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.

Michael Gordon, MD
Vice-President
Medical Services
Head
Geriatric and Internal Medicine
Baycrest Centre for Geriatric Care
Head
Division of Geriatrics
Mount Sinai Hospital
Professor of Medicine
University of Toronto
Philip B. Berger, MD
Chief
Department of Family and Community Medicine
Wellesley Central Hospital
Assistant Professor of Medicine
University of Toronto
Toronto, Ont.
Received via email

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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

figures from Statistics Canada the total amount spent on prescription drugs in 1996 was $7.67 billion.[4] Out of that total, private sector spending was just under $4 billion. Let us suppose that only 50% of the private spending ($2 billion) would be covered under a pharmacare plan and that the other 50% would be for drugs not included in a national formulary. Conservatively, let us assume that joint provincial buying power would lower drug prices by 10%. Therefore, instead of costing $2 billion, the drugs covered would cost $1.8 billion; a savings of $200 million. Let us also assume that administrative costs go from 10% to 5%. On $2 billion, administrative costs would drop from $200 million to $100 million, another $100 million in savings. The 1996 prescription drug bill under a national pharmacare plan would drop from $7.67 billion to $7.37 billion. Public spending would definitely rise, but the overall cost to society would drop.

We need to be realistic, as Hoey and Flegel conclude, but we should also be bold enough to suggest radical reforms. A true commitment to lowering the rate of poverty and to implementing a national pharmacare plan are 2 bold steps that the new minister could take.

Joel Lexchin, MD
Toronto, Ont.
Received via email

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Health care on the election agenda

The article "Health care among forgotten issues in forgettable federal election" (*Can Med Assoc J* 1997;157:57-8), by Charlotte Gray, presents an inaccurate assessment of the treatment of health care issues during the election.

Gray acknowledges that polls consistently showed that medicare was voters' number-two concern. The federal leaders clearly recognized the importance of health care issues. This was illustrated by the frequent high profile discussions about medicare in speeches, political advertisements, news conferences and perhaps most significantly in the English-language leaders' debate.

As part of its Future of Health Care Strategy, CMA launched the Election '97 Campaign Strategy, which was effective in putting the public spotlight on health care issues during the federal election. Indeed, CMA was flooded with news clippings from across Canada in which reporters and pundits commented on health care as an important election issue. In addition, as a result of a coordinated media and public relations campaign, CMA received intense media interest during the campaign about the federal election. CMA also fielded calls from MD–MP contacts and candidates about the future of health care and its impact on the electoral agenda.

The appointment of a strong minister, Allan Rock, as federal minister of health is a further indication that health care is recognized as a top priority by the federal government. Far from being "yesterday's flavour," CMA's early indications all point to health care remaining front and centre on the political agenda in the new Parliament.

The election has shown us that voters demand that their elected officials act as responsible stewards of our health care system. CMA will continue to work with Canadians to ensure that parliamentarians commit to adequate health care funding and an evidence-based approach to health care reform.

Judith C. Kazimirski, MD
Past President
Canadian Medical Association
Ottawa, Ont.

[The author responds:]

Dr. Kazimirski is absolutely correct when she points out that party leaders all spoke frequently about medicare during the election and gave the survival of our health care system a high priority in their news conferences, political advertisements and leaders' debates.

However, health care was not the determining factor in how most Canadians voted. I pointed out in the article that, from the day the writ was dropped, the major parties unanimously insisted there should be no more cuts to medicare. The preelection lobbying efforts of the CMA and other health care organizations were so successful that every party leader wanted to claim the credit for saving medicare. Voters therefore felt sufficiently optimistic about the preservation of our health care system that they turned to other issues on which to make their voting decision — issues on which parties disagreed. Chief among these issues was national unity, because the Liberals, the Reformers, the Progressive Conservatives, the Bloc Québécois and the NDP all have radically different approaches.

As any political observer knows, an election campaign is a nerve-wracking race that often seems more like a test of stamina than a serious debate about national interests. The media (which is always more interested in disagreement than unanimity) play a major role in defining the issues. The