

# The Privatization of Health and the Defense of the Public System in Quebec

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The Canadian health care system – known as “Medicare” or “Assurance-maladie” in Quebec – was created to ensure Canadians free access to health care services and medications. The health system is both publicly funded and administered. It has been built on five principles laid out in the Canada Health Act (1984); these are: Public Administration, Comprehensiveness, Universality, Portability, and Accessibility. In sum, the right to health has been at the organizational core of the Canadian health system.

Provinces and territories administer and deliver most of the health services in Canada. This is done through provincial and territorial health insurance plans which are required to follow the national principles set out in the Canada Health Act. Since its creation, the Canadian health care system has undergone important changes and reforms. However, until a few years ago each major reform of the system retained the principles of justice and equity as core values.

Quebec adopted the Health and Social Services Act in December 1971. The Quebec health care system was established with a mandate to maintain, improve, and restore the health and well-being of the entire Quebec population, making health and social services accessible to all. Health and social services in Quebec are administered jointly. This specificity, which has been adopted by other health care systems, has the advantage of allowing a comprehensive response

to the health and social needs of the population.

Since the 80s there has been a worldwide trend towards the privatization of public services. In both developed and developing countries reforms based on economic liberalism have taken place in the public health, education, and social services systems. Typically, reforms in the developing world have been more far-reaching.<sup>1</sup>

In the ideological worldview of economic liberalism, social goods become consumer goods, i.e. commodities. Individual freedoms and individual rights are more highly valued than social rights and the role of the State as guarantor of social rights is reduced.

The Quebec health sector had, until a few years ago, evaded this privatization trend. Yet today the public nature of the system is threatened and it risks becoming just one more business enterprise.

In order to describe developments in the Quebec health care system, we interviewed Dr Marie-Claude Goulet (M-CG), chair of the organization *Médecins québécois pour le régime public (MQRP)* [*Quebec Physicians for a Public System*]<sup>2</sup>, an organization campaigning against the commercialization of health care in Quebec. The MQRP is an umbrella organization made up of various groups from Quebec province; it is part of the larger Canadian Doctors for Medicare (CDM) network. CDM was created in May of 2006 because of physician concerns about the trend towards privatization of the country’s health care services.

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<sup>1</sup> Dr. A.C. Laurell recently published an article on similar reforms in Latin American health systems. See Laurell, A.C. An Overview of Latin American Health Policies and Debates, *Social Medicine*. Vol. 5, No. 1, March 2010.

<sup>2</sup> The MQRP website is <http://www.mgrp.qc.ca/qui.php>

As a member of ALAMES North America, I was interested in hearing the perspective of a Latin American working in the Quebec health care system. How did the experience of privatization in a Latin American country compare to what is currently taking place in Quebec? To this end I interviewed Dr Fernando Álvarez (FA), an Argentinian pediatrician who had worked in the Children's Hospital in Buenos Aires. For the past 18 years he has been part of the Quebec health system and is currently head of Gastroenterology, Hepatology, and Nutrition services at Montreal University's Sainte-Justine Hospital.

### **The threat of privatization and the emergence of the MQRP**

*SF: How did the MQRP come to be formed and why do you need to actively defend the public system in Quebec, when the Canada Health Act ensures the universality of the health care system?*

*M-CG:* The MQRP was set up in 2005 and includes not just physicians, but also academics, nurses, lawyers, organizations, etc. Its origins can be traced back to the Quebec Supreme Court decision in the Chaoulli case. This decision removed the legal prohibitions barring private insurers from offering health care services already covered by the public system. In 2005 the Supreme Court sanctioned the law allowing the citizens of Quebec to purchase private insurance. As a response to this decision, a group of doctors formed what was known as *Médecins pour l'accès à la santé* (Doctors for Health Access).

This group saw the Chaoulli decision as a threat to the public system and to the principles of universality, accessibility, etc. It opened the door to a health services market.

About the same time as the Chaoulli decision, the Canadian media and public discourse were full of stories claiming that our public health system was in trouble and would collapse because of increasing costs, the ageing population and so on. The solution, we were told, was to call in the private sector.

In response to this dominant discourse, *Médecins pour l'accès* felt it necessary to defend the public health system as a collective good. It was important to defend a system we had struggled so hard to create. We needed to find public solutions to the problems of our health care system rather than handing it over to a highly lucrative private health market. This is how *Médecins pour l'accès* was created in 2005. In 2008 *Médecins québécois pour le régime public (MQRP)* was established, and from that point on, we started building an organizational structure with strategies designed to preserve our autonomy.

