

THE QUÉBEC
ECONOMIC PLAN

March 2018

Health

BUDGET 2018-2019

**Accessible,
Quality Health Services**

Québec 



Budget 2018-2019
Health: Accessible, Quality Health Services

Legal deposit – March 27, 2018
Bibliothèque et Archives nationales du Québec
ISBN 978-2-550-80937-1 (Print)
ISBN 978-2-550-80938-8 (PDF)

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HIGHLIGHTS

The government has made health a priority.

Thanks to Québec's improved financial situation and accelerated economic growth, the Québec government is in a position to announce new measures to improve access to quality health services, especially for vulnerable people.

❑ Health funding: commitment has been met

The government committed to keeping the increase in health and social services expenditures to 4.0% per year.

According to the March 2018 Québec Economic Plan, the government has attained this objective.

In 2018-2019, program spending by health and social services is set to grow by 4.6%. These expenditures mainly serve to finance health and social services institutions and medical compensation. More specifically:

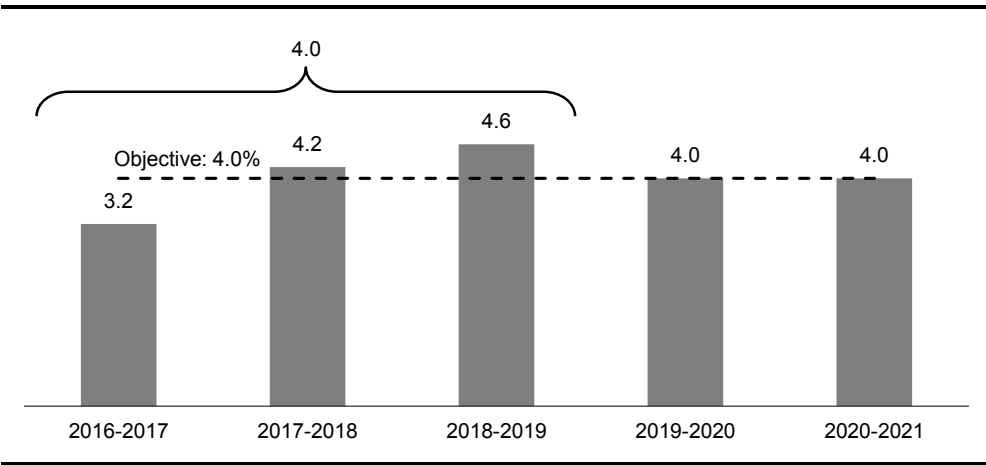
- spending by health and social services institutions is increasing by 5.3%. This significant improvement in health services is due to the budgetary leeway resulting from agreements concluded with the medical federations;
- the increase in the cost of medical services will be maintained below 3% on average by 2022-2023, including the change in the volume of health care.

From 2016-2017 to 2018-2019, health expenditures will have increased 4.0% on average, a rate that will be maintained in the coming years.

- The increase in the amounts allocated to health and social services institutions will be, in particular, for the implementation of measures to address the issue of nurses' work organization in Québec.

CHART 1

Program spending – Santé et Service sociaux
(per cent)



❑ **Additional investments to improve access to quality health services**

For 2018-2019, health and social services expenditures increase by 4.6%. Expenditures amount to \$38.5 billion.

— This amount includes \$2.6 billion of additional investments made since 2016.

The additional investments made it possible in particular to:

- improve access to health care services, for example by reducing diagnostic surgery and emergency wait times;
- enhance home and residential care for seniors;
- enhance prevention initiatives, particularly as regards health;
- provide the population of each region with a comparable level of access to frontline and specialized services.

Thanks to the investments announced in the Québec Economic Plan:

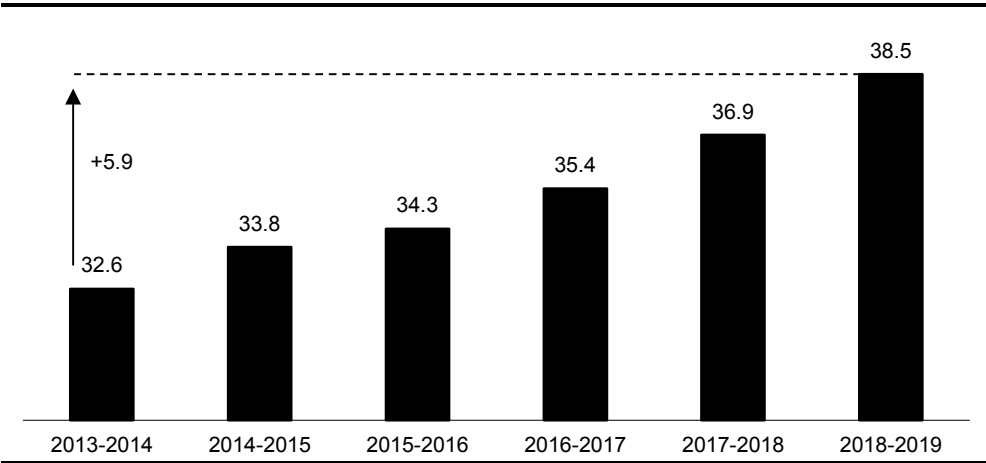
- nearly 1.1 million additional people now have access to a family doctor;
- 325 family medicine groups (FMG) have been set up;
- 1 300 nurses and patient-care attendants have been hired in long-term care centres (CHSLD);
- 31 super clinics, open 7 days a week, 12 hours a day, have been opened to reduce emergency room overcrowding.

