



Glencoe Regional Health Services

**Union Jack vs. Maple Leaf**  
*What can the Stars & Stripes Learn?*

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**Family Medicine**

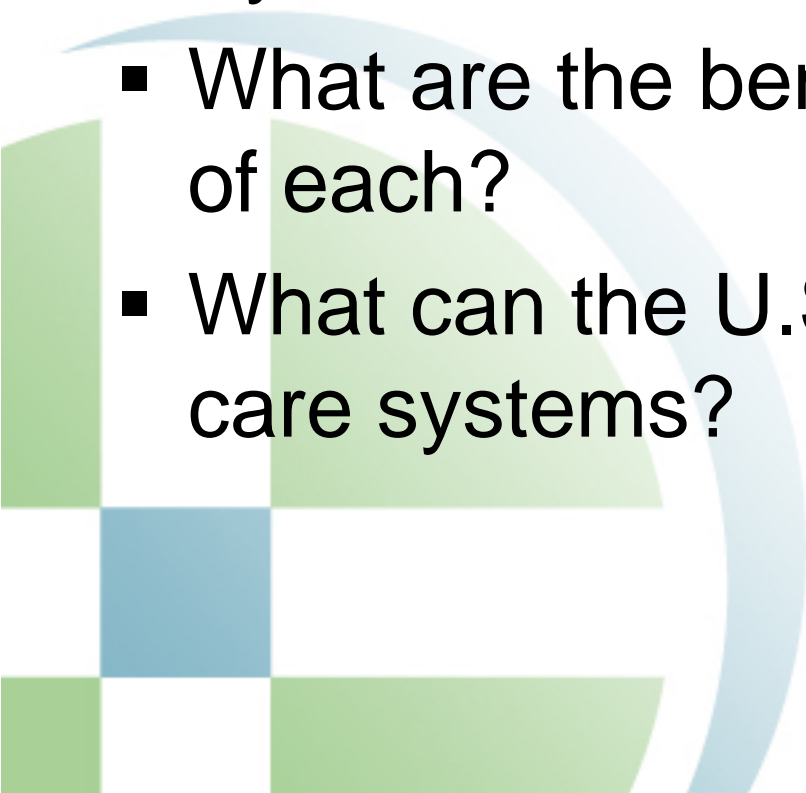
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# Objectives

- What are the differences between the British and Canadian Health Care Systems?
  - What are the benefits and disadvantages of each?
  - What can the U.S. learn from these health care systems?
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# Background:

## Types of Health Care Systems

1. *Traditional sickness insurance:*  
*Essentially a private insurance market approach with a state subsidy.*
2. *National Health Insurance:*  
A national-level health insurance system.  
(Canada)
3. *National Health Service:*  
National government provides health care.  
(Britain)
4. *Mixed System:*  
Contains elements of both traditional sickness insurance and national health coverage. (U.S.)

# Union Jack (Britain)



- *World economic ranking:* 6<sup>th</sup>
- *Population (2011 est):* 62 million
- *Health expenditure per person:* \$ 2,992
- *Percentage of GDP:* 8.4%
- *Type of health care system:* NHS
- *Average life expectancy:* 77.2 yrs

# Britain: The National Health Service

- Founded 1948
- Provides health care to all British residents.
- It is financed largely (about 83%) through general revenues, with the capital and current budget filtering from the national level down to the regional, and then to the district level.
- Services are free to patients at the point of use (with some exceptions)
- Public coverage for public delivery of health care

# Britain: NHS (continued)

- The general practitioner (GP) is the gatekeeper to the health care system. (GPs generally not government employee. Rather, they are self-employed and receive about half their incomes from capitation contracts.)
- Approximately 35,000 GPs in 9,000 practices, servicing 90% of all patients
- Patients must be referred to specialists by GPs



# Britain: NHS (continued)

- GPs paid largely via capitation. Specialists and hospital physicians largely paid via salary.
- System encourages GPs – well paid comparatively and top specialist salaries limited in relationship to average GP salary.
- Services are not entirely free (unless patient on government assistance or retired).
  - Private hospital rooms extra
  - Small surcharge for drug prescriptions filled outside the hospital.
  - Copayments: Dental care & eyeglasses

