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## Policy Summary: Managing the Public–Private Interface to Improve Access to Quality Health Care (2007)

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### Background

The Canadian Medical Association (CMA) supports the concept of a strong publicly funded health care system where access to medical care is based on need and not on the ability to pay. Health care services in Canada have historically been funded and delivered by a mix of the public and private sectors. At the present time, approximately 70% of health expenditures are publicly funded from general tax revenues; the remaining 30% are privately funded either through private insurance or out-of-pocket payment. The public-private interface occurs in two key areas: the private delivery of publicly funded services, and the delivery of privately funded services in publicly owned facilities.

Drawing on the key issues raised in the CMA's June 2006 discussion paper, *It's About Access*, this policy summary sets out guidelines for decision-making and policy development for managing the public-private interface within Canada's health care system in order to optimize timely access to high-quality care.

### Policy Principles

The following principles provide a framework for guiding future strategies for managing the public-private interface.

1. **Timely access:** Canadians should have timely access to medically necessary care and individual recourse should wait times be unreasonably long.
2. **Equity:** Access to medically necessary care must be based on need and not on ability to pay.
3. **Choice:** Canadians should have choice of physician; and physicians should have choice with respect to their practice environment.
4. **Comprehensiveness:** Canadians should have access to a full spectrum of medically necessary care.
5. **Clinical autonomy:** Any care model should respect the autonomous decision-making within the patient-physician relationship. Physicians must be free to advocate on behalf of their patients.
6. **Quality:** The public and private health care sectors must be held to the same high quality standards and be independently monitored. To ensure professional

accountability, any facility providing medical services must be subject to medical supervision.

7. **Professional responsibility:** The medical profession has a responsibility to promote the strongest possible health care system that best meets patients' needs. Both public and private sectors have a responsibility to train the next generation of health professionals and to advance knowledge through teaching and research.
8. **Transparency:** Decisions affecting the mix of public-private funding and delivery must be made through an open and transparent process. Providers faced with potential conflicts of interest have a duty to recognize and disclose them and to resolve them in the best interest of patients.
9. **Accountability:** The public and private health sectors should be held to the same high accountability standards including clinical outcomes, full cost accounting and value-for-money.
10. **Efficiency:** The public and private sectors should be structured to optimize the use of human and all other resources.

## Public-Private Interface Issues

In light of the foregoing principles, the CMA has identified several key issues where improved management of the public-private interface could lead to better access to high-quality health care services for Canadians.

### *Implementing a wait-time care guarantee*

Canadians face increasingly long wait times for necessary medical care, frequently beyond recommended maximum wait times. In the 2004 first ministers' agreement, wait time benchmarks were established for five priority areas in the publicly funded system: cardiac care, cancer care, diagnostic imaging, joint replacement and sight restoration. When care

is not delivered within benchmarks, there is no effective "safety valve" to provide recourse. Patients are forced to wait for care in Canada or seek it within the private sector or in other jurisdictions at their own expense.

A safety valve is needed to enable Canadians to obtain required care where wait time guarantees cannot be met. Ideally, Canadians would never have to use the safety valve, but its inclusion in Canadian health policy would help restore confidence in the public health system and focus governments upon meeting commitments to provide timely access to care. The Patient Wait Times Guarantee Trust announced in the 2007 federal budget is a positive first step.

The CMA recommends that:

- Governments work with the CMA and other medical organizations to establish clinically appropriate wait-time benchmarks for all major diagnostic, therapeutic, surgical and emergency services.
- Where wait-time benchmarks can be established, governments implement them nationally.
- If national wait-time benchmarks are not met, Canadians should be entitled to a publicly funded safety valve whereby the government would reimburse payment for treatment, travel and other appropriate costs if the service is provided outside the home jurisdiction or within the private sector.
- When access to timely care cannot be provided in the publicly funded system, Canadians should be able to use private health insurance to reimburse the cost of care obtained in the private sector. Private insurance contracts are now permissible in Quebec for hip replacement and cataract surgery, with the stipulation that the insurer must fund all aspects of the

treatment including rehabilitation. At present, it is not clear how this could work in practice in terms of risk rating of either the patient or on the performance of the public system.

- In the interest of providing timely care within the publicly funded system, governments must ensure that Canada has sufficient health professionals and infrastructure to meet need.

*Improving performance measurement, quality assurance and accountability in the public-private interface*

It is essential that the health care system be accountable to Canadians, in particular with respect to the roles and responsibilities of different levels of government and their delegated agents, such as regional health authorities and specialty boards.

Accountability becomes all the more pressing as public-private collaboration expands.

There may be a growing role for the private sector in the delivery of publicly funded health care provided that it delivers services in a cost-effective manner. As with the public sector, any private sector involvement in health care must be patient-centered as well as transparent and accountable. Health care services in both sectors must be delivered to the same high standards of quality. In order to achieve this, solid means of quality assurance must be in place to ensure that value-for-money is being received where public funds are used to contract for service delivery in public and private settings and to monitor the impact of privately funded services on the public system.

There are currently a number of data gaps that need attention. For example, there is a lack of formal comparative studies of the cost-effectiveness and quality of public and private delivery in Canada based on primary data;

there is confusion surrounding the monitoring of quality for uninsured services; and there is uncertainty about the extent of voluntary accreditation of health care facilities in the public and private sectors.

