

Ontario Health Coalition

MEDIA
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Health Premiums Unprincipled & Unenforceable: Ontario Health Coalition

"The re-introduction of health premiums would take us backward over a decade", stated Natalie Mehra provincial coordinator. "There were good reasons for the withdrawal of health premiums, and those reasons still exist."

"Unless the government intends to violate the Canada Health Act health premiums are unenforceable. The province has no right to cut anyone's access to health services for non-payment. Why set up an expensive administrative system just to disguise a more regressive and unenforceable tax?"

"The real cost drivers in the health system are the multinational companies that see public health funding as a source of profit. The province cannot justify shifting the burden of costs to individuals while allowing the costs of drugs to balloon and while adopting expensive P3s and health privatization. Such policy is unprincipled and unsustainable."

"We sincerely hope that this does not signal the intention of the Ontario government to follow the anti-Medicare paths of Ralph Klein and Gordon Campbell," she concluded.

Ontario Health Coalition Briefing Note on Health Premiums May 18, 2004

Health Premiums are billed payments from families or individuals for health care.

The Canada Health Act

The Canada Health Act specifies that all Canadians have access to medically necessary hospital and physician services regardless of ability to pay. Health Premiums cannot be enforced by withdrawal of services for non payment. The problem is that people think that they lose access if they can't pay.

Why Not Call a Tax a Tax?

Health Premiums are simply a tax. They can be indexed so that people pay more as they are able to pay more. However, it is unlikely that any indexed system of premiums would be as nuanced as a progressive income tax system. If they are as nuanced as the income tax system, one is forced to

question why set up and pay for an additional bureaucracy to administer premiums, why not just put the cost into the income tax system? Furthermore, professionals and unionized workers will strive to shift the cost onto employers. The working poor and young will likely be hit the hardest by such measures. Premiums are a more regressive taxes in disguise.

Sidestepping the Real Issue

The fastest growing cost in the health system over the last decade is the cost of drugs. According to the Canadian Institute for Health Information, the introduction of expensive new drugs (including replacing older cheaper drugs with newer more expensive drugs) and increasing demand are the reasons for the incredible escalation of drug costs. The province must make this an issue in national meetings on health care. Governments can stop the marketing practices that are driving up the costs of drugs.

We have spent a great deal of time in the last several years trying to draw attention to the transfer of public health dollars to the profits of multinational corporations whose expected rates of return in the health sector are exorbitant. The provincial government continues to pursue a policy of privatization of hospitals through P3s which will be much more expensive, privatized homecare which has been shown to cost approx 1/4 billion more per year than a public homecare system, and other forms of for-profit healthcare. The province must start to control the costs of health services - by stopping privatization and controlling the cost of drugs - to ensure a sustainable, universal, comprehensive system. The real budget issue is about building a sustainable system that is socially just and follows the principles as set out in the Canada Health Act.

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