

BULLETIN

## Bait and switch: Governments using crisis to attack health care

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**AS THIS ISSUE OF THE REPORT GOES TO PRESS** British Columbians are bracing for two very austere budgets from the provincial and federal governments. Both Gordon Campbell and Stephen Harper seem poised to use the financial crisis as a rationale for making deep cuts that will permanently damage our health care system.

Sadly, we've seen this before.

Faced with arguments that health care cuts trade short-term savings for greater costs down the line, and confronted with the human cost of cutting programs, some governments believe that crisis presents opportunity.

For several years now, British Columbians have been told that health care costs are growing wildly out of control and will soon consume nearly all the provincial budget, leaving nothing for education, social assistance, child services, environmental protection, policing and transportation. Something must be done to prevent catastrophe, they say.

Then-Finance Minister Carole Taylor first rolled this argument out in 2006 as part of the Conversation on Health. Her centrepiece: a dramatic chart showing health care costs rising from 41 per cent of the 2005 budget to 71 per cent by 2017.

The chart was a masterpiece of propaganda; a highly selective presentation designed to convince the public that health care cuts were not just necessary, but inevitable.

Writing in *The Tyee*, Will McMartin uncovered the twisted logic: Taylor's chart showed health care increasing in proportion to the provincial budget because the budget itself was shrinking in relation to BC's economy.

How did the BC budget get smaller? For one thing, expenditures on welfare and social services, which grew quickly in the 80s, have shrunk considerably in recent years. For another, successive finance ministers, always striving to balance the books, have removed whole categories of expenditure from the provincial budget. The BC Liberals adopted accounting practices that exclude nearly all capital expenses from the fiscal budget, and transferred BC Ferries costs off the books when they privatized the former Crown Corporation.

So as spending on welfare, capital projects, ferries and much more were removed from the budget, health care spending naturally grew in relation to the whole.

The fact is that health care spending as a proportion to BC's economy hasn't changed much at all: in 1984, health costs were \$3 billion, just 6.1 per cent of BC's \$49.8 billion GDP. By 2005, health costs were \$11.7 billion, just under 7 per cent of the provincial GDP of \$168 billion. And that very slight upward trend isn't absolute: in 2002, health care spending topped out at 7.5 per cent of the economy, meaning the problem has

actually been diminishing for most of the last decade.

The bottom line: health care spending is sustainable, and the programs are a good investment in the long term health of BC and its citizens. Lets get on with dealing with the real economic problems of BC, not attacking public health care. 

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