# NHS – Other Features



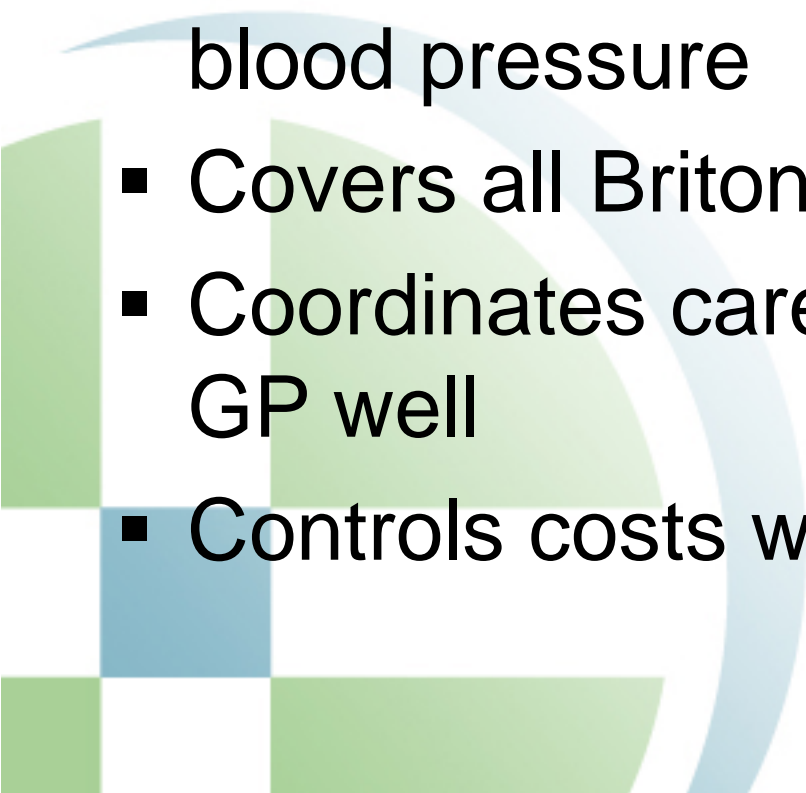
- Clinics, hospitals, etc. largely owned by government (with some exceptions)
- Drug costs strictly controlled by NHS (fewer alternatives in each class of drugs, less access to experimental drugs but average cost to patient very low).
- Much less spent at “end of life”.

# NHS – Malpractice & Litigation

- Patient malpractice suits 2/3 of U.S.
- Cost of malpractice payouts as part of total health cost per person in Britain: \$12 (*U.S.:* \$16)
- However, much less litigation in Britain RE: adverse effects of prescription medications (since NHS strictly controls)
- No “defensive” medicine



# NHS – What Does it Do Well?

- Very good at preventive care (well visits, cancer screening) and controlling chronic conditions such as diabetes and high blood pressure
  - Covers all Britons
  - Coordinates care among specialists and GP well
  - Controls costs well
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# NHS – What doesn't it do well?

- Though patients have relatively easy access to primary and emergency care, specialty care is rationed through long waiting lists and a limit on the availability of new technologies.
- Can be long wait for elective surgeries.
- Doesn't do as well with patient preferences.
- 10% of Britons pay for private medical insurance, mostly “for quality of life” issues.

# Maple Leaf (Canada)



- *World economic ranking:* 14<sup>th</sup>
- *Population (2011 est):* 34 million
- *Health expenditure per person:* \$ 3,895
- *Percentage of GDP:* 10%
- *Type of health care system:* NHI
- *Average life expectancy* 79 yrs

# Canada: Medicare

- Medicare: Canadian name for their National Health Insurance Program
- Single Public Payer system (essentially)
- Public coverage for private delivery of health care
- Each of the 10 provinces and 3 territories administers a comprehensive and universal health insurance program that is partially supported by federal grants.
- Grew out of efforts by the province of Saskatchewan to provide universal access to health care in the 1940s

# Canadian Medicare (cont.)



- Most Canadian physicians are in private practice and have hospital admitting privileges.
- Not as GP driven as British system.
- They are reimbursed by the provinces on a fee-for-service basis under fee schedules negotiated by the provinces and physician organizations.
- Hospitals are mostly private institutions, although their budgets are approved and largely funded by the provinces

# Canadian Medicare (cont.)

- Universal availability of publicly-administered health insurance (on uniform terms and conditions) for access to all medically necessary hospital and physician services
  - Allows for private health insurance
  - Single Payer dominant system
  - No mandate that individual carry public insurance coverage (can opt out)
- Co-pays and other point of service costs strictly controlled
  - No “balance billing”

# Canadian Medicare (cont.)



- Physicians can opt out of billing provincial health care directly so they can bill patient at higher rate
  - Patient has to submit reimbursement paperwork to govt.
  - Patient can carry private insurance to cover balance.
  - Rare. 98-99% of physician costs paid by public insurance.

