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FAST FACTS

July 22, 2010

Healthcare: A timely reminder

Last month the Commonwealth Fund – a United States organisation promoting evidence-based quality health care in that country – published a study comparing the U.S. health care system with that of several other industrialised countries, including Canada. Entitled “Mirror, Mirror on the Wall”, it ranked the U.S.A. system last on accessibility, patient safety, coordination, efficiency, equity and health outcomes such as infant mortality.

This report went unnoticed in Canada perhaps because it is not news here. Earlier studies by the Fund, as well as by health policy analysts in this country, have all come to the same conclusions. This lack of attention, however, is regrettable because, despite the evidence, there are those who continue to seek to discredit the Canadian system which, beginning in the early 1960s, rejected the US model of private funding and delivery. These critics include influential journalists such as Jeffrey Simpson of the *Globe and Mail*, and even some recent editorials in our own *Winnipeg Free Press* – perhaps another reason why the media didn’t report the story.

One key group needing reminding of this data is politicians who present the Canadian system to citizens as “unsustainable” and conclude that it must be left increasingly to private funding and

delivery. They point to the increase in health care expenditures as a percentage of total provincial expenditures. They then claim that eventually health care expenditures will squeeze out all else. This ignores the fact that provinces have shrunk expenditures in all other departments, except for education and health care (where cuts would be the most unpopular). Thus health care is bound to show as an increasing proportion of total expenditures. Moreover, a succession of tax cuts by both levels of government beginning in the last half of the 1990s, has created the possibility of “unsustainability” in the first place. Between 1997 and 2004, provincial and federal governments between them gave up \$170.8 billion in tax cuts. Commenting on both these facts, health policy analyst Bob Evans states: “had provincial governments not chosen..... to cut tax rates, the share of aggregate provincial revenues devoted to health care in 2005/6 would have been very slightly below its level in 1982/3.” And this trend of slashing corporate, consumer and individual taxes mostly advantaging the well off, has continued unabated into the last half of the decade.

Media silence is especially harmful given that the two dominant parties are using the same song book on this issue. B.C.’s Liberals cut taxes by a savage 25 percent upon assuming office,



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and shortly after declared public health care to be unsustainable. Alberta's Conservatives and Quebec's Liberals repeatedly fly the privatization kite. Both parties at the Federal level have been reluctant to act against widespread illegal user fees charged by private clinics. Where are the alternative voices?

The Commonwealth Fund study also reminds us that private health care is hugely more expensive than public funding and delivery. One reason is the cost of administration. The Fund estimated that 7.3 percent of total health care expenditures in the USA goes to administration, compared to 2.6 percent in Canada. The reminder is timely because Canada's single pay system, which accounts for the lower administration costs, is currently under siege. One reason is that the prevailing small government, leave-it-to-the-"market" ideology hates public monopolies. Our efficient single pay system is targeted accordingly. The other reason is profit. Owners of private clinics in Canada financed a court challenge to the single pay system in Quebec. They are now contemplating challenges in other provinces. Canada's single pay system is protected by prohibitions in the Canada Health Act on extra billing, and on buying or selling private insurance for services covered under the public plan. These protections are the ones under attack.

The Fund study does not consider Obama's recent reforms. But those reforms do not include a single pay system. This was not on the table from the start thanks to lobbying by the powerful private insurance industry. It is hard to see how the administrative costs incurred by the armies of staff required in the USA to sort out billings and process claims, let alone the stress visited on sick people filling out pages of claim forms, will be ameliorated by the reforms.

The tragedy is that responding to these attacks uses energies which ought to be devoted to improving the public system. It is instructive to know that expenditures on doctors and hospitals

as a proportion of Gross Domestic Product have held steady in Canada. These are the only two components of health care delivery which are one hundred percent publicly funded. Components, partly or wholly in the private sector, are the ones creating the cost pressures. Pharmaceuticals for example has doubled its share of the pie since 1975, from 8.8 percent of total health expenditures to 16.8 percent in 2007 - well ahead now of physician costs at 12.8 percent. Thus one area of improvement would be a national pharmacare program to achieve efficiencies, cost containment, better access and equity.

So yes we need to be reminded of the serious flaws in the largely privatised US model because powerful interests seek to revive it here. We could also be reminded of the example of post-war Britain which, despite facing massive reconstruction and debt, committed to comprehensive public health care. As a child contracting scarlet fever there at the time, it is certain that I, and hundreds of others, would not have received the affordable, life-saving care in the absence of that system. Such reminders expose the relentless push towards further private care to be nonsense. Such reminders may yet persuade the Tweedledums and Tweedledees who take turns governing our country, towards building our public system rather than tearing it down.

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