Commission on the Future of Health Care in Canada

CANADA

Commission sur l'avenir des soins de santé au Canada

CITIZENS' DIALOGUE ON THE FUTURE OF HEALTH CARE IN CANADA

WORKBOOK

Canadian Policy Research Networks

Viewpoint Learning

Workbook

Citizens' Dialogue on the Future of Health Care in Canada

A project undertaken for the

Commission on the Future of Health Care in Canada by:

Canadian Policy Research Networks

Viewpoint Learning

Table of Contents

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Dear Dialogue Participant,

Thank you for agreeing to take part in this important initiative.

Our health care system is one of our country's proudest achievements. It has served us well over the years, and many Canadians consider it to be a defining element of their citizenship.

But in recent years, despite all of its undeniable successes, it sometimes appears as though the system can no longer measure up given all the demands placed upon it.

Many Canadians cite the future of their health care system as being the single-most important issue facing the country. Indeed, my primary responsibility as Commissioner is to address the issues that are eroding public confidence in the system's future, to ensure it continues to deliver timely, quality care on the basis of need, and to recommend ways to place it on a more sustainable footing for the future.

There is considerable debate as to whether our health care system needs fine-tuning or a major overhaul. And as you might imagine, there are many different perspectives on where to look for solutions. As part of the *Dialogue with Citizens* project, you will have a chance to reflect on the relative merit of certain of these perspectives and their solutions. Each reflects some assumptions about what Canadians value most and want to see reflected in the policies and programs that define their health care system. And while each suggests a distinct path with different choices, all seek a similar destination: a modern, sustainable health system offering all Canadians timely access to quality care.

There are no right or wrong answers here. What I want from this research project is a better sense of what *you collectively* value as important and believe to be the right path to take and why. I want to understand what aspects of the solutions you prefer — and do not prefer — in order to better focus my Commission's final recommendations.

I am grateful that you have accepted to take part in this Dialogue. It is one of 12 being held across the country over the coming weeks by the Canadian Policy Research Networks and Viewpoint Learning on behalf of the Commission. I'm confident you will find the experience to be both rewarding and enriching.

Sincerely,

Roy Romanow

INTRODUCTION

The Issue

The conditions under which Medicare started in the 1960's were very different than they are now and will be in the future. The population was smaller and younger. The number and cost of services that were regarded as medically necessary were less. With an aging population and an explosion of technology that permits the health care system to offer many more services, Medicare has begun to show stresses and strains over time. **Today that stress shows up in the form of rising costs, dissatisfaction and questions about what new health services should be covered.**

Adjusting for inflation and population growth, **between 2000 and 2020 total health care spending in Canada, both public and private, is predicted to grow by 56% — from $2,626 per person to over $4,100.** Total spending will rise from $81 billion to $147 billion.

A decade ago, a majority of Canadians (61%) were satisfied with the system; today, that number has been cut in half to fewer than one in three (29%). Canadians speak of difficulties in finding a family doctor when they move to a new community.[1] They are concerned about how long people spend waiting in hospital emergency rooms, or to see a specialist or for surgery.

In the 1960s when Medicare was first introduced, it matched people's needs to be able to consult a doctor or go to a hospital when necessary. But times have changed, and **other services are increasingly important**, for example:

- **Prescription drugs** are the fastest growing component of health care costs (today we actually spend more on drugs than we do on physician services), but for most people Medicare does not cover the cost of drugs outside of hospitals;
- **Home care** has been growing rapidly, with about 1 million Canadians receiving some type of publicly funded care in their homes in 2000. Yet

[1] A recent survey found that across Canada 60% of family physicians were not generally accepting new patients. College of Family Physicians, "2001 National Family Physician Workforce Survey".

the extent to which such services are available or provided by the public system varies widely from province to province.

