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## WHEN EVIDENCE MEETS RHETORIC: THE CASE OF MSAs

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The notion of a medical savings account (MSA) system for Canada has been touted by some as a way to save Medicare in Canada. MSAs are one of the funding reforms being considered in Alberta as a result of the Mazankowski report. Advocates generally argue that MSAs would encourage wiser use of health care services and reduce overall costs.

But what happens when evidence suggests something different?

On July 23, the Canadian Medical Association Journal published a research paper by Evelyn Forget, Raisa Deber and Leslie Roos that used Manitoba health data to assess the potential impact of a medical savings account system. In the same issue, CMAJ published a review paper by Samuel Shortt as well as two commentaries, by Jeremiah Hurley (anti-MSA) and David Gratzner (pro-MSA).

Here's how MSAs would work. The government would provide an allowance to each of us to spend on doctors and hospitals. In some models, the money can also be used towards other health-related items, like home care, pharmaceuticals or fitness club memberships. In most models, part or all of the unspent balance can be accumulated for the future. If we spend more than the allowance, we have to pay the extra, up until the level of "catastrophic" costs, the definition of which varies. At that level, the government would step in again.

Using Manitoba data from 97/98 through 99/00, Forget et al. found that actual spending is highly skewed. In every age group, 80 per cent of us spend far less than the average each year, and a very small number spends far more: 1 per cent of the population accounted for 26 per cent of total hospital and physician spending.

It seemed that the basic arithmetic was quite simple: if you give more money to people who aren't spending very much on health care, you can't save any money, unless you take it away from the people who are sick.

To quote Forget, Deber and Roos: "Results will vary depending on how and at what levels the entitlements and catastrophic thresholds are set. No formulation will save the province money unless it imposes heavy taxes on the sickest individuals or sets the entitlement so low as to, in effect, eliminate insurance coverage. Contrary to assumptions that individuals make unnecessary use of the system, or that health care use is relatively evenly distributed, our findings emphasize that the majority of provincial residents make few demands on the system."

The post-release coverage presents what could be an interesting case study in how media reports may be skewed. While most of the coverage was balanced and reasonably accurate, there were some notable exceptions.

On July 31, the National Post published an attack of the CMAJ piece. It was authored by Larry Solomon, Executive Director of the Consumer Policy Institute, a strong proponent of MSAs. Solomon relied heavily on an actuarial report prepared for his Institute which showed that savings were possible with MSAs.

There was a problem with that report though-it was not based on actual data. The reason that it showed savings is that it assumed them. Forget et al. used real data in their paper and could find no evidence that MSAs would be cost-saving.

The use of real data must have panicked Solomon. His article was filled with personal insults directed towards Raisa Deber-an indication of just how frightening the evidence was to the pro-MSA lobby.

Deber, Forget and Roos sent a response to the Solomon piece to the Post on August 1. It was not published until August 7, along with a second piece by Solomon.

In the Ottawa Citizen, an editorial by Sam Shortt against MSAs was published on August 3. Shortt, who also wrote a review paper for the July 23 CMAJ, presented several arguments as to why MSAs would not work.

Simultaneously the Citizen printed a piece by an economist with the Fraser Institute, a right-wing think tank, disagreeing with Shortt's paper. It was clear that he was given a chance to prepare a rebuttal to

Shortt prior to publication.

Several other newspapers-the Globe and Mail, the Halifax Daily News, and the Regina Leader Post-presented further in-depth coverage that was a more balanced view of not only the evidence but also commentaries from others.

We are not arguing that MSA supporters should not be allowed to express their point of view. But we do take issue with the fact that some media outlets gave MSA-proponents an opportunity to prepare a response in advance, without offering the same opportunity to those who disagree.

The response from the MSA advocates has been concerted, persistent and shrill. Their lack of evidence seems not to faze them. Yet, the very nature of their response speaks to how compelling the evidence is.

To see the MSA articles referred to here, please visit MCHP's home page and click on "Hot Topics."



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