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Toronto Star (October 18, 2002)
Remedy for health system debated
Better care may mean higher taxes, experts say
By Tim Harper

OTTAWA — Roy Romanow has raised the medicare stakes, but will Canadians ante up?

The call for an expansion of medicare by Romanow, the man overseeing renewal of the country's health-care system, again raised the spectre of tax increases to fund the billions of dollars his prescription will undoubtedly cost.

Leaders in the medical profession say they are confident Canadians will pay, provided they are sure the money is going to health care.

But the opposition Canadian Alliance accused Romanow of not coming to grips with escalating health-care costs and declining service.

"Romanow virtually ruled out any new ideas for the provision of private-sector services within the public system, and even talked about expanding the existing system," Alliance leader Stephen Harper said. "He fails to recognize that the existing system is at the breaking point, and the talk of expansion raises the spectre of huge tax increases to pay for it."

If that's the road on which he is headed, Harper said, "his report should be filed as an exhibit in Jurassic Park."

In a speech to Harvard University in Cambridge, Mass., Wednesday, Romanow said he believed the country's medicare system should be expanded, raising the possibility he will recommend national home care and drug care plans that could cost the treasury billions.

In a speech to the House of Commons following his Sept. 30 throne speech, Prime Minister Jean Chrétien appeared to be setting the stage for a potential dedicated tax to pay for health care.

"The issue is not whether we will pay more as a society for health," Chrétien said. "We will. It's about the type of society we want."

Dr. Dana Hanson, president of the Canadian Medical Association, said in an interview he believed as long as any taxes are "transparent and accountable," Canadians will pay.

"I think Canadians are sick of seeing taxes and funds being raised for health care and then seeing the money being spent elsewhere," he said.

QUOTE: 'Would be willing to endure a tax increase if they knew the money was going directly to their health-care system.' -- Dr. Dana Hanson, Canadian Medical Association

"I think they would be willing to endure a tax increase if they knew the money was going directly to their health-care system."

Many recent polls, including internal Liberal polling, have indicated Canadians would agree to pay more to keep their universal, accessible health-care system.

Dr. Ian Hammond, president of the Canadian Association of Radiologists, said he was encouraged by Romanow's speech, particularly the reference to the proliferation of for-profit MRIs, CAT and PET scan clinics.

Romanow said the private clinics are a potential threat to the single, user-pay system.

"It is a serious violation of a core value shared by Canadians," Romanow said adding, "the notion that people should have equal access to care, and that medical need should be the only criterion governing who should be tended to first."

Hammond said whether Canadians pay for health through taxes or reach into their own pockets, costs are going up.

"It's the same curse," he said. "I believe we are being listened to by Mr. Romanow."

He said about 98 per cent of his patients cannot afford to pay for private clinic services.

"This is an essential social service which should not be governed by the rules of trade and commerce," he said.

In Alberta, the government of Ralph Klein has been considering a health tax linked to income, a move which would replace health-care premiums. But Klein said yesterday there would be no new taxes or deductibles to pay for health care.

Alberta would also allow the contracting out of health services, according to the recommendations of a committee struck to implement the recommendations of the provincial study of health-care delivery by former deputy prime minister Don Mazankowski.

Romanow has scheduled four more major speeches before his report comes down Nov. 27. Before that, a Senate committee headed by Nova Scotia's Michael Kirby, will report next Friday. It is expected to recommend a larger private-sector role.

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Globe and Mail (October 17, 2002)
Romanow prescribes expansion of Medicare
By BRIAN LAGHI

The federal government should expand public medicare to pay for services beyond those offered by hospitals and doctors, says the man charged with recommending how to repair Canada's health-care system.

Failure to expand the public system will force Canadians to bear a greater burden of their own health costs, federal health-care commissioner Roy Romanow told a Harvard University audience Wednesday in a speech signalling some of the broad outlines of his long-awaited report.

He also issued warnings about the creeping use of private diagnostic equipment, such as MRIs, and laid out ideas for how to reorganize doctors' offices.

