



## **“INNOVATION” EXPOSED**

# **AN ONGOING INVENTORY OF MAJOR PRIVATIZATION INITIATIVES IN CANADA’S HEALTH CARE SYSTEM**

**2003-2004**

October 27, 2004

# Table of Contents

	<u>Page</u>
<b>INTRODUCTION.....</b>	<b>1</b>
<b>MAJOR FORMS OF PRIVATIZATION IN CANADA.....</b>	<b>4</b>
PRIVATE FOR-PROFIT HOSPITALS .....	4
PRIVATE FACILITIES AND SERVICES: TWO-TIER HEALTH CARE .....	4
CONTRACTING OUT .....	4
<b>PRIVATIZATION ACROSS CANADA [Updated October 18, 2004].....</b>	<b>5</b>
THE FEDERAL ANGLE.....	5
NATIONAL DATA .....	6
<b>BRITISH COLUMBIA [Updated October 27, 2004] .....</b>	<b>7</b>
<b>2004 .....</b>	<b>7</b>
PRIVATE FOR PROFIT HOSPITALS .....	7
CONTRACTING OUT .....	7
GOOD NEWS .....	9
<b>for-profit clinics and services: two-tier care.....</b>	<b>Error! Bookmark not defined.</b>
<b>2003 .....</b>	<b>10</b>
PRIVATE FOR-PROFIT HOSPITALS .....	10
CONTRACTING OUT .....	11
PRIVATE FACILITIES AND SERVICES: TWO-TIER HEALTH CARE .....	13
OTHER.....	15
<b>ALBERTA [Updated October 27, 2004].....</b>	<b>16</b>
<b>2004 .....</b>	<b>16</b>
PRIVATE FOR PROFIT HOSPITALS .....	16
PRIVATE FACILITIES AND SERVICES: TWO TIER HEALTH CARE .....	16
CONTRACTING OUT .....	17
GOOD NEWS.....	17
<b>2003 .....</b>	<b>18</b>
PRIVATE FOR-PROFIT HOSPITALS .....	18
CONTRACTING OUT .....	19
PRIVATE FACILITIES AND SERVICES: TWO-TIER CARE .....	19
OTHER/TRADE .....	21

<b>SASKATCHEWAN [Updated October 18, 2004]</b> .....	<b>22</b>
<b>2004</b> .....	<b>22</b>
<b>MANITOBA [Updated October 27, 2004]</b> .....	<b>23</b>
<b>ONTARIO [Updated October 27, 2004]</b> .....	<b>24</b>
<b>2004</b> .....	<b>24</b>
PRIVATE FOR-PROFIT HOSPITALS .....	24
CONTRACTING OUT .....	25
GOOD NEWS.....	25
<b>2003</b> .....	<b>26</b>
PRIVATE FOR-PROFIT HOSPITALS .....	26
PRIVATE FACILITIES AND SERVICES: TWO-TIER HEALTH CARE .....	28
<b>QUEBEC [Updated October 18, 2004]</b> .....	<b>31</b>
<b>2004</b> .....	<b>31</b>
PRIVATE FOR-PROFIT HOSPITALS .....	31
CONTRACTING OUT .....	31
FOR-PROFIT CLINICS AND SERVICES: TWO-TIER CARE .....	32
<b>NEW BRUNSWICK [Updated October 27, 2004]</b> .....	<b>34</b>
PRIVATE FOR-PROFIT HOSPITALS .....	34
GOOD NEWS.....	34
<b>NOVA SCOTIA [Updated October 27, 2004]</b> .....	<b>35</b>
FOR-PROFIT FACILITIES AND SERVICES: TWO-TIER CARE .....	35
<b>NEWFOUNDLAND AND LABRADOR [Updated October 27, 2004]</b> .....	<b>36</b>
FOR-PROFIT FACILITIES AND SERVICES: TWO-TIER CARE .....	36
GOOD NEWS.....	36
<b>PRINCE EDWARD ISLAND [Updated October 21, 2004]</b> .....	<b>37</b>
GOOD NEWS.....	37
<b>NUNAVUT</b> .....	<b>38</b>
CONTRACTING OUT .....	38

**Private, for-profit health care has proliferated, since the First Ministers' Accord on Health Care was signed in January 2003. This inventory lists many of those initiatives including public private partnerships, evidence of two-tier access to services, private for-profit clinics and other threats to sustainable, equitable public health care. Know about other instances of privatization in the health care sector? Please send tips and/or sources to:**

**[research@cupe.ca](mailto:research@cupe.ca)**  
**or call**  
**(613) 237-1590**

## INTRODUCTION

Privatization within Canada's health care system has grown relentlessly since January of 2003, when former Prime Minister Jean Chrétien, Provincial Premiers and Territorial Leaders signed the 2003 First Ministers' Accord on Health Care Renewal. Our political leaders, through this Accord, sought to assure Canadians that they were working "in partnership" to preserve, enhance and sustain our public health care system. But nowhere in their "commitment to Canadians" did our leaders commit to public delivery of health care.