❑ A substantial increase in spending since 2013-2014

Since 2013-2014, program spending on health and social services has been increased by \$5.9 billion, reaching \$38.5 billion in 2018-2019.

CHART 2

Change in health and social services spending since 2013-2014
(billions of dollars)



❑ Quality infrastructure

In order to offer Quebecers modern, efficient and quality infrastructures, the 2018-2028 Québec Infrastructure Plan (QIP) provides for investments of \$18.7 billion in the health and social services sector.

— More than \$6 billion will serve to replace existing infrastructures and more than \$8 billion will be allocated to improve existing infrastructures or build new ones.

Five new projects¹ are being studied as part of the 2018-2028 QIP, in particular, the expansion and redevelopment of Hôpital Maisonneuve-Rosemont, which is under study in 2017-2018.

¹ Details of the projects under study can be found on page 16.

1. HEALTH FUNDING: COMMITMENT HAS BEEN MET

The government has committed to increasing spending on health and social services by 4.0% per year.

According to the March 2018 Québec Economic Plan, the government has attained this objective.

— In 2018-2019, program spending on health and social services is \$38.5 billion, up 4.6% from the previous year.

The growth in health funding is in compliance with the commitment made in 2014.

— From 2016-2017 to 2018-2019, program spending on health and social services will have increased an average of 4.0% per year.

Program spending will reach \$40.1 billion in 2019-2020 and \$41.7 billion in 2020-2021.

— The increase will be 4.0% for both years.

TABLE 1

Program spending – Santé et Services Sociaux (millions of dollars)

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Santé et Service sociaux	35 390	36 869	38 541	40 076	41 662
% change	3.2	4.2	4.6 ⁽¹⁾	4.0	4.0

Note: Totals may not add due to rounding.

(1) To assess growth in 2018-2019 based on comparable spending levels, the percentage change for that year was calculated by excluding from 2017-2018 expenditures, transfers from the francization provision allocated to the Santé et Services sociaux portfolio (\$12 million).

1.1 Spending of health and social services institutions grows by 5% in 2018-2019

The majority of the health and social services program spending is for:

- health and social services institutions, which provide most of the direct health services to the public;
- the Régie de l'assurance maladie du Québec (RAMQ), which pays health professionals and funds the costs of the Public Prescription Drug Insurance Plan.

Due to the increase in the overall health envelope and the new medical compensation agreements, most of the projected growth can be allocated to health services delivered directly to the public.

- Spending by health and social services institutions will grows by 5.3% in 2018-2019. Expenditures will amount to \$26.5 billion.

This will namely allow improved access to care in every region of Québec and an increase in the number of specialized nurse practitioners.

- The government has committed to improving access to health services by adding 2 000 specialized nurse practitioners by 2024-2025.
- Other measures such as support for the autonomy of seniors and home care will improve care for the elderly.

As a result of the physician compensation agreements, RAMQ expenditures will increase more moderately in the years ahead, allowing the government to allocate a greater share of funds to health and social services institutions.

- RAMQ spending increases 1.5% to \$12.9 billion in 2018-2019.

TABLE 2

Spending by health and social services institutions and the Régie de l'assurance maladie du Québec (millions of dollars)

	2017-2018	2018-2019	2019-2020	2020-2021
Health and social services institutions	25 209	26 545	27 499	28 727
% change	3.1	5.3	3.6	4.5
Régie de l'assurance maladie du Québec	12 678	12 869	13 382	13 744
% change	2.3	1.5	4.0	2.7

Spending on health and social services institutions

As at March 31, 2016, the health and social services network consisted of 143 institutions, which include some 1 663 facilities or locations that offer health care and social services to the public.

Health and social services institutions are responsible for providing all services to the public and for equitably allocating resources among the various service and support programs.

