

Ontario Health Coalition

Backgrounder: Don Drummond on Health Care

The Drummond Commission was announced in the 2011 Ontario Budget. According to the budget, the aim of the Commission is:

“To provide advice on reforms that would help accelerate [the McGuinty government’s] plan to eliminate the deficit while protecting education and health care, the government will establish a Commission on Broader Public Sector Reform. Building on reforms already underway, and on the approach to enhanced public service delivery laid out in this *Budget*, the Commission will examine long-term, fundamental changes to the way government works. The Commission’s work will include exploring which areas of service delivery are core to the Ontario government’s mandate, which areas could be delivered more efficiently by another entity and how to get better value for taxpayers’ money in the delivery of public services.

The Commission will report to the Minister of Finance in time to inform the development of the *2012 Budget*. The Commission will not make recommendations that would increase taxes or lead to the privatization of health care or education.

In the shorter term, the government will accelerate its efforts to make public services more effective and improve value for money by consolidating programs, services and back-office functions; developing new ways to deliver programs; and optimizing the value that exists within Ontario’s public sector.”¹

Don Drummond on Health Care

“The Canada Health Act is just not relevant. Let’s just get on with it.”

Don Drummond, May 25 2011 (Power Play, CTV News)

Pac Man Report on Health Care Sustainability for Ontario Ministry of Health

In May 2010, Drummond co-authored a report in his capacity as Chief Economist at TD Economics on health care reform in Ontario. In the report, “Chartering a Path to Sustainable Health care in Ontario”, commissioned by the Minister of Health, Drummond and his colleague characterize health spending as the “Pac Man” that ate the provincial budget. The authors use extreme spending and growth assumptions to lean on the panic button. Health spending, they say, will take up 80% of the provincial budget by 2030. To address their proclaimed crisis, they repeatedly recommend that the Ontario government “throw the door open” to private for-profit health care delivery and experimentation with two-tier health care.²

Drummond criticizes the Romanow Commission explicitly for putting access to care at the centre of their study on the future of health care in Canada. He recommends a number of privatization initiatives that

¹ Ontario Budget 2011, page 71.

² TD Economics Charting a Path to Sustainable Health Care in Ontario May 27, 2010. See Forward and pps.8, 9, 20, 23.

would devastate the public health system, reduce coverage for residents and/or contravene the Canada Health Act. These measures include: two tier experimentation for elective surgeries such as hip, knee and cataract surgeries³; private for-profit health care delivery⁴; a convoluted user fee that would see, for example, cancer patients paying up to 40% of the cost of their treatments at tax time⁵; and measures that would result in further rationing of home and long-term care⁶.

Canadian Medical Association Report Promoting Privatization, July 2011

This report authored by Drummond and five other panelists, persistently attempts to redefine privatized and two-tier health care as something other than privatization. The primary recommendations in the report call for user fees and “various” insurance schemes, fee-for-service payment for hospitals (sometimes called activity-based funding) and competition.

In the report, Drummond and his Advisory Panel colleagues recommend that the CMA:

“Be open to discussing a range of ways of funding services....[through] such mechanisms as user fees, franchises and various insurance schemes....” The report goes on to recommend that the association, “Recognize the value of provider competition,” stating, “This is not privatization, but rather a framework that allows a range of providers – public-sector, private-sector and non-profit – to compete in carefully controlled conditions....”⁷

Two-tier Report for the Macdonald-Laurier Institute, October 2011

Drummond is a member of the Advisory Council to the Macdonald-Laurier Institute. The Institute released a report in October 2011 calling for the lessons from the welfare cuts of the mid-late 1990s to be applied to health care. Denying any negative effect from the eradication of national standards giving Canadians the right to welfare based on need, the report advocates for a reduction in the Canada Health and Social Transfer (CHST) and amendment of the Canada Health Act to remove barriers to extra-billing (two-tier health care).⁸

C.D. Howe Report calls for Private Delivery of Services, November 2011

This recent report for the C.D. Howe Institute calls for more privatized hospitals and clinics and an emphasis on creating a “purchaser-provider split” (a term that means contracting-out or privatization). It advocates private-sector management of heavy care patients (those with chronic illnesses, seniors with complex health care requirements) and the provision of payment of a proportion of the “savings” to private-sector managers if they can cut the costs of providing care to these patients.⁹

³ Ibid, page 20.

⁴ Ibid, pages 8, 9, 20, and 23.

⁵ Ibid, page 32.

⁶ Ibid, pages 21 and 31.

⁷ Report of the Advisory Panel on Resourcing Options for Sustainable Health Care in Canada, Canadian Medical Association, July 2011: pages 1, 2.

⁸ Clemens, Jason for the Macdonald-Laurier Institute, Reforming the Canada Health Transfer: Applying the welfare reform lessons of the 1990s to healthcare today, October 2011: pages 4-6, 48, 49.

⁹ Drummond, Don. “Therapy or Surgery” C.D. Howe Institute Benefactor’s Lecture, November 2011.

Additional Health Care Quotes

In a Globe and Mail interview, published shortly after the Commission was announced, Drummond is quoted as stating that despite the restrictions announced by the Finance Minister (on health and education privatization) he was willing to look at “almost anything” including health care and education:

“While it is clear that politicians and citizens want a single public payer for health care – in other words, a publicly funded system – “people are much less troubled right now by private-sector delivery,” he said.”

In a Toronto Star Opinion Piece in February 2011, Drummond made the same assertion about health care privatization and called it “good news”. He reiterated this pro-privatization message in speeches earlier this year at Queen’s University and in Ottawa.

“Health care consumes 42 percent of government spending, yet primary care doctors, community care and long-term care are still not properly integrated. That’s why he’s skeptical of opposition demands to eliminate Ontario’s controversial Local Health Integration Networks (LHINs). “A huge province like Ontario – you want some regionalization.”¹⁰

¹⁰ Cohn, Martin Regg, “Cohn: Dalton, Don and the roadmap for restraint” [Toronto Star](#), November 12, 2011.