

Herewith, my commentary on the British Columbia health care system, directed to the Legislative Assembly of British Columbia and its Standing Committee on Health and in particular to UBC the University of British Columbia UBC and other universities as well as to the entirety of the electorate of British Columbia and Canada. It is assumed that any expression of opinion or scholarship that may be addressed to the People's elected representatives necessarily includes all of the voters.

On March 1, 2016, the Committee on Health for the Legislative Assembly was charged with identifying potential strategies to maintain a sustainable health care system, and to consider capital funding options.

A Prolog.

Our Western economic systems guide us, by virtue of their very structures, toward proper approaches for consideration of the health care issue. Thus, I hearken back to my training and research in the field of socio-psychology and economics and the broader approaches within which the health care discussion must be framed.

“Maintaining a sustainable health care system for British Columbians is closely connected to the modernization of the outdated municipal structure taxing authority that hampers sustainable economic development. Local and regional economies are so often the key to improvement rather than Victoria or even Ottawa.”

My focus in my research is “the allocation mechanism” and its faults, as well as upon the necessarily allied mathematics which give rigor to the analysis, in our western democracies. Within western democratic models, I include numerous permutations but which all contain delegated authority to parliaments or legislatures, a judiciary with a measure of independence, and an executive authority which is elected either by the people or by elected representatives of the people, and all of which are mixed monetary economies containing elements of both capitalism (loosely, the "private sector") and socialism (the public sector).

The political-economic system of the United States, based as it is upon the "school" founded by Adam Smith and subsequent eminent thinkers and writers, exemplified as well by other Western democracies, such as Sweden, Canada, and Great Britain, has been defined by Churchill as “the worst form of government, except for all those other forms that have been tried from time to time.” Its 1787 construct in America represents perhaps humankind's pre-eminent achievement of governance in the last two millennia.

The "allocation mechanism" of Western democracies requires a vibrant and free private sector that is energized by the profit motive to produce the goods and services (and employment) that sustain life and give life its very vitality and culture. It also requires a public sector to provide for the needs of society that the private sector will always leave by the wayside, because so much of private sector operations produces so-called winners and losers.

The government is there to see to the safety net for all, be it public infrastructure, provision of essential needs in the way of food, clean water, health care, environmental protection, education, or countless other needs that are not the concern of the private sector except tangentially. When society forgets this divisional breakdown, faults appear in the allocation mechanism, which left unsolved lead to all manner of social and political distress and can ultimately unravel a democracy.

The University is another peg in the chart of a properly functioning allocation mechanism. Lack of relevant research in our universities and subsequent lack of understanding in the government and in society at large, allows decades of fault to escalate into lesser or greater degrees of social, economic and ecological adversity, eventually leading to irreparable harm and even democratic failure.

“Good health is the consequence, in the first instance, of investment by the society in research and education that produces businesses that distribute wealth in society by providing better-trained and better-paid employment; a thriving economy has the resources to provide good healthcare, environmental services, and also clean air and water. “

It's hard to pinpoint the path of progression of my concern about these issues, but I can say that the precipitating circumstances were, without a doubt, my origins --- born at the outset of the Second World War in Europe. Early on, I developed a concern for the conditions of humanity's existence, as I witnessed through my youthful and horrified eyes that very real democratic failure that overwhelmed Germany in 1933 and led to the destruction of Europe. (I see similar "devil's work" on the march in present day America, but that concern will await a different forum.)

I will remind to meet the standard in a democracy - at least my standard; "government must not only protect each member of the society that makes up the economy from the wrong of other members but also from the government itself". Here I could say much about Canada and its Provinces versus First Nation and First Nations leadership versus its community and disparities that also for another forum.

I am co-writing this epistle with Gina Schrank, a lawyer and former long-term public defender in California who has a way with the pen and knows her "forthwith and wherefores" as well as any modern day Rumpole. Gina became interested in my research and in the Canadian, US, Swedish IISRE research initiative "the International Institute for Sustainable Regional Economies" some years ago. She even weighed in with some of her own healthcare proposals back in the early 90's when the United States was first trying to reinvent that wheel for the modern age. Her efforts were so "successful" that she spent the next 15 years continuing her work in the criminal courts, another voice in the wilderness lost to more mundane pursuits. She has a healthy belief in the rule of law which overcomes her passions and disappointments, however, and she reminds me, with "slippery slope" analogies, of the progression of fault lines in a democracy toward unforeseen and unwitting democratic failure.