In 2018-2019, spending on health and social services institutions amounts to \$26.5 billion. Most of this spending is funded through transfers from the Québec government, which come from the program spending of the Ministère de la Santé et des Services Sociaux.

- These transfers amount to \$21.8 billion in 2018-2019.

Transfers in the amount of \$17.2 billion from the Québec government mainly serve to fund service programs designed to address specific issues. These programs include, in particular, physical health, support for the autonomy of seniors and youth with difficulties.

Québec government transfers to health and social services institutions – Program spending (millions of dollars)

	2018-2019
Service programs that address the needs of the entire population	
– General services – Clinical and assistance activities	831.8
– Public health	427.6
Subtotal	1 259.4
Service programs that address specific issues	
– Physical health	8 781.7
– Support for the autonomy of seniors	3 997.0
– Youth with difficulties	1 321.1
– Mental health	1 307.8
– Intellectual disabilities and autism spectrum disorder	1 021.8
– Physical disabilities	610.0
– Dependencies	144.8
Subtotal	17 184.2
Support programs	
– Building and equipment management	1 336.8
– Administration	1 076.6
– Service support	988.6
Subtotal	3 402.0
TOTAL	21 845.6

The Régie de l'assurance maladie du Québec

The objective of the health care system is to ensure that all Quebecers have access to the care and services required by their state of health.

The Régie de l'assurance maladie du Québec (RAMQ) plays a leading role within this system, serving the nearly 8 million people covered by the Québec Health Insurance Plan.

- Of this number, approximately 3.6 million people are also registered for the Public Prescription Drug Insurance Plan.

In addition, the Régie advises or pays nearly 46 000 health professionals, other service providers and prescribers. Health professionals are paid under agreements concluded between the medical federations or professional associations and the Minister of Health and Social Services.

In all, the expenditures of the Régie are up 1.5% over last year, or \$12.9 billion in 2018-2019.

- This increase is mainly due to the agreements concluded with the medical federations.

Expenditures of the Régie de l'assurance maladie du Québec

(millions of dollars)

	2017-2018	2018-2019	2019-2020	2020-2021
Régie de l'assurance maladie du Québec	12 678	12 869	13 382	13 744
<i>% change</i>	2.3	1.5	4.0	2.7

2. INVESTMENTS TO IMPROVE ACCESS TO HEALTH CARE

The government has made health a priority.

The government is therefore committed to improving the quality and efficiency of the health system. To this end, it has implemented:

- several initiatives and made significant additional investments that made it possible to improve access to services, enhance their quality and relevance, and adjust medical compensation to reflect the public's ability to pay;
- a major reform of the health and social services network.

As part of the Québec economic plans from March 2016 to March 2018, health funding has been increased by over \$1.6 billion for 2018-2019.

- In March 2016, investments of \$88 million were announced.
- In March 2017, the additional initiatives cost \$1 182 million.
- Lastly, the March 2018 Québec Economic Plan provides an additional \$372 million for health care.

In all, more than \$2.6 billion has been added in the past two years to improve health care. This amount will make it possible to:

- improve access to health care, particularly by reducing hospital wait lists;
- enhance prevention initiatives, particularly as regards health;
- enhance home and residential care for seniors.

TABLE 3

Additional investments announced in the March 2016 to March 2018 Québec Economic Plans – Santé et Services sociaux (millions of dollars)

	2017-2018	2018-2019	Total
Québec Economic Plans			
– March 2016	88	88	176
– March 2017	772	1 182	1 954
– March 2018	105	372	477
TOTAL	965	1 642	2 607

Additional investments provided in the March 2018 Québec Economic Plan

The March 2018 Québec Economic Plan provides for additional investments of \$372 million in 2018-2019, \$742 million in 2019-2020 and \$987 million in 2020-2021.

- Of these investments, \$105 million as of 2017-2018 was announced as part of the November 2017 update of the Québec Economic Plan.

Additional investments will be allocated for direct services to the public, in particular:

- \$300 million as of 2018-2019 to ensure that Quebecers in every region have similar access to frontline and specialized services;
- \$35 million as of 2018-2019 to prevent drug addiction;
- \$45 million in 2018-2019 and following years to improve services to seniors in residential care.