Mr. Romanow would not say what new areas Ottawa should enter. But services that aren't covered by medicare include drugs and home care, which make up an increasingly large amount of the health-care bill.

"I think the universal, single-payer system should actually be expanded beyond the basket of services offered in hospitals or by doctors," Mr. Romanow said in the speech, a text of which was made available to The Globe and Mail.

"True, expanding the scope of medicare coverage would demand some additional public investment in the near term. But in the long term, it would ensure a more rational, cost-effective and sustainable use of all health-care services."

The speech is the clearest indication yet of what direction Mr. Romanow will recommend for medicare when he issues a report at the end of November. He was appointed by Prime Minister Jean Chrétien to look at the entire health-care system, and his comments Wednesday suggest his recommendations will require a sizeable injection of new public money.

Speculation is rife that Mr. Romanow will recommend that Ottawa provide money for home care and, perhaps, a limited prescription drug program — moves that could add billions of dollars in health-care costs.

"I can't say now which ones ought to be included; that is grist for more public discussion," Mr. Romanow told about 50 academics, medical students and others. "But I can say that if we don't lay the groundwork now, the private costs for these services will continue to grow with little restraint."

If the government doesn't expand the system, more Canadians will turn to hospitals and doctors, "which they perceive as free."

In Canada's system, the government covers the cost of drugs provided in hospital, but not, by and large, those purchased at a dispensary.

Most provinces have limited drug plans for the elderly and the poor, but there are wide variations across the country; some experts believe that public- health services should cover drugs because they are so expensive. The Canada Health Act, which penalizes provinces that don't appropriately finance doctor and hospital services, does not apply to drugs or home care.

Mr. Romanow also suggested a fundamental change in the way doctors services are delivered, and raised alarm bells for poorer Canadians trying to get certain diagnostic services.

He said provincial governments must break down barriers among health-care providers, a signal that he will recommend lumping professionals like nurse practitioners, doctors, nurses, dieticians and others under one clinical umbrella, rather than having them practise separately.

Many provinces are experimenting with such forms of primary care, arguing that they are more efficient and may cost less.

But many doctors are wary because it could change how they are compensated.

"No question, it will be difficult to achieve such transformations," Mr. Romanow said.

He also said he has become increasingly concerned about the proliferation of private clinics and the fact that those who can afford it can get tests done faster.

"This is a growing phenomenon and, in my view, potentially threatening," Mr. Romanow said.

"It is a serious violation of a core value shared by Canadians — the notion that people should have equal access to care, and that medical need should be the only criterion governing who should be tended to first."

Mr. Romanow was referring to private MRI (magnetic resonance imaging) clinics where individuals can pay for what are considered medically necessary services. Canadian Alliance House Leader John

Reynolds sparked controversy recently when he shelled out \$775 at a Quebec clinic for a test on his shattered leg.

He suggested that the best way to avoid queue-jumping is to address equipment and staff shortages. Mr. Romanow has also taken a dim view of expanding the number of privately owned clinics that deliver public services, challenging operators to prove they are more efficient and provide better health outcomes.

He also warned that there will be pressure for private services if Canadians don't believe their governments will adequately provide them with high-quality care.

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National Post / Ottawa Citizen (October 17, 2002)

Romanow: Expand medicare

Preview of report suggests broader, costlier coverage, not move to private care

By Mark Kennedy

Canada's publicly funded medicare system should be expanded to cover a range of health care services now paid for directly by patients and their private insurers, says Roy Romanow.

The shift would clearly lead to higher medicare costs for governments, he says, but ultimately ensure a more "rational, cost-effective and sustainable" way for Canada to spend the health care tab, which now exceeds \$100 billion annually.

In a highly revealing speech last night at Harvard University, the head of the royal commission on medicare's future dropped strong clues about the basic conclusions that will buttress recommendations in his final report next month.

While avoiding specifics, his remarks suggest Mr. Romanow is on the verge of making sweeping proposals to broaden the scope of medicare insurance to include some form of coverage for services such as home care and prescription drugs.

