news release

EXTERNAL RELATIONS

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Alta more restrictive on private health care

New paper shows provincial health care regulation tighter than required by federal law

The range of options for provincial regulation of private funding and insurance for health services under the Canada Health Act (CHA) is much wider than conventionally thought, according to a new research study commissioned by the University of Calgary's School of Policy Studies.

"Provinces tend to be considerably more restrictive than required by the CHA," says the study's author, Dr. Gerard Boychuk. "And existing legislation across the Canadian provinces presents a wide and varied menu for reform in the funding of health services."

Dr. Boychuk's paper, "The regulation of private health funding and insurance in Alberta under the Canada Health Act: A comparative cross-provincial perspective", undertakes a critical examination of government health care regulation within the province and across the country.

Perhaps surprisingly, the study says Alberta's regulation of private funding and insurance of health services is more restrictive than required by the CHA and is more restrictive than legislation in a number of other provinces. It also suggests Albertans are less receptive to private funding and insurance for health services on average than other Canadians.

Boychuk says federal law does not require provinces to ban the private purchase of any type of health service and only limits the conditions under which privately-purchased services can be subsidized through the provincial plan.

He says the CHA does not require medical practitioners to operate fully inside or outside of the public system, and instead simply places specific limits on billing procedures for insured services. As such, current regulation in Alberta that forces physicians to pick one or the other goes beyond federal requirements. The same thing is true for Alberta's blanket ban on the provision of private insurance for otherwise publicly-insured health services.

Attached to this release is the two page executive summary of Dr. Boychuk's paper. Full text of the paper along with a shorter summary of his work will be available at 9 a.m. M.T. on Thursday, Dec. 11, and can be found on The School of Policy Studies' website at www.ucalgary.ca/policystudies

Dr. Boychuk is an associate professor in the Department of Political Science at the University of Waterloo in southern Ontario. A recognized expert on issues related to health care policy, Dr Boychuk is also author of the recently released book *National Health Insurance in the United States and Canada*.

The mandate of The School of Policy Studies at the University of Calgary to provide timely, in-depth studies of current issues in public policy. The Health Series is a collection of national research papers resulting from an initiative of the Institute for Advanced Policy Research (IAPR) within The School of Policy Studies.

Media Availability:

Interviews with Dr. Boychuk can be arranged through Betty Rice at the School of Policy Studies, University of Calgary. W:403-220-2103, C: 403-966-0776 or bwrice@ucalgary.ca

Executive Summary

Four Key Points

- The range of options for health funding reform in Alberta that are consistent with the *CHA* is much wider than is often thought to be the case.

- Alberta's regulation of private funding and insurance of health services is more restrictive than required by the *CHA* and is more restrictive than legislation in a number of other provinces.

- Reforms that have been proposed by the Government of Alberta in the past have included significant reforms which were fully consistent with the *CHA*.

- Albertans are less receptive to private funding and insurance for health services than Canadians on average.

Specifics

- The *CHA* allows a wide range of latitude in regulating the private purchase and insurance of health services. The *CHA* stipulates the principles which provinces must follow in providing *financial reimbursement* under their public health plans (in order to be eligible for full federal transfers) but does not relate to the delivery of services or preclude private payment or insurance of health services.

- The *CHA* does not require that provinces ban the private purchase of any type of health service but only limits the conditions under which privately-purchased services may be subsidized through the public provincial plan. The *CHA* does not require that medical practitioners operate fully inside of (or outside of) the public system but, rather, places specific limits on billing procedures for insured *services*. The *CHA* does not require that provinces prohibit private insurance including insurance for otherwise publicly-insured services. Virtually all federal transfer reductions under the *CHA* have been related to user fees. The issue of extra-billing (physician fees charged in addition to the fee paid under the public plan) is less clear.

- Enforcement of the *CHA* by the federal government is largely discretionary. Interpretation and enforcement of the *CHA* remains primarily a prerogative of the federal minister with important areas remaining open to the minister's discretion. The *CHA* legislation is not justiciable – it is neither agreed to by both parties, legally binding on either party, nor does it create a set of citizen entitlements which may be claimed through the courts. Discerning the limits of *CHA* requirements requires an understanding of previous federal interpretations of the *CHA* as well as practices allowed in other provinces.

- Current regulation in Alberta goes significantly beyond *CHA* requirements. Alberta's prohibition of the provision of certain medical services outside the public health system, requirement that physicians operate either completely inside the public system or opt-out of public payment completely, and blanket ban on the provision of private insurance for otherwise publicly-insured health services are all not required by the *CHA*. Other provinces allow some or all of these practices.

- A range of *CHA*-compliant options can be drawn from cross-provincial comparisons. Existing provincial legislation elsewhere allows for private funding, private provision of services, and private insurance including the following:
    - no restrictions on the private purchase of health services where fully privately funded;
    - no restrictions on the provision of private insurance for health services (restrictions only on public reimbursement for health services);
    - no restrictions allowing non-participating physicians to bill privately at unrestricted rates with patients being reimbursed (up to the public rate schedule) while allowing patients to insure for the difference;
    - no restrictions allowing participating physicians to bill the public plan directly for particular instances of provision of a service and bill patients directly for other instances of service provision (at unrestricted rates and without public compensation) with the patient being able to insure for the latter.

- Other practices which may be considered *CHA*-compliant based on federal interpretations to date include:
    - the charging of facility fees by either private or public facilities for services provided by a physician (either opted-in or opted-out) where the physician fee is not remunerated by the public plan;
    - the charging of annual registration fees by private facilities which offer a mix of uninsured and insured services (contravening the *CHA* only if non-payment of the annual registration fee reduces patient access to insured services.)

- The *CHA* did not appear to constitute the main factor constraining the Government of Alberta from proceeding with the recommendations of either the *Premier's Advisory Council on Health (The Mazankowski Report)* or the *Alberta's Health Policy Framework, 2006.* Public opinion appears to have been a more significant constraint.

- Public support in Alberta is relatively divided between support for strong enforcement of the *CHA* versus greater provincial latitude. However, based on a number of surveys conducted between 2005 and 2007, public opinion in Alberta was less supportive of private health funding and insurance than is the case in other provinces and relative to Canadian public opinion more generally. Albertan respondents are the least likely in any province to feel that private insurance will have a positive impact on them personally. Alberta is the only province in which public perceptions were that greater private involvement would lower the quality of health services.