Additional investments for health and social services – March 2018

(millions of dollars)

	2017- 2018	2018- 2019	2019- 2020	2020- 2021
Improve access to health care				
– Ensure that Quebecers in every region have similar access to frontline and specialized services	—	300	300	300
– Improve access in every region of Québec	46	46	46	46
– Mental health services for vulnerable clientele	10	35	35	35
– Other	8	—	370	615
Subtotal	64	381	751	996
Social measures				
– Dependency prevention	11	35	35	35
– Youth runaway prevention	5	11	11	11
– Youth access to psychological services	7	15	15	15
– Community organizations	—	17	17	17
– Socio-professional services and new professional ID-ASD-PD resources ⁽¹⁾	—	15	15	15
– Action plan for men's health and well-being	—	5	5	5
– 24/7 crisis intervention in the community	—	3	3	3
– Prevention of child sexual abuse	—	1	1	1
Subtotal	23	102	102	102
Measures for seniors				
– Services for seniors in residential care	18	45	45	45
– Long-term care centres (CHSLD)	—	31	31	31
– Financial assistance program for installation of sprinklers in private senior residences	—	8	8	8
Subtotal	18	84	84	84
Government funding available as the result of savings generated by the agreement with the pharmaceutical industry	—	–195	–195	–195
TOTAL	105	372	742	987

(1) ID: Intellectual Disability. ASD: Autism Spectrum Disorder. PD: Physical Disability.

2.1 Additional investments of \$1.6 billion in 2018-2019

The government has taken significant action since 2014 to improve access to health care. Thanks to Québec's improved financial situation, major investments have been made in the past two years. These additional investments amount to \$1.6 billion in 2018-2019 and include:

- \$1 295 million to improve access to health care;
- \$164 million for prevention and community organizations;
- \$378 million to improve health care for seniors.

Various action plans have been developed from these measures, in particular:

- the 2015-2020 Mental Health Action Plan;
- the 2017-2022 Autism Spectrum Disorder Action Plan;
- the 2017-2021 inter-ministerial plan of the government's health prevention policy.

TABLE 4

Details of the additional investments announced in the March 2016 to March 2018 Quebec Economic Plans – Santé et Services sociaux (millions of dollars)

	2017-2018	2018-2019
Improve access to health care		
— Ensure the population of each region has a similar level of access to frontline and specialized services	—	300
— Improve access in all regions of Québec	309	511
— Mental health services for vulnerable clientele	10	35
— Specialized nurse practitioners	10	20
— Other	336	429
Subtotal	665	1 295
Social measures		
— Prevention healthcare ⁽¹⁾	15	13
— Dependency prevention	11	35
— Youth runaway prevention	5	11
— Community organizations	10	27
— Other measures	47	78
Subtotal	88	164
Measures for seniors		
— Home services	129	229
— Long-term care centres (CHSLD)	65	96
— Institutional senior services	18	45
— Financial assistance program for installing sprinklers in private senior residences	—	8
Subtotal	212	378
Government funding as the result of savings generated by the agreement with the pharmaceutical industry	—	-195
TOTAL	965	1 642

(1) The measures include amounts planned for the government's health prevention policy (\$20 million), to encourage healthy lifestyle habits and for the prevention of child sexual abuse. The decrease in the amount from 2017-2018 to 2018-2019 is due to transfers to other departments.

In the past two years, significant investments have been made to improve access to health care, preventive care and enhance eldercare.

❑ Improving access to health care

In particular, for 2018-2019, additional investments of \$1.3 billion are allocated to improving access to care:

- \$300 million to ensure the population in each region has a comparable level of access to frontline and specialized services;
- \$511 million to improve access in every region in Québec;
- \$35 million for mental health services for vulnerable clientele;
- \$20 million for the addition of specialized nurse practitioners to improve access to frontline care so as to better meet the population’s needs;
- \$429 million for other health care measures.

These investments amounted to \$665 million in 2017-2018.

Provide funding so that the population in every region has a comparable level of access to all frontline and specialized services

The funding of health and social services establishments is established by renewing the budgets for the previous year (history-based budgeting). These budgets are then indexed to take into account the change in population, and increased in order to take into account certain specific services under development, such as the addition of operating rooms and home-care services.

To compensate for any inequities caused by history-based budgeting, the Ministère de la Santé et des Services sociaux implemented an inter-regional allocation method that takes into account the size and needs of the population, as well as the regional characteristics.

- The purpose of this type of mechanism is to ensure that the population in every region has a comparable level of access to all frontline and specialized services

To date, and despite significant investments allocated with the help of this approach, there are still some discrepancies in distribution of resources between regions, due to the fact that populations do not grow at the same rate across all regions.

In order to minimize these discrepancies as much as possible, to 1% across the entire province, an additional investment of \$300 million is planned beginning in 2018-2019, according to the allocation method already in place.

With this investment, the government will achieve the goal set more than a decade ago, and will ensure inter-regional equity in allocation of budgets to all institutions.

❑ Improving prevention care and social services

■ Acting upstream of care

Prevention is the best course of action in order for people to live healthier, longer and have a better quality of life.

In this regard, the government wants to focus its actions on the determinants of health, specifically the physical, social and economic environments.

