

# THE MYTH OF THE “EUROPEAN SOLUTION”

A CLOSER LOOK AT THE U.K., FRANCE AND SWEDEN SHOWS THE ADVANTAGES OF PUBLIC HEALTH CARE

by Guy Caron

Opponents of public health care spent many years trying to convince Canadians that we should drop universal medicare. They used to advocate reverting back to the U.S. model of for-profit medicine that was once Canada's reality. It didn't work. Canadians are deeply attached to

public health care — many see it as a central component of our national identity.

Realizing that their argument had no traction, the Fraser Institute and other right-wing think tanks refined their message. Now, instead of promoting U.S.-style health care, they are pursuing a new two-step strategy. First, they denounce universal not-for-profit health care as too rigid and dogmatic (hence the oft-quoted nonsense that only Canada, Cuba and North Korea prohibit private health

insurance and delivery). Then they praise the quality and cost-effectiveness of “softer” and “less dogmatic” health care systems in the United Kingdom, France and Sweden. Of course, they never fail to mention that these systems include a parallel private component.

While it is certainly beneficial to learn about other ways of structuring and managing a health care system, this is not the motivation behind the right wing's newfound devotion to all things European. Private health care advocates would have you believe that the “European” model is the solution to all of Canada's health care woes. In reality, their arguments are riddled with misinformation. Here's what you should know about health care in the U.K., France and Sweden.

### UNITED KINGDOM

The British health care system has been under public management since 1948. But the system has suffered from lengthy waiting lists since the 1980s, when it was strangled by deep cuts imposed by Margaret Thatcher's Tories. In 1990, the Conservative government introduced a parallel health care system with an “internal market.” Instead of actually running hospitals, the government “purchases” care from hospitals under this system. Doctors, in turn, have become “fund holders,” and they are able to purchase care for their patients. The hospitals or “providers” have become independent trusts. This encourages competition between hospitals, but also leads to inconsistent quality from one facility to another.

Rather than reversing this trend when he was first elected, Tony Blair increased the pace of the privatization, instituting public-private partnerships (called Private Financing Initiatives) for the construction of new hospitals.

Still waiting lists did not shorten because of these privatization initiatives, despite what the profiteers are claiming. In fact, the two-tier British system gives an incentive to work in the for-profit system, keeping wait times longer in the public system.

## THE BOTTOM LINE: THE TRUTH BEHIND PRIVATE HEALTH INSURANCE IN CANADA

In the wake of the Chaoulli Supreme Court decision and the resulting privatization proposals in Quebec and Alberta, Canadian health care is currently at the centre of a tumultuous debate. Being a complex issue, it is prone to disinformation and myth-making.

The Edmonton-based Parkland Institute's new book, *The Bottom Line: The Truth Behind Private Health Insurance in Canada*, sheds light on some of the most common myths propagated by right-wing think tanks and opponents of Canadian medicare.

In clear and accessible language, authors Diana Gibson and Colleen Fuller methodically expose seven myths often presented as facts by promoters of privatized health care. If you want to understand why profit is not the cure for Canada's health care system, this is a must-read.

For more information or to purchase the book, check out <http://www.ualberta.ca/~parkland/>, or call (780) 492-8558.

What did contribute to the decline of wait times in the U.K. was the British government's decision to hire 7,000 doctors and 15,000 nurses between 1998 and 2002. These doctors work in the public system, and help offset the disparities caused by the private component of the U.K.'s health care program.

## FRANCE

A World Health Organization study in 2000 ranked France's health care system as the best in the world. Even though the research used was based mainly on extrapolated data with little relevancy, profiteers quote these results repeatedly, interpreting them as irrefutable evidence that Canada's health care system is in decline. They reason that if France's system is better and costs less (as a percentage of GDP), it must be because it allows private for-profit insurance and hospitals.

It's true that France has a good health care system, and it does spend less money per person than Canada. But France also has 50 per cent more doctors per capita than Canada does, so waiting times are not a major problem.

But how can a country have 50 per cent more doctors than Canada, offer high-quality health services, and yet spend less of its GDP on health care?

Profiteers don't ask this question because the answer doesn't suit their objectives. French doctors are actually paid, on average, about 40 per cent less than Canadian doctors (equivalent to approximately \$70,000 a year). Because France pays low salaries to its doctors, the gov-

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## PRIVATE FACILITIES GAVE PRIORITY TO TREATING PATIENTS WITH MINOR PROBLEMS — A PRACTICE KNOWN AS “CREAM-SKIMMING”

ernment is able to invest more in health infrastructure. It is this investment in the public system that prevents waiting lists in France, not the parallel private component.

## SWEDEN

The myth being spread by privatization advocates is that Sweden's recent experiment with privatization has been a huge success. In February 16, 2006, a *National Post* reporter wrote, “Sweden, for instance, privatized nearly all health care delivery in its capital, Stockholm ... with dramatic results. While the central government still pays for almost all procedures, as before, most patients are now treated by companies. Even the largest hospitals have been privatized. The result has been sharply reduced wait times — on the order of 40 per cent for most critical treatments.”

But the facts are quite different. Only one county in Sweden experimented with private health care delivery, and not the entire country. And the Stockholm experiment didn't turn out to be the cure-all that its supporters hoped it would be.

Daniel Cohn of Simon Fraser University documented what happened when Stockholm County transferred the operation of St. Goran's Hospital to the private sector in 2001, contracting services to for-profit facilities. According to his research, the privatized facilities rejected seriously ill patients, who then faced longer public wait times because public resources had been diverted to for-profit providers. Private facilities gave priority to treating patients with minor problems — a practice known as “cream-skimming”

— leaving Swedes with more difficult health problems to wait in line.

In the 2002 county election, the people of Stockholm defeated the Conservative government and returned the Social Democrats to power. The new county government put a stop to any further privatization, citing problems that resulted from the privatization of St. Goran's Hospital.

## PROFIT IS NOT THE CURE

Studying the Swedish, French and British health care systems can certainly prove useful to us, as we seek out ways to improve the Canadian health care system. But as the examples above demonstrate, there isn't one “European solution” that can be applied to Canadian health care problems. If the European examples prove anything, it is rather that publicly administered non-profit health care is the best way to ensure quality and timely care for patients.

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## JOIN THE PROFIT IS NOT THE CURE CAMPAIGN

Go to [www.profitisnotthecure.ca](http://www.profitisnotthecure.ca) for information on how you can stand up for public health care. Sign our petition, and we'll hook you up with the growing Profit Is Not the Cure Network. For more information, email [info@profitisnotthecure.ca](mailto:info@profitisnotthecure.ca), or call 1-800-387-7177.

