A Prescription for SUFA

CMA Submission to the F/P/T Ministerial Council on Social Policy Renewal

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A healthy population…a vibrant medical profession
Une population en santé…une profession médicale dynamique

ASSOCIATION MÉDICALE CANADIENNE

CANADIAN MEDICAL ASSOCIATION

The Canadian Medical Association (CMA) is the national voice of Canadian physicians. Founded in 1867, CMA's mission is to serve and unite the physicians of Canada and be the national advocate, in partnership with the people of Canada, for the highest standards of health and health care.

On behalf of its 54,000 members and the Canadian public, CMA performs a wide variety of functions, such as advocating health promotion and disease/accident prevention policies and strategies, advocating for access to quality health care, facilitating change within the medical profession, and providing leadership and guidance to physicians to help them influence, manage and adapt to changes in health care delivery.

The CMA is a voluntary professional organization representing the majority of Canada's physicians and comprising 12 provincial and territorial divisions and 43 affiliated medical organizations.

TABLE OF CONTENTS

ASSOCIATION MÉDICALE CANADIENNE | CANADIAN MEDICAL ASSOCIATION

A Prescription for SUFA

Introduction

It has been over three years since the Social Union Framework Agreement (SUFA) was signed by the federal and provincial/territorial governments, with the exception of Quebec. At the time, it was heralded as an important breakthrough in federal-provincial relations that would clear the way for greater intergovernmental cooperation on pressing social policy issues such as health care renewal.

Functional federalism is essential to achieving social policy objectives that will be of benefit to Canadians from coast to coast. While SUFA may not be perfect, it is better than the alternative of federal-provincial paralysis and dysfunction. And as SUFA acknowledges, Canada's social union is about more that how governments relate to each other: it is about how governments can and should work with external stakeholders and individual Canadians to improve the social policies and programs.

The health sector is an important test case for SUFA. It is the most cherished of Canada's social programs. Canadians want and expect their governments to work together to improve the health care system and ensure its future sustainability. Ironically, it is also the area where government intergovernmental discord has been the greatest. On the eve of the final report of the Commission on the Future of Health Care in Canada, it is timely to reflect on SUFA and its role in the renewal of Canada's health system.

SUFA and the Health Sector – Strengths and Weaknesses

The attached table provides a summary of the key elements of SUFA and the CMA's assessment of how well SUFA provisions have been applied in the health sector.

On the positive side, the health sector has fared relatively well in the area of mobility within Canada. Physicians and other regulated health care providers generally enjoy a high degree of mobility. Portability of hospital and medical benefits is largely ensured through interprovincial eligibility and portability agreements. There are, however, two areas of concern. First, there is the longstanding failure to resolve the non-portability of medical benefits for Quebec residents. Second, there is growing disparity in coverage for services that are currently not subject to national standards under the Canada Health Act, particularly prescription drugs and home care.

In the area of dispute avoidance and resolution, governments have agreed to a formal process to address concerns with the Canada Health Act. This is a positive step, though few details have been made public. The real test will be whether this new process accelerates the resolution of non-compliance issues (most of which, as the Auditor-General recently pointed out, have remained unresolved for five years or longer), and whether the federal government will have the political will to levy discretionary penalties for non-compliance.

There has also been progress on public accountability and transparency as governments have begun reporting results in 14 health indicator areas pursuant to the September 2000 health accord. The CMA is disappointed, however, that governments did not fulfil their pledge to involve stakeholders at all levels in the development of these indicators. Moreover, governments have short-changed Canadians by not providing them with a national roll-up of indicators that would facilitate comparisons across jurisdictions. Looking to the future, it will be critical to put in place a process that moves from benchmarks (indicators) to the bedside (best practices, better outcomes). This must be done in collaboration with health care researchers, providers and health managers—those individuals who understand the importance of taking research and importing it into practice. Clinical researchers across the country are doing this work and must to be supported.

Overshadowing these relative successes in the first three years of the Social Union Framework Agreement are three key challenges that must be addressed:

- inadequate institutional mechanisms to improve accountability across the system
- failure to reduce uncertainty about what the health system will deliver, now and into the future
- resistance on the part of governments to engage stakeholders in a true partnership for health system renewal

The CMA is concerned that if these fundamental weaknesses are not addressed, they will undermine future attempts to renew Canada's health system.