Thus, in 2018-2019, \$13 million is allocated to health prevention, \$35 million to dependency prevention and \$11 million to youth runaway prevention.

The main objectives of these investments are to:

- increase by 20% the number of teens who are active in their leisure time and who use active modes of transportation;
- reduce the number of smokers to 10% of the population.

■ More funding for the support program for community organizations

Community organizations work with society's most vulnerable people in matters concerning their health and wellness.

Some 3 000 community organizations in the health and social services sector receive funding under the support program for community organizations to help them fulfill their overall mission.

The government recognizes the vital contribution community organizations make to maintaining and improving the health and wellness of the population.

Since March 2016, additional investments of \$10 million in 2017-2018 and \$27 million in 2018-2019 have been allocated to community organizations to strengthen their actions and reach.

- These additional investments will be used to fund a number of organizations admitted into the program but not funded until now, thereby increasing community activities and direct services to the public.
- In particular, as part of the March 2018 Québec Economic Plan, additional investments of \$17 million are planned annually as of 2018-2019.
 - 900 additional spaces will be created for daytime activities. This measure will enable young adults, once they've completed their schooling, to continue school activities, allowing their parents to continue their personal and professional activities.
 - 200 housing spaces will be added to improve access to adapted living environments for people with disabilities.

TABLE 5

Additional investments for the support program for community organizations – March 2018
(millions of dollars)

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Additional investments	17	17	17	17	17

❑ Improving care for seniors

The government pays special attention to the elderly to ensure they receive the care they need.

The need for health and social services is growing due to the aging of the population in Québec. Therefore, additional sums have been set aside to improve eldercare.

In 2018-2019, an additional amount of \$378 million is allocated for services to seniors, in particular:

- \$229 million to increase home support services for the elderly and to meet the growing needs for long-term care due to the increased prevalence of disability and loss of autonomy;
- \$96 million to improve the accommodation and care standards in residential and long-term care centres (CHSLD).

In 2017-2018, \$212 million was invested to improve eldercare.

2.2 Investment in health and social services infrastructure

As regards infrastructure, the government aims to provide an integrated and efficient network of services, close to people and communities.

Many buildings were built several years ago. It is therefore vital to invest heavily in the health network in order to maintain the safety and quality of existing infrastructures.

As well, growing needs, in particular due to the aging of the population, means the government must replace certain infrastructures and even add new ones that better meet the public's needs.

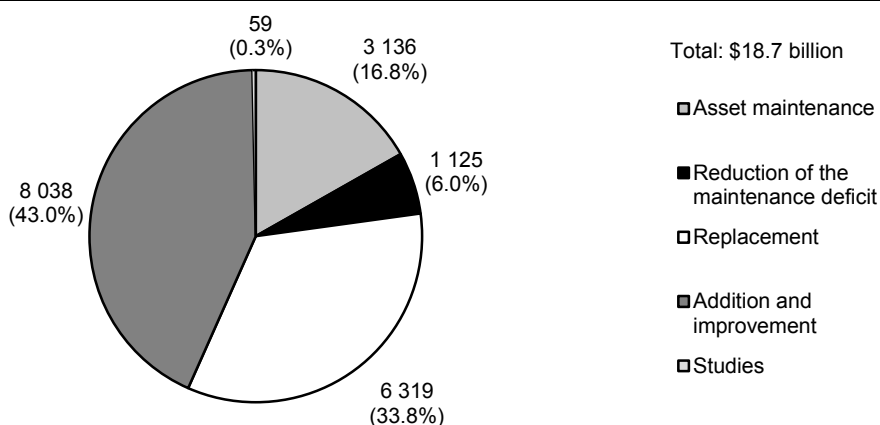
❑ 2018-2028 QIP investments in health and social services infrastructure

The 2018-2028 Québec Infrastructure Plan (QIP) provides for \$18.7 billion of investments in the health and social services sector.

- More than \$8.0 billion has been allocated for building new or improving existing infrastructures.
- A total of \$6.3 billion has been allocated for the replacement of existing infrastructures, including \$4.1 billion for specialized furniture and medical equipment.
- Lastly, \$3.1 billion has been earmarked for renovation of existing infrastructures.

CHART 3

2018-2028 Québec Infrastructure Plan in health and social services by type of investment (millions of dollars)



Source: Secrétariat du Conseil du trésor.

❑ **Several infrastructure projects carried out in recent years**

Over the past four years, the government has carried out major works in Québec hospitals, in particular:

- construction of the new Centre hospitalier de l'Université de Montréal (CHUM) and research centre;
- construction of the new McGill University Health Centre – Glen Site;
- expansion and modernization of the Centre hospitalier universitaire Sainte-Justine;
- construction of the Critical Care Pavilion at the Sir Mortimer B. Davis Jewish General Hospital – Phases I-II-III.

