

Why Profit Is Not the Cure

A Glossary of Misguided Reforms

The "solutions" to the perceived crisis in health care would decrease efficiency, increase costs, reduce equitable access, open the door to further privatization and create two-tiered health care in Canada. User fees, de-listing, medical savings accounts and private hospitals all violate the spirit of the Canada Health Act and will lead to the Americanization of our system.

User Fees: Expressly forbidden under the Canada Health Act, they violate the Accessibility provision of the Act and are a barrier to low-income Canadians' access to care. Conditions that are easily treated if detected early require expensive intervention later, increasing overall costs. Already tried in Saskatchewan from 1968-1971 and found not to control costs, user fees led to an overall 18% drop in health care access by the poor and elderly, while high-income groups increased their use of services.

Medical Savings Accounts (MSAs): This idea has been pushed by corporate think tanks like the Fraser Institute for years. The idea is that consumers are given a set amount of money to buy health services. However, MSAs are also used as a means of creating markets for private health insurers, allowing insurers to then sell supplementary insurance in case the MSA runs out. Used in Singapore, they have resulted in costs skyrocketing and hospitals trying to attract customers by buying redundant high-tech equipment to increase market share.

De-listing: Most provincial governments have already cut the number of insured services to the bone. Reducing the number even further serves only to create an even bigger market for private insurance. And if you can't afford extra insurance, or don't work for an employer who subsidizes your coverage, you're left paying out of pocket. De-listing leads to foregone treatment resulting in increased costs to the system and pain, suffering and lost quality of life for patients.

Private For-Profit Hospitals/Clinics: For-profit medical facilities are businesses first. Every credible study done demonstrates private, for-profit delivery is more expensive and less efficient than public, non-profit delivery. It's just common sense. Do the math on 15% rates of return, stock options, advertising, interest costs and outrageous executive salaries, and it is clear that the system becomes truly unsustainable. That's why for-profit health care will never control its costs.

Private Doctors/Public Doctors: Provincial governments like Alberta's want to enshrine the right for doctors to work in both the public and the private systems. The problem is that there are only so many doctors and specialists to go around. Since specialists can make more money in their private clinics, fewer doctors will be working in the public system. Moreover, the most expensive and complicated cases will be left to the gutted public system.

Public-Private Partnerships: Public-private partnerships are being used by provincial governments to download costs off their books while giving guaranteed profits to their business friends. Leasing-back privately built hospitals is the latest craze and will result in long-term costs being inflated so businesses can make a guaranteed profit.

Health Care Premiums: Right now only Alberta and B.C. have this regressive tax. So-called health care premiums are not premiums because everyone is obliged to pay, and they are not based on risk. Instead, this tax targets the poor disproportionately, and is an additional tax on businesses that cover premiums for their employees. A family with a taxable income of only \$12,000 will soon be paying about \$1,000 in "premiums."