

## Canada's Single Payer Health Care System - It's Worth a Look

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According to a Harris Poll of all industrial nations, Americans are the least satisfied with their health care.

An economic overview of America's system is: 42 million people are not covered, the various health care plans place rigid limitations on which doctors and hospitals people can use, cost-saving measures are forcing patients out of hospital beds prematurely, administrative costs are approaching 25% of the health care dollar, managed care is generally structured such that physicians have incentives to cut costs and gain revenue by withholding care, and many Americans live in fear of losing whatever care they have.

Our current system is based on the power of the insurance industry to stifle any challenges from alternatives. They advocate a competitive environment where they set the rules. These rules give us health care at a very high cost with unusually high profits going to the health care industry and massive salaries going to the associated executives.

In contrast, the single payer system that Canada has used for the last 25 years has drastically simplified their administration costs. For instance, it takes more people to administer Blue Cross Blue Shield of Massachusetts than it does to administer the entire health care system of Canada. Before Canada implemented their national health program, their health costs were the same portion of their economy as in the U.S. After they implemented their program, their costs stabilized at 9% while U.S. costs have increased to 14%. They spend one tenth of what U.S. health care providers spend on overhead.

The Canadian system is a publicly funded insurance program where costs are controlled and both hospitals and doctors are private. Any Canadian can go to any doctor or hospital in the country. Each province has its own system and its own unique way of funding it. In spite of this decentralized approach, there are agreements among all provinces that provide for treatment of any Canadian citizen regardless of where the need occurs. The great success of their system causes almost all Canadian politicians, even conservatives, to defend it vociferously. It is called single payer because there is only one "payer"; there is no alternative program, such as private health insurance, to which Canadians can turn for basic health care. Since the wealthy as well as the middle income people have no alternative, they make sure it is funded adequately. This together with cost controls insures that everyone including the poor, who use the same system, receives the same high quality care.

Canada has a much higher percentage of general practitioners and fewer specialists. Canadian doctors make about one third less than American doctors and yet their satisfaction level is high because they have more time to practice medicine because paper work is minimized. Since there is a "single payer", it is easier to set up and adhere to budgetary limits. Effective planning eliminates duplication of facilities and expensive technology. In the U.S., competition has led to great redundancies in expensive equipment such as for CAT scans; doctor groups buy high technology equipment and then compete for selling these services.

The economic advantages of the Canadian system are multi-faceted. Canadians are healthier and live longer than Americans. Preventive care to an entire population minimizes expensive care associated with undetected, untreated health problems. There is very little litigation because there is no need for awards to cover future health care costs; they are already covered. Further savings occur because there is no longer a need for a health insurance component of automobile or home insurance.

There is less loss of productive labor due to absence and sickness and health care is much more practical

and less expensive for companies to provide to employees. Estimates show that Canadians produce American cars for \$700 less than Americans do because of the difference in the costs of providing health care to employees. The benefits to competitiveness are obvious.

Both the Congressional Budget Office and the General Accounting Office estimated that if we were to implement a health care system similar to the Canadian one, we could extend coverage to all Americans while saving billions of dollars annually. During the health care debate in 1993, there were 89 cosponsors of the single payer system. And yet, it was not given serious consideration. One reason for this is the well-funded health insurance power structure with its effective lobbying forces in Congress.

This single payer ballot issue will appear in various states in the upcoming years. It is anticipated that, just as with the 1994 California single payer ballot issue, the health industry will spend enormous amounts to defeat them. It is also anticipated that the issue will receive very little press coverage just as happened in California.

FAIR (Fairness and Accuracy in Reporting) reported after studying the 1994 California ballot issue that there were no articles in the media during the entire pre-election period that pointed out that other countries have single payer systems or what their experience has been. Americans might be interested to know that Canadians live longer, have lower maternal mortality rates, and lower infant mortality. Before single payer was implemented in Canada, infant mortality was similar to that in the U.S.; today there are 9.1 deaths in the first year of life per 1000 births in the U.S. and 6.8 in Canada. In addition, they have more hospital admissions, more hospital days, more physician visits, more immunizations, and more surgical procedures per person than we have in the U.S.

Ongoing misinformation perpetuates myths about long wait times for care, availability of high-tech care, and the amount and quality of medical research done. There are very small differences between the U.S. and Canada in these three areas. The large differences between the U.S. and Canada are in the tens of millions of people with no coverage or inadequate coverage in the U.S. The differences are also in peoples' losing everything they have and becoming destitute to cover medical expenses in the U.S. They're in the lack of preventive care in the U.S. which results in expensive treatment of illnesses in their later stages.

Economic considerations are very important as are issues such as the general state of a country's health, the anxiety over health care and the level of satisfaction experienced by those in the health care industry. The economics certainly indicate that the Canadian approach should be observed and considered as a model for the U.S. The U.S. spends about \$1000 per year per person more than does Canada. We have nothing to lose by giving it an objective analysis, seeking out both sides of the argument. It's worth a look.

Quoting a letter to the editor from Ove Madsen in the Montana Senior Voice:

"I have read all about the health care plans in the paper. I have done a little work to find out what the general public Canadians think about their health plan. Everytime I see a car with Canadian license plates, I go up and talk to them. They are all nice to talk with, and I ask them how they like their health care plan. So far, 99% of the Canadians I've talked to like their system. They say it is such a peace of mind and the service at the doctor's office and hospitals is really quite good. If the ordinary run of the people like it, that's all we need to know."

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