Canadians want to improve services not just for today but also for the foreseeable future. Large majorities of Canadians tell us that everyone should be able to access a public system for care whenever they are sick or injured, and that health care should be provided based upon need rather than ability to pay. **Citizens want to ensure that:**

- **The system will have adequate resources;**
- It will **cover the right health services;**
- The system will **function as efficiently as possible,** so that Canadians get the best possible care for the least possible expenditure of money, and
- Any and all changes made will **conform to fundamental Canadian values.**

There are, of course many different ways to achieve these objectives. **We need to work through, as Canadians, which course we want to follow — what choices and tradeoffs we are prepared to make to shape the future for our health care system.**

The Purpose of Today's Meeting

- **The purpose of today's meeting is for us as Canadians to wrestle with how best to deal with these and related challenges to the future of our health care system. We are going to spend most of the day considering four choices or scenarios for the future of health care in Canada.** Each scenario presents a realistic course we might choose for the future, and each reflects the stated views not only of experts but also of a substantial number of Canadians.
- **By the end of the day we may select one of the scenarios, we may invent a fifth made up of parts of the others, or we may end up sharply divided on which choice is best.** At the very least we will have had a good discussion and all of us will come away with a better understanding of the issues.
- **What should we expect the day's dialogues to produce?** None of us are technical experts. So we don't expect to end up with a set of expert recommendations and policies. All of us are Canadians with our own values and points of view. It is up to us as citizens to say what we want our governments to do with our tax dollars and how we want to shape our future. Experts can provide information, but they can't make those choices for us.
- **This is one of 12 dialogues being conducted across the country for the Commission on the Future of Health Care in Canada. We will report the results of these dialogues to Commissioner Romanow to help in his deliberations, and each of you will receive a copy of our report.**

Agenda for the Day

Opening comments

Initial judgment

Introducing ourselves

What we want health care in Canada to be like in 10 years

Lunch

Which choices are best to move us toward the health care system we want?

Final judgment

Identifying the most important insights from the day

Closing comments

BACKGROUND

Solutions to our current problems must be found within Canada's constitutional arrangements:

- Provincial governments are responsible for delivering health care.
- The federal government gives the provinces money to spend in accordance with the principles of the Canada Health Act. The federal government also plays a direct role in health protection and promotion, disease prevention, research and in providing health care for certain groups like Canada's First Nations.
- Of the $67.6 billion in public funds spent on health care in 2000, the provinces provided about 65%, the federal government 35%.[2]
- As a result of this division of responsibilities, while Medicare systems across the country reflect the principles of the Canada Health Act, there are differences from province to province in how they operate and what is covered.

The 5 principles of the Canada Health Act are:

1. Universality (Everyone is covered);
2. Comprehensiveness (All necessary hospital & physician services are covered);
3. Accessibility (The system is accessible to all Canadians without financial or other barriers);
4. Portability (Everyone is covered wherever they move or travel in Canada);
5. Public administration (Health care plans must be administered by public authorities responsible to provinces).

[2] The federal share of 35% includes some tax points (ie. power to tax) transferred to the provinces in 1977. If the tax points are not included, then the federal share is about 18% and the provincial share is 82%.

Today, Medicare pays 100% of the cost of all medically necessary services provided by doctors and in hospitals. But in recent years services not covered by Medicare, such as prescription drugs and home care, have become more important.[3] **Compared to most industrialized countries, Canada provides more publicly funded coverage for hospital and physician care, and less for other services such as prescription drugs and dental care.**

Canada ranks about fourth in terms of total health care spending per person compared to these same countries and approximately fifth for health outcomes.

About 70% of total spending on health care in Canada is from public funds. The remaining 30% is paid by Canadians out of their own pockets or through private insurance and goes principally for dental care, vision care, prescription drugs, home care, long-term care and the services of professionals other than doctors such as chiropractors, physiotherapists and naturopaths.

[3] For example, the cost of hospitals and doctors today represent just over 45% of total spending on health care compared to 57% in 1984.

Summary of the Four Scenarios

More public investment. The first scenario is to add more resources (such as doctors, nurses, and equipment) to deal with Medicare's current problems by increasing public spending, either through a tax increase or by reallocating funds from other government programs.

