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CAN CROSS-BORDER HEALTHCARE BE THE SAFETY VALVE FOR WAITING LISTS IN CANADA?

By Fred Roeder, with the collaboration of Emmanuelle B. Faubert

Millions of Canadians are currently on waiting lists for medical diagnostics and treatments.¹ Making patients wait for treatment can lead to loss of income, chronic pain, depression, and even death, but wait times for surgeries such as knee or hip replacements have increased in recent years. In 2019, 70% of patients requiring a knee implant received it within the 26-week benchmark waiting time. By 2023, this number had fallen to 59%. A similar picture emerges for hip replacements, for which in-time surgeries decreased from 75% to 66%.²

The solutions to this problem prescribed in Canada to date have not been successful, thus it would appear the time has come to consider more innovative and unconventional policy solutions to deal with Canada's healthcare shortages.

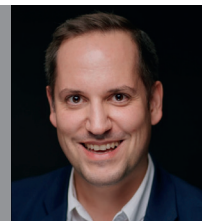
On the other side of the Atlantic, UK patients have been struggling with similar waiting lists.³ Thanks to membership in the European Union (EU), however, an opportunity emerged in the early 2000s for patients suffering on these lists. (The United Kingdom was then part of the European Union and, as such, patients in that country were eligible for full membership benefits. This ended when it left the Union in 2020.)



In 2002, British national Yvonne Watts, then 71 years old, was suffering from arthritis in her hips. She tried to get treated in the UK's health system, but the National Health Service (NHS) told her that she needed to wait 12 months for a hip replacement, and that treatment in another EU country was denied under pretext of her condition's "lack of severity."⁴

Mrs. Watts took matters into her own hands and had the surgery in France, paying £3,900 out of her own pocket, the equivalent of about C\$10,673 in 2024.⁵ She then applied for reimbursement in the UK, referring to the EU's single market, but the NHS refused her

This Economic Note was prepared by **Fred Roeder**, Health Economist and Associate Researcher at the MEI and at SecondStreet.org, in collaboration with **Emmanuelle B. Faubert**, Economist at the MEI. It is the result of a collaborative effort between the MEI and the Canadian think tank SecondStreet.org. The MEI's Health Policy Series aims to examine the extent to which freedom of choice and entrepreneurship lead to improvements in the quality and efficiency of health care services for all patients.



request. While Mrs. Watts never received reimbursement for her surgery, she did pave the way for what is now called the EU Directive on Patients' Rights in Cross-Border Healthcare.⁶

The European Union used Mrs. Watts's case to tackle patient wait times by codifying cross-border healthcare and allowing patients to seek care in neighbouring countries. This mechanism has since served as an emergency safety valve for European patients.

In short, the EU Patients' Rights Directive created in 2011 established that EU citizens are allowed to seek elective medical treatment in another EU country, but they will only be reimbursed for services that are covered in their country of residence, and up to a maximum of the cost of treatment.⁷

BENEFITS OF EU CROSS-BORDER HEALTHCARE

The EU Patients' Rights Directive, sometimes referred to as the "Cross-Border Directive," offers EU citizens a more expansive choice with respect to where they can get treatment. The number of patients crossing borders for an elective treatment is smaller. The EU Commission admits that the quality of data on treatments abroad is limited due to the lack of harmonized reporting systems on the country level. Of the measurable data, most cases of authorized requests for cross-border treatments are for Luxembourgers going abroad to nearby Germany, and Slovak patients traveling to neighbouring Czechia.⁸

When outpatient and urgent care treatments are included (still determined from low-quality data), one can assume numbers of roughly €1 billion spent on treatment abroad in 2019, and a maximum of 2,240,000 patients treated (representing around 0.5% of the EU's entire population, and 0.1% of total healthcare spending).⁹ When looking only at elective treatments in 2022, over 450,000 EU residents made use of this mechanism, spending a total of \$118 million CAD, or 0.01% of the countries' entire healthcare spending.¹⁰

Given that this is an exceedingly low percentage, it may not seem important at first glance, especially when compared to the total population of the EU (449 million people). However, these low numbers may be explained by the fact that the larger countries such as France and Germany have no significant waiting lists, as well as by the language differences between countries that may deter patients from seeking care abroad. Despite this, the cross-border mechanism still plays its role as a safety valve: it is supposed to work only when the healthcare system malfunctions significantly, something that has not been typically the case (outside of the UK).