This inventory documents the "innovations" in Canada's health care system that have come to light since the signing of the Health Accord last year. Today there are more so-called public private partnerships (P3), more private for-profit clinics and more private services being offered than ever before. And there are more health care workers losing their jobs and suffering savage pay-cuts as hospitals and other services cut back and commercialize their operations – hundreds here, thousands there, lives disrupted and services declining in the name of "innovation". But how "innovative" is it to decimate a public sector workforce comprised largely of women, or to degrade a workforce to which many people of colour turn to find stable, decent paying jobs?

Simply put, Canada's political leadership is tacitly aiding and abetting the privatization of health care and is failing to honestly address the escalating commercial threats to the public fabric of what is perhaps our most important institution. Almost weekly, new examples of privatization come to light in communities across the country – private hospitals, for-profit clinics, job loss and poorer service through contracting out. All the while, politicians profess their support for keeping the system "public", with provinces advocating "innovation" and demanding more "flexible" funding arrangements from their federal counterpart.

But privatization is inefficient and more expensive. Politicians looking to private "solutions" to reduce waiting lists should take heed of recent British experience. In May of this year, the *British Medical Journal* reported that surgical services contracted out to private facilities, in the name of reducing waiting lists, cost on average a whopping 40% more. In fact, the National Health Service – funded by taxpayers – was being charged almost double for some procedures. Recent research looking at US private for-profit and not-for-profit hospitals showed that private facilities cost on average 19% more, due to higher overhead charges, executive bonuses and the imperative to provide profits for investors. The cruel joke behind insisting that everything's okay as long as we have a single-payer system masks the reality that public money goes straight to private profit – in handsome fashion.

Privatization is also dangerous. The more private, for-profit involvement in our health care system – for-profit services here, a chain of private clinics there, an investor-owned hospital here – the greater the likelihood that the sector will be opened up further to foreign investors and fall under demanding trade rules. Services and investment rules in trade deals seek ever-greater commercial presence in any given sector, in effect threatening to lock into place the “rights” of giant US health care corporations.

Privatization, then, is rightly beginning to have an image problem, becoming synonymous with higher costs, poorer service and job loss. Accordingly, its advocates have begun to use new, nicer-sounding terms. Words like “innovation” dress up mundane commercialism and defy critics to argue against good sense itself. Who could argue with being innovative, or responsive, forward-looking or accountable? But behind the smooth talk and pretty words lies the grim reality – while the politicians fiddle, the public system burns.

British Columbia has faced a virtual explosion of privatization under Liberal Premier Gordon Campbell. Contracting out has led to the very precipice of a general strike in a province where public hospitals are opting to sell surgical services to remain open, increasing their reliance on private insurance plans – a boon to giant insurance corporations. The line between public and for-profit is being deliberately blurred.

Alberta is the testing ground of health care commercialization – and nose-thumbing at the *Canada Health Act* – and its role as a national “Trojan Horse” in pushing privatization has yielded impressive results elsewhere in the country, now rushing to catch up.

Staid old Ontario is increasingly a commercial laboratory for dodgy P3 hospitals and de-listing of services. Where Conservative Premiers Mike Harris and Ernie Eves left off, Liberal Premier Dalton McGuinty carries on, as public-private partnerships and de-listing continue apace.

Noteworthy exceptions exist. Saskatchewan and Manitoba have a clearer and stronger commitment to maintaining public delivery in a public system, but signs of strain are showing even there.

The corporate push is relentless. Faced with this assault, Canadians have to rely on efforts like this inventory to give them a clearer sense of how widespread privatization in our health care system actually is. Governments are keeping Canadians in the dark about privatization’s pervasive growth, and documentation is hard to come by – there is no single source or listing of for-profit initiatives publicly available. This “ongoing inventory” seeks to document, from public media sources, major privatization initiatives that our political leaders are fostering, each and every day.

Politicians sure aren't rushing to fill in the information gap. The annual reports that the federal Health Minister submits to Parliament are full of holes. The Health Minister submits these reports ostensibly to report to Parliament – and to Canadians – that he or she is fully enforcing the *Canada Health Act*. But huge swaths of data are missing when it comes to the scope – and the costs – of privately delivered health care in Canada. The provinces are not supplying the information, and the feds are not pushing them to do so. Column after column in these reports, the relevant information is listed as “not available”. Miraculously, the federal government still claims that it is indeed protecting public health care in this country.