When government fails in its tasks and responsibilities to society, we witness concomitant private sector failures --- think Wall Street and Bay Street in the 2008 financial collapse. Though I differentiated their respective roles above, their intersection occurs via the allocation mechanism. Unless the government knows its role in regulating the private sector, mistakes happen, and some of them are catastrophic – in B.C. witness the Fast Ferry and Mount Polley Mine.

Resources cannot be allocated in one direction, as to health care for example, without affecting other societal interests that have their own claims to the public purse. Good health is the outcome of many factors, both economic and social. You can't beggar Peter to pay Paul without paying, in some instances, a larger price down the road.

What comes to mind is a recently published research from UBC's School of Population and Public Health, the authors concluded that: "only about half of those with depression receive either minimally adequate counseling/psychotherapy or minimally adequate antidepressant therapy. Disparities also persist, affecting mostly men and younger individuals. A multifactorial approach is needed to improve access to and reduce variations in receipt of minimally adequate depression care."

Consistent with those conclusions, we posit that it is important to identify disparities in access to adequate care and to reduce the disparities, but it is more important to identify and understand the underlying social, and economic contributing causes to mental and somatic illness.

It would be very easy to spend B.C.'s entire stream of revenue on health care if we utilized US spending models. Why not apply 17% of GDP to healthcare, as the United States does? Perhaps because it would consume roughly plus 40 billion dollars here, leaving barely enough money to fill in any but the smallest of potholes in our roads, let alone providing for any other public services.

Let us not overlook that the clear and present danger to good mental and somatic health in a society is health care spending run amok, consuming PacMan-like, all the other resources that should be employed for investment in the social, economic and environmental needs of society that contribute to good health.

My work with IISRE, and specifically with the UBC/ UNB research initiative continues to be important; "A perfect functioning allocation mechanism in an economy is a utopia. A better functioning allocation mechanism in regional and local economies is not a utopia, but a better functioning society." This is IISRE's goal, namely to identify the fault that hampers sustainable economic development and thus better health in local and regional economies, because provincial and national economies are made up of local and regional economies, with a better-functioning society as the outcome.

Ultimately this is about the global ethical responsibility of the University because democracy and social satisfaction in our western mixed monetary economies depend on upon understanding developed by relevant research in our universities which subsequently emerges in society through education, an educated media and a free flow of information vigorously discussed.

My essential proposition in addressing the BC health care issue that is in the political-economic system that governs Canada the provision of adequate health care to the province is a governmental responsibility.

The private sector only plays a tangential role and can little be expected to have the broader needs of the society in mind. The private sector's focus is and must be to achieve personal profit. If it happens to benefit the public, so much the better, but this is not its primary focus. That broad statement must, however, be tempered somewhat by what we recognize and have recognized for millennia with respect to the responsibilities of the medical profession, whether public or private.

Doctors are obligated to follow the Hippocratic Oath, and that oath applies to them whether they work in private practice, in a government agency, or as our friends in the United States should have learned in recent times, whether they work for an insurance company, for the American model largely puts insurance companies in charge of medical decision-making.

Realizing, that in a democratic political-economic system such as ours, the purpose should be to; "allow the present generation to satisfy their ambitions without denying future generations the ability to achieve theirs (UN Brundtland)."

Hence I assume we all want to achieve the best somatic and mental health possible, all the while knowing (as we should) that achievement of that result may come at the expense of other socioeconomic needs that actually determine good health. Health expenditures as a percentage of GDP continue to rise at a faster pace in all OECD countries. In Canada, it has risen from 6.8% in 1980 to 10.9 % in 2013. In the United States, it has risen from 8.2% to 16.4% within the same period of time.

Empirical evidence regarding the efficiency of the health care system in British Columbia suggests that expenditures greatly exceed the money that leads to useful results by a large margin . Call me a dowdy old Dane (or a rowdy one, as some of my erstwhile associates might) but isn't it just possible that politically driven, patronage-heavy procurement practices, or outright fraud and corruption might be part of the problem?

I pause to reflect upon humanity's fundamental dilemma, as I call back to life the great Walt Kelly whose Pogo posited that "we have met the enemy and the enemy is us." Human failure is the source of our sloppy organization of the health care challenge.

My broader concern is the manner in which a "fault in the economy's allocation mechanism" has allowed the health care debate to lose focus upon some of the eternal verities that I mentioned above, namely the differing roles of the private and public sectors , and the special role of doctors in a humane economic system.

