



**Privatized, for-profit health care.  
You'll pay more and get less.**

[medicare.ca](http://medicare.ca)

# **Why pay more and get less? Let's keep our health care public!**

Canadian Health Coalition

April 2009

Part One: **Introduction**

Part Two: **7 Health Care Myths**

Part Three: **Public Solutions**

-Wait Times

-Values

-Take Action



# The price of Medicare is eternal vigilance.

- 1947 - Tommy Douglas
- 1960 - Doctors Strike
- 1964 - Hall's Royal Commission\*
- 1970 - Extra-Billing\*
- 1984 - Canada Health Act\*
- 2002 - Romanow Report
- 03/04 - Health Accords
- 2006 - Chaoulli Decision\*

\* Canadian Medical Association opposed Hall & CHA; supported Chaoulli.

**PRIVATE SNAKES PUBLIC LADDERS**  
HEALTH CARE IN CANADA

Canadian Health Coalition  
The coalition has worked since 1979 to preserve medicare in Canada. Its membership is made up of groups representing workers, senior citizens, students, and health care providers, along with churches, trade unions and anti-poverty groups.

Don't let them take it away  
Don't let them take it away

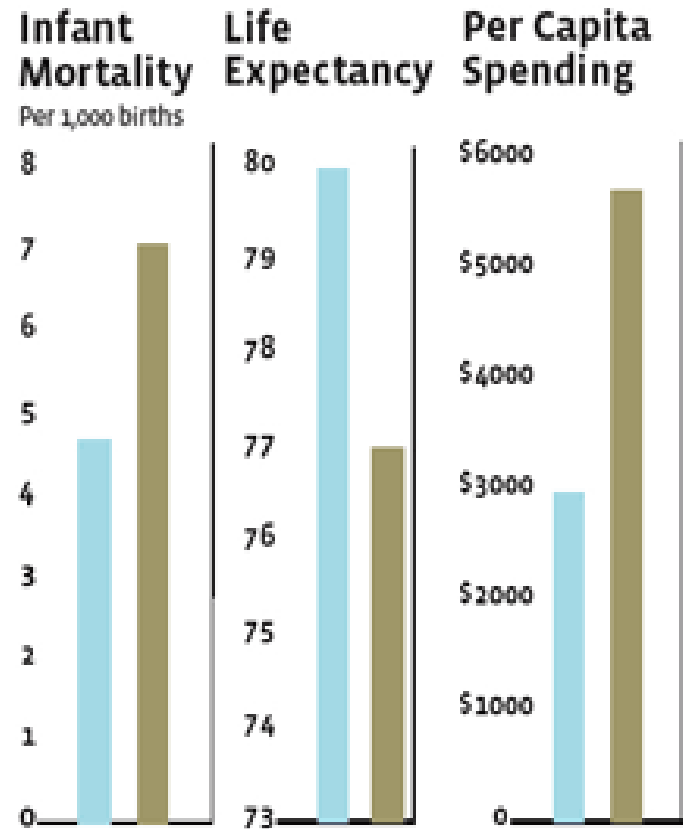


# Medicare Works

## Side-by-Side: No Comparison

Canada U.S.

Canada and the U.S. used to be twins on public-health measurements. Here's how it looks after 35 years of Canadian universal health care.



Source: World Health Organization; CIA World Fact Book, Centers for Disease Control

YES! MAGAZINE GRAPHIC 2006



# Health care as a Public Good:

*Canada Health Act* removes the delivery of health services from market rules to ensure the same right to access to health services based on need. Legislated protection so ‘un-profitable’ services, populations and regions are not abandoned.



