

Let's be honest about... Health Care Delivery

A response to the B.C. Conversation on Health "Conversation Starter"

Did you know that private health care is good and that public health care is bad?

Okay, the B.C. government didn't use exactly those words in its "Conversation Starter," *Let's talk about... Health Care Delivery*, but it would have saved a lot of trees if it had been so brief.

Instead, the government repeated the message over and over again in different forms, hoping to make it true. The "logic" is easy to follow:

1. Private, for-profit care is fine, as long as the patient doesn't receive an invoice;
2. Private, for-profit care is necessary because it will decrease waiting times; and
3. Private, for-profit care will decrease waiting times for less money than a public, or non-profit system could.

Unfortunately, evidence from every country where this "logic" has been applied proves the opposite: private, for-profit care costs governments more and it makes waiting times longer. The way that health services are delivered *does* matter to patients and citizens, and B.C.'s argument that it doesn't falls flat on its face.

Public care is cheaper

In the U.S., between 1990 and 1994, private, for-profit hospitals had higher costs (\$8,115 US) for every discharged patient than private, non-profit hospitals (\$7,490) and public hospitals (\$6,507).

More recently, a 2004 analysis involving eight U.S. studies, looking at an average of 324 hospitals each and over 350,000 patients altogether, demonstrated that in the last 20 years, payment for care at private, for-profit hospitals was 19 per cent higher than in non-profit hospitals.

In the United Kingdom, a hip replacement at a private hospital or clinic, including hospital charges and consultant's fees, will cost between £6,000 and £15,000. In non-profit hospitals, that same operation costs around £5,000. A coronary bypass operation in the U.K.'s for-profit institutions costs the public insurance plan £6,320 in 2002-03. The same procedure cost the public an average of £12,060 in a for-profit setting.

Did you know...

Saskatchewan implemented user fees for seven years, from 1968 to 1975. This brief experiment demonstrated that user fees lower the use of physician services for the elderly and the poor.

Only those who could afford the fees increased their use of physician services, but many elderly and poor people who couldn't see their doctors as frequently, were forced to use more costly hospital services and many died of preventable illnesses.

Trade implications

There is another argument against private, for-profit clinics that doesn't get enough attention: the implications of the North American Free Trade Agreement (NAFTA). The health care sector has been (weakly) protected from the application of the agreement through Annex II (c), which stipulates that:

Canada reserves the right to adopt or maintain any measure with respect to the provision of public law enforcement and correctional services, and the following services to the extent that they are social services established or **maintained for a public purpose**: income security or insurance, social security or insurance, social welfare, public education, public training, **health**, and child care. (Emphasis ours.)

In a widely respected legal opinion written in March 2000, trade expert Steven Shrybman showed that under the current rules of NAFTA, Canada's health care system could come under attack in the future. As provincial governments legislate and fund private, for-profit medicine, the probability of such a challenge dramatically increases.

Did you know...

Non-profit delivery of health care costs less than for-profit delivery?

In Canada, a hip or knee replacement costs the public system about \$8,000. The same procedure done in private facilities such as Brian Day's Cambie Surgery Centre or Mark Godley's Maples Surgery Centre, cost between \$14,000 and \$18,000.

Public innovations possible

The B.C. government ends its "conversation starter" on health care delivery with three questions, including this one:

Can private clinics be better integrated into the medical system, providing more medically necessary services that are publicly funded?

The real question is why we would resort to private, for-profit care in the first place – not how to facilitate its integration and expansion.

When B.C. government officials claim that for-profit clinics are more efficient, what they are really pointing to is the fact that some of these clinics specialize in a particular area. For example, the Cambie and False Creek Clinics are like assembly lines for joint and cataract surgeries. However, there are similar clinics operating in the non-profit domain that are cheaper and more efficient than their for-profit equivalents.

Winnipeg's Pan-Am Clinic used to be for-profit but is now public after being purchased by the Manitoba government. It has also become considerably more cost-efficient. A cataract surgery at the Pan-Am clinic now costs \$700 compared to \$1,000 under for-profit management. At Winnipeg's private, for-profit Maples Surgical Centre, a cataract surgery costs \$2,000.

Clearly the best plan for reducing waiting times for cataract and other surgeries is to open new public clinics that specialize in those procedures but that can offer them for substantially less money.