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A healthier health-care system  
Command and control structure works for government, not patients

Manitoba's chronic reliance on transfer payments, its ever-inflating public sector and its increasing concentration of sectoral decision-making power in the hands of a few on Broadway is having an enervating effect on the province, Law Professor **Bryan Schwartz** argues in *The Supplicant Society*. It doesn't have to be that way, Manitoba can change for the better, Schwartz demonstrates in this series for the Winnipeg Free Press and the Frontier Centre for Public Policy. The series started Jan. 22 and continues weekly on Saturdays, ending on March 5.

Last year the United Kingdom government issued a white paper on health care (1). It says it is time to put an end to their equivalent of our regional health authorities (RHAs): decentralize, offer patients more choice and engage general practitioners more in decision-making and bureaucrats less (2).

Here in Manitoba, the stranglehold of RHAs over the system only increases. The Filmon government created these bodies in an attempt to achieve more co-ordination and efficiency in the delivery of health care (3). They were supposed to provide a level of autonomous governance, rather than have the tough and important decisions all made by the higher levels of elected politicians.

The law setting up RHAs did not require them to take over operations and actual delivery of hospital and other care (4). RHAs could instead have acted as funders and regulators.

Hospitals, many of them run by charitable organizations, could have continued to provide their distinctive ideas and voices. Neither the RHAs nor the government has provided any hard and systematic evidence that the takeover of facilities has promoted quality or saved money.

Manitoba spends more per capita on health care than most other provinces and, by many measures, achieves among the poorest outcomes (5). What progress has been achieved is principally the result of infusions of federal money: When money poured in to shorten waiting times, they did. However, as the money receded, the waiting times expanded (6).

The Doer government established a committee a few years ago to review RHAs (7). As was typical of the Doer government, it structured the review process to minimize any risk of searching criticism or uncomfortable recommendations. The three-person "external" review panel included a former Winnipeg Regional Health Authority board member (8), relied on survey results from mostly RHA employees and board members (9) and was advised by a group that included six senior RHA and government insiders (10).

The panel predictably recommended more of the same centralized command and control by the RHAs (11), while criticism and ideas from outside submissions were mostly ignored (12).

What public policy thinking requires, instead, is a new willingness to think innovatively and to consider how patient choice and institutional diversity can help, rather than hinder, cost control. This is what an Alberta MLA concluded in his recent report on reforming that province's health care legislation and system: Listen to what the patients want (13).

In 2002, a Senate committee headed by Michael Kirby produced a thoughtful report titled *The Health of Canadians* (14). It recommended, among other things, that RHAs act as service purchasers, not providers. A variety of commercial and non-profit providers would compete to obtain funding based on quality and price. A more diverse and competitive environment would produce both efficiencies and innovation (15).

The RHAs would not be in the conflict of interest that arises when they are both funders of health care and service providers. Although the current RHA system has difficulty efficiently delivering excellent health care, it is a very attractive model for the current government.

The government can selectively attribute difficult decisions to the RHAs but step in and take credit for popular results when it chooses. RHA boards consist of appointees of the government: friends and supporters of the government can be appointed and potential critics excluded.

The province has taken few steps to improve its process of government agency appointments generally. This could be accomplished by identifying the merit principle as central, setting minimum qualifications for positions and insisting on transparency of the educational, affiliation and career backgrounds of those who serve (16).

The command and control of the system by government includes labour relations. The government attempts to buy the support of health care professionals during the relatively good times. The province has received a lot of new money from the federal government over the past decade: some to relieve the so-called fiscal imbalance felt by the provinces generally, the rest to promote health care in particular (17).

The provincial government passed on much of the boon in the form of better pay for health care bureaucrats and providers (18). They are generally skilled and dedicated contributors to our society and should be paid fairly -- but has the quest for voting support from public sector employees to some extent distorted government planning and spending?

The health care professions, like other bodies, are partly self-regulating (19), which is an important value. Professional standards of excellence and ethics can be defended by a profession in the face of misguided government interventions. However, the ability and willingness of the professions to act as a voice independent from the state is compromised when an increasingly large percentage of practitioners are government employees.

