Fast FACTS
CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

September 22, 2015

Wealth Care vs. Health Care

The debate around the private financing of Canada's health care system has recently been revived as one of a series of video shorts on human rights issues in Winnipeg's Canadian Museum of Human Rights. It discusses a Supreme Court hearing in which Quebec's prohibition on private insurance to cover procedures already covered by the public plan was challenged (Chaoulli versus Quebec 2005). Unfortunately, the video skews the debate in favour of private financing. For example, it poses this question for the viewing public: "Does a law that can cause patients to wait a long time for medical care violate their physical and mental safety?" The design of the question could hardly evoke a vote other than the 87 percent yes and 13 percent no (at the time of viewing). Even worse than the skewed wording is the lack of context, especially the failure to note the likelihood that those who cannot afford to use a private system will be harmed.

The issue of harm revolves around wait times. The private system sells shorter wait times to those who can afford to pay. Without the claim that wait times are an issue in the public sector, the private system has little to sell. In addition, unless it can eliminate the law which in effect prohibits double billing, its profit is limited. But the law in question exists precisely because the emergence of a system of private financing parallel to the public system does harm to the latter system and those who depend upon it.

In terms of direct and immediate harm to individual patients, the difficulties faced by researchers in measuring wait times and the different contexts of different jurisdictions are conveniently ignored by proponents of a parallel system. For example, relatively short wait lists in the Netherlands has been cited as a successful parallel system. In fact this is possible only because those who use the private system cannot also use the public system. In fact there is conclusive evidence that those countries with a parallel system also struggle with wait lists. The claim by the parallel system proponents that they will shorten wait time by taking a proportion of the population off the wait list is totally unsubstantiated.

But the evidence goes even further to indicate that wait times are actually increased in the public sector as a result of the intrusion of a parallel private sector. In Manitoba and Alberta, in the nineties, there was a parallel system for cataract surgeries. It was found that in both places, wait lists were shortened for those paying for the service while the wait lists in the public system increased considerably. Wait lists in the public sector in the U.K. increased after introduction of a parallel system. An evaluation of Australia's parallel system concluded that the higher the level of private provision for any given procedure, the longer the wait lists in the public sector.

The obvious reason is that to the extent resources move from the public system

there is an alternative.

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to the private, they are not available to the public system. Evidence from the U.K. is clear on this. In New Zealand, which has a chronic wait list problem (albeit unrecorded), doctors spend over 50 percent of their time in private practice. Imagine the impact on our public system if this were to happen in Canada. In addition, the private system allows for such practices as patients paying to jump the queue for a diagnostic procedure and then going to the front of the queue in the public system for treatment.

But there is a greater indirect harm to those depending on Canada's current system, through harm to the system itself. The single pay system into which everyone pays through their taxes is very efficient. The USA's system of multiple insurers escalates administration costs by as much as 300 percent due to the profit motive and armies of administrative staff sorting out who will pay for what. Much of these increased costs will be born by the public system as providers seek higher remuneration to compensate. In Australia, the private insurance industry has successfully lobbied for public subsidies. These are costing the taxpayer far more per capita than if the procedures were financed through the public system.

Above all, the values upon which Canada's public system are founded are eroded. The reason for the prohibition on purchase of private insurance for procedures already covered by the public system is to ensure equal access for all; to ensure that the sick receive priority based on their need not their ability to pay. The inevitable result is that those with the least need are in a queue. The private clinics which stand to gain if the legislation is struck down are cleverly framing the issue in terms of human rights; specifically that those who can afford to have the right to pay for quicker service. But what of the rights of those who cannot afford to pay? Article 29 of the UN Declaration on Human Rights is clear that any right should be overridden if its exercise harms others.

If the question in the museum video was more accurately framed as the right to jump the queue, the human rights red herring would be exposed. Canadians don't want a wealth system: they want a health system. Destroying that would be the greatest harm of all.

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