

Household health care spending hits \$1,932 in '07

Canadian households spent an average of \$1,932 on health care in 2007, Statistics Canada reported just before Christmas. This was only slightly above the \$1,536 the average household spent on tobacco products and alcoholic beverages.

The outlay for health care represented 2.8 per cent of total average household expenditures of \$69,950 and was up 3.5 per cent from the \$1,187 spent in 2006.

This increase was close to the 3.3 per cent overall growth in household spending. Between 2003 and 2006 the gap had been wider: households increased their spending on health care by over six per cent a year and well above the average rate of growth in household spending.

In 2007, the highest level of household health spending was in Alberta (\$2,259) and B.C. (\$2,177). Both had health premiums. Alberta abolished its health premiums as of this January 1.

Ontario also has a health premium, but the average household spending on health care was more modest in 2007 (\$1,721). Quebec had the third-highest spending (\$2,067) and it has premiums for its universal drug plan. Newfoundland and Labrador had the lowest average household health expenditures at \$1,582.

The report is available at www.statcan.gc.ca/daily-quotidien/081222/tdq081222-eng.htm. **HE**

Happy New Year

We're back! Our first issue of 2009 covers all the news in health care from December 19 to January 8.

The Year Ahead

The state of the economy and financial markets will unquestionably preoccupy Canadians and their governments in 2009, as well as have a major spill-over effect on the affairs of health care in this country.

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A lot riding on NB, Alberta regional health changes

Alberta and New Brunswick made big changes to their regional health structures in 2008, and their respective health ministers are convinced the gamble will pay off.

Alberta dumped nine regional health authorities in favour of a single board, Alberta Health Services, to run things. It was reported over the holiday period that the new board could be facing a deficit of at least \$1 billion in the 2008-09 fiscal year. Of this, \$400 million was inherited from the former regions.

However, Alberta Health and Wellness Minister Ron Liepert remains optimistic. "You will see efficiencies, but they're not going to happen overnight," he told the *Edmonton Journal* before Christmas. He hopes to see improvements within the next five years at most.

Premier Ed Stelmach has also suggested that a lid will be put on health spending. The province's

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For some time, governments have tried to persuade the public of a sustainability crisis in health care – that the year-to-year increases in health spending are simply unaffordable and squeezing out other program priorities. But there is no consensus on the magnitude of the problem and some are convinced that the doomsday scenarios of medicare going bust are overblown.

In 2009, the sustainability debate will be sharpened as the chill of hard economic times reaches into Canadian households, and governments come under unprecedented pressure to get their financial houses in order.

The federal budget is to be tabled in just over two weeks. It will have to contain significant economic stimulus if the Conservatives are going to stave off a non-confidence vote by the Opposition, but health care will not be part of it unless the Liberals and NDP try to get some of the items in their health platforms included.

Hypothetically, this could mean money for catastrophic drug coverage and more funds than the Conservatives were prepared to commit in the last election to helping recruit and retain health professionals.

But infrastructure support is the name of the game in any economic rescue plan, and consistent with this theme the Canadian Centre for Policy Alternatives is calling for \$190 million invest-

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ment in both "hard" and "soft" aboriginal health infrastructure as part of a \$33 billion stimulus package for the country.

Last fall, two major health-care advocacy groups – the Canadian Medical Association and the Canadian Nursing Association – called for more federal investment in information technology. Canada's electronic health record agenda is desperate for more cash.

Realistically, the chances of any of these things turning up in Finance Minister Jim Flaherty's budget are slim at best.

He has already intimated that the government's commitment to health care will be confined to protecting the six per cent annual escalator in the Canada Health Transfer. The CHT will amount to \$24 billion in the 2009-10 fiscal year.

Added to this will likely be an extra \$40 million or so to start fulfilling the Conservatives' health promises in the election – principally to help provinces add more physician residency positions and support lung and neurological research. The government also has \$214 million left in its Wait Times Guarantee Trust which the provinces and territories are using to implement a wait-time guarantee for one particular service in 2010.

And there is \$250 million remaining in the \$4.5 billion Wait Times Reduction Fund established by First Ministers in the 2004 health accord. The fact that this money has almost run out puts more onus on provincial-territorial governments to continue the wait-time reduction effort. But their budgetary cupboards will be bare; most are expected slip into the red to finance their own economic recovery programs.

In the mid-1990s, the last time provinces were in such a financial mess, health spending was cut significantly. This is unlikely to

Hansard Highlights

Debates in provincial legislatures/House of Commons

The **New Brunswick** legislature was the last one to adjourn before Christmas, and in Question Period December 18 Progressive Conservative Health Critic Margaret-Ann Blaney accused Health Minister Michael Murphy of putting "politics before policy" and "gross misconduct" in the handling of the health file. She laid out a long list of issues including the announced resignation the day before of the medical director for the Saint John area who is allegedly quitting because he is frustrated with what is hap-

pening this time around, but how much of an increase health care will get in the 2009-10 budgets is another matter. Governments will aim for six per cent, probably less. Putting health care increases on par with economic growth, or at least with other program spending, has been a goal for some time.