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Cross-border healthcare compensates for shortages in national health systems

There are reasonably significant disparities in the number of physicians per inhabitant within the European Union. For instance, the EU's wealthiest member state by GDP, Luxembourg, has only 3 physicians per 1,000 inhabitants, whereas Germany has 4.5.¹¹ Cross-border healthcare compensates for the disparity: per capita, Luxembourg had the largest share of nationals seeking treatment abroad for elective medical services, at 5,342 patients in 2020 (or 0.8% of the population).¹² Germany, with a population of 83 million (125 times larger) but no waiting lists, saw only 8,799 patients seek scheduled treatment away from home.¹³ Were the situation in Germany to deteriorate significantly, cross-border healthcare treatments for its citizens would certainly rise.

Facilitating treatment abroad

Patients do not need prior approval from their national health system for most outpatient treatments in another EU country. Additionally, prescriptions issued in one EU country are valid in every other.

However, while most EU countries do require pre-approval for specialized treatments or treatments requiring at least one night in a hospital, in 2022 80% of requests for such treatments abroad were approved (this applies to treatments that require a pre-authorization, such as inpatient or highly specialized treatments).¹⁴

Health benefits thanks to timelier treatment

Measures such as allowing patients to travel abroad might well increase healthcare spending in the short term, as there is a lot of catching up to be done before waiting times are significantly reduced. But the resulting earlier treatment may, in turn, reduce the number of more complicated cases, because longer waiting times for patients (for both diagnostics and treatments) mean higher risks that severe diseases are detected too late, making treatment either more expensive, or altogether futile. Longer wait times also mean reduced productivity of the workforce, as many patients are less than fully productive while sick, sometimes due to significant impacts of illness on mental health.

Despite it having a younger population, the share of GDP spent on healthcare in Canada is on par with Germany and France, countries that do not have wait times for patients, but do offer cross-border treatment in keeping with their EU membership. This is an indicator that reducing wait times by using cross-border healthcare as a safety valve could lead to fewer Canadians having to wait for treatment. This would allow Canada's provincial health systems to escape the constant catchup with patient queues and focus proactively on treating new cases.

REMAINING OBSTACLES TO THE EU CROSS-BORDER HEALTHCARE MARKET

The European Commission admits that more patients must be made aware of their right to be treated in another EU country.¹⁵ Awareness-building is needed to scale up cross-border healthcare, which would, in turn, reduce overcapacity and shortages in the respective member states. Countries such as Finland and Czechia are exemplary in this regard, offering comprehensive online

tools to inform patients about their rights and options.¹⁶

Most EU countries still require prior approval and delay reimbursement

While patients usually do have their requests approved, they must navigate complex bureaucratic procedures before receiving elective treatments in other EU countries if these involve at least one night's stay in a hospital (see Figure 1). This tends to reduce cross-border movement, as most patients do not even want to start the process of getting approved. Out of the 27 EU member states, only 7 allow patients to seek all treatments in another EU country without any prior authorization (see Figure 2).¹⁷ Indeed, in many health systems, even domestic in-patient treatments require pre-approval by the relevant health organization.

