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Sisters Carol Burgess (left) and Lisa Lineberg process a catering order at Charleston's Chesapeake Bagel store. "We wish we could find affordable insurance," Burgess said, "but it seems to have gone beyond what we can afford."

Photographer:
M.K. McFarland

August 3, 2003

Insurance: With & Without

- In West Virginia: 'We wanted to be different'

By Kate Long
Staff Writer

The cost of U.S. health care - and therefore health insurance - has doubled in the past seven years. Experts say insurance prices will double again by 2008 if health care costs keep rising at the same pace.

The "Everybody at Risk" series has examined the impact on individuals - one in four working-age West Virginians was without insurance in 2002 - but what about the impact on the small businesses that employ most West Virginians? What happens when they try to provide insurance in today's market? These stories, focusing on two sets of sisters, provide a broad context for the West Virginia dilemma.

SISTERS Carol Burgess and Lisa Lineberg slice bagels, tote bags of flour, run the cash register, wait on customers, and mop floors at the Chesapeake Bagel store.

They own the business. Seven years after they opened their franchise, they have finally made it into the black. "There aren't many days I'm not here before 6 a.m.," Burgess said. Many nights, they don't wrap up the catering orders until 7 or 8, sometimes 11 p.m.

The Mingo County natives and their 15 employees often joke together and greet customers by name. "Carol and Lisa are like family," said 62-year-old cashier Nancy Billanti. "If you need financial help, they help you. They've helped a lot of these young people when they got in a pinch."

Canadian and American health-care spending: some comparisons

	Total health spending		Growth rate	Public spending	
	Per capita in US dollars	Percent of GDP*	of Health Care spending per capita	as percent of GDP*	per capita
US	$4,631	13.0	3.2 percent	5.8 percent	$2,051
Canada	$2,535	9.1	1.8 percent	6.5 percent	$1,825

	Private health spending		Spending on pharmaceuticals	
	As percent of total health spending	per capita	Spending per capita	Growth rate in per capita spending
US	55.7 percent	$2,580	$556	6.0 percent
Canada	28.0 percent	$710	$385	4.8 percent

*GDP=gross domestic product: a rough indicator of a country's ability to pay for health care.

Source: Organization for Economic Cooperation and Development, OECD Health Data 2002, as cited in Health Affairs, Volume 22, Number 3, Anderson, Reinhardt, et. al. The median country finances 26 percent of its health care from private sources.

ANDRIA L. RUMBERG/Sunday Gazette Mail

When her husband was in the hospital, Billanti said, Burgess let her take a week off with pay. "She said for me not to worry about it."

The sisters dig into their own pockets in part because they can no longer provide health insurance. "We've scratched around to find the best deal we could offer," said Burgess. "We would love to provide full coverage for our employees, and we would love to pay for it. But we can't afford to do that anymore."

Since 1996, they have gone through three insurance plans, trying to keep ahead of rising premiums. "Each time we changed, we had to offer a little less," Burgess said. "I hate it."

Many of their Capitol Street neighbors are in the same boat. "We all talk about it a lot," said Burgess.

• Aoleen Stavrulakis, co-owner of Mykonos Cafe, five doors up: "We used to offer insurance to all our employees, a deal where we paid half and they paid half. But we dropped it the first of the year. I feel bad, but I had no other choice. It had become just too expensive. Right now, I don't even have insurance for me and my husband."

• Amanda Terry, manager of The Dresser: "I don't have insurance, and I just hope I don't get sick."

• Denver Sirbah, manager of Larry's Giant Subs: "You can buy into the plan, but it's too expensive if you're not in management."

• Ellen Beal of Ellen's Ice Cream: "I hate to talk about it, it's so upsetting. I can't get a good manager without insurance. It's reached crisis point, and the government isn't doing anything."

• Phil Aldrich, owner of Aldrich Business Forms and Supplies: "With the economy we're in, it's difficult just to pay the bills. There's no way a business of my size could pay for insurance."