Share the costs and responsibilities. The second scenario is to add more resources to deal with current problems not by increasing public spending but through a system of user co-payments for health care services, that would provide an incentive for people not to over-use the system as well as needed funds.

Increase private choice. The third scenario is to give Canadians increased choice in accessing private providers for health care services. Side-by-side with the public system, Canadians also could access health care services from a private sector provider (either for-profit or not-for-profit) and pay for it from their own resources or private insurance.

Reorganize service delivery. The fourth scenario is to reorganize service delivery in order to provide more integrated care, realize efficiencies and expand coverage. Under this scenario, each Canadian would sign up with a Health Care Provider Network who would work as a team to provide more coordinated, cost-effective services and improved access to care.

USING DIALOGUE

Our meeting today is designed to be a dialogue. Dialogue is a special kind of conversation that draws on a diversity of points of view to develop insight and build common ground.

Debate vs. Dialogue

Debate	**Dialogue**
Assuming that there is one right answer (and you have it)	Assuming that others have pieces of the answer.
Combative: attempting to prove the other side wrong	Collaborative: attempting to find common understanding
About winning	About finding common ground
Listening to find flaws	Listening to understand
Defending your assumptions	Bringing up your assumptions for inspection and discussion
Criticizing the other side's point of view	Re-examining all points of view
Defending one's views against others	Admitting that others' thinking can improve one's own
Searching for weaknesses and flaws in the other position	Searching for strengths and value in the other position
Seeking an outcome that agrees with your position	Discovering new possibilities and opportunities

GROUND-RULES FOR DIALOGUE

1. **The purpose of dialogue is to understand and to learn from one another (you cannot "win" a dialogue).**

2. **All dialogue participants speak for themselves, not as representatives of special interests.**

3. **Treat everyone in a dialogue as an equal: leave role, status and stereotypes at the door.**

4. **Be open and listen to others even when you disagree, and suspend judgment (try not to rush to judgment).**

5. **Search for assumptions (especially your own).**

6. **Listen with empathy to the views of others: acknowledge you have heard the other <u>especially</u> when you disagree.**

7. **Look for common ground.**

8. **Express disagreement in terms of ideas, not personality or motives.**

9. **Keep dialogue and decision-making as separate activities (dialogue should always come before decision-making).**

10. **All points of view deserve respect and all will be recorded (without attribution).**

FOUR SCENARIOS

Scenario 1 — More public investment

Introduction

The first scenario is to add more resources (such as doctors, nurses and equipment) by increasing public spending in order both to deal with Medicare's current problems and to meet future demands (including a growing and aging population and the increasing cost of new technologies and treatments).

People who support this scenario tend to believe that Medicare's problems are due to inadequate public funding. What we need to do is to increase public spending either through tax increases or reallocating funds from other government priorities to improve service and access.

Background

- **In the early to mid 1990s, as governments grappled with deficits, rates of growth in health care spending dropped significantly. Overall, public spending on health care, which had been growing at a rate of about 7% each year, stopped growing and even declined briefly.**
- **Funding began to increase significantly again in the late '90's**, and in 2000 the federal government committed an additional $21.2 billion over five years to health care system renewal.
- In the future, just to maintain the status quo, provincial governments say that health spending will have to grow by 5% per year. This means that **while today health care accounts for more than a third (39%) of total program spending by provincial and territorial governments, it will reach 45% of their total program spending by the year 2020, perhaps forcing cuts in other important priorities such as education.**
- If we decide to improve the system and increase coverage to include things like prescription drugs and home care those costs would increase even more.
- Studies show that the health care system (for example, doctors and hospitals) is only one contributor to health outcomes (how healthy people are). Also very important are factors such as socio-economic status (income and education), genes and physical environment.

