Revealing the Canadian Healthcare System's Economic and Systemic Failures

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Abstract

This research paper examines the inefficiencies of the Canadian healthcare system by paying particular attention to resource mismanagement, long wait times and a lack of workforce. It focuses on how the problems impact the economy as a whole and the patients as well, demonstrating that lack of money or underdevelopment is not the issue through expert insights, interviews and statistical data. These two theories are supported and clearly proven by the results, also showing that systemic change is the key solution.

Introduction

Canada's healthcare system used to be hailed as an example of equity and universal access. Today, it is coming under growing fire for discrepancies and inefficiencies that are affecting both at the same time, its residents, and the good economic growth. Wait times for urgent and necessary medical procedures, appointments or even treatments have been uncontrollably increasing which can result in medical outcomes worsening for individuals in need and almost no productivity across many medical sectors. Those wait times have been characterized by poor administrative coordination, understaffed hospitals and clinics, and a lack of resources in the right places. This research paper will be focusing on all the active people of the working-age, meaning the population aged 18 to 65 across all of Canada that have had interactions with the healthcare system, including appointments, treatments, ER visits. The sample will be two people who will be interviewed in order to understand and have an idea of what the Canadians experience and go through with healthcare. Two hypotheses can be evaluated in this paper: the first one being that those long wait times and restricted access to healthcare have a negative impact on the economy, affecting the individuals who wish to get treated by reducing their capability to fully participate in their work life, which in its turn, decreases recruiting companies' productivity. The second hypothesis is that insufficient funding for the healthcare system isn't the main cause of the Canadian medicare deteriorating but primarily because of inadequate resource allocation and not enough workforce.

Literature Review

The authors that this literature review will draw on the works of are: Bacchus Barua and Mackenzie Moir, Livio di Matteo, David R. Henderson and Nadeem Esmail.

The first two authors that are essential to mention to describe this topic are Bacchus Barua and Mackenzie Moir. According to their findings, they've estimated that wait times cost Canadians around $ 2.1 billion in lost income solely in 2019, (The Private Cost of Public Queues for Medically Necessary Procedures, Moir, Barua, 2020) in other words, $1963 per person. Their research focused on the increasing wait times between getting an appointment and receiving therapy. The authors contend and prove the fact that the problem in healthcare is the way resources are being handled and distributed rather than the lack of financing. They refer to the first hypothesis that was mentioned in this paper, indicating that long wait times affect the economy and have important financial costs other than deteriorating the patients' health. In the end, they provide a solution to this problem which would be to switch from public sector monopolies in medicare to maybe private or any kind of structural change because they aren't able to keep up with rising demand.

The second author that should appear in this review is Livio Di Matteo. His research includes tracing over 9 decades of public and private spending in healthcare. He states that although the medical care spending and funding in Canada has substantially increased throughout the years, it hasn't necessarily resulted in better outcomes or more efficiency. In his findings, (THE EVOLUTION OF HEALTH EXPENDITURES IN CANADA, 1926-2019, Di Matteo, 2021) he relates healthcare

funding to income growth, the aging Canadian population and the recent technological improvements. However, there is a very obvious discrepancy between the sectors that need the resources the most and where those resources are being allocated with the increased funding. This author's findings refer to and support the second hypothesis stated in this paper. Resources being allocated inefficiently is one of the main drivers of poor medical system outcomes. Increased funding in its turn has not helped reduce the wait times in urgent healthcare either.

Thirdly, David R. Henderson's findings are equally essential to mention in this paper. In his chapter (Globerman, Esmail, Dr Day & Henderson. Reducing wait times for Health Care, Chapter 4, October 2013), his approach to Canada's healthcare issues has more of a market-oriented side to it. He explains that structural rigidity results in large economic losses by criticizing the system's centralized rationing mechanism, stating that workforce shortages and the increased wait times come purposely from a single-payer medical system. He also argues that the Canadian government is unable to provide basic services because of the absence of market-based price signals which leads them to not have the ability to efficiently balance supply and demand. His proposed solution is similar to Barua and Moir's. Partially transitioning to private alternatives and market mechanisms could definitely help improve efficiency.

Lastly, this literature review will end with what the economist Nadeem Esmail has to say about this topic. According to his report "Waiting your turn: Wait Times for Health Care in Canada", Esmail states, by comparing the wait times in Canadian provinces to

the rest of the world, that the healthcare wait times are a sign of bad planning and rigid regulations, not the lack of funding (Esmail, October 2009). This is proved by the fact that other countries have much shorter wait times with similar medical financing, but have one difference, they follow a hybrid public-private healthcare system. His findings directly refer to the second hypothesis mentioned for this paper. They prove that an insufficient workforce really is increasing medicare inefficiency. There are not enough workers because of immigration barriers and very restrictive licensing, leading to increasing pressure on the present medical staff because they have too much to deal with, making them burnout and less productive at their jobs.

