical supports will eventually return to an SE/M ratio above 1 – as it was last century before BC fell out of step with health science.

British Columbians are likely to support this shift. For every $1 added to medical care to treat illness, 71% think governments should spend at least $1 to protect the building blocks of a healthy society, like housing, child care and poverty reduction. Most are even willing to pay personally to achieve better balance, with 53% saying they'd be willing to "pay a bit more in taxes." They are motivated by the recognition that rising medical spending "risks crowding out spending on other supports and services that help make Canadians healthy and well" – a statement that 2/3 of British Columbians support.

In the lead up to the Fall election, help us grow support and funding for the social services you deliver by signing this open letter asking all parties to commit to following this evidence-based prescription for BC to reduce medical and affordability pressures.

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[i] For example, see:
Canadian Medical Association. (2013). Health Care in Canada: What makes us sick? [Canadian Medical Association Town Hall Report]. https://tfss.ca/wp-content/uploads/2017/11/What-makes-us-sick_en.pdf
Hood, C. M., Gennuso, K. P., Swain, G. R., & Catlin, B. B. (2016). County Health Rankings: Relationships Between Determinant Factors and Health Outcomes. American Journal of Preventive Medicine, 50(2), 129–135. https://doi.org/10.1016/j.amepre.2015.08.024
Senate Subcommittee on Population Health. (2009). A Healthy, Productive Canada: A Determinant of Health Approach. The Standing Senate Committee on Social Affairs, Science and Technology. https://sencanada.ca/content/sen/Committee/402/popu/rep/rephealth1jun09-e.pdf
Evans, R. G., Barer, M. L., & Marmor, T. R. (1994). Why are Some People Healthy and Others Not?: The Determinants of Health Populations (1st ed., p. xix+378). CRC Press. https://doi.org/10.4324/9781315135755
Hertzman, C., Frank, J., & Evans, R. G. (1994). Heterogeneities in Health Status and the Determinants of Population Health. In R. G. Evans, M. L. Barer, & T. R. Marmor (Eds.), Why are Some People Healthy and Others Not?: The Determinants of Health Populations (1st ed., p. xix+378). CRC Press. https://doi.org/10.4324/9781315135755
[ii] Canadian and international studies identify positive outcomes like decreased mortality, fewer avoidable deaths, increased life expectancy, and lower levels of specific diseases.