Survey Results Supporting This Scenario

- Canadians **strongly support the current system** of universal, publicly financed health care: 88% rated it as "very important."
- While public satisfaction with the health care system has dropped by more than half in the last decade, most Canadians (80%) who actually received health services in the last year **rated the quality of care as excellent or good**.
- A majority of Canadians (54%) believe that the government should cover rising health care costs by **significantly increasing spending.**
- Three-quarters of Canadians (76%) feel that their health care system is facing a **major funding crisis**.
- Most (86%) feel that the **government should pay for health care for all people** rather than for paying for low income people only or having individuals pay on their own.
- Nearly 80% believe that **care should be based on need**, not on ability to pay.
- Four out of five Canadians (82%) feel that Canada's health care system is a **crucial part of the national identity**.

KEY ELEMENTS OF THIS SCENARIO

- **The range of services covered by Medicare would remain essentially unchanged, and there would be no fundamental changes in the way that health care services are organized and delivered.**
- **Increased public spending would be sharply focused on adding resources (such as doctors, nurses, equipment**) in order to meet increasing demand and deal with service problems, such as long waiting times and the small number of doctors willing to take on new patients.
- **At the very least**, an additional $4.2 billion would be necessary by 2005 to meet demand (and, this does not include the costs of new diagnostic and treatment technologies nor the cost of adding home care or pharmacare if we decide to do that). **For example, by 2005,**
  - **. A low income individual would be paying $85 more in taxes.[4]**
  - **. A middle income individual would be paying $285 more.**
  - **. An upper income individual would be paying $630 more.**
- To meet increasing demand by the year 2010 would require a further increase of at least $9.5 billion in spending. **This would mean that on average personal income taxes would be 12 percent higher than in 1999. By 2010,**
  - **. A low income individual would be paying $265 more**
  - **. A middle income individual would be paying $905 more**
  - **. An upper income individual would be paying $2,000 more**
- To avoid the tax increases, the rising cost of Medicare might be met by transferring funds from other government services such as education.

  For example, to avoid the tax increase in 2005, governments would need to reduce education spending by 6%. To avoid the tax increase in 2010 would require even greater cuts in education or other government services.

[4] Low income has been defined as $20,000-$25,000; middle income as $40,000-$50,000; upper income as $70,000-$80,000.

PROS:

ARGUMENTS IN FAVOUR OF SCENARIO 1:

MORE PUBLIC INVESTMENT

- **If it isn't broken, don't fix it.** Medicare is basically sound. Its problems, such as long waiting times, are primarily due to inadequate funding. To reverse recent deterioration we simply need to restore an adequate level of public funding.
- **Public funding is the fairest way to provide the increased resources** for health care we need.
- **Our health care system is an essential part of what it means to be Canadian.** We must not starve it of the public investment it needs to stop and reverse the deterioration of recent years.
- **We need to face the facts:** we need to pay more now and the costs will continue to increase. We should be willing to pay more taxes to provide good quality, reliable health care for all Canadians.
- **When it comes to changing Medicare, we should be very careful.** We should make only those changes that are absolutely necessary to preserve it.
- Drastic changes always have unanticipated consequences. **Large-scale changes in the health care system may make things worse rather than better.** This scenario allows for gradual improvements as we gain experience.

CONS:

ARGUMENTS AGAINST SCENARIO 1:

MORE PUBLIC INVESTMENT

- **We can't afford to keep the current system as it is**. Taxes will keep going up and up, or else we'll have to rob money from other important priorities such as education.
- The health care system is only one contributor to health outcomes. **It makes no sense to transfer funds from other areas such as education and social assistance that also contribute greatly to good health outcomes.**
- **Canada is a lot more than its health care system, that's not what defines our national identity.** We need to be pragmatic and design a more workable system. We can't afford to have health care eat up more and more of our budget.
- **We need to find ways to modernize a system that was designed in the '60's; we need to introduce efficiencies and innovations.**
- The current system provides few incentives to save money. Adding more tax dollars won't solve that; it may even make it worse. **We need to reform the system before raising taxes.**
- **Preserving the current system doesn't go far enough**, we also need to add coverage for home care and prescription drugs and other services that are becoming much more important and costly. That will increase taxes even more.

