

Alberta to implement activity-based funding

As soon as April 1, 2010, the start of the next fiscal year, Alberta may have a controversial new system in place for funding hospitals.

The system, called activity-based funding, pays hospitals a set price for the services they provide to each patient. It replaces a method of block funding that is largely based on historical spending patterns.

The head of Alberta Health Services, Stephen Duckett, pioneered the introduction of activity-based funding in his native Australia in 1993. He told the *Edmonton Journal* this week he would ideally like the new system implemented next April but thinks this may be a bit optimistic. Still, he believes it should “save tens of millions” of dollars.

Some people believe activity-based funding will create winners and losers within the health system. The Alberta Liberals have said this method would penalize rural hospitals with low utilization rates by making them compete with larger urban facilities.

University of Toronto health policy expert Raisa Deber told the *Journal* this is a valid concern. She also said hospitals may be inclined to do more procedures than necessary on patients in order to charge more, and be disinclined to take on sicker, more complex patients. She said incentives are needed to emphasize appropriate care not just volume.

Last October, Alberta Health Minister Ron Liepert promised to produce a document clarifying the new funding concept, but this has yet to be released. **HE**

Physicians debate health care transformation

The Canadian Medical Association has called on governments to look at a role for the private sector in the delivery of publicly-funded health care services. It was the keynote resolution passed by delegates at the CMA's annual meeting in Saskatoon this week.

The resolution specifically asks governments and health authorities to “examine internal market mechanisms,” a method for introducing competition between health service providers – those in both the public and private sectors – with funding for the patient business going to those who can offer the best quality and cost.

Already, a number of health authorities contract out some procedures to private clinics, such as cataract removals and hip replacements, although their motive has more to do with reducing wait times and freeing up operating room space in public hospitals than anything else.

But the CMA wants to go further with this as part of a blueprint for health care transformation that the association has been working on since last year's annual meeting.

This blueprint is still a work in progress but predicated on five “pillars”: a patient-centred culture; funding that improves access and quality of care; extended access to all health services; more effective use of human resources; and, increased accountability and responsibility at all levels.

It includes notions like activity-based funding that would support the internal market approach: health authorities would disburse funds based on services provided.

There would also be performance targets set for managers and providers, along with finan-

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Medical isotope crisis angers physicians

It is traditional for the federal health minister to address the annual conference of the Canadian Medical Association. On Monday it was Leona Aglukkaq's turn.

Although the theme of the conference was health care transformation, and delegates were busy debating elements of a blueprint for change, Ms. Aglukkaq chose not to present any of her government's views on the future direction of health care.

Instead, she focused on two files that occupy much of her time, the medical isotope crisis and the H1N1 pandemic. She covered the main points of the government's response to these issues.

The medical community is far from satisfied with how Ottawa has handled the isotope supply problem brought on by a prolonged shutdown of the Chalk River nuclear reactor. It is not

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cial incentives to attain them.

It also involves greater use of information technology, more emphasis on collaborative care and patient empowerment, and patients would also get better access to drug coverage, long-term care and other things that are not covered by the *Canada Health Act*.

All of this at no extra cost for a health system which the CMA says is going broke.

“This is not a question of having more money, but of spending it differently,” Dr. Robert Ouellet said in his valedictory speech Tuesday ending his one-year term as CMA president.

Dr. Ouellet briefed delegates Sunday on the findings of his tour of five European countries earlier this year. All of them, he reported, have improved efficiency and cut wait times by integrating the private sector and encouraging competition in their respective health care systems.

Delegates spent Monday and Tuesday debating various resolutions stemming from a discussion paper on the proposed blueprint. Further consultation with CMA members is planned in the next number of months.

There is no firm target date for when the blueprint will be ready for public release. On Wednesday, delegates decided to create a Health Care Transformation Implementation Group which will provide a report prior to next year’s annual meeting. It will evaluate the feasibility of each key element of the plan within the Canadian context, and outline actions to be taken for implementation along with realistic goals.

In his speech, Dr. Ouellet said there are already signs of a more receptive environment to making major reforms after a year of CMA lobbying.

“Elected officials are now more open to the changes we are proposing,” he said. “The media,

which in the past were so critical, are increasingly being won over to our point of view. Canadians are becoming more and more receptive to the need for change.”

Even so, the CMA membership does not appear to be completely on board. A confidential CMA survey of 2,268 physicians, obtained by the *Globe and Mail*, found them split on the question of how far reform should go.

According to the *Globe*, 58 per cent of respondents believe the existing system can be fixed compared to 42 per cent who think fundamental transformation is needed.

Signs of this ambivalence were evident at the conference this week. Although the internal market resolution was supported by 85 per cent of delegates, it only passed after considerable debate and an important change in the wording.

The original phrase of asking governments and health authorities to “introduce” internal market mechanisms was watered down to urging them to “examine” the concept.

