The need for federal leadership in public health care

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THE RIGHT TO access public health care regardless of where you live or how much you earn is a deeply held Canadian value that was enshrined in law to support greater equity and justice for all. People in Canada are proud of and depend on the public health care system. In contrast, the Harper government has shown a distinct lack of leadership in maintaining and improving the quality of public health care in Canada, suggesting frequently this is purely a provincial responsibility. This article outlines the dynamics and consequences of this federal policy stance, with a focus on the government's decision to let the 2004 Health Accord expire.

Federal leadership already lacking

Inaction on the health file goes further back than the Harper government — to the funding cuts by the Chrétien and Martin governments in the 1990s and 2000s. Federal transfers to individuals and the provinces were cut by 1.9% of GDP during this time as part of the Liberal government's higher priority of slaying the deficit. These deep cuts most directly affected public health care and social assistance, forcing

the provinces to find their own cost savings. Some provincial governments turned to privatization, or stopped covering some health care services such as vision care and physiotherapy. Others decided to contract out hospital support work such as laundry and cleaning. Patients were sent home early from hospital to save on the cost of medication and additional care.[1]

In Ontario, the government expanded the use of public-private partnerships to build and run hospitals and for-profit diagnostic clinics for MRIs and CT scans.[2] Similarly, in British Columbia, the provincial government attempted to open the door to contracting-out and privatization of public health care services.[3] Though these reforms were sold as cost-saving measures, health care became more expensive in most provinces. According to Pat Armstrong, "between 1990 and 1996, private expenditures for health care increased 43% in Saskatchewan, and 33% in Manitoba. In Quebec, private health care spending as a proportion of total health care spending increased from 25% in 1989 to 30.9% in 1998."[4]

Not just a provincial responsibility

The Harper government claims repeatedly that health care is solely a provincial responsibility, but this is not the case. The *Canada Health Act* lays out clear roles and responsibilities for the federal government to ensure the provision of public health care for all people in Canada.[5] These responsibilities are based on five principles in the act: Canadian health care must be publically administered, accessible, comprehensive, portable, and universal. This is meant to ensure that no matter where a person lives in Canada they can access similar levels of high-quality public care. Toward that end, the federal government can withhold transfer payments from provinces that allow private insurance for medically necessary services, or tolerate extra-billing or user fees.[6]

It is widely recognized the health act is not working as it should. Care differs greatly across regions. Some provincial residents have access to more medications than others. Some provinces have more hospital beds per capita than others. Even wait times for certain procedures vary greatly across regions. Partly this has to do with less funding. Originally, the federal government agreed to contribute 50% of the funds required to implement public health care nationwide.[7] Today, only 20% of the overall funds spent on health care are federal. Total health care spending has not kept pace with inflation and continues to subtly erode the minimum funds required to maintain public health care services.[8]

Beyond these clear legislated roles, the federal government is the only order of government in a position to drive universal programs and a national vision for the

future of health care. Where is federal leadership in preparing for the needs of an aging population, or in promoting the system-wide adoption of regional innovations (e.g., lower wait times)? Without this leadership, Canada is simply 13 separate health care systems administered individually, unable to share information, and showing increasing regional disparity.

The 2004 Health Accord

The Health Accord was a 2004 agreement between the provinces, territories and federal government to work together to fix and strengthen health care over a 10-year period. It created and promoted new national standards (e.g., common goals around wait times, home care, prescription drugs, and team-based primary care), the use of best practices across the country, and provided increased, stable and predictable funding after the deep budget cuts of the 1990s.

While the Health Accord was imperfect, it was nonetheless a positive step toward adequate funding and rigorous national standards to ensure the integrity and sustainability of public health care in Canada.[9] For example, on wait times, eight out of 10 Canadians received treatment within the timelines set in 2005 for five chosen procedures.[10] In other areas, however, including home care, drugs, and primary care, progress has been poor because the governments set only loose goals, with no financial strings attached. Access to these services still depends on where you live and your ability to pay.[11]

Throughout the 2011 federal election campaign, the Conservatives had promised to renegotiate this important agreement. But once elected, the majority Harper government abandoned this commitment and the Health Accord was allowed to expire in 2014.[12] At the same time, the government eliminated the Canada Health Council,[13] an independent body that monitored the performance of the health care system and recommended improvements to the provinces, territories and the federal government.[14] Without the council there is no comprehensive evaluation of the success of health service delivery in Canada, and a lack of data about changes in health outcomes over time.

Further evidence of the Harper government's aim to dismantle national medicare comes from its abandonment of the national pharmaceutical strategy within the 2004 accord. According to the Health Council of Canada, the pharmaceutical strategy was integral to the renewal and sustainability of the entire health care system. Instead of insisting on value-for-money for prescription drugs, the Harper government agreed to extend patent protections on brand name drugs — a move that will increase drug costs to Canadians by between $850 million and $1.6 billion a year.[15]

Without the Health Accord there is no vision in Canada for the provision of public health care, no plan to grow the system to include much needed services like a national drug plan or a strategy to care for seniors. There is no discussion of the inclusion of a more adequate approach to mental health challenges, vision care or dental care. Funds are transferred from the federal government to provinces and territories with no strings attached. Provinces and territories are free to spend these health care dollars on any expense; there is no mechanism to ensure these funds are spent on the provision of health care. There are no targets to improve access to care, wait times, electronic file management, access to medications, or the number of health care professionals in each province or territory. With no national leadership, the health care system is rudderless.

