

## Standing Committee on Finance (FINA)

### Pre-budget consultations 2012

## Canadian Doctors for Medicare

### Responses

#### 1. Economic Recovery and Growth

*Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?*

Canadian Doctors for Medicare is pleased to have the opportunity to contribute to the Finance Committee's consultations. As physicians, we see a larger role for federal leadership to improve progress at the level of delivery. In conclusion, we recommend that: 1) The federal government work with provincial and territorial agreements towards a 10-year Accord in 2014 that respects the principles of the Canada Health Act, sets a strong, accountable federal role in ensuring quality, accessibility and equity across the country. 2) The federal government accept greater accountability to enforce the Canada Health Act with respect to extra billing and user fees, recognize the negative effects of for-profit, private delivery on our health care system, and apply thoughtful, consistent criteria to health care delivery models. 3) The federal government take a greater leadership role in setting and implementing national standards for quality health care by:

- Reforming primary and community health care
- Implementing electronic health records
- Widely implementing successful wait times initiatives
- Moving toward a national pharmacare program
- Placing greater emphasis on health promotion and prevention
- Focusing on quality care based on sound evidence
- Using health resources according to best practice
- Increasing access to affordable dental health care
- Optimizing the use of health human resources
- Appreciating the role of relationships

#### 2. Job Creation

*As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?*

The federal government must be aware of the effects of for-profit delivery on publicly funded services. Private for-profit firms have a clear interest in finding ways to maximize their profit. In the context of health care, this interest can conflict directly with patients' needs to access services. a) Effect on Access and Wait Times Private for-profit clinics drain the limited supply of doctors and other health professionals from the rest of the health care system, lengthening waiting lists and reducing access. Some service providers offer faster access to insured service at their clinics, but require patients to pay a membership fee or other payments in order to have access to that service. People who have not paid the fees cannot gain access. This may shorten waits for some patients who pay, but it ties up resources for the rest of the system, lengthening wait times overall. For-profit clinics tend not to serve unprofitable markets like remote and rural communities, Aboriginal communities, marginalized urban populations, and those needing complex chronic care and emergency care. They focus on affluent populations in urban centres, who face the lowest barriers to care. Private, for-profit clinics contribute least where the need is greatest, and exacerbate inequity in our health care system. b) Effect on Patient Mix in Public Hospitals Private, for-profit clinics also reduce access to those who are sickest, often "cherry-picking" the healthiest patients, who are easiest, and cheapest, to treat. Patients who are very sick, and no longer profitable to treat, are often referred back into the public system, putting added

stress on public resources. c) Effect on Health Care Costs Contrary to the belief that extra private capacity in our health care system will make wiser use of our dollars, we know that Canadians are not getting good value for money with private, for-profit delivery. Private for-profit clinics use up needed resources scheduling unnecessary procedures, reducing the services available to other patients requiring medically necessary procedures. The evidence shows that private, for-profit health care produces worse patient outcomes at higher costs than non-profit care, and orders more unnecessary tests and procedures.

### **3. Demographic Change**

*What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?*

We should be shifting from hospitals to less expensive community care in many cases. In the context of an aging population, it is clear that this is the right thing to do: Canadians want to stay at home as they age, and it also contains cost. Too many people are in expensive hospital beds when they should be in a long-term care home, or in community-based rehabilitation, or at home, receiving support. We can better manage chronic diseases in community settings instead of in the emergency room. Expanding access to these kinds of community-based health care take the pressure off of overcrowded hospitals, and it's much more cost-effective. The 2004 Accord had the stated objective of establishing and implementing a National Pharmaceutical Strategy. It's time to recommit to this goal, and to the principle that affordable access to drugs is fundamental to equitable health outcomes in Canada. Canada pays more for prescription drugs than any country within the Organization for Economic Cooperation and Development (OECD) except the United States, and we pay 30% more than the OECD average. We could establish a single national formulary of essential drugs based on independent, evidence-based drug evaluation could reduce costs by 8%. Additional savings from competitive bulk purchasing could also reduce expenditures substantially. We also see room for national leadership in evidence and translation to provide the highest quality care possible. According to the Canadian Association of Radiologists, as many as 30% of CT scans and other imaging procedures are inappropriate or contribute no useful information. A national body tasked with continuously reviewing the evidence and issuing guidance to health care providers could determine when expensive diagnostic tests, such as MRIs and CT scans, are truly needed. In a 2010 report, the Health Council of Canada cautioned Canadians that the inappropriate prescribing of drugs and over-use of diagnostic imaging can not only can harm patients, but also add unnecessary costs to the health care system. We need best practices that tell our health professionals when more tests and more drugs are not helping, and in fact, may be harmful.

### **4. Productivity**

*With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?*

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## **5. Other Challenges**

*With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?*

Canadian Doctors for Medicare believes that we must continue progress on transforming health care through a new Accord in 2014. The 2014 Accord must advance an agenda of continued improvement while adhering to the principles of the Canada Health Act, working to ensure that any reforms support a universal public Medicare system. An important part of reform begins with strong, accountable federal leadership to enforce standards across the country. Canadian Doctors for Medicare shares the deep concern of many Canadians that the federal government is abandoning the leadership needed to transform our health care system. We also share the concern that the switch to per capita funding announced by Minister Flaherty in December will also dramatically increase inequality between the provinces. Originally, the cash transfer formula ensured that provinces could meet national standards without unequal burden. A straight per capita tax transfer was seen as unfair because provinces with fewer resources would carry a heavier burden than more wealthy provinces. However, health care is about more than dollars and cents. Without federal leadership in health care, the provinces will have a difficult time independently transforming their health systems in a way that is efficient, sustainable and cost-effective. Federal leadership can help identify smart innovations in Canada, and scale them up across the country so that our best practices are not limited to isolated interventions in a single hospital or clinic. Without a federal voice we will be even farther from meeting the goals of the 2004 Health Accord, or establishing cost-saving public pharmacare and home care programs that would save money and provide better care for Canadians. And we won't get the 2014 Health Accord we need to continue to transform our health care system. We also need enforcement of the Canada Health Act, which has been sorely lacking in recent years. The recent revelation of illegal extra billing at the Cambie surgical clinic in British Columbia highlights a greater need for enforcement – clearly, the deterrents are not currently significant enough to prevent Canadians from being taken advantage of by for-profit clinics that engage in this illegal practice.