

Mixed reaction to federal budget from health groups

Major health-care lobby groups in Ottawa were pleased that last week's federal budget kept the government's promise not to touch health transfer payments to the provinces and territories.

"Canada's doctors are pleased to see that the federal government isn't planning to balance the budget on the backs of Canadian patients," CMA President Dr. Anne Doig said in a news release.

Dr. Doig's sentiments were universally shared by other groups who were also pleased that the delayed \$500 million funding for Canada Health Infoway in the last budget will finally be released.

Dr. Karen Cohen, the executive director of the Canadian Psychological Association and co-chair of the Health Action Lobby, a consortium of some 37 groups, was also relieved to see the Infoway money would be forthcoming. She said accelerating the introduction of new information technologies "can have a powerful and transformative impact on the health system."

The Canadian Healthcare Association was disappointed there was nothing in the new budget to reduce poverty among seniors even though the Speech from the Throne said the government will be addressing the demands of the aging population.

The CHA mentioned two things it would have liked to have seen: adjusting pension plan rules to exclude low-earning years when people have been providing care to sick family members; and, the introduction of a social insurance model for long-term

(See "**Budget**" on page 4)

Ontario embarking on a path of 'constant' health reform

The Ontario government is planning to have a serious conversation with the people of the province about the sustainability of health care which currently consumes 46 cents of every program dollar and could reach 70 cents in another 12 years.

In This Issue:

- ◆ *Overcrowded Quebec ERs and delayed cardiac surgery2*

Sustainability of health care concerns Canadians

Canadians are concerned about the sustainability of health care, a recent Ipsos-Reid poll for the Canadian Medical Association has found. Six-in-10 respondents agreed that health care will eclipse other public spending priorities.

Asked what their remedies would be, Canadians were almost unanimous (91 per cent) in saying that making the health care system more efficient and effective was the best way to slow down growing health care costs. However, only a third (35 per cent) are confident that governments and administrators are up to the task.

Respondents were also asked about ways to fund health care, and only about a third were in favour of raising taxes. The idea which got the most support was to "develop a contribution-based Canada Health Plan" similar to the Canada Pension Plan to set aside financial resources for people who need health care.

(See "**Poll**" on page 4)

In a Speech from the Throne which opened a new session of the legislature Monday, the government said the question is how to continue funding health care without crowding out other priorities like education and economic development.

"That is a discussion that will happen, sooner or later, in every Canadian province and territory," the Speech said, adding that Ontario plans to lead the "national dialogue."

No timetable or process was mentioned in the Speech for how the government intends to hold this dialogue, but it listed a number of changes the government has in mind.

To begin with, it will be taking steps to achieve savings in the drug plan. The government wants to lower the price it pays for generics which could mean a further reduction in rebates pharmacies receive from manufacturers to stock their products.

Health and Long-Term Care Minister Deb Matthews told the Toronto *Sun* after the Throne Speech that the government has been "in pretty intense conversations over the past month" with various groups over the issue, but she is optimistic of reaching a new deal.

The item which really grabbed people's attention is the government's intention to use a patient-based approach for funding hospitals where the "money will follow the patient." This suggests a shift to what is called activity-based funding or ABF in which hospitals are paid for ser-

(See "**Ontario**" on page 2)

("Ontario" from page 1)

vices actually delivered. However, at this point, it is not exactly clear what the government has in mind.

Over the last few years, it has been introducing a new method of divvying up the health budget between the 14 Local Health Integration Networks (LHINs) in the province.

It is called the Health-Based Allocation Model or HBAM and takes into account such things as health status and demographics of the LHIN population to ensure equitable distribution of funds. The LHINs then spread the money around the various institutions, but there is no precise formula for doing this and it is still largely based on historical spending patterns.

And there is also a pay-for-results program that is part of the province's Wait-Time Strategy. It provides incentives for hospitals achieving targets for wait times and patient volumes in certain areas.

The list has been expanded over time to seven services: general surgery, cancer and cardiac care, pediatric and orthopedic surgery, cataract removals and diagnostic scans. About half the province's 154 hospitals apparently receive funding from this program and the government would like to see it expand.

Activity-based funding is being pushed by the Canadian Medical Association, and it has the support of the Ontario Hospital Association although it says it cannot fairly be used for teaching hospitals and those in small communities where competition between facilities for the patient business is not practical.

Health Minister Matthews agrees that rural and small hospitals will still need a global funding model, but she told reporters Tuesday that the transition to more patient-based payments will drive efficiencies in the health system.

(See "ABF" on page 4)

Hansard Highlights

Debates in provincial legislatures and House of Commons

In **Quebec's** National Assembly this week, question period has been dominated by the issue of **overcrowded hospital emergency departments and delayed cardiac surgeries** which have claimed the lives of a number of Quebecers.

Two cases have been particularly highlighted in blanket media coverage. Last Friday, a 65-year-old retired police officer died after waiting six months for heart surgery. It had been delayed because of a lack of intensive care beds at the Centre hospitalier de l'Université de Montréal. Late last month, an 86-year-old woman with Alzheimer's spent four days on a gurney at Montreal's Maisonneuve-Rosemont hospital and died the day after a bed had been found for her.

