

# The grass looks greener: Canadians look to private care, U.S.-based medical tourism as alternatives

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Many American supporters of universal health care look to our northern neighbors as an example of quality care for all, but is the grass really greener on the other side? With the average wait time for a CT scan at 4.3 weeks and the average wait for an MRI at 10.3 weeks, most Canadians would say, "probably not."

The total waiting time for patients between referral from a general practitioner and treatment was 17.8 weeks in 2006, reports the Fraser Institute. The excessive wait times have spurred an ironic trend: Canadian patients are traveling to the U.S. for health care and exploring private health care options, at the same time Americans also are traveling out of the country for care and batting around the idea of a universal system. However, Don Copeman, founder and president of Vancouver-based Copeman Healthcare Inc., says Canadian and American patients have different motivations for medical tourism.

"Canadians traveling to the U.S. for care are doing this because they can't get timely care in Canada and they are concerned about their health risks. They are prepared to pay and the U.S. seems close to home' and has a good clinical reputation," says Copeman. "On the other hand, individuals leaving the U.S. for health care simply want to save money, since the cost of U.S. care is very high relative to most countries."

## **Canadians dissatisfied with care**

Negative ratings of the country's health care system are beginning to eclipse positive ratings and many Canadians support a parallel private system for publicly available services.

An Ontario Chamber of Commerce survey found over 80% of respondents have some level of dissatisfaction with the current Canadian health care system, with 60% endorsing greater private-sector financing and delivery of health care services. Almost 40% of respondents would be most comfortable with a parallel private system that complements the publicly administered system.'

Further, according to a Pollara Strategic Opinion and Market Research survey, 63% of respondents would be willing to pay out of pocket for faster access to health care services, and an Ipsos-Reid and Canadian Medical Association survey found 84% of the general public and 85% of physicians overwhelmingly agree that when patients have to wait longer than is considered medically acceptable, they should be able to go elsewhere at public expense.

## **Chaoulli opens doors**

In 2005, a landmark Supreme Court of Canada decision, *Chaoulli v. Quebec*, overturned a Quebec health care law preventing residents from seeking medical care outside the government's health insurance plan, subjecting many to long wait periods for care.

"In some cases, patients die as a result of waiting lists for public health care," the courts' decision said. "The prohibition on obtaining private health insurance ... is not constitutional where the public system fails to deliver reasonable services."

The decision has fueled discussion about private health insurance and political demands to reduce wait times in the public health care system. According to the Canadian Life and Health Insurance Association, in the past five years private health plans have grown at an average rate of 12% annually, testifying to the growing need for supplementary health insurance protection when the public system falls short.

## **Private clinics gain foothold**

In the wake of *Chaoulli*, private clinics have begun popping up across Canada. The Canada Health Act does not mandate that care be administered at government owned and operated hospitals; however, private clinics must bill the government health plan for services covered by the system in order to be compliant.

Many private clinics are searching for ways to stay within the billing confines of the public health insurance system while offering an added service to those seeking care. The Copeman Healthcare Centres, though, add a legal twist - patients are fast-tracked from general practitioners to specialists. For an initial membership fee of \$3,500 per person (children are free when parents are members) and \$2,300 each additional year, Copeman provides unlimited visits with a family doctor and counseling from a team of health professionals. The plan guarantees four times more doctors per patient than public facilities, thus reduced wait times. Services that are covered by the national insurance plan are billed to the system.

"We issue the clients receipts representing the various individual services they receive, and they may then claim these expenses against their extended health benefits plan when applicable. Coverage of services under such plans varies somewhat from insurer to insurer," says Copeman.

The False Creek Urgent Care Centre in British Columbia recently made headlines when it announced plans to charge patients directly for services covered by the public system upon opening its doors. British Columbia's Health Minister reportedly said the clinic was a direct violation of the province's Medicare Protection Act because it intended to charge an access fee as well as diagnostic and treatment fees to patients. Following negotiations with the ministry this winter the clinic did, in fact, open, but not as they had originally planned.

## **U.S. providers forge north**

Naturally, American health providers are hoping to cash in on the privatization movement. The Cleveland Clinic has opened a Toronto Health and Wellness Centre to compete with other private clinics in Canada for wellness, preventive care and other services that can forgo the public health insurance system.

Rather than open a facility in Canada, the Mayo Clinic opted to recruit patients who want fast, quality care in the U.S., far from the confines of universal health insurance. The Mayo Clinic offers a Canadian contact - a medical travel agent of sorts - to provide general information and assist with scheduling appointments at the U.S. facility. Insurance carriers are eyeing Canada, as well.

Shortly after the Chaoulli decision, Mohit Ghose, vice president of public affairs for America's Health Insurance Plans, told Employee Benefit News Canada, "There will be serious discussion about how we can bring disease management, health care management and other tools to Canadian citizens who might want to have access to them."

Now that the dust from Chaoulli has settled somewhat, Ghose says things are still unclear as to whether or not insurers will try and push more extensive private insurance further across the border.

"I think companies will continue to explore where they can offer products in Canada, especially in niche markets. It might be something AHIP will ask members in a future survey," says Ghose.

## **Advice for multinationals**

U.S.-based companies employing Canadians may be thankful workers are not experiencing rising health care costs like their American counterparts. However, employers are noticing how wait periods for care in the Canadian health system is affecting their business.

High presenteeism and low productivity are hallmarks of unhealthy employees in Canada, just as in the United States, Copeman says. With increased wait times only compounding the issue, several employers are paying for employees' membership in preventive plans.

"Canadians working in U.S.-controlled companies in Canada have to deal with the same health care system that every Canadian deals with," says Copeman.

"What U.S. companies should be doing universally is accessing private medical facilities when possible to expedite/improve care here, and when not successful, sending their employees to the nearest U.S. city for care under a contingency health insurance agreement with a U.S. provider." - M.B.

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