



CIHI's Patient Level Costing Roadmap

One component of **value-based healthcare**

September 10, 2025



Outline

1. Overview of Canada and CIHI
2. Value and State of Patient Level Costing in Canada
3. Roadmap Background and Methodology
4. Four Themes of the Roadmap
5. Pulling it all Together

Canada's 14+ health systems



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Canada Health Act

- Public Administration
- Comprehensiveness
- Universality
- Portability
- Accessibility

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The Canadian Institute for Health Information (CIHI) is an independent, not-for-profit organization that provides essential information on Canada's health systems and the health of Canadians.

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The world's best health systems are powered by data.

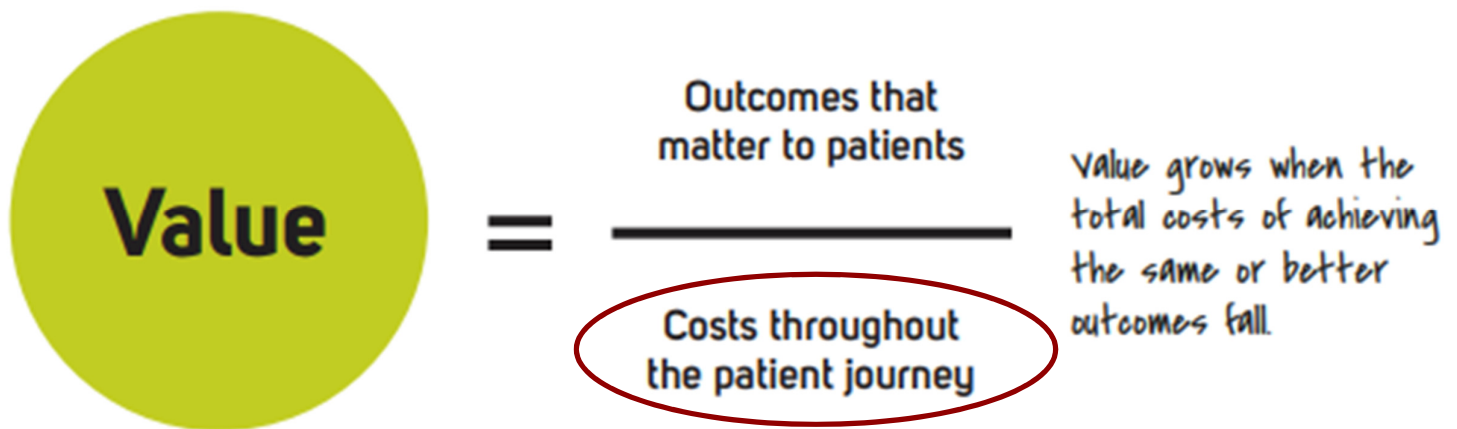
CIHI is a vital source of **Canada-wide health data** that Canadians rely on to inform health policy, care, management and research. It's our job to ensure that health data is trusted, connected, accessible, timely, contextualized, relevant and comprehensive.

We are building a future where every Canadian gets the care they need — when and where they need it.

Better data. Better decisions. Healthier Canadians.



Why Patient Level Costing?



[Canadian Foundation for Healthcare Improvement – Value Based Healthcare Toolkit, Jan 2020](#)

Imperative for action in Canada

Health spending is **\$372 billion**
(or \$9,054 per person)
Hospitals are the largest group - 26%*

Administrative structures
Quality-based decision making

Clinical **value**
Value-based decision making

The pan-Canadian Health Data Strategy** highlights the following key principles:

ROADMAPS:
Incremental benefits
to a common goal

Fostering a
**PERSON-CENTRIC
LEARNING
HEALTH SYSTEM**

Data from all health
encounters and
sources should be
LINKABLE

*<https://www.cihi.ca/en/national-health-expenditure-trends-2024-snapshot>

** <https://www.canada.ca/content/dam/phac-aspc/documents/corporate/mandate/about-agency/external-advisory-bodies/list/pan-canadian-health-data-strategy-reports-summaries/expert-advisory-group-report-03-toward-world-class-health-data-system/expert-advisory-group-report-03-toward-world-class-health-data-system.pdf>



<https://www.cihi.ca/en/video-patient-costing>

What is Patient Level Costing (PLC) ?

- PLC is:
 - where **disease classification, care pathways, outcomes, and financial data** meet,
 - the place where **value can be evaluated**, and
 - the **total cost** to providing care to a **client or group of clients**.



Current State of Patient Level Costing (PLC)

- Basis of case mix groups, **cost weights**, patient focused or **system funding formulae**
- **10% of hospitals** from 4 provinces and represents **~25% of all hospitalizations**
- **Quebec and Saskatchewan** implementing PLC across all health sectors
- Pockets of **innovation are underway** in Canada



Our approach to the roadmap development



How:

- Surveys and interviews
- Engagement with stakeholder group
- Four themes
- 12 actions – **most require collaboration with stakeholders**
- Discussed at PCSI workshop on Tuesday

Four CIHI Roadmap Themes

A: Awareness & promotion

Promote understanding & use of PLC within CIHI and across the country

B: Expansion of PLC Data

Improve breadth, depth and quality of PLC data in jurisdictions and at CIHI



C: Capacity building

Create education, tools and other materials; engage with data

D: Innovation

Reduce the burden of data collection, reporting and analysis through innovation

A: Awareness and Promotion

Issue: Policy makers do not have a good understanding of the value of PLC

Actions:

- Increase awareness and understanding of PLC by:
 - identifying **case studies** using PLC,
 - demonstrating the **value of PLC**, and
 - expanding **data literacy** through knowledge sharing.



B: Expansion of PLC Data



Issue:

- PLC is limited to inpatient stays
- Data quality is declining

Actions:

- Engage with vendors and data collectors for **enhanced data collection**.
- Expand PLC data to include **allocation methodology** and data from **more sectors and care providers**.
- Identify and promote **standard data quality tools**.

C: Capacity Building



Issue: Many jurisdictions are facing the same challenges, and are developing their own training tools and use cases – creating duplication of effort

Actions:

- **Engage with data** – identify insights from interjurisdictional data.
- Create a **national knowledge** and showcase centre for PLC.
- Facilitate **knowledge exchanges**.

D: Innovation



Issue: Stakeholders are struggling to keep pace with the rapidly advancing technology

Actions:

- Engage with vendors/jurisdictions to support interoperability and innovation for **improved data flow**.
- Identify and share **best practices**.
- Explore the use of **Artificial Intelligence** to facilitate data reporting and analysis.

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Putting it all together...

Within CIHI

- Spearhead roadmap initiatives
- Promote PLC as an important component of measuring value

Within Canada

- Collaborate with jurisdictions
- Share experiences and expertise
- Act as a resource hub for PLC methodology and best practices

Internationally

- Share roadmap at PCSI
- Reach out to countries using PLC
- Share PLC methodologies and practices

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Questions

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