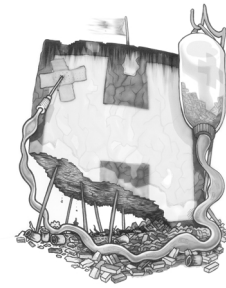


WHY BILL 11 WON'T HURT RALPH KLEIN



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The Klein government's recent proposal, in Bill 11, to contract out minor surgical services to private health facilities has added fuel to an already heated debate about health care. Public opinion survey results suggest that Albertans' primary health concern is accessibility to services, and that views about funding are secondary. Support for private clinics fell between 1995 and 1999 but the threat of privatization remains a tertiary concern: Albertans worry less about who provides health care and more about its being easily accessible. Concerns over health care restructuring do have a negative impact on support for the government, but the popularity of maintaining a balanced budget counters that effect. This suggests Albertans may be willing to trade the pain of health care restructuring for the gain of economic sustainability.

Le gouvernement Klein déposait récemment son projet de loi no 11, visant à confier à des cliniques privées certaines chirurgies mineures. Ce projet est venu alimenter le débat, déjà fort animé, sur la fourniture des soins de santé. Les résultats d'un sondage donnent à penser que, en matière de santé, la population albertaine se préoccupe plus de l'accessibilité des soins que de leur mode de financement. Certes, l'appui accordé aux cliniques privées a chuté entre 1995 et 1999. Mais la menace de la privatisation du système demeure au troisième rang des préoccupations des Albertains : la question de savoir qui dispensera les soins a pour eux moins d'importance que la facilité avec laquelle ils y auront accès. Même si la perspective d'une restructuration du régime exerce une influence négative sur l'appui accordé au gouvernement, il reste que le souci de maintenir l'équilibre budgétaire contrebalance cet effet. Il y a donc lieu de penser que les Albertains, au nom de la stabilité économique, accepteront de vivre les affres d'une restructuration.

Since first being elected in 1993, the government of Alberta Premier Ralph Klein has cut back on health care funding, streamlined the system's administration, closed down hospitals and placed more emphasis on community/home-based care. Most recently, it has tabled a new piece of legislation — the controversial Bill 11, styled the "Health Protection Act" — which is designed to provide the province's health authorities with the added flexibility to contract-out minor surgical services to private health facilities. A recent Angus Reid poll shows that a slim majority of Albertans (52 per cent) oppose the bill, but that opposition to it continues to decline.

From a purely economic perspective, the Klein government's restructuring of government services seems to have had a remarkably positive effect. Although health care remains the province's single largest expenditure (accounting for approximately one-third of the annual provincial budget), public spending no longer exceeds revenues and the province's net debt has been eliminated. The new

approach to public spending is more prudent and selectively targets only the most critical pressure points, such as front-line health care services and staff, long-term care facilities that can free-up acute care beds, and an expanded prescription drug program.

Consultations with various stakeholders, health-care providers and public representatives during Health Summit '99 reveal that, in principle, Albertans agree that the public health system should be both affordable and sustainable. In fact, the results of one province-wide poll show that 98 per cent of Albertans believe "efficiency and proper health care can go hand-in-hand." Not surprisingly, however, the pursuit of greater efficiency has resulted in major changes in health care delivery. The Canadian Medical Association reports that 81 per cent of Canadians feel spending cuts have had a negative impact on the quality of care.

In this article, we examine what Albertans think about the health care reforms, and how their views have changed over the course of the restructuring: Is the health care system

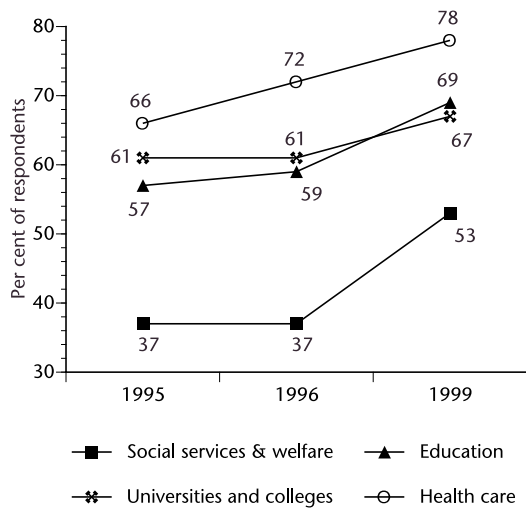
becoming “better” or “worse”? What are Albertans’ key concerns? How do they feel about the idea of private health clinics? How do attitudes toward health care affect support for the government? And what does this mean for the popularity of Bill 11? Are Albertans willing to trade worsening health care for economic sustainability?

