



ASSOCIATION OF ONTARIO MIDWIVES

Represents Registered Midwives and Promotes the Profession of Midwifery in Ontario

AOM Position Statement on Publicly-Funded Health Care

Midwives in Ontario want to Protect and Expand Medicare

The Association of Ontario Midwives (AOM) supports publicly funded healthcare that is accessible, portable, universal and comprehensive, as envisaged in the *Canada Health Act 1984*. We are concerned that important expansions to Medicare are being overlooked while at the same time critical aspects of the existing public system are being shifted to the private sector. As a result of these concerns, the AOM calls on government to reaffirm their financial commitment to the public health care system, to stop all efforts to privatize the system, and to expand the public system in the following ways:

- Invest more dollars into the public health care system
- Abandon public-private partnerships (P3s) and alternative financing and procurements (AFPs) to build and maintain new facilities and offer services;
- Discontinue privately run clinics that violate the principles of the *Canada Health Act*
- Expand the public system to cover other essential health care services including prescription medications, home and community care
- Expand the focus on disease prevention and health promotion
- End the three month wait for new residents to qualify for publicly-funded health care in Ontario

Medicare Must be Protected

The current Medicare system has experienced significant stress due to rising costs associated with an acute care approach to health, drastically reduced federal funding of the mid-1990's, and the failure to restore this funding to adequate levels subsequently.^{i,iii} In addition, governments have bowed increasingly to privatization pressures by developing public-private partnerships (P3s), alternative financing and procurements (AFPs), and by turning a blind eye to illegal private clinics.^{iii, iv}

Privatization and inadequate funding for the public system lead to many problematic outcomes including: ^{v,vi,vii,viii, ix,x, xi}

- Creating two tiers of health care—one for the wealthy and one for those who cannot afford to pay
- Luring qualified health care professionals away from the public system with promises of greater remuneration, thus undermining the public system
- Extending wait times for needed procedures in the public sector, as resources are funneled into the private system
- Creating greater stress and burnout amongst health care professionals in an underfunded public system
- Reduction in the quality or quantity of services
- Charging for special services like bypassing waiting lists which many patients cannot afford
- For-profits providing profitable services while leaving governments responsible for more costly, less profitable care
- Reducing costs of health care by paying employees low wages or substituting trained workers with less trained ones
- Shutting clinics or ending services when they cease to be profitable
- Potential undermining of public health-care protections as a result of trade agreements such as NAFTA.

In order to protect Medicare, federal and provincial governments must reaffirm its commitment to maintain and expand, rather than erode, public funding of the Canadian health care system.

Why the AOM Supports Publicly-Funded Health Care

1. Publicly-Funded Healthcare is Associated with Better Health Outcomes

"Our health outcomes, with a few exceptions, are among the best in the world, and a strong majority of Canadians who use the system are highly satisfied with the quality and standard of care they receive. Medicare has consistently delivered affordable, timely, accessible and high quality care to the overwhelming majority of Canadians on the basis of need, not income. It has contributed to our international competitiveness, to the

extraordinary standard of living we enjoy, and to the quality and productivity of our work force."(Roy Romanow, Building on values, the future of health care in Canada, final report, November 2002 p.XVI).

Various studies support Romanow's assertion that Medicare has led to better health outcomes for Canadians. One study that compared the Canadian health care system with the largely privately-funded United States system, found that Canadians' life expectancy is 2.5 years longer than Americans and that Canadian infant mortality and preventable mortality rates are lower than America's.^{xii} Studies have also shown that for-profit health care is often of lower quality than not-for-profit health care.^{xiii, xiv}

According to the Romanow report, for-profit hospitals employ less skilled individuals than did non-profit facilities.^{xv} For-profit facilities are also associated with higher mortality rates than the non-profit facilities.^{xvi} Research undertaken in the US revealed that patients receiving care in for-profit facilities have a 2 per cent higher chance of dying than in Canada^{xvii} These increased death rates were linked to the ways that for-profit hospitals must cut corners in order to achieve a large profit margin for investors while also paying high salaries to administrators.^{xviii}

