Throughout the month of March, 2011, the Canadian Centre for Policy Alternatives released a series of materials that could prove helpful in assessing the party offerings in the election called for May 2nd.

The first and most comprehensive of these resources is their annual Alternative Federal Budget (AFB), subtitled in 2011 ‘A Post-Recession Recovery Plan’. Mirroring the federal budget presentation structure, the AFB sets out the basic fiscal framework, noting GDP in 2010 of $1.6 trillion, expected to rise by 2013 to $1.9 trillion. They expect that gross domestic product to yield approximately $232.5 billion revenue in 2010, increasing to about $277 billion in 2013—on average about 14%.

The main thrust of the AFB looks to re-establishing what they characterize as tax fairness:
- Eliminating tax loopholes for the treatment of investment income
- Capping and limiting other tax deductions which mainly benefit higher income Canadians
- Introducing inheritance taxes and an additional surtax on incomes over $250,000 annually
- Restoring corporate taxes to the pre-2008 rate of 21%, competitive with OECD countries
- Introducing new taxes on the oil and gas and financial industries
- Introducing a national Harmonized Carbon Tax balanced with personal ‘green’ tax refunds

The body of the AFB is a review of measures for creative programming to support sustained economic development and community improvement through a range of fiscal and legislative measures. These are best summarized in an additional fact sheet, entitled “10 Solutions for the Federal Budget.”

The 10 solutions:
- A federal plan to reduce poverty by 25% over the next 5 years. Setting clear targets would most benefit women, newcomers and aboriginal people
- Restore a fair tax system. Noting that the Harper tax cuts since 2006 amount to $220 billion, with little guarantee of job creation or the kinds of public services, such as child care and medicare that keep Canadians working and healthy
- Make the EI system work for those who lose their jobs, with a range of extended benefits and training incentives
- Repair public infrastructure support to municipalities
- Implement a public insured pharmacare plan for all Canadians. The AFB shows how such a program

(continued on page 3)
**EDITORIAL NOTES**

*Janet Maher*

This issue focuses almost entirely on the federal election, with as much information on the 2011 platforms as is currently available, along with some resources from our allies, including the tabloid insert from the Canadian Health Coalition. We hope the materials are helpful as you attend all candidate meetings and prepare to vote.

Two pretty clear options are emerging 10 days into the election campaign, and they focus a lot around the party visions of the size and role of government. So far, the Liberals are the only ones to release a formal election platform, and the Conservatives have indicated that their platform is already contained in the budget released March 22nd, but not yet voted on. Issue planks released by the other parties are more or less consistent with their previous platforms which emphasize continued investment in social and health programs and green initiatives.

The Conservative ‘platform’ as set out in the budget invokes deficit reduction as a mantra to account for its very limited acknowledgement of gaping holes, particularly in social infrastructure, with an increase in the Guaranteed Income Supplement for the poorest 20 per cent of seniors, but no action proposed on housing and infrastructure, and an ominous reference to any federal commitments to the Federal-Provincial-Territorial health accords at the end of 2014. Committed to reducing corporate taxes to 15 per cent in the 2011 budget, the Conservatives have announced a series of tax measures for higher income Canadians—income splitting, and credits for children’s arts and sports participation—which would kick in once the budget deficit is eliminated, variously predicted to be 2015 or 2016.

As noted below, the Liberal platform attempts to restore some of the program balance of the early Chretien era, with modest new initiatives in spending on health care and education and proposals for pension enhancements for older Canadians. They would cancel the most recent Conservative corporate tax break to support an Affordable Housing Framework and a range of green initiatives.

The NDP and Greens would also roll back the corporate tax cuts, (NDP to 2009 levels and the Greens to 2010 levels) to accommodate modest enhancements in social and green spending and some attention to more vulnerable Canadians—aboriginal people and newcomers in particular.

As reported in MEDICAL REFORM 152, the Canadian Medical Association has been organizing a series of public and member-only meetings across the country. These events and the companion healthcaretransformation.ca websites will continue into early May to seek input on the Blueprint document they released at the summer 2010 annual meeting at which Jeff Turnbull was installed as President. He will meet in Toronto April 26th for a Town Hall with the Students for Medicare. For more information see their website www.studentsformedicare.ca or contact Ritika Goel at ritika.goel@medportal.ca.
could save an estimated 43% of Canada’s 2010 annual prescription drug bill

• Improve public pensions by linking CPP, OAS and GIS to wage increases rather than the Consumer Price Index, and gradually increasing the CPP employer and employee contributions to provide pensioners with a replacement of 50% of pre-retirement earnings

• Invest in universal publicly funded child care—which more than pays for itself over the long term

• Invest in First Nations to provide comparable access to community infrastructure, education and economic opportunity to the rest of Canada

• Make Canada an environmental leader, but focusing on the business opportunities of a green Canada

• Deficit reduction is the wrong goal—we can do far more for citizens by revitalizing infrastructure, creating jobs and providing needed services

For more information, see www.policyalternatives.ca.

