



## Free health care perverse notion

**By Heather Douglas, President & CEO, The Calgary Chamber of Commerce  
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When you want something, so does everyone else, and the cost soars. Suddenly, there's too much of it and half price sales abound. The brainy economists call this phenomenon the law of supply and demand.

Raise the price and few can afford it, so demand falls. Set the price at nothing and the demand rockets to infinity. In the long run you can't beat that law.

Which brings us to Canadian health care. From an economist's standpoint, the way we pay for health care is more perverse than the way some citizens use recreational pharmaceuticals. That very perversity fouls up service delivery, disguises prices, and reduces us to lining up, stoically enduring a queue, just to tame the demand.

No one in this lineup – not the patient suffering arthritic knees or the doctor diagnosing the condition, neither the lab technician verifying the prognosis nor the physiotherapist excersising the limbs – foots the bill and feels financial pain.

Today the price for health care, which costs more per person than leasing a Lexus, is to the consumer, zero. That, to an economist, is perverse. Yet the cost of repairing humans and saving lives (read: postponing death) is on its way to infinity. Despite this disturbing evidence, we Canadians insist our medical bills be paid from the public coffers.

No matter how much is from self-induced illness – cigarettes, booze, crazy driving, the couch, excess calories – we do not intend to offer financial incentives to prevent expensive diseases. Equally, we all believe the effort to keep the Grim Reaper at bay should be unrelenting and top-notch. We deserve only the best.

However, the economic push is, at last, causing sober thought. In 2007, lost productivity cost Alberta employees, waiting for essential medical treatment, \$63 million – \$793 million nationally. Yet our governments spend more per capita than any other industrialized country except Iceland and Switzerland. We rank near the bottom on wait times and access to technology.

Today, public health care consumes 37% of Alberta's budget (\$10.3 billion annually) and is expected to devour 50% within a decade. We just surveyed members of the Calgary and Edmonton Chambers of Commerce: 70% agree spending levels are unsustainable, 79% support charging premiums or providing tax incentives to those making healthy lifestyle choices, and 66% think a greater private sector role in delivery would reduce costs and improve services.

The Calgary Chamber of Commerce recommends:

- Focus on wellness and personal accountability, then provide incentives for healthy lifestyle choices.  
Define what services and guarantees can be offered by the publicly funded system.
- Allow patients to purchase services beyond the basic government funded levels, similar to Quebec.



- Reduce costs of care delivery and improve access by introducing internal competition to the public system (even contract out some public services).
- Work with the regional health authorities to develop financial and service performance measures to improve accountability and transparency.
- Work with professional credentialing bodies and health authorities to address the critical labour shortages so Alberta becomes self-sufficient in nurses, physicians, therapists, and technologists.

No politician will get voted into office by offering to raise taxes and take away freebies. It costs nothing to trot out "universality," "equality," and "the end of suffering." The root cause for the medicare system's dysfunction lays in what we, the great WE, public opinion, think. We are addicted to free, so why would we pay?

The adage holds that nothing is without cost - curing cancer, delivering babies or removing appendixes. Just because it's broken, why would we agree to introduce financial pain to a perfectly anesthetized system?