

Chrétien's prescription for medicare: a green poultice in lieu of accountability

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No other social program defines and preoccupies Canadians as much as medicare. In this commentary we reflect on Jean Chrétien's legacy in Canadian health policy and the consequences of this legacy for the present government. Chrétien's period was a tumultuous one. Although the single-payer status of medicare was protected during his time as Prime Minister (1993–2003), there was little direct attempt to grapple with structural and systemic problems within the Canadian health care system.

Chrétien's legacy in health policy was shaped by the core challenges of his 3 terms as Prime Minister. His first term was characterized by significant retreat in health care spending and by the establishment of the National Forum on Health as a way of sustaining reform ideas when painful fiscal retrenchment was in motion. The second term was marked by efforts to assuage the ensuing discontent of the provincial and territorial governments with federal money (through the First Ministers agreement of 2000). His final term was characterized by further study (e.g., the Romanow and Kirby commissions alongside several provincial inquiries), largely unfettered transfers of federal money (the Health Accord of 2003), and by the absence of decisive federal action in health.

Constraining the growth of the federal deficit was the overriding imperative of Chrétien's first term. Enormous fiscal responsibility devolved to the provinces, giving rise to a raft of cost-reduction strategies. The result was that, between 1990 and 1996, total real per capita spending on health in Canada rose by 3.6%, while total real per capita public spending declined by 2.3%.¹ On Apr. 1, 1996, the Canada Health and Social Transfer replaced Established Programs Financing and the Canada Assistance Plan, creating a single, consolidated and much smaller transfer. This sharp application of the fiscal brakes caused the entire health care system to lurch, generating a troubled and predictable cycle of provincial petitioning and federal acquiescence in health policy that, unhappily, continues even now. It also took an enormous toll on Canadians' confidence in medicare. Popular support for publicly funded health care, which historically has been robust in this country, started to decline.²

In October 1994, at the same time as the federal government's role in funding health care was in sharp transition, Chrétien established the National Forum on Health. Its mandate was to advise on innovative ways to improve the health care system and the health of Canadians. Comprised of 24 volunteer members, including the Prime Minister (who was rarely seen by forum members), the Forum sketched out a number of areas for reform and made a case for national home care and national pharmacare initiatives,

as well as primary care reform and greater investment in research. These ideas, although well received in academic and policy circles, were largely unimplemented, aside from some specific federal initiatives in primary care reform, waiting-list management and research.³ A broader, national vision of health care and the task of expanding the reach of publicly-funded services into home care and prescription drugs were put off for another day.

In September 2000, Chrétien convened a meeting of the First Ministers to announce a major federal investment in transfers related to health, amounting to close to \$23 billion in new funding. The provinces undertook to report on spending, but their eventual accounting was largely invisible to the public. The funds were delivered to the provinces on the eve of an election call, virtually without conditions; subsequently, some of the only traceable new investments included the capital purchases of ice-makers, floor-scrubbers, and lawnmowers.^{4,5} This green poultice bought only short-term peace in federal-provincial relations in health care and, moreover, was generally viewed as a blatant (and unsuccessful) attempt by the Prime Minister and his government to buy back moral authority in the health sector.

On Apr. 4, 2001, just 7 months after the give-away of federal funds, Chrétien, now in his last term in office, appointed Roy Romanow as a one-man commission on the future of medicare. Precipitated in large measure by Romanow's commission and Senator Kirby's parallel investigation, conflicting Canadian values and visions in health seized the national psyche, and debates about the future of public health care were front and centre in the media.⁶ In February 2003, Chrétien again convened a First Ministers meeting to deal with Romanow's recommendations. Once again his government "negotiated" an agreement that was largely a giveaway, this time making \$27 billion new dollars available. *Prima facie*, the Health Accord of 2003 promised to realize Romanow's recommendations for the establishment of a national health council,⁷ a national home care program and a national drug insurance program to cover "catastrophic" drug costs. However, the 12 months since this second poultice of funds was applied have been marked by further sterile bickering between the federal and provincial governments. None of the commitments of the 2003 Health Accord have been realized within the agreed time. A National Health Council was announced on Dec. 9, 2003, in a last move by outgoing Health Minister Anne McLellan — some 7 months after the scheduled date. With a bloated membership of 27, half of whom are government representatives, it is far from the lean and independent council imagined as a par-

tial solution to intergovernmental paralysis in health policy. Nevertheless, the new council holds promise as a potential innovation in public accountability for health care in Canada.