Scenario 2 — Share the costs and responsibilities

Introduction

The second scenario is to add more resources to deal with current problems not by increasing public spending but through a system of user co-payments for health care services that will provide an incentive for people not to over-use the system as well as needed funds.

People who support this scenario tend to believe that we should add more resources to deal with problems, but not rely on public spending to do so. Instead we should share those costs with users — provided that lower income Canadians are fully protected. In this way we can provide an incentive for people not to over-use health services, and ensure that the additional monies paid by Canadians go directly to health care.

Background

- **Just to maintain the status quo, it is predicted that provincial and territorial governments will have to boost their health care spending from 39% of their total program spending today, to 45% of their total program spending by the year 2020.**
- Looked at differently, **to preserve the existing level of services, public spending on health care is expected to grow by 58% per person over the next 20 years.** The increase will need to be even greater if coverage is expanded to include things like home care and prescription drugs. **By comparison, spending on all other government services will increase by 17% per person.**
- **In Sweden, people pay about $15 when they visit their doctors and about $30 when they consult a specialist. In France, people pay about $30 when they visit their doctors and $40 to see a specialist.**

Survey Results Supporting This Scenario

- Most Canadians (81%) predict that the system will be **more expensive to maintain** in the future.
- Two thirds (66%) believe that **many Canadians misuse the health care system** and that this increases costs.
- The vast majority of Canadians (87%) rated people's **unnecessary use of services** (for which there is no out-of-pocket fee) as the leading cause of the system's inefficiency.
- 70% of Canadians say that **those who can afford it should pay more** of their health care costs, only 31% say that the money should come from increased taxes.
- To increase the health care budget, more than half of Canadians (56%) favour **collecting user fees from those who use the system more** than a certain amount, and 42% support hospital user fees.

KEY ELEMENTS OF THIS SCENARIO

- **There would be no increase in tax rates to fund health care. The range of services covered by Medicare would remain unchanged.**
- To expand resources in 2005 and in 2010 to deal with current service problems, meet increasing demand, and at the same time discourage over-use of the system, **health services would require a co-payment by users.**
- **The co-payments of lower income Canadians would be subsidized.**
- **For example, in 2005, each Canadian might pay $30 for doctor visits, $55 to see a specialist and $30/day for hospital stays. In one year the maximum amount that any Canadian would be required to pay for these services would be $500.**
- **In 2010 (to cover the continually increasing cost of the health care system) patient co-payments might need to be raised to $60 for doctor visits, $120 for specialist consultations and $60/day for hospital stays. In one year the maximum amount that any Canadian would be required to pay for covered services would be $3,000.**
- If coverage is added for home care and pharmacare there would need to be further increases in user co-payments.

PROS:

ARGUMENTS IN FAVOUR OF SCENARIO 2: SHARE THE COSTS AND RESPONSIBILITIES

- **The present system leads to over-use.** User payments will do the opposite: they give people an incentive *not* to over-use the system —to think twice before they use it.
- **Those who use the health system extensively should pay more than those who use it very little.**
- **This scenario will make it unnecessary to increase our tax burden, which is already high enough.** Especially in a globally competitive world we cannot allow our personal tax rates to go any higher.
- **This ensures that additional monies paid by Canadians go directly to health care**, and strengthens the sense of accountability that providers feel toward patients who will be paying some of the costs out of pocket.
- **Since lower income Canadians will have their co-payments reduced or eliminated, fairness will be preserved.**
- **Other countries in Europe and elsewhere (for example Sweden and France) already have such user co-payments** as part of their public health care systems.