Delegates have also asked the CMA to “define patient-focused funding in the Canadian context before proposing a methodology for implementation.”

Dr. Ouellet was the second successive CMA president coming from the private sector: he runs five diagnostic imaging clinics in Quebec. His predecessor, Brian Day, is a co-founder of the Cambie Surgery Centre in Vancouver described on its website as “the most modern and only free-standing private hospital of its type in Canada.”

Their affiliation with the private sector sent off alarm bells with some medicare advocacy groups and spurred Canadian Doctors for Medicare (CDM), counting some 2,000 physicians, to launch a campaign of its own to halt any further privatization of health care.

On Sunday, at the start of the CMA conference, CDM held a ceremony to commemorate the 25th anniversary of the *Canada Health Act*.

It subsequently blasted the CMA blueprint as a vague “sketch” that promotes a controversial change in direction for medicare. It is concerned that European funding models are being recommended without considering whether they will work in the Canadian context.

“Europe has 50 per cent more doctors per person and none of the kinds of remote rural locations we need to serve, but this blueprint takes none of that into account,” CDM vice-chair Robert Wollard said in a news release.

He said in the U.K., where increased competition has been a key feature of health reform, “there’s no evidence it helps.”

The CDM has introduced a checklist to help policy makers assess the value of new health care delivery models.

The new CMA president, Saskatoon family physician Anne Doig, is committed to continuing the association’s push for transformative change.

As someone who has spent her entire career in the public health system, she has been asked a lot recently whether she supports medicare.

“Implicit in this question is an underlying false assumption – that the desire to improve the system of health care delivery means choosing something other than medicare. That is a scare tactic, and one to which I refuse to succumb,” she said in her inaugural address Wednesday.

“Collectively, we must not be afraid to lead transformative change in the delivery of health care. We must not allow our critics’ scare tactics to deflect us from doing what we know is right to fix what we know is wrong.”

She agreed with Dr. Ouellet that “The time to act is now.” **HE**

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Dr. Alan Hudson has retired as head of Ontario's wait-time reduction strategy. The former neurosurgeon had been in the position for five years, and he chose not to renew his contract which expires next month. Dr. Hudson has been credited with improvements in Ontario wait times for priority services and was also leading the effort to deal with ER overcrowding. Less than two months ago, Dr. Hudson stepped down as chair of eHealth Ontario which has been hobbled by accusations of loose contracting procedures and cronyism. The issue also cost CEO Sarah Kramer her job and last week she issued a 448-word statement to set the record straight. While she said the amount spent on consultants was not negligible, the spending was supported by the board and necessary to turn around a "badly drifting organization." (Canadian Press, Aug. 13; *Toronto Star*, Aug. 14) ... **Having an electronic medical record in every physician's office should be a goal for the end of 2011,** new Canadian Medical Association President Anne Doig said in her inaugural speech Wednesday. Delegates at the CMA's annual meeting this week also voted in support of a resolution to work with governments to accelerate the introduction of e-prescribing to make it the main method of prescribing by 2012. They also urged the federal government to release the \$500 million it promised in the February budget for electronic health record systems. (cma.ca)

Private abortion clinics will be exempt from regulations governing some 50 procedures that can be done by the private health sector. The Quebec College of Physicians, at the health minister's request, provided its input Tuesday saying abortions are

different from other types of surgeries can be done at private clinics and a full-scale operating room is not required. Health Minister Yves Bolduc had stirred a lot of controversy last week by defending the application of the new rules to abortion clinics which threatened to put some of them out of business. (*Montreal Gazette*, Aug. 19; News release)

Fraser Health in British Columbia has confirmed that it is going ahead with service cuts outlined in a recent leaked planning document. It includes a cap on MRIs to last year's level, a 10-15 per cent reduction in elective surgeries, closing temporary residential care beds and cancelling contracts for mental health services and seniors' programs. However, the rumoured closure of the Mission Hospital ER will not go ahead. The cuts will save the region \$15 million. (*Vancouver Province*, Aug. 14) ... **The plan to close beds at Alberta's largest psychiatric facility is running into opposition.** Alberta Health Services is accelerating the shift to community-based mental health care and wants to move 100-150 patients from the 400-bed Alberta Hospital Edmonton which AHS says does not have the infrastructure to provide appropriate care for them. They will be transferred to other hospitals, group homes or provided with other arrangements. This is in lieu of going ahead with a redevelopment plan for the psychiatric hospital announced in 2005 but never funded. Mental health advocates are concerned that the closure plans have not been accompanied by any announcements of new community programs, and critics believe it is part of the AHS plan to eliminate its projected \$1.1 billion deficit. Still others worry that turning mental ill people onto the streets will

compromise public safety. (*Edmonton Journal*, Aug. 15,18,19)