• Ivor Sheff, owner of Ivor's Trunk. "That's why companies are only hiring part-time employees nowadays. We need a large buying group."

"Everything in my price range now seems like it has something fishy about it," Burgess said. "It might look good on first glance, but when you look closer ..."

"The system that depends on health insurance that comes through the workplace is breaking down," said Jerry Flanagan, consumer advocate at The Foundation for Taxpayer and Consumer Rights. "A lot of small business owners genuinely want to offer insurance, but basically, the only thing they have access to now are empty plans that may or may not be available when the employee gets sick."

Larger businesses aren't far behind. McCabe-Henley covers all their employees through Carelink. "We're trying to tighten up our deductibles and in some ways contract the coverage," said owner Brooks McCabe. "But we're still faced with significant price increases, and we've had to eat the difference." They checked out other plans, "but we got the same story from everybody."

"We're not talking small change when we talk insurance," said Chesapeake Bagel customer Roger Forman. Forman, senior partner of the Forman and Huber law firm, said his firm pays $38,400 a year for basic insurance for 14 people. "That's a nice big hunk every month."

His 32-year-old male law partner costs $211 a month, and a 42-year-old female secretary costs $590. "I think we should all share the risk equally, so I'm for national health insurance," he said. "I'd much rather pay whatever extra taxes it costs, so everybody had health insurance."

'I only make so much'

At Chesapeake Bagel, the regular morning customers drink coffee, trade gossip, and read newspapers. Wall Street Journal readers regularly scan front-page stories with titles like "Health Coverage Is a Big Burden for Little Firms" and "With Medical Costs Climbing, Workers Are Asked to Pay More."

Plowing through those articles, they find that:

• Eighty percent of United States business owners who do offer health insurance plan to cut benefits and/or shift more cost to their employees in 2003, according to the Kaiser Family Foundation.

• Many large national corporations are downgrading to "limited benefit" health insurance policies that limit total payout to only $1,000 per year.

• In June, only 1 percent of small business managers nationwide said they planned to hire new employees, according to the National Federation of Independent Businesses (NFIB). They cite health care costs as a major reason.

• U.S. small businesses say the cost of health care is their number one problem, according to a wide-ranging NFIB survey.

Of course, every business owner does not want to insure his or her employees. Four out of 10 West Virginia small business owners recently told West Virginia University they would not offer health insurance at any price.

Burgess said she and her employees have talked about insurance. They know that by the numbers, this is now an impossible goal for them.

• A basic small group insurance policy in West Virginia now starts in the $225 range per person, according to the state Insurance Commission.

• Half of the uninsured people in the state - including most restaurant and retail employees - make less than $20,000 per year, according to a WVU Health Policy Institute survey.

• Most employees in that wage range cannot afford co-pays above $50 a month and many of their employers can't afford more than $100 a month per employee.

Karen Pollitz, Georgetown University researcher, operates a Web site called healthinsurance info.net. "At the end of the day," she said, "the small businessperson says, 'I only make so much money. I want to offer benefits, and I want to buy as much coverage as I possibly can.' But if a small employer can only afford to spend, say, $100 a month per employee ... then the co-pay is going to be a problem" for people who make below $8 an hour, she said.

"I can't even think about it [$150 a month]," said Chesapeake Bagel cashier Nancy Billanti. A good chunk of her take-home pay has to go to her husband's heart doctor, she said.

People who earn more than $25,000 may not understand why even a $60 co-pay can be tough, said Joy Doss, manager of Taylor Books "But the people I work with, most of them don't have somebody at home who can help them out. They're paying about $300 a month rent, usually sharing a place with somebody else. Plus they have to eat and get to work. If they have a car, that means parking.

"We start most people out fairly well above minimum wage, but even with that, after they pay their bills, they have a little spending money left. If they spend $30 or $40 every two weeks on insurance, that would be their spending money. And they don't want to lose that.

"So we offer insurance and pay 80 percent of the premium, but most people still can't take us up on it."