# Health Care as Commodity:

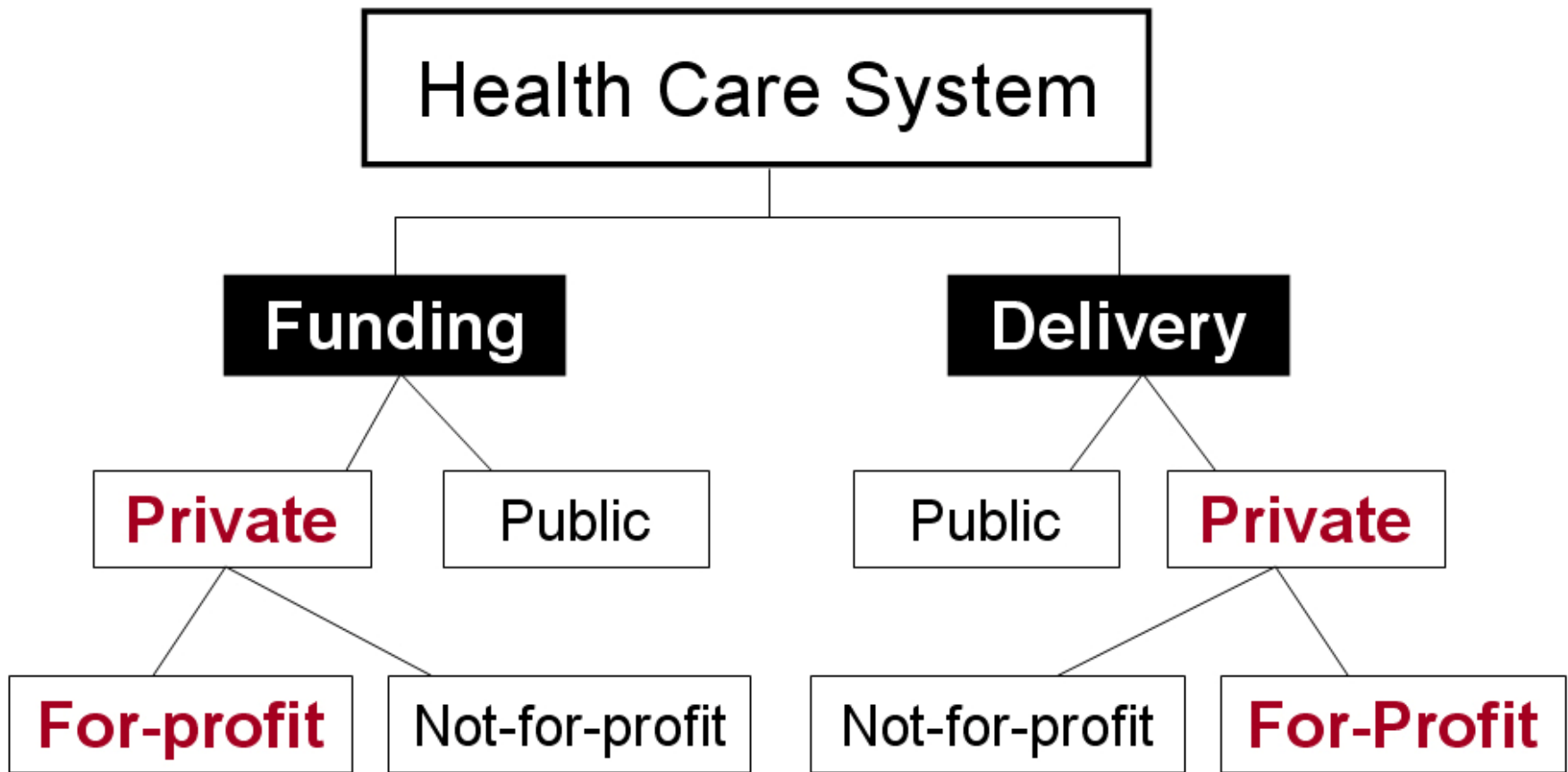
Open up the delivery of health services to market 'rules' and divert public funds to profit-seeking, private enterprises. Segments 'markets', access, and coverage in pursuit of profits (e.g. cream-skimming). B.C., Québec and Alberta leading the way.