Improving accountability

With the adoption of SUFA, governments have significantly increased emphasis on performance measurement and public reporting. While this is a positive development, it also has the potential to lead towards information overload and paralysis, unless two critical elements are addressed. First, there is a need for a clear accountability framework that sets out the roles, rights and responsibilities of all key players in Canada's health system: patients, health care providers and governments. This, in turn, requires the creation of a credible arm's length institution to monitor compliance with this framework and rise above the fray to give Canadians the straight goods on health care. One has to look no further that the recent rekindling of the so-called "shares debate" between the federal and provincial governments as an example of why these changes are necessary.

Reducing uncertainty

Over the past decade, Canada's health system has been plagued by an escalating crisis of uncertainty. Patients have faced increasing uncertainty about the accessibility and timeliness of essential health care services. Health care providers have seen working conditions deteriorate. Employers and private insurers have seen their contribution to funding health services increase unpredictably as governments have scaled back their funding commitments. Furthermore, provincial and territorial governments have had to contend with an unstable federal funding partner.

Canadians deserve better. They need more certainty that their public health system will care for them when they need it most. They need more transparency from governments about "what's in" and "what's out" in terms of public or private coverage. They need their governments to act on their SUFA undertaking to make service commitments for social programs publicly available such as establishing standards for acceptable waiting times for health care. And they need governments to follow through with their SUFA commitment to ensure stable and adequate funding for the health system and other social programs.

Fostering real partnerships

In the health care field, deliberations and agreements have taken place behind closed doors and governments have discounted the role that non-governmental organizations and citizens should play in decision-making. It is these very providers and patients who are expected to implement and live with the results of such cloistered decision-making. The consequences of this systematic exclusion are all too evident in the current critical and growing shortages of physicians, nurses and other health professionals. If we are to achieve the vision of a sustainable Medicare program, it is critical that governments come clean on their SUFA commitment to work in partnership with stakeholders and ensure opportunities for meaningful input into social policies and programs.

CMA's Prescription for Sustainability – Building on SUFA

The Social Union Framework Agreement has created the necessary, but not sufficient, conditions for health system renewal. It has codified the emerging consensus on federal-provincial relations and has clarified the "rules of the game". However, it is an enabling framework that is of limited value in the health sector unless it is given life through institutional mechanisms that establish enduring partnerships not just between governments, but between governments health care providers, and patients.

In its final submission to the Commission on the Future of Health Care in Canada entitled "Prescription for Sustainability", the CMA proposes the implementation of three integrated "pillars of sustainability" that together would improve accountability and transparency in the system: a Canadian Health Charter, a Canadian Health Commission, and federal legislative renewal.

Canadian Health Charter

A Canadian Health Charter would clearly articulate a national health policy that sets out our collective understanding of Medicare and the rights and mutual obligations of individual Canadians, health care providers, and governments. It would also underline governments' shared commitment to ensuring that Canadians will have access to quality health care within an acceptable time frame. The existence of such a Charter would ensure that a rational, evidence-based, and collaborative approach to managing and modernizing Canada's health system is being followed.

Canadian Health Commission

In conjunction with the Canadian Health Charter, a permanent, independent Canadian Health Commission would be created to promote accountability and transparency within the system. It would have a mandate to monitor compliance with and measure progress towards Charter provisions, report to Canadians on the performance of the health care system, and provide ongoing advice and guidance to the Conference on Federal-Provincial-Territorial ministers on key national health care issues. Recognizing the shared federal and provincial/territorial obligations to the health care system, one of the main purposes of the Canadian Health Charter is to reinforce the national character of the health system.

Federal legislative renewal

Finally, the CMA's prescription calls for the federal government to make significant commitments in three areas: 1) a review of the Canada Health Act, 2) changes to the federal transfers to provinces and territories to provide increased and more targeted support for health care, and 3) a review of federal tax legislation to realign tax instruments with health policy goals.

While these three "pillars" will address the broader structural and procedural problems facing Canada's health care system, there is many other changes required to meet specific needs within the system in the short to medium term. The CMA's Prescription for Sustainability provides specific recommendations in the following key areas:

- Defining the publicly-funded health system (e.g. a more rational and transparent approach to defining core services, a "safety valve" if the public system fails to deliver, and increased attention to public health and Aboriginal health)

- Investing in the health care system (e.g. human resources, capital infrastructure, surge capacity to deal with emergencies, information technology, and research and innovation)

- Organization and delivery of services (e.g. consideration of the full continuum of care, physician compensation, rural health, and the role of the private sector, the voluntary sector and informal caregivers)

Conclusion

On balance, the Social Union Framework Agreement has been a positive step forward for social policy in Canada, though its potential is far from being fully realized.

