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# Ottawa lets provinces cheat

By Frances Russell

"People want to spend money on nurses, not on medicare police," says Manitoba Premier Gary Doer. "I think we should forget about this national program of health for Canada," says Quebec Health Minister Francois Legault. "It's against the jurisdiction of the provinces and territories."

"Alberta's position is, and has been, that we're not afraid of accountability to people who pay taxes," says Alberta Health Minister Gary Mar. "What we reject is the idea that one level of government would be accountable to another."

If the issue of accountability began and ended with the billions of dollars Ottawa has cut from medicare starting with Brian Mulroney, the provinces would have a partial case -- partial because it ignores the fact Canada is still one nation and there is a federal statute called the Canada Health Act guaranteeing all Canadians the right to similar standards of health care wherever they live.

But the issue doesn't begin and end with Ottawa's malfeasance. The provinces are no slouches when it comes to nickel-and-diming medicare, either. In the 1970s, the provincial-rights provinces, chafing under the constraints of tied 50-cent dollars, approached Ottawa to provide no-strings-attached bloc funding for health. Anxious to regain control over a big chunk of its spending, Ottawa agreed. By the 1980s, all kinds of horror stories surfaced about federal health money paving roads and financing every provincial program but health. Ottawa began slashing medicare.

Mr. Mar's argument is especially odd. He seems to be saying only Alberta taxpayers have rights and even then, only with regard to their provincial taxes. Apparently, he believes Canadian taxpayers, Albertans included, have no right to know how the provinces spend health transfers paid for by their federal taxes.

If there is one area where Ottawa is truly culpable, it is in its refusal to penalize provinces that violate medicare's five principles of universality, comprehensiveness, accessibility, portability and public administration. Beginning with the Mulroney government and carrying forward to this day, Ottawa has turned a blind eye to provincial infractions. In December, federal Auditor General Sheila Fraser reported that virtually every province is breaking the Canada Health Act but the federal government won't crack down. She found the federal government was sitting on at least 21 outstanding complaints, 11 of which have been unresolved for over five years. Almost all the violations involve user fees and the galloping privatization of health services.

Mike McBane of the Canadian Health Coalition, a medicare watchdog, calls Ottawa's approach "willful blindness. We will lose medicare if we keep on this track."

Canadians may remember that in September, 2000, a little over two years before last month's five-year \$27 billion health "arrangement", the prime minister and the premiers signed a five-year \$23.4 billion health pact designed to "buy change". Over \$1 billion was earmarked for new medical equipment.

No auditor, and certainly not the Canadian people, would approve of the kind of change that pact bought. Try provincial income tax cuts, gobs of tax cuts. Plus lawn tractors and steam cookers. Not to mention privatization, gobs of privatization, meaning Canadian tax dollars going to pay dividends to the shareholders of health corporations even when they shut down services to patients.

Mr. McBane cites the case of DiagnostiCare, an Alberta-based X-ray company that operated 150 labs in Ontario. In early 2001, suffering from low volumes and provincial cutbacks, DiagnostiCare informed radiologists in eastern Ontario that unless it received a "minimum" 23 per cent profit, it would close its clinics. Calling the clinics "uneconomic", DiagnostiCare suggested the radiologists pressure their municipal governments. The local MPP said his constituents were being held hostage.

The Ontario government used the federal medical equipment fund to give \$9 million to DiagnostiCare. The company's book value almost tripled. According to a Dec. 13 CBC TV News report, Canadian Medical Laboratories of Mississauga then paid 60 cents a share for DiagnostiCare, a 71 per cent increase over its current value, making shareholders very happy indeed. CML then closed the X-ray clinics in at least five Ontario communities, triggering the loss of their doctors. Today, CML is bidding to run Ontario's string of private MRI clinics.

Accountability was a key feature of the Romanow Commission on the Future of Health Care in Canada. Accountability was a key objective of Prime Minister Jean Chretien in his negotiations with the premiers last month. It was one reason the premiers refused to sign. But Ottawa will deliver the dough anyway.

By 2008, Canadian taxpayers will have poured an additional \$50 billion-plus into health care without a single string being attached to the provinces or a single penalty levied for their violations of medicare's core philosophy that profit has no place in universal health care.