# Health Care: Values in Conflict

<b>Public Ethic</b>	<b>For-Profit Ethic</b>
Health care is a human right	Health care is a commodity
Protect the vulnerable	Exploit vulnerability
First, do no harm	First, maximize profits
Keep people healthy	Profit from illness





# 7 Myths About Health Care

Myth #1: Public health care is unsustainable

Myth #2: Private insurance will solve access problems

Myth #3: Private for-profit clinics will reduce wait times

Myth #4: It doesn't matter who delivers health care

Myth #5: Public Private Partnerships save money

Myth #6: Activity-Based Funding Improves Efficiency

Myth #7: Aging Population is the major cost driver



## **Myth 1:**

*“Public health spending is unsustainable.”*

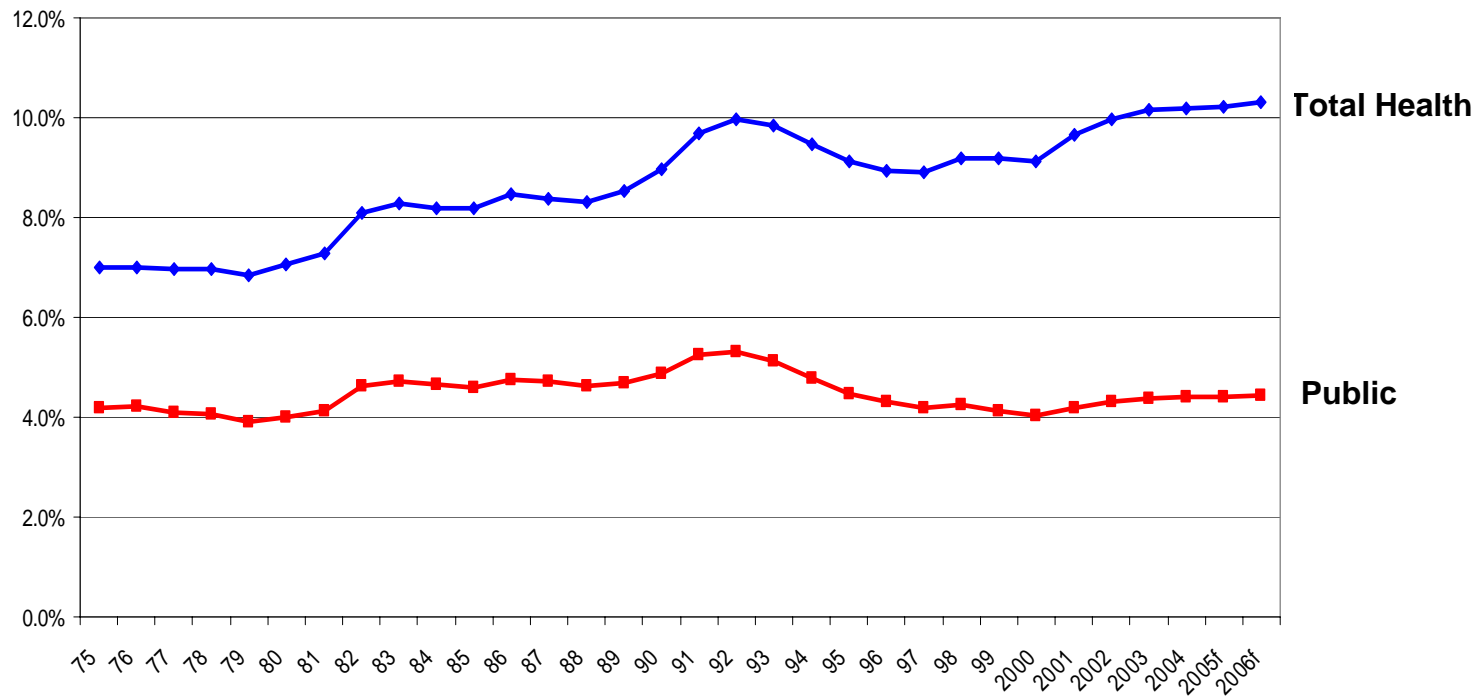
## **FACT:**

Only public health care is sustainable.