He made it crystal clear he will not propose a move toward U.S. market-style medicine, in which most patients are responsible for picking up the costs of their health care directly or through private insurance.

Rather, he said, Canadians need to "preserve" medicare's central tenet that casts governments as the "universal single payer" for a publicly insured system.

And in an interview yesterday with the Citizen, Mr. Romanow said it's critical for anxious Canadians worried about the future of medicare to realize the system can be sustainable in the long term -- so long as the necessary funding and structural reforms are brought about.

"For all of its failings, or concerns that people have, real or imagined, it has been an outstanding social good," Mr. Romanow said of medicare. "It has been done efficiently, and as importantly as anything, done within the deep fibre of Canadian nationhood -- equity, compassion, looking after each other and being responsible for yourself."

Mr. Romanow told the Citizen that what's needed is for governments to show the "will and leadership" to make "transformative change" to modernize the system. That includes more emphasis on preventive medicine to keep people healthy, and a dramatic change in the way patients get their initial treatment from medicare's front lines -- perhaps even by creating a comprehensive primary care system of clinics, staffed 24 hours a day, seven days a week by a range of doctors and health-care professionals.

While Mr. Romanow told his Harvard audience that he couldn't share his detailed recommendations before he submits his report to the prime minister in November, he did share with them some of the outlines of his thinking.

He said most polls, as well his own research and extensive public consultations, found there is "a broad consensus" among Canadians in favour of keeping the single-payer feature of medicare intact.

"I think the universal, single-payer system should actually be expanded beyond the basket of services offered in hospitals or by doctors," he said. "I won't say now which ones ought to be included, and by the way, in a fiscally responsible way, that is grist for more public discussion."

Mr. Romanow warned that unless Canada doesn't immediately lay the groundwork for an expansion of medicare to embrace other treatments, "the private costs for these services will continue to grow with little restraint."

He said medicare has much lower administrative costs than those in private systems dominated by multiple private insurance companies. By example, he cited a recent Harvard study that found the annual cost per person on health-care administration was \$325 U.S. per Canadian and \$1,150 U.S. per American.

Mr. Romanow said it is true that expanding medicare's scope of coverage would "demand some additional public investment in the near term."

"But in the long term, it would ensure a more rational, cost-effective and sustainable use of all health care services. And it is the long term we must always keep firmly in mind."

Mr. Romanow said he agreed with Dr. Arnold Relman, professor emeritus of Harvard Medical School, who said almost 20 years ago that health care should be a "social service," not an "economic commodity sold in the marketplace" to those "who can afford to pay for it."

For instance, Mr. Romanow said he is concerned about the "growing phenomenon" of private MRI clinics that charge patients a user fee and provide them a faster diagnosis, meaning they then get faster surgery or follow-up care in the public system. He said the growth of the clinics is "potentially threatening" to medicare because they represent a "serious violation of the core value" shared by Canadians – that medical need, not income, should be the criterion for who gets treated first.

In the interview, Mr. Romanow reaffirmed that his report to Prime Minister Jean Chrétien will contain a timetable for implementing specific costed-out recommendations.

It's expected he will outline how much extra money will be needed to fund the new initiatives, how the money should be raised (earmarked health taxes or premiums are options apparently under review), and whether the money should be forwarded to provinces with specific conditions on how it is spent.

Mr. Chrétien and the premiers are expected to launch negotiations early in 2003 on health-care reform.

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Canadian Press (October 16, 2002)

Romanow rejects greater private-sector involvement in medicare

By DENNIS BUECKERT

OTTAWA (CP) - In a major speech foreshadowing findings of his report due next month, Roy Romanow has rejected greater private-sector involvement as a remedy for medicare. Publicly funded medicare is far more efficient than a U.S.-style free-market approach and indeed should be expanded into new areas, Romanow, who heads the royal commission on the future of health care, said Wednesday.

A single-payer insurance system like medicare has lower administrative costs, he said in an address prepared for the Weatherhead Center for International Affairs at Harvard University.

