

HEALTH *alert*

FOR CANADIANS CONCERNED ABOUT HEALTH CARE

THE LIBERAL'S TWO CENTS WORTH - Budget 2000

Canadians were expecting the federal government to secure the future of Medicare in the February 2000 budget. It didn't happen even though the government is looking at a whopping surplus of \$104 billion over the next five years. Instead, it caved in to right wing political pressure for massive tax cuts. Alexa McDonough, leader of the NDP put it best. "The health system is hemorrhaging and they're offering two cents for health care for every dollar of tax cuts." The one shot infusion of \$2.5 billion for both health and education won't ease the crushing pressures in the system from overcrowded emergency rooms, long waiting lists or over-worked nurses. And, it won't stem growing privatization.

The Premiers reacted swiftly. They will demand a meeting with the Prime Minister and call for a First Ministers' meeting on health care. Several premiers, including Alberta's Ralph Klein and Ontario's Mike Harris, have indicated that without an increase in federal funding, there will be more cuts in health care, increased user fees and privatization. During the premiers meeting in Québec before the federal Budget, many premiers said it's time to assess what the public system can deliver. This is code language for which public health services ought to be turned over to a private health system.

Both Finance Minister Martin and Health Minister Rock have said that there is more money for health care but not until there is an agreement on needed reforms to the public system. Medicare has been brought to the brink by both levels of government through funding cuts and so-called 'reforms' which led to the current mess. One thing is clear. Medicare does not belong to governments; it belongs to the people of Canada. When the federal and provincial governments sit down to discuss how to reform the system, there must be an opportunity for input from the public. No back room federalism for Medicare.

INSIDE ...

- *Trading Away Medicare*
- *Nurses Call for Moratorium on Privatization of Health Care*
- *Secret Deals Undermine Medicare*
- *The U.S. Health Experience*
- *and much much more . . .*



*Time Is Running Out
On Medicare*

A Call to Action

FIVE-POINT PLAN TO SAVE MEDICARE

Over 80 per cent of Canadians want to preserve and improve our public health care system. If we can stop Ottawa from subsidizing millionaire hockey players, we can stop two-tier health care. Here's How:

1. Restore federal cost-sharing for Medicare to at least 25%.
2. Stop health care privatization and Klein's for-profit hospital plan.
3. Expand Medicare, as originally intended, to include a national system of home and community care.
4. Place a moratorium on public/private partnerships in health care with for-profit agencies.
5. Exclude health and social services from trade agreements.



Medicare is Canada's Defining Quality:
Let's Send a Strong Message to Ottawa (see back page).

Canadian Health Coalition

U.S. Health Experience

The US experience demonstrates that private sector involvement in health care delivery is neither more efficient nor effective. Because "customers" (known in Canada as "Patients") are charged for each and every cost item, the typical U.S. hospital employs 50 billing personnel; a Canadian hospital employs only three or four on average.

To use the words of University of British Columbia health economist Robert Evans: "the U.S. health care system scores relatively badly on every dimension and from every perspective: public satisfaction, measured health outcomes, overall cost, efficiency, coverage, equity of access, equity of finance."

The U.S. experience of privatized health care continues to provide Canadians with the best reasons for defending, and strengthening, our own cherished public system.

We fought to get it !

We'll fight to keep it !

Comparing U.S. Health Care with Canada's Public System

- * **It consumes more resources** (14 per cent of the economy, compared to 9 per cent in Canada);
- * **It allocates resources less efficiently** (44 million Americans lack coverage, while millions of beds lie idle);
- * **It is vastly more inefficient** in terms of its administrative costs (per capita billing costs in 1995 were \$361 (U.S.) and \$119 (Canada));
- * **It provides a lower quality of care** in order to maximize profits;
- * **It produces poorer results** in terms of a nation's health indicators: life expectancy, infant mortality and social inequalities. (The U.S. has the highest infant mortality rate among OECD countries).

Made in the U.S.A.

- People with no health insurance **44 Million**
- People who are underinsured **71 Million**
- People with income < \$20,000 **59%**
- People with income > \$60,000 **8%**
- Hispanic People with no coverage * **50%**
- Black People with no coverage * **37%**
- White People with no coverage * **25%**
- Children with no coverage * **33%**

* denotes no coverage at least some portion of every year

TRADING AWAY MEDICARE

Canadians agree that health care should be off-limits to commercial purposes for the same reasons that we abhor child labour. Some things just ought not to be a source of profit; after all human life is priceless. The North American Free Trade Agreement (NAFTA) and the World Trade Organization do not share these sentiments. In fact, they pose a grave threat to Medicare. The Canadian government put health care, education and social services on a list of services to be exempted from NAFTA but only to the extent that they are a 'social service and maintained for a public purpose'. These terms are not defined and are open to much interpretation and debate. So far, neither the U.S. nor Mexico has challenged our exemption, but as pressure mounts from the health care industry, a challenge could happen at any time. U.S. trade representatives have stated that Canada's exemption may be invalid.