Other projects are underway and will continue in the coming years, including the construction of a new hospital in Vaudreuil–Soulanges.

- The project for the new hospital in Vaudreuil-Soulanges is now in the “planning stage” in the 2018-2028 QIP. The new hospital will have 404 beds, an emergency department with a 41-stretcher capacity, 10 operating rooms, a dialysis unit and a 25-room mother-child unit.
- The new hospital will offer health care and services to over 200 000 people in the western part of the Montérégie region.

Additional projects under study as part of the 2018-2028 QIP

Five new projects for the health and social services sector are being studied as part of the 2018-2028 Québec Infrastructure Plan (QIP). These projects will be analyzed in detail to estimate the financial needs and associated risks. The projects are as follows:

- redevelopment of the emergency department of the Lakeshore General Hospital;
- expansion and redevelopment of the emergency department of Hôpital du Centre-de-la-Mauricie (Shawinigan);
- redevelopment of the space at the Sir Mortimer B. Davis Jewish General Hospital – Phase IV;
- expansion and redevelopment of the emergency department of Hôpital Pierre-Boucher;
- expansion of the operating theatre, day surgery unit and other areas of Hôpital Charles-Le Moyne.

3. REFORM TO IMPROVE ACCESS TO HEALTH CARE

In 2014, the government proposed a major reform of the health system with the aim of improving service quality and accessibility.

First, it changed the organization and governance of the health and social services network.

Then, it changed the way health institutions are funded to better manage the health network's resources by implementing a patient-based funding model.

3.1 Reform of the health and social services network

The government undertook a major reform of the health and social services network that aims to:

- facilitate and simplify public access to services;
- improve the quality of care;
- offer more care for a given budget.

This reform took place in three main areas and involved:

- changing the organization and governance of the health and social services network by abolishing regional agencies, creating integrated health and social service centres, and increasing the network's efficiency and effectiveness;
- improving access to services by providing better access to a family doctor and ensuring timely follow-up by specialists;
- ensuring efficient care by reviewing the funding of the health and social services sector and implementing patient-based funding.

As a result of these changes, nearly 1.1 million additional people now have access to a family doctor.

Reform of the health system

To ensure better coverage of medical services throughout the province, the government has enacted the following laws.

An Act to modify the organization and governance of the health and social services network, in particular by abolishing the regional agencies

The *Act to modify the organization and governance of the health and social services network, in particular by abolishing the regional agencies* (CQLR, chapter O-7.2) was adopted in February 2015.

- The purpose of the Act is to reform the governance of the network and abolish the regional agencies.
- In force since April 1, 2015, it also involves creating integrated health and social services centres (CISSS) and integrated university health and social services centres (CIUSSS).

By making institution management teams responsible for all the health and social services missions on the entire territory of a region, the Act brings more consistency and cohesion to the network's operation but most importantly, makes for a smoother patient experience.

This legislation has also had positive effects: harmonizing information systems and sharing best practices.

An Act to enact the act to promote access to family medicine and specialized medicine services and to amend various legislative provisions relating to assisted procreation

On November 10, 2015, the Québec National Assembly adopted Bill 20, the *Act to promote access to family medicine and specialized medicine services and to amend various legislative provisions relating to assisted procreation*.

This legislation is intended, in particular, to improve access to services by reviewing the terms that govern medical activities to encourage increased productivity by family physicians and specialists, as well as foster greater consistency among practices.

With clear and measurable objectives, Québec can closely monitor the evolution in access to medical services.

An Act to amend certain provisions regarding the clinical organization and management of health and social services institutions

The *Act to amend certain provisions regarding the clinical organization and management of health and social services institutions* was adopted on October 25 2017. The purpose of this Act is to ensure the public receives the quality care to which it is entitled, at the right place, at the right time, and in a timely manner. This legislation makes it possible to improve the delivery of services to the public, particularly in specialized medicine.

- It gives, in particular, health and social services institutions the levers they need to provide medical coverage throughout their territory.

❑ **Patient-based funding**

Following the recommendations of the Expert Panel for Patient-Based Funding,² the government undertook a funding reform in the health sector with the aim of rethinking the way health institutions are funded.