The CMA's proposal for a Canadian Health Charter, a Canadian Health Commission and federal legislative review entail significant changes to the governance of Canada's health system. These changes would be consistent with the Social Union Framework Agreement and would help "turn the corner" from debate to action on health system renewal.

The early, ongoing and meaningful engagement of health care providers is the *sine qua non* of securing the long-term sustainability of Canada's health system. Canada's health professionals, who have the most to contribute, and next to patients – who have the most at stake – must be at the table when the future of health and health care is being discussed.

The CMA's Assessment of the Social Union Framework Agreement ANNEX

SUFA provisions		CMA assessment
Principles	1. All Canadians to be treated with fairness and equity 2. Promote equality of opportunity for all Canadians 3. Respect for the equality, rights and dignity of all Canadian women and men and their diverse needs 4. Ensure access for all Canadians to essential social programs and services of reasonably comparable quality 5. Provide appropriate assistance to those in need 6. Respect the principles of Medicare: comprehensiveness, universality, portability, public administration and accessibility 7. Promote the full and active participation of all Canadians in Canada's economic and social life 8. Work in partnership with stakeholders and ensure opportunities for meaningful input into social policies and programs 9. Ensure adequate, affordable, stable and sustainable funding for social programs 10. Respect Aboriginal treaties and rights	[#4] Progress towards the objective of ensuring access to essential health services of reasonably comparable quality is difficult to assess. First, there is no agreed-upon definition of essential health services. Second there the development of indicators and benchmarks of health care quality is still in its infancy. However, the CMA is very concerned that the system is not headed in the right direction, with growing shortages of physicians, nurses and other health care providers. According to Statistics Canada's recently released survey on access to health care services, an estimated 4.3 million Canadians reported difficulties accessing first contact services and approximately 1.4 million Canadians reported difficulties accessing specialized services. [#6]Although there is broad support for the five principles of Medicare, there continue to be a number of longstanding violations of Canada Health Act that are not being addressed, including the portability of medical benefits for Quebec residents. The emergence of privately-owned clinics that charge patients for medically-necessary MRI scans is also cause for concern. [#8] There is no formal, ongoing mechanism for input from stakeholders and the individual Canadians in debates about national health policy issues. (See also #17 below). [#9] Ensuring adequate, affordable, and stable funding for Canada's health system is essential to its long-term sustainability. During the 1990s, billions of dollars were siphoned out of the system to eliminate government deficits. To put Medicare back on a sustainable path, governments must make long-term funding commitments to meet the health care needs of Canadians. The CMA has recommended that the federal government should significantly increase its financial contribution to restore the federal-provincial partnership in health care, and increase accountability and transparency through a new earmarked health transfer.
Mobility within Canada	11. Removal of residency-based policies governing access to social services 12. Compliance with the mobility provisions of the Agreement on Internal Trade	[#11] Residency-based policies are generally not an issue for physician and hospital services, where inter-provincial portability is guaranteed through reciprocal billing arrangements. As noted above, however, the portability of medical benefits for many Quebec residents is limited because the province only reimburses out-of-province services at home-province (as opposed to host-

SUFA provisions		CMA assessment
		province) rates. [#12] Regulatory authorities initiated work towards meeting the obligations of the Labour Mobility Chapter of the Agreement on Internal Trade in fall 1999. A Mutual Recognition Agreement has been developed and endorsed by all physician licensing authorities.
Public accountability & transparency	13. Performance measurement and public reporting 14. Development of comparable indicators to measure progress 15. Public recognition of roles and contributions of governments 16. Use funds transferred from another order of government for purposes agreed and pass on increases to residents 17. Ensure effective mechanisms for Canadians to participate in developing social priorities and reviewing outcomes 18. Make eligibility criteria and service commitments for social programs publicly available 19. Have mechanisms in place to appeal unfair administrative practices 20. Report publicly on appeals and complaints	[#13-14] Pursuant to the September 2000 Health Accord, the federal government and provinces have developed common health indicators in 14 areas and have released a first slate of reports. However, the usefulness of these reports is hampered by missing data elements on quality of care (access and waiting times in particular) and the absence of a national roll-up to facilitate inter-provincial comparisons. [#15] Continuing federal-provincial bickering about shares of health funding makes it clear that this provision is not being met. [#16] The CMA's analysis of the Medical Equipment Fund found that incremental spending by provinces on medical technology accounted for only 60% of the $500 million transferred by the federal government for this purpose. [#17] There is no mechanism in place to ensure ongoing input from Canadians and health care providers in national health policy development. The CMA has recommended the creation of a Canadian Health Commission, with representation from the public and stakeholders to provide advice and input to governments on key national health policy issues. [#18] Although there have been proposals to this effect in a couple of provinces, governments currently do not make explicit commitments about the quality and accessibility of health services. In order to reduce the uncertainty Canadians are feeling with respect to Medicare, the CMA has recommended the creation of a Canadian Health Charter that would set out the rights and responsibilities of patients, health care providers and governments. In particular, the health charter would require all governments to set out care guarantees for timely access to health services based on the best available evidence. [#19-20] The Auditor-General recently reported that Health Canada provides inadequate reporting on the extent of compliance with the Canada Health Act.
Governments working in partnership	21. Governments to undertake joint planning and information sharing, and work together to identify priorities for collaborative action	[#21-25] The requirement for governments to work together collaboratively is perhaps the most important part of SUFA, yet there it is impossible for organizations and

