

# Ontario Health Coalition

## MEDIA BRIEFING NOTE

April 22, 2003

### Media Briefing Note On for Profit MRI/CT Clinics

#### The Controversy

The government's announcement last summer marks the beginning of the privatization of clinical services in hospitals. These are the first for-profit MRI/CT clinics since Medicare's inception. They have been tried in other jurisdictions and have compromised public and non-profit hospital systems while promoting a bigger second tier for the wealthy and well-insured. Selling health services for profit runs counter to the values that inform public Medicare. The commodification of healthcare services drives up costs and threatens the sustainability of the public system.

#### Locations of Announced For-Profit Clinics

**MRI:** City of Kitchener/Waterloo/Guelph

Municipality of York

City of Kingston

**CT:** Town of Bracebridge or Huntsville

City of Brantford

City of Thunder Bay

**Combined MRI/CT:** Town of Oakville/Town of Mississauga

Municipality of Durham

## The Problems

The story of MRI/CT waiting lists is largely one of demand and supply. (It should be noted that improved waiting list methods would undoubtedly help). As demand for MRI/CT scans has increased, supply has not kept up with demand.

The problems with supply are fairly clear:

- 1) Ontario's MRI/CT machines have not been and are not running at full capacity due to staffing shortages and budgetary issues
- 2) There is an emerging shortage of MRI radiation technologists and provincial planning is insufficient to provide enough supply of these skilled staff
- 3) There is a critical shortage of radiologists
- 4) We need new MRI/CT machines in various areas of the province

The bottom line? We need staff, and we need machines, and we need to fund their operation.

## Promoting Profit While Poaching from Hospitals

Despite Health Ministry claims in January that hospitals would be protected from poaching by the new for-profit clinics, the evidence from Kingston is that poaching is the order of the day.

- The hospital MRI clinic is already in trouble. Due to a shortage of radiation technologists (two are on maternity leave), its hours of operation have been reduced to 9 per day from 17 – a total reduction of 30 hours per week.
- The new clinic will suck more staff out of the non-profit hospitals to work in the for-profit clinic. Technologists in Kingston already are reporting that they have been approached to go and work for the new company.
- There are a total of 20 radiologists registered at the hospitals in Kingston according to figures verifiable by the College. Tony Clement's new clinic will be run by a for-profit corporation made up of 16 Kingston radiologists, some of whom currently work at Kingston General Hospital, Hotel Dieu Hospital and St. Mary's of the Lake Hospital.

So, despite claims that the for-profit clinics will not "cannibalize" - to use the Ontario Hospital Association's words - the staff at existing non-profit hospitals, Kingston as the first example, is a public system under strain from shortage of personnel and poaching is how the new corporation is seeking its staff.... in fact, the province awarded the contract to a corporation made up of the majority of the community's radiologists.

## Do the Math

Across the province, the picture is bleak. The Ontario Association of Radiologists reports a shortage of 150 radiologists. We have received reports from several hospitals that the shortage of radiation technologists has forced them to cut back on the hours of operation of their MRI scanners. Each new for-profit clinic is required to have a radiologist and a senior technician on staff. (Senior techs are an even rarer breed - with 8 - 10 years of tech experience.)

In 2002, 13 radiation technologists will graduate. In 2003, another 17 will graduate.

An MRI machine is ideally operated 16 hours per day in two 8 hour shifts. It takes 4 technologists per shift for a total of 8 technologists. If you include sick leave, vacation etc., it likely takes about 10 technologists to operate a machine.

Do the math. The 30 Radiation Technologists who will graduate in the next two years will not be enough to staff the 5 new MRIs the province has announced let alone deal with existing shortages on top of these.

So hospitals and clinics will be forced to compete for scarce staff. And clinics, who will provide the cheapest, easiest scans that are publicly funded and will take the majority of the lucrative third-party billing and medically unnecessary scans for those who will pay, will be in a better position to offer signing bonuses and other perks to attract staff from the public system.