# Canadian Medicare – Other

- Medication coverage varies by province.
- Medication costs still kept down though by power of provincial government negotiating with pharmaceutical companies.
- Vision coverage varies by province
- Unlike Britain, public insurance does not cover dental costs

# Canadian Medicare: Malpractice & Litigation

- Many fewer malpractice cases in Canada
- Cost of malpractice payouts as part of total health cost per person in Canada: \$4  
(*Britain: \$12, U.S.: \$16*)
- Again, much less litigation in Canada regarding adverse effects of prescription medications (since Fed and provincial govts. negotiate/limit medications)

# Canadian Medicare – Admin Costs

- The administrative costs of managing Canadian Medicare are about 14 percent of total dollars spent. (In U.S., administrative costs are about 31 percent).
  - *If U.S. could reduce the administrative costs of running the various private and public health insurances to the Canadian level, we could save up to \$200 billion annually)*



# Canadian Medicare: What Does It Do Well?

- All Canadians who wish to participate covered.
- Controls costs better than U.S. (but not as good as British system).
- Provides generally good health care across the socio-economic spectrum.
- Protects individuals against bankruptcy due to medical expenses (*U.S. – up to 46% of personal bankruptcies due at least in part to medical expenses.*)
- Controls administrative costs of insurance well.

# Canadian Medicare: What Doesn't It Do Well?

- Less access to after hours or emergency care – often longer wait times in ERs in Canada compared to U.S.
- Low number of doctors, and, to a lesser extent, nurses.
- Potential for decrease in spending by the national government with provinces unable to make up difference.
- Slower to replace equipment, adopt new technology. Not as much incentive for innovation.

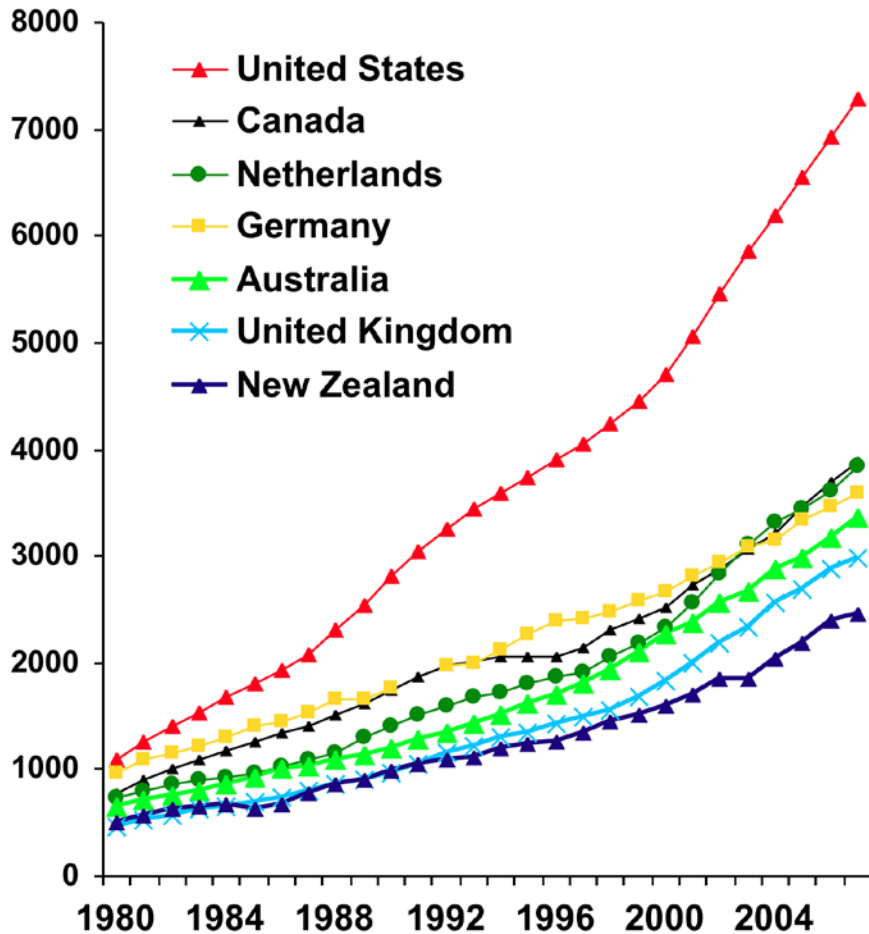
# Stars & Stripes (U.S.)



