



# INSIGHTS

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ISSUED QUARTERLY

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## Dealing with Staggering Medical Costs

Just thinking about the financial stress that Canada's medical system is under is enough to give the most stable of individuals a headache. The cost of providing Canadians with medical care boggles the mind and, for various reasons, is higher than anyone a generation ago imagined it could become.

Take a look at some figures compiled by the Health Council of Canada, a non-profit organization that assesses the Canadian health care system. The Council presented its figures in a report entitled, Value for Money: Making Canadian Health Care Stronger. Total spending on health care rose to \$160 billion in 2007 from \$84 billion in 1998. That means the amount Canadians spend on health care almost doubled in a decade.

That increase by itself is staggering. What is as interesting are the reasons behind the increase. Many are surprising.

The aging population has always been cited as a big factor pushing up medical costs. And the report did find that the number of people living longer accounted for about 11 per cent of the growth in spending. But this is not the major cause of the increase.

The Council found increases in the use of medical services account for 48 per cent of the growth. In other words, almost half the increase occurred because Canadians, generally, received more medical attention than ever. Other factors behind the cost spike included population growth, 14 per cent, and inflation, 27 per cent.

Commenting on the increased use of medical services, Dr. Heather Manson, senior medical advisor to

the president of the Ontario Agency for Health Protection and Promotion, said advances in medical technology are also a possible cause. "When technology makes it easier, faster and less invasive, more patients will use that technology and spending will increase." Knee replacement operations would fit into this category.

There is logic behind this observation.

If patients can easily receive medical treatment that improves their health and the quality of their lives, they will happily accept it. The range of procedures available today is far, far greater than, say, in the middle of the 20th century.

Although the report provides information rather than suggesting solutions for ballooning medical costs, the report questions whether all the treatments being provided are appropriate. For instance, it cites a study in British Columbia that suggests many patients have received unnecessary cataract surgery.

When looking after patients or analyzing medical procedures in general, doctors may wonder which procedures are appropriate. After all, medicine is both an art and a science. But even if some procedures aren't, strictly speaking, necessary, the amount that could be saved by not doing them would not offset the huge cost increases we have seen.

The Health Council hopes that its report will prompt public discussion of health care. That's a valid goal. There are no quick or easy solutions for Canada's health care problems,

but any solutions that do come have to start with discussions that may lead to a new consensus.

In the era of modern medicine, everything is based on budgets. Budgets need to be adhered to. Are the residents of Ontario and the rest of the country prepared to use the tax system to pay for all medical

services? This is a more complex question than it might seem because Ontario's current premier, Dalton McGuinty, has twice run election campaigns on a pledge of not raising taxes. That pledge, though well-intentioned, isn't necessarily realistic if Ontarians expect quick treatment when a doctor diagnoses a problem.

Canadians expect that their tax dollars will be judiciously spent. The debacle of untendered contracts being doled out by EHealth Ontario, and bonuses being paid out to its former CEO are but two examples of a lack of accountability. The idea of having Price Waterhouse Coopers look into the procurement practices at the provincial agency was a step in the right direction. Cancelling this independent review, and turning it over to Ontario's auditor general is, to be nice, whimsical.

Ontario's health minister, David Caplan, if he is to remain the health minister, needs to explain how \$5 million dollars was doled out in untendered contracts. Otherwise, add government misspending to the list of reasons why medical costs are on the rise. Just thinking about it is giving me a headache.

Until next time...



***Almost half the increases in medical services occurred because Canadians, generally, received more medical attention than ever.***

## PLAN MEMBER WEBSITE



RWAM's Plan Member Web Service provides plan members secure and easy access to their personal benefit data, claims information and more features...

### Personal

- **Personal Data**
- **Beneficiary Information**
- **Dependent Information**
- **Direct Deposit**
- **Co-ordination of Benefits**

### Claims

- **Fast Facts**
- **Claims Search**
- **Claims Forms**

### Coverage

- **Coverage Summary**
- **OneCard**

### Getting Started is Easy...

RWAM's Plan Member Website can be accessed through the direct link on the home page of our site - [www.rwam.com](http://www.rwam.com) under Plan Member Sign-In. If you do not already have a User ID and Password, you can 'Register Now'.

**Provide your full name and surname** - Your first and last name must be entered exactly as they appear on your Certificate/ OneCard/ Student Card.

**Provide date of birth, group number & Certificate/Student #** - These can be found on your Certificate/OneCard/Student Card.

**Check the authorization box** - This will indicate your authorization to view claims information concerning any dependants enrolled under your plan. Then 'Continue'...

**User ID** - You will be provided with a User ID #. We recommend that you store this User ID in a safe location as you will need to enter it during the Sign-In. Select the delivery method for your password - email, postal service or you may contact RWAM.

**Sign-In** - Once back on the Sign-In page, enter your User ID and temporary password. Your temporary password will need to be updated prior to completing the Sign-In. If we do not have your email address, you will have the option of providing it for future communication and Claims Explanation of Benefits.

If you have any question, please do not hesitate to contact RWAM Group Administration at:

**1-519-669-1632 or 1-877-888-7926 email: [inquiry@rwam.com](mailto:inquiry@rwam.com)**

## HEALTH NOTES

**August means getting ready for back to school** - time to get all the vaccinations you need. Getting shots



isn't just kids' stuff - regardless of your age, getting vaccinated is essential for protecting you, your family, friends and community against serious, life-threatening infections. Learn the facts about immunization at: [www.phac-aspc.gc.ca/publicat/cig-gci/index-eng.php](http://www.phac-aspc.gc.ca/publicat/cig-gci/index-eng.php)

**New hope for gout?** Gout is an increasingly common form of arthritis, especially in men. Risk factors include obesity, heavy beer drinking, high intake of shellfish or liver and excessive consumption of high-fructose corn syrup (found in soft drinks and processed foods). Vitamin C may help: a study of nearly 50,000 men showed that taking 1,500 mg a day substantially reduced their risk of getting gout.



**The 4th leading cause of death in Canada is chronic obstructive pulmonary disease (COPD)** -

a condition that includes emphysema and chronic bronchitis. Smoking causes about 80-90% of COPD cases. To protect your lungs, kick smoking with help from The Lung Association site ([www.lung.ca](http://www.lung.ca)).



**Overweight children are much more likely to become obese adults.** Heavy kids have a higher chance

of developing ailments associated with adults, such as type 2 diabetes and high blood pressure. Children who stay obese as adults are also at increased lifetime risk of arthritis, sleep apnea, esophageal reflux disease, cancer and heart disease. Ask your child's provider to measure your child's height, weight and body mass index at every visit, and plot it on a growth curve.



Source: Body Bulletin - Canada Aug. 2009