

Healthcare in Canada 2002 Survey Asks "Time for a New Tax?"

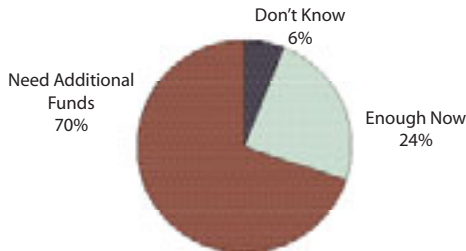
With the Romanow and Kirby-LeBreton reports out, much of the debate on health system reform leading into January's first ministers' meeting will turn to the question of "How are you going to pay for it?" Efforts at reform have been caught in this quicksand for years now, fearing a public backlash to efforts to raise additional revenues for the system.

But, Canadians aren't stupid.

Most Canadians expect it will take more money to sustain or improve the healthcare system. Further, most do not want to raid other social programs to find that money for healthcare. Instead, a majority of Canadians are willing to pay additional taxes to maintain or increase the current levels of healthcare coverage – with one key caveat. The tax must be a dedicated tax, rather than an increase in general taxation.

Most Canadians (70%) say that additional sources of funds are needed in the healthcare system right now. Just 24% say there is enough money in the system presently.

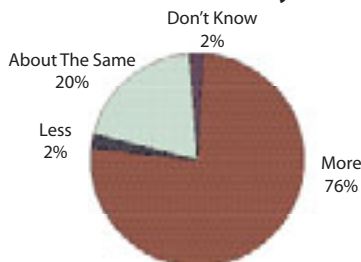
Figure 1: Current Healthcare Funding



Q: Do you feel that there is enough money in the healthcare system right now or that additional sources of funds need to be found?

An even larger number (76%) say that a solution to sustain the healthcare system will cost Canadians more than they pay right now in taxes or out of pocket. These are not sentiments that are isolated to any one part of the country or segment of society. These are beliefs that are found in all walks of life, in every province.

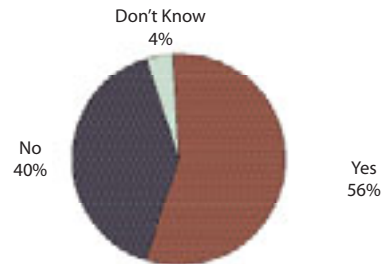
Figure 2: Expectations of Cost of Solution to Sustain the Healthcare System



Q: Do you believe that a solution to sustain the healthcare system will cost Canadian more, less or about the same as they pay right now in either taxes or out-of-pocket expenses?

Results like these are not necessarily new. What has changed is that Canadians have had a chance to think about how those funds might be found, and they now indicate that they are willing to pay, under certain circumstances. A majority (56%) indicate that they are willing to pay more (either out of pocket or in taxes) to maintain the current level of healthcare. However, a healthy (forgive the pun) 40% say they are unwilling to pay more.

Figure 3: Willingness to Pay to Maintain Current System



Q: Would you be willing to pay more, either out-of-pocket or tax payments, to maintain the current level of healthcare provided by the system?

The key appears to be the issue of maintaining the current system. That's not good enough for many Canadians, and it should not be surprising. Readers of past columns will recall that a majority of Canadians are unhappy with a number of aspects of the current system. So it makes sense that a number of Canadians would be unwilling to pay to retrain a system they don't think is as good as it can be. This hypothesis is confirmed by the next finding.

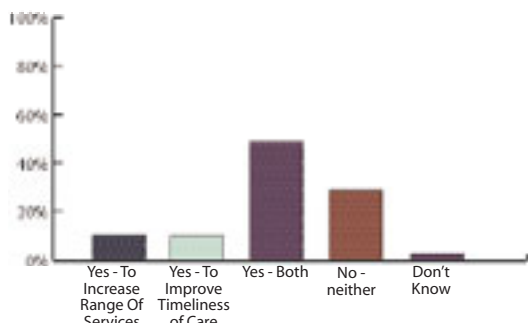
Seven in 10 Canadians indicate that they are willing to pay more (either out of pocket or in taxes) to increase the range of services offered or to improve timeliness of care provided by the healthcare system, up from 56% who were willing to pay more to simply maintain the current system. Reforms that address the public's key concerns with the current system can persuade a larger portion of Canadians to open their wallet. But accountability will be key, and the public wants it built in, on the front end.

Canadians want to be sure that every effort has been made to scour non-social programs for areas where savings can be made and diverted into supporting healthcare.

This is preferred by 63% of Canadians, over 15% who prefer reallocation of funds from other social sectors. However, if it comes to paying more in taxes, a dedicated tax for healthcare is preferred by 74% over 15% who prefer a general tax increase.

And finally, the egalitarian values that underpin support for the healthcare system among the Canadian public prevent widespread support for mustering around the idea of a tax increase related to how much one uses the healthcare system.

Figure 4: Willingness to Pay to Improve the System

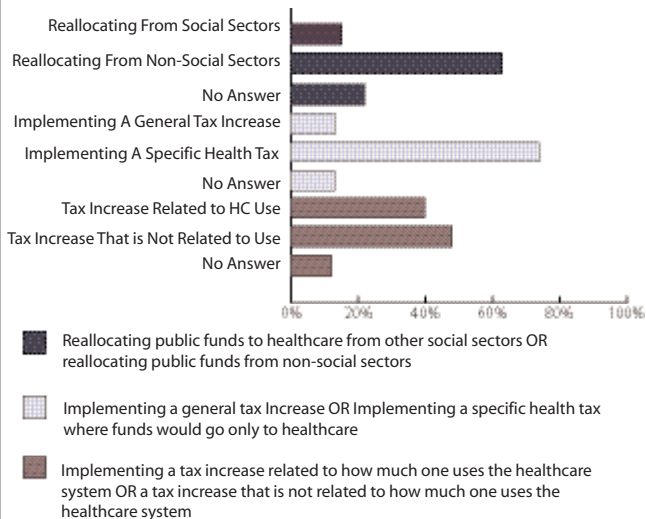


Q: Would you be willing to pay more, either out-of-pocket or tax payments, to increase the range of services offered or to improve timeliness of care provided by the healthcare system?

In summary, few Canadians argue with the notion that additional funds will be required to sustain the foundation of the medicare system. They indicate that they are willing to pay more to sustain and improve the care that system delivers. If asked to pay more in taxes, Canadians clearly prefer the accountability of a dedicated health system tax, not related to usage, over a general tax increase.

Survey results are based on telephone interviews with nationally representative samples of the Canadian public (n=1200). Fielding was conducted between March 27, and April 16, 2002. Overall results reported in this column are accurate to within +/-2.9%, 19 times out of 20.

Figure 5: Funding the Healthcare System Policy Preference



This survey was developed in partnership with a number of key stakeholders in the health system. The partners in the Health care in Canada Survey are: The Canadian Medical Association, The Canadian Nurses Association, The Canadian Association for Community Care, The Canadian Home Care Association, Merck Frosst Canada Ltd., The Coalition of National Voluntary Organizations, POLLARA, The Canadian Healthcare Association and The Frosst Health Care Foundation.

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