Montreal, January 23, 2003

Re: Recommendations to First Ministers from the IRPP Task Force on Health Policy in the Light of the Senate Committee and the Romanow Commission

Dear First Minister,

Just prior to your meeting in September 2000 to discuss the future of the health care system, the IRPP Task Force on Health Policy wrote to you to propose a series of reforms that bore directly on the future of health care, Canada's most cherished and most expensive public service. Our proposals were clustered under four themes:

- Enhancing **accountability** to patients and taxpayers
- Achieving **excellence** in health services and research
- Renewing the **partnership** between governments
- Ensuring **stability of funding and leadership**

Since the agreement on health of 2000, a number of studies have been published by academic researchers, stakeholder groups and governments outlining how best to modernize Canada's health care system and give effect to the statements of principle outlined in the Communiqué on Health. Among these, two comprehensive reports have been issued at the federal level, which will likely form the basis of your discussions later this month.

In October 2002, following a comprehensive two-year study of health and health care, the Senate Standing Committee on Social Affairs, Science and Technology, chaired by Senator Michael Kirby, tabled its final report in which it recommends several changes it considers essential to enable medicare to meet the needs of Canadians into the 21st century.

The Royal Commission on the Future of Health Care in Canada has also tabled its final report. Its work, undertaken over the past 18 months under the direction of Commissioner Roy Romanow, included Canada-wide consultations with patients, citizens, providers, governments and experts. It too concluded that substantial changes must be made to medicare to meet the changing needs of Canadians, but stressed that those changes had to conform to the values that underpin health care in Canada.

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As you prepare to consider the recommendations of the Senate Committee and the Romanow Commission, the IRPP Task Force on Health Policy is pleased to offer several constructive proposals.

First, it is vital that you consider health care reform, and not just a funding agreement. A 'business as usual' approach of putting more money into the system as it is presently structured will neither address medicare's current problems nor enhance the system's capacity to meet the needs of patients, their families and the communities in which they live. The Task Force offers this view for the following reasons:

- The slow pace of change in our provincial/territorial health care systems is leading to a decline in public confidence in government's capacity – be it at the federal or provincial/territorial level – to introduce any meaningful reform. Renewing a genuine partnership between the two senior levels of government and taking concerted action on the reform agenda is essential to rebuild confidence in medicare and in government generally.

- There is broad consensus among all who have studied health care in the past few years that the narrowly defined hospital/physician insurance plans designed to meet the problems in the 1960s are no longer adequate to meet the needs of Canadians. What is needed is structural reform, not merely increased funding to do more of the same.

- It is unclear whether your agreement of September 2000 to add an additional $23.4 billion to expenditures over the subsequent five years has contributed to the modernization of the system itself. Certainly, it has done little to diminish the rhetoric about chronic underfunding, and the perception of crisis in health care persists in every province and territory.

In addition to the Senate Committee and the Romanow Commission, several provincially commissioned bodies have echoed the sentiment that change is essential. And while there are differences of opinion as to *how* to bring about that change, there is, in fact, a remarkable degree of consensus on *the need to reform the system as a whole* – this is not a question of cherry-picking among the various recommendations – as well as on the general terms of *what* should be done.

Governance and Accountability

- First and foremost, it is absolutely essential to strengthen the governance structure necessary to create – in each province and territory – a regionally responsive, coherent, synergistic, cost-effective health care system. Better governance mechanisms are required in the management and allocation of our precious public resources in health care.

- To improve governance, it is essential that governments be accountable for their decisions. Canadians deserve answers to their very reasonable questions: "are we getting our money's worth in health care?" and "how can our precious public resources for health care be spent more productively?" Accountability is required not just among governments and institutions, important as that may be, but primarily and directly to patients and taxpayers. When it comes to dollars spent, investments made and projected and actual outcomes, transparency is vital if the system is to adapt to changing realities.

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- It is also essential that we accelerate development of our currently feeble capacity to manage health information. Measurement, especially of outcomes, is central both to accountability and to effective management of how health and health care services are provided to the people of every province and territory.

- Finally, we must stabilize federal and provincial/territorial funding for health care to enable effective long-term planning on the part of all concerned.

Access and Delivery

- In terms of how we deliver care, it is key (and on this every report at the provincial and federal level has agreed) that we transform primary health care services to allow for the creation of teams of health professionals to provide all Canadians with comprehensive care – including health promotion and disease prevention – close to home, 24 hours a day, 7 days a week.

- Canadians are primarily concerned about access to health care and timeliness in treatment. There should be a specific plan to address waiting lists for diagnosis and treatment by removing bottlenecks and improving capacity. More importantly, we need better management of waiting lists so that all Canadians are confident that their needs are being prioritized on the basis of clinical need. While it is essential that this occur within the publicly insured framework of medicare, private, community-owned and co-operative investments to extend capacity should be assessed on their merits.

- To meet the needs of Canadians in small, rural and remote communities, we must review the geographic distribution of physicians and other care providers. More broadly, we must ensure better long-term decision-making for health human resources – the education and training necessary for Canada to achieve self-sufficiency in physicians, nurses and other health professionals.

- In terms of access to care, we must expand public funding beyond hospital and physicians' services to include some prescription drugs and home care to reflect the change in how and where health care services are provided. Simply put, the services insured under the *Canada Health Act* are now far from comprehensive; that proud commitment requires that they be made more so.

