

## Health spending boom

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Illustration: Graphic/Diagram: Paul Lachine / An illustration of a Red Cross sign, with a stethoscope around it and a dollar sign.

The Supreme Court's Chaoulli decision, while momentous in its legal and bureaucratic implications, could prove to be revolutionary as an economic turning point in Canadian history. Contrary to the alarmist claims of people who see private health insurance and service delivery as potentially ruinous, the entry of private investors into the field has the potential to produce a flood of fresh money to Canadian health care.

Canada has 30 years' worth of pent up investment potential, billions of dollars in private money -- in pension plans, insurance firms, health care companies, hospital operators and other medical corporations -- awaiting opportunity. Thousands of health care providers and doctors, the heart of health care delivery, are also ready to participate in private renewal of a failing public system. The court has waved a starter flag over what has the potential, over time, to dramatically improve Canadian health care.

The essence of the private opportunity was outlined yesterday by Dr. Brian Day, medical director of the Cambie Surgery Centre. Developed and opened in 1995-96, the centre is the only private hospital of its type in Canada and treats more than 5,000 patients annually. The court decision, says Dr. Day, "is likely to result in a major boost to economic activity in Canada." Between \$10-billion and \$40-billion of non-government money may be invested into the economy each year, as new health facilities' construction, new health insurance businesses, new health technologies and related jobs in these fields are introduced or created. "The greatest beneficiaries will be Canadian patients," he says.

What makes this prospect even more promising is that much of this investment should occur on a market-driven basis rather than through the centrally planned mechanisms of the massive government bureaucracies that control health care investment in Canada. If this investment can also be directed into operations that are free of union controls, the transformation could be all the greater.

Not surprisingly, the most extreme and violent reaction to the court decision has come from the Canadian Health Coalition, a union front. While the media routinely labels the Fraser Institute a "right wing" operation, never are the Canadian Health

Coalition and its national co-ordinator, Michael McBane, accurately described as mouthpieces of organized labour and protectors of entrenched unionism.

The coalition response to the Supreme Court decision yesterday was typical class-warfare rhetoric. "The people of Canada will be shocked to learn that four of seven justices of the Supreme Court of Canada have found that the Quebec Charter protects health care rights only for those who can 'afford to pay' for private care." When all else fails, when the obvious injustice and immorality of Canada's health care system is exposed, there isn't much the unions can do but revert to raw Marxism and socialist caricature.

But as Dr. Day and numerous others have argued, the alternative to Canada's monolithic medicare monopoly is not a plunge into health care hell. Increased private investment, directly in the delivery of service but more importantly through the provision of private health insurance, will open the door for new investment. "As in European models such as exist in France, Germany, Belgium and Switzerland, we shall see a progressive elimination of wait lists and the pain and suffering that Canadians currently experience," Dr. Day said yesterday (See his comments below).

Another benefit is that these billions, privately invested, are much more likely to produce results than the billions in spending planned by governments. Study after study has shown that Canada's health care monopolies and unions have tended to consume billions of dollars expanding empires, often in the wrong directions. Union power, moreover, hamstring innovation and imposes major costs that produce few benefits for patients.

Just as damaging to the system is the massive central planning apparatus that cannot make decisions. And when it does make decisions it produces monstrous results that make the system worse. The current shortage of doctors is a direct product of earlier government monopoly decisions to force a system-wide reduction in their number. It was a classic planning blunder of a sort only a senseless monopoly can make.

What the court may have done, inadvertently, is

expose the essential immorality of Canada's health care monopoly. The class-warfare morality makes a fetish of the idea that health care might only be available to people with money. The result is a health care system that has become totally obsessed with money and costs.

In private business, a patient would be an opportunity. The incentive -- profit -- is to provide the best services so as to attract patients. Canada's health care system, warped by planners, has turned every patient into a cost and a burden. What's the morality of a system that turns people and their suffering into targets of control and limitation, and puts them on waiting lists and lets them sit in overstuffed rooms for the sole reason that the system needs to control costs?

It will take time to break down the system, to reform hospitals and other institutions now locked in government control -- and turn people who need health services from negative burdens and cost centres into welcome opportunities.