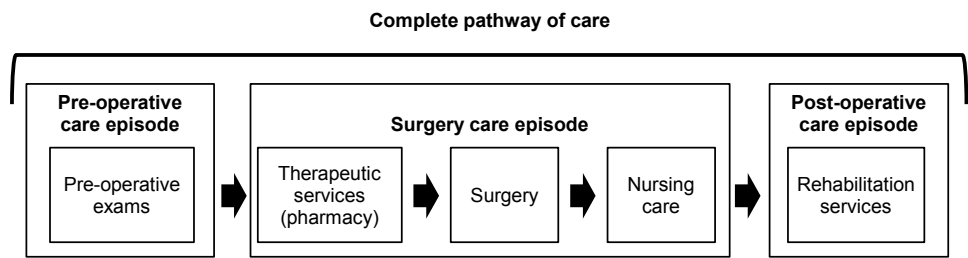
- In patient-based funding, resources are allocated based on the type and volume of services provided, adjusted to take into account the complexity of the care delivered and the patient’s condition.
- A patient usually receives various services, which make up the pathway of care. The goal of patient-based funding is to adequately fund the entire pathway of care.
- This funding method is predicated on the ability to accurately determine the cost per pathway of care and services. By improving the performance of the health system, more can be delivered for a given budget.

The Ministère de la Santé et des Services sociaux initiated major work to establish the terms of application of patient-based funding and define the conditions for implementing this initiative through three channels:

- clinical activities;
- financial resources;
- human resources.

ILLUSTRATION 1

Illustration of a pathway of care



² The expert panel, composed of Roger Paquet and Pierre Shedleur, was chaired by Wendy Thomson. Its recommendations were published in the report *Money Follows the Patient*.

Cost per pathway of care and services – Pilot project

Information system

In 2016, the Ministère de la Santé et des Services sociaux (MSSS) proceeded by tender to acquire a solution to calculate the cost per pathway of care and service (CPCS) in Québec's health and social services network (RSSS) at the provincial level.

- The contract was awarded to Power Solutions DTD Pty, a company specializing in computer programming services.

The CPCS is intended to determine the actual cost of care and services for each patient at each stage of the pathway in the health system with a view to:

- implementing a unique solution;
- operating the solution for clinical performance purposes;
- standardizing RSSS financial and clinical data;
- defining performance indicators.

Pilot project

A pilot project was announced in 2016 to detail the cost per patient in surgery cases. The following clinics participated in the pilot project: Chirurgie DIX30 Inc., Centre de chirurgie Rockland MD and Groupe Opmédic Inc.

- This project allowed the costs associated with the pathway of care to be determined in a uniform manner based on the patient's diagnosis and condition.
- The pilot project was conducted in the Montérégie, Montréal, Laval, Laurentides and Lanaudière regions.

3.2 Medical compensation

The government has made considerable efforts over the last 10 years to recognize the value of physicians' services.

- Successive agreements have substantially increased medical compensation.
- Funding the increases demanded an effort from all Québec taxpayers.
- A number of indicators suggest that medical compensation in Québec has caught up to the other Canadian jurisdictions.

The government recently reached agreements with the medical federations that will generate major savings for the benefit of health institutions.

- All the amounts freed up will be earmarked for the budgets of health and social services institutions.

☐ New compensation agreements

The agreements, which cover the period from 2015 to 2023, will ensure that spending on medical compensation remains stable and predictable.

These agreements provide \$7.7 billion for medical compensation in 2018-2019 and \$8.0 billion in 2019-2020.

- The increase in medical compensation will average 2.8% from 2017-2018 to 2022-2023.

TABLE 6
Medical compensation agreements
(millions of dollars)

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2017-2018 to 2022-2023
Agreements	7 611	7 655	8 007	8 179	8 398	8 709	
Change in \$million	227	44	352	172	219	311	
% change	3.1	0.6	4.6	2.1	2.7	3.7	2.8

Source: Secrétariat du Conseil du trésor.

❑ A decrease in the share of the health budget devoted to medical compensation

The agreements reached by the government will reduce, as of 2018-2019, the share of medical compensation in program spending on health and social services to less than 20%.

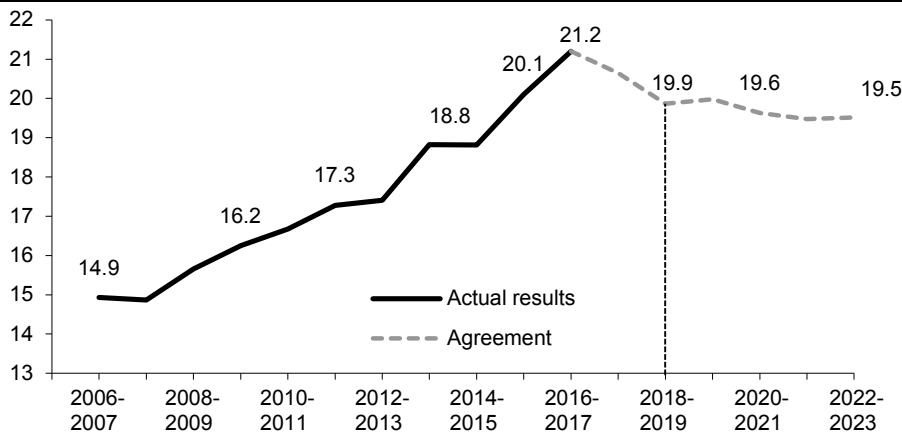
— In 2016-2017, this share was 21.2%.