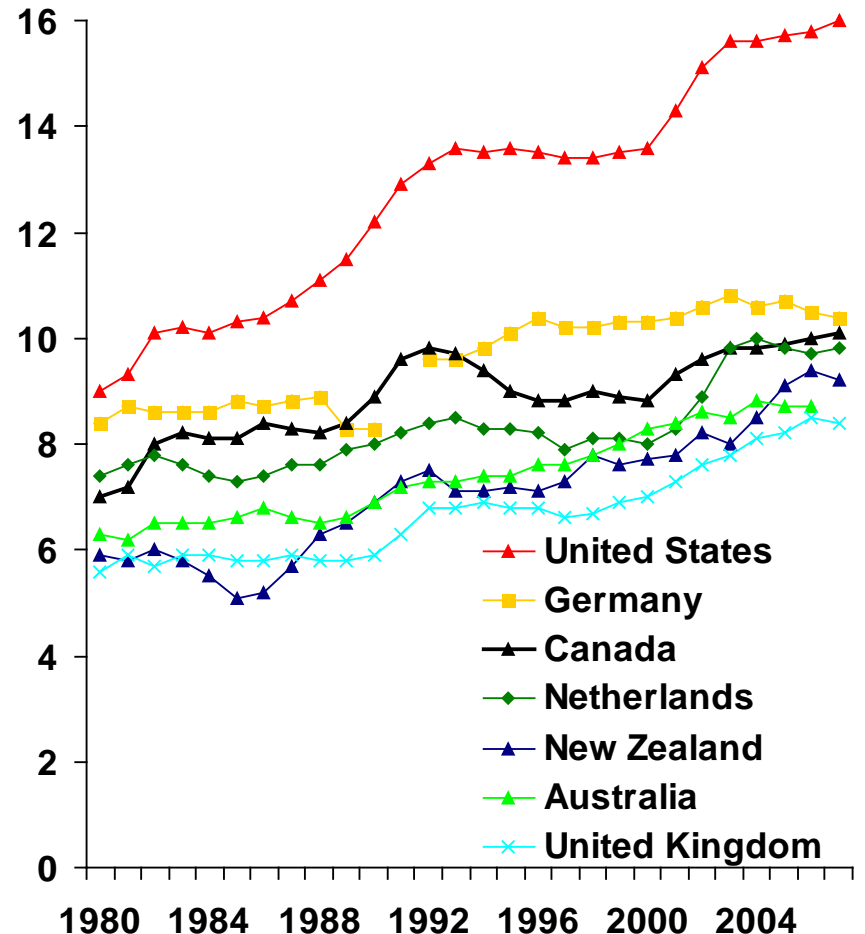
- *World economic ranking:* 1st
- *Population (2011 est):* 300 million
- *Health expenditure per person:* \$ 7,290
- *Percentage of GDP:* 15%
- *Type of health care system:* Mixed
- *Average Life Expectancy:* 76.7 yrs
- *Percent of pop. uninsured:* 14%

# Comparison of Spending on Health, 1980–2007

## Average spending on health per capita (\$US PPP)



## Total expenditures on health as percent of GDP



# What Can the Stars & Stripes Learn?

- From Britain:
  - End of Life Care – GPs to discuss with patients and patients to discuss with families ahead of time
  - Encourage medical students to go into Primary Care
  - Education and reform to limit “defensive” medicine
  - Pharmaceutical reform
  - U.S. National Health Service? Unlikely.

# What Can the Stars & Stripes Learn?

- From Canada:
  - Limited basic insurance coverage for all
    - State by State
    - With strong Federal Support
  - Must reward as well as encourage Primary Care
  - Must continue to provide after hour and emergency access
  - Must find ways to encourage innovation in the context of cost control
  - Education and reform to limit defensive medicine
  - Pharmaceutical reform

# The Stars & Stripes: What Does the Future Hold?

- Obama Care?
- National Health Service?
- National Health Insurance?
- Or ?