We understood that the enforcement power of the Canadian Health Act lies in the federal government's ability to withhold or limit transfers of federal funds to the provincial health care programs. Other than this, the province is under no obligation to comply with the principles embodied in the Act. We had thought ourselves protected by the Act, but it turns out this is not the case. It is possible not to comply with the Act without incurring any reprisals from the federal government. In our view, this demonstrates the federal government's failure to defend the public health system, most likely because it also has an interest in the system being privatized.

Since federal government seems to be in the pro-privatization camp, we feel we can no longer rely upon the Act. In actual fact, ever since 2005 health legislation in Quebec has been changed. Law 33, a modification of the *Assurance-maladie* Law opened the door to the private sector through the creation of private specialty clinics funded by private investors. This was something novel for Quebec.

Initially, the specialty clinics were allowed to perform only three types of surgery were permitted: hips, knees, and cataracts. But these clinics are increasingly permitted to perform additional procedures. At present, they can perform 50 different operations.

### **The privatization strategy**

*SF: Did the process of privatization begin with Chaoulli's lawsuit, or did this lawsuit form part of a larger strategy combining a variety of actions of differing intensity?*

*M-CG*: The privatization process had begun long before the Chaoulli lawsuit, but Chaoulli took advantage of a period when the health system was being heavily criticized, particularly in the media.

All aspects of the system came under criticism: the waiting lists, the problems with access to family doctors, etc. The critics omitted the fact that beginning in the 90's there were systematic budget cuts and deliberate underfunding of the health system; these had been done with the goal of making the public system collapse. Undermining the public system obviously favors the private sector. The less invested in the public sector, the more widely are the doors opened to the private sector.

This privatization strategy has been ongoing for the past 15 years. It's driven by financial interests. Health represents a huge market with a vast potential for profit. Everybody needs health care at some point in their lives, and people are prepared to pay when it has to do with their health. For those who want to make a profit, it's a gigantic market.

In Quebec we have large pharmaceutical and biomedical technology lobbies. Both promote the use of their products for just about everything, particularly in the private clinics. The result is both more expensive care and more frequent malpractice cases.

In 1996 the government imposed massive cuts in health care, closing hospitals, forcing doctors and nurses into retirement, and reducing staff. This was part of the *virage ambulatoire* (*ambulatory preference*), although resources for outpatient departments and home care did not increase. In 2003 Charest came to power and implemented what he called a re-engineering of the State. This consisted of cuts to public health and social services. The re-engineering included various legal changes including alterations to the Labor code, nursing contracts, etc. The discourse of privatization is not new. Claude Castonguay, a former Minister of Health and a contributor to various health reports, has for years been recycling concepts such as cost sharing (*le ticket*

*modérateur*), broadening the scope of the private sector, and allowing physicians to work in both the public and private sectors. Although this latter practice is currently forbidden, there is a lobby pressing for the rules to be changed.

From 2005 onwards the privatization strategy intensified and became clearer. First came the Supreme Court's decision in the Chaoulli case<sup>3</sup> (June 2005). This was followed in 2006 by Bill 33 which allows private surgery centers and opens the door to private insurance. In 2007 legislation allowed doctors to join private clinics; this enabled shareholders to make a profit on doctors' salaries.

Quebec now has private health enterprises such as the RocklandMD clinic, a vast private medical complex. Thanks to changes in the law, RocklandMD can contract with public hospitals. The establishment of these private clinics drains human resources from the public sector. The number of doctors leaving the public sector to enter the private one has increased significantly, making the lack of physicians in the public sector even more acute.

In summary, we have seen a multi-pronged strategy. On the one hand, there is an extremely powerful, dominant discourse in the media asserting that the public system is not capable of providing health care and that, unless the private sector is brought in to help, our health system will collapse. This is the message the population receives and mistakenly believes. Simultaneously, structural changes are carried out; developing a private health market in Quebec requires changes to the law. These changes have been taking place since 2005, although changes in practice preceded the legal changes. At the same time, the public system is underfunded, reducing the material and human resources available to the public sector and, obviously, affecting health care.

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<sup>3</sup>The Supreme Court declared Quebec's prohibition on the use of private insurance for health care in the private sector to be incompatible with the Rights and Freedoms Charter. This decision was based on cases of excessively long waiting times in the public sector.