# FACT: Public Health Care is Sustainable.

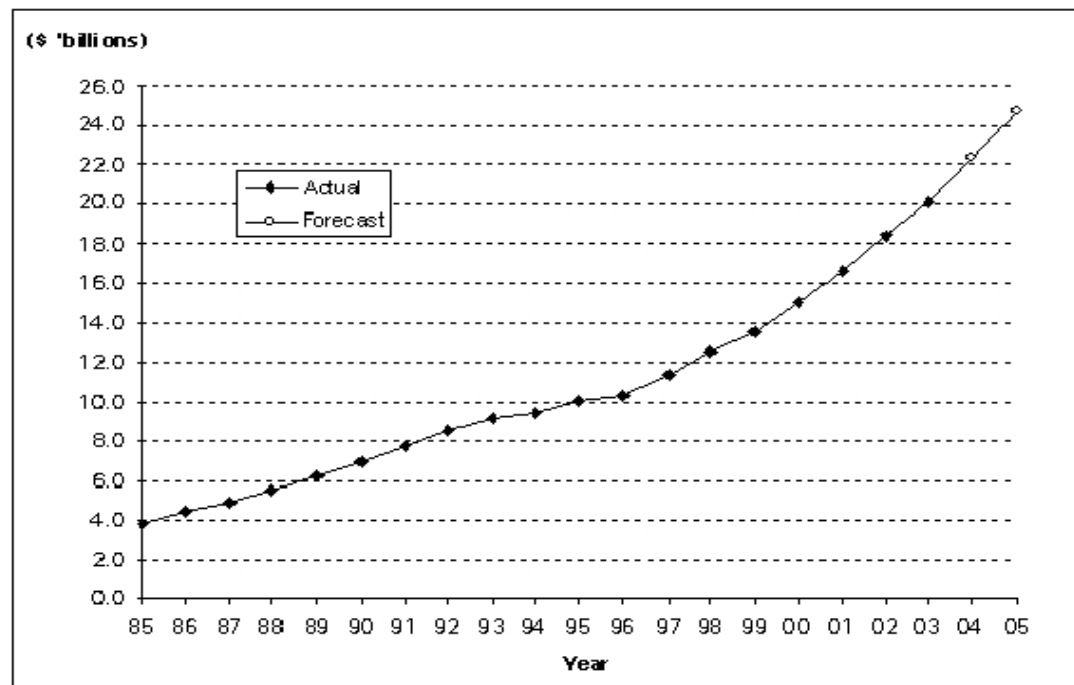
Canada, Health Expenditures as Percent of GDP, 1975-2006



Source: Robert G. Evans, Ph.D., University of British Columbia

# FACT: Private Health Care is Unsustainable.

Total Drug Expenditure, Canada, 1985 to 2005



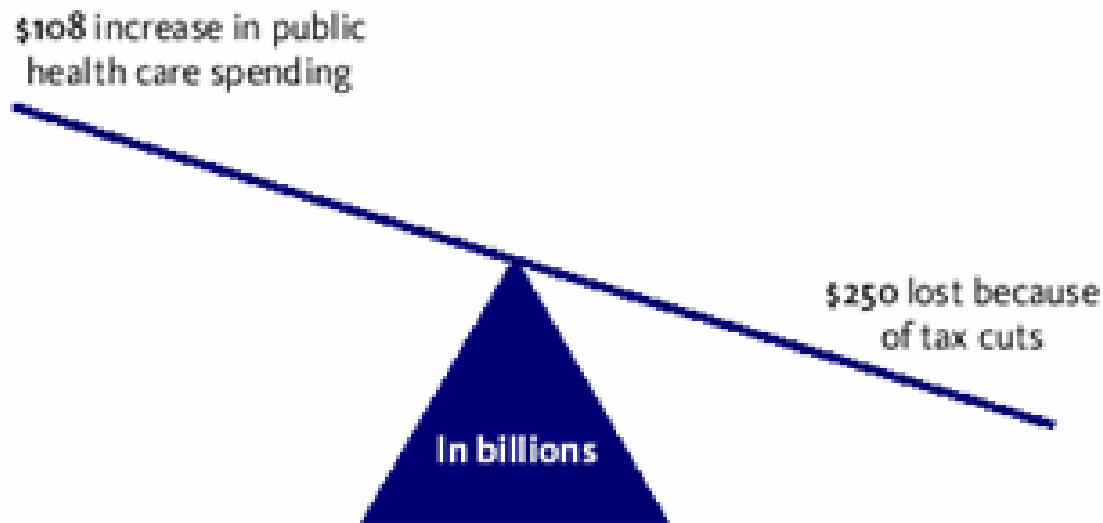
Source: Canadian Institute for Health Information (2007)

# Here's Why:

- Private health insurance drives up spending and limits access – 47 million without coverage in US.
- In Canada private health benefit plans rising over 15% a year because of skyrocketing drug costs.
- Only public health insurance can ensure equal access to services and control costs as well. This is why we need Pharmacare.