Alberta, led by Ralph Klein, introduced legislation allowing for-profit companies to deliver publicly insured services. This has serious implications for public health insurance plans in all provinces, and for Medicare as a national program. NAFTA rules say that governments must provide 'equal treatment' to all investors - or else face being sued for compensation (as with MMT & bulk water) on the basis that they were discriminated against and their 'investment opportunity' expropriated. Canada must remove health care from the breaches of such trade deals before it's too late.

HOW DEEP ARE YOUR POCKETS ?

Private health spending grew at a phenomenal rate of 53 per cent over the last decade. During the same period public spending grew just 18 per cent. In 1990, the public share of health spending was 74.5 per cent. By 1997, this dropped to 69.4 per cent, while private spending grew from 25.5 to 30.6 per cent.

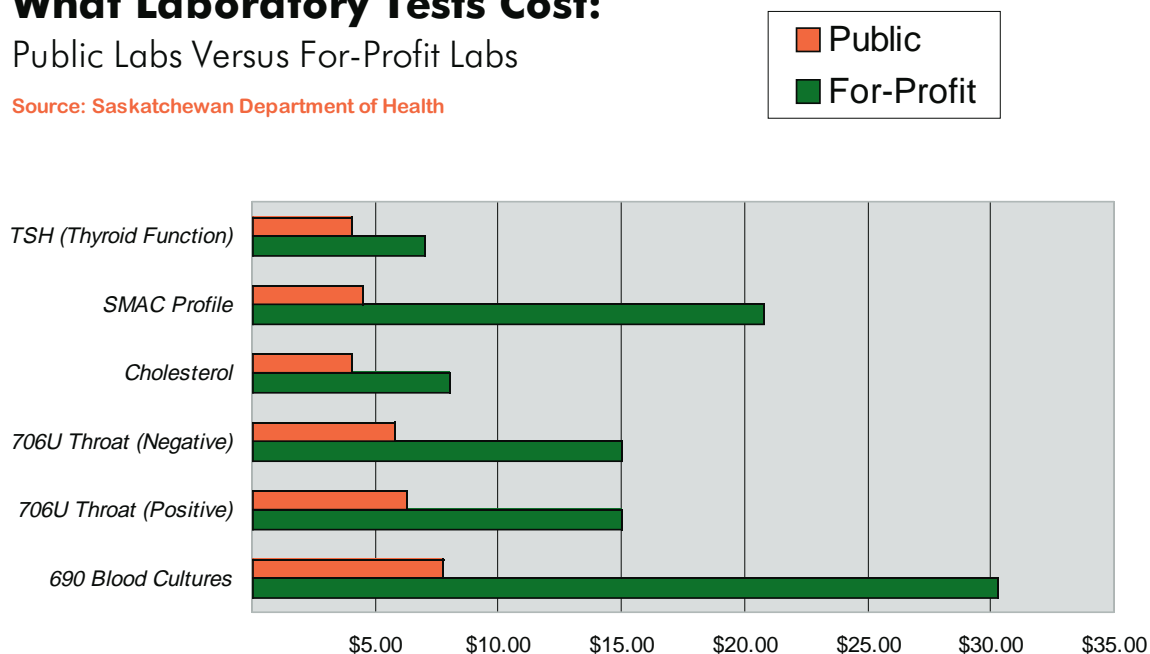
Private spending has two components: out-of-pocket and private insurance. Out-of-pocket (or household spending) on health care amounted to almost \$13 billion in 1997, an increase of about 44 percent since 1990. Much of the increase was due to higher costs for prescription drugs, dental and vision care, de-listed public health services. As governments de-list services and transfer services out from the public health insurance plan (hospitals to the community), Canadians are picking up the tab out of their own pockets or buying private health insurance (private health insurance increased from \$5 billion in 1990 to \$8 billion in 1997).

The question here is "How Deep Are Your Pockets?". Almost every Canadian realizes that their after-tax income seems to buy less and less every year. But in Canada, health related expenses consume only 3 percent of our disposable income. In the U.S., American citizens spend a whopping 14 percent of their disposable income on health care. That's a big chunk of money every year that we could spend on other things, like housing, food, clothing, entertainment or leisure, or saving for an education fund. Think about it. What might you have to give up if we allow our public system to diminish in coverage and let private health care expand?