CONS:

ARGUMENTS AGAINST SCENARIO 2:

SHARE THE COSTS AND RESPONSIBILITIES

- **User payments will discourage people who need health services from seeking them**, especially those who feel they cannot afford them. It will discourage early treatment, and we know that early treatment leads to better outcomes and lower health care costs overall.
- **There is no clear evidence that over-use of health care services is a major problem.**
- **Each Canadian will pay twice for health services** received — continued high taxes and more out of pocket.
- **Most of the spending on health care is beyond a patient's control** — visits to specialists, all hospital care and prescription drugs are usually given on a doctor's order.
- **The cost of administering a system of patient co-payments can be substantial.**
- **This scenario puts the burden on patients, it doesn't ask doctors or hospitals or others to share the costs.**

Scenario 3 — Increase private choice

Introduction

The third scenario is to give Canadians increased choice in accessing private providers for health care services. Side-by-side with the public system, Canadians also could access health care service from a provincially licensed private sector provider (either for-profit or not-for-profit) and pay for it from their own resources or private insurance.

Those who support this scenario tend to believe that the best way to protect our system of health care, deal with service problems and expand coverage is to encourage greater private sector investment to reduce pressure on the public system and to give Canadians more alternatives and service options.

Background

- As a rule**, Canadians cannot buy private insurance for publicly insured services**. If they visit one of the very few doctors who have opted out of Medicare they must generally pay out of their own pocket.
- **The law says that doctors must choose either to provide services under Medicare, or to opt out** and bill patients privately. They cannot do both but must choose to work either within or outside Medicare. In reality, in a number of Provinces doctors working in the public system also provide the same medical services in private clinics where patients pay out of their own pockets. Provinces allow this as a way to reduce pressure on the public system.
- Most doctors work as self-employed individuals. Over 95% of hospitals are private entities; **but most are not-for-profit organizations.** Within hospitals, private contractors provide many services such as laboratories, catering, maintenance and security.
- **In some provinces, private clinics provide medical, surgical and diagnostic services and charge individuals directly.** This is acceptable as long as they do not also bill provincial insurance plans. For example, there are private MRI clinics in British Columbia, Alberta, Ontario and Quebec.
- **In some instances, provincial health authorities purchase procedures and treatments for patients from private clinics** and this is acceptable as long as the clinics do not bill patients extra for those services (extra billing).

Survey Results Supporting This Scenario

- Three out of four (73%) feel that Canadians **should have the option of turning to a private facility** when the public system does not provide timely access to health care services.
- Nationwide, 15% of Canadians say they have been **unable to obtain health care services** when needed (up from 2% in 1989).
- Majorities of Canadians fault the system's performance when it comes to **waiting for health care services**: in the emergency room (72%), for specialists (69%), for prescribed surgery (64%), and for non-emergency surgery (61%).
- 47% of Canadians agree that it is all right if Canada's health care system evolves into a **two-tier system** where both privately owned and public health institutions offer all health services.
- Canadians feel more **empowered to make health care decisions.** More than two-thirds (69%) ask their doctors questions about medications being prescribed, and nearly three-quarters (72%) say they prefer their doctor to offer them choices among various treatment options.

KEY ELEMENTS OF THIS SCENARIO

- **The range of services covered by Medicare would remain unchanged.**
- **Private clinics (either for-profit or not-for-profit), that are licensed by the provincial government so that they meet the same quality standards as the public system, could provide all health care services and be paid either under Medicare or privately. When they are paid under Medicare, the private clinics would be prohibited from billing patients extra.**
- **Patients would have the option of receiving health care services either from the public system as at present or privately. When they choose the private option, patients would pay 100% of the cost of health care services they receive. The difference is that instead of having to pay that amount out of their own pocket, they now could choose to purchase private insurance either individually or through group plans (for example, at work).**
- **Doctors and other health care providers would no longer have to choose either to be part of Medicare or to opt out. Instead they could make that choice along with their patients case by case** — choosing in what cases they will work under Medicare and in what cases they will bill privately.
- If coverage is expanded to include pharmacare and home care, this would be done either through an increase in public spending (as in scenario #1) or through a subsidy to Canadians to help them purchase private insurance.