On Tuesday, Parti Québécois Opposition Leader Pauline Marois reminded Premier Jean Charest of his promise in the 2003 election campaign "to eliminate waiting once and for all." She said urgency wards now overflow like never before, and people die there because they are forgotten in the corridors.

Mr. Charest acknowledged "there are still problems in the health system" but he claimed that wait times have improved since his party took office. He also tried to put the blame on the mess in health care he said he inherited from the PQ government. Health Minister Yves Bolduc described the patient deaths as both "regrettable" and "unacceptable" but he was criticized for telling the media it would take another five years to fix the situation.

Dr. Bolduc has said the root of the problem is the shortage of nurses, particularly in intensive care. At a news conference Monday, he told reporters that nurses have been offered premiums of seven to 10 per cent to

work in ICU. "If these premiums did not exist, it would be worse," he said.

He also pointed out that the majority of heart patients get their surgery within three months. However, *La Presse* reported Tuesday that only 76 per cent of patients are in this fortunate position.

In the legislature, the health minister said that although it will take another five years to finalize improvements, there will be significant improvements each year. He did not specify what steps the government has in mind to improve the situation.

The **Saskatchewan** legislature returned this week, and on Tuesday the NDP Opposition raised the issue of the **shortage of physicians in rural areas**. NDP Leader Dwain Lingenfelter said "doctor vacancies in the province have risen by 50 per cent." He also noted that the main issue for the Saskatchewan Association of Rural Municipalities is the lack of doctors and some communities are paying as much as \$800,000 in recruitment and retention efforts.

Premier Brad Wall said the current situation is an improvement over when the NDP was in power, but he acknowledged "these are still issues to be sure, the number one issue in the province of Saskatchewan. There is work to be done."

On Tuesday, Health Minister Don McMorris was questioned about **possible cuts to chiropractic services** in the March 24 budget. Mr. McMorris observed that many provinces have moved away from covering these services, but refused to say whether they would be a victim of budget cuts. He did say there are a number of services that "aren't dictated by the *Canada Health Act*. We have to look at all of those services and decide whether we should cover them or not."

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Health care in Nunavut received a 2.5 per cent spending increase in the 2010-11 budget tabled Monday. Total spending will be \$175.1 million but that includes almost \$48 million just for medical travel. The government says health spending is outstripping growth in federal transfer payments and population growth in the territory which totals about 30,000 people, most of whom are Inuit. The budget papers say there is evidence that primary-care skills of many community health nurses have failed to keep up with advances in medical practice, which has resulted in a large number of referrals to services in the capital of Iqaluit. Medical travel costs also include the transfer of patients to services outside the territory, but the government is hoping that the opening of new regional health centres in Rankin Inlet and Cambridge Bay will help. (Budget at www.finance.gov.nu.ca/apps/authoring/dspPage.aspx?page=home)

Alberta Health Services has released a summary report from the Health Quality Council on an investigation of four adverse events earlier this year at the Alberta Children's Hospitals. The full report was withheld for confidentiality reasons, but Health Minister Gene Zwozdesky promised Wednesday that it would be out in 10 days after the Opposition suggested the government was involved in an AHS cover-up. The incidents involved three cases of medication mix-ups and one case of the wrong breast milk being given to a baby (although this problem has occurred in the hospital before). The summary report said communication problems, including lapses in quality controls, as well as incorrect use of equipment were behind the errors. (*Calgary Herald*, Mar. 10,11; Executive Summary of report at www.hqca.ca) ... **Alberta Health Ser-**

vices has begun contract negotiations with the United Nurses of Alberta and opening proposals were exchanged. On Tuesday, the president of the 24,000-member union said AHS is after rollbacks in 34 of 44 negotiating areas. The union has asked for a four per cent raise each year of a two-year contract while AHS is offering no increases in the first two years of a four-year deal and just a cost-of-living raise in the last two years. Experts say the outcome of the nursing negotiations typically sets the tone for what happens in other health sector bargaining. (*Calgary Sun, Edmonton Journal*, Mar. 10) ... **Quebec's general practitioners want the government to close their earning gap with specialists** from 55 to 20 per cent, something the federation of general practitioners of Quebec (FMOQ) says would cost \$430 million. The average Quebec GP makes \$230,000 a year before expenses. FMOQ, which is readying for contract negotiations with the government, is also after incentive payments for GPs to take on additional patients. It is estimated that the province is short some 1,100 GPs and 25 per cent of the population does not have a regular doctor. **FMOQ is also concerned that it does not have a firm agreement with the government covering their involvement in a pilot project of electronic health records** in the Quebec City area. The much-troubled pilot has been underway for two years but technical problems had forced pharmacists to withdraw because it was compromising their own systems. They have only just agreed to try again with one pharmacy participating. (*La Presse*, Mar. 10, *Le Devoir*, Mar. 11; News release) ... **The launch of Nova Scotia's electronic health record has been pushed back three months** due to the fact that health system resources

were tied up with the H1N1 pandemic. The Secure Health Access Record (SHARE) will now be launched this June and include provider and client registries, data from hospital information systems, and the PACS system containing digital diagnostic images. Other elements will be added a later time. (Canadian Press, Mar. 10)