Methods

The approach that will be made for this research will include mixed methods. It'll focus mainly on qualitative evidence and a fraction of quantitative evidence. Two patient interviews will be conducted; they are people that have recently dealt with the struggle of the Canadian Healthcare system, aged between 18 and 65. They were chosen for these interviews because of how long they waited for appointments and how they were wrongly given medical treatments because of the healthcare's inefficiency. These interviews will show what difficulties the patients faced; the financial ones because of how much money they had to spend, but also more health issues and personal repercussions than what they had initially started with to go and see a doctor. The patients will be a man and a woman, who have chosen to keep their identities private. In addition, an excerpt from an existing interview with a healthcare professional will also be mentioned to get the point of view of this issue from both sides. It'll provide some insight on the wait times and the inefficient resource allocation in medicare and possibly give some insight on the reasons for those persisting problems. Finally, some charts and statistics will be used to give a statistical and numerical point of view supporting the information that was extracted from the interviews.

Findings

Qualitative Evidence

The first patient is a working-age individual who was looking for a doctor to examine him for having a cold. He was prevented from accessing the clinics any time soon.

This first excerpt shows the challenges patients have to face and how long waiting times are that they have no other option but to see a virtual doctor:

“Everyone in Canada advised me against going to the hospital. I tried to book appointments at private clinics, but after three days of calling there was either no response or fully booked slots. No one could see me, so I had no other choice but to see a virtual doctor on the Maple app.”

This second excerpt describes the inefficiency of even the virtual Canadian healthcare system. When they have a lack of physical care in hospitals and clinics, they replace it with virtual and it leads to misdiagnosis and inconvenient treatments:

“The doctor on Maple diagnosed me with strep throat without examining my throat or even asking for any pictures, everything was done through a normal phone call. They prescribed me cortisone and a high dose of antibiotic for 10 days. The pharmacist later told me I had no bacterial infection because he examined my throat. The medication slowed my recovery.”

This last part shows how financially draining the healthcare system can be just because of its incompetence and extreme inaccuracy:

“I wasted $500 on unnecessary medication and consultations. It made me distrust virtual care and lose hope in any future consultations I would probably need in a private clinic because they will never assist me.”

The second patient is also a working-age individual but is completely new to Canada and wasn't informed about how the medical system in the country worked. She was also prevented from accessing the clinics any time soon, so she took the initiative of going to the hospital because of the severity of her cold-like symptoms.

The first excerpt from this interview shows exactly what it means when patients are complaining from very long wait times and how crowded ERs are because hospitals are understaffed:

"I went to the ER because clinics couldn't see me for days. I waited six hours overnight, shivering with fever and waiting for my turn to be called, not knowing whether it will be any time soon because of how many other people were here as well."

The second excerpt captures the inefficiency and lack of empathy from the staff towards their patients, resulting in the patient being psychologically affected, feeling unworthy of examination:

"When I finally saw a nurse, they said my symptoms weren't "severe enough" to examine. I left feeling like my pain didn't matter. I felt invisible like I wasn't worth their time. I never knew what I had and just had to take care of myself and make do with Tylenol and anything that made my pain and symptoms a little lighter."

And last but not least, a couple of excerpts were found from an outside interview. They were taken from a 2022 CMAJ podcast interview with a healthcare professional, Dr.Tara Kiran. The following excerpts indicate the problems going on in Canadian healthcare as well as potential solutions.

The first excerpt indicates that the healthcare crisis was definitely not solely related to the COVID-19 pandemic and is purely systemic because the government just hasn't picked the right system to provide healthcare for its citizens:

"Too many Canadians don't have a family doctor as it is. Our most recent statistics are actually from before the pandemic. And even at that time it was 4.6 million who didn't have a family doctor or nurse practitioner who could provide them regular primary care. And we know from some of our research and from anecdotal evidence that's only gotten worse over the pandemic.(…)" Dr. Tara Kiran

The second excerpt states an underlying cause of the medicare crisis in Canada, more specifically the reason behind workforce shortages:

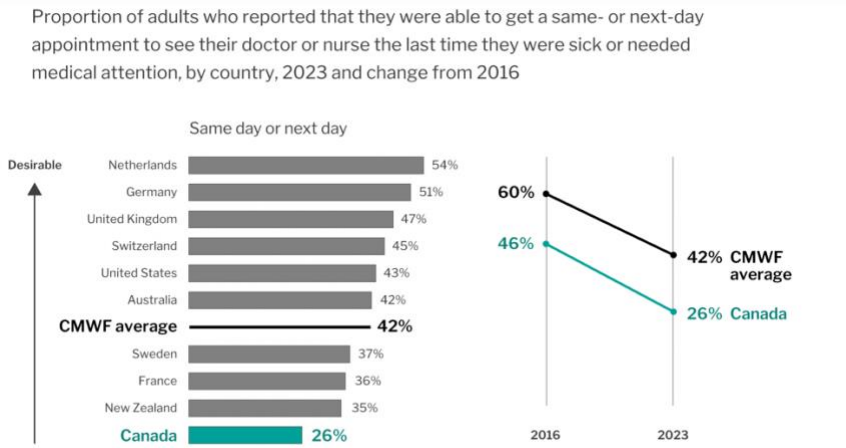
"So we know that more doctors are stopping work. Some of our own research has shown that many doctors are thinking about closing their practice in the next few years. Some of our other research has shown that, and, at the same time, fewer medical students are choosing family medicine as a career so we've got a real crisis on our hands." Dr. Tara Kiran

The last excerpt can give an idea of a solution towards accessible and efficient healthcare for everyone by getting inspired by other countries with a much better medical system:

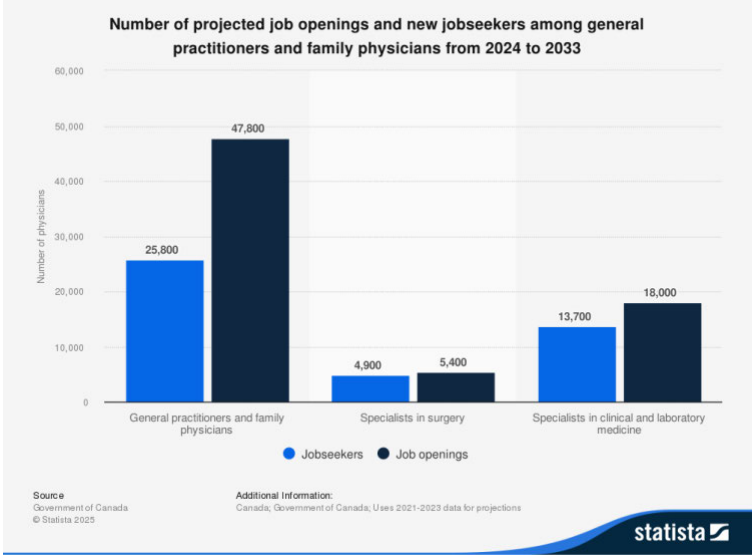
"In the UK(...), you're given a choice of four or five local practices that you can join. And again, those practices can't refuse you(...) we're designing the system with a goal of 100% population coverage in primary care(…)." Dr. Tara Kiran

Quantitative Evidence

The following chart shows the decrease in the number of adults that got same or next day appointments for healthcare, being the lowest and least desirable proportion out of all the other countries listed under, even lower than the CMWF (Commonwealth Fund) average in 2023. (CIHI, 2023)



The following chart shows a significant shortfall between how many job openings are projected and how many job seekers are expected, showing a wide gap of 22,000 empty positions for general practitioners and family physicians from 2024 to 2033. (Statista, 2025)



The first economic indicator that can be used from the course for this topic is the GDP per capita. It is an indicator that measures the average income per person in a country. It usually indicates how healthy a country's economy is and its capability to fund public services such as healthcare for Canada. According to the World Bank, Canada has a $53 431 GDP per capita in 2023(World Bank OpenData, 2023). This indicator can relate to the topic because while it is one of the countries with the highest ranked GDP per capita, it still has major problems concerning its healthcare system including labor shortages and excessively long wait times showing that medicare inefficiency is purely because of resource allocation mismanagement and not lack of money or wealth.

The second economic indicator that should be mentioned is inflation, as measured by the CPI (Consumer Price Index). It measures how prices of the essential goods, including healthcare products or machines in this situation change in a certain period of time. According to Statistics Canada, its CPI rose by 2.6% from February 2024 to February 2025(Statistics Canada, 2025), this means that the cost of running hospitals, buying equipment and supplies increases. In its turn, the government needs to spend more money than usual to maintain productivity and efficiency and continue working at full capacity. As a result, the Canadian government hasn't really given it too much attention and kept the healthcare budgets the same while inflation was rising, meaning that the resources were being stretched and less and less staff wanted to be present because they would be working overtime while earning less money, in consequence, this would lead to longer wait times for patients.