'We wanted to be different'

Seven years ago, the year Burgess and Lineberg sold their first bagel, they also offered health insurance to their full-time employees. "We were really proud. It was decent coverage."

"Lisa and I wanted to provide insurance for everybody. We wanted to be different that way from a lot of other restaurants," Burgess said. "Our dad worked in insurance in Williamson over 40 years, and that's something we wanted to do for people who work here."

"We thought it would help us keep good employees, too," Lineberg said. "It's expensive to train new employees."

Premiums were $160 a person then. They paid the entire premium for full-time employees, who then paid a $15 co-pay for a doctor visit.

"We thought we'd start with that and build from there," Burgess said. But just as they opened the store, the price of health insurance started a steep climb.

Their second store in Huntington went bust. And meanwhile, the cost of U.S. health care - and health insurance - doubled, thanks to huge increases in the United States price of prescription drugs, hospital costs, and medical salaries, plus insurance company stock market losses.

The sisters' first company, American General, hit them with hefty rate hikes. "Every year, like clockwork," Burgess said.

They switched to American Medical Securities to avoid asking employees to pay a co-pay. "They paid well, and their coverage was decent, but their rates went up too high, too."

"It drove me crazy," Burgess said. "We couldn't understand why it kept going up so high. We weren't filing a lot of claims."

They were taking a crash course in the realities of small business insurance in the United States:

• The smaller the business, the more likely the rate hike: In West Virginia, any small business is its own "pool." If one person gets cancer in a pool of 2,000 people, the expense is spread among thousands, so everyone's bill inches upward at worst. But if only 2 to 20 people are in a pool - the Chesapeake Bagel size - an employee in the hospital for a week can send everyone's premium zooming up. "If a new employee comes on, it goes up," Burgess said.

• Most insurance companies require that at least 60 percent of eligible employees sign up, before they issue a group policy. They want to make sure they're not just getting the people most likely to file claims. But most Chesapeake Bagel workers - like many restaurant workers - are in their 20s. Many don't expect to get sick.

"A lot of my young employees, they'd rather have a raise or they'd rather have the money," Burgess

said. "They could care less about insurance."

• Most insurance companies require a waiting period of between three and 12 months before a new employee can be added to insurance. In a business like Chesapeake Bagel, with high turnover, this makes it harder to achieve a pool.

• Under the West Virginia small business system, if an employee is older, a female of child-bearing age, or has a history of high claims, the price goes up for everybody. But in thirteen other states, insurance is "community-rated," meaning the price is the same for everybody, because all or most businesses are in the same pool.

• State-regulated group insurance must cover conditions required by the state: nursing services, mammograms and pap smears, emergency services, postpartum hospital stay, child immunizations, diabetes coverage, colorectal cancer screening, mental health parity. So businesses like Chesapeake Bagel cannot buy limited benefit insurance. Businesses that create their own health insurance plan and pay all claims and costs from their own funds are not regulated by the state. They can include or not include whatever they want.

• Most insurance companies will not allow an employer to include employees who work less than 30 hours a week, unless they pay extra-high prices.

In 2002, Burgess and Lindberg signed up with their third company, Pacific General. "The coverage we could afford wasn't even that good," Burgess said. "And then they didn't pay half our claims. They told us we'd get all these discounts that didn't happen."

"By that time, there were just three of us left on it," Burgess said, "and our total premium was $1,200 a month."

Earlier this year, Pacific General told them their premium would go up another $400. Now they're casting about again. "We've tried," Burgess said. "And we're still hoping to find something."

She questions the practice of making each small business be its own pool. "Seems like there should be some way restaurants and small businesses could band together and buy insurance together, so we'd have a big pool and get better rates. Why do each of us have to buy by ourselves?"

Two blocks down Capitol Street, at the Charleston Chamber of Commerce, Linda West, senior vice-president, sighed when asked if they would organize a pool for small businesses. "We did that for years," she said. "But with prices going up, it just got too difficult."

