



Let's be honest about... Pressures on the System

A response to the B.C. Conversation on Health “Conversation Starter”

The British Columbia government says:

It's important that we have this discussion now when we can see and understand the pressures facing our health system, prepare for them and implement measures that will ensure public health care in British Columbia is sustainable into the future.

Indeed, there are pressures on the B.C. health care system, just like there are in countries around the world. But the government has failed to mention that countries with public health care systems are faring much better than those with private for-profit systems.

Infact, the government has been actively trying to nudge B.C. residents in favour of for-profit solutions.

This is not a good way to encourage a true debate. For instance:

The B.C. government says: Public health expenditures were \$9.5 billion in 2000; they increased to \$12.8 billion this year (an increase of 34.73%).

We say: This doesn't take into account inflation or population growth and is therefore exaggerated. Public health care expenditures per person and in constant 1997 dollars only increased from \$2,290 in 2000 to \$2,515 in 2005, an average of 1.97% per year.

During the same period, the average wealth production of each B.C. resident (measured by the GDP per capita in constant 1997 dollars) increased from \$30,999 in 2000 to \$33,909, an average of 2.19% a year.

This means that our collective wealth in increasing faster than our collective health spending. Where's the crisis here?

The B.C. government says: B.C.'s health spending could be over 70 per cent of the total provincial budget by 2017.

We say: The “70 per cent” myth promoted by B.C. Finance Minister Carole Taylor is not only false – it creates unnecessary alarm.

Journalists Will McMartin and Paul Willcocks have debunked that myth. To reach its 70 per cent figure, the B.C. government assumed that government revenue would increase by 3% per year; public health spending would increase by 8% per year; and public education spending would increase by 3% per year.

In actual fact, over the last 10 years, government revenues increased 6 % per year. The assumed growth of only 3% could only be achieved by massive and irresponsible tax cuts. In the last 10 years, health spending grew by about 5.5% per year and education by only 1.3%, and there is no reason to believe those numbers will go up to 8 and 3 per cent as the B.C. government predicts.

Aging population and technology

The government says it's concerned about the aging B.C. population, pointing out that 24 per cent of citizens will soon be over 65 years old. We are led to believe that immediate action is required because seniors are, and will be, a major burden on health care costs.

For the B.C. Conversation on Health to seriously address the challenges of the future, the emphasis should be on the most pressing issues, not the simplest or the most popular.

The Canadian Centre for Policy Alternatives did an excellent job of demonstrating that technological changes are a much more important cost-driver than the aging population. Their research in *B.C.'s Health Care System Sustainable? A Closer Look at the Costs of Aging and Technology* explains that:

The real challenge for future health care expenditures comes not from an aging population, but the amount of spending per person as represented by a wide range of new technological interventions. Health care, as a discipline, is intimately intertwined with issues of technology and knowledge. In its modern form, health care is at most a hundred years old, built upon advances in knowledge in biology and related fields. As scientific know-how increases, there are likely to be more and more new possibilities available to treat medical conditions.

Cost of drugs

The "conversation starter" asks important questions about PharmaCare, the cost of drugs and the process for renewing prescriptions.

We agree that pharmaceutical drugs are one of the biggest cost-drivers in Canada's health care system. The influence of direct-to-consumer advertising in the U.S. has meant that more and more patients request brand-name drugs, rather than generic equivalents. Pharmaceutical companies aggressively market designer drugs to doctors, in some cases inventing or amplifying new medical conditions (such as "Restless Legs Disorder" and "Social Anxiety Disorder") to better market their medications.

British Columbia should note how Australia has dealt with these problems. Australian health expert Stephen Duckett says that for a drug to be included on the publicly-insured list, it has to be:

1. Needed for the prevention or treatment of significant medical conditions not already covered, or inadequately covered, by drugs in the existing list and is of acceptable cost effectiveness;
2. More effective, less toxic (or both) than a drug already listed for the same reasons and is of acceptable cost effectiveness; and
3. At least as effective and safe as a drug already listed for the same reasons and is similar or shows more cost effectiveness.

As a result, the cost of pharmaceuticals is still rising in Australia, but at a slower rate. Drugs are now about 9 per cent cheaper than in Canada.

Did you know...

Most European public health insurance plans, including those in France, Sweden and the United Kingdom include dental coverage for everyone?