“Innovation” Exposed documents over 90 new major privatization initiatives announced since the Health Accord was signed, when Canada's political leaders trotted out bold and stirring words to proclaim their concerted commitment to fix and preserve the public system. But another commitment by our political leaders is really far more impressive: their clear commitment to ignore the giant elephant in the middle of the waiting room – privatization.

That elephant is even bigger today, as this inventory shows.

#### **A note on the text:**

This is a living document, with new entries added as we learn more about the complexities of privatization. It is not a comprehensive accounting but does provide a clear picture of the startling scope of major health care privatization initiatives at the provincial and local levels. The pace is so fast that often our terminology – and how we classify and describe forms of privatization – can fall slightly behind. The inventory, in this version, distinguishes three major forms of privatization:

- private, for-profit hospitals (often P3s);
- private facilities and services (clinics, for example); and
- contracting out.

De-listing of services is, for now, mentioned in connection with “private facilities and services”. This will likely change in the coming weeks and months, as CUPE and other defenders of public health care collect and catalogue the raft of services that are being de-listed from provincial health insurance plans. De-listing is itself a major form of privatization and is a key strategy on the part of provinces that seek to diminish the public system's scope and relevance, while professing its vigorous defence.

The chief sources for this inventory are media reports from mainstream media and health-related trade journals. Each entry under the provincial heading is a summary of the initiative with corresponding sources below it, and the entries are arranged by type of privatization.

# **MAJOR FORMS OF PRIVATIZATION IN CANADA**

## **PRIVATE FOR-PROFIT HOSPITALS**

Private, for-profit hospitals are proliferating in the form of public private partnerships projects, also known as PPPs or P3s. P3s involve complex contracts between the public sector and a group of private for-profit companies who come together as a single consortium with the explicit purpose of bidding on private hospital contracts.

The winning bidder is typically responsible for financing, managing and operating the hospital as well as delivering key hospital support services, usually through one of the companies in the consortium. In some instances, the private consortium owns the building and the public sector pays rent for its use, while in others, the public makes lease payments, and the private companies acts as a bank. A number of these private hospitals are at different states of completion across the country (see provincial sections for details). P3s are still a relatively new approach to financing new infrastructure, but governments are taking an increasing interest in the model in health and other sectors, as they present a convenient way to take costs off of government books and putting them off to the longer term.

British Columbia has two P3 hospital projects confirmed, Alberta has also announced two and has more in the works. The province of Quebec is planning to merge its major Montreal hospitals and create two superhospitals using the P3 model for financing and service delivery. Three P3 hospitals have been confirmed in Ontario and many more are in the works. New Brunswick and Newfoundland/Labrador are also looking at P3s to finance new health care infrastructure.

## **PRIVATE FACILITIES AND SERVICES: TWO-TIER HEALTH CARE**

Another increasingly common form of privatization is private for-profit clinics providing medically necessary services from dialysis to cancer care and surgery. They allow patients with private insurance or who wish to pay out of pocket to “jump the cue” by paying for services out of pocket. As more and more services that were once provided by the public sector are de-listed, ability to pay increasingly determines access to health services.

## **CONTRACTING OUT**

Contracting out hospital support services is typically a part of P3 deals, but the public sector also contracts out work to the private sector directly, relying on for profit companies to hire staff and manage cleaning, laundry, food and dietary services, security and more. This is an increasingly common strategy used in an attempt to save on labour costs.

But the costs to the system are great. They include reduced quality, high staff turnover, a shortage of skills and training, higher workloads, unfair compensation as wages are cut in half, and reduced confidence in the public system. Women are impacted most directly by layoffs and reduced wages as women represent the majority of workers in these classifications. It is notable that new immigrant and visible minority women are highly concentrated in these types of jobs.

We are beginning to see the contracting out of other health services including direct patient care. In BC everything from the management of the province's insurance plan to day surgery is up for sale, being contracted out to private providers.

## **PRIVATIZATION ACROSS CANADA [Updated October 18, 2004]**

### **THE FEDERAL ANGLE**

Federal Health Minister, Ujjal Dosanjh, does not intend to oppose private health care services in place, nor does he intend to take a stand against new private health care enterprises coming on line. He is quoted as saying that the federal government's role is "...not to monitor, not to dictate, but to ensure that we nudge each other as different jurisdictions to come together" to provide a level of universal care.

Ottawa Citizen, Aug 7/04 "Better public health care would 'stem the tide' of privatization:  
Dosanjh, Jenny Lee

On September 29, Justice Mosley of the Federal Court released a decision rejecting an application by a coalition of public health care defenders. The coalition was seeking declarations from the Court that the Minister of Health has failed to monitor compliance with the *Canada Health Act* and does not properly report to Parliament on the administration and operation of the *Act*. The Judge referred the matter back to Parliament.