Academics should always be a reliable source of independent and expert insights, forthrightly expressed. In Manitoba, many health care professionals have a dual role: employees or contractors with an RHA and with the University of Manitoba. If RHAs choose to control public comment and dissent by experts in connection with their RHA duties, their freedom to speak out as academics may also be seriously impaired. The report of the Canadian Association of University Teachers panel on the Dr. Larry Reynolds case raises, without resolving, some troubling questions in this regard (20).

The Kirby model points one route to a return in Manitoba to a system in which there is institutional diversity in health care delivery. In most northern European countries and, more recently the United Kingdom and British Columbia, other models have been proposed to reduce the control of central bureaucracies -- systems in which patients and primary-care providers would have a larger role.

It is time for Manitoba to review its own health care system and emerge with a model that provides more opportunities for providers to find innovative and efficient ways of providing care and for patients to choose care-givers and technologies that match their own distinctive needs.

Next Saturday: Invigorating the education system

Diversity in health care footnotes

1.) United Kingdom Department of Health, "Equity and excellence: Liberating the NHS," July 12, 2010.

Available online at <http://www.dh.gov.uk/en/Healthcare/LiberatingtheNHS/index.htm>.

2.) Ibid. "Executive summary--White Paper Equity and excellence: Liberating the NHS," released August 12, 2010. Available online at [http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_118602](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_118602).

3.) Manitoba Health, "Report of the Manitoba Regional Health Authorities External Review Committee," (February 2008). Available online at Manitoba Health <http://www.gov.mb.ca/health/rha/review.html> on pages 1 and 18.

4.) Regional Health Authorities Act, C.C.S.M. c. R34; the Act refers to RHAs as being responsible only for the delivery and regulation of the healthcare services--See s.23 (2)(g) & (k).

5.) "National Health Expenditure Trends 1975-2010," Canadian Institute for Health Information. <https://secure.cihi.ca/estore/productSeries.htm?pc=PCC52> at 139-150. Also see "Health Indicators 2009." Available online at <https://secure.cihi.ca/estore/productFamily.htm?pf=PFC1347&lang=en&media=0> on p. 98 ("Wait Time for Hip Fracture Surgery") and p. 124 (Number of general/family and specialist physicians) and p. 126. See also "Health Indicators 2008." Available online at <https://secure.cihi.ca/estore/productFamily.htm?pf=PFC1019&lang=en&media=0> on pages 48, 50 (Wait Time for Hip Fracture Surgery.) Also "Health Indicators 2007." Available online at <https://secure.cihi.ca/estore/productFamily.htm?pf=PFC827&lang=en&media=0> on page 50. Also see Ben Eisen and Dr. Arne Bjornberg, "Canada Health Consumer Index 2009," Frontier Centre for Public Policy: Policy Series No. 78, (December 2009) on p. 19 where Manitoba ranks seven out of 10 amongst the provinces on many measures of healthcare performance.

6.) Catholic Health Association of Manitoba, "Submission of the Catholic Health Association of Manitoba to the External Review Committee" on p. 5. The External Review mentions on p. 21 that increased federal funding was not considered in their cost comparisons because of the higher than average concentration of Aboriginals in the province. See federal statistics: <http://www.fin.gc.ca/fedprov/mtp-eng.asp> and <http://www.fin.gc.ca/fedprov/mtp-eng.asp#Manitoba> and HealthStats--MB Spending.xlsx file collaborated from CIHI. See also Tom Brodbeck, "Always an excuse on wait times," Winnipeg Sun, August 18, 2009. Available online at [http://www.winnipegsun.com/news/columnists/tom\\_brodbeck/2009/08/18/10494101-sun.html](http://www.winnipegsun.com/news/columnists/tom_brodbeck/2009/08/18/10494101-sun.html). See also federal statistics in the rows "Direct Targeted Support--Wait Times Reduction" and "Major Transfers" at "Federal Support to Provinces and Territories," Department of Finance Canada. Available online at <http://www.fin.gc.ca/fedprov/mtp-eng.asp#Manitoba>. Note: The most recent wait times available at time of printing showed that the provincial average for MRI scans was 18 weeks as of September 2010: "Manitoba Wait Time Information," Manitoba Health. Available online at <http://www.gov.mb.ca/health/waittime/diagnostic/mri.html>.