What Laboratory Tests Cost:

Public Labs Versus For-Profit Labs

Source: Saskatchewan Department of Health



Stop the **De-Klein** of Health Care



Emerald City / H.E.U. Graphic

KLEIN'S GUARANTEE ON THE CANADA HEALTH ACT MEANINGLESS

Facing heavy public criticism over its legislation allowing for-profit clinics and hospitals to operate within the public system, the Alberta government offered its citizens a written guarantee that this would not break the national principles in the Canada Health Act and would not lead to extra-billing or queue-jumping. But the guarantee is not worth the paper on which it's written.

The Klein government and future governments can remove medical services and treatments from the list of publicly insured services. The private health system will pick up the delisted services. The government can limit the number of medical treatments it will pay for per year, hip replacements or heart transplants, for example, creating false waiting lists and a demand for the treatment in the private tier of health care. Those who can afford to pay can jump the queue and avoid waiting. The public plan can finance the lowest level of treatment while private clinics can charge for upgrades - kind of like buying the basic car

model or the one with all the bells and whistles. Klein's guarantee doesn't address the flaws in the private delivery of health care - adding profits onto the cost of care: increased administrative costs, increased opportunities for billing fraud, lower wages for workers and compromises in the quality of care, both of which minimize expenses and enhance profits. The government can agree to pay a 'facility fee' to cover non-treatment portions of the cost of providing the service.

There's lots of ways Alberta can violate the spirit of Medicare without violating its actual law. The result will be the creation of a two-tier system of health care. Nonetheless, Albertans should be wary when their premier feels he needs to go on television to convince them his legislation does not pose a threat to Medicare. After all, if providing more opportunities for private health care wasn't his goal, then he would be announcing more funding for the Alberta public plan.

- FACTOID #1** In 1998, a landmark study done for the U.S. Department of Housing and Urban Development found that lack of access to universal health care coverage is driving hundreds of thousands of Americans into homelessness.
- FACTOID #2** The New England Journal of Medicine calls the U.S. health care system "the most expensive and most inadequate in the developed world". Citizens over age 65 with incomes below the poverty level who qualify for Medicare typically spend 35 percent of their income on health care. Those who don't qualify spend half of their income on care. A third of all U.S. children have no health insurance for some portion of every year.
- FACTOID #3** As health costs rise, employers minimize their costs by increasing employee rates and limiting health services available.
- FACTOID #4** U.S. health care corporations consider Medicare a potential gold mine. Sun Healthcare Group Inc., one of the largest private health companies in the U.S., had this to say. "Essentially we're interested in the transition in the Canadian [health] marketplace from public sector to the private sector and think we can use some of the things we have learned in the American marketplace."
- FACTOID #5** The U.S. Department of Health estimates that fraud costs taxpayers \$27 billion every year. There is little incentive for fraud in Canada's public health insurance system because corporate profits are not a factor.

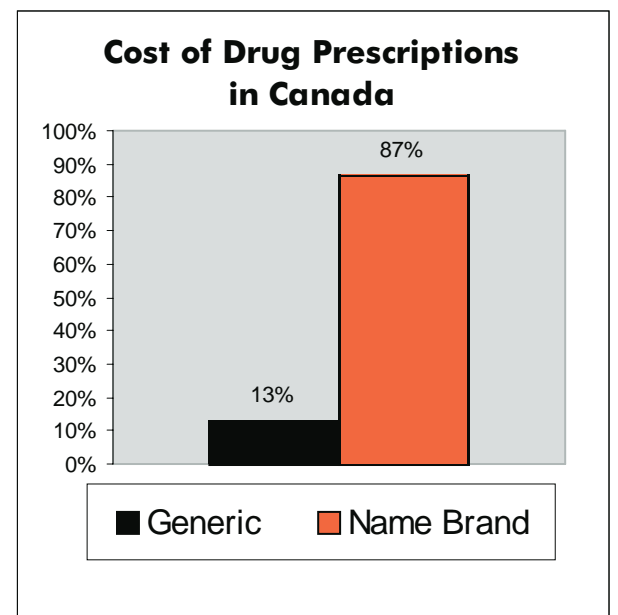
ONTARIO NURSES CALL FOR MORATORIUM ON PRIVATIZATION OF HEALTH CARE

Ontario Nurses are calling for a halt on further privatization of health care services in the province, issuing a dire warning about the serious risk to patients and the health care system. "We want the people of Ontario to know that the nursing profession is united in its concern about this threat and pledges to protect our patients" stated Ontario Nurses' Association (ONA) President, Barbara Wahl.

"Creeping privatization steadily undermines our system. As services are rationed or shifted from the hospital to the community, they are becoming less publicly accessible. Privatization is a real threat."