"Private insurance systems spend a lot of money on the extensive infrastructure required to deal with multiple insurance companies, assess risk, set premiums, design benefit packages, review claims and reimburse beneficiaries."

In 1999, Canadian health spending on a per capita basis was much less than U.S. spending - \$325 US - compared with \$1,150 paid by each American.

In Canada, costs for services where the private sector is dominant have grown far faster than those covered by the single-payer publicly funded system.

For example, per capita drug costs have doubled in the past 25 years while hospital and physician costs have remained stable, he said.

"I think the universal, single-payer system should actually be expanded beyond the basket of services offered in hospitals or by doctors."

He did not specify which areas should be included in an expanded system, but national pharmacare and home care programs are possible candidates.

Mike McCarthy, an aide to Ontario Health Minister Tony Clement, said the Ontario government would welcome a national pharmacare program, if Ottawa provided funding.

"Drugs are a runaway train with 15 to 16 per cent increased costs annually, which is not sustainable," McCarthy said. "If there was a recommendation for national pharmacare we'd embrace it."

Romanow's speech said expanding medicare coverage would require additional public funding in the near term but ensure a more rational, cost-effective system in the long term.

"If we don't lay the groundwork now, the private costs for these services will continue to grow with little restraint."

In a direct challenge to policies in several provinces, he warned that medicare is threatened by private clinics that charge fees for MRI and other diagnostic services.

MRI (magnetic resonance imaging) technology provides images of the internal organs, and is offered on a fee basis in several provinces.

"This is a growing phenomenon and, in my view, potentially threatening," said Romanow.

"Why? Because it is a serious violation of a core value shared by Canadians: The notion that people should have equal access to care."

Patients who are tested sooner will also be seen sooner for surgery and follow-up care, violating the principle that medical need alone should determine who gets served first, he said.

Romanow said everything must be done to reduce waiting lists and recommended a system in which patients would deal with teams of health-care providers available 24 hours a day.

He did not specify how much money would be required or where it would come from. Ottawa has said it is prepared to discuss new investment in health with provinces.

5. _____

National Post (October 17, 2002)

Romanow wants more of the same

Says medicare needs more money, warrants expansion; rejects push toward private care

By Tom Arnold

The most comprehensive and costly government-sanctioned assessment of the future of health care in Canada is poised to recommend essentially the same medicare system the country has now, but with more money and an expanded list of publicly funded services.

Roy Romanow, who headed the 18-month, \$15-million royal commission on the future of health care, yesterday offered his first preview of the direction of the report he will present to Jean Chrétien, the Prime

Minister, in late November. In a speech at Harvard University, he effectively ruled out any expansion of the private sector's role in providing health services.

He suggested there may already be too much private care in Canada, pointing out the "growing phenomenon" of some for-profit services, such as MRIs, CAT and PET scan clinics.

"MRIs and other diagnostic tests ... are now becoming more available on a user-fee basis. It is therefore likely that patients who are tested sooner will also be seen sooner for surgery or follow-up care. This is a growing phenomenon and, in my view, potentially threatening. Why?

"Because it is a serious violation of a core value shared by Canadians: The notion that people should have equal access to care, and that medical need should be the only criterion governing who should be tended to first."

While almost all recent health reports and medical experts in this area have suggested the health care system cannot survive without major fiscal and structural reforms, the former Saskatchewan premier told his Harvard audience that Canadian medicare is sustainable in essentially its current form.

"My answer to anyone who thinks otherwise is, 'Show me the evidence. Table it now,' " Mr. Romanow said in a telephone interview last night.

"I have asked for this for 18 months. Show me the evidence that there is another way to proceed in order to provide the kinds of services and the wait lists that people want."

He cited a recent Harvard study that concluded the annual cost per person for health care administration was US\$325 in Canada and US\$1,150 in the United States.

"The current system works. It needs repair, financial repair and reorganizational repair, but the system works."

