



# CHCCG

Canadian Health Care Consensus Group

May 2006

# A Call to Action on Health Care Reform

## Consensus Group argues that better principles equal better health care

### *THE CONTEXT*

Over the past decade there have been countless reviews and reports on what should be done to reform Canada's health care system. Prescriptions have ranged from major changes in how health care is organized and delivered to variations on the status quo. Still Canadians wait too long for many essential services. Rising health care costs threaten the sustainability of the system. And there are serious concerns about looming shortages of health care professionals.

Unfortunately, much of the debate and discussion on reform has been fractious and highly charged, with the focus on strong opposing views. The fear underlying much of the debate is that any substantial changes will undermine medicare or the principles of the Canada Health Act.

The members of the Canadian Health Care Consensus Group, while committed to the principle that Canadians must have affordable, high quality and universally

accessible publicly financed health care, believe that there is an emerging consensus about the direction that reform must take. By communicating the building consensus to all Canadians and encouraging people to become involved in the process, health care reform can be driven by the very people the system was designed to serve, rather than by review boards, conflicting agendas, and fear.

### *THE PURPOSE*

Canada is certainly not alone in facing a number of challenges in reforming its health care system to meet changing needs and rising costs. While much of discussion about future directions in health care has focused on areas of disagreement, the purpose of the Health Consensus Group is to explore ideas and define an emerging consensus among prominent policy thinkers about the directions health care reform in Canada should take.

The approach is built on two highly

successful consensus groups – one in the United States (where the Galen Institute acts as its secretariat) and one in the United Kingdom (hosted by CIVITAS). Both of these groups have provided a common platform for people across the political spectrum to identify areas of agreement on future directions for health care in their respective countries.

The Canadian Health Care Consensus Group includes Canadians from a range of backgrounds and interests. Within the framework of the vision and principles outlined in this document, the Consensus Group intends to develop three or four background papers each year outlining specific areas for discussion.

Each of the background papers developed by the Consensus Group will be widely publicized and available on the CHCCG website at [www.consensusgroup.ca](http://www.consensusgroup.ca). Canadians will have an opportunity to respond to the statements, indicate their support or disagreement, and engage in discussions with other interested Canadians.

## THE THINKING BEHIND OUR STATEMENT OF PRINCIPLES

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The goal of the Health Care Consensus Group is to spur action across the country, to cut across emotional debates, and to offer real solutions that result in better health care for Canadians. The thinking behind the statement of principles that will guide the group's actions is as follows:

### Challenge No. 1: Underlying problems have not been addressed

*“Governments have promised on numerous occasions to find a solution to the problem of waiting lists. Given the tendency to focus the debate on a sociopolitical philosophy, it seems that governments have lost sight of the urgency of taking concrete action.”*

*“Access to a waiting list is not access to health care.”*

Supreme Court of Canada  
Chaoulli v. Quebec 2005

With those words, the Supreme Court of Canada issued a wake up call to Canadians and governments alike. The majority opinion found that governments could no longer promise universal access to high quality health care, put people on lengthy waiting lists, and then deny them the right to seek health care from other sources.

We believe, however, that debate in the wake of the Supreme Court's decision has focused unhelpfully on the issue of private insurance and “two-tier” access to health care. Instead we urge Canadians to think about how to harness the opening offered by the Supreme Court's decision to make health care work better for everyone.

We also urge Canadians not to be lulled into thinking the solutions lie in simply spending more money on ongoing efforts to reduce waiting times. Given past experience, increases in funding will be rapidly absorbed by predictable increases in the cost of providing existing levels of services.

The debate following the Supreme Court decision must therefore focus on developing a health care system which can provide a choice of providers and excellent care on a timely basis, including in a well-financed, high quality public system. It is our opinion this can only be done by a number of progressive reforms.

### Challenge No. 2: Debates about public vs. private care have sidetracked much-needed reform

Despite the oft-repeated mantra that Canada has the best health care system in the world, the reality is that our system is much studied by other countries but never emulated because its delivery falls far short of its promises. In fact, many industrialized democracies have health systems that far outperform Canada's.