ALTERNATIVE FEDERAL BUDGET 2011: RETHINK, REBUILD, RENEW (continued)

FEDERAL BUDGET: THE GOVERNMENT’S PLAN

As we all know already, the March 22nd, 2011 federal budget will not be debated before the election. The point of reviewing it here is for the information it provides on the platform to be promoted by the governing Conservatives in the present election.

In a few words, the 2011 budget proposes to build on the success of the stimulus plan with what it calls a low-tax plan for jobs and growth. There are no new taxes, with new expenditures of approximately $8 billion expected to be accounted for by a modest economic growth and some savings as a result of program review.

The main plank is the maintenance of corporate taxes at 16.5%, and the extension/tweaking of some existing programs to:

• Provide a temporary hiring credit for small business

• Extend the work-sharing and older worker programs to support those at risk of unemployment, and renew EI pilot projects for one year

• Extend accelerated capital cost allowances to support manufacturing and

• Additional targeted industrial and construction projects such as completion of the Dempster Highway

Their social measures are limited to less than $1 billion in a budget of $250 billion and highly targeted:

• Targeted increase in the Guaranteed Income Supplement for the poorest 20% of seniors

• A student loan remission incentive for physicians and nurses to work in rural and remote areas

• Tax credits for family caregivers, participants in children’s arts programs and volunteer firefighters

Nearly $1 billion more would be devoted over 2 years to climate change, air quality and energy retrofitting. A similar amount was also set aside for a range of measures to promote research and development, including supports for technology improvements in small business, 10 new Canada Research Chairs, expanding Canada Student Loan eligibility and allowing apprentices to claim the tuition tax credit for trade and professional certification examination fees.

This plan, they affirm would allow deficit reduction in the range of $14 billion, without directly cutting any transfers to persons or to other levels of government for health, social services, equalization and the gas tax transfer to municipalities.

OTHER ELECTION RESOURCES: THE ECONOMIC CASE FOR UNIVERSAL PHARMACARE

As reviewed in Medical Reform Issue 152, a recent economic analysis of the costs and benefits of a country-wide program for publicly funded drug coverage provided 4 possible scenarios for implementing a universal plan, that provide a range of cost and policy options.

• Scenario 1: Universal pharmacare using current industrial policies linked to drug costs (i.e., current patent protection and generic substitution policies) would save $1.5 billion over current costs. An additional $1.45 billion would come from eliminating the administrative costs and tax allowances currently going to private insurance companies, for a net savings of $2.95 billion.

• Scenario 2: Universal pharmacare with drug costs revised to align more closely with other OECD countries could save about $3 billion. With the administrative and tax savings of Scenario 1, this would amount to net savings of $4.5 billion.

• Scenario 3: Universal pharmacare with stronger industrial policies which inflate drug costs. This might be accomplished with the Patent Medicine Prices Review Board approach and might be linked with more predictability in drug industry research and development in Canada. In this case a median value of the priced of US, Germany and Switzerland would provide the comparator for Canadian drug prices. Even this version would provide net savings of $2.7 billion.

• Scenario 4: Universal pharmacare with cancellation of industrial policies [of Scenario 3] and using drug purchasing policies that maximize price reductions, as for example in New Zealand. Using systematic tendering and reference based pricing, net savings could be $10.7 billion or 43% of drug expenditures in Canada.

For more information, see www.medicare.ca or www.policyalternatives.ca.

ONTARIO BUDGET
Janet Maher

For the first time since their return to government at the Ontario legislature, the Ontario Liberals have a very small budget document, thin on details and equally light on new program initiatives. The Finance Minister, as expected, took credit for jobs and growth returning to the province, and announced no new taxes or tax cuts.

Perhaps the biggest sleeper is the announcement of a Commission on the Reform of Ontario’s Public Service, to be chaired by TD Bank Chief Economist Don Drummond. The commission would see 10 per cent reductions in funding for executive offices of major transfer payment agencies, including hospitals and other health care and social service organizations engaged in program delivery.

The commission is scheduled to report in advance of the 2012 provincial budget, and according to Ontario Finance Minister Dwight Duncan, is a ‘responsible plan to eliminate the deficit which protecting schools, hospitals and economic growth.