To the Legislative Assembly of British Columbia and its Standing Committee on Health.

July 21, 2016

Page 5 of 10

Thus we view a health care system in which private profit plays the dominant role and doctors set up practice with a view to milking the system (notice that I didn't say "sucking at the public tit," at least until now). And the University, which should be the fount of wisdom both in terms of medical research and also in terms of economic wisdom, recedes into the background of the discussion as the faculty pursue their own deals under the supposed rubric of being worthy causes , as they engage in technology transfers to drugmakers or device manufacturers or other sources of personal enrichment at the expense of their ethical and academic responsibilities.

Anyone who missed it that I commented in May 2014 with respect to a physician initiative to secure access to GP's in the Okanagan; "that societies with a higher incidence of illness are less productive and have a lower level of social satisfaction and poorer quality of life than healthier societies --- copy attached. Is anyone out there listening?

To return to an earlier theme: "Good health is the consequence, in the first instance, of investment by the society in research and education that produces businesses that distribute wealth in society by providing better-trained and better-paid employment; a thriving economy has the resources to provide good healthcare, environmental services, and also clean air and water. Witness First Nation in Canada as an example of a sort of state within a state, in which a lack of economic production and employment causes higher incidence of illness, social problems, and adds to the disparities between those entities and the rest of the Canadian population.

I must stress, at this juncture that I do not intend by my words to disparage the efforts of First Nations communities to deal with these problems, but rather wish to spotlight the causal analysis that I suggest should be applied to the society as a whole. It is after all about justice and moral and ethical obligations! Economic principles should indeed be applied both inside and outside of a vacuum. But in either case, we should change the bag on occasion. Allow me to empty the fairy dust that bedevils our eyesight and causes us to forget the very purpose of economic analysis!"

The health care system in the United States is a textbook example of systemic failure in a mixed economy, amplified by government failure and ignorant voters. Despite having the highest health care consumption in the world, it is most bizarre that millions of Americans lack adequate health care. " I am not, in short picking on British Columbia, with its less dramatic failures. I do suggest that we can teach our brethren to the South a thing or two. But first, we should ask our own physicians to ' mind their own housecleaning ." There is work to be done here as well.

A physician's integrity relies in the first and last instance upon doing no harm. Bound up with that responsibility is to avoid "excessive treatment" of disease that any responsible cost analysis would suggest maybe at the expense of less invasive preventive measures. Why the de-emphasis upon primary public health outreach? Surgical procedures should be a last resort, not a first. The nitty gritty work of medicine comes at the front end. It is not glamorous, but it is also not terribly expensive even while it is tremendously cost –effective in terms of better public health.

An efficient healthcare system is a major comparative advantage in society as we see when we compare even the flawed Canadian model to that of the United States. Excessive consumption of health care in the United States hampers economic development and employment and reduces the upward mobility of the workforce – hence it contradicts its own purpose.

The wealthy can pay large sums to fix their ills. The struggling laborer? Good luck to the man without a trust fund. The ideologically-driven negative attitude toward public health care in the United States as it proceeds down the path of uncriticized privatization and outsourcing should be a lesson to Canada, where the same ills may undermine what was, in its infancy at least, a health care model with considerable promise.

“A wealthy person can afford to lose some money to buy goods and service and not lose much satisfaction, whereas the poor would gain much extra satisfaction from the increment in his real income.” B.C. should consider reviewing its MSP insurance.

Based on, relevant interdisciplinary research we must, in the final analysis, achieve the proper balance between preventive health care and treatment. Our healthcare system must reorient itself around the Hippocratic Oath, which once defined the responsibilities of physicians. Privatization is never a good fit for the achievement of this goal. Outsourcing (in reality ---- privatization) presents a temptingly easy if lethargic way out, rather than performing the less glamorous but more laborious work of making the public organization work.

As a footnote, modernization of healthcare was a driving force behind the Canadian, US, Swedish IISRE research initiative “The International Institute for Sustainable Regional Economies” involving UBC and UNBC. Comparative research between regions in B.C., WA, and Sweden was designed to increase understanding of the “allocation mechanism” that was needed to address problems that hamper economic development and sustainable healthcare in Western democracies.

Unfortunately, the era of political wars against science and crony self-interest politics inside the university and in B.C. (the “Asian neurosis”) shelved the Initiative and bypassed the search for truth and solutions. The University, that bastion of educated discussion, was the loser in the fight. More on that elsewhere.