# Tax cuts a fiscal threat, not health care (1997-8 to 2004-5)



**SOURCE** Derived from "Can We Afford To Sustain Medicare?" pp. 8-9,  
<http://www.nursesunions.ca/cms/updir/2004-07-29-Sustainability-Report-en.pdf>



*Public health care unsustainable?*

**No. Public costs less.  
Private costs more.**



## **Myth 2:**

*“Private insurance solves access problems.”*

**FACT:** Only solves problems for the wealthy & the healthy.



# Here's Why:

## Private health insurance...

- Is more expensive and drives up out-of-pocket costs
- Denies access for the sick (pre-existing conditions)
- Denies access to those who can't afford to pay
- Not new – Canada had private insurance before Medicare and rejected it



*Private insurance?*

**You'll pay more and get less.**



## Myth 3:

*“Private for-profit clinics reduce wait lists.”*

## FACT:

Private for-profit clinics increase wait lists.



# Here's Why:

## For-profit clinics...

1. Take health workers out of public system
2. Shortages get worse - wait lists get longer
3. Charge user-fees for insured services
4. Undermine access in rural areas
5. Sell queue-jumping



Source: *"Eroding Public Medicare: Lessons and Consequences..."*

Ontario Health Coalition, 2008

*For-profit clinics reduce waits?*

**No. Shortages get worse and  
wait lists get longer.**



## **Myth 4:**

*“It doesn’t matter who delivers care.”*

## **FACT:**

For-profit is more dangerous & expensive.



# Here's Why:

## For-profit health clinics...

1. Have higher death rates than not-for-profit
2. Charge higher prices and costs more
3. Provide lower quality services
4. Only treats low-risk patients (cream skimming)
5. Sells unnecessary and harmful procedures
6. Less accountable - opportunities for fraud



# The Impact of For-Profit Ownership

An extra 2200 deaths a year in Canada if we converted our not-for-profit hospitals to investor-owned private for-profit

Source: Devereaux, P.J., et al, Canadian Medical Association Journal, May 28, 2002; Vol. 166, No. 11



# Who is looking after our Seniors?

“Investor-owned nursing homes provide worse care and less nursing care than do not-for-profit or public homes.”

- *American Journal of Public Health*, 2001 No.9

“It is unwise to entrust the sick and the frail elderly in the hands of profit-seeking firms.”

- *U.S. Department of Justice*

- Profit-seeking diverts funds and focus from clinical care.



*Doesn't matter who delivers?*

**You'll pay more and  
be at risk.**



## **Myth 5:**

*“Public-Private ‘Partnerships’ (P3s)  
Save Money.”*

## **FACT:**

Public-Private ‘Partnerships’  
Cost More.



# Here's Why:

## P3s...

- Costs of borrowing money on the market are higher
- Are being aggressively advanced, despite evidence that they are inferior
- No accountability – decisions and books are withheld from public scrutiny
- Lawyers love P3 contracts!



Cost taxpayers  
\$257 million more  
for the P3 hospital  
in Brampton than if  
the hospital was  
built publicly.

-Auditor General of Ontario, 2008

## Report highlights Brampton Civic's P3 cost overruns, saying province could have built it for millions less

BY DANIEL LEBLANC OTTAWA

Select ethnic and religious groups across Canada are being targeted by a previously unknown Conservative team that is bluntly gunning for votes in a bid to supplant the Liberals in multicultural ridings in the next election.

The operation's strategic blueprint, obtained by The Globe and Mail, states the "ethnic outreach team" is

With their struggles to win seats in Canada's three biggest cities in 2004 and 2006, Conservatives are convinced that the support of new Canadians is crucial in taking over a number of urban ridings that are currently in Liberal hands.