Any belt-tightening would come at a particularly difficult time for New Brunswick's two new health regions and Alberta Health Services which has taken over the day-to-day business of running health care from that province's nine former health regions. The new entities in both provinces are still in transition mode (*See story page one*).

B.C. is headed into an election in May. The government has passed legislation making sustainability one of the guiding principles of the province's health insurance plan, but British Columbians are still waiting to hear what this means in practical terms. The government's record on creating more continuing care spaces will be under scrutiny in the election, especially its decision to implement a mix of housing options for seniors not just more long-term care beds.

Alberta is going down the

pening in health care. However, she was particularly concerned about delays in getting a provincial trauma system up and running. Mr. Murphy categorically denied all of Ms. Blaney's charges. He also pointed out that the chairperson of the provincial trauma advisory committee has commented that "it was hard to be a year behind, as alleged by [Ms. Blaney], when the committee has only been at it for a year."

The **House of Commons** is back January 26 with a Speech from the Throne.

same road with its new Continuing Care Strategy unveiled in December. It is just one of many things on the to-do list of Health and Wellness Minister Ron Liepert. Changes to services provided by rural hospitals will also be on the agenda in 2009.

The plight of small, underutilized hospitals has been an issue for many years in Saskatchewan as well, and the issue could surface in the government's "patient-first" review of the health system being conducted by retired hospital executive Tony Dagnone. His report is due mid-year.

Manitoba shares the same problem with small hospitals, and the ongoing challenges of keeping ERs open will continue to make news in the province and preoccupy politicians during oral question period in the legislature.

Ontario hospitals are already having a hard time grappling with a budget increase of just over two per cent in 2008-09 with a similar increase slated for 2009-10. This has been a severe test for the province's three-year old network of Local Health Integration Networks which have responsibility for hammering out accountability agreements with hospitals.

There may be more progress

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.. Briefly .. News Shorts .. Briefly .. News Shorts .. Briefly

Karen Casey is the new Minister of Health in Nova Scotia. In a Cabinet shuffle Wednesday, the former Minister of Education replaced Christopher d'Entremont who had the health job for almost three years. He is now in charge of Community Services. As well, Pat Dunn joined Cabinet as Minister of Health Promotion and Protection. His predecessor, Barry Barnett, is now Minister of Energy. Before being elected to the legislature in 2006, Ms. Casey was chair of the Colchester East Hants Health Authority. (*News release*)

As of January 1, pharmacists in B.C. are able to renew patients' prescriptions without a physician OK first. Pharmacists are also able to adapt dosages and substitute drugs where appropriate. (*News release at www.gov.bc.ca/health*) ... **On January 1, Ontario started covering PSA tests at community laboratories.** Previously publicly-funded tests were only available at hospitals. (*Toronto Star*, Jan. 1) ... **Also as of January 1, Alberta health premiums are no longer being collected.** This saves single people \$528 a year, double that for families. Some companies who partially or fully covered the premiums are reinvesting the money in other employee benefits. (*Calgary Herald*, Dec. 31) ... **Alberta seniors will not be required to pay part of the cost of prosthetics and orthotics** if they earn more than \$21,000 a year. Bulletins were sent out to seniors to this effect before Christmas, but officials have said the bulletin was wrong and should not have been distributed. (*Edmonton Journal*, Dec. 19)

Ontario has three more patient safety indicators online. Ontarians now have access to infection rates for methicillin-resistant *Staphylococcus aureus* (MRSA) and vancomycin-resistant

enterococci (VRE) by hospital site. It is also beginning to report hospital standardized mortality ratios calculated annually by the Canadian Institute for Health Information. (*More information at www.health.gov.on.ca/patient_safety*)

Quebec has delayed a controversial set of regulations which were to go into effect this week. One reduced the cost of an operating license for a private specialized clinic. The other listed about 50 medical treatments such clinics can perform. The government has put off implementation until September 30, saying it needs to have the necessary legislation in place first. However, union groups say the decision has more to do with the fact that they had taken legal action against the regulations. Nonetheless, they are pleased the government appears to be listening to their pleas to strengthen the public system as a first priority. (*Le Devoir*, Jan. 8) ... **Montreal hospitals are having some success in applying the "lean management" approach to improving ER operations.** This approach, pioneered by Toyota to make production lines more efficient, is in use in a number of provinces and Quebec Health and Social Services Minister Yves Bolduc is also a fan. The Montreal health region sponsored a project run by McKinsey and Co. that identified a number of ideas which came from front-line staff. Some, but not all, hospitals have put the ideas into practice and seen their ERs become less congested. (*La Presse*, Jan. 8)

International Medical Graduates (IMGs) looking to get into the Canadian health field are getting the chance to train as paramedics through a free 25-week training program offered by the Bredin Institute, a non-profit organization in Edmonton. It usu-

ally takes two years to train as a paramedic but this project, funded by the federal government and the City of Edmonton, recognizes the medical education of IMGs. The program is not targeted to those seeking accreditation as physicians. (*Edmonton Journal*, Jan. 5)