## Who supports privatization in Quebec?

*SF: Who is behind the privatization agenda and what arguments do they offer to justify the dominance of the “logic of capital” in health care services in Quebec?*

*M-CG:* First, there is the Montreal Economic Institute (MEI), actively promoting and building consensus on health service privatization. The MEI includes representatives from the Chamber of Commerce, bankers, pharmaceutical companies, and private insurance companies. The MEI represents the interests of a rich Quebec minority which evidently would profit from privatizing the health system. These people form an extremely powerful lobby and have influence on our government. They are the ideologues of our current right-wing government which, in turn, looks after their interests. Our government does not defend the common good or the interests of the population. Several of the promoters of privatization, such as Castonguay, are guests of honor at the MEI during their conferences. Dr Chaoulli himself, who brought the lawsuit I mentioned previously, is an MEI researcher. Marcel Boyer is an MEI economist with whom we have debated and one of the promoters of health service privatization in Quebec.

One of the arguments they offer is that public funds are inadequate to cover health service costs and the private sector needs to fill in the gap. This argument is totally false. Multiple case studies from around the world demonstrate that mixed, fragmented systems cost more and are less efficient than a strong public health system. But the common good is not relevant to capitalist thinking, to the logic of profit, or that of the market. Our government follows the logic of profit, therefore it is not a government which defends the public system or prioritizes social solidarity.

The new budget contains proposals to implement charges for each visit. This is totally unjust. Quebecers will have less access to fewer services of poorer quality. The system will no longer be based on universality. We will have a

two-tier public/private system, although in my view it is already a two-tier system. In the long run, the public system will take care of the more expensive, complicated cases (those which are non-profitable) and of the poorest patients. Private clinics will only take profitable cases; only those who can pay will be able to access them.

As soon as payment starts being requested for medical consultations, access will be hindered and this means the end of universality. The health care system will grow more expensive with increasing administrative costs. If cost barriers keep people from accessing the doctor when they need to, they will be sicker when they eventually go. The result will be higher costs due to complications, additional treatments, hospital admissions, and so on. Whichever way you look at it, a public/private system is more costly and inefficient.

The current discourse holds that health is a commodity that you purchase, not a right you hold. In other words, it thinks of health as just one more consumer good. This viewpoint is completely false. One does not choose to become ill in order to consume health services. One does not choose to get cancer or to be admitted to hospital. The need for health care is not a choice.

Another argument for privatization is that people abuse the system because they go to the doctor too often. Consequently, they should pay more. But how can one abuse a health system which has been undermined to the point where – due to a lack of personnel – people have to wait 12 hours in the emergency room? There are not enough family doctors; so who are the people abusing?

The problem with our public system is an ideological one, not just financial and technical. There are public solutions for the problems in our public system, but they are not being implemented. Why not? The answer lies in the interests which are being served. Health service privatization is developing faster in Quebec which has more private clinics than any other province in Canada. It is the first and only province to allow private insurance companies. Clearly there are other provinces watching to see what happens with the *Quebec model of privatization*.

## **Lessons learned from experiences with health care privatization**

*SF: Does MQRP review or discuss experiences of health care privatization in other parts of the world in order to learn from these experiences and take pre-emptive measures?*

*M-CG: Yes, we have done so, particularly with England. We organized a colloquium and invited people from England. What is going on here now is the same as what happened over there 10 or 15 years ago. We can see what took place there and what might happen to us here. Health services in the United States also offer a huge laboratory from which to learn about what happens with privatization. Numerous studies show how inefficient private systems are and how expensive they turn out to be. However, Quebec has its own specificities and comparison can be difficult.*

*SF: However, in the United States there was never a universal public system, so you cannot study a transition from a public system to a private one. On the other hand, the UK National Health Service is strong on primary care, which serves as the point of entry to the system and manages 90% of problems. This is markedly different from the context in Quebec. Do you think that reinforcing primary care is one way to defend the public health system?*

*M-CG: We should be reinforcing primary health care, since it is the basis of a public system. Cuba offers a good example of this.*

## **MQRP's agenda**

*SF: What are MQRP's priorities at the moment and what strategies will it be following?*

*M-CG: The number one priority is to defend our strong, public system and keep it accessible and universal. To this end we try to occupy the public space – in the media, in lectures, in declarations, and so on – to provide a counter-discourse. We propose public solutions because*

we are convinced that our public problems have public solutions.