International medical graduates in Ontario no longer have to first work for five years in rural and northern communities in exchange for postgraduate training opportunities. They can now practice in any community outside the Toronto area and Ottawa. The government has also introduced the Northern and Rural Recruitment and Retention Initiative which will provide grants to doctors and new doctor graduates who agree to practice in a northern or highly rural community. It replaces the underserved area program which provided incentive payments to small communities for them to use in attracting physicians. The government has introduced a rating system to assess the eligibility of communities for Initiative. (News release at www.news.ontario.ca/mohlrc/en/2010/03/improving-access-to-health-care.html)

British Columbia has a three-pronged strategy for dealing with rising health costs, Health Services Minister Kevin Falcon told the *Vancouver Sun*: using incentives to promote healthier living; expanding pay-for-performance approaches being tested in a number of hospitals; and, increasing the level of primary care. He also has an idea for raising funds: medical tourism. He said there is no reason why the health system cannot attract foreign patients like universities do with foreign students. "Why can't British Columbia be the Mayo Clinic of the North?" he asks. (*Vancouver Sun*, Mar. 6,10)

(“Budget” from page 1)

care costs.

The Canadian Nurses Association said the budget did not go far enough at what it sees as a critical juncture for health care in Canada.

“We see this federal budget as a missed opportunity to initiate a much-needed transformation of the health system,” CNA President Kaaren Neufeld said in a news release.

The CNA says strategic investments are needed to put more emphasis on keeping people healthy although it was pleased there was some spending in this area. ParticipACTION, for example, received \$6 million in the new budget.

The nurses did like the fact that there is more money for health research, but CNA CEO Rachel Bard said the amounts are “far too modest to fuel the significant changes needed to build the health-care system of tomorrow.”

However, the Association of Canadian Academic Healthcare Organizations (ACAHO) said the research investments show the government recognizes the role that research hospitals and their research institutes play in advancing the country’s innovation agenda.

It pointed to the \$16 million for the Canadian Institutes of Health Research, \$45 million over five years for post-doctoral research fellowships, and \$8 million to support the indirect costs of research programs, among other spending items in the new budget. **HE**

(“Poll” from page 1)

Two thirds liked the idea of a Registered Health Savings Plan for people to save money on a tax-free basis for health services that are not included in public health plan coverage.

A link to the report can be found at: http://www.cma.ca/index.cfm/ci_id/8698/la_id/1.htm. **HE**



Editorials & Commentary

Health care in “perpetual crisis”

Le Devoir editorial writer Jean-Robert Sansfaçon (Mar. 11) says the Canadian health system “is in perpetual crisis” for several known reasons which are nonetheless difficult to eliminate. He cites, as an example, the fact that emergency wards overflow because hospital beds are occupied by chronically-ill patients who are waiting for a place in long-term care.

What is missing, he says, “is the money and the political courage to change things.” The system will always be short of money, he adds, because everyone is after access to top-quality care. If so, then people will have to be prepared to provide through their taxes the necessary revenue to bump up health spending by four or five per cent each year.

But he says there is also a need to

determine the right priorities, and to carry out difficult negotiations with physicians and trade unions. He points out that about half of the \$10 billion in new money put into the Quebec health system over the past five years has gone to wage increases and wage equity adjustments. In this vein, he says, the time has come to move on with the reorganization of work in order to improve productivity and increase job satisfaction.

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(“ABF” from page 2)

The Ontario Council of Hospital Unions disputes this. It says the government is undermining the most efficient hospital system in the country by bringing in competition. Ontario has the lowest per capita hospital costs of any province.

The Council says the UK equivalent of activity-based funding has been controversial, and notes that a recent study by the London-based Civitas Institute concluded that the National Health Service has incurred the costs of competition without reaping any of the benefits.

Mixed in with these developments is the promise in the Speech that “Patients will have greater choice about where they can access the best quality treatment.” Again, no further detail was provided, but it may suggest the creation of centres of excellence where patients, willing to travel, may be able to get treatment.

NDP Health Critic France Gélinas says what the government will be doing is forcing people in rural and remote areas to make long treks to the big cities for needed care.

Other things promised in the Speech are an overhaul of the *Public Hospitals Act*, and legislation making health care providers and executives accountable for improving patient care. An independent, expert advisory body will also be created to provide recommendations on clinical practice guidelines to “ensure future investments get results and improve public health.”

The government says it will be “pursuing a path of constant reform” and this has Linda Haslam-Stroud, president of the Ontario Nurses’ Association, worried. “RNs understand that some reform has been necessary, but have suffered through constant restructuring for more than a decade,” she said in a news release. **HE**