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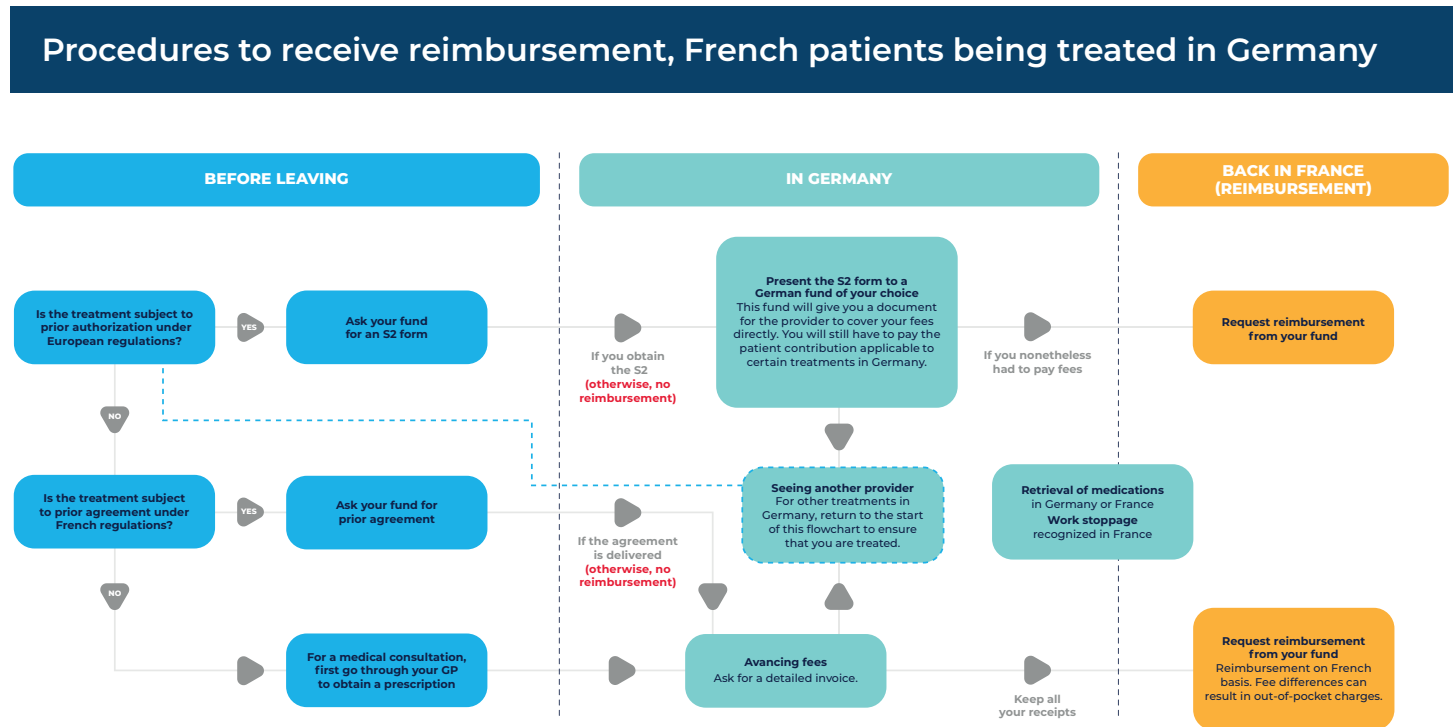
Out of the 27 EU countries, just 5 have an online system allowing patients to request approval for treatment abroad.¹⁸ In the member states for which data was available, the average processing time of reimbursements for care received in another country (for those treatments which required prior authorization) was 82 days in 2022. This means patients waited nearly three months to receive their refunds.¹⁹

Some payers, such as the German statutory sickness funds, also deduct a 5% administrative fee on reimbursements for treatments abroad, hence further disincentivizing cross-border treatments.²⁰

Lack of price transparency

The European Commission keeps a list of national contact points (NCP) aimed at helping inbound and outbound patients with their decisions to seek treatments in other

Figure 1



Source: Eddie Pradler and Lydia Kassa, "Vos soins en Allemagne – Information destinée aux personnes qui résident et sont affiliées en France (et à leurs ayants-droit)," TRISTAN, May 2021, p. 3.

countries,²¹ but it can be very complicated for patients to understand exactly how much their national insurance system will cover. Price transparency does not seem to exist, and there is a lack of comparative online tools that patients can use to determine the difference in specific treatment costs between their country and another member state country they would like to get treated in. The NCP websites tend to be vague on this as well.

Due to differences in the design of various national health systems, the price information required for patients to understand a) what the reimbursement level of their health system is, and b) how much the treatment in another member country costs, is often simply absent. Public authorities should provide this type of information to ensure citizens have a full understanding of their healthcare options.

Complex bureaucratic procedures

The EU's patient handbook on cross-border treatments gives a good idea of how many bureaucratic steps a patient must brave in

order to have their treatment covered or reimbursed.²² A French-German-Swiss regional guide attempts to illustrate the steps required for a French national to get treatment in Germany (see Figure 1).

This would allow Canada's provincial health systems to escape the constant catchup with patient queues and focus proactively on treating new cases.

Patients need to understand how much potential out-of-pocket spending will be required for a given treatment in another country. A simple one- or two-step solution to provide patients with price transparency, easy approval, and reimbursement is sorely needed.