— In 2018-2019, it decreases to 19.9%.

It will remain below 20% for the next five years.

CHART 4

Share of medical compensation in program spending on health and social services
(per cent)



Sources: Secrétariat du Conseil du trésor and Ministère des Finances du Québec.

Evolution of medical practice

Under the agreements concluded with the medical federations, the annual medical compensation envelope will increase an average of 2.8% per year from 2017-2018 to 2022-2023.

The annual envelopes provide for:

- a 2.0% increase for the evolution of medical practice;
 - The evolution of medical practice is the increase in the volume of care required to meet demand. It stems from the effects of the aging and growth of the population as well as the net addition of physicians.
- an increase of 0.8 % for the other factors.
 - These factors include the rate increases provided in the agreements and measures to improve access to medical services.
 - These measures include, for example, the program to improve access to magnetic resonance imaging for specialist doctors and the implementation of conditions for family physicians concerning the overall care and continuity of medical services for persons in long-term care centres (CHSLD).

Growth in medical compensation (per cent)

	2017-2018 to 2022-2023
Annual change in %	
– Evolution of medical practice	2.0
– Other factors	0.8
TOTAL	2.8

Source: Secrétariat du Conseil du trésor.

APPENDIX 1: FUNDING OF THE MEASURES

TABLE 7

Financial impact of the additional investments in health and social services – March 2018

(millions of dollars)

	2017- 2018	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023	Total
Improve access to health care	-64.0	-381.0	-751.0	-996.0	-1 041.0	-1 086.0	-4 319.0
Social measures	-23.0	-102.0	-102.0	-102.0	-101.0	-111.0	-541.0
Measures for seniors	-18.0	-84.0	-84.0	-84.0	-107.0	-122.0	-499.0
Subtotal	-105.0	-567.0	-937.0	-1 182.0	-1 249.0	-1 319.0	-5 359.0
Funding as a result of the savings generated by the agreement with the pharmaceutical industry	—	195.0	195.0	195.0	195.0	195.0	975.0
Subtotal	-105.0	-372.0	-742.0	-987.0	-1 054.0	-1 124.0	-4 384.0
Measures from fall 2017	105.0	105.0	105.0	105.0	105.0	105.0	630.0
Other	-135.6	12.0	33.7	16.5	86.0	166.0	178.6
FINANCIAL IMPACT	-135.6	-255.0	-603.3	-865.5	-863.0	-853.0	-3 575.4

APPENDIX 2: CONSOLIDATED EXPENDITURE – SANTÉ ET SERVICES SOCIAUX PORTFOLIO

The consolidated expenditure of the Santé et Services sociaux portfolio is \$43.0 billion in 2018-2019, an increase of 4.2%.

In 2019-2020, it will grow by 3.7% to \$44.6 billion.

Spending of institutions, which deliver services to the public, account for a large portion of the consolidated expenditure of the Santé et Services sociaux portfolio.

— In 2018-2019, it accounts for \$26.5 billion or 61.7% of the total Santé et Services sociaux portfolio expenditure.

TABLE 8

Consolidated expenditure – Santé et Services sociaux portfolio (millions of dollars)

	2018-2019	2019-2020	2020-2021
Program spending	-38 541	-40 076	-41 662
% change	4.6 ⁽¹⁾	4.0	4.0
Health and social services institutions	-26 545	-27 499	-28 727
% change	5.3	3.6	4.5
Régie de l'assurance maladie du Québec (RAMQ)	-12 869	-13 382	-13 743
% change	1.5	4.0	2.7
Other	-5 453	-5 633	-5 803
Intra-portfolio eliminations ⁽²⁾	40 395	41 995	43 682
TOTAL CONSOLIDATED EXPENDITURE	-43 013	-44 595	-46 253
% change	4.2 ⁽¹⁾	3.7	3.7

Note: Totals may not add due to rounding.

(1) To assess growth in 2018-2019 based on comparable spending levels, the percentage changes for that year were calculated by excluding, from 2017-2018 expenditures, transfers from the francization provision allocated to the Santé et Services sociaux portfolio (\$12 million).

(2) Consolidation adjustments stem mainly from the elimination of transactions between entities of the Santé et Services sociaux portfolio.