- Finally, we must assist our First Nations populations in developing new approaches to their particular health care needs, openly admitting that while medicare works well for most Canadians, one size does not fit all.

Although everything on this much-compressed list is important and must be done soon, these initiatives constitute a daunting challenge. Of course, the policy framework needed to implement all of these changes will take some months to develop.

Priorities for Reform

Governments must nevertheless start somewhere. Therefore, in order to best meet Canada's health care challenges, we recommend the following priorities for your meeting later this month:

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1) Accountability to patients and citizens: begin to answer the questions "are we getting our money's worth?" and "how can our precious public resources for health care be spent more productively?"

2) Excellence: develop better mechanisms to measure access to the system and the quality of outcomes in health care and health research in Canada.

3) Innovation: fund and reward effective reforms in each of our provincial/territorial health care systems.

1) Accountability

It is very difficult to achieve real accountability without full fiscal responsibility. Our system of cost sharing between governments presents the high risk of continued cycles of blame and counterclaim that have so undermined the effectiveness of our governance structures thus far. In recognition of this basic reality, both the Senate Committee and the Romanow Commission recommended significant measures to enhance accountability, not so much among governments, but to the people who use the services and pay the bills. These include

- Drafting a Canadian Health Covenant – a clear statement of values and expectations applicable to the health care system
- Creating a National Health Care Council appointed by both levels of government
- Adding "accountability" and "timeliness" to the principles of the *Canada Health Act*
- Decoupling funding for health care from the other components of the CHST, and increasing (with an escalator) the cash contribution of the federal government to 25 percent of provincial/territorial expenditures on services insured under medicare

We also believe that accountability to patients, their families and to the taxpayer is most convincingly provided by regional health organizations with full control of budgets and responsibility for the full range of services provided in their localities. Most provinces have begun to go down this path of devolved, accountable authority.

Following upon the Senate Committee's recommendations, we believe further steps should include having funding follow patients – i.e., capitation – particularly for primary care services, vouchers for home care services, service-based funding for hospitals and the like.

Greater accountability also requires an enhanced capacity to manage health information, on both the provincial/territorial and national levels. Building such a system will require more funding but, more importantly, a clear policy direction to which both levels of government have agreed. Health information management is less a matter of technology than of common standards and policies.

2) Excellence

In addition to timely access, Canadians should expect of our health care system nothing less than the highest international standards of excellence. The high share of GDP spent on health care warrants nothing less. To reiterate advice given previously, achieving excellence requires two steps.

- First, create the infrastructure necessary to determine and apply international benchmarks to the productivity and performance of our health care delivery systems and our health research enterprise.

- Second, encourage experimentation within our provincial/territorial health care systems and regional health organizations on how best to achieve and evaluate accessibility to and excellence of health care, primarily as measured by outcomes.

Again, a dramatically increased capacity for health information management is essential.

3) Innovation

Pressing demands for increased fees, salaries and wages notwithstanding, innovation in health care must claim highest priority if medicare is to meet the needs of patients now and in the future. We should expect from our health care system the same increases in productivity resulting from the application of new knowledge and technology that we see in any other sector of the economy.

The Romanow Commission and the Senate Committee have both emphasized that any increased funding must be used to "buy change." We concur strongly with that view. The condition that it "buy change" should not be considered an unwelcome "string" attached to increased funding. Rather, it should be viewed as a promise of reward for those provinces and territories willing to meet the challenge of developing successful templates for reform that can later be applied throughout the country.

Accordingly, we recommend a model of baseline funding increases that will provide fiscal incentives for provinces and territories to experiment with ways of increasing productivity in health care, as appropriate to each of their circumstances. For instance, some may want to accelerate primary health care reform while others focus on devolving authority and responsibility to regional organizations, developing initiatives in Aboriginal health, or improving the management of health information. There are many and varied challenges. It makes sense to draw on Canada's diversity to meet them by province and territory and apply the most fruitful results across the country.

Conclusion

We repeat: this is not only about money. While a "loonie mustard plaster" may ease the symptoms of health care's problems temporarily, those problems will quickly recur. There is no cure short of major, systemic reform.

The current problems with health care stem from our chronic inability to acknowledge that the system has evolved over the past four decades. The same courage that led us to create the system of publicly funded and administered health care services we have come to know as medicare is now needed to modernize that system to reflect the changes of the past forty years.

Reforming our health care system is a multistep process. But central to any attempt are the three policy imperatives we recommend to you for immediate attention and action:

1. Enhance accountability to patients and citizens
2. Pursue excellence

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3. Foster innovation to meet the needs of Canadians well into the 21st century

Canada's health care system has developed over time, as have the structural problems. The system will not be repaired overnight: there are no instant solutions. But establishing this kind of multiyear reform agenda must proceed without delay. Your meeting later this month is not only an excellent opportunity to discuss the money. It is also an ideal time to begin to launch a courageous, fiscally responsible and socially progressive program to improve our health care system. Canadians deserve nothing less.

Yours sincerely,

Michael Decter (Chair)

Monique Bégin

Colleen Flood

Henry Friesen

Maureen Quigley

Duncan Sinclair

Carolyn Tuohy