CONCLUSION

Wait times in Canada are a growing problem for patients in all provinces. Recent policy

proposals in British Columbia aimed at reducing waiting lists suggest sending patients to other provinces, and allowing for private care providers.²³

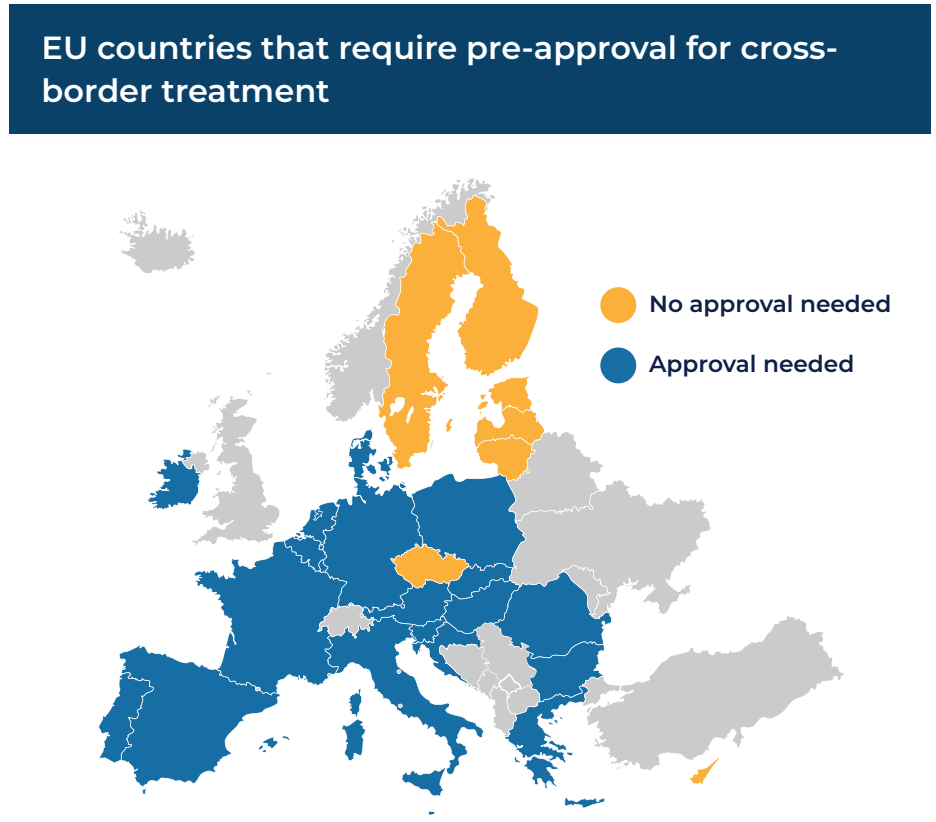
Similarly, the Canadian Medical Association has supported the “publicly-funded wait-time safety valve” of allowing patients to seek treatments outside of the their home province when the wait will be too long, but then rejected the idea of extending this outside of the country.²⁴

But looking beyond Canada’s borders seems a well-advised measure to ease patients’ wait times in the short term, and the EU’s example demonstrates that such a mechanism could indeed serve as a safety valve, releasing patients from wait lists and bringing treatment wait times down by making efficient use of healthcare infrastructure abroad.

A streamlined system in which Canadian patients can seek out medically-elective services abroad (either in the neighbouring US, or in an OECD country with similar standards and safety of care) would help reduce wait times and give patients more choices. The lessons from the current state of cross-border healthcare in the EU are fairly clear: the patient should be reimbursed for at least the amount that the treatment costs in their home province, and both red tape and lengthy approval processing times should be minimized.

Thanks to the Patients’ Rights Directive, EU citizens have more choices regarding where to seek medical treatment. EU cross-border care can significantly reduce patient wait times without creating additional financial burdens for the member states. Although the volume of cross-border treatment

Figure 2



Source: European Commission, “Report from the Commission to the European Parliament and the Council on the Operation of Directive 2011/24/EU on the Application of Patients’ Rights in Cross-Border Healthcare,” May 5, 2022. It should be noted that although the Netherlands does not have any formal legislation on the books concerning prior approval, it does seem to be required by their health insurers.

remains minimal in Europe, the cross-border directive represents an effective safety valve for patients should the care offered in their country start to deteriorate.

EU cross-border care can significantly reduce patient wait times without creating additional financial burdens for the member states.

As a potential next step, more countries (whose health services can be deemed safe and reliable) should consider mutually recognizing each other’s health systems and allowing patients to seek treatment in all of them. Patients would receive reimbursement at their national rates, as well as having the opportunity to purchase supplementary

insurance for any price difference between their own country's health system and that of the destination country. The result would be fewer patients on waiting lists waiting shorter times for treatment in Canada: a policy achievement everyone can agree on.

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910 Peel Street, Suite 600, Montreal (Quebec) H3C 2H8 T 514.273.0969
150 9th Avenue SW, Suite 2010, Calgary (Alberta) T2P 3H9 T 403.478.3488