[www.cupe.ca](http://www.cupe.ca) Sept 30/04, "Monitoring, Reporting and Enforcement of *Canada Health Act* Up to Parliament – Judge"

In a major court case that could determine the future of Medicare, a Quebec doctor named Jacques Chaoulli and his patient George Zeliotis claim that their constitutional rights have been violated by a Quebec law that prevents queue jumping.

Hearings by the Supreme Court of Canada in the Chaoulli case began on June 8th. A group of 10 senators, led by Senator Michael Kirby and a group of for-profit health corporations have joined the case to ask the Supreme Court to open the door to a full-fledged private health insurance system in Canada.

Two Quebec courts have already dismissed the challenge, ruling that the provincial law is intended to prevent discrimination based on ability to pay and is in keeping with the charter of rights.

Canadian Press, June 9, 2004, "Private health hurts, court told: Top judges hear a defense of Medicare. Where would staff come from lawyer asks," Dennis Bueckert.

CTV News, June 8, 2004, "Medicare going on trial in Supreme Court case", CTV new Staff. [www.CTV.ca](http://www.CTV.ca) (09/06/04).

Canada's health minister says he is open to provinces exploring private, for-profit health care delivery.

Toronto Star, April 28, 2004, "Health minister open to "options". Wants for-profit services explored. Remarks draw fire from critics," Mary Gordon.

Ottawa Citizen, April 28, 2004, "Ottawa opens up Medicare. Provinces given OK to 'experiment' with private firms," Mark Kennedy.

In November 2003, the government of Canada established an office inside Industry Canada to promote Public-Private Partnerships for public infrastructure. The office's mandate is to create awareness about P3s and offer promising new business opportunities for "Canadian service firms to provide cost-effective, innovative solutions to infrastructure and service needs".

<http://strategis.ic.gc.ca/PPP> (April, 2004), Headlines Archive December 2003.

The Martin government is open to revising the *Canada Health Act*. Government is open to making the *Act* more flexible. Health care is expected to be key issue in the upcoming federal election.

CP Wire, "Ottawa Open to Revising Canada Health Act, source say," Thursday March 25, 2004, Dennis Bueckert.

Broadcast News, "The Martin government is open to the idea of revising the *Canada Health Act*," Friday March 26, 2004.

## **NATIONAL DATA**

The Canadian Association of Radiologists claims that over half of the MRI's performed in Canada in 2003 were done in private clinics.

Broadcast News, Saskatchewan Update, July 7/04

## **BRITISH COLUMBIA [Updated October 18, 2004]**

### **2004**

#### **PRIVATE FOR PROFIT HOSPITALS**

The P3 agreement with a private consortium called Access Health Abbotsford to build the new Abbotsford Hospital and Cancer Centre is scheduled to be signed in October. Details of the contract will not be released to the public until after it is finalized. Access Health Abbotsford is composed of PCL Construction Group, Brookfield LePage Johnson Controls and the Canadian branch of ABN Amro Bank. The Consortium will finance, design, build and operate the new hospital, with the government proposing to pay for using the building through a lease arrangement.

Maple Ridge News, Aug 7/04, p. 0012, "Streifel resurfaces, raps P3 hospital."  
Chilliwack Progress, Aug 17/04, p. 0014, "Alberta abandons P3 hospital."  
Abbotsford News, Sep 2/04, p. 0004, "P3 project worthwhile – even NDP agrees."  
Abbotsford News, Oct 5/04, p. 0001, "\$5.2 million payment looms for hospital."

The sod was turned on September 30th for construction of the Academic Ambulatory Care Centre at the Vancouver General Hospital, the province's first P3 project. The 11-storey building is scheduled to be completed in 2006. The facility will be built and operated for 30 years by Access Health Vancouver (AHV). The AHV consortium is made up of ABN AMRO Bank N.V., PCL Constructors Westcoast, a joint venture of IBI Group and Henriquez Architects, and Brookfield LePage Johnson Controls. The Vancouver Coastal Health Authority (VCH) will lease space as the main tenant and will assume ownership of the building at the end of 30 years. VCH will rent 216,000 of the 365,000 square feet in the new facility. AHV will lease out the remainder of the space to private tenants.

The Vancouver Sun, Oct 4/04, p. B7, "Sod turned on first P3," Maurice Bridge

#### **CONTRACTING OUT**

The Fraser Valley Health Authority closed bids on September 24 for the contracting to private clinics of 2,500 MRI procedures. The contracted scans are to be performed by March 31, 2005.