Discussion

The findings stated above demonstrate that Canada's healthcare system clearly is going through a crisis that is much deeper than the inefficiencies people are complaining about. The qualitative evidence, such as the interview excerpts, gave direct proof of how the medical system doesn't have the ability to provide prompt and quality care for its patients. This was obvious through the situation of a patient who failed to receive in-person care and got misdiagnosed over a simple phone call because of virtual healthcare, resulting in him spending an obscene amount of money and a longer and harder recovery. In addition, another patient revealed that she wasn't familiar with the healthcare system in Canada, she went to the emergency room for assistance but instead had to endure rudeness from the nurses and overcrowding. Some quantitative evidence from the findings can support these claims, showing that according to Statistics Canada, in 2023, it scored the lowest out of 11 peer countries for same or next day medical appointments, with only 26% of adults reporting access to care on time, decreasing from 46% in 2016. These accounts represent a larger and quantifiable trend. More specifically, this decrease combined with the psychological impact it had on patients as revealed in the interviews, proves how throughout the years, those simple issues that existed in the healthcare system turned into a serious crisis that is impacting people's mental and physical health making them lose trust in the system.

Another quantitative finding from above revealed that the lack of workers worsens these problems even more. According to a Statista chart, an estimated prediction has been made that between 2024 and 2033, there will be a 22,000 general practitioner shortage with only 25 800 job seekers anticipated while there will be 47 800

open posts. This is proof that no matter how much money is put into the system, this gap in the ratio of job seekers to open positions is what's truly causing the system to not have the ability to meet the requirements of its people. This can be supported by the remarks of Dr Tara Kiran in the CMAJ 2022 podcast, where she highlights the long-term instability by denouncing the fact that many doctors are retiring early and within the next couple of years, fewer medical students are choosing to pursue family medicine. This labor shortage is the reason behind the longer wait times for appointments or care because there is an overload of work for the staff that is still present, meaning there would be lower quality care because they are not as productive as usual under immense pressure, leading to burnout.

These findings mentioned above support the claims and theories made by the economists mentioned in the literature review. According to Barua and Moir's analysis, wait times cost the economy $2.1 billion in lost revenue in 2019, proving that access problems have a significant financial impact because the more inefficient and inaccessible the system is, the fewer people would want to make the effort or even try to get treated because they are sick of spending money and wasting time for low-quality care. Furthermore, Livio Di Matteo's research affirms that healthcare spending has been steadily rising over time, however, the results and success behind this funding have not been improving at the same rate, but instead, worsening, suggesting that poor management is the clear and obvious issue. Henderson and Esmail confirm this theory by arguing that it certainly is a structural defect that is the root cause of this crisis and that hybrid solutions could increase productivity and fix the way resources are allocated

towards medicare. For example, a system where a private alternative exists alongside public care such as private insurance can reduce this pressure of resource mismanagement on the public system. It'll encourage competition between public and private care, making both sides want to continuously improve to get better than each other, leading to efficiency and responsiveness towards patients.

The economic indicators further reinforce the arguments and analysis that were made in this discussion. With a GDP per capita of $53 431 in 2023, one of the highest among other developed countries reveals that Canada has the financial means to support effective healthcare and it certainly does, but not in the right sectors or resources because long wait times and declining access still persist. The rising inflation, revealed by the Consumer Price Index that increased by 2.6% from February 2024 to February 2025 has also added pressure to the economic system because, while healthcare funds haven't increased proportionally in that time period, hospital operations, supplies, staff and salaries have. This means that the staff are getting paid less and the quality of the equipment is worsening, resulting in personnel shortages. Consequently, no one would want to work for a reduced salary, and the leftover workers would be working too much. This translates into the whole hospital's service quality to worsen as well as the wait times, slowly but surely deteriorating what was once a decent healthcare system.

By taking a look at all the gathered evidence and their analysis, both hypotheses can be supported by the results. The first hypothesis stating that the Canadian economy

is being impacted by the long wait times and declining access to healthcare is revealed through the fact that misdiagnosis or unproductive and low-quality care can result in longer recovery for patients, financially straining them and the system. The second hypothesis stating that the root problem of this crisis isn't lack of funding, but poor resource allocation is backed by the fact that healthcare access is still declining despite the fact that government spending has been increasing throughout the years.

Conclusion

This research demonstrated that both hypotheses are correct, underfunding isn't the root cause of Canada's healthcare inefficiencies; it is the result of inadequate resource management and personnel shortages. Those problems, in their turn, impact the economy by affecting patients that wish to get treated, making it harder for them to go back to work if they are always ill, and the hospitals that lose money because no one can deal with this financial strain of paying countless time for little to no care or treatment. One of the main challenges that were faced during this research was figuring out how some of the economic indicators could relate to this topic, it is certainly not obvious from a superficial look at them that the GDP per capita and CPI have a connection to the inefficiency of the healthcare system, but by analyzing both thoroughly and understanding what they are both used for, they helped explain the disconnect between the country's economic strength and the underperforming medical system. Another research project based on this could be a comparison of Canada's healthcare structure to other developed countries with a similar GDP per capita and funding levels towards medicare. This could then lead into getting an idea of a solution to this persisting crisis by applying other countries' successful systems to the failing Canadian system. Without any systemic and structural changes in staffing, planning and access, Canada's medical system will continue worsening. It is essential to act as fast as possible.

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