Alberta physicians who volunteer to cover hospital shifts during a H1N1 outbreak this fall could earn up to \$518 an hour as part of a proposal being worked on by the government and Alberta Medical Association. (Canadian Press, Aug. 19) ... **Canada needs an independent health care czar** to make hard decisions about who gets access to limited resources during a pandemic like H1N1, *Canadian Medical Association Journal* Editor-in-Chief Paul Hebert says in an August 17 editorial. He also told Canwest News the mandate of chief public health officer David Butler-Jones limits what he can do in a time of emergency. (www.cmaj.ca; Canwest News, Aug. 17)

A majority of Canadians (74 per cent) are comfortable with the idea of having their regular physical exams done by a nurse practitioner, a Harris-Decima survey for Canadian Press has found. Furthermore, 88 per cent of respondents say they were OK with being treated by a nurse practitioner (NP) at a walk-in clinic. Also, 80 per cent agree that expanding the role of NPs would be an effective way of managing health care costs. (Canadian Press, Aug. 14)

A number of Ontario communities are concerned about losing incentives to attract physicians. Currently, physicians can receive up to \$30,000 to move to communities designated as underserved. But the government is planning to move to a new system using a 10-measure "rurality" index. Communities that score less than 40 would not qualify for the grants. The NDP says up to 60 per cent of communities would lose their underserved status. (*London Free Press*, Aug. 19)

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due to be back in operation until next spring at the earliest.

According to a CMA news report, the past president of the Canadian Association of Nuclear Medicine told conference delegates that although the isotope supply situation has stabilized, “we’re still teetering on the edge” with specialists relying on just-in-time deliveries, mainly from South Africa.

Anger over the federal government’s handling of the issue boiled over Wednesday, the last day of the conference. CMA President Robert Ouellet said the federal government has mishandled the isotope crisis and should be made accountable for its lack of foresight.

Delegates passed five resolutions including one demanding Ottawa “retain Canada’s leadership and ability to produce and export medical isotopes” and reconsider its decision to get out of the isotope production business as Prime Minister Stephen Harper has declared.

In her speech, Ms. Aglukkaq underlined the importance of working collaboratively to deal with both the isotope and H1N1 issues, praising the medical community for its contributions on both fronts.

In discussing the H1N1 virus plans, she referred to physicians as “beacons of trust” to Canadians. “And for Canada’s Health Ministers and officials at all levels, you are valued ambassadors and indispensable allies in our quest to minimize, as much as possible, the spread and impact of H1N1 flu virus.”

She also emphasized the importance of health promotion and repeated a pledge she has made previously to work “with other governments, First Nations and Inuit, and all stakeholders so the next generation of Canadians grow to be healthier than their parents, not less.” **HE**



Miscellany

CMA leadership

After two Canadian Medical Association presidents from the private sector, the *Toronto Star* (Aug. 16) welcomes the arrival of Saskatoon family physician Anne Doig. She will be followed next year by an Ottawa physician (Dr. Jeff Turnbull) who strongly supports the public health system. The arrival of Drs. Doig and Turnbull “couldn’t come at a better time,” the *Star* says, adding that “The benefits of a public health care system are something we have heard too little about from the CMA in recent years.” The *Star* suggests that with new leadership the CMA can “put its considerable resources toward seeking improvements within the public system.”

The *National Post* (Aug. 18) scoffs at the *Star*’s position, saying Dr. Doig believes Canadians should embrace whatever models, public or private, are in the best interests of patients. So, the *Post* says, with the exception of Dr.

Turnbull “three of the four most-recent CMA presidents and presidents-elect have argued to varying degrees that private options for patients are inevitable ...” The *Post* says “fewer and fewer countries believe, as medicare’s defenders do, that it should be illegal for ordinary citizens to use their own after-tax dollars to buy supplemental care.” It concludes, “Dr. Doig is neither categorically in favour of private options nor fundamentally opposed. She wants Canadians instead to debate what care they want and how they want it paid for. That strikes us as quite sensible. It is unfortunate her successor [Dr. Turnbull] is not similarly enlightened.”

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Canadians more positive about health care, poll shows

Some people might believe health care in this country is going down the toilet, but the results of the Canadian Medical Association’s ninth annual report card on the health care system seems to suggest Canadians are not as negative.

The Ipsos-Reid survey, conducted in early June, found that 26 per cent of Canadians are prepared to give the overall quality of health care services an “A” which continues a four-year upward trend from 16 per cent in 2006.

Their more favourable views extended to the ratings of government performance on health care with 39 per cent giving the federal government an “A” or “B” grade.

This is up five points from last year.

Overall, more than two-in-five (43 per cent) Canadians give their provincial government an “A” or “B” grade, up three points from 2008. Alberta and Saskatchewan/Manitoba were the only two parts of the country where Ottawa received slightly higher ratings on health care than the provincial government.

Still, Canadians remain divided on whether health care services in their community will improve over the next two or three years. In total, 51 per cent said things will get better and 46 per cent said things will get worse. **HE**