

# 1. HEALTH FLASH SHEET Shirley Browne NCWC VP Health

## Public health care cheapest and best :

While debate rages in Canada over private versus public approaches to health care, elsewhere the evidence is pouring in that public is best.

In Britain, a major audit on the financial difficulties at London's public Queen Elizabeth Hospital shows that so-called P3s, or public-private partnerships, may promise savings but in fact carry overly heavy costs.

Meanwhile, in the United States, a study published this week in the prestigious American Journal of Medicine shows that the quality of care for Medicare patients is better when care is delivered by not-for-profit health plans, than by for-profit plans.

While many in Canada argue that the P3 concept is a good means of tapping private capital to help fund the country's burgeoning public infrastructure needs, the experience of the near-bankrupt London hospital underscores the fact that instead of reducing the risks to taxpayers, reliance on private money can actually increase those risks.

"The principal cause of the (Queen Elizabeth Hospital) Trust's current financial difficulties is the high fixed costs of its PFI (private financing initiative) scheme," the PricewaterhouseCoopers auditors found. The hospital's chief executive says private financing is costing ,9 million (about \$18 million Canadian) a year more than a government loan. "Excluding the excess private financing costs," say the auditors, "(Queen Elizabeth Hospital) is efficient relative to other hospitals."

And Queen Elizabeth is not alone. In a story headlined Flagship hospital about to go bust, the Daily Express wrote: "Many hospitals built in this way have cost far more than experts had predicted." And when budgets are squeezed to make up for the excess, patients suffer.

Meanwhile, a study led by Dr. Eric Schneider of the Harvard School of Public Health has found that Medicare patients in the U.S. receive significantly better care in not-for-profit managed care plans than in similar for-profit plans. Medicare beneficiaries include the elderly and disabled.

Schneider and his research colleagues compared four measures of care: breast cancer screening, diabetic eye examination, beta-blocker medication after heart attack, and follow-up after hospitalization for mental illness. All four clinical services have widely accepted standards of care and are recognized as key to reducing disease and preventing death.

For all four measures, the quality of care was lower in for-profit plans than in not-for-profit plans. After correcting for differences in demographic factors and other variables, in three of the four measures, not-for-profit plans still provided substantially better care.

The findings, Schneider concluded, "reinforce the concern that the financial incentives of for-profit plans lead to less aggressive efforts to manage the quality of care."

Beyond that, Canada's traditional public approach to health care has another important

advantage, Schneider told the Star yesterday. And he should know. He is a member of the Cancer Quality Council of Ontario.

With privatization of Medicare, costs have apparently grown. "From a public expenditure standpoint, (privatization brought) an expansion of spending rather than a reduction in spending," Schneider said.

This is the sort of hard evidence Canada's politicians should be considering as they debate this critical issue in the federal election campaign. They should put an end to sterile debate over the hypothetical merits of competing ideologies and focus on the facts.

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