So Burgess and Lineberg - and many other employers - keep plugging holes in the dam. In July, one of their young workers had a baby. "They helped her," said Billanti.

It was a drop in the bucket, Burgess said, compared to what good insurance would provide. "You have single mothers who can't afford to get the insurance, yet they can't get the medical card, because the government says they make too much money."

"This is really a classic story," said Consumer Advocate Jerry Flanagan. "It really is a clear picture of the problem: Many people who are working can't afford coverage anymore. Adequate health care is becoming more and more an entitlement for the wealthy. Is that what people want? I don't think so."

On the Web

If you'd like to compare the Canadian and American systems in detail:

Health Affairs: www.healthaffairs.org. A medical journal devoted to examining medical issues of importance in public policy. Each May/June issue compares the health systems of various countries.

Canadian Institute for Health Information: www.cihi.ca. The repository for comprehensive information about the Canadian health care system.

Canadian Medical Association: www.cma.ca. Statistical information about physicians and the practice of medicine in Canada. Or the Canadian Medical Association Journal - www.cmaj.ca

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The Molot sisters - Andrea (left), Debbie, and Carolyn - own Sisters Deli in Ontario, Canada. The deli - and its owners - are much like Charleston's Chestapeake Bagel store and its owners, but all Sisters Deli employees have government health insurance that covers 100 percent of medically essential hospital and physician care. Courtesy

Photographer:
Gary Yokoyama/The Hamilton Spectator

August 3, 2003

Insurance: With & Without

- In Canada: 'A fairer, more humane mess'

By Kate Long
Staff Writer

ABOUT 500 miles north of Charleston, Carolyn Molot arrives at Sisters Deli most mornings before 7 a.m. She and her two sisters, Debbie and Andrea, started the eatery in Hamilton, Ontario, six years ago. "We cook, clean, dishwash, scrub bathrooms. There's not one thing our staff does that we won't do," she said. "We're a team. We lead by example."

By 8 a.m., a mix of people in suits, T-shirts, and what-have-you are drinking coffee, hanging out before work, reading newspapers.

The 40-year-old Molot and all nine of the deli employees have health insurance. "Sure we do," she said. "We're Canadians. Our government supplies that to us.

"My dishwasher has the same government insurance as the prime minister has. Our cook has the same as the president of the Bank of Canada."

"When I sliced off part of my finger on the meat slicer, the hospital bandaged me up, and all I had to do was show my health care card and say 'thank you.' We don't have somebody greeting us at the hospital door asking how we're going to pay."

Molot and her employees carry cards from Ontario Health Insurance Plan (OHIP). They are not charged for doctor or hospital visits, optical or prenatal care, dental surgery or home health service. The magic words are medically necessary. "They won't pay for you to have a face lift," Molot said, but if you break your leg while playing Frisbee, get cancer, or get pregnant, your medical expenses are covered.

Molot was amazed to hear about the Chesapeake Bagel store owners' hassles with health insurance. "Thank God we don't have that situation," she said. "We'd be right in there with them. And we'd be constantly paying for things ourselves. That's how my sisters and I are. We feed every orphan, and our mortgages don't get paid."

Molot has never had to worry that a large insurance claim would send her business health insurance premiums through the roof. "One of our workers was painting the kitchen on a ladder, and he stood up, cracked his head on the metal fan and fell off. We rushed him to the hospital, and they ran tests on him and kept him for the night. OHIP took care of it."

If that accident had happened in the States at a business with small group insurance, the cost would have been spread only among employees of that business. In Canada, the expense was spread among 11 million Ontarians.

Ontario - like all Canadian provinces - runs its own insurance plan. To get federal dollars, OHIP must pay for basic hospital and physician care. After that, they decide what else they will include. The federal government pays part of the cost.

• A Canadian is covered anywhere in Canada. "Our card is good in all the provinces," Molot said. "If I have a heart attack in British Columbia, I'm taken care of."