In what follows, we report the results of our study of cross-time, cross-sectional data from a series of public opinion surveys known as the Alberta Advantage Surveys (AAS). These surveys, which were conducted in 1995, 1996 and 1999, are designed to track Albertans’ orientations toward the Klein government and its policies. Each was administered to just over one thousand randomly chosen Albertans 18 years of age and over. A sample of this size has a margin of error of plus or minus three per cent, 19 times out of 20. The interviews were conducted via telephone, and lasted between 15 and 25 minutes.

Approximately three years after the Klein government began restructuring health care, respondents were asked whether Alberta had become a “better” or “worse” place for those who are ill or sick. Responses to the 1996 AAS were resoundingly negative: 75 per cent of respondents felt things were worse. Three years later, little has changed: 74 per cent think things are worse. The public’s view of health care today is no more optimistic than it was when the restructuring began.

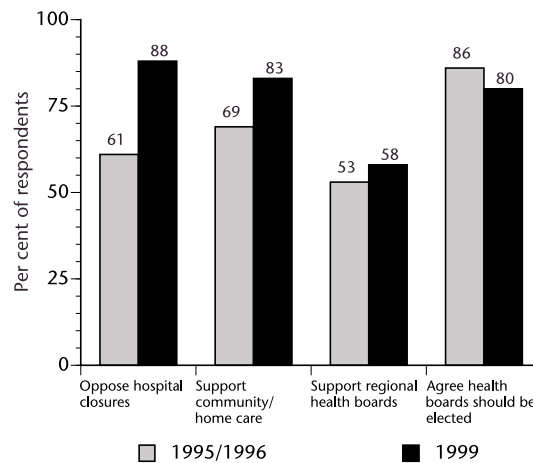
What explains the public’s continuing discontent? A number of possibilities come to

Figure 1
Opposition to the magnitude of budget cuts to social programs



Source: 1995-1999 Alberta Advantage Surveys.

Figure 2
Orientations toward health care restructuring



Source: 1995-1999 Alberta Advantage Surveys.

mind. Figure 1, for example, looks at attitudes toward funding cuts. The results are quite striking. Over the last four years, a majority of Albertans have consistently maintained that cuts to three out of four program areas — health care, primary and secondary education and universities and colleges — have been “too big.” Health care cuts appear to concern them more than cut-backs in education and welfare, and concern has grown by 12 per cent between 1995 and 1999.

Attitudes toward specific restructuring initiatives may also account for the public’s misgivings. Figure 2 shows that since 1995 opposition to hospital closures has increased by 27 per cent, although support for community/home-based care and regional health care authorities has grown by 14 per cent and 5 per cent, respectively. That said, the issue of accountability continues to be a concern — four in every five Albertans feel that regional health boards should be democratically elected rather than appointed.

Figure 3 examines particular concerns relating to health care delivery. It seems that virtually everyone — 88 per cent of respondents, to be precise — agrees that the health care system needs to be fixed. A strong majority of Albertans indicate that both the availability (81 per cent) and quality (68 per cent) of health services have declined — two concerns that are closely linked (the correlation between them being 0.6). Opposition both to reductions in the number of doctors and nurses and to longer waiting times is even stronger (at 93 per cent). On the other hand, only two in every five Albertans disapprove of the deprioritization of elective surgery.

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Figure 3
Concerns about health care

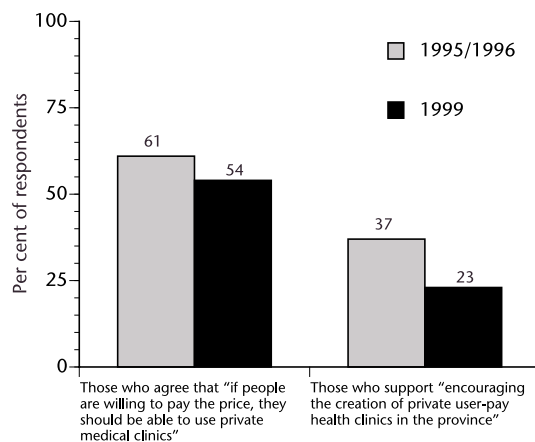


Source: 1999 Alberta Advantage Survey.

It is also possible, of course, that the public's dissatisfaction with the evolution of health care has to do with the threat of privatization and the possible emergence of an American-style two-tier health care system. Figure 4 shows that the percentage of Albertans who agree with the principle that "if people are willing to pay the price they should be able to use private medical clinics" has dropped by seven per cent, while support for the creation of private user-pay health clinics has declined by twice that amount.

Finally, for alienated Albertans, dissatisfaction with health care might be related to the issue of government control. Most Albertans (85 per cent and 74 per cent, respectively) say they agree that "the provinces ... should have more say on social program spending, particularly when they pay for it," and that "...we have to

Figure 4
Orientations toward privatization of health care



Source: 1995-1999 Alberta Advantage Surveys.

