Romanow’s Vision:  
Can We Get There From Here?  
November 29, 2002

On November 28, 2002 Health Care Commissioner Roy Romanow released the much-anticipated Final Report on the Future of Health Care in Canada. Countless summaries, analyses and interpretations of this crucial report will no doubt be offered in the days and weeks to come. For this reason, there will be a focus on key issue in areas of particular interest.

Contrary to earlier predictions that Romanow would avoid tackling major restructuring initiatives, the Final Report contains several firm recommendations for substantive organizational, legislative and policy reform. In fact, they are so substantive and complex that even if the federal government is able to achieve a level of cooperation from the provinces, First Nations and citizens, the implementation process will likely take several long years to complete.

Generally speaking, the Report embodies Romanow’s long-standing values on the future direction of Canada’s health policies. A champion of public health care, Romanow’s recommendations protect, and in certain key areas significantly expand, public sector responsibility for the provision of health services. The Final Report calls for the expansion of Medicare to include catastrophic drug coverage, as well as mental health, post-acute and palliative home care services. The Report also calls for the creation of two new bodies: the Health Council of Canada to facilitate collaboration and accountability among stakeholders, and a National Drug Agency to oversee Canada’s national drug policies.

The Final Report contains numerous recommendations for modernizing legislative and regulatory instruments to capacitate much-needed reform. Most notably, Romanow advocates changes to the Canada Health Act – a controversial and challenging proposition to say the least. This would include updating the principle of Comprehensiveness to include priority diagnostic and homecare services, clarifying the principle of Portability to reflect nation-wide transferability of coverage, and adding a sixth principle of Accountability. Interestingly, Romanow’s concept of accountability is at a system level and does not seem to extend to the responsibilities and accountabilities of individuals.

Romanow further suggests the federal government revisit certain aspects of Canada’s drug patent legislation to ensure a just balance between protecting intellectual property rights and improving access to less expensive prescription drugs. On the international scale, the Final Report recommends that government include provisions protecting Canada’s public health system in its international treaties to avoid claims for compensation from foreign-based companies.

Such a large-scale restructuring of the foundations of Canada’s health system would require a high degree of cooperation among all major stakeholders. It would also necessitate adequate financial support from federal and provincial governments. Romonow advises an additional $3.5 billion injection into the 2003/2004 federal budget, moving to $5 billion in 2004/2005, and to $6.5 billion in 2005/2006 – at which time federal government will have reached the recommended 25% funding minimum proposed in the Report. Ideally, the funding increase for the next two years ($8.5 billion) would be earmarked for key services. This would include a Rural and Remote Access Fund ($1.5 billion) to improve timely access to health services in rural and remote areas; a Diagnostic Services
Fund ($1.5 billion) to reduce wait times for diagnostic services; a Primary Health Care Transfer ($2.5 billion) to accelerate primary care reform; a Home Care Transfer ($2 billion) to aid in the creation of a national homecare strategy; and a Catastrophic Drug Transfer ($1 billion) to protect citizens from burdensome drug costs.

In addition to these broad recommendations, Romanow’s Final Report has important implications for how health care services will be provided in this country:

**Home Care/Palliative Care**

The Final Report calls for the expansion of Medicare to cover Home Care services in priority areas such as mental health, post-acute care and palliative care. Though this recommendation falls short of advocating public funding for all home care services, it is a notable attempt to coordinate the disparate coverage currently offered nation-wide. Romanow has allotted specific funds for this purpose, in the form of the Home Care Transfer, to create “a common platform of essential home care services”. Another key recommendation in the area of home care, similar to ideas expressed in Senator Michael Kirby’s Final Report, is the need to provide for informal caregivers who take time off work to care for loved ones. Both Romanow and Kirby endorse the idea of providing Employment Insurance benefits to employed Canadians who choose to take leave to provide services to a relative at home. Kirby would restrict this to individuals providing palliative care, while Romanow discussed Employment Insurance benefits in the context of all home care services.

**Primary Care Reform**

Romanow was impressed with the level of national consensus on the need to make primary care a priority in the provision of health services. The Commissioner recognized that reforming primary care would represent an enormous undertaking, one that would transform the face of health care provision and have a tremendous impact on the current health system. The primary care system that Romanow envisages includes improved access (making services available around the clock), interdisciplinary collaboration among medical professionals, and a decentralized decision-making process. This decentralized approach would extend beyond devolving control to Regional Health Authorities; it would grant more decision-making power to local communities and health agencies so that the services provided are responsive to the needs of the local population.

The Commissioner also suggests that the Primary Health Care Transfer should be conditional on primary care policies reflecting four “essential building blocks” – continuity of care (by means of case managers, service integration and care networks), early detection and action (including healthy living and good health promotion), better information on needs and outcomes, and strong initiatives to achieve transformation (by improving work conditions, ensuring stability and providing financial incentives).

The report further recommends a National Summit on Primary Health Care, sponsored by the Health Council of Canada and held within two years to mobilize action across the country. It will be the responsibility of the Health Council to analyse the outcomes of the Summit and monitor the implementation of primary care policies.

**Electronic Health Records**
Health Commissioner Roy Romanow advocates the use of electronic health records to increase efficiency of the system, improve services, expedite care, increase the accuracy of health records, and improve health research. However, the Report notes with concern that progress in this area has been slow and that greater collaboration must be struck in order to form a nation-wide, integrated electronic health record system. Canada Health Infoway was identified as the natural leader in this field and the Report commended the work that has already been accomplished. Furthermore, unlike Senator Kirby, the Commission feels Infoway currently has sufficient funding to move forward with its mandate. The Final Report therefore recommends that Health Council of Canada should conduct an assessment of Infoway’s progress in two years’ time and provide its findings and future recommendations in a public report to Canadians and health ministers.