The better answer to this problem is that the province must plan to increase the numbers of radiation technologists and radiologists.

## Broken Promises & Funny Numbers

### Government Claim

In its new pamphlet, delivered to all Ontario households at our expense, the Health Minister and Ernie Eves claim that the government has increased hospital MRI hours by 90% with an infusion of \$28 million.

### The Truth

When questioned by Health Critic, Shelley Martel on this, Health Minister Tony Clement turned proceedings over to senior hospitals branch bureaucrat Allison Stuart who admitted that "The question of how much of that [the increase in funding] is going to translate into new procedures is really hard to answer....we know they're already providing those services....So it's not a direct translation into new services.....Our funding was in response to the level of service that these hospitals were currently

providing. So there will be some new service, but we don't know how much of that will be new service and how much of it will be allowing the hospitals to focus their funding..."(see Estimates Committee September 10, 2002)

*Translation: the hospitals, concerned about long waits, were already providing the scans out of their own budgets.*

## Government Claim

The Ministry of Health put safeguards in place to prevent the cannibalization of scarce hospital radiologists and radiation technologists.

## The Truth

Kingston is a critical example of how few safeguards there really are. There are a total of 20 radiologists registered at the hospitals in Kingston according to figures verifiable by the College. Tony Clement's new clinic will be run by a for-profit corporation made up of 16 Kingston radiologists, some of whom currently work at Kingston General Hospital, Hotel Dieu Hospital and St. Mary's of the Lake Hospital. The radiation technologists - who are currently in such short supply that the hospital MRI has reduced its hours by 30 hours per week - report that they have been approached by the new company to work at the new private clinic.

## Government Claim

Universal accessible healthcare will be protected while access is enhanced.

## The Truth

Not if the for-profit clinics take all the lucrative easy scans, the staff, and the lucrative third-party billings and leave the public system without enough staff and with the most expensive scans.

## Government Claim

There will be an oversight system to prevent queue jumping

## The Truth

This oversight system turns out to be a requirement for a doctor's note. In the Kingston case, there is nothing that we could find that would stop the radiologists - who are doctors - from writing notes to refer patients to their own profit-seeking clinic. Un-medically necessary referrals from physicians to their own profit-seeking businesses

has become such a problem in the U.S. that they have passed the Stark Law (2001) which prohibits physicians in the US from referring Medicare & Medicaid patients for health services (including MRIs and Cts) if "the physician or a family member has a direct or indirect financial relationship to the entity".

## Government Claim

We need the private sector investment to provide these expensive pieces of medical equipment.

## The Truth

The province has already received enough money from the federal government for all 25 MRI/CTs that they originally announced.

The first injection was received after the September 2000 federal-provincial accord. The Canadian Association of Radiologists publicly accused the Ontario government of spending more than \$60 million of this on bathtubs, beds and mattresses in for-profit long term care homes and on grants to private radiology clinics. They also used the funds to offset costs for equipment purchased long before the funds became available, he said. Since MRIs and CTs run from \$1 - \$2.5 million each, this \$60 million was easily enough money for all 25 announced machines.

The recent Health Accord in January 2003 created another medical equipment fund that the province could use to purchase necessary MRI/CT scanners.

We do not need private sector investment to purchase new scanners.

## Government Claim

The for-profit MRIs will only be undertaken if they are faster, better, cheaper. (Tony Clement, September 19, 2002)

## The Truth

Government cost estimates are based on faulty numbers. In fact, the only evidence available, from Calgary, indicates that for-profit MRI scans are more expensive. For-profit MRIs may be faster for those who pay out-of-pocket, but they will result in longer waits for others as the clinics poach staff from hospitals. If the private clinic is the same equipment, the same staff, and the easiest most lucrative caseload, but now with profit added in, how can the government claim the service is better? Any addition of MRI hours would reduce waiting lists. But there is little doubt that the staffing shortages, two tier access, and additional expenses of the private clinics will not prove to be superior to increasing MRI staff, hours and machines in our non-profit hospitals.

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