

Ontario Health Coalition

Open Letter

George Smitherman
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Attn: Hon. George Smitherman

We are writing this open letter in response to Premier McGuinty's comments as reported by Caroline Mallan in the Toronto Star on Friday regarding the for-profit hospitals (P3s) and MRI/CT clinics:

"McGuinty said the deficit will also be a factor when it comes to his party's promises to scrap the MRI and CT scan clinics set up across the province by the Tories and to bring planned privately owned hospitals in both Ottawa and Brampton into the public system. On the private clinics, McGuinty now says his government is looking for "wiggle room" in the signed deals with those private operators. On the privately owned hospitals, the Liberals have said all along that they will assess any move based on the cost to taxpayers."

As you can imagine, the Premier's comments have sparked a flurry of very concerned emails and phonecalls to us. Community members in Brampton and Ottawa are exceedingly concerned about your plans, as are people across the province. For this reason, we are issuing this correspondence as an "open letter". We wish to point out several points missed in the Premier's remarks:

1. As your party noted in the lead-up to the election, the so-called "saving" to the public purse by privatizing the finance, operation and ownership of hospitals is, in fact, a false economy. The world-wide evidence is clear. As public audit offices in Britain, PEI, Nova Scotia, New Brunswick, Australia and as the former director at the Auditor General's office in Canada have found, P3 hospitals do not save money, they cost more. The off-book accounting that characterizes P3 schemes

may hide the debt from public scrutiny but it does not erase the debt for the next generation of Ontarians. This type of accounting has been entirely discredited by the Enron fiasco.

2. Not only do P3 hospitals cost more, the high costs associated with this model of redevelopment on the capital side lead to cuts to operating and clinical budgets, including, on average, 26% staff cuts and 30% bed cuts, according to the British Medical Association Journal. The hospitals are smaller, have shown up poorly in inspections, lead to new user fees and two tier healthcare and remove democratic control and accountability.
3. A report was released last week by several eminent Canadians including Arthur Donner, Douglas D. Peters, Monica Townson, Armine Yalnizyan and Lewis Auerbach calling for immediate cancellation of the P3 deals and public finance of new hospital infrastructure. Their arguments about increased costs and loss of accountability in the P3 hospitals echo those that we have been making over the last two years. They noted that these hospitals are a threat to the future of Medicare. They also note that your government could move to an accrual accounting system to eliminate the systemic bias against public investment in infrastructure and that low interest rates make it a good time to invest. This report provides the viable public option your government seeks for funding new hospitals in Brampton and Ottawa.
4. As you must be aware, there are few or no penalties associated with cancelling the Brampton and Ottawa P3s and replacing them with public hospitals.
5. The contracts for the MRI/CT clinics and the project agreements for the Brampton & Ottawa P3s still remain secret and shielded from public scrutiny. We hope that you will move to immediately disclose the terms of these contracts and agreements, and that you will work to bring the scanners into public hospitals as promised in the election campaign.

We sincerely hope that you consider the voices of the patients, healthcare workers and caregivers of Ontario who have opposed the loss of public control over our hospitals and clinics as you are making your decision. We look forward to meeting with you at your earliest convenience about these issues.

Yours truly,

Ethel Meade Natalie Mehra

Co Chair Provincial Coordinator

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