

Healthcare costs in canada: an analysis



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Canada is one of the most advanced economies in the world. It is a member of the G8[1], the group of the richest nations on earth. It is also a member of the Commonwealth of Nations[2], which historically is a group of nations that were under the former British Empire. It also has one of the best universal health care practices in the world. Lately however there has been a noted rise in the cost of universal health care. It was also noted that these rise in the cost will eventually be a bane in the government as it will hamper the government's ability to provide adequate service to other important service of the government like education, transportation and pension benefits, which are all equally important as health care.

The Canadian Medical Association therefore got a poll among Canadians to determine and rather get their opinion on how the government can prevent skyrocketing cost in health care without sacrificing the quality that is currently being enjoyed by the citizenry.

This particular poll showed that most citizens that have been asked are in favor of fixing the system or looking for ways to maintain the quality of their health system. According to the poll, nearly half of the respondents favored an increase in taxes provided it goes to improving the health care and nearly half also agreed that a portion of the bill should be footed by the patient. A portion of those polled suggested that those who are living unhealthy lives should be penalized and those with good healthy lifestyles will be rewarded. The biggest surprise in the poll showed that 69% suggested that a contribution based system much like the pension system is developed and almost the same no of people suggested that it be patterned after the retirement system. Overall though most Canadians would rather not raise

their taxes but rather have these two types of systems be applied to the health care system to address the skyrocketing costs of health care which seems unsustainable in the long term.

This poll was taken to determine whether Canadians were open to the idea of helping the government curb the unsustainable rise in health care cost and what would be their ideas on how the government should deal with this problem. This also shows the government is proactive and that it is determined to maintain the highest standards of health care for its populace. More importantly it shows that the people are willing to take part in shouldering the expense of the government when it comes to health care and this is proven in this poll in that nearly 70% of those polled have ideas on how to make the health care system be as functional and as efficient as possible. This finding would enable the government to formulate policies that would sustain their universal health coverage at the highest quality levels of care and sustaining it and containing the skyrocketing costs of health care. Once this policy is adopted other countries which have universal health care supported by the government with similar problems of skyrocketing costs may adopt this system and modify it to suit the needs of their constituents.

One of the options that came out of the poll conducted by the Canadian Medical Association on how to fund health care spending is the development of a savings system similar to the pension facility that it has in place. This will serve as a buffer fund for those medicines and laboratory tests and other services that are not covered by the health care system. It is one way of encouraging people to shoulder some of the expenses of their health bill without burdening them with the high costs as this will be gradually

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deducted from the income that they make and it can be deducted either on a monthly basis or a quarterly basis whichever would be more convenient to the patient. This would be much better than raising taxes as raising taxes usually denote a negative impression on the populace. This scheme would encourage the populace to save as they know it is something that they can use in the event that they get sick and it won't be a burden to their pockets as they know it is for a good cause. Furthermore, it would help the government maintain the high quality of care for the patients without sacrificing the other services that would be affected by increasing the funding for health care. It is because if the government were to shoulder all the costs for health care, one of the ways is to either increase taxes which is unpopular or decrease the budget of other sectors and pour it into health care which is also unpopular among the populace so either way the constituents will suffer. Coming up with this idea would be meeting the government halfway and that the populace will also be an active part in maintaining the quality of health services. Likewise the amount that the patient will be giving will be predetermined by the government and that it would not appear that the patient will be shouldering a big bulk of health care costs. It should also be bracketed as to which cost will the patient shoulder or it can be a universal one, meaning the patient will shoulder whatever is not covered by the health system. This would help maintain the high standard of care to the patient without burdening the patient and without additional cost to the government and no other service need be sacrificed. All in all it would be good for everybody, all that are involved in health care.

One of the measures that the government can use to encourage people to shell out a little extra money for health care is giving them tax benefits instead of increasing their taxes. How will this be done? For every amount that the patient gives to his/her health fund, this will be deducted from their taxes that are due to the government. This way it is certain that the money they spend is for their future use in health care. Another way of tax benefits are for healthcare facilities like clinics and hospitals be given tax incentives if they invest in new technology and purchase new equipments for better health care services. This would encourage clinics and hospital alike to invest in newer technology without thinking of passing the burden of recovering costs to the consumers. The first thing that comes to mind in buying newer equipment and technology for better health care is the cost and how long it would take to recover the investment. One of things that would help the price of newer equipment is taxes and once these taxes are turned to incentives it would be cheaper for the investor to buy these equipment and it would not be a burden to the consumer the cost of this newer technology.

Another way of containing the skyrocketing cost of health care is to regulate payments to caregivers. Regulating means setting a uniform set of charges or fee for a particular service being rendered to the client. One of the reasons costs of health care is skyrocketing is because most caregivers demand a higher compensation which is unregulated. These costs are passed on to the consumers thereby making the cost of health care services to rise. The most common reason for the demand of these caregivers for increased fees is that they are not paid commensurate to the services that they offer or give. This can be remedied if the government and the service

providers come to an agreement on what is the proper amount that the service provider is given without degrading their capacity and without burdening the consumer with high costs. In short, they should meet halfway after all they have the common goal of giving the best care to the patient without necessarily coming at a high cost. Furthermore, these caregivers are also future patients themselves and it would be a big irony that they would be complaining of the high cost of services that they once demanded. Hence, it is but practical that the cost of payments to the caregiver be regulated by the government at an amount agreed by all parties involved.

With the growing cost of health care and the prospect that the client will eventually shoulder part of the expenses it is but logical that the client's income should also be increased. This may come in varied forms like tax incentives, performance incentives or it may come in other non-cash forms like allowances or other means possible that will enable the client to have more money to spend other than health care. Incentives on healthy lifestyle were one of those mentioned in the poll conducted by the CMA and penalties for those who are not living healthy lifestyles. Although only a small percent agreed to this it is noteworthy that some of the respondents agreed to this. If this scheme can be properly thought of and all affected parties be allowed to air their side. An agreement will be made and this will be one form of additional income for the client. Those who will be having healthy lifestyles will be given incentives and those who are not will be penalized. It will also encourage people to live healthy lifestyles. But then again if improperly implemented people may think of it as an authoritarian form of enforcing health policies. Aside from these incentives, other forms of income

supplements should be studied so as to keep the health system in good condition, meaning service are not affected and the client are not burdened by the increasing costs of health care.

[1]The CIA World Fact Book. ([www. cia. gov/library/publications](http://www.cia.gov/library/publications))

[2]Annex b: Territories forming part of the commonwealth her majesties civil service 1911 ([www. civilservice. gov. uk](http://www.civilservice.gov.uk))