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Don't turn COVID-19 testing over to the private market

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Raluca Bejan (/category/bios/raluca-bejan) March 28, 2020

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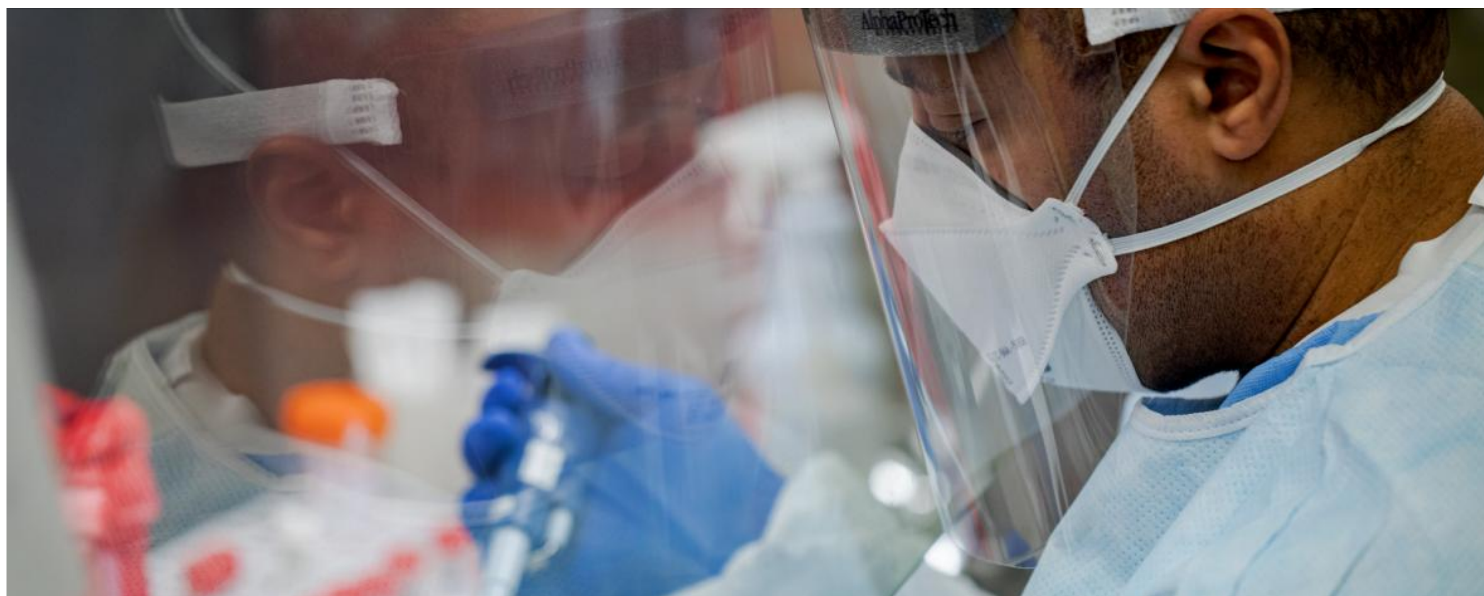

In the current pandemic crisis, the numbers are multiplying by the hour. As of March 26, Italy had **recorded** (https://www.worldometers.info/coronavirus/) 80,589 cases of COVID-19 and 8,215 deaths. The U.S. has had fewer deaths so far, but a large spike in the number of cases. By now, it has the **highest number** (https://www.worldometers.info/coronavirus/) of cases in the world. Denmark and Sweden seem to **show** (https://www.worldometers.info/coronavirus/) only linear growth in infections rather than the exponential growth seen in many other countries. South Korea has been stable for some time. Germany has a high **number** (https://www.worldometers.info/coronavirus/) of cases but a fairly low death toll.

Several hypotheses could explain such discrepancies. Italy has an ageing population, hence the high mortality rate amongst the infected; Denmark and Sweden have strong welfare systems, hence their enhanced ability to manage the crisis; and Germany and South Korea have been able to limit the number of deaths (in the case of Germany) or control the rate of new infections (in South Korea) because of their governments' higher levels of **testing** (https://www.euronews.com/2020/03/13/coronavirus-why-does-germany-have-so-few-covid-19-deaths). Germany has conducted more tests than several European countries combined, with approximately **280,000 assessments** (https://www.hindustantimes.com/world-news/germany-sets-example-with-aggressive-testing/story-GZ5zqROPBADIUIMfPSJhJI.html), and South Korea has tested over **250,000 people.** (https://www.forbes.com/sites/carlieporterfield/2020/03/13/south-korea-sees-coronavirus-slowdown-without-a-lockdown-but-with-nearly-250000-tests/#73f4d886576b)

The **criteria** (https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection/health-professionals.html#dia) for testing across many countries generally include foreign

the **U.K** (https://www.theguardian.com/world/2020/mar/25/london-woman-36-dies-of-suspected-covid-19-after-being-told-she-is-not-priority?CMP=fb_gu&utm_medium=Social&utm_source=Facebook&fbclid=IwAR2lq5g0VZhtDyWij_D6B5dRWOn72Gp1LNm0FOSLY_QRIL7rQaf8gJxfNnU#Echo)., suggests that unless you meet at least one of these criteria you will not get tested, regardless of the symptoms, whereas Germany extended the criteria to include those with mild and moderate symptoms. It is speculated that this has translated into **fewer deaths** (https://www.washingtonpost.com/world/europe/germany-coronavirus-death-rate/2020/03/24/76ce18e4-6d05-11ea-a156-0048b62cdb51_story.html), a **better grip** (https://www.hindustantimes.com/world-news/germany-sets-example-with-aggressive-testing/story-GZ5zqROPBADIUIMfPSJhJI.html) on the situation and a much-needed **slowing** (https://news.sky.com/story/coronavirus-germany-flattens-the-curve-as-spain-pandemic-cases-surge-11962392) of the spread of the virus.