So, how do we assess Jean Chrétien's legacy in health care? To speak in terms of highs and lows, the pinnacle of Chrétien's term as Prime Minister was surely the establishment of the Romanow commission, which despite a lack of immediate action will certainly provide a longer-term influence on the scope of federal health policy. The lowest point was the lowering of tobacco taxes in 1994 in response to smuggling concerns — a major backward step in combatting the leading cause of preventable death. But, to take a wider view, it must be said that Chrétien consistently appeared to stand behind Canadian values in health reform and has protected solidaristic financing in Canadian medicare. This is not an insignificant achievement, given the strong forces in favour of partial privatization of the system. However, he and his government were prone to a kind of manic-depressive cycle in their handling of medicare, over-compensating for periods of harsh fiscal retreat with large bursts of federal funding, handed over as appeasement to the provinces and without conditions attached that would have galvanized structural reform. During his period there were many commissions and reports, all of whom have been remarkably consistent on what to do and all of which have been consistently ignored. Despite all of this, recent polls of Canadian confidence in their health care system have shown something of a rebound from a low in the early 1990s.⁸

If Chrétien's legacy is characterized by the preservation of a public financing mechanism, it is also notable for the absence of significant improvement in the scope-of-coverage challenges that have plagued medicare for the last 20 years as care shifts out of the hospital and into the community. The Health Accord of 2003 calls for national standards in home care and a catastrophic drug program. But it is couched in such qualified terms, with so many loopholes, that provinces will find it easy to circumvent these requirements. The federal government has shown no intention of passing legislation to enshrine these entitlements in a manner similar to the Canada Health Act; such legislation is necessary if this is to be a legacy that lasts.

The Chrétien government's reluctance to attach strings to federal spending in health care might be attributable to the narrow victory of the federalist forces in the Quebec sovereignty vote of October 1995. Political stability in federal-provincial relations during Chrétien's time as Prime Minister was bought without any obligation to meet conditions of national specification. Rather, a new type of transfer has emerged: one that designates funds for targeted areas, with an "accountability" process typically tied to public reporting.⁹ The ghost of regional succession threats, both by Quebec and by Alberta, bolstered the provinces' resolve in demanding that the federal government hand over the cash but refrain from demanding traceable change. During Chrétien's watch, there was a move away from specific conditions for federal transfers (even if these were not well en-

forced)¹⁰ in favour of demanding "reporting" on the implementation of federal-provincial accords. This change occurred slowly and steadily through the Chrétien period. Rather than exacting compliance using public accounts, provinces must now "self-report" on performance; financial accountability becomes more and more implausible when targeted federal funds are entirely substitutable in consolidated provincial revenue pools.

Although Chrétien protected medicare from the worst fears of wholesale Americanization, the triumph of pragmatism over principle has allowed creeping privatization, particularly in the financing of community care and pharmaceuticals, to erode the base of what is publicly covered in Canadian health care as necessary services. This is slowly and surely eating at the heart of medicare. Without an assertive federal leadership to redefine the elements of coverage, the continuous application of green poultices will not improve the prognosis for medicare.

Ironically, it will fall to Paul Martin, the architect of Chrétien's constraint on federal transfers, to pick up the immediate challenge of a revitalized federal role in health care and public health. As our new Prime Minister builds his own legacy, a stronger federal presence and an extended federal base of coverage for health services constitute an elixir he must consider for the health of all Canadians.

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