• Ontario doctors bargain collectively with OHIP every three or four years. The Ontario Medical Association sits down with OHIP, and they negotiate the schedule of fees doctors will get for the next few years.

• It is against the law for any doctor or hospital to give a patient an additional bill for services covered by OHIP.

• Some employers and individuals buy supplementary insurance to cover things OHIP doesn't: private hospital rooms, duplicate tests, private physical therapy.

• Drugs are not covered, except for partial coverage for elderly, disabled, or catastrophically-ill patients and drugs administered in hospitals.

Canadian emergency care is first-rate, Molot says. Emergencies go to the top of the doctor's list. But people wait, sometimes months, for non-emergency surgery, specialist visits or high-tech tests.

In 2002, Americans listed the high cost of care and inadequate coverage of services as their two top complaints about the health care system. Canadians complained about the shortage of doctors and long waiting times.

At least Canadians wait equally. The deli's early-morning customers may have spotted a February Hamilton Spectator article, "Wait for surgery long, but fair: same length for rich, poor." In a seven-year study, Canada's Queens University researchers found that wealthy and poor Canadians alike wait about 30 days for common surgeries.

Dr. Samuel Shortt was the lead author of that study. "If the state declares that it has a monopoly - as in many ways our Medicare system does," he said, "then it's an absolute prerequisite to show that this is an equitable system. In a system of mixed private and public, people buy their way to the front of the line, and equity isn't an issue. That's not what the goal of the [Canadian] system is."

That's the point, Molot said. "I'm glad that we aim for these kinds of things, but right now we're having

a little problem hitting the target." The doctor shortage is throwing a cloud over the good things about the Canadian system, she said.

Most doctors in Hamilton are not taking new patients right now, she said. Her own father is a doctor, so if any of her employees have trouble getting a doctor, she can usually convince somebody to take them. Otherwise, they would have to go to a walk-in clinic or the emergency room.

One in 10 Canadians do not have a regular doctor, according to the Canadian Medical Association. "If you don't have a regular doctor, everything is still free," Molot said, "but you may have to wait 12 hours in an emergency room to see a doctor who doesn't know you."

"You have to keep reminding yourself that you could be living in a country where you had no insurance." She has beginning rheumatoid arthritis, she said, and she can just imagine the bills.

'What about this doctor shortage?'

Molot says she knows Canadian doctors who moved to the United States to make more money. "OHIP will pay only a certain amount per patient," she said. "So some of our docs move to America. Doctors come here and fall in love, then some of them say after five years, 'What am I doing here? I'm not making the money I would in the States.'

"But a lot more of them stay," she said. "Life is not all about money. It's about quality of life, safety for your kids, and health systems, the values people have. For instance, we want to live in a place where we probably won't get nuked.

"In Toronto, last Wednesday night, there were a half million people at a Rolling Stones concert, and they only reported one arrest and one overdose."

One of Canada's leading health care researchers sometimes eats breakfast at Sisters Deli. Dr. Brian Hutchison directs the Centre for Health Economics and Policy Analysis at McMaster University, 10 minutes away, where he works in an office filled with file cabinets and bookshelves stuffed with research reports.

If Molot's words tumble out in an excited stream, Hutchison's march out slowly, in careful order. "There are a lot of myths out there," he said. "I like to let the research speak."

So what about this doctor shortage? Canada is losing a net 200 doctors a year, according to the Canadian Medical Association. Are Canadian doctors fleeing the insurance system as some U.S. politicians say they are?

Actually, he says, if you look at the history, the Canadian government created most of the physician shortage. They made some bad decisions.

In 1988, he said, Canadians told surveyors they were very satisfied with their health care system, which includes doctor supply. In fact, a government-sponsored report predicted a doctor surplus. At the same time, in the early 1990s, the Canadian economy went sour, into recession. The federal and provincial governments cut back the money for health care and just about everything else.

They also reduced the number of medical students who were allowed to enter medical school. As a result, fewer physicians were trained. And they placed tighter restrictions on foreign-trained physicians practicing in Canada.