National Post, Sep 15/04, p. A1, "Privatized care keeps expanding," Scott Stinson and James Cowan

The use of private clinics to perform publicly funded surgeries has been growing steadily in B.C. since first allowed in 2002. Four B.C. health authorities, Vancouver Coastal, Vancouver Island, Fraser and Interior, are increasingly engaging in this practice. In Vancouver, between September 10 and the end of October, 1400 day

surgeries, paid for out of the public purse, will have been performed in private clinics. Since March, the Fraser Health Region has spent \$875,000 contracting out surgical care to private clinics. The Interior Health Authority has recently disclosed that it will pay a private, for-profit clinic in Kelowna \$615,000 to perform 480 day surgeries over the next 6 months, or \$1280 per surgical procedure. Only the Northern Health Region does not contract out surgical care. To date, the surgery has consisted of simple day procedures such as cataract removal, although the Provincial Health Minister has indicated that he is considering contracting out more complicated procedures that involve overnight stays.

The Vancouver Sun, Sep 10/04, p. B1, "Backlog of surgeries cleared," Jim Beatty  
National Post, Sep 16/04, p. A21, "A second quiet revolution?" Editorial  
B.C. NDP NEWSWIRE, Oct 6/04, "Campbell wasting precious public health resources on for-profit clinics," newswire@news.bc.ndp.ca

More than 8,000 workers -- 90% of them women -- have lost decent jobs paying an average of \$18/hour as a direct result of Bill 29. Their work -- most of it in hospital cleaning, dietary services, laundry and security -- has been contracted out to foreign corporations which pay \$9-\$11/hour and provide few benefits. The wages of those who clean operating rooms, sterilize their linens and prepare and serve patient food throughout B.C.'s largest and most expensive metropolitan areas are now the lowest in the country. Care aides and nurses -- especially those providing care to seniors -- have also been hit hard by job losses, and Bill 29 has left many other health care workers vulnerable.

National Post, Jul 15/04, Op Ed, "B.C. wants to turn back the clock,"  
Chris Allnut [former Secretary-Business Manager, HEU]

The provincial government has announced that Bill 92, designed to prevent doctors from charging a fee for procedures covered by the public system through the imposition of heavy fines, will not be passed. The Provincial Health Minister, Colin Hansen, has indicated that the government will not let its Bill 92 get in the way of its own expansion of private clinic use.

Alberni Valley Times, Sep 10/04, p. A5, "Expanded use of private medical clinics considered."

BC has recently chosen an American company to manage its medical services plan and pharmacare systems. Concerns have been raised that private information kept in medical services database could be made available to American Authorities under the US Patriot Act. Maximus is a Virginia-based private for-profit company with a subsidiary in Canada, but this does not exclude them from the purview of the Act, brought in after September 11, 2001. The Act allows the FBI to order organizations to turn over information and companies are then forbidden to tell anyone that the data was released.

Privacy commissioners are studying the ramifications. Payroll records that would be managed by Maximus include personal information such as sick days taken, salaries and whether wages have been garnished. Concerns have been expressed over privacy and about whether the move is legal under the *Canada Health Act* (CHA), since “public administration” of Medicare is one of its 5 pillars.

Times Colonist (Victoria) “FBI Specter Looms Over Medicare,”  
Thursday April 1, 2004, A1 front, Judith Lavoie.

CP Wire, 07/30/03, Judith Lavoie.

Broadcast News, “BC medical Services,” Wednesday March 31<sup>st</sup>, 2004.

The total number of job losses resulting from BC’s Bill 29, the Health and Social Services Delivery Improvement Act is now up to about 7,000, with thousands more expected by the end of the year. Bill 29 has made it legal for employers to ignore negotiated contracts that are legally binding. And employers are taking full advantage of the opportunity to get around job security provisions in contracting out public health care work.

Bill 29, Health and Social Services Delivery Improvement Act, Legislative Session:  
2nd Session, 37th Parliament Passed on 3<sup>rd</sup> reading, 27th day of January, 2002,  
[http://www.leg.bc.ca/37th2nd/3rd\\_read/gov29-3.htm](http://www.leg.bc.ca/37th2nd/3rd_read/gov29-3.htm)

HEU, 2004.

Pink slips were issue to more than 1,000 unionized health support workers from Nanaimo to Victoria on February 23<sup>rd</sup>. The Vancouver Island Health Authority has decided to contract out its housekeeping and food services to Morrison Health Care Food Services and Crothall Services Canada, both divisions of Compass Groups Canada.

Layoffs of 1,029 full-time, part-time and casual workers will roll out over the next six months. Of those losing their jobs, 90% are women. The average wage of most workers was 19.50 before the layoff. The contractors are expected to pay 9.50 an hour.

Times Colonist (Victoria), “Contracts axe union jobs: More than 1,000 health workers face layoffs, outside firms hired,” February 24<sup>th</sup>, 2004, A1, Bill Cleverley.

