Back to Basics: understanding why health care costs in Canada just continue to spiral

Two weeks ago, Prof. Herb Emery published a commentary calling for the return to the original concept of Medical Necessity in funding and managing health care. This would open up the opportunity for enterprising professionals to offer services that are desired and needed by the public but outside the bounds of the restrictions of the Canada Health Act. There are many health services not covered by the government plan including audiology, phlebotomy, physiotherapy, and optometry, readily available in the private market.

This discussion typically brings out strong positions in opposition that suggest there is no room for a dual stream Health System and that all must be treated equally in the System. When the regulations and legislation were being drafted in the 1950's, the planners and legislators had no concept of what was to happen to the health system. It seemed simple to devise a system that would pay for services required by the population. The range of services was pretty limited; technology was pretty basic. The intent was that no family should suffer a financial hardship resulting from a "major "illness or trauma.

The services to be covered by government were based on the concept of Medical Necessity and that governed the system well into the 1980's. That term simply said that government would cover the cost of services required to sustain life and the normal functioning of the human body. Planners envisioned things like appendectomy, hernia repair, and chest surgery for preserving life, care of those with stroke, heart attack, fractures, trauma and such like.

In-hospital care was limited; out- patient care was not covered except for emergency (defined as imminent danger to life or limb).

In those days health costs amounted approximately 15-20% of provincial expenditures compared with the nearly 50% that we see today. So what has caused costs to soar uncontrollably?

The technology revolution has caused massive expansion of what medical science can do. Simultaneous with the introduction of government sponsored health care in Canada, the rapid development of the Aerospace Industry spawned an enormous revolution in technology.

Suddenly we had technology enabling communication over of hundreds of thousands of miles, both audio and visual.

With humans in spacecraft, it was necessary to continually monitor heart function, neurological functions, body temperatures, oxygen levels. This also required the ability to intervene over enormous distances by remote control.

Space exploration and requirements of modern warfare have been the genesis for much of the technology that we now take for granted in hospitals up to and including Robotic Surgery!

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So now, less than 10 years after the introduction of Canada's health system based on Medical Necessity, we experienced the explosive growth of ICUs, CCUs, and NICUs. Neonatal Intensive Care, for instance, commenced with a few major teaching hospitals like IWK having such a unit in the early 1970's to the point that within a few years virtually each regional hospital had such a unit.

Prior to the development of such units, babies born through complicated deliveries were cared for in the nursery with additional staff being called. Then if the baby looked fragile, he or she would be flown to Halifax to the Children's Hospital where staff with advanced training and high technology awaited.

Surgery involving major blood vessels was performed in teaching hospitals in Halifax, Toronto, Montreal, Kingston and such. But then as techniques became perfected and more surgeons were trained, vascular surgery moved out to all regional hospitals which meant five centres in New Brunswick.

As each of these specialized services is demanded and developed outside the central teaching hospitals, a huge demand for costly infrastructure is placed on the regional hospital. Vascular surgeons require access to sophisticated diagnostic equipment and that equipment needs skilled technical staff to manage and perform tests. Then they need access to Intensive Care Beds in which the daily operating cost is estimated to be $2-3000 per day or more.

The organ transplantation movement gained much traction and became wildly popular in the press, with drug companies, and with advocacy groups. Organs include kidneys, cornea, bones, liver, heart, and facial transplants. There is seemingly no end to where transplantation will go following the major publicity emanating from South Africa in the 1970's.

Transplantation of organs is an important life-sustaining process and has given thousands of families a new lease on life. But it is incredibly expensive with the total cost per procedure often going into six figures.

There is a group of procedures that were never foreseen by the planners of the Canadian system involving reproductive systems. Tubal ligations have become popular largely for birth control. And with men the fairly simple Vasectomy procedure became popular a few years ago.

But then some change their minds with demand for Tubal Reconstructions and Vasovasostomy emerging and appearing on the Operating Room list. These terms refer to reversal of these birth control methods. Not as expensive as transplants but money from the public purse once again.

The explosion in Cancer treatment with new diagnostics, drugs and forms of radiation therapies that have, again, given hope to thousands of Canadians with justification. Costs have centred on the diagnostics, drugs, radiation, and specialized and highly skilled medical and nursing staff. The annual growth in cost has been typically well beyond any inflationary adjustment approved by government budget processes.

So a return to the concept of Medical Necessity would require a re-definition of what the public system should fund and what would be acceptable for a non-governmental system to provide. Our system will collapse unless someone has the courage to at least open the debate. But probably not in an election year!

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