

## **Health Dream is Dying**

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Paul Martin talks so earnestly about giving more cash to health care, but his budget says the opposite

**By Dr. Gordon Guyatt**

It must be a politicians' dream to be all things to all people. When it comes to health care, Paul Martin is giving it a good try.

Martin, in his role as St. George slaying the budget deficit dragon, folded health care funding for the provinces into the Canadian Health and Social Transfer. In the process, Finance Minister Martin instituted massive cuts in federal transfers to the provinces.

The provinces responded predictably, with massive belt-tightening in health expenditures. Canada's health care spending plummeted from 10% to 9% of the Gross Domestic Product, an extraordinary drop never seen in any other developed country. Services deteriorated, and Canadians' confidence in their health care system decreased.

Martin got the credit for eliminating the deficit, became the darling of Canada's business community, and shouldered no blame for the health care catastrophe. From Martin's point of view, so far so good.

The economy expanding, budget surpluses replacing deficits, Martin had the chance to make up for his cuts, rescue the provinces, and in doing so revive the ailing health care system. Nope. In his pre-election budget of 2000, Martin instituted \$100 billion of tax cuts and left health care begging.

The economy continued to do so well that, despite the tax cuts, the feds repeatedly racked up substantial surpluses – over \$46 billion in the last 4 years. But Martin and his successor John Manley made debt reduction the top federal program, and health care continued to stumble.

Finally, at the end of the 2002, the Chretien-commissioned Romanow report laid a substantial part of the blame for the health care malaise on the federal Liberals and called for a large hike in federal contribution to

health spending. But money was only a part of Romanow's message. A system overhaul, including institution of national programs in home care, prescription drugs, and palliative care, was required.

The Liberals failed Romanow's leadership test. In the federal-provincial accord of February 2003, they came up short of the increased transfers the report recommended. Even worse, there was no accountability built in to the agreement. The federal government didn't even have a way of ensuring the provinces spent the extra federal money on health care.

As a result, progress toward the national programs that Romanow – and the National Health Forum of 1997 before him – recommended has been zero.

Martin could blame the accord fiasco on his erstwhile colleagues in the Chretien government, and set a plan for serious reform, accompanied by serious money. But instead, Martin's pre-election budget as Prime Minister ran true to form. Proceed with previously scheduled tax cuts, low-ball the budget surplus, and keep debt reduction as a top priority. And, aside from an initiative for an underfunded national Public Health Agency, no attempt to move on health care reforms.

The budget re-established Martin's credentials with Canada's business community and with fiscal conservatives across the country. An effective antidote, perhaps, to images of wasteful spending from the sponsorship scandal.

But on the health care end, the budget left the Prime Minister with a problem. Health care remains Canadian's number one issue. A revitalized NDP has been the one party consistently calling for a full implementation of Romanow's recommendation, and are certain to make that stance a central plank in their platform.

How could Martin deal with his vulnerability on the health issue? Lo and behold, only days after his budget, we discover that the Prime Minister also believes in the Romanow report. In well-publicized speeches, Martin and his Health Minister Pierre Pettigrew tell us that they have big money waiting for the provinces. If only the provinces can come up with a plan for revamping the way they deliver health care.

So, take your choice. If you are a fiscal conservative, you have the budget, with its priority on tax and debt reduction. If you are one of the large number of Canadians desperately concerned about the future of universal health care, you have the promise of big federal dollars for implementation of Romanow just around the corner.

There are a number of reasons to not take this posturing seriously. First, to offer serious money to the provinces requires Martin to move from his priorities on tax cuts and deficit reduction. For the last decade, these have been Martin's holy of holies.

Second, Martin claims allegiance to Romanow, and says progress is contingent on the provinces coming up with plans consistent with the report's blueprint. Romanow realized the evidence shows that publicly funded and administered health care will be both more efficient and equitable than private funding. That's why he proposed not only maintaining public funding for physicians and hospital services, but extending public payment to national home care and pharmacare programs.

Those policies run directly counter to Premiers such as BC's Gordon Campbell and, particularly, Alberta's Ralph Klein. One can't have both Klein-style privatization, and Romanow-style reforms.

Romanow understands the situation clearly. "If it's not possible to get a co-operative solution, then it is going to take a bold initiative on the part of the federal government to make the appropriate solutions," he said the day after the budget release.

That bold initiative will be absolutely necessary. It seems unlikely that initiative will come from Paul Martin, the man who wants to be a tax-cutter, debt-reducer, and public health care saviour – the man for all tastes.