Daily News (Nanaimo), “Sad Day for health workers” Health Authority giving jobs to private contractors; 141 workers to be laid off,” A1/Front, Valerie Wilson.

## **GOOD NEWS**

B.C.’s Interior Health Authority is breaking the privatization mold and keeping its new, centralized laundry service in house. The move to centralize will still cost the equivalent of 50 full-time jobs, but the Salmon Arm facility will still improve on the

hugely negative repercussions to workers and service delivery that have been wrought in other parts of the province.

[www.cupe.ca](http://www.cupe.ca) May 20/04, "B.C. health authority to keep centralized laundry in house."

## **2003**

### **PRIVATE FOR-PROFIT HOSPITALS**

Passed in November 2003 by the Gordon Campbell Liberals, Bill 94, the Health Sector Partnerships Agreement Act, makes private hospitals legal. It sets out the legal terms for entering into public private partnership hospitals and for contracting out, making privatization of BC's health system more attractive to for-profit corporations and easier to do.

Bill 94, Health Sector Partnerships Agreement Act, 2003 Legislative Session: 4th Session, 37th Parliament; Third Reading on the 27th day of November 2003.  
[http://www.leg.bc.ca/37th4th/3rd\\_read/gov94-3.htm](http://www.leg.bc.ca/37th4th/3rd_read/gov94-3.htm)

Interior Health Authority plans what sounds like a public private partnership project for a new long-term care facility for seniors and people with disabilities. Six different groups of for-profit companies have submitted expressions of interest to build, design, operate and staff the facility privately. Construction planned to begin in spring of 2004.

Nelson Daily Times, 07/16/2003, Page 1/Front, Kathy Keil.

Kimberly B.C. purchases hospital from Interior Health Authority with idea to turn the hospital into a "health mall" providing for-profit "fringe services" in a 3-way partnership with the town, the Health Authority and a private management company.

Medical Post, 01/14/03, Vol. 39, no. 2, David Kosub.

A feasibility study is underway to look at public private partnership for new hospital near Parksville, proposed by US firm.

Times Colonist (Victoria), 05/15/03, B3.

A hospital and cancer centre in Abbotsford, BC, will be a public private partnership. Several firms have submitted bids. A newly established crown agency, "Partnerships BC" will look at proposals.

Free Press (Fernie), 01/28/03, Matthew Claxton.

The Province, 05/05/03, A6, Kent Spencer.

Canadian Press Newswire, 05/04/03.

Broadcast News, 01/28/03.

### **CONTRACTING OUT**

The BC liberals' brutal dismantling of the public health system has led to the elimination of nearly 3,000 health care workers' jobs over the last 18 months. Another 6,000 health care workers will likely lose their jobs by mid-2004 as a result of facility closures, service reduction and privatization of support services.

HEU, 07/30/03, News Release, [www.heu.org](http://www.heu.org).

Vancouver Coastal Health Authority (VCHA) announced a 5-year cleaning contract with Aramark Canada Ltd., and hands 850 layoff notices to unionized workers in Vancouver Hospitals. Workers earning half as much and without adequate skills or training will now be responsible for cleaning and infection control in operating rooms, intensive care units and other highly specialized settings.

Vancouver Sun, 31/07/03, Pamela Fayerman and Greg Mercer.

Vancouver Island Health Authority (VIHA) is also on a privatization spree when it comes to support services. Privatization of housekeeping services at Cowichan District and Cairnsmore Place puts 33 full-time jobs at risk. A request for proposals (RFP) has been issued to privatize housekeeping in several other major hospitals in the area as well. An RFP was issued to privatize patient food production and distribution at a number of facilities a month earlier.

Cowichan Valley Citizen, 13/07/03, Andrew Costa.

The Vancouver Coastal Health Authority's privatization spree will result in the layoffs of hundreds of front line health care workers in a number of facilities – mostly women. Hospital support services including food services and hospital cleaning in sensitive areas such as intensive care units, special care nurseries and operating rooms will be contracted out to private companies that will hire inexperienced workers at 50% of the wages of public sector workers.

News Releases, 05/30/2003 and May 27, 2003, Hospital Employees' Union, ([www.heu.org](http://www.heu.org)).

More layoffs in yet another round of privatization, this time the Vancouver Coastal Health Authority signs a 10-year contract for the transfer of laundry responsibility for Lions' Gate and Vancouver Hospitals to American owned K-Bro Linen Systems. Another 47 workers will be laid off.

News Releases, 06/03/2003, Hospital Employees' Union, ([www.heu.org](http://www.heu.org)).

Unprecedented, Bill 29 overrides collective agreements by permitting ongoing contracting out and privatization of health service delivery. Thousands of jobs lost already. More to come.

