

## THE CANADIAN HEALTH CARE SYTEM

Popular comparison with U.S. even though health policy specialists prefer European trips. Canada shares more than border with U.S.----economic, professional and cultural integration. US companies often treat Canada as part of U.S.; sports, NAFTA.

UK relatively poor and socialist; Germany and Japan foreign and strange; Sweden too small, unknown.

But Canada about 1/10<sup>th</sup> US population; bigger geographically than U.S. and less densely populated than Saudi Arabia.

### 1. Political Differences substantial; Continental Divide

American Revolution spooned 2 countries, not one----Canada and US

We are the descendents of winners of the revolution; Canada the losers

Britain gained control of New France/Canada just 20 years (1759) before the Revolution. Part of France for 200 plus years 1534

AMERICAN CREED ---anti-state, individualism, egalitarian, populist

NO CANADIAN CREED ----not the U.S.; the good people, state oriented, collective, authoritarian. No revolution, No Civil War, No Constitution.

US symbol of West --- the Cowboy

Canada—the Mountee --- harsher environment needed more gov't involvement to develop cold west

Canadian "Constitution" **British North American Act** 1867 united Upper and Lower Canada-----goal "Peace, Order and Good Government"

**US Declaration of Independence**---Life, Liberty, and Pursuit of Happiness

British dominated Canada until WWII

Royal this or Crown that

Quebec isolated

weren't building new nation

Now have 60 years of American cultural dominance ---- and problem of Quebec to deal with

1980s got own constitution Meechan Lake Agreement/Bill of Rights recently

Quebec unhappiness grows, independence of West, West vs. Quebec

Quebec almost votes to succeed in 1995. Federalism wins by 50.5%

Parties are geographic ---- some provinces would defect to US

**Health Care defines Canada----different from US; National symbol of difference, separation and of Canadian society and values**

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## **2. Canadian Health Care System**

- federally subsidized hospitalization and medical care programs
- Administered by Provinces under general Federal supervision
- more than 99% of population covered
- benefits comprehensive but no drugs, dental or nursing home coverage
- Federal government grants cover 33% of costs, Provinces taxes rest, no user fees

- Physician generally paid on Provincial fee schedule
- half hospital beds in non-profit private institutions but hospitals funded on Provincial budget review system
- insurance companies exist but now cover semi-private room, dental mostly through employer

### **3. History/Background**

Some public health insurance in rural areas in early 20<sup>th</sup> century. Liberal Party had it in their platform.

NHI enacted in 1935 in their Social Security Act but declared unconstitutional ----province of Provinces under British North American Act (Canadian provinces have enumerated powers—health one of them)

NHS type system proposed in 1945 but fails when no agreement reachable between Provinces and Federal government.

1947 Saskatchewan hospital insurance Program

1948 National Health grants Program

1957 The Hospital Insurance and Diagnostic Services Act (1958-1961)

1962 Saskatchewan medical insurance program

1965 Health Resources Fund Act(doubles number of MDs)

1966 Medical Care Act (Medicare) (1968-1971)

1977 Established Programs Financing Act(swapped tax resources for block grant) ties federal share to GNP

1984 Canada Health Act

Canada had high beds per capita---rural, hospital insurance first leads to more hospitalization, Provinces try to cut, centralize equipment, big problems now.

MDs opposed. Strikes in Saskatchewan in 1962 MDs wanted private insurance options; Quebec in 1971 specialists wanted to opt out; Ontario in 1984 wanted extra billing. Always claims that MDs leaving for US. Negotiations over fee schedule are negotiations over MD incomes.

#### 4. Principals and Problems and Pride

##### A. Principals

- Comprehensive
- Universal
- Portable
- Accessibility
- Publicly Administered

##### B. Problems

- Hospital shortages and waits
- 90% of Canadians live within 150 miles of US border

##### C. Pride

- Spend less than US
- Not two tiered like US
- Not profit oriented like US

#### THE GOOD PEOPLE

	US	CANADA	1999 data
life expectancy (M)	73.5	76.1	
(F)	80.2	81.9	
per capita	\$3,858	\$1,899	

% GDP Health					14.0					9.3
Year	1960	65	70	75	80	85	90	95	97	
	5.2	5.9	7.3	8.2	9.1	10.6	12.6	14.1	14.0	
	5.5	6.0	7.1	7.2	7.3	8.4	9.2	9.7	9.3	