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Public Offerings

TIMOTHY RENSHAW

Pondering squandering in the health-care business

About the only thing most people agree on when it comes to the health-care business in this province is that it's dysfunctional.

Further confirmation of that reality comes courtesy of Gary Bannerman. CKNW's successor to Jack Webster and the predecessor of Rafe Mair has been away from the mainstream hotline radio airwaves since the late 1990s. But he remains in the media game on several fronts, one of which is investigative journalism. Atop his list of issues needing investigation: health care.

As the title of his recently published book (*Squandering Billions*; Hancock House Publishers) suggests, public health-care dollars continue to be spent with something less than the same prudence businesses apply to spending their own dollars.

The tome's theme might best be summed up in this Bannerman observation: "everybody believes that we spend enough [on health care], it's just that we don't spend it wisely."

But, as pointed out in a previous Public Offerings, MDS Metro Laboratory Services and BC Biomedical Laboratories Ltd., the two private-sector companies that have B.C.'s \$475 million medical lab testing market to themselves, didn't want to the idea of carving the pie into smaller slices.

In place of putting all lab services out to open tender as promised, the Liberal government, *Squandering Billions* reports, accepted the B.C. Medical Association's offer of a voluntary 20 per cent rollback in lab testing rates. That, however, still leaves 30 per cent somewhere in the ether.

B.C. deputy health minister Penny Ballem describes the 20 per cent cut as a harvest of the "low-hanging fruit."

But bringing in the rest of the crop as part of the government's avowed quest to get better value for taxpayers' lab-testing dollars is encountering far heavier weather. The medical community is loath to change such practices as charging

With public health-care spending in Canada hovering around \$125 billion and on track to hit \$163 billion by 2010, a fiscal wisdom deficit is not a good thing. Especially considering that, as the Fraser Institute recently pointed out, medical treatment waiting lists, while having dropped slightly this year compared with 2004, are still the second longest in Canadian history.

Prime examples of squanderings presented in Bannerman's book, which is co-written by Dr. Don Nixdorf, include chapters on Big Pharma and its push to medicate first and ask questions later and medical testing labs, aptly subtitled *The Money Machine*.

That Money Machine keeps purring along, even though it's been a couple of years since the Lillian Bayne and Associates report on lab testing costs in Canada rolled assorted grenades under health-care industry doors.

Among the study's revelations discussed in *Squandering Billions*: British Columbians were paying \$116 per capita for medical testing services compared with a national average of \$77.

That 50 per cent premium raised eyebrows, even out in this land of Nod. The Campbell Liberals consequently vowed to inject a dose of free market competition into the sector.

The medical community is loath to change such practices as charging multiple fees for tests that are now fully automated

multiple fees for tests that are now fully automated. A blood sample, for example, is put into a computerized analyzer that can produce 10 or more results, each one of which currently comes with a physician's fee.

That, as Ballem concedes, "is ridiculous."

The challenge is that a lot of doctors who have financial and other interests in the medical testing labs that have a lock on the business in B.C. are also on the committee that sets lab fees.

Squandering Billions is a good companion read to another health-care book discussed previously in this

space: Dr. Les Vertesi's, *Broken Promises, Why Canadian Medicare is in Trouble and What Can Be Done to Save It*. Both document the system's more serious ailments and suggest some intelligent solutions.

But in Canada, health care's polarized camps thrive on the black and white debate of American-style health care cast as Darth Vader and Tommy Douglas' idealized Medicare as Obi-Wan Kenobi.

Considering an innovative combination of the two is bad for the business of milking the benevolent system. ♦

Timothy Renshaw (trenshaw@biv.com) is the editor of Business in Vancouver. His column appears every two weeks.

What's your opinion?

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Business in Vancouver, 500-1155 West Pender St., Vancouver, B.C. V6E 2P4. Fax: (604) 698-1963.

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