Bill 29: Health and Social Services Delivery Improvement Act, Honorable Graham Bruce, Minister of Skills Development and Labour. Passed at Third Reading, 2001. Legislative Session: 2<sup>nd</sup> Session, 37<sup>th</sup> Parliament, January 27, 2002.

The Province, 04/15/03, A6, BC Briefing.

Vancouver Sun, 04/15/03, B1 Front, David Hogban.

Vancouver Sun, 06/07/03, G4, Business in BC.

Daily News (Nanaimo), 06/06/03, A9, In Brief.

Vancouver Island Health Authority seeking tenders from the private sector for food services and considering privatizing housekeeping at several facilities.

Times Colonist (Victoria), 06/11/03, A3, Jeff Bell.

Interior Health Authority to privatize food services through centralized kitchen in Vernon.

Trail Daily Times, 02/21/03, 1/Front, Lana Rodlie.

Fraser Health Authority privatizes and centralizes laundry services. Laundry is now being trucked to Alberta.

Food services and Housekeeping at BC Children's Hospital and Women's Health Centre privatized.

The Daily News (Kamloops), 05/29/03, A1/Front, Cam Fortems.

Vancouver Sun, 05/28/03, B2.

## **PRIVATE FACILITIES AND SERVICES: TWO-TIER HEALTH CARE**

Health Canada charges BC government for allowing a well-known private clinic, (False Creek Surgical Centre) to charge user fees for medically necessary services. This fundamental breach of the *Canada Health Act* cost the province a minimal \$4,610 of its share of the Canada Health and Social Transfer.

The Province, 06/27/03, A27, Don Harrison.

The Globe and Mail, 06/27/2003.

Patients who can afford to will be able to pay for MRI or CT scans at private clinics and in Abbotsford as of mid-December, 2003. Canadian Health Scan, a for-profit company, will allow patients to obtain results before the rest of the population and thus to jump the queue for treatment in the public system. Neither the director of Medical Imaging Services for the Fraser Health Authority, nor the Canadian Association of Radiologists supports the proliferation of private CT scan clinics in Canada.

Abbotsford News, 11/20/2003, "Two-tier health system is here": Lutton".

A group of 14 radiologists is setting up The Fraser Valley MRI Clinic. The radiologists will rotate between this new private clinic and the public hospitals where they currently work. Instead of improving access to MRIs for the whole community, the general public will continue to wait while those who can afford to pay will be able to obtain services right away.

Abbotsford News, 11/22/2003, "Add Private MRI to Medical Mix".

Saint Mary's Hospital plans to sell surgical and other services, but retain its status as a public, not-for-profit hospital. Huge budget cuts by the provincial government have forced administrators to look at new ways to generate funding and keep the hospital open. Now 50 or 60% of revenue will come from private insurers – up from about 10%. Using the public facilities to provide non-medically necessary procedures, as well as providing health services for high-class executive, is being considered. The hospital is also looking at providing expedited surgery for those covered under the Workers' Compensation Board and others not covered under the *Canada Health Act*.

Private providers would be able to lease the facilities to make a profit. This means that the hours that the hospital can provide its regular non-profit functions will be curtailed, and long wait lists for publicly insured services would become even longer.

Vancouver Sun, 09/24/2003, "St. Mary's Hospital to sell surgical services," Pamela Fayerman.

B.C. government in negotiations with US-based multinational Baxter International Ltd. will provide treatment for kidney disease and kidney dialysis in the Fraser Valley Health Region.

HEU News Release, 03/24/03, "Nurses Demand Halt to Talks with US Health Giant Linked to Patient Deaths", [www.UnofficialOpposition.com](http://www.UnofficialOpposition.com), (4/25/2003).

Cambia Surgery Centre (a for-profit clinic) in Vancouver continues to operate by invoicing third party payers (relatives or companies).

Calgary Herald, 03/14/03, A6, David Heynan.

The Vancouver Coastal Health Authority plans to contract out thousands of surgeries to private clinics. Other health authorities may follow suit.

Vancouver Sun, 06/11/03, A1/Front, Judith Lavoie.

The Province, 06/11/03, A3.

The Province, 06/12/03, A8, John Birmingham.

Patient pays \$6,000 for sinus surgery at private clinic to jump surgery line at False Creek Surgical Centre.

Vancouver Sun, 03/26/03, A1/Front, Pamela Fayerman.

In Vancouver a patient can buy a Positive Emission Tomography (PET) scan, which can monitor and detect heart problems. More than 1,100 patients have paid \$2,500 to be scanned.

Edmonton Journal, 03/16/03, D8.

Vancouver Sun, 03/22/03, B6, Joanne Laucius.

Vancouver Sun, 06/12/03, B1/Front, Pamela Fayerman.

