

Capital funding of health care in Canada is critical, yet declined in last 20 years

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Capital funding of health care, used to build new hospitals, redesign or upgrade existing facilities and invest in new technologies, has declined in Canada over the last 20 years, according to an analysis in *CMAJ (Canadian Medical Association Journal)*.

"Despite increases in total health care spending in Canada, [capital investment](#) in Canadian health care has seen a substantial decline in recent years, contributing to Canada's high hospital occupancy rates, hallway health care problem and operating inefficiencies," writes Dr. David Klein, Dalla Lana School of Public Health and St. Michael's Hospital, Unity Health, Toronto, Ontario, with coauthors.

Without adequate capital funding, health care systems are unable to adopt new technologies for diagnosis and patient care or upgrade aging buildings and equipment, which can affect [patient care](#) and efficient health care delivery.

"Capital funding to support infrastructure is largely neglected in discussions about annual funding, yet

inadequate or uncertain capital investment may threaten the sustainability and equity of the Canadian health care system even more than the variable disbursement of operational funding," says Dr. Klein.

The authors argue that Canada and its provinces and territories should prioritize capital funding by

- encouraging innovative [funding](#) models, such as public-private partnerships with strong regulatory oversight
- pursuing partnerships with strategic investors
- improving tax breaks to encourage charitable giving
- supporting better tools for decision-making
- engaging community stakeholders in capital projects

Expert leadership to oversee investment and project execution is critical.

"More capital alone will not solve the problem," they write. "Capital [investment](#) must also be overseen and managed by expert leadership, fairly, transparently and ethically, to protect the public's interest and trust. The challenges underpinning the current level and effectiveness of our health care system will not be solved with one method alone."

More information: *Canadian Medical Association Journal* (2020).

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