



# Ontario Health Coalition

## Fact Sheet: The Privatization of Ontario's Public Hospital Services

March 8, 2022

### The Ford government's privatization plans

The Ford government has continued [plans](#) to privatize health care by contracting private facilities to perform surgeries and other procedures such as diagnostic imaging.

Taking it further, on Tuesday, February 1, the Ford government [announced its plans](#) to allow private clinics (called "Independent Health Facilities") to operate private hospitals. Private hospitals are currently banned in Ontario. Under the Private Hospitals Act, which was amended in 1971, the then-existing private hospitals were grandfathered in and no new private hospitals have been allowed since. There are only three private hospitals left in Ontario, two of which do limited amounts of surgeries. Our hospital system is public and all other hospitals in Ontario operate on a non-profit basis.

Additionally, instead of resourcing public hospitals and public health units to increase efficiency in labs and testing procedures, the government [has given contracts](#) to private lab companies and for-profit pharmacy chains.

- Constrained hospital budgets and reduced public funding have diverted more and [more laboratory work to private laboratories](#).

### Quality Issues

The evidence on poorer quality in for-profit clinics and hospitals is clear:

- Less qualified staff are used to replace more qualified staff
- [For-profit clinics](#) and hospitals cut corners, [resulting in higher death rates](#)
- There is less effective [regulatory oversight](#) & serious quality breaches
- Revenues are directed into the profits away from care and for-profit hospitals have [higher costs](#)
- Private facilities are less [accountable to the public](#)

### Why Not Privatize?

1. Expanding the private sector **increases** [staffing shortages](#) by driving highly skilled professionals in public hospitals to private clinics.
2. Private facilities take the easier and less complex cases, leaving patients with more complex and urgent medical needs waiting longer in [underfunded](#) and **understaffed** public hospitals
3. Private facilities charge user fees and [extra bill patients](#) for medically necessary services **violating the Canada Health Act**

### Violation of the Canada Health Act

Our research shows that a majority of for-profit hospitals/clinics are [charging patients](#) user fees in violation of the Canada Health Act which states that patients have the right to services without user fees and extra billing.

- 88 out of 136 private clinics surveyed by Ontario Health Coalition in 2017 were found to be charging patients extra user-fees and selling medically necessary services
- 250 out of 400 patients surveyed detailed facing extra charges when trying to access needed medical care in private clinics

The Canada Health Act requires healthcare services to be provided based on need, whereas private/for-profit centres provide services based on an individual's ability to pay. This is a violation of the foundational principles of our public health care system which is based on compassion and equity – health care is to be provided based on medical need, and patients are to be protected from financial ruin when they get sick, disabled, or elderly.

### Gaps in Health Equity

Rather than having patients of equal need wait their turn on a 'first-come, first-served' basis, [waiting times are not equitable](#) as wealthier patients can jump the queue and pay out-of-pocket at private clinics, leaving individuals who cannot afford these services behind.

Procedure	Cost in private for-profit clinics
Knee Surgery	<a href="#">\$13,000-\$20,000</a>
Cataract Surgery	<a href="#">\$1,200-\$2,000</a>
MRI	<a href="#">\$700-\$1,200</a>

Providing services based on ability to pay is especially concerning as populations with lower incomes are the same populations that are most in need of healthcare services and have more illness or disease due to associated factors such as poorer living and working conditions.