Convergence and divergence in health care: Canada in comparative perspective

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- Part 1: Comparing health care systems?
- Part 2: Canada in comparative perspective?

Part 1: Comparing health care systems

How social scientists compare:

- Search for causal regularities or patterns across countries or cases
- Cross-national analyses to identify, track, and hypothesize about change across time and space
- Logically inductive analysis that combines generalizable explanation with historical and institutional specificity

How *not* to compare:

- Comparing countries out of context: say, Sweden, Singapore, South Africa
- Choosing the model that's # 1! (e.g., France in WHO surveys)
- Equating more money with better health care

What is convergence ?

- Does convergence refer to policies or to outcomes? (ends or means)
- Movement towards a common ground or skewed toward one set of solutions ?

Impact of "economic integration" : not sufficient to suggest policy convergence

- North American context:
  - NAFTA per se has no "constitutional" status and therefore cannot hold sway over domestic law
  - However, similar pressures in the form of medical marketplace, for example, could have an impact

- European context:
  - integration as a force for incremental and consensual convergence
  - But in European Union, formal agreement in health matters remains limited (Open Method of Coordination (OMC))

What factors affect policy convergence ?

- social conditions and needs
- fiscal pressures
- technological changes

Social conditions and needs

- Demographic shifts
- Targeting vulnerable populations
- Promotion and prevention
- Increased demands, rising expectations, access to care concerns

Fiscal pressures

- Pressures on the public purse in *relative* terms (vis-à-vis other programs)
- Pressures on the public purse in *absolute* terms (vis-à-vis non-public expenditures)
- Cost *containment* in the health care the number one issue facing policy-makers, both in terms of public *and* private spending

Technological change

- Changes in clinical practice and procedure
- New technologies, including pharma
- Changes in health care delivery and organization
- Evidence based research
- Changes in training and licensing

What affects policy divergence ?

- Institutional capacities
- Policy legacies
- The values conundrum

Institutional capacities

- Federalism usually considered a constraint to program expansion (*joint decision-making trap*)
- or a facilitator through *policy diffusion* mediated through the federal purse
- *Veto points* in the political system (e.g., relative power of interest groups; role of the courts; political parties and ideologies)

Policy legacies

- “Feedback” effects of policies define boundaries of public debate
- structure incentives of actors in the political process (Pierson 1993)

Values

- values are “foundation” but not “architecture” of social programs (Marmor et al. 2002)
- Values endure as they become embedded in institutions (Jacobs 1993)
- or because they shore up the power of interests (Immergut 1992)

Part 2: Canada in comparative perspective

Infant mortality per 1000 live births (OECD, 2004)

	1960	2002
Australia	20.2	5
Canada	**27.3**	**4.1**
France	27.5	4.1
Germany	35	4.3
Italy	43.9	4.7
Sweden	16.6	2.8
UK	22.5	5.3
US	26	6.8 (2001)

Practicing physicians per 1000 (OECD, 2004)

	2002 (or nearest date)
Australia	2.5
Canada	**2.1**
France	3.3
Germany	3.3
Italy	4.4
Sweden	3
UK	2.1
US	2.4

Total expenditures on health, per capita US $ PPP

	1980	2002
Australia	684	2504 (2001)
Canada	**770**	**2931**
France	699	2736
Germany	955	2817
Italy	--	2166
Sweden	924	2517
UK	472	2160
US	1055	5267

Expenditures on health, 2002

	Total exp % GDP	Public exp % GDP
Australia	9.1 (2001)	6.2 (2001)
Canada	**9.6**	**6.7**
France	9.7	7.4
Germany	10.9	8.6
Italy	8.5	6.4
Sweden	9.2	7.9
UK	7.7	6.4
US	14.6	6.6

Out-of-pocket payments Per capita US $ PPP

	2002 (or nearest date)
Australia	483
Canada	**419**
France	268
Germany	292
Italy	439
Sweden	--
UK	--
US	737

Similar pressures …

- Rising demand (demographic and technological)
- Concerns about access (financial, time, place)
- Costs, growth and control of
- Health inequalities (and determinants of health)
- Tension between decentralization-regionalization and accountability-equality

… distinctive responses ?

- In terms of professional practice and organization, provincial health care system are more “like” American counterparts
- In terms of the actual principles and financing mechanisms, more similar to European cases
- similar basic values about health care as a public good as in other OECD countries yet differences in how values are reflected in policy instruments and goals

The system compromise

- compromise between public payment and private delivery (Naylor 1986)
- single-payer model

The political compromise

- Provincial jurisdiction in administration of health care
  - Constitution Act, 1867, s. 92
- Federal ability to use “spending power” in health care
  - Constitution Act, 1967, s. 91

Canada Health Act principles

- -- equal access
- -- comprehensive
- -- public administration
- -- universal
- -- portable

Is Canada exceptional? Not necessairily …

- *Relative* amounts of private versus public spending remain comparable across OECD countries
- Canada a *big spender* within the OECD cohort but not an outlier like the US
- Less density of doctors but relatively well paid
- Health care services paid through general government taxes on income and consumption
  - Unlike social insurance models of France and Germany but resembles NHS models such as UK & Sweden