Nearly all Albertans (95 per cent) prefer a federal presence in health care to "ensure that a common standard of health care is available to all Canadians." Only 48 per cent agree that "the provinces should be allowed to design their own health care system without any direct intervention from the federal government."

reduce the power of the federal government and implement a more balanced and consultative style of governance." But when it comes specifically to health care, Albertans seem leery of allowing their provincial government to be completely in charge. Nearly all Albertans (95 per cent) prefer a federal presence in health care to "ensure that a common standard of health care is available to all Canadians." Only 48 per cent agree that "the provinces should be allowed to design their own health care system without any direct intervention from the federal government."

To determine which of the preceding arguments are both statistically significant and empirically important, we conducted a regression analysis, the results of which are presented in Table 1. The equations it reports tried to determine what factors are most important in determining whether a respondent thought Alberta had become a worse place for those who are sick. The findings in column one reflect the views of Albertans as a whole, while columns two and three distinguish between those who have recently received health services and those who have not.

The key concern, it turns out, is about the health care system. Albertans' concerns over the availability of health services are powerfully linked to their sentiments about the worsening state of health care. Concerns over funding are also important, but surprisingly, have less of an impact. Still, according to those who feel the cuts to health care have been too big, the province has become a worse place for those who are ill or sick. Note, however, that concerns about both the system and its funding are less pressing for those who have recently received health services than for those who have not. Moreover, concerns over restructuring, such as the move toward more community/home based care and the creation of regional health care authorities, have no significant impact on people's views regarding the state of health care, whereas concerns over the closure of hospitals appear relevant only for those who have not recently received health services. For the latter, privatiza-

Table 1
Regression Analysis: Why Albertans believe their province has become
a “worse” place for those who are ill or sick

Predictors	Albertans	Received health services	Not received services
Systemic concerns:			
- agree that the availability of health services has deteriorated	.27**	.24**	.30**
Funding concerns:			
- cuts to health care are too big	.17**	.16**	.20**
Concerns over restructuring:			
- oppose having fewer hospitals	.02	-.04	.11*
- oppose more community/home care	—	.03	-.03
- oppose regional health boards	-.01	-.04	.05
Fear of privatization:			
- oppose private user-pay clinics	.12**	.17**	.02
Politics of federalism:			
- disagree that provinces should be allowed to design health care	.07*	.09*	.06
Personal health satisfaction:			
- not satisfied at all with personal health	.07*	.06	.12*
Socio-demographics:			
- sex (male)	-.02	-.07	-.01
- age (seniors)	-.01	-.06	.05
- education (post-secondary)	-.02	-.08	.08
- income (greater than \$60,000)	.03	.05	.02
- Calgary (vs rural areas)	.03	.10	-.03
- Edmonton (vs rural areas)	.03	—	.08
Constant:	.23**	.34**	.04
R-squared:	.21	.22	.28

Note: * significant at p<.05; ** significant at p<.01.
 Source: 1999 Alberta Advantage Survey

tion is the second most important concern.

Not surprisingly, fears about privatization also have important effects. For instance, those who oppose “the creation of private user-pay health clinics in the province” are more likely to say that Alberta has become a worse place for those who are ill or sick. What is astonishing, however, is that concerns over privatization are not nearly as relevant as concerns about the system and its funding, and appear to be held mainly by those who have recently received health services.

The question of which government is in charge is also significantly linked to a respon-

dent’s overall opinion of whether the system has become better or worse, but again its overall impact is not very important. Only after people have come into contact with the system do they begin to express concerns over the need for federal intervention.

Finally, our analysis highlights two additional results. The first is that dissatisfaction with one’s personal health apparently encourages the view that the province has become a worse place for those who are ill or sick — though this is true only for those who have not recently received health services. Once people have received health services, satisfaction with their own health is no

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Table 2
Regression Analysis: Why Albertans approve of the Klein government's performance

Predictors	Albertans	Received health services	Not received services
Support for balanced budgets: - support the principle of deficit elimination	.39**	.37**	.41**
Concern over health care: - Alberta has become a "worse" place for those who are ill or sick	-.21**	-.24**	-.16**
Constant:	.42**	.45**	.38**
R-squared:	.21	.21	.22

Note: * significant at p<.05; ** significant at p<.01.

Coding: (dependent variable) approval for the Klein government's performance: strongly approve=1, approve=.66, disapprove=.33, strongly disapprove=0; support for balanced budgets: strongly support the principle of deficit elimination=1, support=.66, oppose=.33, strongly oppose=0; concern over health care: Alberta has become a "worse" place for those who are ill or sick=1, no change=.5, better=0. Source: 1999 Alberta Advantage Survey.

Consistent with the conclusions drawn from the Health Summit, our research reveals that when it comes to health care, Albertans are most concerned about access to medical services:

longer a relevant issue. Second, we find no support for the supposed connection between variations in socio-demographics and orientations toward the state of health care; the direct effects of factors such as sex, age, education, income and place of residence are statistically insignificant.

