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For Immediate Release

Private For-Profit Health Clinics Eroding Public Health Care, 89 Suspected Violations of the Canada Health Act in 5 Provinces: New Report

In cities across Canada, Health Coalitions released a groundbreaking new report investigating 130 for-profit surgical, MRI/CT and “boutique” physician clinics across Canada. Researchers found evidence to suspect 89 possible violations in 5 provinces of the Canada Health Act’s requirement for equal access to hospital and physician care and prohibition on extra-billing patients. The report reveals a new phenomenon of a for-profit health industry that has emerged significantly over the last five years, and the first forays of U.S. private health companies into Canada.

Report author, Natalie Mehra, Director of the Ontario Health Coalition revealed the report’s key findings and called upon the federal government to live up to its responsibility to protect Canadians from extra-billing and two-tier health care:

“We found evidence that for-profit clinics are eroding the fairness and equality of Canada’s health system that is supposed to provide access to necessary hospital and physician services based on need, not wealth. A significant proportion of for-profit surgical and diagnostic clinics are billing provincial health plans and also charging extra fees to patients to maximize their revenues and profits,” she explained. “The charges are unaffordable for all but the wealthiest Canadians. Clinics told us they charge \$13,000 - \$20,000 or more for knee surgery, \$1,200 - \$2,000 or more for cataract surgery, and hundreds to thousands of dollars for MRIs.”

“For-profit clinics are also taking specialists, health professionals and operating room nurses out of local public hospitals to serve less urgent patients, often for extra fees. Despite claims about reducing wait times, we found direct evidence that poaching staff out of local hospitals by for-profit clinics worsened shortages in local hospitals forcing the hospitals to reduce MRI hours. We found evidence of staff poaching out of local hospitals by for-profit clinics in Nova Scotia, Quebec, British Columbia, Ontario and Manitoba.”

“Ironically, while some provinces are considering introducing for-profit clinics for the first time, we found that three provinces – Alberta, Ontario and Manitoba, under governments of varying political stripes -- all have rolled back their experiments with for-profit MRI/CT clinics or surgical clinics, opting instead to build capacity in the public non-profit health system where access is improved on an equitable basis. In Ontario and Manitoba, the for-profit cancer and cataract surgery clinics revealed direct evidence of higher costs per treatment than non-profit clinics. This should serve as a warning to provinces like Quebec, New Brunswick, Nova Scotia, Saskatchewan and British Columbia where more for-profit privatization of health care is being considered.”

“We found that the for-profit clinics overwhelmingly locate in large urban centres where there are more wealthy people to buy their health care procedures, raising concerns about worsening access in rural areas,” she added. “Particularly regarding the physician clinics that charge thousands of dollars per patient per year, there should be grave concern that their low caseloads and their high costs imperil access to care for the majority of people. In cities like Montreal where Statistics Canada reports patients have the worst shortage of family doctors in the country there is a high incidence – perhaps the highest concentration in the country - of “boutique” physician clinics selling executive health care for hundreds or thousands of dollars per year per patient. Yet the vast majority of people could not afford these services. This low volume high cost approach of “boutique” physician clinics is simply not sustainable and threatens health care access for many more people if it is allowed to spread.”

“This report should serve as a wake up call and a call to action. The federal government has all but abdicated its responsibility to uphold the fairness and equality of our public health system,” she concluded. “It is required, by law, to ensure that patients are not exploited by extra-billing or two-tier health care. In turn, our provincial governments have failed to set up adequate regulatory and enforcement regimes to protect patients. The evidence is clear that the for-profit health care industry is undermining equal and fair access to health care for all Canadians by taking resources out of the public health system, by selling two-tier access and by levying extra charges on patients. We should use the next two weeks leading into the federal election in particular, to ensure that each of the federal party leaders promise to take concrete action to halt two-tier health care and improve access for all Canadians, not just the wealthy. We should require our provincial governments to improve access in our local public hospitals and clinics, and to ensure improved access to care is equitable and based on medical need, not high income as is evidenced in the for-profit clinics.”

The full report in English and a French summary are available at www.ontariohealthcoalition.ca or www.healthcoalition.ca

The Ontario Health Coalition is the province’s largest public interest group on health care, comprised of 400 member organizations including doctors, nurses, health care agencies, seniors’ organizations, unions, ethnic and cultural organizations, more than 70 local health coalitions and thousands of individual members. The coalition’s mandate is to protect a universal public health care system under the principles of the Canada Health Act, to contribute to public debate about public policy regarding health care and to protect the public interest.

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