

Prairie Centre Policy Institute
Weekly Commentary

WHERE DO WE GO FROM HERE
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TITLE: Let's cure monopoly mania

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By WILLIAM THORSELL

Monopoly government control of health-care spending and provision of basic services is headed for a dead end. The monopoly payer won't have enough money to meet consumer demands, even if governments continue to bleed other public programs to death and hike various taxes.

And the forces arrayed against productive reform in health-care delivery by that same monopoly provider are too strong to generate meaningful savings from "process redesign."

So what do we do to avoid what Canada's premiers warn will be "the end of medicare as we know it" in a decade? The word "monopoly" contains the key to the solution, as it so often does.

We need to break the state monopoly on paying for health care and in providing the services that consumers demand.

How do we do this while retaining the core virtue of the current system -- good basic care for everyone as a matter of right? Happily, considerable thought has gone into this. In November, 2002, the Atlantic Institute for Market Studies (AIMS) published a cheeky yet sensible document called "Definitely not the Romanow Report," just two days before Roy Romanow came down so firmly for the unsustainable status quo.

AIMS starts by recommending "free-standing, specialized, not-for-profit and for-profit clinics based on French or Norwegian models, selling services to medicare on a fee-for-service basis, similar to Toronto's Shouldice clinic and the so-called Klein clinics in Alberta." Oh, scandal! The Shouldice is a privately-owned facility of international renown that specializes in hernia repairs. It is wonderful (according to *The New Yorker* magazine). And it would be illegal were it not provided for under a grandfathering arrangement.

Alberta Premier Ralph Klein got into awful trouble with the Ottawa monopolists when he permitted private clinics to provide cataract surgery to his citizens, without personal cost, through medicare. The feds insisted that these procedures had to be done in state hospitals only, lest sacred principles be despoiled.

Why would you oppose the provision of excellent health care through a private

clinic, fully paid by medicare, if the quality of that service was very good? And why would you oppose it if the cost to medicare was the same -- or less? Irrational fear? Suspicion?

It is the latter. We can't get to first base on such a simple, intelligent proposal because we suspect the second base will be a killer. Herein lies the problem in keeping medicare alive and well: We have no faith in ourselves.

We think that breaking the monopoly will break the dam, and that the core value of medicare -- universal access to good basic health services -- will be lost if we allow any distinction in the quality of care provided. It's a soviet disease.

Clouded by this suspicion, we underestimate ourselves, and we underestimate the threat to health care and other public programs in hewing so desperately to the box canyon of the status quo.

The AIMS report goes on to make many more sensible recommendations, consistent with medicare's core values, but addressing its obvious weaknesses, too. Perhaps Premier Klein will have the guts and means to lead the way in showing how to save medicare by changing it in coming months.

Adapt or die. Learn or expire. Listen or crumble. Medicare is too important to starve in aspic.

WILLIAM THORSELL (The Globe and Mail, Monday, March 22, 2004)

William Thorsell is director and CEO of the Royal Ontario Museum. You can find the "Definitely not the Romanow Report," on the Atlantic Institute for Market Studies website at www.aims.ca.

"Where Do We Go From Here" is a feature service of the Prairie Centre Policy Institute.