The Ministry of Health can anticipate an overall 4.3 per cent increase in health care spending, including approximately $250 million to 3 new/expanded initiatives (a comprehensive mental health and addictions strategy, expanded pharmacy services for the management of chronic care patients, and extension of the Ontario Breast Screening Program to women between 30 and 49). Although the word poverty does not appear a single time in the budget speech, the minister’s staff assured advocates on budget day that multi-year measures announced in 2008 and 2009 (principally around the Ontario Child Benefit) would continue to roll out.

The other major program area singled out for mention in the budget was education, including further expansion of full-day kindergarten – though not quite the universal access to full-day kindergarten promised in the last provincial election. New spending will come in the form of a commitment of approximately $300 million to add 60,000 post secondary spaces to the province’s colleges and universities.
Access to public health care is the number one issue of concern for Canadians. Let's make sure candidates in the next federal election discuss what's really important.

— The Canadian Health Coalition

In 2007 Marilyn Birmingham of Ontario was diagnosed with acute leukemia. Over age 60, she was not an ideal candidate for a bone marrow transplant -- a procedure that could save her life. But after tests, doctors determined that she had a chance, a chance that they were willing to take.

Marilyn's eyes fill with tears when she describes how grateful she is for “the team of more than 50 doctors and nurses” that cared for her during her chemotherapy, bone marrow transplant and recovery. Born in the United States, having emigrated to Canada 46 years ago, Marilyn, a retired nurse, says, “I know first hand that it would have been very difficult, if not impossible, for me to get the medical care I needed in the American private health system.”

Nor could she afford to pay tens of thousands of dollars beyond medical insurance coverage for the care she needed to recover.

Marilyn attributes her survival to Canada’s public health care system. Now healthy and active at age 66, Marilyn is committed to seeing public health care on the ballot in the upcoming federal election.

Canadian Medicare faces growing threats across the country. Many patients using private, for-profit clinics find themselves paying out of pocket for services covered by Medicare. Murial Schoof was required to pay more than $6,000 for sinus surgery at B.C.’s for-profit False Creek Surgery Centre. Court documents state that her physician also billed the public health system for the procedure. For five years, Murial tried to get the private clinic to reimburse her and the government to take action against the clinic without success.

The Federal Canada Health Act is the legal basis for our universal health system, but the Harper government is NOT enforcing Canada’s public health care law. Far from it. The Harper government has failed patients by allowing illegal charges for medical procedures.

Marilyn Birmingham says Medicare saved her life.
MEDICARE IS SUSTAINABLE

“Opponents of Medicare claim that public health care is ‘Fiscally Un sustainable’ and that the only viable solution is a shift to more private coverage. Bluntly, this is a lie.”

— Robert G. Evans, O.C., Ph.D.
(Economics) Harvard

THE MYTH: Our aging population will make health care unaffordable.

THE FACTS: Private health care services, not an aging population, are driving health care spending.

Population aging is a very small factor in increasing health care costs. At 0.8% per year, it has less of an impact than population growth (1%) and inflation (2.5%). The key cost drivers in health care services are the private, for-profit parts – pharmaceuticals, dental, diagnostic tests and other non-insured services. If one is concerned about rising costs, an aging population is not a reason to privatize the delivery of services.

THE MYTH: Privatization of health services will control health care costs.

THE FACTS: Public health care is the best way to control health care spending. Privatization is not sustainable.

Sustainability is often a code word for privatization and for-profit health care. Saying that public health care is unsustainable opens the door to privatization. Shifting from public to private spending shifts the cost burden from the wealthy to the sick.

(Continued from front page)

conservatives are giving provinces the green light to go ahead and experiment with private, for-profit health care. Several provinces are taking him up on that by introducing for-profit hospitals and clinics. The result is patients faced with thousands of dollars in extra fees charged by doctors and surgeons for procedures that should be covered under the public health system.

The most outrageous example of illegal billing and suspected health care fraud has been documented at the Cambie surgical clinic in British Columbia. Cambie is the largest for-profit clinic in Canada. The B.C. government has taken the clinic to court for charging patients illegal fees for medically-necessary procedures and double-billing the public health insurance plan. If that’s not bad enough, Brian Day, the clinic’s owner, also required patients to sign a consent form which falsely informed patients that the services for which they were being charged were not covered under Medicare.

Canada’s national health plan was set up to ensure that patients could access medically necessary services based on need not wealth. The Canada Health Act is based on principles of fairness and equity. Provinces that allow private clinics to charge patients for needed care are supposed to face financial penalties. But the Harper government has done nothing to protect patients by not enforcing the Canada Health Act. In fact, Stephen Harper was the head of an organization opposed to Medicare and the Canada Health Act prior to his election.

