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FAST FACTS

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"Parallel" Health Care: The Wolf in Sheeps' Clothing

This Fast Facts was published in the Winnipeg Free Press on February 19th. Coincidentally, the following day, the media reported on the release of the Castonguay Report in Quebec. This report responded to last year's narrow majority ruling of the Supreme Court of Canada which opened up the possibility of a parallel health care system, at least for Quebec.

The proposal to enable a parallel system is at the core of the report, and it is the one which will have the most serious implications for a universal system where service is based on need. For this reason, Michel Venne, one of the three members of the Castonguay task force, dissented from the core recommendations.

Those who promote further privatization of Canada's public-private mix in its health care system ignore comparisons with the USA, since its largely private system is so terribly flawed with high costs and limited access. Instead they use comparisons with other countries to propose a bewildering array of variations on privatization. A recent one is the "parallel" system variation which exists in some other countries, especially in Europe. This system allows private, for-profit facilities to operate alongside public ones, so that well-to-do patients can jump the queue into the private clinic. Proponents argue that this practice frees up places in the public queue so that everyone can get faster treatment.

There are two barriers in Canada to this happening. One is the Canada Health Act which prohibits doctors from extra billing for insured services. This does not prevent doctors from setting up privately, but it does act as a disincentive to do so. The other is that six provinces, including Manitoba, prohibit doctors from practicing simultaneously in the public and private system. Canada is not the only country to "ban private health care"; Sweden, Greece and Italy also prohibit practice in both systems. Other countries use different ways to achieve the same results. Holland has a parallel system, but patients can't move between the two systems. France prohibits doctors in private practice to charge more than they would get in the public system. All these prohibitions are there because their removal does NOT ease wait times in the public system. Furthermore it leads to an expansion of the private system AT THE EXPENSE OF those in the public system.

A 2006 study estimated that wait times in England, which has a fully developed parallel system, were 3 times longer than the most exaggerated wait times in Canada. Australia and New Zealand also have parallel systems. Their

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public system wait times are also longer than in countries which inhibit the growth of the private system. When cataract surgery was being done in Manitoba in private clinics, the shortest wait was for patients paying for private care. In the middle were patients whose doctors practiced only in the public system. The longest wait times occurred in the public queue where doctors were also in private practice. This is consistent with the evidence from England where doctors are offering patients more timely treatment in their private practice to the neglect of patients who cannot afford the fee. They have what economists call a "perverse incentive" to keep public waiting lists long, to encourage patients to pay for private care. Since health care professionals can't be in two places at once, it's hard to see how their movement from the public to the private system is going to help the public system. In fact, studies in Belgium and Australia have identified the tendency of private facilities and insurers to leave the more expensive cases to the public system and "cherry pick" the healthier and least expensive to treat.

The parallel system puts other pressures on the public system. A fee-paying patient who jumps the queue for say an MRI, also jumps the queue into follow-up treatment in the public system if something is found amiss. This backs up the queue further for the public patient who hasn't even got the MRI yet. Even worse, research in England found that there was an astonishingly high rate of complications (around 20% compared to between 1 and 2% in the public system) from hip surgeries done in private clinics. These patients all ended up in the public system for restorative work.

The case for a parallel system is based on the myth that everybody wins. But the parallel system clearly compromises access to care for those often most in need who cannot afford private care. Health care based on need, not ability to pay, is one of the features of our current system which most Canadians wish to preserve. Regrettably evidence such as that presented here doesn't deter the proponents of privatization. Likely this is because the major proponents will profit from further privatization. For example, a recent conference sponsored by owners of private clinics in Canada was entirely about how to convince a skeptical public of the "benefits" of a greater role in health care for the private sector. Presenting a parallel system as saving universal access was proposed as one strategy to do this.

We are spending far too much energy defending the public system at the expense of addressing the real issues. These include increasing demands, shortages of personnel, access to primary care, paying attention to the prevention of ill-health, the need for a national pharmacare program, and the absence of democratic debate from an informed public. Since 30% of Canada's total health care expenditures are already paid to the private sector, perhaps a good place to start is to look at ways to improve Medicare, not deal off more of it. And it can be done. For example, in Alberta, hip and knee replacement times were reduced from 19 to 11 months by centralizing wait lists. In Sault St. Marie, heart re-admissions were reduced by 50% by using a team-based approach. In Manitoba, an experiment to encourage more group, multi-disciplinary practice is starting to make a difference in timely access to primary care. Let's get on with the task of implementing the many proven policy ideas that will strengthen our public system.

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