Mr. Kenney, the Secretary of State for Multiculturalism and Canadian Identity, laid out the outreach strategy at a private "political training confer-



*P3's cost less?*

**No.**

**Public pays more and gets less.**



## **Myth 6:**

*“Activity-Based Funding  
Improves Efficiency”*

## **FACT:**

Activity-Based Funding Damages Hospitals.



# Here's Why:

## Activity-Based Funding...

- Leads to hospital closures in rural areas
- Encourages high-volume, low-risk procedures
- When linked to contracting with for-profits:
  - Threatens coordination of care
  - Increases unit cost of health care
  - Threatens quality and access to care



- Premised on U.S. market-based funding of health care (HMOs).
- Designed for commercial contractors and not for universal public health care systems.
- Everything given a price – care as a commodity
- Quantity of procedures over quality



*Activity-Based Funding  
More Efficient?*

**No.**

**You get less and are worse off.**



## Myth 7:

*“Aging Population is the main cost driver of health spending.”*

## FACT:

Aging population is not the main cost-driver.



# Here's Why:

- Population aging is gradual and stable.
- Key cost drivers in health care are the private, for-profit parts: pharmaceuticals, dental, home care, & other non-insured services.
- Population aging is a factor in health care costs, but less a factor than:
  - *Health care inflation*
  - *Population growth*
  - *New more expensive technology*



*Aging population as a reason to  
privatize health care?*

**No.**

**You'll pay more and get less.**



# Solutions for Better Medicare

1. Keep people healthy in the first place.
2. Stop privatizing health care delivery.
3. Stop two-tier health care and extra-billing.
4. Recruit more health professionals.
5. Fix wait times in the public system.
6. Expand Medicare, starting with Rx.
7. Improve health care delivery.



# Keep people healthy

## Prerequisites for Health:

- peace
- shelter
- education
- food
- income
- a stable eco-system
- sustainable resources
- social justice and equity



**World Health  
Organization**



# Public Solutions to Wait Times



- Reduced consultation waiting time by 85% – to less than 6 weeks from 35 weeks
- Slashed surgery waiting time by 90 % – to less than five weeks from 47 weeks
- Cut the length of stay in hospital by almost one-third – to 4.3 days from 6.2 days.
- Patients are more engaged in their treatment, Importantly, patient recovery is faster.

**The same dollars provided faster, more satisfying care.**



# Inappropriate Care

- 10% of MRI referrals are unnecessary
- Close to 4 million exams (every year)
- Workload of 200 radiologists
- Potential saving of \$500 million
- Eliminate wait times and the need for private for-profit MRI clinics

-Source: Canadian Association of Radiologists, 2006



# Beware of Code Words

- ‘Innovation’ = Commercialization
- ‘European Model’ = U.S.-style, 2-tier
- ‘Experimentation’ = No Experiments (WTO)
- ‘Flexibility’ = Operate Outside of CHA
- ‘Choice’ = For the Wealthy & Healthy
- ‘Partnership’ = Public Pays More & Get Less
- ‘Activity-Based Funding’ = Profit-Based Motive
- ‘Modernization’ = Life Before Medicare



# Fairness & Solidarity: Canadian Values

“I challenged those advocating... greater privatization, a parallel private system – to come forward with evidence that these approaches would improve and strengthen our health care system. *The evidence has not been forthcoming. ...*

Tossing overboard the principles and values that govern our health care system would be betraying a public trust. ... Canadians want their health care system renovated; they do not want it demolished.”

-Roy Romanow, Final Report, 2002



# More private means less public

- Draws off resources from the public system
- Increases costs overall
- Introduces the inequities of the U.S. system

Source: Marcia Angell, MD, “Privatizing health care is not the answer”,  
*Canadian Medical Association Journal*, 2009.



# Dream no little dreams.



*“The ultimate goal of Medicare must be the task of keeping people well rather than just patching them up when they’re sick. ... A program of prevention is not only less painful but also less costly than the medical system which we have at the present time....”*

- Tommy Douglas, 1982





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# TAKE ACTION

- Learn more about the issues
- Talk to your family members and friends
- Talk to your MLA/MPP & MP
- Write a letter to the newspapers
- Join your local Health Coalition

[www.medicare.ca](http://www.medicare.ca)