Seven years later, as fewer graduates began to practice, Canada had a doctor shortage, and the public began to gripe. So in the late '90s, the provincial governments restored some health care funding and medical school slots to early '90s levels, rather than late '90s levels. They also loosened the restrictions on foreign-trained doctors. More students entered medical school. Those students are just now finishing their education.

In retrospect, many people now say the cutbacks in medical school slots were a bad decision. But the people who recommended the cutbacks also recommended that the government increase the number of non-physician providers, such as nurse practitioners and midwives. Those recommendations were not followed.

There has been a lot of finger-pointing over that decision, by anybody's account. But the number of medical students is slowly climbing back up. After they graduate, so will the doctor supply.

People who try to blame the shortage on the insurance system don't know their history, Hutchison said.

The Sisters Deli early morning newspaper-readers may have spotted a March article titled "Health Spending Increases by $1.9 Billion." That money will produce "more doctors and nurses, shorter waiting lists, increased access to technology, better support for mental health, and a stronger focus on keeping people well," said the Ontario Finance Minister.

Couldn't happen soon enough, Molot said. "We're not getting as much as we used to. But then that's happening all over, isn't it? We used to buy hamburgers that were 100 percent beef, didn't we?"

She laughed when she heard what the editor of The New Yorker magazine, Hendrik Hertzberg, recently wrote about Canada. "Their health care system is a mess, but it's a fairer, more humane mess than ours is."

"I would agree 100 percent," Molot said. "As screwed up as our system can be and as angry as we get with our government, we know how lucky we are to have what we have. We wait, yes, but everyone here can get basic care. Nobody is left out. That's the bottom line."

The fairer, more humane mess

Canadian public insurance is not, of course, really free, Hutchison says. But it costs much less than it does in the United States.

Here are six reasons why this is true:

• Prescription drugs cost two to four times more in the United States. The United States does not regulate prescription drug prices or use its group buying power to negotiate lower drug costs. Canada does.

• The United States now allows pharmaceutical companies to advertise prescription drugs on TV and radio. Canada does not. The considerable expense of advertising is part of total cost.

• Canada limits the amount doctors and hospitals can charge across the board. The United States does so only for the population covered by government programs.

• U.S. administrative costs dwarf Canadian costs. The United States pays its health bills through a bewildering number of channels, each of which has its own administrative structure.

• Advanced medical technology is more widespread and expensive in the United States.

• The Canadian government would be spending more if citizens did not have to wait months for appointments.

Given the much greater expense, Molot questions the notion that hordes of Canadians repeatedly cross the border to get American health care on a regular basis. "Of course, lots of people go down there and get a CAT-scan, if they don't want to wait and can afford it," she said, "but who wants to pay American prices as a habit?"

Hutchison cites a 2002 study in which American and Canadian researchers surveyed 136 Washington, Michigan, and New York state health care facilities. Only seven facilities had seen more than 25 Canadians in a year. "The anecdotal reports of Medicare refugees from Canada are not the tip of a southbound iceberg, but a few scattered cubes," they wrote.

Fact: The United States spends twice as much per person on health care as Canada does. In combined private and public U.S. dollars, the United States spent $4,631 per person in 2002, and Canada spent $2,535 per person, according to the international Organization for Cooperation and Economic Development (OECD).

This does not mean Canadians get less care. The research says that, on average, Canadians visit more with their doctors and spend more days in hospitals.

If you subtract the private dollars, the United States also spends more government dollars on health care than Canada does, per person: $2,051 per person in 2002, compared with Canada's $1,825 (U.S. dollars). This is surprising because the United States covers only 80 percent of bills for only part of the population.

Researchers boil it down to one main reason: prices.

If you want to get a grip on what consumers pay, Hutchison said, you should count both private and public spending. "If you're going to pay for health care, does it matter whether you pay out of the right pocket or the left pocket? You're still paying, whether you pay out of your personal resources or pay in taxes, as we do."

