Fact and fiction: The medicare "crisis" seen from the United States

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MEDICARE: SOUND OR TROUBLED?

There are at present two conflicting images of medicare available to the visitor from the United States. One is the conventional media portrait of crisis, from both U.S. and Canadian sources, an image of a program in deep trouble, overcome by problems of access, cost, and quality. The other image is far more favourable: medicare as a structurally sound program of universal health insurance that largely satisfies those who use it, but, like all programs, one that requires managerial adjustment and attention to the concerns over medicare's future. This is the conclusion of the recent report of the Canadian Institute for Health Information (CIHI). Both portraits cannot be accurate. What is an American interpreter to make of this dispute?

THE EMERGENCY ROOM STORY: A SIMILAR TALE WITH TWO MEANINGS

One place to begin is the crowded state of the North American emergency room (ER), a familiar story in both Canada and the United States over the past decade. When this past winter's flu season aggravated overcrowding in North American ERs, the U.S. and Canadian media took special notice. Between mid-December and early February, the *Washington Post*, *The New York Times*, and ABC News did stories on the quality of emergency rooms in Canada. This paralleled Canadian media treatment and in fact amplified those stories.

During the same period, *USA Today* and *Time* magazine published substantial reports on U.S. emergency rooms. But there was a distinct difference in the stories told. The three reports on Canada used the overcrowding problem to suggest medicare is critically flawed. The two extended reports on American overcrowding did not, by contrast, indict America's overall health insurance arrangements.

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The important point is not the parallel reports, but the different interpretations placed on them. The stories about U.S. conditions attributed the problem, in part, to the flu, while the reports about Canadian ERs either ignored the flu or dismissed it as an attempt by Canadian public officials to put a happy face on a medicare system in crisis. Steven Pearlstein, of the *Washington Post*, asserted that "most experts" agree that Canada's medicare program is doomed, that "while money might alleviate the shortage of advanced machinery, hospital beds, and medical school slots, it will only be a matter of time before the demand for medical services once again overtakes the willingness of voters to pay for it." (Readers' alert: Most experts actually know that the demand for medical care is practically limitless and distinguish demand from serious needs. The claim of critical shortages appears universally in systems of "single-pipe financing" of health insurance. This phenomenon, called "orchestrated outrage," is a familiar bargaining ploy. To conclude circumstances are dire requires evidence other than claims of shortage, as every national health insurance official in the Western world knows.)

What the U.S. media portrayed as programmatic failure was both reflected in and amplified in Canadian emergency room stories. Most Canadian papers got at least a month's solid copy out of hospital overcrowding, the turning away of patients from emergency rooms, and the deaths of individual patients unable to get emergency treatment. The shortage of 24-hour health care services outside the hospital is obviously the flip side of the emergency room story. So, why the near universal North American press assumption that these strains show a medicare program in serious trouble, not as good as it once was, and likely to get worse?

THE PRESS AND THE PROBLEMS: OR WHY THE STORY OF MEDICARE IN CRISIS?

The image of a critically flawed medicare program is one predictably put forward by interest groups, regularly employed by political leaders in their battles, widely amplified in the Canadian me-

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dia, and intermittently so in the United States. Given that, it is no wonder Canadians worry about medicare's viability. (Between 1988 and 1998, the proportion of Canadians reporting only minor problems with medicare fell from 56 to 20 percent.) And yet the fearful portrait of medicare is strikingly at variance with the recent and balanced CIHI report. How can one explain the differences?

The differences are, in fact, obvious and rather easy to explain. The CIHI report represents a synthesis of research on medicare and is explicitly critical of the press, both in print and on television. Canadians are, indeed, more concerned about medicare's future than they were in the 1970s and 1980s. But there is a sharp distinction, according to the report, between the satisfaction of Canadian users of medicare and the fears of the general public. Indeed, 54 percent of Canadian users regarded the care their family received in the previous 12 months as excellent or very good. This discrepancy between use satisfaction and system trouble is important, one that helps to explain the conflicting images of medicare. The stories of emergency room crises awaken concern among everyone; all of us fear not having care when it is urgently needed.

The CIHI portrays Canadian medical care as institutionally stable, financially pressured, and with pockets of trouble. It reports sharp increases in hospital workloads and constrained budgets. Tight budgets necessarily mean limits on the incomes of doctors, nurses, and others in the medical field. To understand why the selected problems identified by research can turn into a medicare crisis requires attention to the habits and stakes of the press, pressure groups, and political elites.

Canadian newspapers, television programs, and politicians regularly treat medicare as front-page news. For most of its history, it has been the jewel of the postwar Canadian crown. Polls from the 1970s through to 1990 regularly reported overwhelming Canadian approval of medicare, dismay at the U.S. experience, and no interest whatsoever in following America's health insurance lead. With disinterest southward and persistent scrutiny domestically, the Canadian press reported most any incident of apparent medical deprivation.

