Canadian Public / Private Travel Health Insurance
- *A Consumer's Report*

Review Summary

The Pacific Pearl is an expat magazine published in Mazatlan, Mexico, serving Americans and Canadians living in the Mazatlan region over the winter months. The March 2010 edition included an article encouraging American expats to lobby Washington DC to extend Medicare to them when they are in Mexico. That article prompted the author of this review to submit an article for the April 2010 edition documenting that Canadians have national legislation for medical and hospital care abroad in the Portability Clause of the Canada Health Act (CHA), which states: *"the provinces must provide payment on the basis of the amount that would have been paid by the provinces for similar services rendered in the province, with due regard, in the case of hospital services, to the size of the hospital, standards of service and other relevant factors."* A September 2010 survey of Ministers of Health by the author (the "Survey") (see Pacific Pearl December 2010) reviewed how each province interprets the CHA differently. Table 1 shows the extent of their differences.

The provinces recognize some obligation to pay for coverage for out-of-country emergency medical care. The strategy seems to be to make a "token" payment and then promote the sale of private travel health insurance. Provincial health programs assume the risk that their citizens (beneficiaries) may require health services while they are at home. The only time Canadians are allowed to purchase health insurance for the possibility of needing standard ward in-patient hospital care and / or medical care is when they are leaving the country. The coverage provided by the provinces suggests they are willing to "share" the risk of their beneficiaries needing health care while out of the country with private insurance companies. It is likely that the provinces will continue with these practices unless and until challenged in court. The review warns that such action could result in "the baby being thrown out with the bathwater." An internationally respected travel health insurance industry has developed in Canada since provinces transferred liability to the private sector in the 1990s. This Canadian resource deserves to be seen as part of the solution more than the problem.

Table 1: The amounts paid for in Canadian dollars by Canadian provincial health plans for emergency inpatient hospital services required because of an accident or sudden illness while out of country

Manitoba	1-100 beds $280; 101-500 beds $365; over 500 beds $570
Ontario	Up to $400 per day for a higher level of care (for example, in a coronary care unit) and up to $200 per day for any other kind of care.
Saskatchewan*	Up to $100 per day for inpatient services, up to $50 for an outpatient hospital visit.
Nova Scotia*	$525 per day plus 50% of ancillary in-patient fees incurred.
New Brunswick*	$50 per day for out-patient, and $100 per day for in-patient care
Alberta*	$100 per day for hospital inpatient care, or the amount billed, whichever is less and one outpatient visit per day at a maximum benefit of $50 / day, or the amount billed, which is less.
British Columbia	Limited to a $75 per diem.

* Information not included in survey reply but obtained from provincial website

Fixing arbitrary payment amounts in the health regulations and promoting private health insurance to fill the gap was a reasonable course of action in the 1990s when unscrupulous US service providers were exploiting, in particular, Ontario's health system. Travel health insurance costs were negligible then. The amounts paid by the provinces have changed little since being introduced. In the meantime the private travel health insurance industry has grown to become a very profitable business in Canada.

A Canadian (i.e., 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 working in the Canadian health system are required under provincial legislation to care for Canadians without considering the cost or the residence of the patient. 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 for Canadians throughout Canada 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 at home than to 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 home. If not, the patient has to remain in the foreign land, receiving local medical care. The possibility of these circumstances occurring increases the price of private insurance.

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 responsible (liable) for the cost of this care, or some justifiable portion thereof.

Understandably provinces are reluctant to provide full coverage for visitors to the US where the cost of health services is subject to market forces. All Canadians associated with this review agree that they should purchase supplemental travel health insurance when visiting the US. The issue is the extent to which supplemental health insurance is justified when visiting places like Mexico where health costs are less than in the US and Canada.

The historical constructs of Canada's universal health system have not required public insurance plans to acquire skills in reimbursement of health services based on risk of needing such services; this limits their ability to define "supplemental" cost. Risk-sharing arrangements are called for that recognizes the contribution of public and private travel health insurance sectors in serving the need for out-of-country emergency medical insurance. Were such risk-sharing arrangements to exist provinces would generate revenue from the sale of risk currently being incurred by private insurers. Given their insight of the morbidity of their citizens, provinces could market coverage of pre-existing conditions for an added premium creating further revenue. Citizens would have comfort in knowing that part of their premium goes to their provincial health system. Such arrangements should reduce rate of premium price increase and improve transportation home to their provincial health system, their family and their community, which is where most people want to be when they are recovering from an accident or sudden illness.

If provincial Health Ministries were to have access to expertise in the assessment of reimbursement of costs of out-of-country health services, they may become innovative and determine if there is any cost saving to providing their beneficiaries with the option of receiving services in other jurisdictions instead of returning home. Provincial governments have contractual arrangements with US hospitals to provide care to their citizens when they are unable to provide such care in their systems. Similar arrangements on a broader global scale would likely include beneficiaries assuming some of their cost. Innovatively extending Canada's health services globally in this way has the potential of ensuring quality of services being provided, increasing efficiency and saving costs domestically as well as generating revenue.

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