'At least I don't have to worry'

The presidential election is heating up in the United States. Hutchison says he expects to hear plenty of inaccurate statements about the Canadian health care system coming from the other side of the border.

Meanwhile, Carolyn Molot is planning her next trip to the United States. "We love the U.S.," she said.

She will buy her temporary insurance policy a few days before she goes. The big majority of Canadians buy a temporary health care policy when they travel in the United States, Molot said. "I wouldn't cross the border without one," she said. OHIP will pay only up to the level they would pay in Canada, "and you get stuck with the rest" unless you have temporary insurance.

A few years back, she said, her family took a trip without a temporary policy. Her daughter broke her arm skiing "and I'm still dealing with the hospital bills."

"I would say that 85 to 90 percent of Canadian travelers are armed with special insurance when they

cross the border," said Darcy Flarity, a Hamilton insurance agent. "Everybody has heard the stories of $3,000 a day in a hospital."

"There are just too many tales of woe out there about Canadian families holding fundraisers to free their aging parents from hospitals in Florida" after their parents got sick in America without special insurance or enough money to have somebody bring them home.

Canadians over 60 can buy unlimited coverage for 30 days for $79 to travel in the United States, but pre-existing conditions are not covered. One of Flarity's customers, a Canadian in his '80s, had heart trouble last year. He goes to Florida each year in the winter. "He came in this year and wanted to buy extra insurance," Flarity said. "We told him he wouldn't be covered for his heart condition.

"He ended up buying a policy that cost over $2,000 that allowed him to be evacuated by a private jet with a nurse if he had heart trouble," Flarity said.

"That story tells a lot about how we view the American medical system. The health insurance company wouldn't cover him for treatment in an American hospital, but they would pay for him to be evacuated."

The insurance agent used the word 'evacuate,' Flarity added. "That's a word you use for taking somebody out of downtown Baghdad in a Blackhawk helicopter."

"I think the thing that probably aggravates us or entertains us or amuses us - or all of the above - is the fact that it seems as if, when Canadians are seeking out medical help in the States, they get charged for every cotton ball, every Band-aid, every suture. Person after person comes back with American bills, itemized that way. We can't believe it."

"The less scrupulous hospitals will do every test they can do when they find out you're a Canadian with unlimited insurance."

Carolyn Molot, meanwhile, is battling her landlord, who wants to move Sisters Deli out of the building and sign a 20-year-lease with a fast food chain.

"Who knows what's going to happen? If we lose the business, at least I don't have to worry that my employees won't have health care."

A brief history of the Canadian system

1947 - Saskatchewan established publicly funded hospital insurance for all the province's citizens. Ten years later, the Canadian government passed legislation that allowed the federal government to help pay for any province's universal hospital coverage.

By 1961, all 10 provinces and two territories had universal, publicly-funded hospital plans for all citizens.

In 1962, Saskatchewan established universal coverage for essential medical care outside the hospital. Then in 1968, the Canadian government passed legislation that allows the federal government to share the cost of such a program in any province.

By 1972, all provincial and territorial plans had been extended to include doctor services.

1979 - A major government health services review reported that many doctors and hospitals were

giving patients extra bills on top of the amount they received from public insurance, and that this practice threatened to put health care out of the reach of a substantial part of the population.

1984 - The Canada Health Act was passed. It banned extra billing by doctors or dentists or extra user fees by hospitals and spelled out the five principles of the Canadian health care system:

• Public administration: the administration of a province's insurance plan must be carried out on a non-profit basis by a public authority

• Comprehensiveness: all medically necessary services provided by hospitals and doctors must be insured

• Universality: all insured persons in the province or territory must be entitled to coverage on uniform terms and conditions

• Portability: coverage for insured services must be maintained when an insured person moves or travels within Canada or travels outside the country

• Accessibility: reasonable access by insured persons to medically necessary hospital and doctor services must not be impeded by financial or other barriers.

