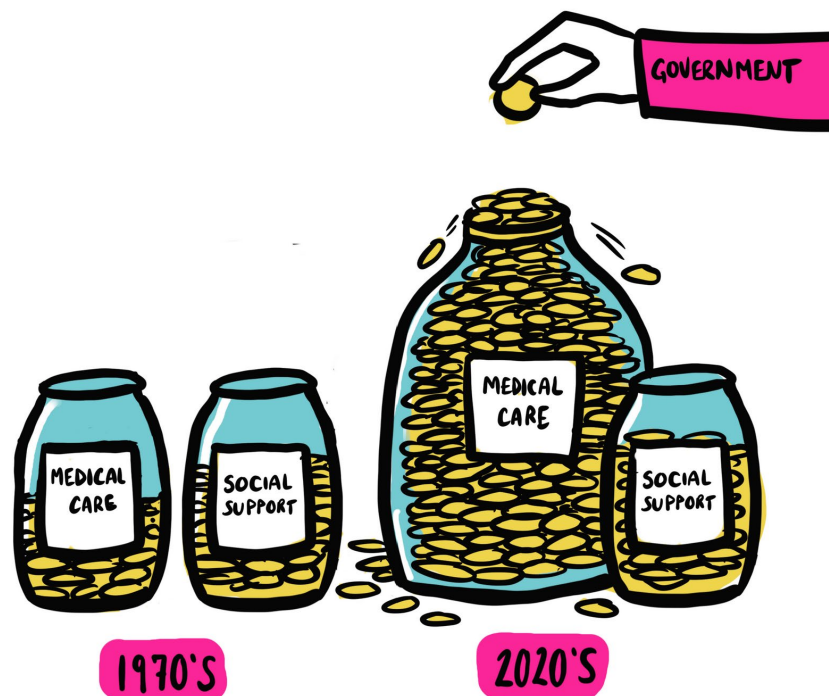


GET WELL CANADA: Summary of the evidence behind the social-to-medical spending ratio



[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.

[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.



An evidence-based rationale for embedding the social-to-medical spending ratio in government budgets

The [Government of BC's 2024 Strategic Plan](#) promises that:

“Our commitment to high-quality, public medical care remains steadfast. And we know that health goes well beyond the clinic or hospital. It starts when we invest in affordable homes, livable incomes, affordable child care, healthy communities and a clean environment” (p. 3).

This strategic insight builds on the best evidence from health science. Studies spanning Canada, the United States and the Organization for Economic Cooperation and Development, all highlight a key reason why governments should monitor the **ratio of social spending relative to medical spending** in annual budgets.

This metric enables governments to assess the degree to which they prioritize investing in the building blocks for a healthy society relative to investments to treat illness and injury. This is important, because evidence confirms that **social investments deliver a bigger bang for taxpayer bucks when it comes to improving the population's health, by comparison with investments in medical care.**

A B.C. THAT KEEPS WORKING FOR ALL GENERATIONS

Research from the Generation Squeeze Lab at the University of British Columbia shows that jurisdictions across Canada, including B.C., are just starting to grapple with the need to address demographic challenges, while also ramping up investments in young people so they can succeed. By supporting people of all ages, we can design provincial budgets that tackle both the rising cost of living and reduce pressure on the health-care system.

Continuing to provide high-quality medical care is one of the fastest-growing costs facing us collectively, primarily due to our aging population. In the 1970s, there were seven working-age adults for every retiree. Now, there are only three. That made it easier in decades past for the Province to cover the medical-care costs of our aging loved ones.

Now, it's more important than ever to invest in better care and growing our health-care workforce. Our commitment to high-quality, public medical care remains steadfast. And we know that health goes well beyond the clinic or hospital. It starts when we invest in affordable homes, livable incomes, affordable child care, healthy communities and a clean environment. Together, we can continue to build a healthier, stronger B.C. for everyone.

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**BUDGET
2024**



STRATEGIC PLAN



StrongerBC
for everyone

"Our government is determined to make B.C. work for all generations, focusing on strengthening healthcare, and making improvements in child care, education, post-secondary and housing to help people get ahead. We're committed to planning for all ages and investing wisely in well-being, from the early years onward."

— BC BUDGET STRATEGIC PLAN

GENERATION|squeeze

Governments are responsible for seeking efficient investments that keep costs low for taxpayers, and that keep public finances on healthy footing. In pursuit of these goals, the ratio of social spending relative to medical spending is a key performance indicator that should inform all policy and fiscal decisions.

In BC, the current government's commitment to review the cost-effectiveness of existing programs and initiatives further underscores the value of the ratio. As this province (and other jurisdictions across Canada) grapple with financial constraints, calculating and tracking the ratio can help ensure that spending is aligned with what science tells us is the most efficient path to creating health.

The ratio also offers an opportunity to distil complex data and intricate relationships into a single, simple and accessible measure that can be monitored by both governments and stakeholders. It is a concise summary tool that comprehensively signals the degree to which decision-makers are aligning their budget allocations with health science about the optimal balance between investments in the building blocks for a healthy society by comparison with funding for medical care after people fall sick or injured.

Evidence on links between social spending and positive health outcomes

Led by Daniel Dutton of Dalhousie University, three Canadian studies reveal positive health outcomes when government budgets grow social spending more urgently than medical spending.

The first features provincial expenditure data from 1981 to 2011. It found that provincial budgets are more likely to reduce potentially avoidable deaths and increase life expectancy when they invest more in social programs relative to medical care.