Moreover, where for-profit facilities have been allowed to operate in Canada, they choose to offer services that can be easily and inexpensively provided such as cataract surgery or hernia repair. Yet, when there are poor outcomes in these facilities, for instance post-operative infections, the patient often returns to public facilities which have intensive care capacity. Hence, the public system must provide a "back-up" to private facilities to ensure quality care.^{xix}

2. Publicly-Funded Healthcare is Cost Effective

There is overwhelming evidence that publicly funded health care systems control health care costs more effectively than privately-funded health care systems, while providing high quality care and the broadest choice of providers to consumers.^{xx,xxi,xxii} In the United State the total health spending per person in 2006 was US\$ 6714, while in Canada it was US\$3678^{xxiii}. In addition, medical bills are the leading cause of personal bankruptcy and higher overall health cost for the health system in the US where one out of eight families

spend 10 per cent their income on health insurance premiums^{xxiv}. Since the government is the single player in healthcare funding in Canada, there is centralized and efficient coordination that reduces wasteful administration costs.^{xxv,xxvi,xxvii} In addition, the provincial governments are able to negotiate lower prices, making pharmaceutical products more affordable in Canada than the US.^{xxviii}

Private health care systems seek to maximize profits by denying care and reducing services. In fact, health insurance companies in the United States compete by not insuring high-risk patients, limiting the coverage of those they insure and passing costs back to patients as deductibles.^{xxix} The US experience has shown that the dominance of for-profit insurance and pharmaceutical companies in the health sector, raise costs and misallocate resources.^{xxx}

In Britain, a parliamentary committee concluded in 2006 that for-profit surgical centres had not improved capacity and did not offer more efficiency or better “value for money” than the public sector. In British Columbia, where similar private for-profit clinics exist, documents filed during a court case with owners of the clinics revealed that additional billing of patients is a part of private-sector involvement in health care delivery.^{xxxi} This is supported by a meta-analysis of all available peer-reviewed literature in the *Canadian Medical Association Journal* which concluded that for-profit hospitals charge 19 percent more for services than not-for-profit hospitals.^{xxxii}

3. Publicly-Funded Healthcare Reduces Health Disparities between Rich and Poor

Private health care exacerbates the disparity between rich and poor because those with the greatest health care needs are often those least able to pay. While Medicare covers all Canadians regardless of their income, 46 million Americans were left uninsured and without access to needed health care services in 2008.^{xxxiii} In a recent survey, 37% of Americans reported that they went without needed health care because of the cost, compared with 12% of Canadians.^{xxxiv} Partial privatization that is undertaken with a view to shortening wait times, an argument recently put forth in Canadian debates, will likely draw off resources (such as physicians, equipment and other assets) from the public system, increase overall costs and create inequities similar to those experienced in the

US.^{xxxv} Ultimately, this will mean that those who cannot afford to pay will wait even longer for needed services.

Affordability is of particular concern in relation to maternity care as studies have demonstrated that a large proportion of poor women in the US do not have proper access to maternity care because they cannot afford to pay for private insurance, and public programs are inadequate.^{xxxvi} This lack of access to prenatal care is associated with poorer birth outcomes including lower birth weight babies and higher neo-natal mortality.^{xxxvii xxxviii xxxix xl xli xlii}

The integration of midwifery services into the publicly-funded medicare system has enabled midwives to extend safe, excellent care to larger numbers of low-risk pregnant women and newborns throughout Canada. There are currently over 450 Registered Midwives in Ontario and over 85,000 babies have been born under midwifery care since the profession became publicly-funded in 1993.^{xliii} Before becoming publicly-funded, women were forced to pay out of pocket for midwifery services. Not surprisingly, individual consumers and consumer organizations strongly supported public funding for midwives so that all women have access to midwifery services.^{xliv} Currently, as a result of public funding, midwifery clients are diverse and include teenagers, First Nations, Mennonite and homeless women as well as new immigrants; the ability to pay no longer limits accessibility to midwifery care. Publicly funded midwifery is also critical to providing accessible maternity care to women in rural and remote areas where health care providers are often reluctant to move or stay.^{xlv} A study of birth outcomes in Nunavik Quebec, registered high levels of spontaneous labour and very low rates of medical interventions.^{xlvi} Likewise, in the first Maternity Experiences Survey undertaken by the Public Health Agency of Canada, more women (71.1%) attended by midwives at birth reported being “very positive” about their overall experience of labour and birth than those attended by other health care providers.^{xlvii}