SUFA provisions		CMA assessment
	22. Governments to collaborate on implementation of joint priorities when this would result in more effective and efficient service to Canadians. 23. Advance notice prior to implementation of a major policy or program change that will substantially affect another government 24. Offer to consult prior to implementing new social policies and programs that are likely to substantially affect other governments. 25. For any new Canada-wide social initiative, arrangements made with one province/territory will be made available to all provinces/territories. 26. Governments will work with the Aboriginal peoples of Canada to find practical solutions to address their pressing needs	individuals outside of government to assess the degree to which these provisions have been met. This so-called "black box of executive federalism" is not serving Canadians well. In the health sector, there are too many examples of governments developing policy and making decisions with little or no input from those who will ultimately have to implement change. To achieve a true social union, the tenets of good collaborative working relationships – joint planning, advance notice and consultation prior to implementation – must be extended beyond the ambit of federal-provincial decision-making. The CMA's proposal for a Canadian Health Commission would go some distance in addressing these concerns. A key part of its mandate would be to bring the perspective of health providers and patients into national health policy deliberations and decision-making.
Federal spending power	27. Federal government to consult with P/T governments at least one year prior to renewal or significant funding changes in social transfers 28. New Canada-wide initiatives supported by transfers to provinces subject to: a) collaborative approach to identify Canada wide objectives and priorities b) Agreement of a majority of provincial governments c) Provincial discretion to determine detailed design to meet agreed objectives d) Provincial freedom to reinvest funding in related area if objectives are already met e) Jointly developed accountability framework 29. For new Canada-wide initiatives funded through direct transfers to individuals or organizations, federal government to provide 3-months notice	[#27-28] There have been three new Canada-wide health initiatives supported by the federal spending power: the $500M Medical Equipment Fund, the $800 Primary Health Care Transition Fund and the $500M fund for health information technology. The Medical Equipment Fund was created to respond to a genuine need for more modern diagnostic and treatment equipment. However, objectives were vague, money was transferred with no strings attached, and there was no accountability framework. The result, as the CMA's analysis has shown, is that a significant portion of the funding did not reach its destination. The jury is still out in the case of the Primary Care Transition Fund. Delivery of this program through normal government machinery will entail a higher degree of accountability than in the case of the Medical Equipment Fund. However, objectives of this initiative may be too broad to have a significant steering effect on the system as a whole. Canada Infoway Inc. is an arm's length body created by the federal government to disburse the $500M in health information technology funding. While this model has the advantage of being less politicized than government-run programs; accountability to Parliament and to Canadians is weaker.

SUFA provisions		CMA assessment
	and offer to consult	
Dispute avoidance & resolution	30. Governments committed to working together and avoiding disputes 31. Sector negotiations to resolve disputes based on joint fact-finding, including the use of a third party 32. Any government can require a decision to be reviewed one year after it enters into effect 33. Governments will report publicly on an annual basis on the nature of intergovernmental disputes and their resolution	[#30-33] Federal and provincial governments have agreed to a formal dispute avoidance and resolution process under the Canada Health Act. The Canadian Health Commission recommended by the CMA could play a useful role as an independent fact-finder.
Review of SUFA	34. By the end of the 3rd year, governments will jointly undertake a full review of the Agreement and its implementation. This review will ensure significant opportunities for input and feedback from Canadians and all interested parties, including social policy experts, the private sector and voluntary organizations.	[#34] Governments have taken a minimalist approach to the SUFA review by opting for an internet-based consultation and closed meetings with invited external representatives. This approach is not sufficient. Future reviews should be more inclusive of all stakeholders.