# Capping ingenuity limits health care

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A "Reveal" is a finger-sized, $2,000 device that is considered the gold standard for diagnosing patients with palpitations that may suggest the onset of cardiac arrhythmias, the condition that afflicts U.S. Vice-President Dick Cheney. Even though it's made in Canada, with Canadian parts, the Reveal is easier to find in Kalamazoo than in Vancouver or Toronto.

Canada has the lowest purchasing rate of the Reveal than all other industrialized countries. Instead of spending $2,000 on a Reveal, which can help stop fainting spells and seizures, Canadian hospitals will spend tens of thousands of dollars every year on screening tests followed by electrophysiology.

A typical large hospital in Toronto could see 10 patients suffering from seizures in a given year. Instead of spending the $40,000 to treat those ten patients with a Reveal -- $20,000 plus the costs of surgery -- hospitals will typically spend $4-million on tests and treatments. None of that considers the costs to an employer, and to society, of harboring people who are prone to falling on to the floor or their steering wheels without warning.

Kids get hurt too. Provincial insurance plans won't pay for implantable pumps to control spasticity in children. Public insurance in almost every industrialized country everywhere else covers such devices, even in countries, like the United States, with a healthy marketplace in private medicine. All of which means children in Canada who suffer from spasticity -- generally as a result of cerebral palsy or brain injury -- must pay for these items themselves, and then must strain to lobby beneficent doctors and administrators to have the surgery done.

"We must see the forest, not the trees," insist medicare's defenders. After all, high-tech medicine may not be a panacea. Many of the hospitals that make U.S. News & World Report's annual list of "best hospitals" often do so using a "low-tech" approach to medicine. An influential 1999 Yale University study in the New England Journal of Medicine found that surprisingly low-tech medical treatment -- such as aspirins and beta blockers -- was the trademark of a great many top-rated cardiac-care facilities. This is a trenchant observation, but heart disease and childhood spasticity are as similar as chalk and cheese. Heart disease affects a broad and vocal constituency; spasticity affects a tiny and quiescent one.

Canadian politicians are mindful of these disparities when running for office and debating the politics of medicare. In his classic analysis of political entrepreneurship, An Overgoverned Society, W. Allen Wallis noted that one of the ways that politicians compete for votes is by offering to have the government provide new services. Yet, for an offer of a "new" service to have substantial electoral impact, the service ordinarily must be one that a large number of voters is familiar with, and in fact already use.

The most effective innovations for a political entrepreneur to offer are those whose effect is to transfer from individuals to the government the costs of services which are already in existence, not to alter appreciably the amount of the service reaching the people. For this reason, medicare carries an inherent bias against the provision of innovative services and procedures. Provincial reimbursement plans are loath to add new treatments of narrow electoral benefit to the list of covered items; the same logic applies to diagnostics.

Expanding on Wallis's theory of political entrepreneurship, the economist Milton Friedman recently

observed that, "once the bulk of costs have been taken over by government" the political entrepreneur has no additional groups to attract, and attention turns to holding down costs." This, in a nutshell, is the operating ethos of hospital administrators across Canada.

Under the current regime, hospital administrators are motivated by two things: first, to balance their global budgets, set in January of each year, and second, to have their facility become known as a "centre of excellence." In order to meet either goal, it is imperative that hospitals contain costs and refrain from experimental, expensive procedures.

You've heard about how all those bean-counting MBAs at health-maintenance organizations throughout the United States limit or "cap" what types of procedures doctors are allowed to perform; the same thing happens in Canada -- but it is so commonplace that we accept it unquestioningly.

Wallis's theory of political entrepreneurship explains why broad-impact illnesses like heart disease have enjoyed exponentially more research funding than have illnesses like childhood spasticity. And so, we are years, if not decades, away from treating spasticity with the "low-tech" analog of beta-blockers. Until such time, should we refrain from treating childhood spasticity with available but expensive pain-implantation devices, anguished parents will continue to strap hockey helmets on their hyperactive children. *Adapted by the author from an essay in Better Medicine: Reforming Canadian Health Care, edited by Dr. David Gratzer. Published by ECW Press, Toronto and Montreal, 2002.*