MYTH: MEDICARE COVERS ALL NECESSARY HEALTH SERVICES

Canada’s publicly-funded healthcare system has become something of a national icon.1 When asked about their system, Canadians will proudly tell you that they value healthcare as a collective good, one that should not be rationed on ability to pay.

In practice, Canada has about a 70:30 mix of publicly and privately purchased health services, and the proportion of services not covered publicly seems to be on the rise.2 What’s more, other nations insure as much as 90% of health services with public money. So, does our system truly reflect our core values?

WHAT’S IN, WHAT’S OUT

Whether a health service falls in the medicare basket depends on where the service is provided and who provides it. A service that is publicly insured in one province may not be in another. Likewise, care provided in a hospital may not be covered if provided in the community or the home, and physician services billable to the province may not be covered if provided by other health professionals, such as psychologists.

The legislation on medicare is set out in the Canada Health Act (CHA).3 To receive federal contributions to their healthcare programs, provinces must comply with the minimum requirements of the Act, which includes providing first-dollar coverage of all “medically necessary” hospital and physician services.4 The definition of medical necessity is left somewhat open to interpretation so that each jurisdiction can meet the unique needs of their population, but there is general agreement that some core health services are “medically necessary” (e.g. appendectomy) and that others are not (e.g. face-lifts and tummy tucks). It’s important to note that the CHA sets the minimum requirement; provinces can provide coverage of more services at their discretion.

There are also services that are arguably necessary for health and well-being that the CHA does not mandate provinces insure lest they receive cuts to their health transfer money (e.g. routine dental care). This does not contravene the legislation, since CHA only requires that medically necessary hospital and physician services be insured. All other services (regardless of medical necessity) must be paid for with private funds (or sometimes with a deductible or co-pay), unless the province chooses to provide that additional coverage. The majority of these services are provided out-of-hospital by non-physician health professionals.

OUT-OF-HOSPITAL, OUT OF POCKET

Hospitals attract about 30% of the total healthcare bill, a number that has been shrinking over the last few decades.5 Outside hospital walls coverage changes, particularly for services provided by health professionals other than physicians. Advocates for integrated healthcare argue that coverage should follow services, regardless of location. Otherwise, as new technologies allow more services to shift from expensive hospital settings to homes and communities, the “passive privatization” of healthcare funding will continue.6

Dental care is a classic example, 94% of which is paid for out of pocket or through private insurance.7 As a result, use of dental care services increases with ability to pay, not with medical need, making it difficult for people without insurance or personal means to access the commonly recommended six month preventive exam. These people can be admitted to hospital for a dental/oral emergency, but they often only receive painkillers and antibiotics that do not treat the root of their problems.8 Indeed, oral
diseases can lead to or be a sign of serious health issues elsewhere in the body,\(^\text{3,10}\) but the CHA only requires intervention when an oral ailment threatens overall health, and by then treatment may require a long hospital stay on the public’s dime.

A similar argument is made about mental health. The recent shift toward treating patients in the community (e.g. by psychologists in private practice) rather than in hospital (e.g. by hospital-employed psychiatrists)\(^\text{11}\) may lead to continued dwindling of public coverage for mental health services. As defined in the CHA, these services are not technically “medically necessary” since the term only applies to physician-provided care. Yet according to the World Health Organization, improving mental health is a crucial aspect of the overall health and well-being of individuals, societies and countries.\(^\text{12}\)

Home care is another prime example. All provinces and territories cover some core services (e.g. short-term post-acute care), while other services are publicly insured in select jurisdictions (e.g. meal preparation). Home care is important because it ensures that low-acuity patients receive an appropriate level of care, and meets the double goal of ensuring that expensive hospital beds are reserved for those that require a higher level (and therefore higher cost) of care.\(^\text{13}\) But while home care may be more appropriate for some patients’ needs, they may be required to assume its costs since it takes place out-of-hospital.\(^\text{14}\) Currently the quality of home care varies greatly across the country and accessing necessary services is often challenging given available resources and funding limitations.\(^\text{15}\)

Access to outpatient prescription drugs also varies widely. Each province decides who is eligible for public coverage (e.g. based on age, disease or income), the level of co-pays or deductibles, and which drugs enter the formulary.\(^\text{16}\) On average, about 40% of pharmaceuticals in Canada are covered under public insurance while the rest are paid for privately.\(^\text{2}\) An individual’s access to beneficial medications therefore depends on factors that have little to do with medical necessity. This has prompted calls for a national universal public drug program,\(^\text{17}\) and some provinces have already moved in that direction.\(^\text{18}\)

CONCLUSION

A lengthy hospital stay in Canada does not pose the threat of financial ruin, unlike in countries without universal healthcare. However, accessing certain necessary services out-of-hospital or by a non-physician can cost you. According to a recent column, a “person with a $20,000 annual drug bill…[not uncommon for certain conditions]…would pay nothing in the Northwest Territories, roughly $1,500 in Quebec, $8,000 in Saskatchewan and $20,000 in Prince Edward Island.”\(^\text{19}\) Despite the iconic status medicare has in Canada, the notion that medicare covers everything does little to prepare Canadians for all costs associated with maintaining or improving their health.

The concept for this issue of Mythbusters originated from the 2011 Mythbusters Award recipient, Mrs. Sharon Melanson. Sharon is a Master’s candidate at the University of British Columbia, Okanagan, British Columbia.

REFERENCES


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