The five criteria of the Canada Health Act – public administration, comprehensiveness, universality, portability, and accessibility – are the cornerstones of the Canadian healthcare system. These principles ensure equal access to health services for all Canadians irrespective of their economic status. Recently, the debate over the viability of public healthcare in Canada has reached a climax with the release of the Romanow report. Despite gradual increases in government spending on healthcare, some feel the Canadian system is unable to meet the growing needs of the average citizen. Bed shortages, hospital closures, and out-of-date technology have become hallmarks of the system. Amidst the turmoil, ideas for alternative methods of health service delivery have become a key focus of public interest. Among these alternative methods is privatization, a method that is viewed by some as a means to relieve the financial burden on the government, while it is seen by others as a direct violation of the Canada Health Act. The following discussion addresses these two conflicting opinions with respect to the privatization of the Canadian healthcare system.

In Favour of Privitization
Rachid Mohamed

In order to view the potential success of privatization in the Canadian healthcare system, one needs to look no further than the province set in a Rocky Mountain background. For many years, Alberta has been at the forefront of the revolution in Canadian medicine. Indeed, since coming into power in 1992, Premier Ralph Klein and his Progressive Conservative Party have implemented measures to save our ailing public healthcare system. In an attempt to reduce the provincial deficit, Klein’s government introduced deep and widespread budget cuts in the middle of the last decade. One of the many areas hit hardest by these cutbacks was the Alberta healthcare system. Bed closures, staff reduction, migration of doctors and nurses from the province, and hospital closures (3 alone in Calgary) were direct sequelae of the Klein government’s budget plan.1 Alberta became plagued by long waiting lists and widespread dissatisfaction with the healthcare program. Then, the American-bred wave of privatization entered. Privatization is an alternative method of delivering health services without the government having to foot the bill. The problem was, and still is, private health care violated the covenants set out in Canada’s existing public health system. In particular, the Canada Health Act of 1984 focused on providing equal and unbiased service to all Canadians, something that would theoretically not exist with private delivery. Fortunately for Klein, the transition from public to private was not so black and white; there was room for some privatization without compromising the principles of the Canada Health Act.3

The first true step towards privatization by Alberta was taken by the Gimbel Eye Clinics in Calgary.2 In the early part of 1994, patients requiring cataract surgery would be waiting months for treatment because of the lack of physicians and space. At the Gimbel Eye Clinic however, patients could have surgery done immediately if they were willing to pay a sum of $1200 per eye. The idea of patients paying for a necessary health service was accepted by several individuals, but quickly and adamantly rejected by the majority. Despite success in reducing the costs of healthcare to the government, Alberta received intense criticism for their apparent disregard for the Canada Health Act.2 Under strong pressure from Canadians and the federal government, Alberta responded by eliminating ‘facility fees’ charged by the Gimbel clinic, and ensured that the public sector would cover the full costs of insured, medically necessary services.4 On the surface, Alberta appeared to have satisfied its critics but there were many loopholes in their policy. By stating that the public sector would cover the costs of...
necessary services, Klein left the opportunity for private clinics to charge for extras or add-ons, often for excessive mark ups. Under the guise of simply extending the limits of the public health system, Alberta continued to expand its privatization efforts.

In March of 1998, Klein introduced the Health Statute Amendment Act (Bill 37) which stated that “any private health facility must obtain accreditation by the College of Physicians and Surgeons of Alberta and the Minister of Health.”7 Once again, the door to privatization was opened. Alberta had made a statement that private clinics would be permitted in the province, but under close monitoring by the government. This legislation was closely followed by the Alberta Health Care Insurance Amendment Act which stated that “clear guidelines and procedures will be set for any physician planning to withdraw from the public system.”8 Immediately, opponents of privatization asked why Alberta was making it easier for physicians to leave the public health system for the more lucrative private sector. Amidst growing opposition from the public and the federal government, Alberta tried to backtrack by amending Bill 37 to state that “the role of private facilities is restricted to providing uninsured services such as cosmetic surgery.”9 Despite their efforts to restrict the growing private industry, the seed of privatization had already been planted. Perhaps the single greatest step towards privatization by the Klein government came in May of 2000 with the implementation of the Health Care Protection Act or Bill 11.6 This legislation received national attention as it was seen as a definitive step toward two-tier healthcare delivery. With careful wording, Bill 11 essentially permitted accredited private clinics to perform insured surgical services. Bill 11 also addressed queue jumping, which was one of the major criticisms of past legislation. It stated that no facility would accept payment for early or enhanced treatment. It similarly reiterated that “no charges in addition to the amount payable by the health authority” would be accepted.

Recent developments in Alberta have continued the push towards privatization. In January of 2002, formal federal minister Don Mazankowski prepared a comprehensive report assessing the functioning of the Alberta healthcare system.7 In it he states that “the federal Medicare program was never designed to cover the full range of health services available today.” He also recommended user fees, the de-listing of some medical services now paid for by government, higher premiums, and increased use of private health care producers. In February of 2002, the first ‘private hospital’ was approved by the College of Physicians and Surgeons of Alberta. Although this hospital is to be massively subsidized by the public sector, the establishment of the first hospital with private delivery of services was a significant boon for supporters of health care privatization. Currently, Alberta has over 20 private MRI clinics and facilities providing cataract surgery as well as hip and knee replacements.