Harper’s finance minister has spoken openly about cutting federal funding to the provinces for health care when the next set of federal-provincial-territorial negotiations come up in 2014. The future of Public Medicare in Canada depends on the federal government maintaining their part of the funding arrangements for health care and Harper’s plan would put this at serious risk.

And steps towards a national public drug plan that would ensure affordable access to medications for Canadians across the country have been abandoned under the Harper government.

The Harper government is trying hard not to talk about Canadians number one concern. This election Canadians need to join Marilyn Birmingham and put health care on the ballot.

“Some are sowing anxiety about the costs of an aging population. I think these costs will be manageable. The real fiscal menace is the cost of prescription drugs. We desperately need federal leadership to bring in a universal drug plan. This would in fact save a lot of money.”

— Sandy Carricato,
National Pensioners and Senior Citizens Federation

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medical.ca
PATIENTS HIT WITH ILLEGAL BILLS AND FRAUD IN FOR-PROFIT CLINICS

The vast majority of for-profit clinics spring-up across Canada are charging patients illegal fees for medical care. For example, documents filed in the BC Supreme Court paint a disturbing picture of the Cambie Surgery Centre and Specialist Referral Clinic in Vancouver based on complaints of approximately 30 patients:

Illegal user fees and extra-billing
Patients were charged out-of-pocket fees for services that should have been free/covered under public health care. Charges ranged from $400 to see a doctor to $17,000 for an ankle replacement.

Double-billing and fraud
Doctors were double-dipping: billing the patients thousands of dollars and charging the public health plan -- for the same procedures.

Patients were forced to sign waivers
Clinic operators forced patients to give up their rights under the law to publicly-funded medically-necessary services. Dr. Brian Day, owner of the Cambie Surgical Centre, publicly admitted to charging patients for these services.

Provincial audit inspectors were refused entry to the clinic

87% OF CANADIANS SUPPORT IMPROVING MEDICARE

Question: Thinking about the future of Canada’s public healthcare, would you support, somewhat support, somewhat oppose or oppose public solutions to make our public healthcare stronger?
(Source: Nanos Research, May 2010)

Support 73.4%

Somewhat support 13.9%

Oppose 5.7%

Somewhat oppose 3.1%

Unsure 3.9%

LONG-TERM, HOME AND PALLIATIVE CARE

For-profit nursing homes provide less nursing care and personal support than not-for-profit or public homes. Profit-seeking diverts funds and focus from clinical care.

Canadians expect federal leadership to expand residential long-term care, home and community care services to meet the needs of Canadian seniors, as part of a comprehensive and integrated system.

A UNIVERSAL PHARMACARE PLAN THAT SAVES BILLIONS

Imagine a public Pharmacare plan that provided all Canadians with prescription drug coverage and saved $10.7 billion annually with bulk-purchasing and other measures.

READ THE NEW REPORT:
“The Economic Case for Universal Pharmacare”.
Find the report at: PharmacareNow.ca
THE HARPER GOVERNMENT’S RECORD ON MEDICARE

- Refuses to enforce the Canada Health Act which protects Canadians from extra-billing, user fees and queue-jumping.
- Talks about ending federal cash support for Medicare and transferring tax points to the provinces, ending Medicare as a national program with national standards.
- Makes repeated statements that health care is a provincial-territorial responsibility, implying no role for the federal government.
- Walked away from a signed agreement with provinces and territories on a National Pharmaceutical Strategy.
- Stephen Harper once worked for an organization founded explicitly to oppose public health care in Canada.

“Harper will never, never say he’s against the Canadian health care system, but the results are all around you.”

– Shirley Douglas, OC

QUESTIONS FOR FEDERAL CANDIDATES: FEDERAL ELECTION 2011

1. Federal Leadership
   Q. Do you believe in a strong leadership role for the federal government as the guardian of national standards in health care? If yes, elaborate. If no, why not?

2. Canada Health Act
   Q. Do you support enforcement of the Canada Health Act and the ban on extra-billing, user fees and queue-jumping?

3. Universal Pharmacare
   Q. Do you support a national Pharmacare plan based on:
      i) universal public insurance;
      ii) a national formulary of essential drugs;
      iii) independent evidence-based drug evaluation,
      and iv) bulk-purchasing?

4. Continuing Care
   Q. Do you support federal funding and national standards for the establishment of a continuum of care including residential long-term care, home care and palliative care?

5. Renewal of Health Accord
   Q. Do you support federal leadership in negotiating a renewal of the Health Accord in 2014 based on predictable, adequate federal funding, national standards and accountability for how the money is spent?

