



# Medicare Action Kit 2011

TALKING POINTS

## Main messages on health care sustainability

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Some want to re-open the debate on health care in order to bring in more privatization. But we already know that privatization doesn't work. We shouldn't lose time with another debate between public versus private. The debate should be how we make the public system better.

Canadians want a publicly funded, administered and delivered health care system. This has been affirmed many times, most recently by the Royal Commission on the Future of Health Care led by Roy Romanow: "it is a perversion of Canadian values to accept a system where money – rather than need – determines who gets access to care."

Public health care (Medicare) is sustainable; it is not true that costs are out of control. The apocalyptic language of the right-wing politicians and media must be tempered by facts.

Privatization would cost more, drain resources away from our public system, and offer lower quality. Make no mistake: privatization would make things worse.

We are proposing solutions that will ensure quality and accessibility, while controlling costs. We recognize that there are challenges and health care workers want to be part of the solution.

Health care is not just a question of cost. Health care is an investment in people.

Canadian's health is not something to be traded in the for-profit market; that's why we believe in not-for-profit care. The goal of the health system is to care for people, not make a buck.

Despite its challenges, the public system provides the best value for money. Creating a second for-profit tier of care would worsen accessibility, increase costs, and lower quality for the majority of people.

Public Medicare is also an expression of Canadian values: equality, solidarity and caring.

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# Questions and answers on sustainability

## 1. Since costs in the public system are exploding out of control, isn't privatization a logical option?

Costs are not out of control.

There are financial pressures on the system, but these can be managed by smart and long-term policy.

The overall costs of public health care, compared to our wealth (the gross domestic product - GDP), have been essentially stable for the last 35 years. There have been slight increases in cost recently, but certainly not an explosion.

The costs that have seen the highest increases are drugs, technology, and specialists. To address costs, we need to target those areas that have seen the highest cost increases.

Front line health care workers – like nurses – represent the smallest increase in costs. They get a smaller and smaller piece of the pie. Health care workers are the front line and heart of the system, yet they are most often the target of cuts. It makes no sense.

The highest increases in costs come from areas that already have a strong private component. For example: drugs, technology and specialists. It is the public system that is keeping costs down. It is ridiculous to think privatization will reduce costs.

The public system is not-for-profit. More privatization will mean more private profits, and raise overall costs. If private clinics take 10 per cent more profit, how is it going to cost us 10 per cent less? It's going to cost us at least 10 per cent more!

If we "can't afford public health care", as some claim, how are we going to afford more private care, that actually costs more? It doesn't make sense.

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## 2. We can't pay for our current public system anymore...

We can collectively pay for Medicare. We just need to control the highest-raising costs, ensure the public system gets the money it needs and manage the public system effectively for the well-being of patients.

Privatization would be worse: people would have to pay thousands and thousands of dollars out-of-pocket for private-insurance. We can make the public system better, with much less investment. Fair taxes, instead of high-cost private insurance, must be part of the solution.

Even if it's not perfect, a universal, publicly-insured system is still the best way to fund and deliver care. When we compare different countries, it is clear that a single-payer, publicly insured system, like Canada's, is the most effective way to manage costs.

# Questions and answers on sustainability

## 3. But I heard that health care is taking a bigger and bigger slice of the pie of provincial budgets.

It's partly true, but not for the reasons usually given. Provincial governments have cut other public services and programs, which is why health care expenditures look larger: it looks like a bigger piece when compared to a shrinking pie.

Public health care costs have basically been stable for the last 35 years, when compared to our national wealth, the GDP. Costs are not out of control.

Governments have made choices to cut taxes and reduce the revenue we have to pay for necessities like health care, education, child care, social services. It's a matter of choices.

For example, between 1997 and 2004, tax cuts removed \$170.8 billion from federal and provincial public sector revenues, money that could have gone toward health care and other public services.

It's not health care putting pressure on other programs: it's tax cuts (especially corporate tax cuts) we can't afford that are putting pressure on health and other government programs like education.

We will pay for health care one way or another - either we pool our money and the risk that we will be ill and require care and pay collectively through our taxes, or we pay more for less coverage privately.

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## 4. What would be your solutions to keeping costs under control?

We have to look at the costs that have seen the highest increases.

Costs for front-line and support staff are only a small proportion of higher overall health care costs. We need to look at what is really costing more: drugs, technology, and specialists.

We need a national pharmacare program. With bulk-buying, reliance on more generic drugs, and tighter controls we could save \$10 billion a year in Canada. And we have international examples, like New Zealand, on how this can be achieved.

Privatization actually costs much more to administer than a full-public system. Studies show public systems cost approximately four per cent in administrative costs, versus 12 to 20 per cent in private insurance and private clinics.

Privatization actually increases costs, with more profit for private clinics, more administrative costs, and less efficiency.

Innovations within the public system will help stabilize and lower costs, not more privatization.