I should also mention the discussions with Interior Health in 2002 and subsequent proposals. “The importance, of course, is to integrate health care in the economy, and establish the point on the supply and demand curve where the health care system is promoting good public health and preventing diseases while determining how to reduce excess consumption (C+ Q + Q1).”

The UBC Centre for Health Services and Policy Research was established at the College of Health in 1990 and is now a part of the School of Population and Public Health. A recent discussion with people in the B.C. health care system suggests that the government still doesn't know what the excess costs in the system are or where to find the dead-weight and waste.

“The focus must be on the excess consumption of health care private or public on the expenses of the factors that creates and maintain good health in society.”

To the Legislative Assembly of British Columbia and its Standing Committee on Health.

July 21, 2016

Page 7 of 10

More attention to and research is needed of dietary unregulated supplements consumption, and CAM complementary and alternative medicine, and the approach to curbing deleterious use. Make no mistake the solution is not legislation, police, lawyers, prosecutors, court, and incarceration. In perspective, the latest incarceration rate per 100.000 I have is in the United States, 715, in Canada 121, the aim should be below Denmark's 73.

It appears that roughly 18 Billion dollars or approximately 41 percent of the operating expenses of the system is spent on healthcare, with the government still in the dark as to the source of excess --- not a good start for the Standing Committee on Health to get a handle on the problem.

How can we find ourselves 56 years down the line, still unable to run an adequate healthcare system in Canada on 10 percent of the GDP? (up from 8.3% in 2000)

As I wrote in my submission to the Commission on the Future of Health Care in Canada 2002, (Romanow Commission). "Heralded under the banner of 'worthy causes' the forming of 'politically visible' commissions or committees is an old political method of avoiding controversial decisions and accountability. Members of the community volunteer time and effort to advise well-paid politicians and their recommendations fall on deaf ears. Meanwhile, the University fails in its own responsibilities to society.

Maintaining a sustainable health care system for British Columbians is closely connected to the modernization of municipal structure taxing authority and structures. Local and regional economies are so often the key to improvement rather than Victoria or even Ottawa.

Witness the school closing hodgepodge in Osoyoos as an example of outdated governance models threatening social cohesion and sensible public policy – comments attached.

Much water under the bridge.....

As Kafka put it; "the message was given, nothing changed and it bears out my old dictum: "the behavior of government reflects the level of understanding and the moral and ethical values of the society that makes up the economy". We are not holding our breath that leadership in universities and government will invest in and facilitate relevant research that early enough addresses the issues in healthcare, municipal governance, First Nation problems or multiple other flawed, outdated governance that fail to one extent or another to achieve sustainable economic development.

Rather from the left and the right, we see politics, self-interest, money, and outsourcing overcoming science and time-tested Western governance models, as we throw away our patrimony in favor of a "mess o' pottage" that leaves us poorer as a society. So I'll beat my head against a wall one more time with regard to healthcare, as I remember again my patron saint, Winston Churchill, who reminds me to "never never give up, except to convictions of honor and good sense."

To the Legislative Assembly of British Columbia and its Standing Committee on Health.
July 21, 2016
Page 8 of 10

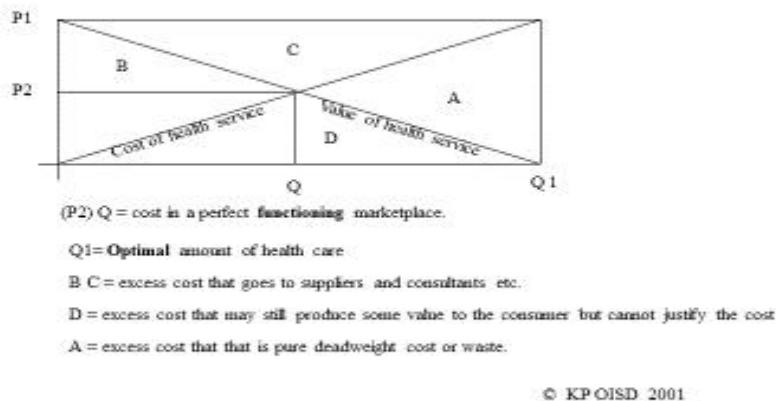
Invite conversation, about the global ethical responsibility of universities and allied relevant research and issues as healthcare that really matter to society of course, open-ended and not holding my breath.

