



Funding medicare

In *CMAJ*'s first Controversy article Michael Gordon and associates say that our health care system should acquire additional funding by means of an alternative tax, through which heavy users of the system would pay more.¹ Steven Lewis counters by stating that this is what the Canadian system was created to prevent.²

Gordon argues that privatization is waiting in the wings with eager US support, but a greater risk is posed by several provinces that have jumped on the free-market bandwagon. However, that wagon is now low on propellant.

Gordon's group makes sound arguments against private health care, but they only had to note that it is a commercial enterprise. If profits are threatened, behaviour in this sector will not differ from that of any commercial operation trying to ensure profitability or survival. Why the market in health care would behave differently escapes me.

Lewis correctly questions whether additional funding is needed, while Gordon and associates present a long list of references saying that it is. However, more money leads to greater outlays and creates a need for yet more money. It has been so for 30 years.

The solution? A slice of the income tax pie dedicated solely to medicare should be collected with income tax but accounted for separately. Funding health care from general revenues is organically unstable.

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References

1. Gordon M, Mintz J, Chen D. Funding Canada's health care system: a tax-based alternative to privatization. *CMAJ* 1998;159(5):493-6.
2. Lewis S. Still here, still flawed, still wrong: the case against the case for taxing the sick. *CMAJ* 1998;159(5):497-9.

While reading the article by Gordon and associates¹ I found myself reaching for my pen as the tortured logic of the article became increasingly painful. Surely a brief letter to the editor was called for. My literary enthusiasm was dampened after I found the companion article by Steven Lewis.² My limited critical skills pale beside his refreshing prose.

However, Gordon and associates are to be congratulated for supporting public health care over privatization. They would prefer adding the amounts of estimated medicare costs to taxable income. I assume that in single-taxpayer families the taxpayer would receive the assignments for all family members. Lewis proposes that if more money is required it should come from the same place as before the cutbacks. I have some ideas of my own.

- eliminate fee-for-service payments in favour of a system that provides better incentives to promote health and reduce excessive utilization;
- use the approximately \$1.1 billion the pharmaceutical industry spends annually on marketing to establish effective CME and academic detailing; and
- establish a means of communication for health care professionals, payers and patient representatives

to avoid adversarial approaches and promote effective utilization of resources.

Now is the time for physicians to re-examine health care funding if medicare is going to survive.

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References

1. Gordon M, Mintz J, Chen D. Funding Canada's health care system: a tax-based alternative to privatization. *CMAJ* 1998;159(5):493-6.
2. Lewis S. Still here, still flawed, still wrong: the case against the case for taxing the sick. *CMAJ* 1998;159(5):497-9.

[Michael Gordon responds:]

As the letter writers note, we enthusiastically support publicly funded Canadian medicare.¹ However, the system is undergoing passive privatization,² and few Canadians have unimpeded access to dental care and other health care services. If governments supported the requisite funding and structural changes required to expand medicare and added proper accountability for patients and health care providers, funding changes might not be needed.

The fee-for-service system is often cited as a source of excessive costs