

perspective

Debunking Canadian health care myths

By Rhonda Hackett

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As a Canadian living in the United States for the past 17 years, I am frequently asked by Americans and Canadians alike to declare one health care system as the better one.

Often I'll avoid answering, regardless of the questioner's nationality. To choose one or the other system usually translates into a heated discussion of each one's merits, pitfalls, and an intense recitation of commonly cited statistical comparisons of the two systems.

Because if the only way we compared the two systems was with statistics, there is a clear victor. It is becoming increasingly more difficult to dispute the fact that Canada spends less money on health care to get better outcomes.

Yet, the debate rages on. Indeed, it has reached a fever pitch since President Barack Obama took office, with Americans either dreading or hoping

for the dawn of a single-payer health care system. Opponents of such a system cite Canada as the best example of what *not* to do, while proponents laud that very same Canadian system as the answer to all of America's health care problems. Frankly, both sides often get things wrong when trotting out Canada to further their respective arguments.

As America comes to grips with the reality that changes are desperately needed within its health care infrastructure, it might prove useful to first debunk some myths about the Canadian system.

Myth: Taxes in Canada are extremely high, mostly because of national health care.

In actuality, taxes are nearly equal on both sides of the border. Overall, Canada's taxes are slightly higher than those in the U.S. However, Canadians are afforded many benefits for their tax dollars, even beyond health care (e.g., tax credits, family allowance, cheaper higher education), so the end result is a wash. At the end of the day, the average after-tax income of Canadian workers is equal to about 82 percent of their gross pay. In the U.S., that average is 81.9 percent.

Myth: Canada's health care system is a cumbersome bureaucracy.

The U.S. has the most bureaucratic health care system in the world. More than 31 percent of every dollar spent on health care in the U.S. goes to paperwork, overhead, CEO salaries, profits, etc. The provincial single-payer system in

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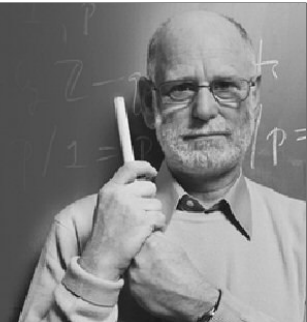


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Canada operates with just a 1 percent overhead. Think about it. It is not necessary to spend a huge amount of money to decide who gets care and who doesn't when everybody is covered.

Myth: The Canadian system is significantly more expensive than that of the U.S. Ten percent of Canada's GDP is spent on health care for 100 percent of the population. The U.S. spends 17 percent of its GDP but 15 percent of its population has no coverage whatsoever and millions of others have inadequate coverage. In essence, the U.S. system is considerably more expensive than Canada's. Part of the reason for this is uninsured and underinsured people in the U.S. still get sick and eventually seek care. People who cannot afford care wait until advanced stages of an illness to see a doctor and then do so through emergency rooms, which cost considerably more than primary care services.

What the American taxpayer may not realize is that such care costs about \$45 billion per year, and someone has to pay it. This is why insurance premiums increase every year for insured patients while co-pays and deductibles also rise rapidly.

Myth: Canada's government decides who gets health care and when they get it. While HMOs and other private medical insurers in the U.S. do indeed make such decisions, the only people in Canada to do so are physicians. In Canada, the government has absolutely no say in who gets care or how they get it. Medical decisions are left entirely up to doctors, as they should be.

There are no requirements for pre-authorization whatsoever. If your family doctor says you need an MRI, you get one. In the U.S., if an insurance administrator says you are not getting an MRI, you don't get one no matter what your doctor thinks — unless, of course, you have the money to cover the cost.

Myth: There are long waits for care, which compromise access to care. There are no waits for urgent or primary care in Canada. There are reasonable waits for most specialists' care, and much longer waits for elective surgery. Yes, there are those instances where a patient can wait up to a month for radiation therapy for breast cancer or prostate cancer, for example. However, the wait has nothing to do with money per se, but everything to do with the lack of radiation therapists. Despite such waits, however, it is noteworthy that Canada boasts lower incident and mortality rates than the U.S. for all cancers combined, according to the U.S. Cancer Statistics Working Group and the Canadian Cancer Society. Moreover, fewer Canadians (11.3 percent) than Americans (14.4 percent) admit unmet health care needs.

Myth: Canadians are paying out of pocket to come to the U.S. for medical care. Most patients who come from Canada to the U.S. for health care are those whose costs are covered by the Canadian governments. If a Canadian goes outside of the country to get services that are deemed medically necessary, not experimental, and are not available at home for whatever reason (e.g., shortage or absence of high tech medical equipment; a longer wait for service

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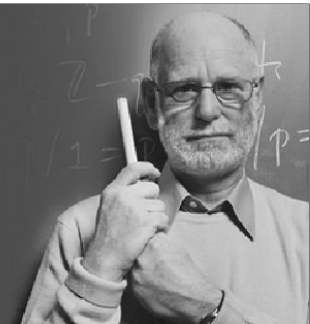


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than is medically prudent; or lack of physician expertise), the provincial government where you live *fully funds your care*. Those patients who do come to the U.S. for care and pay out of pocket are those who perceive their care to be more urgent than it likely is.

Myth: Canada is a socialized health care system in which the government runs hospitals and where doctors work for the government. Princeton University health economist Uwe Reinhardt says single-payer systems are not "socialized medicine" but "social insurance" systems because doctors work in the private sector while their pay comes from a public source. Most physicians in Canada are self-employed. They are not employees of the government nor are they accountable to the government. Doctors are accountable to their patients only. More than 90 percent of physicians in Canada are paid on a fee-for-service basis. Claims are submitted to a single provincial health care plan for reimbursement, whereas in the U.S., claims are submitted to a multitude of insurance providers. Moreover, Canadian hospitals are controlled by private boards and/or regional health authorities rather than being part of or run by the government.

Myth: There aren't enough doctors in Canada.

From a purely statistical standpoint, there are enough physicians in Canada to meet the health care needs of its people. But most doctors practice in large urban areas, leaving rural areas with bona fide shortages. This situation is no different than that being experienced in the U.S.

Simply training and employing more doctors is not likely to have any significant impact on this specific problem. Whatever issues there are with having an adequate number of doctors in any one geographical area, they have nothing to do with the single-payer system.

And these are just some of the myths about the Canadian health care system. While emulating the Canadian system will likely not fix U.S. health care, it probably isn't the big bad "socialist" bogeyman it has been made out to be.

It is not a perfect system, but it has its merits. For people like my 55-year-old Aunt Betty, who has been waiting for 14 months for knee-replacement surgery due to a long history of arthritis, it is the superior system. Her \$35,000-plus surgery is finally scheduled for next month. She has been in pain, and her quality of life has been compromised. However, there is a light at the end of the tunnel. Aunt Betty — who lives on a fixed income and could never afford private health insurance, much less the cost of the surgery and requisite follow-up care — will soon sport a new, high-tech knee. Waiting 14 months for the procedure is easy when the alternative is living in pain for the rest of your life.

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