The CMA recommends that:

- Governments establish uniform requirements and regulation where appropriate for measuring quality of care in both public and private settings, including:
  - a) collection of data on process and outcomes of care;
  - b) reporting of such data on all publicly insured services to regulatory bodies;
  - c) accreditation standards for both public and private service delivery equivalent to those of the Canadian Council on Health Services Accreditation; and
  - d) protection of health information privacy.
- Governments and regional health authorities that enter into public-private partnerships do so through an open and transparent tendering process.
- Where governments include public-private delivery mechanisms to expand system capacity, they do so with regulation to evaluate quality and cost-effectiveness.
- Governments conduct ongoing evaluation of the quality and cost-effectiveness of public-private delivery options.

*Defining the public health care system and the basket of publicly insured services*

The delineation of publicly insured services is a fundamental policy issue for governments, health care providers and patients. The publicly-funded health system cannot be expected to meet all needs for all patients; choices must be made and trade-offs

negotiated. However, decisions about the basket of insured services have typically been ad hoc and made behind closed doors. The system has also been slow to respond to emerging technologies and shifts in the delivery of care.

At the present time the national medicare basket includes hospital and medical services. The provinces/territories also fund additional services at their discretion (e.g., seniors' drug coverage, home care). While this widens the scope of public coverage, it creates disparities in access across jurisdictions, and Canada is often referred to as a "patchwork quilt" in this regard.

The CMA recommends that:

- There should be ongoing periodic monitoring and reporting of the comparability of Canadians' access to a full range of medically necessary health services across the country.
- In keeping with the CMA's 1994 document *Core and Comprehensive Health Services: A Framework for Decision-making*, there is a need to define a set of nationally comparable, publicly funded core services. The nature of these services should be continually assessed in an evidence-based and transparent manner. The mode of delivery for these services should be at the discretion of local jurisdictions and may involve both the public and private sectors.
- Government health insurance plans should give adequate notice when services are to be delisted.

*Transparency and accountability in the regulation of physician activity within the public-private interface*

The ability of physicians to choose whether or not to participate in the public health insurance plan has been a key feature of

Medicare since its inception. Physicians are willing to accept reasonable limits on their ability to opt in or out of the public health plan to ensure that adequate access to medical services is maintained. In order to achieve this, an effective regulatory framework is required to govern the intersection of public and private health care and there must be concerted effort on the part of stakeholders to investigate the implications of and opportunities to minimize conflicts of interest. When considering options for the delivery of publicly insured services by the private sector, it is critical that the integrity of the public system is maintained and that Medicare remain the cornerstone of Canadian health care.

The reality for many physicians is that they must concurrently deal with multiple payers – patients covered by provincial/territorial health insurance plans, injured workers covered by workers' compensation boards and various groups of individuals covered by third-party insurers. Whatever the funding arrangement, the following fundamental characteristics of the physician-patient relationship cannot be altered:

- Patients should be able to choose their physician.
- Physicians must have freedom to advocate on behalf of their patients.
- Physicians should be allowed to have choice in their practice environments, including the right to opt out of the publicly funded system.
- It is the duty of providers to recognize and disclose potential conflicts of interest and to resolve them in the best interests of patients. The CMA will work with its divisions and affiliates to develop a code of conduct for physicians who provide services in the private sphere and for

those who provide services in both sectors.

The CMA recommends that:

- Governments should allow physicians to have choice in their practice environments, including the right to opt out of the public health insurance program provided that patient access to publicly funded care is not compromised. This is presently permitted in all jurisdictions except Ontario.
- Governments should examine practice arrangements where physicians are able to work in both the public and private sectors so as to maximize the availability of medical services, particularly in situations where there are budget constraints resulting in inefficient use of health human resources and physical infrastructure.
- Governments should remove bans preventing physicians from opting out or preventing them from practising in both the public and private sectors where it can be shown that this would improve access to services for the entire population, increase the capacity of the health care system and reduce wait times.

### *Medical education and training*

Physicians collectively have a responsibility to train future generations. Looking ahead, we may expect to see a continued trend toward the delivery of diagnostic, medical and surgical procedures in specialized facilities that are privately owned and operated. From the standpoint of medical education and training, this raises two issues. First, a significant number of the current complement of clinical teachers may perform an increasing proportion of their work in such facilities, which may have implications for public teaching hospitals. Second, to the extent that

the delivery of services may migrate from teaching hospitals to specialized facilities, this may potentially limit the education and training exposure of medical residents.

The CMA recommends that:

- Physicians must be appropriately trained for the scope of practice in which they are engaged, whether in the public or private sector.
- Medical trainees need exposure to all types of practice arrangements across the public-private interface.
- Medical trainees need exposure to all areas of clinical medicine, including those areas predominately delivered by either the public or private sectors.
- Governments that choose to contract out services to private delivery must ensure that training opportunities include exposure to both sectors.
- The CMA, in partnership with medical student organizations, will promote education about the public-private interface and health care funding and delivery issues.

## **Conclusion**

Canada's health care system is the product of a long-standing partnership between public and private funding and delivery. The interaction between both sectors will continue to be an important dimension of medicare that must be carefully managed. The framework of decision-making principles and recommendations set out in this policy will hopefully enhance debate among stakeholders and the public about future directions for how to best manage the public-private interface.

CMA Board of Directors

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