
A VALUES-BASED PROCESS FOR THE ALLOCATION OF HEALTH CARE RESOURCES

Purpose and Scope

This policy has been developed to provide guidance to all those involved in the development and implementation of policies for allocating scarce health care resources. It articulates the values that CMA considers should guide processes used to allocate resources and that should be incorporated into explicit policies to guide resource allocation at the system (*'macro'*) and institutional (*'meso'*) levels.

Background

The preservation of good health, and its restoration when threatened by illness, are highly valued by Canadians. The principles enunciated in the Canada Health Act reflect widely held values. However, the implementation of these principles in the financing, organization and delivery of health care has seldom been explicitly value-based.

In Canada, there has always been a lack of clarity about the process for determining which health services should be publicly funded. Many different, and conflicting, approaches are operative including: (1) services are designated by some criterion (e.g., the Canada Health Act term, 'medically necessary'), and governments provide whatever funds are required to ensure that all those who need and/or want these services will receive them; (2) governments determine in advance the budget for the health care system and the list of services is adjusted to fit within the funding limits. Although both of these approaches have their merits and both are probably necessary, they have been implemented by governments during the past two decades in a manner that has resulted in widespread dissatisfaction among health care providers and the general public.

It is clear that the decision-making processes by which publicly funded services have been designated and resources allocated to provide these services are inadequate. In addition to their unpredictability, these processes are seriously flawed because they fail to demonstrate the values that Canadians consider to be important for public policy in general and health care policy in particular. The CMA is here proposing that an alternative approach to the allocation of health care resources be developed that is explicitly value-based.

CMA's Proposed Values

In a pluralistic society such as Canada, individuals will differ as to the substantive values that should guide health care resource allocation decision making, such as cost effectiveness, maximization of aggregate benefit, maximization of individual benefit and freedom of choice. To resolve differences among these values as they apply to specific allocation decisions, a legitimate and acceptable process is required. The following values should characterize the process used to make decisions regarding the allocation of health care resources:

- **Transparency** – the process and the principles

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or rules on which decisions are based should be open to scrutiny and made public as appropriate.

- **Accountability** – decision-makers should have proper authority to make the decisions and provisions should be in place for them to be held accountable for the decisions they make and the processes they use to make these decisions.
- **Evidence-based** – the decision-making process should incorporate relevant empirical evidence as available and appropriate.
- **Inclusivity** – interested parties, or parties having an important stake in the decisions, should be identified and consulted or participate in or be represented in the process as appropriate. Specific effort needs to be made to obtain input of, or on behalf of, those groups whose members may find it difficult to speak for themselves.
- **Procedural fairness** – the process used to make the decision should be fair to all those involved in or affected by the decision.
- **Right of appeal** – there should be a means by which those who are dissatisfied with a decision can challenge or appeal it.
- **Periodic Review** – there should be a process to ensure regular review of decisions.

Implications

Honouring these values in the allocation of health care resources in Canada would result in significant changes to the ways allocation decisions are made at present. For instance, governments and regional health authorities would:

- solicit and welcome significant public and provider input to proposed policy changes such as new funding initiatives (e.g., pharmacare and home care), amalgamation of hospitals, delisting of services covered by Medicare, etc.;
- inform the public and providers about the relative costs and benefits of existing and proposed core services so that recommendations about the trade-offs that need to be made can be as fully informed as possible;

- discuss and announce their decisions in public and provide a rationale for allocation decisions that would reference the evidence and arguments on which the decisions were based;
- provide a mechanism for appeal of these decisions by those who are disadvantaged by the decisions.

Conclusion

The CMA urges governments and regional health authorities to develop a values-based process for health care resource allocation.

The CMA holds that decisions about the allocation of resources for health and health care are not solely the responsibility of governments or their designated agents or agencies. All those affected by these decisions, especially the public and health care providers, should be involved in the decision-making process. The CMA would welcome the opportunity to assist with this task.