

Alberta is back at it, goading the feds

Charlotte Gray

Once again, Ralph Klein is trying to broaden the opportunities available for private health care entrepreneurs in Canada. And once again, Ottawa finds its room to manoeuvre squeezed as public concern about the possibility of a two-tier system grows.

The issue this time is the Alberta premier's November announcement of plans to allow the province's 17 regional health authorities to contract out some medical services to the private sector. Klein said this would ease waiting lists and cut costs, but critics didn't buy it. They charged him with making a covert attempt to Americanize Canada's health care system. So what's the real story?

Klein maintains that Alberta's commitment to the Canada Health Act is "unwavering" and that "public health care has served Alberta well." He said federal Health Minister Allan Rock agrees that the status quo is not an option and insisted that his goal "is to make sure that our publicly funded health system is there when you and your family need it."

Superficially, there is much to recommend Klein's proposal. It plays into Alberta's scepticism that governments can deliver services efficiently, and it promises cost savings. The Klein government made dramatic cuts to the province's hospital system in the early 1990s, and the new initiative holds out the promise of shiny new facilities, built at private expense for public-sector patients. Moreover, the proposed policy includes reassuring promises. "There will be no private hospitals; there will not be a parallel health system. . . . There will be no two-tier medicine and no queue jumping."

Klein's proposal has supporters in Ottawa. Reform MP Grant Hill, a doctor, says he "supports patient choice, and Klein is going down that road. We have

two-tier medicine already — look at the number of people who go to the US for treatment. And to scaremonger about a 'parallel private system' is ridiculous. Our public system is very good and will always be the heart of our system, but it is strained right now. The Klein proposal is a way to relieve the strain."

However, the initiative's critics, in both Alberta and Ottawa, dismiss Klein's promises. They say the Gimbel Eye Centre in Calgary demonstrates what really happens when a private clinic is contracted to provide services to public-sector patients. An Albertan who arrives at the Gimbel clinic for cataract surgery is expected to pay \$750 in out-of-pocket expenses, on top of the \$1250 covered by medicare. The \$750 covers additional lab tests, a better artificial lens and an educational video — services that do not fit into the health care plan's definition of "medically necessary." However, a patient who does not want the services will not be treated at the Gimbel facility. Eighteen of Calgary's 23 eye surgeons impose similar extra fees, according to the Alberta branch of the Consumers' Association of Canada.

Moreover, Klein's claim that his new policy will cut public-sector costs is unproven. Critics, including University of Alberta health economist Richard Plain, point to US research comparing not-for-profit and private health care facilities. It indicates that, over the long term, for-profit hospitals are at least as hard on the public purse as not-for-profit facilities.

Given the arguments that the federal government can muster against Klein's proposals, why does Ottawa find its room to manoeuvre cramped? The problem is that every time Alberta issues a provocative new policy, polarization sets in. This makes it harder for the federal government itself to move away from the status quo toward a

more experimental approach. Senior federal bureaucrats acknowledge that there is a place for free-standing, specialist clinics to handle procedures such as hip and knee replacements, hernia-related surgery and cataract removals involving low-risk patients. They can operate at a lower per capita cost, since they would not need the sophisticated back-up expertise found in a tertiary care hospital, and can reduce costs by using nonunionized labour and reducing the length of hospital stays. This is how one of the most efficient clinics in North America, the 54-year-old Shouldice Clinic near Toronto, functions. The clinic, which deals exclusively with hernia treatment, is a private facility that has operated comfortably for years within the regulated health care industry. There are no additional medical costs: semi-private rooms, telephones and televisions are the few optional extras. The Shouldice model proves the value of specialized clinics, which could be operated publicly or privately. Unfortunately, the Klein proposal inevitably hardens public opinion against any initiative involving a public-private partnership.

Moreover, this latest chapter in the Alberta-Ottawa tussle skews the health care debate within Canada. The real issue for every province, a highly placed Ottawa source told *CMAJ*, is how to direct more health care resources into home and community care services "where the most severe problems lie, affecting the most Canadians."

Unfortunately, it is doubtful that Alberta's proposal to allow for-profit entrepreneurs to provide low-risk procedures provides economic benefits. Even if it does, it is still a distraction from a more pressing priority.

Charlotte Gray is a CMAJ contributing editor.