Mr. Romanow did not mention in his remarks how an expansion of services would be covered and where the new financial resources will come from -- a critical point given the ongoing squabbling between Ottawa and the provinces about overall health costs, which already total \$100-billion annually.

Asked about that in the interview, Mr. Romanow stated: "This is not a final report. It is a speech about sustainability."

He told the university audience his final report will issue a list of recommendations that will include cost estimates and provide implementation deadlines.

For years, the provinces have argued they cover more and more health care costs while the federal government share gets smaller. Last month, they launched a national advertising campaign claiming the provinces pay 86% of health care costs while Ottawa contributes 14%.

Recently, there have been mixed messages coming from the federal government about the priority of health reform. John Manley, the Minister of Finance, has suggested there may not be any extra money available for health care, at least in the short term, while Anne McLellan, the Minister of Health, has indicated that if the Romanow commission recommends more money be put in the system, Ottawa will come up with it. The Prime Minister has refused to rule out the creation of a dedicated tax to pay for health care costs.

Many observers expect Mr. Romanow to recommend the federal government pick up more of the overall health tab, perhaps as much as half of all medicare costs.

In his address -- titled "The cost of health care: Is it sustainable?" -- Mr. Romanow painted a portrait of an expanded, universal, single-payer, publicly funded system. He did not say whether he is considering a string of controversial proposals, such as user fees, medical savings accounts or other high-profile options, such as the health charter and health care commission put forward by the Canadian Medical Association.

A Senate committee on health care headed by Nova Scotia Senator Michael Kirby is to present the results of its own hearings in a report on Oct. 25. Sources have suggested it will recommend a national pharmacare program to cover gaps in private and provincial group plans, with an estimated tab of about \$1.5-billion a year.

In April, Mr. Kirby's committee concluded medicare is no longer financially sustainable and requires a major overhaul, including a \$6.5-billion investment from the federal government.

"Sustainability is about more than money," Mr. Romanow said in his speech yesterday. "It is about ensuring a continuum of health services in a way that is both fiscally responsible and responsive to ever-changing needs.

"It is also about political sustainability in the sense of the system having the requisite support of a majority of citizens within a democratic society. This includes sharing the fundamental values that underpin the system. From this perspective, any public health care system is as sustainable as a given society wills it to be."

Mr. Romanow also suggested he must try to restore Canadians' confidence in the health care system or they may turn to private health alternatives.

He said the "universal single-payer is a feature of our health care system well worth preserving.

"There is a broad consensus about this in Canada. People believe not only that this structure is efficient, but also that it is fair."

He also called for an expansion of publicly funded services, but did not elaborate. This could include coverage for home care or prescription drugs.

He said if the expansion does not occur, private companies will pick up the slack and costs will continue to escalate as they search for greater profits.

"If we don't lay the groundwork now, the private costs for these services will continue to grow with little restraint. As a consequence, more people will turn to acute care services -- which they perceive as free -- even though these tend to be more costly and may not be appropriate."

Such an expansion of coverage does mean more money, Mr. Romanow told the crowd, but he said "it would ensure a more rational, cost-effective and sustainable use of all health care services."

He called for improved, timely access to quality services.

Complaints about access to some types of surgery, specialists and advanced diagnostic tests are commonplace, he said. However, he added that queue jumping is more a "myth than a reality."

Mr. Romanow said he also intends to recommend an expansion of primary care across the country.

"Modernizing and transforming the health care system also involves the evolution of primary care -- people's first point of contact with the health care system. We need, for instance, to shift the focus away from hospitals and medical treatments and to break down traditional barriers among health care providers.

"The best way to do that is to create a comprehensive primary health care system that is available 24 hours a day, seven days a week, with providers who have long-standing and trusting relationships with patients."

Mr. Romanow said there is a misconception among Canadians and Americans that Canada only provides public health care.

"Clearly, the Canadian system is hardly a monolith of socialized medicine," Mr. Romanow said.

He told the group health costs have been soaring, but said that in a comparison of public, private and mixed systems, the publicly funded group has increased by the smallest amount.