Does this evidence shed any light on the extent to which Albertans may be willing to tolerate a worsening system of health care?

What is truly remarkable is that despite the public's concerns about health care, the Klein government remains very popular, even after taking into account the most recent Angus Reid poll, which shows a slight drop in its popular support. Figure 5 shows that a solid majority of Albertans approve of the government's performance, and that over the last four years support has grown by six per cent.

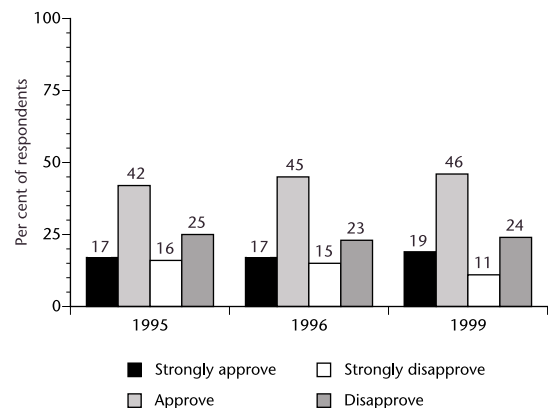
Our findings indicate that another aspect of the health care restructuring debate is not always given its due consideration. Albertans are proud of their fiscal accomplishments, and maintaining a balanced budget continues to be a high priority: Four in every five respondents to the Alberta Advantage Survey consistently support the principle of deficit elimination. Moreover, the regression analysis in Table 2 shows that when it comes to political support, the goal of deficit-free spending carries more weight than concerns about worsening health care, especially among those who have not

received services (though when Albertans do come into contact with the health system, opinions about the worsening state of health care begin to have a greater effect).

Consistent with the conclusions drawn from the Health Summit, our research reveals that when it comes to health care, Albertans are most concerned about access to medical services: Those who feel that the availability of health services has deteriorated are most likely to feel that Alberta has become a worse place for those who are ill or sick.

Attitudes toward the magnitude of the health care cuts also have a significant impact on how

Figure 5
Approval for the Klein government's performance



Source: 1995-1999 Alberta Advantage Surveys.

respondents view the state of health care in Alberta, but to a lesser degree. Studies from the US show that while the majority of people may seem receptive to the general proposition of spending cuts, they are not as likely to support cuts to specific programs, nor are they likely to accept cuts that affect them personally. Because roughly 70 per cent of Albertans use health care, it is not surprising that concerns over cuts to the system outweigh concerns over cuts to any other social program. Furthermore, the growing anxiety over the magnitude of the cuts illustrated in Figure 1 may lend support to the theory of relative deprivation: Over time, as individuals compare their newly deprived state to their previous situation, their beliefs may change. In effect, concerns over health care cuts may continue to increase as their effects filter through the system. So far, however, decreased funding is not as significant a concern as deteriorating access to services.

What do these findings suggest about the prospects for Bill 11? The Klein government's recent maneuvers to introduce private health clinics have sparked public campaigns, petitions and lobby groups who fear the arrival of an American-style two-tier health system. Numerous studies have argued that Albertans are opposed to the general idea of privatization when it comes to health care. For instance, a poll commissioned by Alberta health care unions in late 1993 found that Albertans regarded health care as too important to be left to private owners. Further polling conducted by the University of Alberta's Population Research Laboratory in 1995 revealed that over 54 per cent of respondents agreed that "increasing reliance on private, for-profit health services will reduce the quality of health care in Alberta," and over 64 per cent agreed or strongly agreed that "changes happening to health care in Alberta are creating two health care systems — one for the rich and one for the rest of the people."



The data say he'll do OK

Be that as it may, the most recent Angus Reid poll indicates that support for Bill 11 is on the rise. This apparent inconsistency may be explained by our finding that, compared to major concerns over access and funding, privatization remains a tertiary concern: The public overall is less concerned about who provides health services, and more concerned that services be easily accessible. That said, it is worth noting that Albertans are hesitant about allowing the health care system to be controlled solely by the provincial government. This may be related to concerns over privatization, and the fact that the federal government is seen as the guardian and enforcer of the *Canada Health Act*, which the majority of Canadians support and want to preserve.

Remarkably, the public's discontent with the state of health care appears to have relatively little effect on support for the government. True, in February of this year Premier Klein's approval rating dropped by seven per cent — to a still-impressive 66 per cent. But such a drop in support could be expected following the introduction of any contentious policy. When compared to its opponents and other provincial and federal governments, the Klein government still remains exceedingly popular.

Our study reveals that although public concern over health care has a significant impact on disapproval of the Klein government, popular support for a balanced budget works to counter that effect. In other words, Albertans seem to have a high threshold for pain when it comes to a trade-off with cost efficiency. This is why we believe Albertans will not penalize the Klein government for Bill 11.

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