PROS:

ARGUMENTS IN FAVOUR OF SCENARIO 3:

INCREASE PRIVATE CHOICE

- **This scenario does not change the existing public system of health care. It avoids the increase in public spending in Scenario 1 and the mandatory user fees in Scenario 2.**
- **It makes sense to encourage private investment to take pressure off the public system.** That investment will be essential to deal with increasing demands in the coming years without huge tax increases.
- **It is important to give Canadians more options in accessing health care.** This will result in quicker service, less waiting time, and fewer lost hours at work.
- **Providing private sector alternatives will create competition and incentives to innovate and improve service.**
- **Canadians want greater choice to select the health care services of greatest value to them and their families.** Private clinics that provide such services already are springing up across the country.
- **Some Canadians already spend their own money to improve their health care by going to the U.S. for services. All Canadians should be able to do this without leaving the country.**

CONS:

ARGUMENTS AGAINST SCENARIO 3:

INCREASE PRIVATE CHOICE

- **This creates a two-tier system of health care nationally. It accepts the idea that those with more money should be able to jump the queue and get faster or better service.**
- **The real effect will be to diminish the quality of service to Canadians who do not have additional private insurance. The poor will be at a disadvantage;** they don't have the resources to pay premiums for additional private health insurance coverage. Over time, to reduce costs, governments will cut back the services available publicly, forcing people to pay privately for those health care services or to go without.
- **Costs will increase overall.** Some Canadians will be paying twice for health care services, first through taxes and then through private insurance or out-of-pocket payments.
- **The private sector providers will accept healthier patients who can pay but will turn away those who are high risk.** The public system will be left to deal with those who are poorest and most ill.
- **This scenario will help those with money to obtain a health care service more quickly, whether they need it or not.**
- If they don't have to opt out of Medicare entirely in order to work in private clinics, **the best medical professionals will be attracted to put more of their time into the private clinics, diminishing the quality of service in public hospitals** and health care facilities.

Scenario 4 — Reorganize service delivery

Introduction

The fourth scenario is to reorganize service delivery in order to provide more integrated care, realize efficiencies and expand coverage. Under this scenario, each Canadian would sign up with a Health Care Provider Network who would work as a team to provide more coordinated, cost-effective services and improved access to care.

Those who support this scenario tend to believe that adding resources to our health care system indefinitely — whether through increased public spending, user fees or private investment — is not responsible or sustainable. The long-term solution is to reorganize the delivery of health care services to remove incentives that now encourage fragmented treatment, waste and misuse, and replace those with incentives that encourage coordination, efficiency and improve the quality of care.

Background

- Medicare pays doctors' fees but rarely pays those of other professionals. **Since Medicare won't pay for the services of others, there is an incentive to use the relatively expensive services of a physician even when a less costly professional might be able to provide the service.**
- Doctors are usually paid on a **"fee-for-service"** basis, which means they get paid a prescribed amount for a particular procedure or service, no matter how much time they spend. **This arrangement provides an incentive for doctors to operate on their own, pay less attention to coordinating care with other professionals, adopt a procedure-by-procedure perspective, speed up visits and schedule multiple visits, provide services that take very little of their time and stop providing services that require more time.**
- **A majority of physicians** (6 out of 10 in a survey by the Canadian Medical Association**) would prefer a different system of compensation — either a salary or a blending of salary and fee for service.**
- **Nine out of ten of the people who arrive at hospital emergency rooms don't really require emergency care**.
- **Across Canada there are a number of health care reform initiatives underway**; pharmacists with special training are working more closely with physicians, multi-disciplinary group practices are being organized, various new approaches to paying professionals are being adopted. In a number of provinces, telephone advice lines have been implemented successfully and have reduced pressures on hospital emergency rooms.

Survey Results Supporting This Scenario

- Three out of four in Ontario (76%) feel that **money alone will not solve the problem** of securing health care for the future.
- Nearly three-quarters of Canadians (74%) would **prefer to see a family doctor who works as part of a team** rather than one who practices on his or her own.
- Almost half the residents in Saskatchewan (49%) think that Primary Health Service Teams would **improve the quality of care** they receive.
- For routine health care services, a majority of Canadians (54%) say they would be **satisfied to see a specialized nurse** rather than a doctor (an additional 25% had no strong objections).
- A majority of Canadians (51%) would put more emphasis on investing in new approaches like **community care and early prevention** than on investing more in the current system.

