

Eye on the Economy

Health care monopoly 'under fire'

Don Mills
Atlantic Institute for Market Studies

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Generally speaking, monopolies are not good for consumers. Monopolies lead to unnecessarily higher costs and lower levels of service as a rule. As an example, the deregulation of the telecommunications industry has effectively led to better and more diverse products and services and more competitive, if not always lower, costs to consumers. Interestingly, the de-regulation of the telecommunications industry has also led to competition in the cable industry which was another monopoly. With the introduction of online channels, one has to question the long-term viability of the cable industry in its present form, when content can now so easily be delivered to consumers online.

In the health care industry in Canada, it can be argued that the single-tier, single-channel delivery model is not working the way it needs to in order to ensure the sustainability of the system. There are those who argue for the need for a two-tiered system where citizens have the right to choose private sector health services and pay for that privilege. Those with vested interests in the current

monopolistic system are not surprisingly violently opposed to such a system, as are the majority of Canadians who continue to favour a universal system, where everyone is treated equally in terms of access to health care. I am personally neither in favour of nor opposed to a two-tiered system, largely because I can accept the benefits and the drawbacks associated with such a system.

There is, however, another alternative worth considering — the introduction of privately delivered, but publicly funded health care in Canada. This is already being done in Nova Scotia on a small scale and in other parts of Canada. In Nova Scotia, Scotia Surgery, a private company, has had a contract with the province to undertake a specified number of operations for a fixed fee for several years. Curiously, the NDP government renewed this contract after previously being against the contract while in opposition. This can only mean that the contract was judged to provide good value for the money spent. There are other examples, such as the ability to pay to have blood collected and avoid the long waits in the public

system to do the same. You can also get an MRI in Nova Scotia and pay for the privilege of not waiting months to have it done in the public sector.

Having a monopoly in the health care system is certainly good for unions. The threat to limit services during negotiations has led to union agreements that are out of line with those in the private sector. As an example, health care workers are entitled to three or four more sick time days than those in the private sector and those sick days are, for the most part, taken whether needed or not, as they are considered an entitlement. This leads to higher levels of staffing and overtime than necessary.

I believe the biggest problem with a single-channel delivery system relates to accountability, especially when it comes to productivity improvement, cost management and performance management. It is difficult to manage costs if you do not have an understanding of the actual cost of delivery services. If it costs a citizen \$15 to have blood collected by a private company, how much does it cost the public sector to collect blood?

While there is little support for a two-tiered health care system in Canada, there is considerable support for privately-delivered, but publicly-funded health care. This actually happens in other countries, like Sweden. Citizens have a choice of having services provided by the private sector or the public sector with those services paid for by the government. If the private sector were provided the opportunity to compete with the public sector in the delivery of health care, wait times and the costs of health care would likely improve. The majority of Nova Scotians continue to support the idea in principle based on Corporate Research Associates (CRA) studies, especially in terms of specific services such as blood-testing, diagnostic testing and emergency clinics.

Perhaps it is time to try an alternative to our current healthcare service delivery, still funded by government, where no one can skip the queue and everyone has equal access to the health care services they need. As least we should have an adult conversation about such alternatives.



Atlantic Institute for Market Studies

1697 Brunswick Street, 2nd Floor
Halifax NS B3J 2G3
phone: (902) 429-1143 fax: (902) 425-1393
E-Mail: aims@aims.ca <http://www.aims.ca>