

Ontario Health Coalition

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Attn: Assignment Editor

Ontario's Wynne Government Plans to Bring In Private Clinics: Threatens Non-Profit Community Hospital Care

Toronto – The Ontario government is planning to introduce private specialty clinics to take local community hospitals' services. The government's proposal would bring in legal regulations under the Independent Health Facilities Act and the Local Health System Integration Act to usher in private clinics and shut down services in community hospitals. Ontario's Auditor General reported in 2012 that more than 97% of the private clinics under the Independent Health Facilities Act are private for-profit corporations.

The Ontario Health Coalition warned about the costs and consequences of private clinics for patient care in a press conference at Queen's Park today.

"Given the evidence in Ontario and from other provinces, and given the lack of legislative assurance or protection proposed by the government, we are concerned that there is a very real danger that these services would end up being delivered on a for-profit basis," said lawyer Steven Barrett, managing partner in the law firm Sack Goldblatt Mitchell, which has provided legal advice to the coalition concerning the government's private clinics proposal.

"The government could have chosen to have specialized clinics under the Public Hospitals Act, or establish a regime guaranteeing public not-for-profit delivery but it has chosen not to do so," he noted.

"As the evidence from across Canada and internationally shows, for-profit private clinics disproportionately tend to charge patients user fees, engage in extra-billing and permit queue-jumping, all of which threatens universal single-tier Medicare," he concluded.

In addition to the danger of for-profit privatization, coalition director Natalie Mehra raised concerns about poorer access to care and destabilization of local community hospitals:

"This plan means that local hospital care would be cut and fragmented to private clinics that take the wealthier, healthier and lighter care patients, leaving the heavy care patients behind in community hospitals with less resources to care for them," she said. "Already there are very serious quality of care issues that have arisen in private clinics, compromising patient safety."

"Not only does this mean that patients have to travel from clinic to clinic for care, but also in the case of major complications, a patient would have to be transferred by ambulance from the private clinic to a real hospital where there is the proper range of services to take care of them. It is a model of care that makes no sense for Ontario's population distribution and demographics," she added. "Ontarians want to protect our local community hospitals, with a scope of services that meets the needs of our communities, with high-quality care."

The coalition challenged the government to:

- Amend the IHF Act to specify that no future Independent Health Facilities will be for-profit.
- Amend the LHINs Act to specify that LHINs cannot transfer services to for-profit corporations.
- Ensure that all clinics or satellites are brought in under the Public Hospitals Act and therefore covered by its legislative and regulatory protections for quality of care, non-profit governance, and the public interest.

For more information: contact Kim Johnston, campaign director at 416-441-2502 (office).

Background

With the proposed regulatory changes, the government has made express its intention to expand the contracting of hospital services to private clinics. It has also expressly stated its intention to create a new set of private clinics called “Community-based specialty clinics” under the Independent Health Facilities Act, and its intention to transfer services (and funding) out of hospitals to these private clinics. This change applies to LHIN-funded hospital services and Cancer Care Ontario-funded hospital services.

For-profit privatization of hospitals

The potential for widespread privatization of public hospital services as a result of the proposed regulatory changes is significant. There are no legislative protections against for-profit private clinics in the Independent Health Facilities Act. The vast majority of the more than 800 Independent Health Facilities in Ontario are for-profit. The Ontario Auditor General reports that more than 97% of the IHFs are for-profit.

Quality and safety risks

In the last two years a flurry of media reports have raised concerns about quality and safety issues in private clinics. In one well-publicized case, an Ottawa area private endoscopy clinic was found to have failed to properly sterilize equipment resulting in 6,800 patients notified that they should be tested for HIV and hepatitis B and C. In a 2007, it was found that 13 % of colonoscopies conducted in private clinics were not completed (the scope failed to reach the colon). Research also found that there are more missed cancers in private clinics that do diagnostic testing than in hospitals. Since then, private clinics proponents claim that enforcement has improved and quality has gone up as a result. However, the 2012 audit by Ontario’s Auditor General found serious shortfalls in inspections and quality assurance. Among his findings: 60% of x-ray clinics had not been inspected as frequently as required to ensure proper screening to protect against radiation; 12 % of diagnostic clinics had not been assessed in more than five years to ensure that tests were being correctly read by radiologists; and new facilities had not been inspected to ensure that radiation emitting equipment was safely installed.

Higher costs and 2-tier health care

A major research report by the Ontario Health Coalition into private clinics across Canada conducted in 2008 found that the cost of procedures varied greatly and was significantly higher in private clinics than in public hospitals. Colleen Fuller, health policy expert in British Columbia reports similar findings in her cost comparisons between hospital funding per procedure and private clinics billings for the same procedures. These findings echo the Ontario Auditor General’s conclusions in his special audit of the for-profit cancer treatment centre established by the Conservative government in 2001. The Auditor General found that the clinic had been paid \$4 million extra to set up and was being paid a premium of \$500 more per procedure than public Cancer Care Ontario treatment centres.

In addition to billing public health plans, we also found that the majority of for-profit clinics charge user fees and engage in extra-billing of patients, even in violation of the Canada Health Act. This finding was supported by a 2011 study in the Canadian Journal of Gastroenterology that found one-third of the patients receiving colonoscopies in private clinics in Toronto were being charged user fees for this service (in violation of the Canada Health Act). Toronto Star columnist Thomas Walkom found that even the non-profit Kensington Eye Institute surgeons recommend a non-medically necessary lens to patients (a co-mingling of insured and uninsured services used by the for-profits to extra-bill patients) and the clinic charges a \$50 “handling fee” or user fee to patients in addition to the charge for the lens. For every 1,000 patients, this means \$50,000 in extra income for the clinic, at the direct expense of patients.

In the U.K., multiple British Medical Association Journal studies report that it is generally accepted that private clinics (Independent Sector Treatment Centres) are paid higher prices for surgical procedures. This finding is echoed in pro-privatization think tanks’ reports also. Indeed the U.K. Department of Health has publicly admitted that higher prices are paid to the private clinics for procedures. Former Health Minister Frank Dobson reports that the private clinics were being paid 11% more than public hospitals for the same procedures.

A briefing note on the private clinics proposal can be found at www.ontariohealthcoalition.ca