So what does this all mean? Is Alberta and eventually Canada destined for a private healthcare system that caters to the rich and turns away desperately ill individuals who cannot afford a hospital bed? The answer is an emphatic no. Alberta is simply finding novel and creative ways to improve a suffering system. The reality of the situation is that Canadians are demanding more efficient and advanced treatment at no cost to the average citizen. With the ongoing funding dispute between provincial and federal governments, as well as the healthcare budget outlined in the Romanow report, it is unlikely that the provinces can deliver the high standard of care that Canadians deserve via a public delivery system. The Klein government has successfully explored avenues that ease the financial burden on the province while still preserving the fundamental principles of the Canada Health Act. If Alberta is a window into the future of Canadian healthcare, it has shown us how public and private delivery of healthcare can be successfully integrated.

In Favour of a Public Health Care System
Paul Dulay

The Swiss writer Henri Frederic Amiel once said, “In health there is freedom. Health is the first of all liberties.” If everybody can become ill, then should not everybody be provided the opportunity to seek medical attention? The Canada Health Act principles of universality, accessibility, portability, comprehensiveness, and public administration all rely on the delivery of services through a publicly-funded system.

The rationale for incorporating a private sector into the Canadian health care system is to reduce the pressure on the public system. Long waiting lines would disappear in both general practices and specialty referrals. Another notion is that funds generated through privatizing health care services can then be used to trigger investment and stimulate innovation. The terms proponents in favor of privatization use conjure up images of financial bliss and advanced health care equipment. However, Canada’s Medicare system is more cost-efficient than the United States’ privately-delivered system. The United States’ private sector, for-profit system annually pays more than twice as much per person on health care than Canada’s Medicare delivery.5 Harvard University medical researchers report that the U.S. could save over $100 billion a year in health care administration costs by switching to the Canadian-style system of health care delivery.8 Current data from the OECD reports that the US spends approximately 14 percent of GDP on health care, whereas Canada spends only about 9 percent. Another direct comparison can be made using the British health care system and the introduction of a parallel, for-profit health system in the 1980’s under the government of Margaret Thatcher. Instead of lowering costs and reducing waiting lists in the public system, the plan back-fired as costs soared while waiting lists grew even longer.10 This was because the medical community
could make more money in the private sector, leading to a collapse in the public system. Taxpayers ultimately shouldered the burden.

Aside from addressing the financial inefficiency of the privatized delivery of health care services, the notion of privatization of health should be disregarded on other grounds. Health care should not be viewed as an investment for profit. Our lives are already saturated with business overtures. Entertainment, sports, education, and work already have financial, parasitic vines growing all over them. Health care should not be grouped into the same context as these other aspects of life. Even the business sector cannot claim to speak for their members. Many corporate leaders oppose further privatization of health care services on both competitive and compassionate grounds.10

Universality and accessibility are two principles whose existence relies on a third principle – public administration. Canadians have many characteristics in common. One of the most important is access to health care services. This fundamental rope ties us together as a nation. Although the rope is lax in some areas, stable funding and strong leadership are two initiatives needed to tighten the rope in order to better prepare for the tug-of-war between health and illness.9 Over 43 million Americans have no health care coverage.10 This figure does not represent those other Americans who live under inadequate medical coverage for their conditions. Furthermore, medical expenses send half a million Americans into bankruptcy every year.10 If Canada were to adopt a similar type of system as the U.S., principles such as universality and accessibility would be compromised in the process. The user-pay system of the United States is consistent with the U.S.’s dictum of the rich getting richer and the poor getting poorer. The gap between the rich and poor will necessarily widen under a system where the affluent benefit at the expense of ignoring the lower income class.

Instead of focusing on whether or not to privatize certain health care services, the government should troubleshoot the issue of services already funded through private means. Such areas as home care, long-term care, prescription drugs, and dental and vision care are not being covered under the Canada Health Act. Instead, these services are being delivered through privatized means. Medicare coverage needs to be expanded in order to put these services under the umbrella of the Canada Health Act. Currently, many of these services are being offered through an inconsistent, province-by-province basis. This disparity conflicts with the universal and portable principles of the Canadian health care system. Funds need to be invested to cover these services to provide a consistent delivery across Canada.

For the majority of my life, I have lived in Windsor, a city bordering Detroit in the United States. In this time, I observed glaring differences between the health care services offered in Canada versus those delivered in the United States. Many health care workers from Windsor cross the border to Detroit to work for financial reasons. These workers get the best of both worlds, because they make a wealthy earning for working in the American health care system, but reap the benefits of living in Canada under the Canadian health care system.

Hippocrates, the father of medicine, once wrote, “Health is a matter of time, but is sometimes also a matter of opportunity.” This creed is definitely not adopted by the Americans’ privatized health care system. Canada’s Medicare system is not ideal the way it is in service right now. Indeed, this system needs to be modified in order to better serve Canadians. However, the butter should not be spread too thin across this larger bagel. We need enough funding from the federal government in order to eliminate the disparity when comparing provinces in terms of types of services available. Also, health and illness is more than just a simple 2-way interaction. That is why such services as home care, pharmacare, and long-term care need to be welcomed into the envelope of services funded through public means.

References