KEY ELEMENTS OF THIS SCENARIO:

- **Each family and individual would enroll with a multidisciplinary Health Care Provider Network** (including doctors, nurses, nutritionists, pharmacists, psychologists and others) **who would work together as a team to provide integrated care in the most cost-effective way. The Network would provide primary care and connect their patients to any additional care required,** including hospitals, home care, palliative care, and prescription drugs.
- **Individuals and families would receive their health care services through that Network, and could change their enrollment only once a year or when they move out of the area.**
- **Each Network would provide or be affiliated with a clinic that is open 24 hours a day, 7 days a week, and provides both walk-in service for registered patients and telephone advice.**
- **In rural areas** Networks would need to cover larger geographic areas and there may be only one network in each area. In those areas, **special arrangements would be made to ensure comparable levels of service.**
- **Medicare would pay each Network a negotiated amount of money each year for each individual or family they have enrolled,** to provide primary care and to purchase any additional services required from hospitals and specialists. Additional funds would be provided for special needs populations (e.g., those who require dialysis).
- Because each Network would receive a fixed amount of funds from Medicare each year per person enrolled, there would be an incentive to provide service in the most cost effective way. **For example, a patient would not see a doctor when a nurse or other professional could provide the needed care. The Networks also would have an incentive to emphasize prevention and to provide patients with information and education that would allow them to assume more responsibility for their own care.**
- **The reorganization would be designed to integrate and improve service, expand coverage** (to include home care and pharmacare), **and provide efficiency gains that would reduce the increase in public spending required (compared to Scenario #1).**

PROS:

ARGUMENTS IN FAVOUR OF SCENARIO 4: REORGANIZE SERVICE DELIVERY

- **The new Provider Networks will provide one-stop-shopping** — patients and their families will have better and faster access to a wider range of health care providers and services, which now also will include home care, palliative care, prescription drugs and more.
- **By working together as a team, providers can offer more coordinated, seamless and efficient care,** reducing unnecessary services or patient visits, avoiding conflicting prescriptions, and **treating the "whole person".**
- **Patients will receive access to a clinic and telephone advice available 24/7**, increasing the level of service while reducing unnecessary demands on hospital emergency rooms.
- Because of their fixed per-capita level of funding, **Provider Networks have a strong incentive to encourage prevention and provide the most cost-effective care.**
- **Physicians and other providers in a Network will have more predictable hours and income**, and a much greater ability to share the heavy demands of patient care and running a practice.
- **By changing incentives and organizing health care services more efficiently we can keep health care costs from spiraling out of control.** This is a much more sustainable approach. We can provide better service and increased coverage while limiting the escalating need for more taxes, user fees or private sector investment.

CONS:

ARGUMENTS AGAINST SCENARIO 4:

REORGANIZE SERVICE DELIVERY

- **By confining people to the Provider Network with which they are enrolled** (and can change only once a year or when they move out of an area), **Canadians will be directed into Networks that can easily become bureaucratic, rigid and unresponsive.**
- **The link between a patient and his or her primary care physician** is very important, and that **will be weakened or destroyed.**
- When the Network insists that you see someone who is not a physician, it may be taking an unwarranted risk with your health in order to save money. However good the intentions may be, **quality of care will inevitably be sacrificed to an impersonal system concerned above all with cutting costs rather than with quality of care.**
- **It will be much more difficult to get a real second opinion** when you want and need one.
- **We are asking people to change the way they seek health care, and there is bound to be stiff resistance. We are also asking physicians and other health care providers to dramatically change the way they work. That's a lot to ask and morale is bound to suffer.**
- **The transition to this new organization of primary health care will be complicated and costly, and there may not be significant savings even in the longer term.**