THE ALLURING MYTH OF PRIVATE MEDICINE

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Abstract • Résumé

Canada's medicare system has provided Canadians with high-quality health care for almost three decades. Now Canadian health care appears to be at risk of losing the single-payer system, which is the premise on which medicare is built. As medicare comes under increasing financial pressure, many are calling for the introduction of private care as a means of bolstering our health care system and maintaining its quality. Although it appears alluring to some politicians, physicians and commentators, privatization could very well lead to the demise of the principles and practices of the Canadian health care system as we know it, with little clear benefit to the public or physicians.

Le système d'assurance-maladie du Canada fournit aux Canadiens des soins de santé de grande qualité depuis presque trois décennies. Il semble maintenant que le Canada risque de perdre le système de soins de santé à payeur unique, prémisse fondamentale de l'assurance-maladie. Comme l'assurance-maladie est la cible de pressions financières de plus en plus lourdes, beaucoup d'intervenants préconisent la mise en place de soins privés pour appuyer notre système et en maintenir la qualité. Même si cette solution semble attirante pour certains politiciens, médecins et commentateurs, la privatisation pourrait très bien entraîner l'effondrement des principes et des pratiques du système de soins de santé du Canada tel que nous le connaissons et présenter peu d'avantages clairs pour la population ou les médecins.

The Canadian health care system is under seige. Provinces are making cuts to funding, and the system is being restructured across Canada, partially in response to diminishing federal transfer payments.[1,2] As a consequence of the decrease in funding, many physicians have renewed their call for the introduction of private money into the Canadian system.[3–5] This call has been echoed by many nonmedical commentators in the media and by representatives of the health care insurance industry.[6,7] Despite its ostensible attractions, privatization of Canadian health care may pose a fatal threat to a system that has served Canadian patients and physicians well since its inception more than three decades ago.

If there is anything to be learned from our US neighbours, who have experienced private medicine in its fullest form, it is that, under private medicine, the benefits to the population are skewed toward those who can afford maximum coverage. Until recently, US recipients of Medicare (government-funded health care for elderly people) were reasonably covered, but those receiving Medicaid (government-funded care for poor people) were provided with only basic services. Now, even these basic programs that serve elderly and poor people in the United States are being affected by cutbacks and reorganization. Furthermore, many millions of Americans are without adequate coverage and are at the mercy of fate and charity.[8,9]

Health maintenance organizations (HMOs) initially offered subscribers what appeared to be comprehensive care of reasonable quality at an acceptable cost.[10–14] However, the rapid expansion of corporate for-profit plans, which are overtaking many of the not-for-profit HMOs, especially the smaller ones, is proving to be the greatest challenge now facing the medical profession and the public that it purportedly serves.[11,12,15] Not only clinical care but also the academic and research structure of US medicine is threatened. This is because many academic health science centres have traditionally depended on funds generated by caring for Medicare and Medicaid patients. Those teaching and research institu-

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tions now must compete with private HMOs for contracts to provide care, and this competition undercuts their funding base. At the same time, the private HMOs do not have a financial or an intrinsic philosophical commitment to undergraduate or postgraduate medical education or to noncommercial research.[16–18]

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The culture of managed care provided through HMOs is one of constant scrutiny of medical decisions being made by administrative staff on behalf of the corporation.[11,12,15,19,20] Patients have always assumed that physicians make choices based on their personal assessment or after consultation with other physicians. Most patients would be offended if they knew that the physicians could benefit financially by minimizing the costs of investigations, referrals or treatments. That a physician's personal financial gain could be directly related to limiting a patient's access to care or treatment is morally and professionally repugnant. Yet this is exactly the dynamic that is in place in many HMOs.[21] What is more, some corporations prohibit physicians from divulging these financial or administrative arrangements to their patients. In these contracts, breach of the prohibition is grounds for termination.[11,12,15,19,20] Such "gag" clauses in contracts are not uncommon, and they present a considerable professional and moral dilemma for physician–patient relationships.[15,19]

