

The Health Care Zombie Rises Again

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(Winnipeg Free Press Headline: Two-tier care favours the rich)

Federal Conservative leadership candidate Belinda Stronach believes we should be considering two-tier health care. Refusing to address this possibility, she argues, limits the debate.

Stronach is not the first Canadian politician to call for a debate on two-tier care. A series of political leaders, including Kim Campbell, Ernie Eves, and even Jean Chretien, have raised the possibility of a two-tier system. And, five times in Canada's history, the federal government has asked high profile political or judicial leaders to get together with health policy experts to debate and resolve the health funding controversy.

The Hall Commission that led to publicly funded physician and hospital services was the first to consider the relative merits of public versus private health care funding. Justice Hall conducted a second review, the results of which led to the Canada Health Act of 1984. In 1997, the National Health Forum toured the country getting input from leading experts. Both Michel Kirby's Senate Committee, and the Romanow Commission, made their recommendations at the end of 2002.

These five reviews all arrived at the same conclusion. Public funding of health care is more equitable and more efficient. A parallel private system will not only introduce inequities in access to care, but will waste our resources and reduce our international competitiveness.

On each occasion, these august bodies widely publicized the evidence that drove their conclusions.

Before national health insurance, Canada's poor had limited access to health care. In the US, with its parallel private system, large inequities in access continue. In contrast, Canadian studies have consistently shown that public funding has achieved comparable utilization of care irrespective of income.

That finding will surprise few. Less well appreciated are the efficiencies that public funding brings, some of which I described in this column two weeks ago. Since even the wealthy have difficulty dealing with the huge expense of serious illness, charges for quicker or better care quickly bring the introduction of private insurance. Private insurers face development and marketing costs, and the need to generate profit. Publicly funded and administered systems are free of these administrative costs. The result is that the insurance-heavy US spends 32% of its health care dollars on administrative costs while Canada spends 16.7%.

Public funding means that the single-payer, the government, can exercise a discipline impossible when private insurance funds a substantial part of care. That's why Canada's publicly funded sectors of health care, physician and hospital services, have managed to contain costs. And it's why the areas of private coverage, in particular pharmaceutical costs, have suffered cost explosions.

The combination of administrative savings and spending discipline explains why Canada spends 10% of its GDP on health care – the same percentage as in 1992 – while the US spends 14.9%.

Two-tier advocates raise examples of European countries that permit user charges for physician and hospital services. But because they achieve much better coverage of drug costs, those countries actually have public payment for a larger proportion of health care costs than Canada.

So, why the amnesia about the prior debates, and the apparent ignorance of the evidence? Almost a decade of provincial and federal tax cuts have left government program spending at the lowest percentage of GDP since the 1950s. For some, the mandate to squeeze public spending, and reduce taxation, trumps all other considerations.

If our commitment to maintain or extend tax cuts is absolute, we indeed have a problem. In that ideology, it doesn't matter if we spend more on health care and receive less. We have no choice but to turn to private pay, two-tier health care.

There is a second explanation. Public funding of health care represents a transfer of resources from the healthy and wealthy to the poor and sick. Higher income is strongly associated with better health, and even more

strongly associated with taxes paid. Public funding of health care is a great deal for most of us, but not for the richest. To the extent that affluent Canadians influence the policy debate, it is no surprise to see calls for two-tier care re-emerge so soon after their rejection by Kirby and Romanow.

Finally, it must be galling to Belinda Stronach, and to the major funders of her campaign, that short of going to the US, they cannot pay for quicker or better health care. For the wealthy, the security of universal publicly funded health care cannot begin to make up for the necessity of waiting their turn. A parallel private system would resolve that problem.

Canadian health economist Bob Evans has described private pay advocacy for health care as a zombie – intellectually dead, but destined to keep rising again and again to haunt health policy debates. Stronach's recent comments suggest that even the weight of five lucid, publicly debated reports and recommendations will not put the zombie to rest.