Canadian Public / Private Travel Health Insurance

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Pacific Pearl, March 2010 reported Paul Crist's call on Democrats Abroad to lobby their politicians in Washington DC to introduce a new Bill extending Medicare benefits to US travelers to Mexico. In the April 2010 Pacific Pearl this author documented that Canadians already have national legislation for medical and hospital care abroad in the Portability Clause of the Canada Health Act (CHA). However, as revealed in a September 2010 survey of Ministers of Health each province interprets the federal legislation differently.

A Canadian (in this article "Canadian" means a qualified resident of Canada) can be anywhere in Canada and, if the need arises, go to a hospital emergency department and say "Doctor I am sick, treat me." In addition to the ethical obligations of physicians to respond accordingly, all licensed physicians in the Canadian health system are required under provincial legislation to care for Canadians without considering the cost. Local triage practices ensure that heart attacks take priority over broken arms. Patients are eventually medically assessed, provided with follow up care and referred on if necessary. These privileges exist because of the portability and accessibility principles enshrined in the CHA.

To receive these services Canadians have to be in Canada. When they leave Canada and need such services the challenge is to get home quickly. The Survey indicates that Ministries of Health seem more inclined to care for their residents than cover the cost of services provided abroad. The purpose of travel health insurance from a Canadian traveler's perspective is to secure access to the traveler's provincial health system as rapidly as possible. To make this happen, he or she has to be certified as medically fit to travel. If not, the patient has to remain in the foreign land, and may require local medical care. The possibility of these circumstances occurring increases the price of insurance premiums.

The grey area is coverage of the cost of the emergency medical and hospital care provided to patients who are required to remain abroad. Most would interpret the out-of-country clause of the CHA as making the provinces liable for the cost of this care. Understandably provinces are reluctant to provide full coverage for visitors to the US where the cost of health services is subject to market forces. Supplemental health insurance when visiting the US is advisable. In most other countries health service costs are comparable with Canadian costs.

Over the past two decades provinces have shifted their liability for out-of-country emergency medical care to the private sector. Employee health plans, particularly federal, provincial and municipal employee plans have solidified this transition. When one retires coverage is harder to acquire and Canadians are not accustomed to paying for the risk of needing medical care.

Access to hospitals in Canada can be a challenge. A Canadian in need of medical care abroad may expect admission to a hospital back home would be facilitated through some dedicated access protocol. This is not the case. Insurance company clinical coordinators negotiate with local physicians with admitting privileges to arrange for a bed to be available when the Medivac airplane arrives in Canada. In addition to holding the patient in a foreign country while admission arrangements are made in Canada, the plane has to remain on the tarmac in Canada while their patient lines up with the other hospital admissions. These provincial inefficiencies in admitting protocol is justification for increasing insurance premiums.

The problem is that the CHA does not permit hospitals to allow preferential admission for any patient. Follow up inquiries to the Survey indicated that federal and provincial health authorities see no reasons to expedite admission from abroad which could reduce premiums and improve patient wellbeing.

The major issue with insuring seniors is pre-existing conditions. The healthy snowbird is a rare species. Many over fifty-five are subject to a chronic condition requiring them to take medication for the rest of their lives. Consequently, seniors appear as a higher risk group to insure. Provincial governments behave similar to private insurance companies in addressing pre-existing conditions. Neither public nor private sectors want to take responsibility for the senior who, awaiting a knee replacement in Canada while taking a holiday abroad has an accident and requires an emergency replacement. A similar scenario applies to coronary surgery and a host of other pre-existing conditions.

Provincial health plans assume total risk of their residents becoming sick; thereby inhibiting private insurance companies from competing. However, all provinces market private health insurance to residents visiting abroad – an option they deny to those staying home. The cultural divide between the monopolist and the free marketer probably explains why they cannot develop a public private partnership around risk management for pre-existing conditions, repatriation and fraud avoidance.

Provincial Ministries of Health manage their liability for urgent care, where a Canadian abroad is in need of outpatient medical services, by agreeing to pay amounts that do not relate to the cost of the services received. Each province has a tariff of costs; some set in the nineties and not adjusted for inflation as insurance premiums have. Since these arrangements are part of provincial regulations they will persist until challenged in court.

A relatively new wrinkle is the phenomenon of "medical tourism." Overall, provinces seem reluctant to be innovative in planning to make medical tourism work to their advantage. With the pressures on provinces to manage health budgets it will be interesting to observe which province will be first to explore potential economic benefits of "medical tourism." As Canadian expats in Mazatlan can testify, health ministers should look at the international dental business to see the potential for cost savings, but there again; dental care is not health care, eh?

A report on the survey of Canadian Ministers of Health done for this article will be available at www.infolynk.ca and Pacific Pearl websites by January 1 2011. Send comments about this article to tim@infolynk.ca