In the United Kingdom, the culture and framework of health care have changed substantially since the expansion of private medicine and the development of internal competition. This competition involves family practice "trusts" that seek competitive bids for services from providers such as specialists and hospitals.[22,23] Thus far, there has been little evidence of tangible benefit to the public, other than shorter waiting periods for selected services such as surgery. Physicians have struggled with the new competitiveness; it has required them to accept financial responsibility and major administrative duties that were not part of their professional culture and practice in the past. Perhaps it is too early to judge whether the competitive market principles that often result in better services and lower costs in other businesses will have a similar effect in health care. Thus far, hard data on impact and outcomes are not available.[23–25]

Are Canadian physicians fooling themselves when they believe that they and their patients will benefit from the introduction of private medicine into the publicly funded system? The presumption is that, because of the limits to the publicly funded system, any private funds would add to the total funds within the system, thereby taking pressure off the publicly funded component. This would allow those who choose to spend their funds on extra health care to do so. Such private funding would purportedly support costly medical innovations and improve physicians' incomes.

Are such changes good for the citizens and physicians of Canada, as some claim? If the US experience portends what we may expect here, the answer is a resounding No.[9,10,15,25] Private health care creates the moral dilemma of allowing some citizens preferential access to health care because of their fortunate financial situation. Until now, this has not been part of the principles governing the Canadian health care system. Although there is a private element to some aspects of health care, such as components of long-term care, elements of rehabilitation services and type of accommodation, the core services of health care have been publicly funded.

What would likely result from greater privatization? Initially, private money would be put into the system as corporate investors established themselves. Some patients with means would pay for or buy insurance to cover procedures deemed too expensive or in short supply in the public system. Physicians would divide their time between the two systems, but those who were well rewarded by the private system would gradually spend less time serving the public system. Eventually, the tiers would separate. Patients with means would favour the private system, and the rest would accept what was left over. Governments would delist more and more services as it became clear that the private system would provide the services at a price that patients were willing to pay to assure themselves of timely care. Finally, the absence of the affluent and influential citizens from the public system would lead to its inevitable decline. After all, why should more affluent patients care about the public system if they no longer have to use it?[26]

As the corporations' dominance increased, their control of physicians' functions, professional activities and remuneration would grow. This is now the reality in the large, private US HMOs. Physicians' decision making is carefully monitored, even in the HMOs run by physicians themselves.[13,15,19,20] The loss of physician autonomy and professionalism is reflected in the conflict between physicians' obligation to their patients and their dependence on the organization that provides their livelihood.

Some HMOs are now basing their hiring practices on the practice-profile costs of individual physicians. As this "economic credentialling" becomes more widespread, physicians' ability to move from one practice to another will be determined more by their economic effectiveness than by their clinical or academic performance.[18–20]

The government of Alberta has had a few skirmishes with the federal government over private clinics whose structure and funding appear to be in conflict with the Canada Health Act. In Ontario, Premier Mike Harris has not ruled out adding a private component to the province's health care system. The sweeping omnibus bill passed by the Ontario legislature on Jan. 30, 1996, allows the Ontario minister of health to license US companies to operate independent health facilities. This provision is completely new to Ontario's system, and it opens one of the many doors to privatization of the health care system in that province.

Canadians deserve better than what the United States has provided to its citizens. The introduction of limited privatization in Alberta and the legislative provision for it in Ontario pose a significant threat to the fabric of and commitment to Canada's single-payer system. Despite the wonderful research and technical advances in medicine that have come out of the United States since World War II, many Americans are unable to benefit from these advances because of a privatized system that fails to provide care for vast numbers of its citizens.[9,10,27,28] The growth of corporate medicine in the United States threatens to limit access to health care coverage even further, and it is already restricting the autonomy of patients and physicians in that country. Canadian physicians should support the single-payer principle of medicare and shun the road of privatization, whose benefits are illusory and whose peril is too great.

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