7.) Manitoba Health, "Report of the Manitoba Regional Health Authorities External Review Committee," February 2008. Available online at <http://www.gov.mb.ca/health/rha/review.html>.

8.) Ibid. RHA External Review on p. 87. See also Catholic Health Association of Manitoba, "Submission of the Catholic Health Association of Manitoba to the External Review Committee" on p. 5.

9.) Ibid. RHA External Review on p. 6: 557 internal surveys vs. 175 external survey responses, where the internal recipients were made up of 352 RHA managers, 82 board members, 120 RHA advisory council members and three health managers.

10.) Ibid. RHA External Review at p. 127 -- Includes Randy Lock, Executive Director, Regional Health Authorities of Manitoba; Larry Hogue, Chair, Council of Chairs of RHAs and Chair of Brandon RHA; Brian Postl, CEO of WRHA and rep for Manitoba RHA CEOs; Donna Forbes, Assistant Deputy Minister of Regional Affairs, Manitoba Health; Heather Reichert, CFO Manitoba Health; and Joanna Plater, Manitoba Health (acting as co-ordinator).

11.) RHA External Review on p. v.

12.) See Interfaith Health Care Association of Manitoba, "Submission to RHA Review Committee;" September 14, 2007, and CHAM External Review Submission, *supra* note 22.

13.) Fred Horne (MLA Edmonton-Rutherford), "Putting People First, Part One: Recommendations for an Alberta Health Act," September 15, 2010. Available online at <http://www.health.alberta.ca/documents/Alberta-Health-Act-Report-2010.pdf>.

14.) The Standing Senate Committee on Social Affairs, Science and Technology, "The Health of Canadians

--The Federal Role: Health Care Systems in Other Countries (Interim Report)," January 2002. (Chair:

The Honourable Michael J.L. Kirby)

15.) Michael Kirby and Wilbert Keon, "Why Competition is Essential in the Delivery of Publicly Funded Health

Care Services," *Policy Matters*, September 2004, Vol. 5, no. 8 on pp. 15-17; The Standing Senate Committee on Social Affairs, Science and Technology, "The Health of Canadians--The Federal Role: Recommendations for Reform (Interim Report)," Vol. 6. (Chair: Michael J.L. Kirby) on pp. 36-45, 70-74.

16.) For a general discussion, see "Improving Administrative Justice in Manitoba: Starting with the Appointments Process". Manitoba Law Commission. Available online at <http://www.gov.mb.ca/justice/mlrc/reports/121.pdf>.

17.) Department of Finance Canada, "Federal Support to Provinces and Territories." Available online at <http://www.fin.gc.ca/fedprov/mtp-eng.asp>.

18.) Catherine Mitchell, "Nurses win, government wins, patients...," *Winnipeg Free Press*, March 14, 2008. Available online at <http://www.winnipegfreepress.com/historic/32768254.html>.

19.) Registered Nurses Act, C.C.S.M. c. R40, Licensed Practical Nurses Act, C.C.S.M. c. L125, Registered Psychiatric Nurses Act, C.C.S.M. c. R45, Medical Act, C.C.S.M. c. M90.

20.) Available online at [http://www.caut.ca/uploads/Report\\_Reynolds\\_2010.pdf](http://www.caut.ca/uploads/Report_Reynolds_2010.pdf)

Cities that serve citizens, not Broadway

As mayor of Winnipeg, Glen Murray was a national leader and an advocate for a new deal for Canadian cities. A central feature of the new deal was that provinces would pass legislation to provide cities with the tax base and taxing powers to match their responsibilities.

Cities would no longer be largely confined to property taxes but would also have access to growth taxes such as sales taxes, where revenues would grow along with the local economy. The city would have an increased right to taxes generated within its borders, such as a percentage of the GST derived from activities in Winnipeg.

The argument was that this would create an economic incentive for city governments to adopt the policies and investments needed to grow their local economies and thereby their tax receipts (1).

Winnipeg, for example, is too dependent on property taxes. Raising them does not generate much extra money. It may even lose revenues, as homeowners and businesses fleeing high taxes relocate just outside the city perimeter but continue to use City of Winnipeg services and resources.

