

Ontario Health Coalition

Briefing Note

Re. New Legal Regulations Planned by Ontario's Liberal Government to Cut Community Hospital Services and Expand Private Clinics

October 8, 2013

Ontario's Liberal government has announced plans to bring in new legal regulations to expand the use of private clinics to take hospital services out of our community hospitals.

Is this the end of our community hospitals as we know them?

In the Ontario government's vision for health care, community hospitals are the focus of the majority of the government's cuts and downsizing. This vision does not include community hospitals that provide a broad range of services to the local population. Instead, the government wants to take an untold range of services out of local hospitals and centralize them into highly specialized clinics that pump through patients in high volumes. The remaining community hospitals would have to specialize in a narrow range of services in order to compete with private clinics for funding.

The government's plan is the *opposite* of the notion of a community hospital where patients can, in one stop, get quality public medical care.

Everyone understands that certain highly-complex or rare procedures and treatments need to be centralized and we need to travel to provincial hospitals or regional hospitals to access them. But the government's current plan would take regular surgeries, diagnostics, treatments and procedures out of our community hospitals, giving them off to a colony of private clinics that will likely be regional providers of high-volume procedures, forcing patients to travel from place to place to get care. These new cuts envisioned for our community hospitals are in addition to the massive province-wide cuts to outpatient clinics (like arthritis, physiotherapy and others) that the government is already forcing the hospitals to undertake.

A grave threat to the future viability of local community hospitals.

This plan would destabilize our local hospitals' budgets, siphoning off the profitable high-volume easy procedures to the private clinics and leaving the hard and costly procedures to the public hospitals. In the U.K., where there is now more than a decade of experience with this type of private clinics, the evidence is indisputable that the clinics take wealthier, healthier and lighter-care patients, leaving the heavy cases for public hospitals with fewer resources to treat them.

While the Minister of Health has said that rural hospitals will be protected, in truth, under her tenure rural hospitals' services have been continually cut, downgraded and even closed. Maternity, acute care, emergency rooms, mammography, surgeries, diagnostics, physiotherapy, laboratories and a host of other vital care services have been moved out of rural towns. This government's model of super-specialized care has already - and will continue to - remove procedures and funding out of local communities and centralize them into high-volume centres, forcing many patients to travel further.

A giant step towards hospital privatization and 2-tier health care.

Under this plan, for-profit privatization is a very high risk and it could happen very quickly. In the model of private clinics proposed by this Liberal government, there is no legislated protection against for-profit privatization.

In fact, this government plans to establish private clinics expressly not under the rubric of the Public Hospitals Act and therefore without the protections against privatization in the Public Hospitals Act.

Already, for-profit corporations are lining up to bid for hospital services and procedures. And despite the Health Minister's rhetoric about protecting non-profit care, services that are being cut from local hospitals now, all across Ontario, are being privatized to for-profit owned corporations, eg. physiotherapy, endoscopies, cataract surgeries etc. Already, the existing private clinics are more likely than hospitals to charge patients an array of user fees and to engage in extra-billing, even in violation of the Canada Health Act's prohibitions on user fees and two-tier health care.

Even if the private clinics start out as non-profit, which has not been the case so far, the whole system of private clinics – as they are being proposed by this government - could be privatized with a stroke of a pen with almost no time for anyone to raise any opposition.

Worse staff shortages in community hospitals.

There are already too few anesthesiologists, operating room nurses, radiologists, other specialists and health professionals in many areas of Ontario. High-volume, high-profit clinics will take scarce specialists and health professionals out of our local hospitals into private clinics where they will serve the healthiest and easiest population, leaving the hard and difficult cases for community hospitals with less staff to help.

Higher costs.

This model of private specialty clinics has proven more costly, not cheaper. In Britain, the private specialty clinics cost 11 per cent more than local hospitals for the same services, according to the U.K.'s former Health Minister. Ontario's own experiment with a for-profit cancer treatment centre from 2001 - 2003 was found by the provincial Auditor General to cost significantly more than equivalent care in the public cancer care centres.

There is no doubt that the hospital restructuring that will result from the planned movement of services to private clinics will result in significant new costs that are unlikely to be recovered. In Ontario, the last round of hospital restructuring in the 1990s cost more than \$3.9 billion, according to the provincial Auditor General: that's \$3.9 billion to lay off nurses and hospital staff, close down beds and move services around. This cost was never recouped in promised "savings" from restructuring.

In the worst cases, private clinics have an interest in "upselling" and over-treating patients to make more money. Repeated studies over the last decade show that private clinics are more likely to conduct unnecessary tests and procedures in order to maximize their billings, and therefore increase their profits and income.

Quality and safety problems.

Already the existing private clinics in Ontario have been plagued with serious safety and quality of care problems. In Ottawa, recently, the Ottawa Hospital cut thousands of endoscopies and privatized them to private clinics. In 2011, it was found that one of the private endoscopy clinics was not sterilizing its equipment properly. As a result 6,800 patients were warned that they had a risk of contracting HIV and

hepatitis B & C. A study of private colonoscopy clinics showed that 13 per cent of the colonoscopies conducted in Ontario's private clinics were incomplete (the scope didn't make it all the way through the colon) leaving patients at higher risk for undetected cancers, and the standard of practice was well below that of public hospitals.

The evidence does not support cutting public non-profit hospital care and transferring it to private clinics.

The government's plan to close hospital services and expand private clinics is not supported by the evidence. In fact, there is a significant body of academic research showing poor quality, safety concerns, higher user fees, cream-skimming of the most profitable and easiest cases at the expense of local hospitals, higher costs and a host of other problems associated with the fragmenting of community hospital services into private clinics.

What can you do to protect your local hospital services?

Meet with your local MPP, no matter which political party, and raise these issues with them. We can provide you with fast facts and a briefing note. Just call or email our office.

Join your local health coalition and support the campaign to protect our local hospitals. For contact information, call or email our office.

Contact Premier Kathleen Wynne and tell her that you do not support private clinics taking your local community hospital services:

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