PRESENTATION TO THE STANDING COMMITTEE ON FINANCE (FINA)

On Bill C-74, An Act to implement certain provisions of the budget tabled in Parliament on February 27, 2018, and other measures

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Contact for follow up:

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Founded in 1979, the Canadian Health Coalition is a public advocacy organization dedicated to the preservation and improvement of public health care. Our membership is comprised of national organizations representing health care workers, seniors, churches, anti-poverty groups, women and trade unions, as well as affiliated coalitions in 10 provinces and 1 territory. We would like to share our perspective on Part 6 of Bill C-74, the reimbursement of withheld Canada Health Transfer payments due to compliance issues.

This component of the bill provides "*amendments to allow Canada Health Transfer deductions to be reimbursed when provinces and territories have taken the steps necessary to eliminate extra-billing and user fees in the delivery of public health care.*" The Canadian Health Coalition welcomes this amendment, but we also believe it is imperative that this action be taken alongside other activities to curb the increasing threat of private, for-profit health care services in this country.

At a time when private clinics and user fees are springing up across the country, the federal government needs to make use of all the tools at its disposal to protect the ethos of equitable care for all. As part of its responsibilities to enforce the Canada Health Act, the federal government has the ability to withhold Health Transfer payments to provinces and/or territories who fail to uphold the core principles of this act, that health care should be publicly administered, comprehensive, universal, portable and accessible. In addition to violating these fundamental principles, unlawful extra-billing comes at the expense of patients in need and the public purse.

Research led by our provincial affiliate, the Ontario Health Coalition, surveyed private surgery, diagnostic and "boutique" physician clinics across Canada, and found evidence that 65% of the 136 clinics surveyed are charging extra user-fees.[1] Patients at these clinics often feel they have no choice but to pay for medically unnecessary add-ons and upgrades, resulting in impossible decisions between their health and basic living expenses – patients recounted not being able to pay rent, credit card bills, groceries, car repairs and as well as delaying planned vacations or retirement savings. Recent research by the Parkland Institute[2], highlights the rise of private membership health clinics in Alberta, where individuals pay a yearly fee to access both insured medical services and additional non-insured services such as dieticians, massage therapists[3]. This has the effect of limiting access to medical professionals to those that can pay, rather than those in need.

While some of these private or for-profit clinics operate within a grey area, others are explicitly allowed by provincial governments. Saskatchewan allows private MRIs to operate under a 1-for-1 scheme where private clinics are supposed to provide a free MRI to someone on the public waiting list for every paid MRI they do. Saskatchewan's Provincial Auditor found that the use of private MRIs is not reducing wait times.[4] The Manitoba government has also expressed an interest in

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[1] Ontario Health Coalition (2017). Private Clinics and the Threat to Public Medicare in Canada. http://healthcoalition.ca/wp-content/uploads/2017/06/Private-Clinics-Report.pdf

[2] Blurred Lines: Private Membership Clinics and Public Health Care (2017). https://d3n8a8pro7vhmx.cloudfront.net/parklandinstitute/pages/1549/attachments/original/1511381905/blurredlines.pdf?1511381905

[3] The critique here is not against an integrated care model, but the creation an upfront financial barrier to access any of these services

[4] See the Auditor's Report (https://auditor.sk.ca/pub/publications/public_reports/2017/Volume_1/10_RQRHA%20_MRI.pdf) as well as Regina Leader Post article: http://leaderpost.com/news/politics/sasks-use-of-private-mris-not-reducing-wait-times-provincial-auditor

private MRIs, with two currently under development. Quebec has long had issues with medical user fees. Following threats of a lawsuit by patient groups and health advocates they passed legislation in 2017 to curtail these fees, but there are reports that some patients are still being charged illegal fees using a loophole in the legislation[5]. Finally, right now in British Columbia, there is a potentially precedent-setting case at the BC Supreme Court, Cambie Surgeries Corporation et al v. Attorney General of B.C. et al, to determine whether a for-profit surgery clinic (which was found to engage in double-billing) should be allowed to operate, opening the door to the erosion of our public health care system.

Despite all of these examples, the federal government has been reluctant to impose punitive action against provinces who are enabling the proliferation of illegal and unethical medical bills. In the past 15 years, there have only been a few instances of payments being withheld for non-compliance (notably in BC and QC, and smaller amounts in NL and NS)[6]. In at least one case, Quebec, those payments were reimbursed following the introduction of new legislation.

The overwhelming majority of Canadians want the federal government to act in defense of public health care. A recent poll conducted by EKOS Polling and commissioned by the Canadian Health Coalition found that 89% of respondents want the Federal government to intervene in unlawful billing from private practices and for 93%, access to a strong national publicly funded health care system is very important to them[7].

The federal government should penalize provinces that fail to comply – at the same time, we do not want Canadians and the health care system to bare the financial burden of these penalties. This amendment provides a way to reward provinces and territories for taking action, rather than just punitive ones. However, this change is meaningless if the Minister of Health is not enforcing the Canada Health Act in the first place, and if the federal government is not making sufficient investments in our public healthcare system.

In closing, we urge the federal government to take a more proactive stance in protecting the ethos of equitable care for all through broader re-investment in, and commitment to, public universal healthcare as well as increased data collection and reporting. If this amendment will encourage such action, then we most definitely welcome it.

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[5] See for instance http://www.cbc.ca/news/canada/montreal/rockland-md-loophole-user-fees-1.3950216

[6] BC saw their transfer payment reduced by 15.9 million in 2017 due to violations in 2015-16; while Quebec's was penalized 9.9 million. See Health Canada's report on Deductions and Refunds under the Canada Health Act: https://www.canada.ca/en/health-canada/services/publications/health-system-services/canada-health-act-annual-report-2016-2017.html#a4

[7] EKOS Research Associates (2018). Canadian Views on Health Care Privatization. http://www.healthcoalition.ca/wp-content/uploads/2018/02/Ekos-report.pdf