The property tax system does not adequately recognize that many non-residents of Winnipeg carry on business and employment here and the city must pick up the costs of facilitating their activities. Thus, the city incurs major costs in attracting business -- such as fixing roads or building a convention centre, but it does not capture its fair share of the resulting tax revenues.

So far, the province of Manitoba has largely resisted a new deal. The general subsidy that each local government receives each year remains subject, to a large extent, to the exercise of provincial discretion. The province also intervenes in local budgets on a line item basis -- such as funding half the cost of new positions in the police force (2).

The province's support for public works projects sometimes displays contempt for local democratic processes (3). Case in point: the Southdale Community Centre. The city set up a volunteer, non-partisan committee to prioritize the building of new recreational centres (4). But during the 2007 election, Premier Gary Doer determined that the Southdale Centre would go to the front of the line. Doing so helped to secure the election of an [NDP](#) candidate in the previously opposition-held riding (5).

More of the new deal should be adopted in provincial legislation. The city should have a fiscal base that is less subject to shifting and detailed provincial preferences, one that grows more in line with the economy and that recognizes and rewards the efforts of municipalities to host economic activity. Winnipeg could then reduce its overburdening property and business taxes.

Legal arrangements, however, cannot be the whole solution. Part of the answer is a change of attitude on the part of provincial leaders.

The province will always have an overlapping role in many areas of city jurisdiction. In some cases, intervention

in local politics is justified to promote a compelling provincial policy objective or to ensure equitable treatment among different municipalities. There will always be some need for provincial oversight and the exercise of judgment about how far to intervene in local matters.

However, a provincial government, without foreswearing any of its legal authority, can make it clear by its words and actions that it genuinely places a high value on respecting the wishes of elected local politicians.

The Doer-Selinger government has proceeded in a different direction. The title of a Winnipeg Free Press article in 2007 might have captured the reality: 'Mayor Doer' runs this town (6).

The latest move is for the provincial **NDP** to endorse candidates in municipal elections (7). Doing so is disrespectful of the concept that local government is a distinct level of authority, that it has a special role in reflecting the conditions and aspirations of local communities and that a balanced society disperses governmental authority, rather than concentrating it in a few hands.

#### Diversity in Governance: A New Deal for Cities

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4.) Bartley Kives and Aldo Santin, "\$5.7M for community centres: Project priority list mostly ignored," Winnipeg Free Press, September 22, 2009, B2. Available online at <http://www.winnipegfreepress.com/local/57m-for-community-centres-60187142.html>.

5.) Discussed in "King Gary decrees a park" in supra note 36. See also Bartley Kives, "Southdale centre jumps city's funding queue: Councillor says Doer playing politics," Winnipeg Free Press, B1, June 13, 2009. Available at <http://www.winnipegfreepress.com/local/southdale-centre-jumps-citys-funding-queue-47992366.html>; Bartley

Kives and Mary Agnes Welch, "[NDP](http://www.winnipegfreepress.com/historic/32808219.html) keen on Southdale centre," Winnipeg Free Press, April 12, 2009. Available at <http://www.winnipegfreepress.com/historic/32808219.html>; Mia Rabson, "McFadyen launches verbal attack on Doer," Winnipeg Free Press, May 18, 2007. Available online at <http://www.winnipegfreepress.com/historic/32239674.html>; Bartley Kives and Mary Agnes Welch, "Rec officials caught off guard by [NDP](http://www.winnipegfreepress.com/historic/32229074.html) promise," Winnipeg Free Press, May 16, 2007. Available online at <http://www.winnipegfreepress.com/historic/32229074.html>.

6.) Catherine Mitchell, "'Mayor Doer' runs this town," Winnipeg Free Press, May 3, 2007. Available online at <http://www.winnipegfreepress.com/historic/32210964.html>.

7.) Also see Bartley Kives, "Coalition enters civic arena," Winnipeg Free Press, June 18, 2008. Available online at <http://www.winnipegfreepress.com/historic/32903994.html>; Bartley Kives, "[NDP](http://www.winnipegfreepress.com/historic/32903994.html) to field council candidates: Veteran Coun. Harvey Smith facing challenge from within party," Winnipeg Free Press, December 11, 2009, B1. Available online at <http://www.winnipegfreepress.com/local/ndp-to-field-council-candidates-79038547.html>.

