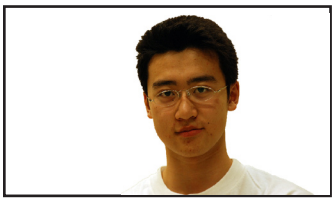
Exposition

# Healthcare in Canada: not private, but not-profit



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*Is it ethical to allow the private sector to provide services with public aims? Is public healthcare more cost-effective or socially responsible? Which sector will best meet the public's ever-changing health requisites? This article reviews some of the key arguments on both sides of Canada's public versus private healthcare debate, which is essential for a comprehensive understanding of this sensitive and proximal issue.*

One of the easiest ways to demonstrate the merits of Canada's healthcare system is to compare it to that of our closest neighbour—the United States of America. According to the World Health Organization's annual world health reports, Canada has consistently provided better healthcare than the United States at a relatively smaller cost to its citizens. Furthermore, the Canadian healthcare system's quality and universality has been a point of pride at home and abroad (Steinbrook, 2006).

Unfortunately, the increasing costs of new technologies and prevalence of chronic diseases are overburdening the traditional system, thereby threatening its sustainability (Lewis et al., 2001). Despite structural reforms and promises of more effective practices, long wait times and decreased quality of care continue to plague the public health sector (Steinbrook, 2006). Public expectations of access are dissonant with what is publicly affordable. Some critics believe that adopting more market-driven practices would improve system performance (Simpson, 2007). Others believe that privatization would only exacerbate the situation. These two opposing ideological standpoints form the foundation of the perennial public-versus-private healthcare debate. This article seeks to review and elucidate some of the key arguments on both sides of the debate.

First and foremost, several oversimplifications must be addressed. The terms "public" and "private" are misnomers. The erroneous implication is that Canada's current healthcare system is exclusively "public". In actuality, both public and private organizations fund medical services – 70% public and 30% private (Steinbrook, 2006). Furthermore, payment for and delivery of healthcare are two entirely different concepts. Canada, for the most part, provides public funds to private not-for-profit businesses, such as hospitals and independent practitioners (Ovretveit, 1996). Thus, the ostensible "public-versus-private" debate is more accurately a debate between not-for-profit and for-profit healthcare (Ovretveit, 1996). While it is important to keep this distinction in mind, the original terms will be preserved in this article for the sake of simplicity.

> "Public expectations of access are dissonant with what is publicly affordable"

One of the key dilemmas in this debate revolves around the practicality of privately and publicly funded healthcare—in other words, which option is better able to meet the needs of the people (Ovretveit, 1996)? Supporters of the current system reason that since the political infrastructure is designed to respond to its constituents' diverse demands, the government should continue to manage the lion's share of healthcare funding. However, healthcare issues are not often a priority issue in the political agenda until they become pivotal debates during elections (Williams & McKeever, 2007). The versatility and effectiveness of private businesses allows their escape from the government's alleged inefficiencies and monetary limitations. Conversely, the expedient nature of the private sector can also be their potential downfall when there is a conflict of interest, resulting in private interests overriding public ones. For example, Vioxx, a drug produced by the pharmaceutical giant Merck, was withdrawn from the market in the fall of 2004. Pressure from the private sector and subsequently from the FDA delayed the publication of a number of studies linking the drug to the increased incidence of heart attack after the studies were completed. Merck itself disassociated its staff researchers with the studies, subsequently criticizing these studies on a number of different fronts before yielding to the ensuing public outrage at the drug's continued endorsement (CBC Health and Science News, 2005).

Cost-effectiveness is another debated issue—who can minimize the costs while achieving the same outcome? Theoretically, privatization should result in greater cost-effectiveness as its practices are under greater pressure to be efficient and competitive (Williams & McKeever, 2007). Many studies in the

Can for-profit healthcare be as efficient as not-profit healthcare?

literature show results that both support and refute this prediction (Devereaux et al., 2004; Sloan & Grabowski, 1997). Proponents of not-profit healthcare argue that regardless of their cost-efficiency, for-profit healthcare often sacrifices quality of care. For instance, several studies indicate increased mortality rates in privately funded healthcare systems (Devereaux et al., 2002). The long-term costs of private healthcare has yet to be extensively studied.

Closely linked to this economic concern is an ethical one: should the private sector provide services with public aims? Critics of the private sector argue that it is unethical to profit off of another's illnesses and that profit-driven incentives are highly unsuited for the conscientious practice of healing. In defence, opponents attest that since all primary care professionals profit from human malady, profit-driven medicine is not entirely foreign or unethical. On the other hand, Canada's public single-payer system has also been accused of being immoral (Chaoulli, 2006). When the government prohibits individuals from seeking immediate treatment from private clinics, ill citizens are unnecessarily exposed to a greater risk of morbidity from long waiting times (Chaoulli, 2006). The case of *Chaoulli v. Quebec (Attorney General)* reflects this individualistic concern. After deliberation, Supreme Court Judges ruled that prohibiting private medical insurance violated the Québecois' right to life, as guaranteed by Québec's provincial charter (Chaoulli, 2006). Although the decision only applied to Québec, the morality of public healthcare was also brought into question nationwide—should the public good be placed before individual health?

Both public and private healthcare systems possess strengths and weaknesses. Some believe the "best of both worlds" could be encapsulated within a two-tiered system. Employed by many developed countries but illegal in Canada, this system allows both systems to operate in parallel. Advocates are optimistic that alternate private avenues will alleviate pressures from the public health system and result in greater quality of care for all. Among other issues, opponents of the two-tier system believe that permitting a separate system of healthcare for the wealthy would only widen the socioeconomical gap and debase our original value of equality.

If there is any universal truth about humanity, then it is that people will become ill at some point in their lives. Given its relevance to our lives and proximity to our moral values, Canadians are very passionate about this debate. But passion must be supplemented by reason before decisions are cast. Canadians would benefit from a more comprehensive understanding of this complex issue as opposed to an oversimplified conceptualization of a prefatory dichotomy.

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