... The difficulties of Canadian IMGs wanting to return home and practice medicine in B.C. were profiled in a Vancouver Sun story December 29. In a published response to the story, the Senior Deputy Registrar of the College of Physicians and Surgeons acknowledged that the "major hurdle" for Canadian medical students studying abroad is getting admission to residency programs in Canada. In a separate response, Health Minister George Abbott noted that a new framework is being developed in B.C. to allow Canadian citizens trained outside Canada to find medical residencies and practice in the province. As well, he pointed out that 42 per cent of new physicians licensed in B.C. in 2007 were IMGs. (*Vancouver Sun*, Dec. 29, Jan. 2) ... **Quebec GPs are showing increasing preference for emergency and hospital work,** a study by the Fédération des médecins omnipraticiens du Québec (FMOQ) has found. Fully 39 per cent of GPs worked in hospitals versus private practice in 2006-07 versus under 34 per cent in 2003-04. Better pay is part of the answer. Also young physicians are obliged to work 12 hours a week in hospitals and other priority areas, but FMOQ says they are going well beyond this. (*Le Soleil*, Dec. 23)

New Brunswick nurses have a tentative contract that averts a potential strike. No details are available pending a ratification vote to start January 19. (*Moncton Times-Transcript*, Jan. 6)

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health budget has consistently seen higher year-to-year increases than most over provinces in recent years, averaging 12.5 per cent since 2003-04.

In New Brunswick, eight regional health authorities have been reduced to two as of last September, and Health Minister Michael Murphy says this has already made a difference.

Last year, the health authorities had combined deficits of \$48 million. This year, it looks as though they will be \$40 million in the hole. He expects the two new regions to erase all their red ink within a couple of years.

However, the New Brunswick government first has to win a court battle with a French-language advocacy group who claim the regional changes are unconstitutional. It wants one of the regions to be designated as offering French-language services. Mr. Murphy says this would lead to dualistic health services in the province, something it cannot afford.

New Brunswick and Alberta have another thing in common — a willingness to give the private sector a chance to deliver health services providing it can do so in conformity with the *Canada Health Act* and with the public sector continuing to pick up the tab. Mr. Murphy plans to introduce legislation to this effect early in the year. **HE**

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this year in terms of Quebec’s limited response to date to the Castonguay report. This includes more latitude for health regions to buy services, including from the private sector.

The election in December has revived the fortunes of the Parti Quebecois which is now the Official Opposition. The PQ campaigned against an expanded role for the private sector in health care and this will be a fo-



Miscellany

Hand washing

The *Montreal Gazette* (Jan. 7) reacts to a McGill University Health Centre audit finding that only one-in-four physicians, and half of nurses at most, wash their hands between seeing patients in some wards. The *Gazette* says this is a dangerous practice when hospitals are being hit with drug-resistant bacteria. It encourages McGill to act to achieve hand-washing standards. “Full compliance is thought to be impossible — in itself, a shocking indictment of medical insouciance — but some hospitals have achieved 70 per cent compliance. Ours should strive to do at least as well.”

Limits to prevention

Last month, B.C. Provincial Medical Officer Dr. Perry Kendall released a report on alcohol consumption noting an eight per cent rise in the province since 2002. In it, he also made some “controversial proposals,” according to the *Victoria Times-Colonist* (Jan. 4), including “routine screening” of patients by doctors and “brief interventions for hazardous drinkers.” While the *Times-Colonist* agrees self-restraint is wise, “The question is how far government — and medical health officers — might go to promote

healthy lifestyles.” It does not dispute that smoking, excess drinking and obesity are all health risks, “But there is a fundamental issue here. There is scarcely a more personal matter than what we choose to eat or drink. If that can be decided for us, is there anything that cannot?”

Mental health services

The *Vancouver Sun* (Dec. 19) comments on the recent finding by the acting military ombudsman that fewer than half of the 31 recommendations his office made in 2002 for improved mental health services for military personnel and their families have been implemented. The need for such services is now even greater with Canadian involvement in the Afghanistan conflict, the *Sun* says. “We ask men and women to stand up for Canada at great risk. The least we can do is stand up for them when they come home.”

Health Edition is published by Krysgar Communications Inc. **Merck Frosst Canada Ltd. has made this copy of *Health Edition* available as part of its commitment to foster constructive dialogue about health reform in Canada.** You can contact *Health Edition* at info@healthedition.com ISSN 1492-627X

cus for debate when the legislature returns in March.

In Atlantic Canada, New Brunswick will be the chief newsmaker with the unfolding of the Provincial Health Plan and Health Minister Michael Murphy’s intentions to do more business with the private sector.

PEI will have its hands full with the implementation of November’s health system review. As in Nova Scotia, which took delivery of a system review by the same

consulting company last January, it involves a major shift of resources from acute care to the primary care sector — no mean feat to pull off.

Newfoundland and Labrador’s big test will be the report of the Cameron Inquiry into faulty breast cancer receptor tests due by March 1. The government’s response will undoubtedly include an overhaul of its accountability relationship with health regions. Another interesting year! **HE**