



Can a health care system change?

Drs. John Hoey and Kenneth M. Flegel's comments in the editorial "The times they are confusing: What lies ahead for the new health minister and physicians in Canada?" (*Can Med Assoc J* 1997;157:39-41) about the sustainability of the Canada Health Act are confusing and ambiguous. If they mean that, under the present federal and provincial funding framework and commitments, it will not be possible to maintain the principles of the Canada Health Act because of underfunding, we agree. If, however, they mean that the principles do not deserve to be sustained, we have serious concerns.

The principles of the Canada Health Act outline the framework in which the provincial governments, in concert with the federal government, provide health care to the people of Canada. The principles of universality, accessibility, comprehensiveness, portability and public administration should not be readily discarded because of cost; we should do our best to preserve them. The analogy would be to say that democracy or justice can be dismantled because the requirements to maintain these principles are too expensive. Rather, we are willing to fight foreign wars and send in Canadian peacekeepers to defend these principles.

In the same way, those who support the principles of the Canada Health Act must oppose its dismantling for fiscal reasons and use our collective creativity and ingenuity to find ways to provide the levels of care commensurate with a high-quality system while funding care adequately. The costs of health care will be borne by Canadians, either through a publicly funded system or through increased privatization.¹ The market-

driven system exemplified by the US is not the direction we want to take,² and the two-tier system in the UK will probably lead to more problems than it will solve.^{3,4} Other funding arrangements, such as a use-based taxable benefit, administered through the income-tax system, could be used to continue to fund our public system without compromising the important principles of the Canada Health Act.

Let us not too readily discard important principles that form the basis of a just society for financial reasons, certainly not in one of the wealthiest countries in the world, acknowledged year after year as being one of the finest places to live, partly because of the excellence and accessibility of its health care system.

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Drs. Hoey and Flegel ignore the connection between ill health and poverty. Numerous studies have firmly established that income status and health status are closely linked.¹ The 20% of Canadian children living in poverty are virtually guaranteed poorer health as a result of their economic situation.

I also disagree with their recommendation to abandon plans for a universal national pharmacare plan. They base their recommendation on the fact that provinces will be unwilling to pick up the costs of such a plan. Fair enough, but the costs are still going to have to be borne. They will inevitably be higher in a system with a public-private split than in a purely public scheme.

Hoey and Flegel are correct in suggesting that it makes sense for Canada to develop a universal formulary for provincial plans and negotiate prices jointly. Under such a system, Australia has kept its drug prices to about 60% of the average prices in the Organization for Economic Cooperation and Development countries.² But here in Canada, with 55% of drug costs paid for either out-of-pocket or through private insurance, the price for these drugs will not be brought down through the power of the provincial governments as single buyers. A second feature of a purely public drug insurance plan is that overhead costs are lower because the provinces do not have to generate profits or advertise, as private insurance plans do. One of the main reasons for the difference between health care spending in Canada and the US is the difference in overhead costs (about 1% in the Canadian system versus 14% in the US one).³

Some rough calculations can give us an idea of the savings that could be achieved through a national pharmacare scheme. According to the latest