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NEWS SUBJECT: (Social Issues (1SO05); Legislation (1LE97); Government (1GO80); Local Government (1LO75); Non-Profit Organizations (1NO22); Public Affairs (1PU31); Political Parties (1PO73); Regulatory Affairs (1RE51))

INDUSTRY: (I.T. (1IT96); Construction Regulatory (1CO33); I.T. in Healthcare (1IT09); Healthcare Cost-Benefits (1HE10); Commercial Construction (1CO15); Public Works Construction (1PU10); I.T. in Government (1IT22); I.T. Regulatory (1IT67); Healthcare (1HE06); I.T. Vertical Markets (1IT38); Construction (1CO11))

REGION: (Americas (1AM92); Europe (1EU83); United Kingdom (1UN38); Canada (1CA33); England (1EN10); North America (1NO39); Western Europe (1WE41))

Language: EN

OTHER INDEXING: (ACT; ALBERTA; ALBERTA HEALTH; BRANDON RHA; BRITISH COLUMBIA; BROADWAY; CABE OUTLOOK; CANADA HEALTH CONSUMER; CANADIAN ASSOCIATION OF UNIVERSITY TEACHERS; CANADIAN INSTITUTE; CARE SERVICES; CATHOLIC HEALTH ASSOCIATION; CHAM EXTERNAL; CIHI; DEPARTMENT; DEPARTMENT OF FINANCE; DOER; DOER SELINGER; EXTERNAL REVIEW; EXTERNAL REVIEW COMMITTEE; FEDERAL ROLE: HEALTH CARE SYSTEMS; FEDERAL ROLE: RECOMMENDATIONS; FINANCE CANADA; FRONTIER CENTRE; GST; HEALTH; HEALTH INFORMATION; HEALTH OF CANADIANS; IMPROVING ADMINISTRATIVE JUSTICE; INTERFAITH HEALTH CARE ASSOCIATION; MANITOBA HEALTH; MANITOBA HEALTH HTTP; MANITOBA LAW COMMISSION; MANITOBA REGIONAL HEALTH AUTHORITIES EXTERNAL REVIEW COMMITTEE; MANITOBA RHA CEOS; MANITOBA WAIT TIME INFORMATION; MLA; MRI; NATIONAL HEALTH EXPENDITURE TRENDS; NDP; NHS; PREMIER GARY DOER; PRESS RELEASE; PROVINCES; PUBLICLY FUNDED HEALTH; R40; REGIONAL AFFAIRS MANITOBA HEALTH; REGIONAL HEALTH AUTHORITIES; REGIONAL HEALTH AUTHORITIES ACT C; REGIONAL HEALTH AUTHORITY; RHA; RHA EXTERNAL REVIEW; RHA REVIEW COMMITTEE; SENATE; SOCIAL AFFAIRS; SOUTHDALE; SOUTHDALE CENTRE; SOUTHDALE COMMUNITY CENTRE; STANDING SENATE COMMITTEE; SUPPLICANT SOCIETY; UNITED KINGDOM DEPARTMENT OF HEALTH; UNIVERSITY OF MANITOBA; VOL; WAIT TIMES REDUCTION; WINNIPEG; WINNIPEG FREE PRESS) (Act, C.; Aldo Santin; Arne Bjornberg; Bartley Kives; Brian Postl; Bryan Schwartz; Catherine Mitchell; Chair; Direct Targeted Support; Doer' runs; Donna Forbes; Executive Director; Fred Horne; Gary; Glen Murray; Harvey Smith; Heather Reichert; Joanna Plater; Larry Hogue; Larry Reynolds; Licensed Practical Nurses; Manitoba; Mary Agnes Welch; Mia Rabson; Michael J.L. Kirby; Michael Kirby; Psychiatric Nurses; Registered Nurses; RHAs; Schwartz; Science; Technology; Territories; Tom Brodbeck; Wilbert Keon)

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1/29/11 WINFREPR (No Page)

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