The health care situation today

On top of the expiry of the Health Accord, the federal government has actively cut federal funding to public health care. In December 2011, the Harper government announced a major cut to the Canada Health Transfer (CHT) of $36 billion over 10 years beginning in 2017.[16] In addition, the equalization portion of the CHT was eliminated in 2014. This decision reduces transfers by another $16.5 billion over five years.[17] The approach taken so far by the government will effectively shift more federal debt onto the provinces, undermining their ability to provide care at a time when the Canadian population is aging and there is increased demand for health care services.[18]

In general, there has been a startling change in the administration of our national health care system. As a result, the federal government is no longer able maintain its role as guardian of national standards. For example, if you live in PEI you will have a much easier time accessing a hospital bed than if you live in Ontario, since there are 4.3 beds available for every 1,000 people in PEI and only 2.5 available for every 1,000 people in Ontario.[19]

The government's new funding formula ties health care transfers directly to GDP such that when the economy does poorly there will be less money for public health care. There are a number of problems with this arrangement. First, when the economy does poorly there is an increased strain on the public health care system, but at this time the system will have fewer resources. Second, under the *Canada Health Act*, funding is used to hold the provincial and territorial governments accountable for their delivery of health care services to Canadians.

If the funding is tied to GDP there is also no way for the federal government to ensure that funds transferred to the provincial and territorial governments are used for health care. By decreasing its contribution to health care the federal gov-

ernment decreases the impact of any financial penalties it may need to inflict upon provinces and territories for not abiding by the *Canada Health Act*. It is already evident that without the ability (or willingness) to enforce the act, we get more private for-profit health care provision, the enactment of user fees and double-billing, and the inevitable decrease in quality of care that is a part of an unregulated system.

Never in Canada's history has the funding of social programs, including health care, been tied to the success of the Canadian economy. Social program provision is meant to meet the changing needs of the Canadian population, not to fluctuate based on the nation's success in the global economy. This unstable and unpredictable funding scenario is in direct conflict with the values laid out in the *Canada Health Act*. The lack of federal leadership on health by this government is, however, not an oversight. It is part of a strategy to privatize health care in Canada. Stephen Harper told the *Globe and Mail* in 2002, "the biggest single thing is alternative delivery within the universal, public insurance system.... [T]he existence of a wider range of private providers, that is what we're talking about."[20]

Over the past two terms in office, the Harper government has decreased the role it plays in health care by jettisoning or ignoring its responsibility for marginalized and vulnerable groups including Indigenous peoples, refugees, and Canada's veterans. Indigenous peoples in Canada consistently show health outcomes far below those of other people.[21] Rates of preventable communicable disease remain high and many communities have gone years without clean drinking water. The situation is intolerable and requires action from the federal government, which is directly responsible for health care provision for Indigenous peoples within Canada.

Beyond this abdication of responsibility, the federal government has also cut health care to people who have come to Canada as refugees. In 2012, the federal government announced cuts to the Interim Federal Health Program through which all refugees in Canada receive care. Some of the cuts were retracted due to public pressure and some services are now available as a result of a 2014 Supreme Court ruling that found the cuts unconstitutional, forcing the federal government to create a temporary program to provide some care. Still, refugees have lost access to coverage of medications, vision and dental except if the illness is a public health concern. And people arriving from countries not considered to be sources of valid refugee claims will receive no care at all unless there is a public health concern.[22]

The federal government is also responsible for providing health care to veterans, the RCMP and Canadian Armed Forces members. However, in recent years, this too has been jettisoned onto the provinces and territories. The federal government continues to look after veterans of the First and Second World Wars, and the Korean War. But those termed "modern" veterans have been told they are now a provincial responsibility. The provinces have never planned for veterans' long-term

care and were unprepared for this unforeseen change in policy that puts pressure on already strained resources.[23] While the federal government saves $25 million a year from this move, the provinces and territories must find new room in their budgets to cover the cost of this care.[24]

A modern public health care system in Canada must include a national drug plan and a national seniors care strategy. Canada is the only country in the world with a public health care system that does not include medications. A remarkable 25% of all people in Canada have no coverage at all for the drugs prescribed by their doctors; they must access personal funds in order to be healthy, while the cost of medications in Canada continues to skyrocket above the amounts paid by people living in other OECD countries.[25]

There is an immediate need for the federal government to create a national formulary for medications, take on bulk purchasing, and ensure safe prescribing and drug approval practices. Furthermore, it is evident to most Canadians there is a need for improved care for seniors. The current patchwork of care leaves many aging Canadians struggling to navigate a poorly organized system of care that often includes user fees, extra payments and long waiting lists.

Conclusion

A national strategy is required to ensure that all aging people in Canada can access the appropriate care regardless of where they live or their ability to pay. This means access to the continuum of care: hospital, home care, long-term care, palliative and hospice care. National standards and funds are needed to make this happen. Achieving this will take federal leadership, which has been absent under the Harper government. It will also require stable funding, national standards and stricter enforcement of the *Canada Health Act* — a package that could be presented to the provinces through a new Health Accord.

But on top of reinforcing Canada's existing public health care system, there is clearly room for improvement and expansion into other areas: a national drug plan, seniors care strategy, increase in support for Indigenous peoples, and the reinstatement of appropriate care for people seeking refuge in Canada are all within the government's responsibilities and financial capabilities.

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