# Questions and answers on sustainability

## **5. Wouldn't more private clinics reduce wait times and pressure on the public system?**

No, they would make it worse.

International examples are very clear: Introducing more private clinics drains resources away from the public system, and the quality of care will not improve.

We have serious shortages of many health care providers. A parallel private system will rob the public system of finite human resources and create bigger problems with access to care for the great majority of citizens.

Private clinics are not going to train nurses and other health care workers they need to operate. They will steal them from the public system. Where do you think the extra staff will come from?

Private clinics tend to take the simpler, easier cases, while leaving more serious, more complex and more expensive procedures in the public system. With privatization, wait times will be longer on average for patients in the public system.

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## **6. But shouldn't the rich pay more? If they can afford it, and could leave more space for the rest of us, why not?**

Yes, the rich should pay more; and they do through their taxes.

Introducing a two-tier health care system, where some can get in front of others because they can afford private insurance and private care, is not the right policy for Canada.

Studies and international lessons show that more private clinics – that only the rich can afford – do not reduce wait times in the public system. The middle class and the poor will experience longer wait times, because the rich will get in front of them and because private clinics will drain the public system of the doctors and other care providers.

A two-tier system is contrary to the values of public Medicare, like universality and accessibility.

A two-tier system is not efficient or cost-effective: private clinics cost more for everyone because they take profits for themselves and cost more to administer.

We have a perfect example with our neighbor, the United States. With a system dominated by private care and private insurance, they have much less accessibility with twice the cost, and worse outcomes for U.S. citizens. Surely we don't want to go down that road.

Medicare is an expression of solidarity: we are equal. We should all have access to quality care.

# Questions and answers on sustainability

## 7. But isn't choice a good thing? The ability to choose the type of care or the type of clinic you want?

Health is not like buying a hamburger or a car. People don't want to shop around for health care as they would for a TV. Canadians want the best possible care and in the best possible time. When you are sick or injured and need care, you don't want to go shopping to compare different clinics or providers; you just want to be taken care of.

Only the extremely rich would have a "choice" between public and private, because private insurance costs much much more. Privatization would expand the choices of five per cent of the population and limiting it for the other 95 per cent.

How many Canadians have \$25,000 or more laying around to pay for a private for-profit surgery?

There are international examples such as the U.K. where they put in place "market mechanisms" and encouraged people to "shop around". There was an explosion in administrative costs, lower accessibility, and lower quality.

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## 8. Is the federal government doing its part?

No, it's not.

Forty years ago, the federal government contributed 50 per cent of provincial health care costs. After the cuts from the Mulroney government in the 1980s and the Chrétien and Martin governments in the 1990s, that number has fallen to as low as 17 per cent. Now, it is approximately 20 per cent.

In 2004, the Liberal government signed a new health accord, including a six per cent-a-year funding increase. Even with this increased funding, we are not even close to repairing the damage done by past cuts. This agreement must be renegotiated before 2014.

While we are critical of the lack of financing, we fully support the role of the federal government to protect a sound public health care system through the *Canada Health Act*.

The federal government needs to back up *Canada Health Act* protections of the public health care system with stable and sufficient funding through health transfers.

We need a vigorous, renewed federal commitment to Medicare, with a renewed escalator for health care transfer payments and accountability measures to ensure that money for health care goes to health care.

# Questions and answers on sustainability

## 9. Wouldn't user fees be good? They would reduce abuse and raise revenues...

User fees cost more to administer than they bring in.

We already pay for health through our taxes: it's the fairest and most efficient way to do it.

User fees are inefficient and reduce access. It will mean that some people won't be able to afford to go to the hospital until it is too late and their condition has worsened. This often means more – not less – costs for the system.

Studies show access fees reduce access for those who need it the most.

Preventative health care suffers with access fees. People will avoid costs, until it is too late and require more costly emergency treatments.

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## 10. What are your solutions?

There are many proposals to better control cost and keep Medicare sustainable. We need to rely on facts and address the costs that count for real increases for health.

We want more money spent on seniors through long-term care and home care, which would reduce hospital overcrowding.

We need a national pharmacare program that will reduce costs through bulk-buying. We also need to use more generic drugs. Such changes could save \$10 billion a year in Canada. That money could be redirected to the front line of care, prevention, and caring for our seniors.

We need to make sure health care workers are able to practice to the full scope of their training and skill.

We need to invest to train more nurses and health care workers. In the long run, this will alleviate some of the pressures linked to shortages.

We need to invest more in prevention. We need to work on the social determinants of health instead of just treating illness. People who have a good supportive environment cost less in terms of hospitals or drugs. That means investments and support in education, housing, clean environment, good jobs, and reducing poverty. Educated people are healthier people. People with good, stable jobs are healthier people. People who have decent housing are healthier people. People lifted out of poverty are healthier people.

We want change. We support innovations, but within what we already know that works: the public system.