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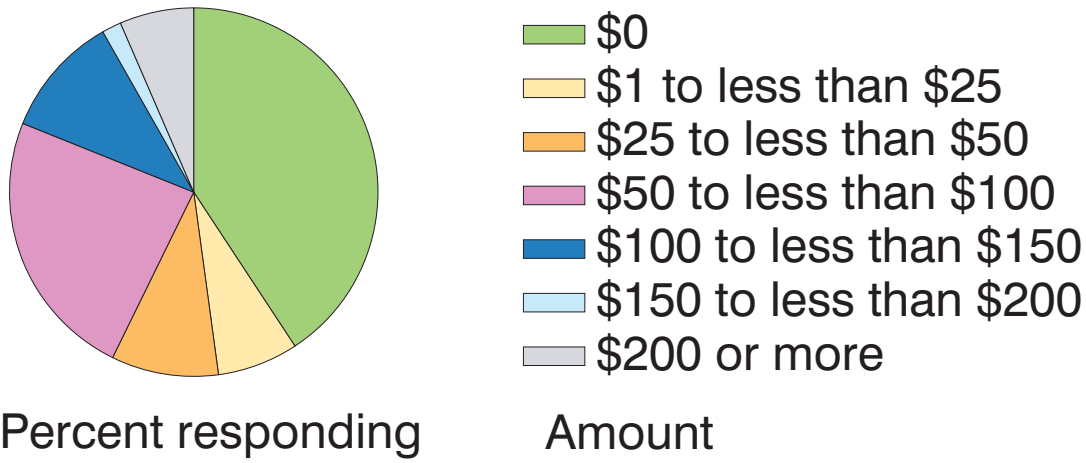
ANDRIA L. RUMBERG/Sunday Gazette Mail

No insurance? What would it take?

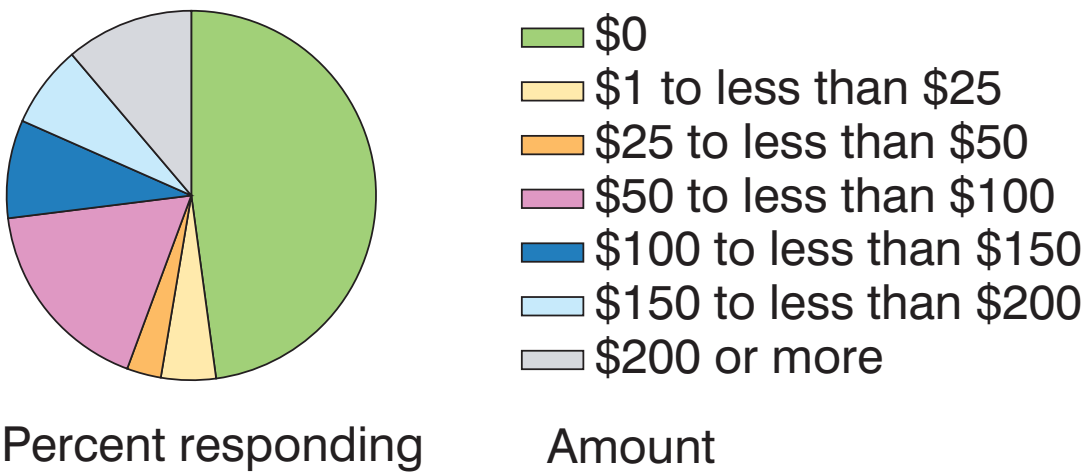
In 2002, West Virginia University researchers surveyed 515 West Virginia employers. Of that number, 206 did not offer health insurance to their employees. Of the 206, 122 answered the two questions below.

What is the most you would be willing to pay per employee per month for a basic health plan that covered employee only?



Percent responding Amount

What is the most you would be willing to pay per employee per month for a basic health plan that covered employee and dependents?



Percent responding Amount

Source: West Virginia Employer Survey, February 2003, West Virginia University Institute of Health Policy Research

ANDRIA L. RUMBERG/Sunday Gazette Mail