The private sector's share of health-care spending rose from 23.8 percent in 1976 to 33.9 per cent in 1999. This is the most rapid increase of privatization among all Canadian provinces" stated Registered Nurses Association of Ontario (RNAO) President Sue Williams.

"Nursing's position is clear" stated Registered Practical Nurses Association of Ontario President Linda LaHay. "We must maintain a comprehensive, publicly funded health-care systempublic funding is far superior to private funding on all grounds: access, quality, fairness, efficiency, affordability, accountability and choice."



Canadian Health Coalition *action alert*

A Brief History of Canada's Health Care System

- 1947** The Saskatchewan Government, led by leader Tommy Douglas, introduces the first provincial hospital insurance program in Canada.
- 1957** Paul Martin Sr. introduces a national hospital insurance program. Doctors, insurance companies and big business fight against it.
- 1960** The Canadian Medical Association opposes all publicly funded health care.
- 1962** Saskatchewan's NDP government introduces the first public health care program. Doctors walk out but the strike collapses after 3 weeks.
- 1965** A Royal Commission headed by Emmett Hall calls for a universal and comprehensive national health insurance program.
- 1966** Parliament creates a national Medicare program with Ottawa paying 50% of provincial health costs.
- 1977** Trudeau Liberals retreat from 50:50 cost-sharing and replace it with block funding.
- 1978** Doctors begin "extra-billing" to raise their incomes.
- 1979** Canadian Labour Congress convenes the SOS Medicare conference to fight extra-billing and joins with community groups to form the Canadian Health Coalition.
- 1984** Canada Health Act is passed unanimously by parliament. Extra-billing is banned.
- 1993** Mulroney government grants 20-year patent protection to brand name drugs.
- 1995** Paul Martin Jr. introduces Canada Health and Social Transfer (CHST), causing massive cuts in transfer payments to health and social programs.
- 1997** National Forum on Health calls for Medicare to be expanded to include home care, pharmacare and a phasing out of fee-for-service for doctors.
- 1998** Premiers demand say in interpreting the Canada Health Act. Chrétien caves in.
- 2000** Ralph Klein introduces legislation to allow private hospitals.
- 2000** Federal Budget offers 2 cents for health care for every dollar of tax cuts, ignoring pleas of Canadians to save Medicare.

SECRET DEALS UNDERMINE MEDICARE

The federal government reassures the public that it will continue to be the guardian of Medicare, but actions speak louder than words. In 1996, the feds secretly endorsed a document called *The Twelve Provincial Principles Underlying the Alberta Health Care System*. The principles undermine the Canada Health Act which sustains Medicare. Principles in the secret agreement ensure a strong role for the private sector in health care, both within and outside the publicly-funded system. New measures will greatly expand the opportunities for the private sector to deliver services within the single-payer envelope allowing the same physician to practice in both the public and private systems. Clinics will have the option of becoming private or entering into a variety of funding arrangements with the public sector to cover the full cost of insured services. The agreement lays the groundwork for the government of Alberta to fulfill its long-held desire to privatize public health care. Federal endorsement of these principles indicates that rather than being the federal watch dog for Medicare, it is really the lap dog for those keen to gut the public system.



If you are interested in supporting the work of the **Canadian Health Coalition** you can send your donation to:
2841 Riverside Drive, Ottawa, ON K1V 8X7

Here's What You Can Do!

*If we can stop Ottawa from subsidizing millionaire hockey players, we can force governments to protect **Medicare**. Make your feelings known!*



Act Today, Don't Delay:

1. Write to Prime Minister Jean Chrétien and Health Minister Allan Rock, with copies forwarded to your M.P. (**handwritten letters** have the greatest impact). State your concerns and demand that government preserve and improve health care for all Canadians.

Right Hon. Jean Chrétien Room 309-S, Confederation Bldg. House of Commons, Ottawa, ON K1A 0A6	Hon. Allan Rock Room 441-S, Centre Block House of Commons Ottawa, ON K1A 0A6
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2. Help **organize a meeting** at a seniors' residence or community health centre. Invite your M.P. to speak on health care. Invite the media.
3. Write **letters to the Editor** of your local newspaper. Letters that are short and to the point have the best chance of being printed.
4. Assemble a delegation and **request a meeting** with your local M.P. Insist that work be undertaken to reverse federal cuts to health care, and to stop the trend towards two-tier health care.

Medicare is Canada's defining quality. Let's send a strong message to Ottawa that we won't allow its destruction.

The **Canadian Health Coalition** is dedicated to preserving and enhancing Canada's public health system for the benefit of all Canadians. Founded in 1979, the coalition includes unions, seniors, women, students, and health professionals. This publication was made possible with funding from the Canadian Labour Congress, its affiliates, federations and labour councils from across Canada.