The underlying problem with the system is that it operates

essentially as an unregulated, tax-financed, pay-as-you-go monopoly. This means that:

- all spending is regarded as a cost, resulting in counterproductive policies such as restricting the supply of trained health care professionals, an environment unfriendly to innovation in one of the world's most dynamic industries, an inability to make needed investments and renew ageing infrastructure, and reduced opportunities for a vibrant health care industry;
- most important decisions (including spending) are negotiated behind closed doors between government officials and powerful provider groups with little input from users of the system;
- the regulatory and oversight function government should play is frustrated by its conflict of interest as the ultimate provider of many health care services;
- users of the system have relatively few choices and there are few incentives for them to economize on their use of health services;
- aside from professional responsibilities, there are few incentives for improving the quality of the system and payment for services is not tied to accountability for outcomes;
- health care administrators are constantly second-guessed by senior public officials, undermining management authority and accountability;
- no reserves are being accumulated against foreseeable future demands on the system.

From experiences around the world, there is little evidence that a public sector monopoly provider is as effective or efficient in its use of scarce resources as a system of competitive providers under appropriate regulation. As noted in the Supreme Court opinion, “The evidence ... establishes that many western democracies that do not impose a monopoly on the delivery of health care have successfully delivered to their citizens medical services that are superior to and more affordable than the services that are presently available in Canada.” (Supreme Court of Canada, 140)

Our view is that a strong public sector health care system and a strong private sector health care provision go hand in hand. Far from strengthening Canada's health care system, the virtual exclusion of the private sector from Canada's health care system has deprived Canadians of innovation, investment, best practices, choice and competitive benchmarks against which to judge the performance of all parts of the health care system.

### Challenge No. 3: Patients have been bystanders in the health care system

While many reports on health care have talked about the need to “put patients first” in reality, they are, at most, bystanders in the health care system. Too often they are uninformed about decisions that affect their health or their health system while the health system operates as the almost exclusive domain of governments, health care providers and professionals, and leaders of health regions and hospitals.

Canadians are demanding a greater say in their own health and more control over health care decisions. Greater patient control over their health and medical treatments is a defining feature of a modern and progressive health care system. Therefore, meaningful health reform must transfer more choice and accountability to patients.

## THE STATEMENT OF VISION AND PRINCIPLES

### Our Vision

The Health Care Consensus Group has been formed to present Canadians with a vision of a new health care system - one that:

- respects their rights to choice, responsibility and security of the person;
- is based on individual, professional and institutional autonomy and decision making, matched by personal, professional and institutional accountability and responsibility;
- gathers and makes widely available all the information needed for patients to be well-informed in their health care choices and for health professionals and institutional administrators to be able to measure their performance against their public and private sector peers nationally and internationally;
- provides excellent, cost-effective, accessible health care.

### Our Principles

Consistent with that vision, in our health care reform efforts, members of the Health Care Consensus Group will be guided by the following principles:

- Governments should focus their efforts on ensuring that no one suffers economic hardship to obtain needed medical care, that access to care is equitable and that maximum information is made available on the performance of the health care system and its various components.
- No part of the system, public or private, should be able to consume scarce health care dollars without demonstrating that it is providing value for money.
- The current monopoly organization of Canada's health system should be replaced with a modernized system wherein the functions of regulator, provider and evaluator of health care are rigorously separated.
- Users of health care should be made powerful actors within the system by giving them more choices and more control over and accountability for a share of the health care spending they trigger.
- Providers of health care should be given more autonomy and responsibility, but in turn be held more accountable for results. To achieve this, there should be more competition among providers for the health care dollars controlled by their patients and more and better quality information gathered on quality and results of the health care system.
- Public resources should be concentrated on prevention and health services that confer the greatest public benefits and where individuals are least likely to be able to obtain appropriate and cost-effective insurance on an equitable basis.

- New ways must be found to encourage both individuals and non-governmental insurers of health services to invest more resources in health care, and to do so in a way that sets aside reserves against future demand and does not penalize low-income Canadians.

- The private sector can and should be given more responsibility for health care provision. This will allow private capital and techniques to flow into a system starved for investment and innovation while also providing a way to introduce the competitive pressures that can lead to genuine improvements in the public health care system.

- Health care innovation should be encouraged and provinces and territories should have maximum flexibility to experiment with new ways of reforming the health system.

We believe that all of these progressive reform principles are consistent with the five principles of the Canada Health Act and the original intent of Medicare.

### SIGNED BY

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