PATIENTS FORCED TO BRIBE DOCTORS FOR CARE

A patient undergoing a medically-necessary surgical operation in Montreal was told not to forget to slip $100 under the pillow – for the anesthesiologist. She had already paid her surgeon $900 for “administration fees” and the surgeon simultaneously billed the province.

One high-ranking physician who works at several Montreal hospitals said obstetricians often accept cash offered by expectant mothers to ensure their doctor attends the delivery. From $2000 to $10,000 is being charged to ensure that a woman’s doctor will be there for the birth of her child.


Canadian Health Coalition

www.HealthCoalition.ca
Although the Greens, like the NDP have been making frequent announcements about their policies and positions, as of press date, they have not yet released a formal platform document. They have summarized their approach to government in terms of three broad objectives: 

• A smart economy  
• Strong communities, and  
• True Democracy  

**Smart Economy**

Canada has an opportunity to shift from an economic model based on the unsustainable exploitation of our resources to a sustainable and resilient economic model based on conservation and renewable resources, a model that advances the common good and ensures quality of life for all Canadians. Canada can meet...
FIRST MINISTERS’ HEALTH CARE AGREEMENT

The sleeper in much of the election talk around health care this year is the fate of the First Ministers’ Health Care Agreement, also known as the Accord. The Accord was signed off in the final year of the Chrétien government, and was intended to secure stable funding for provinces to accommodate some of the recommendations of the Romanow Commission and the Kirby (Senate) Report to ‘buy’ change.

The 2004 Agreement provided a little over $40 billion in new funds over 10 years, in return for commitments to action by the provinces in a number of areas in which they have had some successes and some failures.

Among the changes sought by Chrétien in the negotiation of the accord:

- Improvement in Wait Times in cancer, health, diagnostic imaging, joint replacements and cataracts
- Home Care Coverage to begin in 2006 and progress reports thereafter
- Increase the supply of health professionals, with targets for training, recruitment and retention by end of 2005 [include supports of aboriginal communities and accelerated assessment of international graduates
- Primary Care: ensure that 50% of residents have access to an appropriate 24/7 provider by 2011
- Catastrophic Drug coverage and Pharmaceuticals Management: design a national pharmaceutical strategy by 2006 with options for implementation [no deadline]

When the agreement was formalized in 2004, a number of new elements appeared as part of the plan to strengthen health care:

- Territorial Access Fund

(continued on page 12)
The Canadian Health Coalition features a fact sheet on the Sustainability of Health Care, from a 2010 presentation by Dr. Robert Evans to the Canadian Health Coalition addresses:

- The myth of the grey tsunami: aging of the population is less important as a factor than general population growth or inflation,
- The myth of health spending crowding out other services is a result of nearly $200 billion in federal and provincial tax cuts since 1990. Health care accounts basically for the same share of provincial revenues as in 1990.
- The myth of skyrocketing costs: public health care spending has been stable at 4-5% of GDP since 1975. Private spending—on drugs, dental care, home care, and the like—has been rising, but even in 2009 was just under 12%.
- The myth that privatization is the cure: Privatization only shifts costs to those least able to bear them at the most vulnerable time.

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Account holder’s name (Please Print) Account holder’s signature Date
FIRST MINISTERS’ HEALTH CARE AGREEMENT (continued)

• Accelerate work on a pan-Canadian public health strategy and a national immunization strategy
• Continued federal investments in support of health innovation and support for implementation of electronic health records
• Accountability and reporting to Canadians: the Canadian Institution for Health Information and the Health Council of Canada report annually, but no new formal accountability mechanism was contemplated beyond the existing enforcement provisions of the Canada Health Act

In March, 2011, the federal government asked the Standing Senate Committee on Social Affairs, Science and Technology to undertake the final review of the accord, and some initial hearings were scheduled before the election call.

The Health Council of Canada was among the groups appearing before the senate committee and chair, Jack Kitts, made the following points, following up on their 2008 progress report:
• Progress has been made in dealing with wait times in the five areas specified and have moved on to review other wait times
• Canadians still have difficulty accessing primary care after hours on weekends and are more likely to use emergency rooms. There are some good examples of change, but as of 2009 only 32% of Canadians had access to more than one primary care provider
• By the end of 2010 an Electronic Health Record was available for nearly half of all Canadians. The council remarked on the importance of sustained investment in this area to complete the job and accelerate the update of electronic health records across the country
• The creation of a National Pharmaceutical Strategy remains stalled, although individual jurisdictions are moving on a range of issues including collaboration on tendering and procurement.

The council chair concluded his remarks noting the need for continued government leadership, noting that much of the progress has been generated by individual jurisdictions.

For more information see www.healthcouncilcanada.ca/en.

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