**Private Sector Involvement**

Romanow began the public consultation phase with strong views against private sector expansion within the Canadian health care system. Following months of deliberation, it is clear that his opinion has remained unchanged. In his Final Report, Romanow explored the notion of public-private partnerships, and concludes that while private financing initiatives may provide some short term cost relief, the long term effects would lead to higher net costs.

The Commissioner preferred to limit private involvement with the health care system to the provision of ancillary services and not allow private, for-profit institutions to provide direct health services:

> I believe governments must draw a clear line between direct health services (such as hospital and medical care) and ancillary ones (such as food preparation or maintenance services). The former should be delivered primarily through our public, not-for-profit system, while the latter could be the domain of private providers.¹

Furthermore, the Final Report states:

> The Commission believes a line should be drawn between ancillary and direct health care services and that direct health care services should be delivered in public and not-for-profit health care facilities.²

Importantly, Romanow did identify one key area where the private sector could play a very useful role: health information systems.

**Human Resources**

Romanow’s Final Report acknowledged the serious human resource challenges our country – and the world – is currently facing with respect to a lack of qualified health care providers. With this in mind, the Report urges immediate action to improve the supply and distribution of health care providers in two priority areas: ensuring that rural and remote communities have access to health care providers to meet their needs; and transforming the skills and roles of health care providers consistent with the overall directions for change outlined in the Report.

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To achieve these goals, the Report recommends that a portion of the proposed Rural and Remote Access Fund, the Diagnostic Services Fund, the Primary Health Care Transfer, and the Home Care Transfer be used to improve the supply and distribution of health care providers and encourage changes to their scopes and patterns of practice. Romanow suggests governments and health organizations should reduce their reliance on recruiting health care professionals from developing countries.

Concluding Remarks

This is the second federally commissioned health report released in the past two months. The first, led by Senator Michael Kirby, received considerably less public and media attention than the Romanow Report, though they have many points in common. Both Romanow and Kirby believe in the establishment a National Health Council, responsible for tracking performance and issuing annual reports to the Canadian public, to increase accountability and transparency. Both advocate moving forward with crucial initiatives, such as primary care reform and electronic health records, which would improve the quality and efficiency of the current system. The two health reports call for the expansion of Medicare coverage in the areas of catastrophic drug costs and home care services (though Kirby would limit this coverage to post-acute care, while Romanow also includes mental health and palliative care services).

One important difference between the reports, however, is the degree of private sector involvement in the direct provision of health services to patients. Romanow is quite clear that he foresees no long-term gain by allowing an expanded role for the private sector. The works ‘competition’ and ‘choice’ have little prominence in his analysis. On the other hand, Kirby believes that the patient and funder would be served equally irrespective of the type of ownership of a health care institution, as long as conditions of pricing and quality control are met.

Despite such a high degree of similarity in the conclusions of both health care reports, the road to implementation will not be easy. As politically charged as the issue of health care has become in this country, and given the diverse views on the future direction of health care services, achieving consensus among stakeholders will prove a daunting task. One critical area of contention is jurisdiction. While the provinces fully endorse Romanow’s recommendation for additional federal funding, most strongly oppose any federal interference in where that money is spent. Furthermore, Romanow’s discussion of Aboriginal Health Partnerships would fundamentally restructure the way Aboriginal health services are provided and funded, a suggestion that promises to rekindle difficult debates on self-governance that are not easily resolved.

Finally, a crucial determinant of the success or failure of health care reform is funding. Though the Government has not yet committed itself to either of the funding schemes set out by Romanow or Kirby, it has stated it would consider using Canada’s surplus to finance improvements to the health care system. However, most economists indicate that the surplus forecast for the next few years will not be sufficient to fund the type of reform Romanow has recommended. Finance Minister John Manley has said that the surplus - after removing $3 billion for a proposed rainy-day fund – will reach $3.1 billion in 2003-04 and $3.5 billion in 2004-05. Given the other funding priorities mentioned in the Federal Government’s Throne Speech last September, it is unlikely that the surplus will represent enough money in itself to implement all the recommendations of the report, let alone advance other non-health priorities like Kyoto and the Canadian military.
The fiscal implications of this debate are profound. If the Federal Government chooses to increase taxes or run a deficit to fund Romanow’s recommendations, public support for implementing the full scope of the Report may erode. What is more, financial markets would regard tax increases or budget deficits as problematic, which could put downward pressure on the Canadian Dollar and/or lead to undesired inflation.

Faced with such difficult financial choices, it is unlikely that governments will be able to implement reform in the breadth and depth called for by Romanow. However, all major stakeholders have expressed a desire to move forward with reform initiatives, meaning that difficult choices will have to be made in the coming months. Important decisions will be further debated in the upcoming First Minister’s meeting in January, with funding priorities largely decided in time for the federal budget in February.

For these reasons, timely action on the part of health organizations wishing to contribute to the national debate is critical. The tight timeline for making policy decisions means stakeholders must act now to voice their concerns and priorities to government. Thompson Gow & Associates is available to assist you with any of your policy and/or advocacy requirements. Whether you need a more detailed analysis of the recent health care reports and recommendations, advice and/or assistance in responding to the report, or guidance in developing and implementing an advocacy action plan, our firm is able to provide timely, professional services to meet your unique needs.