

Protecting Public Health Care

Neither profit nor a two-tier system is the cure

The Supreme Court decision vs. the evidence

On June 9, 2005, by a narrow majority, the Supreme Court of Canada found that Quebec's ban on private insurance for insured health services violated the Quebec Charter of Human Rights and Freedoms. The argument of the majority was that because of the "quality and timeliness ..." of the health care system in Quebec, the right to life and to personal inviolability is affected by the waiting times.

Would a two-tier health care system reduce waiting lists in Canada?

No. Parallel private systems don't cut public waiting lists. In fact, research evidence shows they lengthen waits for health-care in public systems. Countries with parallel public and private health-care systems have the longest waiting times. For example, England and New Zealand, which have parallel private hospital systems, have larger waiting lists and longer waiting times in the public system than countries with a single-payer system, such as Canada.

In Manitoba during a period in which cataract surgery was offered on private basis, waiting times were lowest for privately-provided services (about 4 weeks), higher for services provided by surgeons who practiced only in the public sector (10 weeks), but highest of all (23 weeks) for publicly-financed services provided by surgeons who practiced in both sectors.

The bottom line is two tier systems cut waiting lists for wealthier people and lengthen them for everybody else. This is inevitable because the private upper tier of the system will draw the doctors, nurses, and other health professionals. Either they will opt out of publicly-funded medicare and practice exclusively in the privately-funded tier or, if the provinces allow it, they will continue to work under medicare but spend less of their time there in order to meet promptly the demands of their "private" patients who are paying more for their services either out-of-pocket or through private insurance. If the line gets shorter in one place it must get longer in another.

What kind of services would a private system cover?

The kind that makes them money. In two-tier systems (where private insurance covers services that are meant to be publicly provided) private insurance doesn't do the tough stuff like cancer care and cardiac treatments. It does the relatively easy, high-volume procedures. Private insurance in two-tier systems will usually only cover more intensive kinds of procedures where either the law requires them to so do and/or there are extensive government subsidies of the private insurance sector.

Wouldn't a for-profit system provide higher quality and timely care?

No, profit is not the cure. *The New England Journal of Medicine* reports that no peer-reviewed study has found that for-profit hospitals are less expensive than not-for profit hospitals. For-profit hospitals do spend less on

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personnel, avoid providing charity care, and shorten stays, but they spend more on administration, marketing, extra services, executive remuneration and they must pay out profits to stockholders. According to an article in *The Canadian Medical Association Journal*, private for-profit hospitals result in higher payments for care than private not-for-profit hospitals. The authors report that evidence strongly supports a policy of not-for-profit health care delivery at the hospital level.

Quality of Care: If for-profit health care is not more efficient, is the more costly service worth it? *American Medical Association Journal* researchers concluded that compared with not-for-profit Health Maintenance Organizations (HMOs), investor-owned for-profit plans had lower rates for all 14 quality-of-care indicators from everything from heart attacks to diabetes to eye examinations. *The Canadian Medical Association Journal* reports higher risk-adjusted death rates among patients receiving care at private for-profit hospitals than among patients at private not-for-profit hospitals.

Access: In an editorial in *The New England Journal of Medicine*, the authors argue that for-profit medicine will never provide sufficient care to the poor and uninsured.

For-profit medicine may shorten lives but not waiting times.

Is there a better idea than a two-tier system to deal with waiting lists?

There are patients on more than one waiting list in Canada, and many others who don't belong at all because surgery is not the best option for them.

Waiting lists can be reduced without spending any more money in Canada, by developing a centralized list, rules for who actually is on the list, and coordination between physicians and hospitals so that patients can be seen by the next available surgeon. Except in the case of some cardiac care surgery lists and cancer care these are by and large non-existent in Canada.

Hospital and physician costs as a share of health care expenditures have been falling for years in Canada. The introduction and use of the more expensive patented drugs are a primary reason for rising health expenditures. The evidence is that most of these more expensive drugs don't appear to be clinically superior to older cheaper drugs. If more resources were needed to deal with a remaining waiting list this is a significant potential source of avoidable waste.

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