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With the recession in the early 1990s, Canadian journalism turned its attention to the belt tightening that took place. Frozen budgets meant real strain, disappointed nurses and doctors, and, in the hospital world, downsizing, closure, and merging. There was, in short, much to be concerned about and Canadian reporters followed the complaints that straitened economic circumstances understandably generate. In doing so, they amplified the demands of stakeholders much more than they systematically portrayed the circumstances of Canadian medicare.

The truth about a medical care system is complicated and the pressure groups have no or little interest in truth telling as such. Journalists too have a very difficult time evaluating complex, major programs through particular stories. That is why the high quality of the CIHI report is so important. It is both a voice to counterbalance vocal pressure groups with a stake in crisis talk and a reliable source that every journalist covering medicare needs to master.

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At the end of March, a group called "Citizens for Better Medicare" launched a multimedia campaign "urging American seniors to reject the Canadian model of health insurance and coverage of prescription drugs." These "Citizens" include the U.S. Chamber of Commerce, the National Association of Manufacturers, and the pharmaceutical trade association. They say that Canadians suffer from a "big government-run system that rations health care, delays access to treatments including new technology and medicines, and harms too many patients." Since few American reporters know enough about Canada to question any of these caricatures, the claims get amplified rather than analyzed.

WHY SUCH DISMAY AND DISTORTION?

The incompatible portraits of medicare are not accidental. The conventions of the press help to explain what image of medicare is available to the average North American. In Canada, medicare

is a major story and ordinary Canadians not only care about the program but pay attention to reports about it. As a result, they hear from the media more about distress than anything else. Mainstream journalists in both countries treat dramatic problems as more interesting than explanations of complicated programs. American interest groups provide a spur to critical stories and the richest of such groups overwhelmingly want to attack the Canadian model. It is precisely because Canada has achieved comparatively good value for money through medicare that it represents an ideological threat to these American interest groups and their Canadian counterparts. To the extent that these North American interest groups bring stories and documentation to the press, the media's commitment to evenhandedness actually undermines a balanced view of medicare.

That is once again why systematic evidence of the kind presented in the first annual CIHI report is so vital. The portrait of medicare will never be painted properly by episodic, dramatic representations of particular trouble spots. What those trouble spots suggest can be revealed only by systematic evidence. Moreover, the very structure of medicare brings with it necessary and open conflict. Paying for medical care from a single provincial budget—where other competitors for public funds help restrain medical demands—means necessary and predictable controversy. That controversy is about how much to spend, on what, for whom, and under what conception of fairness. This brings accountability, but the other side of that program accountability is constant media attention, constant claims of need, and considerable exaggeration of the state of medicare.

As long as stories are the mechanism for understanding medicare, distortion of the program's strengths and weaknesses will continue. Evaluating a system requires systematic evidence and that is what the CIHI has provided. From the perspective of an American analyst of Canadian medicare, the CIHI presents a program not critically flawed, but simply in need of targeted adjustments. But you would never know that from the tales political adversaries tell or the portraits painted by the North American media. One hopes the availability of systematic evidence will condition the future behaviour of the press and the politicians.

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Defined in the broadest sense, public industrial policy has, with some minor aberrations such as Macdonald's National Policy, been directed at gaining access for Canadian products into as many world markets as possible. In the 1930s, the Canadian government hosted the Ottawa Conference on Imperial Preferences, designed to increase free trade within the British Empire. Immediately after the First World War, Canada was a leading advocate of the formation of the International Trade Organization and the liberalization of trade. In the 1960s, the Auto Pact was enacted by the federal Liberals. The ultimate culmination of this policy direction, free trade with the United States, was achieved when the North American Free Trade Agreement was signed in 1989.

Since the days of Confederation, however, industrial policy with respect to domestic activity has been interventionist and protectionist. To induce Nova Scotia to join the new confederation, the national government agreed to build a railroad linking it to central Canada. A few decades later, the government of John A. Macdonald was involved in financing the CPR. In the 1930s, R.B. Bennett laid the foundation for the CBC, while C.D. Howe formed Air Canada. In the 1970s, René Lévesque nationalized Quebec Power and Pierre Trudeau brought forth the National Energy Policy and the *Foreign Investment Review Act*. Throughout the 20th century, practically every economic sector, from farming to automobile production, enjoyed a direct subsidy or some other form of government assistance. By the mid-1970s, more than 50 percent of the gross domestic product flowed through government hands and half of the 10 largest corporations in the nation were owned by government. More than 700 Crown corporations were involved in everything from selling liquor to producing nuclear reactors.

> [B]y the end of the 20th century, the largest degree of foreign ownership in any Western industrialized country was in Canada.

"DEFENSIVE EXPANSIONISM"

This enormous intervention by government in the economy was justified by all political parties, on the grounds that a public policy strategy was essential to maintain the identity, indeed the sovereignty, of the nation. This strategy, which came to be known as "defensive expansionism," was recognized as necessary because without it the proximity and power of the United States would overwhelm the country.

Interestingly enough, although these domestic policies were designed to keep control of the economy in Canadian hands, to a great extent they failed.

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