

# The Myth of the European Model

*“The facts are that no one has ever shown, in fair, accurate comparisons, that for-profit makes for greater efficiency or better quality, and certainly have never shown that it services the public interest any better.*”

*Dr. Arnold S. Relman, Harvard Emeritus Professor of Medicine, Emeritus Editor in Chief of New England Journal of Medicine*

## BY THE NUMBERS:

**3.4**

*The number of physicians per 1,000 people in France, compared to 2.2 physicians per 1,000 in Canada or 2.4 per 1,000 in the U.S.*

**70%**

*The Canadian Government's expenditure as a percentage of total health expenditures. In France, the government's expenditure is 80%; in Britain, 87%; in the United States, 45%.*

**11.2%**

*Percentage of total expenditures spent on health in France. In Canada it's 9.7% in the United States it is 15%.*

**7.61**

*Death rate per 1,000 in Canada, compared to 10.25 in Denmark, 10.05 in Britain, 8.48 in France and 8.27 in the United States.*

**One Half**

*The amount of money earned by physicians in France compared to those in the United States.*

**31%**

*The percentage of health dollars spent by the United States on administration. In Canada we spend only 17%.*

## There is no such thing as a “European model” for health care.

Some companies and individuals are saying that Canada would be better off if we followed what they call a “European model” of health care.

They want Canada to allow a parallel system of private, for-profit healthcare to exist side-by-side with the public system. Patients who could afford to pay for services would be able to buy them from for-profit providers. This parallel system is supposed to take the strain off the public system and make it easier for the rest of us to get health care.

In fact, there is no such thing as a “European model.” The companies and individuals talking about a “European model” really want Canada to establish a private system of healthcare for those who can afford to pay that is parallel to the public system. In other words, they want Canada to move towards the American style of two-tier for-profit health care.

Canadians have repeatedly rejected American-style two-tier health care. That's why private health providers are now calling it a “European model.”

The many countries in Europe, and even other countries such as Australia and New Zealand, all have different health care systems that operate in different kinds of societies.

Each system has its own unique advantages and problems. There is no one perfect kind of health care in Europe.

*Here are some of the myths you'll hear about the European model of health care – and the truth behind them.*

**MYTH: In European countries such as France, parallel public and private health care systems offer better health care than Canada.**

**TRUTH:** There is no one European system. Instead, there are a variety of different arrangements.

In France, there is universal health coverage, funded mostly through social insurance. Patients can buy private insurance to cover the cost of large user fees. France also has a total public expenditure on health of 11.2% compared to Canada's 9.7%.

In Germany, only the wealthiest Germans are allowed to purchase private insurance, and if they choose to do so, they can't then have access to the public system.

In Great Britain, there is a parallel public-private system, but it has major problems. The Chairman of the British Medical Association says, “We've had the market in England for nearly 20 years. Where's the evidence that it works?...Not good for doctors, not good for patients...”

*“Canada could transform its bogged-down health care system and shrink lengthy wait lists by adopting Europe’s successful blend of private medicine and universal access.”*

-- Dr. Robert Ouellet, President, Canadian Medical Association and owner/manager of several private, for-profit radiology clinics

**MYTH: Countries with a parallel public and private health care system have shorter waiting lists.**

**TRUTH:** Research clearly shows that parallel private systems don’t cut public waiting lists. In fact, research shows they appear to lengthen waits for healthcare in the public systems.

Some European countries, like France, may have shorter waiting lists, but it’s not because they have parallel systems. France has 60% more doctors than Canada and a much more comprehensive social safety net. France also spends more government money on health care than Canada.

**MYTH: Private, for-profit health care is more cost-effective and efficient than public services.**

**TRUTH:** Public health care, through a single-payer system like Canada’s, is the most cost effective and efficient way to deliver health care services to everyone.

After 30 years of single-payer administration, Canada now spends almost 50% less than what the U.S. spends while providing equal or better care.

The United States spends 31% of its health care dollars on administration, while Canada spends only 17%. Private insurers in the United States have overhead costs of about 11.7%. Provincial health plans in Canada have administration costs of around 1.3%.

Private health care, which includes profit for companies and individuals, results in greater costs than public care. For example, cataract surgery in the private sector in Canada costs \$1,000 – in a public hospital it costs \$450.

Costs for hospitals and doctors in Canada’s public system have remained stable or decreased from 1975 to 2005. Costs in the private health sector have risen at significantly higher rates, especially pharmaceuticals.

**MYTH: Private, for-profit health care will not lead to two-tier American style health care.**

**TRUTH:** Canada is being pushed toward private, for-profit health care by American industries which will benefit handsomely from the two-tier system. Our public health system is vulnerable to American interests because of our trade relationship with the United States.

The North American Trade Agreement (NAFTA) between Canada, Mexico and the United States exempts public health care, but doesn’t exclude private care. Under NAFTA, if we open our system up to for-profit companies, we have to give “national treatment” to American companies who want to compete. That means the door is open to the same kind of compromised care we see in the United States.

There is no “third way” or European model. In Europe, more than half of the OECD countries are moving toward less – not more – private funding. The best health care systems in Europe have more public funding than Canada.

**10 reasons to reject a “European Model”:**

1. There is no European model. What is being proposed is actually a two-tier American style system that Canadians don’t want.
2. Countries with parallel public and private systems have the longest waiting times.
3. It costs all of us more when there is private parallel care.
4. Private insurance in the United States costs about \$15,000 a year for a family. Canadians can’t afford - and don’t want - to pay this.
5. People who can afford to pay jump ahead of the rest of us who depend on the public system. That’s not fair.
6. The people who want private health services are mainly those who make a profit from offering private services.
7. It will take doctors and other health care providers out of the public system to serve the private system. That means less care for the rest of us.
8. It means much higher administration costs, taking money out of patient services.
9. European countries are moving away from private care and toward comprehensive public care.
10. It doesn’t work.

**About the Canadian Health Coalition:**

The Canadian Health Coalition is a not-for-profit, non-partisan organization dedicated to protecting and expanding Canada’s public health system for the benefit of all Canadians. It includes organizations representing seniors, women, churches, nurses, health care workers and anti-poverty activists from across Canada. For more information: [www.medicare.ca](http://www.medicare.ca)

