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It is broken, so fix it

By John Robson, The Ottawa Citizen November 5, 2010

The U.S. midterm elections had something for everyone, from Tea Party triumphs to Tea Party flameouts, progressive stalwarts hanging tough or going down hard, centrists and radicals, inspiration, pathos and comedy, principles, ideas and stupidity. It's the sort of raucous free-for-all in which America specializes and I call it healthy democracy. It even offered lessons for Canadians.

For instance there is now a very real possibility that Congress will repeal Obamacare after only a couple of years. On our side of the border it may seem an odd way to conduct public business. Imagine making an expensive mistake, realizing you'd blundered, and undoing it. Not how we do things, is it? We let Judy LaMarsh determine health policy for decades.

No, really. The Canada Health Act is over 25 years old, passed by a discredited government in its waning months on assumptions long outdated or wrong from the start. It never worked as advertised and is now destroying provincial budgets, souring federal-provincial fiscal relations, and setting us up for a massive crash as the boomers age. Therefore it is sacred because ... um ... Why? Why are we stuck in this rut?

The Globe and Mail reported last Friday on a new Canadian Institute for Health Information study saying spending on doctors is the fastest-growing part of public health spending and "sparking growing calls for an overhaul to the payment system for doctors." It then quoted the director of the Centre for Clinical Epidemiology and Evaluation at Vancouver Coastal Health Research Institute, who said "The system that we have in Canada incentivizes volumes." Duh. Years ago I wrote that economic planners have a stark choice between rewarding intensity or rewarding quantity. Neither works: If you set nail quotas by volume the factory churns out pins and if you set them by weight it makes one 60-foot nail.

Health care is no different and it matters. But it is more than six months since former Bank of Canada governor David Dodge told a Liberal conference in Montreal that Canada needs an "adult conversation" about the future of health care and we're not doing well.

Shortly before Halloween, Brian Mulroney actually called for a review of whether medicare is financially sustainable. Roy Romanow, of 2002 Royal Commission fame, retorted that medicare had been "studied to death" and "Essentially, this is a values-of-Canada debate. Namely, is health care a social good which is to be provided through the common wealth of governments -- federal/provincial -- in order to make sure everybody is covered? Or is it going to take on more and more the concept of not a common good but an individual responsibility? That means user fees and more privatization."

Very sonorous. But play it back and note that he says it is a question of values whether we adopt the concept that health is a common good. I am tempted to say this is not a grownup way to discuss an issue. But clearly a large number of grownups do talk this way, to their shame and our disadvantage. So instead I will yield to the temptation to quote Chesterton: "We must see things objectively, as we do a tree; and understand that they exist whether we like them or not. We must not try and turn them into something different by the mere exercise of our own minds, as if we were witches."

The principles of economics are in the exist-whether-we-like-it-or-not category. They are not a question of "values" and they do not change with the passing years nor in response to our incantations.

Friday's Globe story added, "Ontario Health Minister Deb Matthews responded to the report by warning doctors that she plans to pay more on salaries ... Part of the growth in physician billings comes from the fact that there are more doctors. In Ontario, the McGuinty government has helped one million more people find a doctor since 2003, said a spokesman for Ms. Matthews." This is another of those blow-on-the-head moments for which our politicians are so famous. They spent years trying to get more doctors so people could actually get health care, and now they've realized it means more doctors' bills. Who saw that coming? (Answer: the health ministers who, in 1992, cut medical school enrolment to reduce doctors' bills -- and failed to realize reducing the number of doctors would impact service.) So who now sees that putting doctors on salary will mean better treatment for fewer patients? Back to the 60-foot nail!

If this were the United States, someone would campaign in the next election on the idea that this system wasn't working and, after more than a quarter century, wasn't about to start working. They would be criticized, ridiculed, supported and talked about and in the end something different might happen.

Can you imagine doing it that way here? Yes, I can.

John Robson's column appears weekly.