… except that

- All health care services deemed medically necessary must be provided at 100% of first-dollar coverage
  - Only OECD country that effectively bans co-payments, user fees
- Many services covered in other countries are not in Canada
  - e.g., prescription drugs Doctors with billing numbers cannot receive payment other than through the public system

- Doctors with billing numbers cannot receive payment other than through the public system
  - Private system largely unregulated (unlike Europe)
- Insurers cannot offer private insurance for any act covered by the public system
  - Being challenged by the ’wild west’ of diagnostic industry and non-essential services
  - And by the Chaoulli case before the Supreme Court of Canada

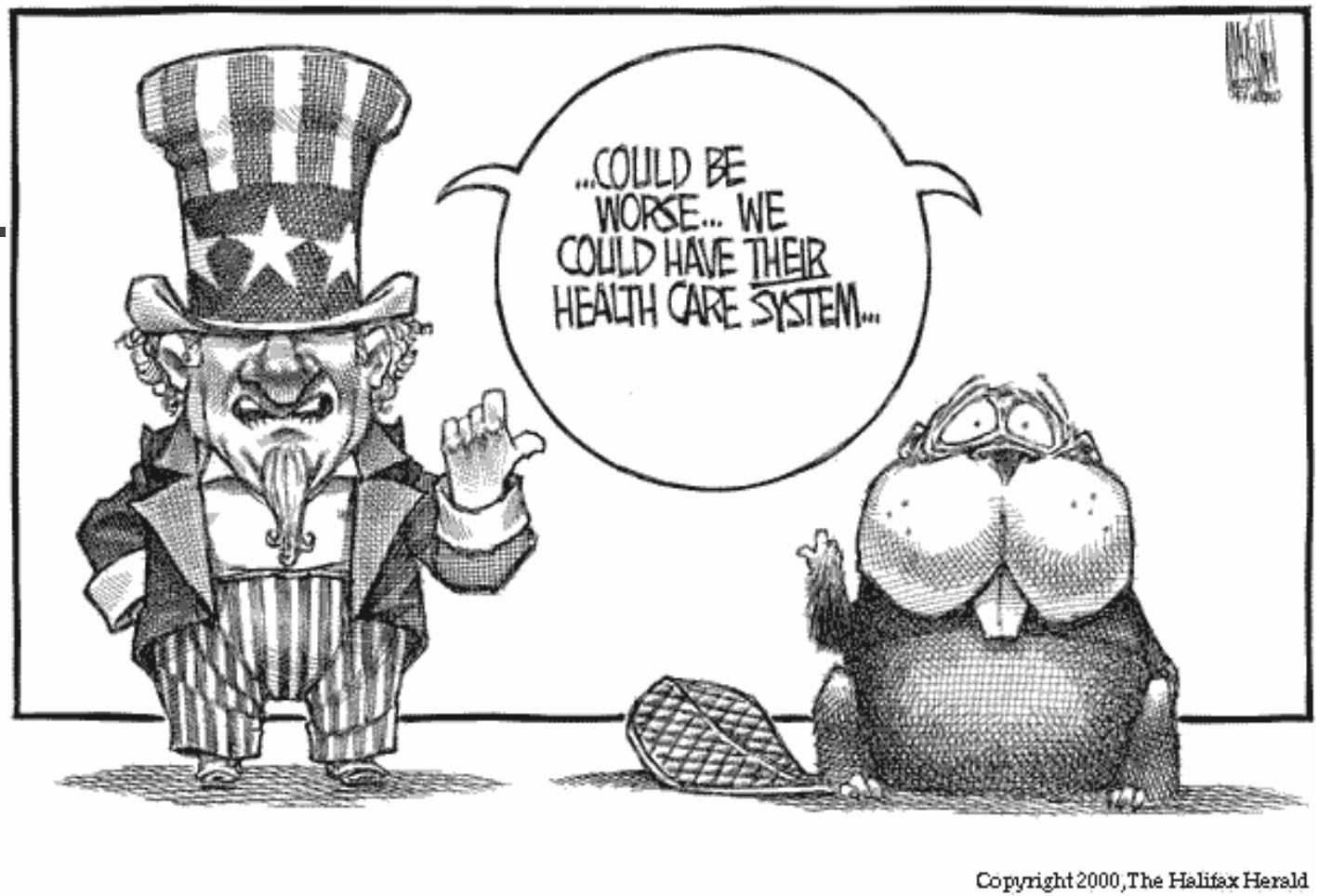
Erosion of confidence ? (Blendon et al. 2002)

Table 1: Citizen's Views of their Health Care System in Five Countries, 1998

(percent agreeing)

Question: Which of the following statements comes closest to expressing your overall view of the health-care system in this country?

	On the whole the system Works pretty well, and only Minor changes are necessary		There are some good things in our health care system, but fundamental changes are needed		Our health care system has so much wrong with it that we need to completely rebuild it	
	1988	1998	1988	1998	1988	1998
Canada	56	20	38	56	5	23
United States	10	17	60	46	29	33
United Kingdom	27	25	52	58	17	14
Australia	n.a.	19	n.a.	49	n.a.	30
New Zealand	n.a.	9	n.a.	57	n.a.	32



Bruce MacKinnon,
Halifax Herald -