In January of this year, Canada did not yet have any confirmed cases of COVID-19 and the risk of infection seemed low. David Williams, Ontario's chief medical officer, stated that "**we're light years ahead of SARS** (https://www.cbc.ca/news/canada/toronto/toronto-coronavirus-preparedness-1.5439033)" and that the province was well prepared to deal with the novel coronavirus.

Canada's **National Microbiology Laboratory** (https://www.canada.ca/en/public-health/programs/national-microbiology-laboratory.html), with five main sites across the country (two in Winnipeg, and the other ones in Guelph, Ontario; St. Hyacinthe, Quebec; and Lethbridge, Alberta) has been working closely with provincial laboratories to implement diagnostic testing for COVID-19. Presumptive cases had to be **validated** (https://globalnews.ca/news/6633801/coronavirus-canadian-testing-labs/) by the national labs until March, when Canada bolstered its local lab capacity.

Yet the **short supply of nasal swabs** (https://www.ctvnews.ca/health/coronavirus/ontario-limits-who-can-be-tested-for-covid-19-due-to-demand-for-nasal-swabs-1.4853260) was flagged as early as two weeks ago, at a time when cases were still in the **hundreds** (https://rabble.ca/blogs/bloggers/raluca-bejan/2020/03/canadas-health-system-unprepared-covid-19-pandemic) and provincial public health units were falling short in acknowledging **community transmission** (https://torontosun.com/news/local-news/t-o-s-emergency-operation-centre-preparing-for-covid-19-spread). Despite the World Health Organization's warning to "**test, test, test** (https://www.reuters.com/article/us-healthcare-coronavirus-who/test-test-test-who-chiefs-coronavirus-message-to-world-idUSKBN2132S4)," Public Health Ontario has been rationing tests to those most **vulnerable** (https://www.ctvnews.ca/health/coronavirus/ontario-limits-who-can-be-tested-for-covid-19-due-to-demand-for-nasal-swabs-1.4853260) (i.e., health-care workers with symptoms, people living in long-term care homes and First Nations people living on reserves) and

The idea that Canada was "light years ahead of SARS" failed to translate into adequate testing in most provinces. We ought to look at the lack of public investment to make sense of this unpreparedness.

Federal funding for health dropped in **1996** (https://fernwoodpublishing.ca/book/about-canada-health-care-2nd-edition), when the government introduced the Canada Health and Social Transfer and amalgamated the former federal allocations paid to the provinces through the former Established Programs Financing (for health care and education) and the Canada Assistance Plan (welfare) into block transfers.

It was now up to the provinces to decide how to allocate the funds among the three segments (health, education and welfare) and when to build lab-testing capacities or stock up on testing swabs. In line with the ideology of limited governmental intervention, there would be no oversight or cost-sharing on social services by the federal government. Under Stephen Harper, federal contributions to the provinces, as outlined in the 2004 federal-provincial Health Accord, were directly linked to GDP growth, and the **minimum federal contribution** (https://fernwoodpublishing.ca/book/about-canada-health-care-2nd-edition) was lowered to three per cent of annual growth, down from the six per cent formerly in place.

It is not far-fetched to assume that reduced federal transfers also led to the diminished capacity of local labs to process COVID-19 tests.

Added to the mix, Canada has been slow to invest in public health care. Canada was ranked **11th** (https://data.oecd.org/healthres/health-spending.htm) among OECD countries on health expenditure indicators in 2018, behind the Scandinavian countries, several European countries (Germany, Austria) and Commonwealth partners (Australia), and even the U.S.

Lack of public investment forces governments to resort to private provision of supplies, with the promise of efficiency, reduced wait times, and even the availability of test kits during a pandemic.

And Canada did turn to the private market to address testing shortages. On March 18, Canada's minister of health signed an interim order to expedite the purchase of COVID-19 diagnostic test kits. The new tests are manufactured by **Roche Molecular Systems and ThermoFisher Scientific** (https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection/health-professionals.html#dia).

Roche Group has registered quite an upward **growth** (https://www.marketwatch.com/investing/stock/rhhby) over the past three years, trading at $26.64 in July 2018 and closing at $37 on March 24 of this year. Roche seems well-positioned to ride the chain of crashes that have started with the COVID-19 pandemic.

The Massachusetts-based **ThermoFisher Scientific** (https://corporate.thermofisher.com/en/about-us.html), seems to be similarly unaffected by the recent crash. Two years ago, on March 26, 2018, TMO was trading at $206, but it reached $339 by February 2020 and closed at $278 on March 24, a **steady increase** (https://www.marketwatch.com/investing/stock/tmo) that is likely to continue now that investment in ThermoFisher products by Canada and perhaps other countries is guaranteed.

As the number of cases of COVID-19 grows in the U.S., it seems hardly desirable to have the Canadian public health system dependent on kits from two private American companies.

But this is what the lack of sustained public investment in the health sector leads to: the state funneling public funds into private sector profit.

And who knows what the future holds? Canada might soon decide that for-profit diagnostic kits are the best way to control the next pandemic.

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*Image: **Governor Tom Wolfe/Flickr** (https://flickr.com/photos/governortomwolf/49628500837/)*

HEALTH CARE (/CATEGORY/TAGS-ISSUES/HEALTH-CARE) COVID-19 (/COVID-19)

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