

User fees and rising costs

By Peter Bagnall Reprinted from the Meliorist

Alberta hospitals minister Dave Russell announced March 28 this year that active treatment hospitals in the province will be permitted to charge user fees effective Oct. 1; the Tory government later changed the date of implementation to Jan. 1

These charges vary from a maximum \$10 admission, \$10 emergency and out-patient, and up to \$20 per day for the duration of a patient's stay in hospital (in addition to any charges for private or semi-private accommodation).

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The government also announced exemptions dependent on age, illness or taxable income. Exemptions include all individuals and their dependents who meet taxable income criteria for a health care premium subsidy, who are on premium waivers or who are eligible under other legislation (wards of the Crown, inmates in provincial correctional facilities, etc.).

Also exempt are children under six years; persons requiring organ transplants and organ donors; those on renal dialysis or receiving treatment for disorders such as cancer, polio, muscular dystrophy, multiple sclerosis, and cerebral palsy; and involuntary patients being treated for communicable diseases or psychiatric disorders.

These are the major points of the plan. Appeals will be considered by an appeal group organized by the hospital or by the department if it cannot be resolved between the patient and the hospital.

The provincial government justifies the user fees system as a way of preventing abuses of the hospital system, and as a new source of revenues for hospitals suffering from rising costs.

Costs in the Canadian system have doubled the increase in the consumer price index over the past 11 years - currently, they account for \$2.2 billion or 23 percent of the provincial budget. Universality is not the cause of

rising costs (Canada's system costs 7.8 percent of the gross national product while the American user-

pay, non-universal system con-sumer 9.8 per cent of the GNP). under which it can provide transfer payments to the provinces

The main causes of rising costs are major wage increases for hospital employees, increased intensity of medical care, more expensive technologies, rising administration costs and greater capital spending by the province (\$360 million in 1983) as a portion of the cost.

The federal government's biggest concern over user fees is that they run counter to the basic principles of medicare.

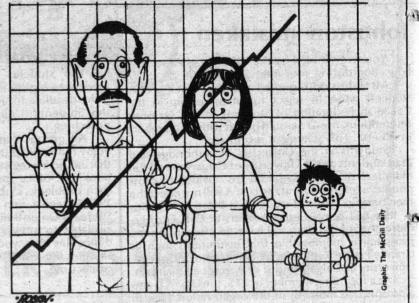
Federal health and welfare minister Monique Begin said patients have already paid for health services through general taxation, and in some provinces, health care premiums as well.

transfer payments to the provinces for health insurance programs.

To be accountable for these transfer payments the federal government wants to combine reasonable minimum standards with a fully understood process to ensure these standards are respected.

Federal proposals consist of two parts: first, definition of the four basic conditions of medicare - universality, accessibility, comprehensiveness, and transferability: and second, mechanisms to ensure standards are being maintained and disputes settled fairly and reasonably.

The whole question of user fees is sure to bring about changes



any kind affect families when they are least able to pay or cope with sides to win. the additional worry of paying medical bills, says the federal government.

Various studies have shown extra charges deter only the poor, the elderly and the sick — the "high-risk" groups, not the more affluent. Those who can least afford medical care are least likely to seek it, according to the studies.

Begin said user fees and other charges will lead to a two-tiered health care system in Canada one for those who can afford it and one for those who cannot.

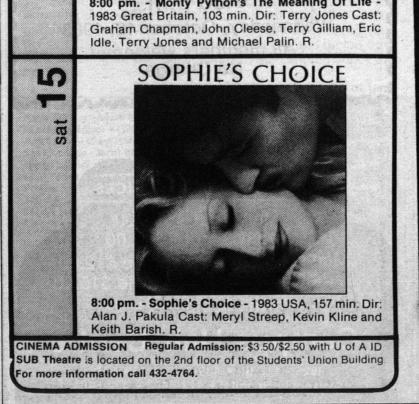
The federal government wants the new Canada Health Act to clarify and define conditions

The government said that in the health care system. At the user fees are a regressive tax on same time as Alberta and five the poor. No matter how other provinces have set plans to "reasonable" the amount, user bring in user fees, Ottawa is fees tax the sick; extra charges of working on a new federal health act - and it is impossible for both





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