

For most people in the Western World medical care has reached a high level of excellence. Medical costs have kept pace. In Canada the citizen is protected from the sudden shock of a \$5,000 hospital bill. We printed an article on medical costs in Canada in November, 1972. Below we reprint parts of it and bring the figures up to date.

Medical Costs

[AND HOW CANADIANS PAY THE BILL]

MEDICAL COSTS have risen as drastically in Canada as in the United States in recent years, but it's hardly an issue with the average Canadian. The reason: virtually all residents are covered by hospital and medical insurance that *hasn't* risen in cost, except to the Government.

While the workings of the system are complex, the idea isn't. Here is a brief rundown of the principle, some of the applications, and a look at some possible changes in the wind.

There is hospital insurance and medical insurance to pay doctors' bills. Both are publicly, not privately operated. The Federal Government helped initiate much of the system and helps pay for it, but the maintenance of public health care is the provinces' bailiwick. As might be expected in Canada, there are differences among the provinces in services covered, cost to the patient, and methods of financing. The widest is between Ontario and the others.

Federal hospital insurance was begun in 1958, at a time when the public was increasingly unable to afford hospital care on an individual basis. The Federal Government pays roughly half the cost and the provinces raise the rest. All provinces except Ontario finance their provincial hospital insurance plans from general provincial revenues and the federal contributions. In Ontario the hospital insurance plan and the complementary medical care insurance plan are combined and financed partly by premiums. The Ontario premiums are \$11.00 (single) and \$22.00 (family) per month, for hospital *and* medical coverage. Some provinces add "co-insurance" or "utilization" fees — that is, patients pay from \$1 to \$2 a day for hospitalization.

Coverage is comprehensive and is determined by federal law at standard ward rates. All services normally provided are covered. Out-patient services are at the provinces' discretion, but most provinces provide virtually anything that is available to in-patients.

Help in paying the doctors' fees came later. Medical care insurance was started by several provinces.

In 1968 federal medicare began. The Federal Government pays half the cost of provincial plans providing:

- They cover a minimum of 95 per cent of their eligible residents.
- They are publicly operated and non-profit. (This has virtually eliminated private insurance plans, except for special ones for drugs, ambulance service, and a few other things not always covered:)

Under medicare law, provinces can finance their share any way they wish, provided no insured person goes without care because of cost. The plans in the Maritime Provinces are financed from general provincial revenues. Québec charges a provincial income surtax of 0.8 per cent of net income with a ceiling of \$125 a year for most employees. Ontario charges premiums for the combined coverage of its hospital and medical care insurance plan, while Manitoba and Saskatchewan charge no premiums at all. In Alberta, premiums for medicare coverage are \$5.75 (single) and \$11.50 (family) per month — and you get your hospital coverage with no additional premium being required. In British Columbia, monthly medicare premiums range up to \$12.50 per month according to the size of your family. B.C., a pioneer in providing its citizens with liberal benefits, was once called the hypochondriacs' Valhalla by *MacLean's* magazine. Now, most other provincial medicare plans provide additional benefits beyond those of the national program, such as for optometrists, chiropractors, podiatrists and special shoes, and osteopaths, according to provincial preferences.

The medicare plans generally pay for doctors' services on a fee-for-service basis at a rate negotiated with the medical profession and based usually on a percentage of the medical association's own fee schedule in each province. Generally, doctors are required to either participate in the provincial plan for all of their patients or to opt out, but their patients can still be reimbursed. Most doctors participate in the government plans and are usually required to accept the plan payment as payment in full. This is acceptable to them as they have now virtually no bad debts — and patients seldom see a bill.

When medicare was first proposed, doctors were generally apprehensive about it, and a vision of MDs fleeing the country was not un-