Dutton, D. J., Forest, P. G., Kneebone, R. D., & Zwicker, J. D. (2018). Effect of provincial spending on social services and health care on health outcomes in Canada: an observational longitudinal study. *CMAJ*, *190*(3), E66–E71.
<https://doi.org/10.1503/CMAJ.170132/-/DC1>

The second study features data from nine Canadian provinces from 1981 to 2017. It affirmed that a higher ratio of social-to-medical spending was a predictor of improved health outcomes, particularly within regions facing greater income inequality.

Liu T, Dutton D. (2021). With great inequality comes great responsibility: the role of government spending on population health in the presence of changing income distributions. *Canadian Journal of Public Health*.112(2): 199-209.

The third study examines data from budget expenditures in eight provinces between 1992 and 2018. It shows that an increasing social-to-medical spending ratio associates with lower levels of colorectal, breast and prostate cancers; but did not find a relationship with lung cancer.

Cameron MacLellan, Paul Kershaw, Ronald D Kneebone, Lindsay McLaren, Tony Reiman, Robin Urquhart, Daniel J Dutton - Chasing cancer: does the social-to-medical spending ratio relate to cancer incidence and mortality in Canadian provinces? A retrospective cohort study: *BMJ Public Health* 2024;2:e000858.

These Canadian data are consistent with international evidence. Studies led or motivated by the work of Elizabeth Bradley at Yale University reveal that OECD countries and US states prioritizing higher ratios of social-to-medical spending achieved better health outcomes when contrasted with jurisdictions exhibiting lower ratios. Infant mortality decreased, life expectancy increased, and potential life years lost decreased significantly in jurisdictions with higher ratios of social relative to medical spending.

Bradley, E. H., Canavan, M., Rogan, E., Talbert-Slagle, K., Ndumele, C., Taylor, L., & Curry, L. A. (2016). Variation In Health Outcomes: The Role Of Spending On Social Services, Public Health, And Health Care, 2000-09. *Health Affairs (Project Hope)*, 35(5), 760–768. <https://doi.org/10.1377/HLTHAFF.2015.0814>

Bradley, E. H., Elkins, B. R., Herrin, J., & Elbel, B. (2011). Health and social services expenditures: associations with health outcomes. *BMJ Quality & Safety*, 20(10), 826–831. <https://doi.org/10.1136/BMJQS.2010.048363>

Similarly, research led by Daniel Park found that higher ratios of social-to-medical spending in government budgets associates with fewer deaths resulting from mental and behavioural disorders among populations across OECD countries. They also find there is no significant association between medical spending and population mental health without controlling for social investments.

Park DS, Han J, Torabi M, Forget EL. Managing mental health: why we need to redress the balance between healthcare spending and social spending. *BMC Public Health*. 2020 Mar 26;20(1):393. doi: 10.1186/s12889-020-08491-1. PMID: 32216782; PMCID: PMC7098116.

Evidence on how social conditions matter for health

Research consistently shows that the social determinants of health – the conditions into which people are born, grow, live, work and age – exert stronger influence over population health than does the medical system. Much of this literature was synthesized in the seminal report published by the WHO Commission on the Social Determinants of Health.

WHO Commission on the Social Determinants of Health (2008) Closing the gap in a generation: health equity through action on the social determinants of health. Final Report of the Commission on Social Determinants of Health. <https://www.who.int/publications/i/item/WHO-IER-CSDH-08.1>

Evidence on how rising medical investments are crowding out social investments

Despite longstanding and extensive evidence on the importance of social conditions for health, governments across Canada have followed a similar trend over the last five decades: they have allowed medical investments to crowd out social spending. This trend has gathered momentum as medical spending continues to increase at a far faster pace than social spending, further unbalancing the social-to-medical spending ratio. This is especially the case for [investments in the wellbeing of younger generations](#), who tend to use less medical care than older age groups. Investments in things like

housing, child care and education that are particularly important for younger people have fallen behind.

Kershaw P. A "health in all policies" review of Canadian public finance. *Can J Public Health*. 2020 Feb;111(1):8-20. doi: 10.17269/s41997-019-00291-4. Epub 2020 Feb 19. PMID: 32077002; PMCID: PMC7046858.

Kershaw P. Time to grow social and education spending—it's key to good health: medical care and social investments are not an either/or proposition. 2023. In *The Monitor*. The Canadian Centre for Policy Alternatives: <https://www.policyalternatives.ca/news-research/time-to-grow-social-and-education-spending-its-key-to-good-health/>

The ratio will help governments measure what matters for health

Social and medical spending are not competing priorities – they are flip sides of the same health coin.

By presenting a clear comparison between these two important areas for public investment, the social-to-medical spending ratio empowers policy-makers to make better decisions about health and wellbeing. This is especially important in a context where resources are limited, demands are high, and demographics are changing. As a key performance indicator, the ratio can empower governments to evaluate decisions about resource distribution, and their potential impacts on population health.

78% OF CANADIANS THINK WE'VE LEFT OUR HEALTH SYSTEM UNFINISHED.

IT'S TIME TO INVEST MORE URGENTLY IN THE BUILDING BLOCKS OF A HEALTHY SOCIETY.



Policy-makers can use the ratio to identify health gaps within populations in order to optimize health outcomes for all, investing wisely in wellbeing from the early years onwards. Guided by cross-country comparisons, governments also can use the ratio to identify variation between their jurisdiction and others, in search of data-driven benchmarks for budget allocations between medical and non-medical departments that will yield the greatest chance of improving population wellbeing.