The best

Kell Petersen

cc: The Government of Canada the PM et al.

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Of recent interest, Dr. Tarr, MD of Osoyoos BC has taken the initiative with a group of other physicians to ensure that the society that makes up the economy of the Southern Okanagan will have timely access to medical care. This is highly commendable of Dr. Tarr, but it is justified also to ask whether it is merely a band aid that is being applied that may staunch the bleeding, or is it a model that improves public health and reduces excess consumption of healthcare. (This issue is discussed in my submission to the Romanow Commission in 2002 and in numerous prior and subsequent papers and a driving force in the Canadian Swedish IISRE Research Initiative.)

To the Legislative Assembly of British Columbia and its Standing Committee on Health.

July 21, 2016

Page 9 of 10

Consider that healthcare systems in and of themselves, do not create good health in society. It is of note that Dr. Tarr and a few of his colleagues are from South Africa where the relationship between government, health care systems and economic wellbeing is particularly exemplified. They no doubt recognize that somatic and mental health, quality of life, and crime rate in a society are closely related to social, economic and environmental factors.

Needless to say, societies with a higher incidence of illness are less productive, have lower social satisfaction and quality of life and less political stability than healthier societies. Good health is the consequence, in the first instance, of investment by the society in research and education that produces businesses that distribute wealth in society by providing better-trained and better-paid employment; a thriving economy has the resources to provide good healthcare, environmental services, and also clean air and water. Witness First Nation in Canada as an example of a sort of state within a state where lack of economic production and employment causes higher incidents of illness, social problems and disparities with Canada. Adequate welfare and healthcare is imperative but not the long-term solution, though my point here I stress is by no means to disparage either societal obligations to the needy or First Nations burdens, which are not, we must remember, of their own making. It is about justice moral and ethical obligation.

Ultimately, we must recognize that sustainable economic production is the sine qua non for a successful democratically governed mixed economic system such as that of Canada, Sweden, the United States, South Africa, or Mexico et al. They all depend on governments that meet this standard and voters that have a basic understanding of what the task is; government's task can never be the same as that of the private sector. Bay and Wall Street have their own fish to fry.

For those of my readers that have not studied the mechanics of mixed monetary system such as Canada's or South Africa's, I will remind them that such a system requires a thriving private sector, whose task is to pursue profitable investment in economic production that has durability and will sustain lasting employment.

The Government's task, on the other hand, is to collect taxes and to provide the products and services that the private sector fails to provide, in order to secure the social satisfaction and social stability that society needs.

Hence, one of government's most important tasks is to technically understand the economy's allocation mechanism and its faults and to understand what products and services most efficiently can be provided by the private sector or by the government. The government must furthermore present the choices and tradeoffs in an understandable way to apprise voters of the alternatives. Make no mistake: failure in government and voter ignorance will inevitably cause varying degrees of social, economic and ecological adversity. In Okanagan, our society should ask: does development usurp social, economic and ecological realities?

The health care system in the United States is a textbook example of systemic failure in a mixed economy caused by government failure and lack of knowledge among voters. Despite having the highest healthcare consumption in the world, it is most bizarre that millions of Americans lack adequate healthcare.

This imbalance and squandering of resources hampers the United States in its competitiveness in the global marketplace, since in the end it is industry and business, which must carry the healthcare burden, reflecting government failure, and an allocation mechanism that has gone awry. Witness the US trade and current account deficit that must be covered by borrowing from abroad as China. The so-called Obama Care legislation may be seen as solving some of the inadequacies of the system and its misallocation of resources, but the jury is out as to whether it has fixed the problem or simply obscured it in new and as yet unfathomable ways. Therefore, we turn to access to health care and the GP initiative in the South Okanagan of British Columbia, and the physicians group I mentioned above. Will this initiative increase the understanding of the connection between socioeconomic conditions, education, employment, income and disparities in society and people's health?

Let it be a reminder that healthcare consumes resources and tax money at the expense of societal investment in the social, economic and environment needs that secure good health in society. We should ask does a health care system consuming plus 40% of the Provincial budget contradict its own purposes by serving another master than the public good?

The experiment with the new physicians' group could contribute to an increased understanding of the interrelations of economic prosperity and good health and might backwash upon South Africa itself in helpful ways. And so we might ultimately repay South Africa for sending us their doctors.

Kelowna May 20, 2014

Kell Petersen

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