We are also trying to convince health professionals to take a stand and defend our public system. We also have to be “putting out fires.” This was the case with the budget and the government’s proposed cost sharing plan which we have publicly opposed.

*SF: Thank you very much, Marie-Claude. We hope that as threats to the health system become clear, international solidarity will expand to defend and protect the Quebec public system.*

## **Interview with Dr. Fernando Álvarez**

*SF: Based on your experience as a doctor in public health systems both in Argentina and Quebec, do you find any similarity between the privatization reform in your country and that being implemented in Quebec?*

*FA: In Argentina, during the period when Ramón Carrillo was Minister of Health [1946-1954], we had a public system that offered both primary care and technically sophisticated hospitals capable of handling referral cases. If you go to Buenos Aires today you will see that only a handful of hospitals function as they should. Privatization began under the dictatorship. The prevailing Western neoliberal ideology puts profit and commercialism ahead of rights, such as the right to health or education. Yet health and education are basic needs.*

Primary care services are either defunded or poorly funded, leaving them to deteriorate. In Quebec today we don’t need more specialists; we need more family doctors in primary care. Things had been going well with the local health and social services centers and local doctors and so on, but the structure was allowed to deteriorate. The best way of convincing people that a private sector is needed is by allowing the public system to deteriorate. People begin to ask for changes and changes are made by turning to the private sector. That is why it is important to reinforce primary health care.

*SF: Would it be correct to say that reinforcing primary care should be at the heart of the agenda to defend the public health system in Quebec?*

*FA:* I would say this is the key point which should be discussed, but it is not. When you destroy the primary care system you take away a point of access. People go straight to the emergency room. A child has a fever and throws up a couple of times; what are you going to do? You don't have a doctor close by who can see him, so you go to the emergency room. The emergency room fills up, and you wait for hours to be seen. And it's worse with adults. As first hospital beds and then hospitals themselves were shut down, people have had to wait on gurneys; this is inhuman.

*SF:* *One of the arguments used in Quebec for privatization is the right to choice, offering a false dichotomy between individual and social rights. What is your view on this?*

*FA:* Today there is a right to choose. You can go to a consultation at a hospital and ask for a second opinion in another hospital, and so on. The right to choose exists, so it is false to say it does not. Where is choice limited? In primary care. There are not enough doctors. This limits choice, but privatization of health care won't fix the lack of primary care doctors. Choice will be available for those who can pay, and a few will be able to choose. But fewer doctors will be left in the public system. If today there is some degree of choice, in the near future there will be none.

*SF:* *Quebec seems to be the province where privatization has progressed furthest. Do you think it is being used as a pilot test or laboratory?*

*FA:* There is some truth to this. But don't forget that the Canadian Medical Association does a survey every two or three years to see what doctors think of the public system. In each of the most recent surveys, the percentage of doctors who defend the public system has been dropping. So this is something happening throughout Canada. They are going to follow the footsteps of the American Medical Association which has

spent almost 40 million dollars in the past five years to lobby so that medicine continues being private. Don't forget, it is we doctors who will benefit when medicine is privatized. The population will lose out. We are going to earn more money and patients will be affected; this is immoral.

*SF:* *So, in your view, doctors and other health professionals are key actors in halting this process of privatization?*

*FA:* I believe that doctors – with the exception of those committed to defending the public system, such as Dr Goulet and other professionals – are not fulfilling our role as citizens. We have a responsibility as citizens because we are the ones who see the problem first hand.

However, although we want to make our views known, we have limited access to the media. Our opponents realized 25 years ago that whoever controls the media controls people's political education. Data recently published show that for over 70% of the North American population the only political education they receive is through audiovisual media. So you can understand why these people who support privatization have so much power. They know how to educate the population to their own ends.

*SF:* *Finally, how do you think the Quebec system should be defended?*

*FA:* The first thing one should do is to continue working in the public system. In my service, for instance, hardly anyone waits; our system allows a patient to be seen within two or three days. We should do our best to show that the public system can cope and that it offers care of the highest quality.

The second point is to fulfill our role as citizens: to participate, demonstrate, through writings, meetings, etc. In March, together with Professor Bibeau and the intercultural pediatric unit, we organized a colloquium entitled "Public Medicine? Private Medicine?" where the arguments used to defend privatization were demolished based on evidence.

*SF:* *Thank you very much, Dr Álvarez.*