

# **O**ntario Health Coalition

15 Gervais Drive, Suite 305, Toronto, Ontario M3C 1Y8

Phone (416) 441-2502 Fax (416) 441-4073 email [ohc@sympatico.ca](mailto:ohc@sympatico.ca)

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## **Save Public Medicare! Urgent Issue Backgrounder**

### **Ontario Health Coalition Backgrounder on Private Clinics – Evidence from the system-wide experiment in Britain**

In a letter sent by the British National Health Service Physician's President to the Canadian Medical Association in August 2005, the British doctors warned against the incursion of private clinics:

"We are writing, as British doctors, to share what we have learned first-hand about the dangers of private sector involvement in health care, in the hopes that our colleagues in Canada can learn from our country's mistakes and reject private care and other market-style policies.

Short-term improvements in easily counted and politically important areas like waiting lists are being achieved by expensive deals with the private sector. These include not only using spare capacity in existing private facilities, but now the establishment of 'independent sector treatment centres' (ISTCs), often owned and staffed by foreign commercial concerns.

These ISTCs are offered long-term contracts with guaranteed income at costs up to 40% higher than the NHS. They "cherry pick" the simple cases and have little responsibility for complications or follow up. Their clinical governance arrangements are currently unclear and there are already concerns about the quality of care in ISTCs.

The removal of much elective surgery from the NHS is putting training in some specialities at risk. Because fewer of the low-risk cases are being seen in NHS hospitals, young surgeons are no longer getting the training they need. In addition, the concentration on short-term episodic care is diverting attention and funds from the majority of patients, whose needs are for the longer-term management of chronic disease or disability. "

#### **Quick Facts:**

- The British Medical Journal reported in 2004, that the public health system was charged 47% more for hip replacements performed in private surgical clinics than for the same procedures provided in public hospitals
- Health policy expert and author Colleen Fuller reported in December that the costs for hip replacement surgeries in Alberta were \$10,000 in a non-profit hospital and up to \$21,780 in the province's for-profit clinics.

- Patients in BC's for-profit clinics have been charged between \$700 and \$17,000 each in so-called "facility fees" which were deemed a contravention of the Canada Health Act.
- The Don Mills Surgical Centre is part of the Alegro Health Group which is traded on the Toronto Venture Stock Exchange (TSX-V).
- The Centre, which has been in existence for 40 years, was bought by Alegro Health Group in 2005. They offer high intensity ultrasound treatments for prostate cancer and which is an experimental procedure, not approved and therefore not covered by OHIP. They also offer other non-insured (non-OHIP) health services for a fee.
- Alegro is a for-profit health corporation focusing on private-payer services. It was incorporated in 2001 and appears to have operating revenues of \$12 million per year.

For questions, please call Natalie Mehra 416-441-2502.

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