The need to Expand Medicare

Although Medicare provides high quality, affordable health care coverage to everyone, regardless of the ability to pay, many essential health care services are not covered, including pharmacare. According to a 2008 Health Canada report, Canadians spend more money on prescription medications than on any other health care expenditure^{xlviii}

However, because outpatient prescription medications are not covered under Medicare, comprehensive drug coverage is not a reality for most people in the country. Some Canadians have private or public coverage to help pay for prescription medications with the result being that those people with coverage or the ability to afford medications access them while those who do not have coverage or the needed resources do not.^{xix} The AOM recommends increased access to prescription medications for all people in the country by the development of a national, publicly funded and controlled pharmacare program to cover the cost of essential drugs.

Home and community care have also been left out of the *Canada Health Act* and the Medicare system; yet the balance of care has increasingly shifted from the institutional to the community setting. Home and community care, including palliative care, are the fastest growing parts of the health care system.ⁱ They are integral and medically necessary parts of the health care system. Prior to the restructuring of the system in the 1990s, many home care services were provided in the hospital and protected by the *Canada Health Act*. But with the trend to more community and home care, individuals and families are forced to shoulder the majority of this cost today. At the same time, governments have begun to see home care as a more efficacious and cost-effective alternative to institutional care.ⁱⁱ The AOM supports policies that invest more public funding in these essential medical services, both to meet health care needs and to better sustain the public system.

Other ways in which the public health care system needs to be expanded lie in the areas of disease prevention and health promotion. These two orientations, alongside the need of practitioners to work in group practices, have long been recognized as essential to the long-term sustainability of the Medicare system. Yet governments have failed to invest in them sufficiently.ⁱⁱⁱ The AOM supports public policies that expand our public health-care system to incorporate a much stronger focus on disease prevention and health promotion.

Finally, the AOM recommends an end to the three month waiting period in Ontario for new immigrants to begin receiving Medicare. Ontario is one of only four provinces that apply a 3-month waiting period for health coverage to new immigrants who arrive to settle in the province. Stories show that recent landed immigrants experience illnesses and traumas that can be hugely exacerbated by their lack of access to care in the first three months.^{liii} Pregnant women, children and senior citizens can be even more vulnerable because they are often excluded from obtaining private insurance under “pre-existing condition” and

age-related exclusions. The AOM strongly recommends that the three-month waiting period be terminated in Ontario.

Conclusion

The AOM recognizes that Medicare has faced challenges in the recent past. These challenges include physician and other health professional shortages, wait times for needed health care services, rising pharmaceutical and technological costs, an aging population, inadequate federal and provincial funding and the pro-privatization lobby. However, we can improve the Medicare framework to meet these challenges in a manner ultimately superior to private, two-tier or user-pay approaches. Fortunately, the public system has already begun to respond to the issue of wait times. Waits have been reduced in facilities across the country including the Queensway Clinic in Toronto, the Pan-Am Clinic in Winnipeg and the Capital Health Authority in Edmonton. These examples demonstrate that effective solutions can be found within the public system^{iv}. As well, the emphasis on improving interprofessional collaboration and fostering group practice, such as Family Health Teams, in Ontario, are steps in the right direction.

The AOM strongly rejects the erosion of our publicly-funded health care system through funding cuts and incremental privatization. The public system is not the problem; rather it is the amount of resources and the manner in which these are distributed and used which require improvement. Canadians embrace Medicare as a public good and a defining aspect of our national identity.^{iv} The Canadian Medicare system has earned the admiration of the international community; it should be safeguarded and expanded, not dismantled.

Ensuring high quality health care that embodies the principles outlined in the *Canada Health Act* must be the goal of our health care system. The AOM is confident that Canadian citizens and governments can achieve this goal. What remains is to take the bold steps necessary to make the system more comprehensive and sustainable, to meet the needs of Canadians now and in the future.

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