## **OTHER**

Increase in for-profit Retirement Homes and Assisted Living arrangements. BC's Interior Health Authority plans to move the Penticton and District Retirement Centre into a facility privately run by the Good Samaritan Society in the next year.

Penticton Herald, 02/05/2003, A3, Joyce Langerak.

Private payment for drugs is increasing as BC government increases deductibles and de-lists drugs from provincial drug plan (anabolic steroids, anti-fungal creams, drugs for incontinence).

Coquitlam Now, 03/12/03, p.13, Elaine Gordon.

Sylvia Fuller, Canadian Centre for Policy Alternatives, "Fair Pharmacare? A Backgrounder on the government's changes to BC's pharmacare program," April 2003.

## **ALBERTA [Updated October 27, 2004]**

### **2004**

#### **PRIVATE FOR PROFIT HOSPITALS**

The Calgary Health Region's first public private partnership health care facility opened on June 21, 2004. Bentall Real Estate Services built the \$23 million facility and will lease about 1/3 of the space to the region to house the South Calgary Health Centre. Bentall will manage and maintain the building. The centre will be what is described as "an urgent care facility." Patients requiring hospitalization will be transferred.

The Calgary Herald, June 8, 2004, "First P3 health facility set to go," Mario Toneguzzi, B3.

Premier Ralph Klein announced that they had not confirmed where the remaining \$475 was coming from to match the province's \$42 million already committed, before putting the shovel in the ground on Calgary's new south hospital. At the groundbreaking ceremony, he announced that the Calgary Health Region will be looking at a number of options to fund the new hospital including public private partnerships (P3).

Two weeks earlier, the Calgary Health Region was seeking approval from the province to enter into a P3 deal for a health care facility in another downtown Calgary location. The deal between the Health Region and Bentall Real Estates, who will design, build, operate and maintain the \$60 million Sheldon M. Chumir Health Centre facility was all but finalized.

Calgary Herald, July 14, 2004, "CHR Studies Cash Options," B2.

Calgary Herald, June 30, 2004, "Health Region Proposes second Bentall Centre," Mario Toneguzzi, B8.

#### **PRIVATE FACILITIES AND SERVICES: TWO TIER HEALTH CARE**

Premier Ralph Klein wants flexibility in the *Canada Health Act* so that he can charge patients for upgraded medically necessary services at new private clinics in Calgary and Edmonton. A proposed bone and joint centre and a proposed cardiac centre would be great ways to use our expertise to raise money, says the premier of Canada's richest province. He also said he would support the Capital Health Region if they want to build a hotel near the hospital for patients who want to pay extra for luxury accommodations while waiting for or recovering from surgery.

Edmonton Journal, "Private Health – 'So What?'" Friday March 26, 2004, A1/Front, Kelly Cryderman.

Premier Ralph Klein threatens two-tier health care, considering such things are user fees, de-listing medical procedures or charging a deductible for doctor visits. Says he wants to scale down Medicare to a more basic critical services program and have the private sector deliver less important treatment procedures. He says he will come up with a five-point plan for “tough” reform.

Grand Prairie Daily Herald-Tribune, “Another Bill 11 Battle on the Horizon?” Tuesday March 16, 2004, p. 6, Darcy Henton, Canadian Press.

Broadcast News, “Premier Ralph Klein has announced a five-point plan to decide on a set of tough measures to reform Alberta’s health care system,” Wednesday March 17, 2004.

Winnipeg Free Press, Monday Feb 23, 2004, A3.

Vancouver Sun, Tuesday Feb 24, 2004, A1 Front, Jeff Lee.

Devonshire Care Centre, 120 LTC Facility – A private company called Summit Care Corporation is responsible for financing, planning, building and managing the facility under a 30 year contract with the Capital Health Authority.

Summit Care/ Devonshire Village website  
<http://www.devonshirevillage.com/service.html>

Capital Health Authority Website.

Qc. Treasury Board Doc.

### **CONTRACTING OUT**

The Calgary Health Region is contracting out at least 500 knee and hip surgeries at a cost of \$6 million annually to the Health Resource Centre, a private clinic. The services will cost 10 per cent more than if they were provided in a local hospital. The region announced that it would pay for the use of the HRC’s operating rooms, beds, and staff, who will provide care to each patient for four to seven days. The agreement with HRC is for two year and will be re-evaluated at that time.

Calgary Herald, Oct 22/04 p. B1, “Clinic to ease wait lists,” Mario Toneguzzi

### **GOOD NEWS**

The Calgary Health Region will build and operate the city’s planned southeast hospital. The Region had long been considering a public-private partnership to build the new hospital. At least three companies, including two linked to multinationals, had indicated interest in building and operating the hospital and leasing it back to the Region. The

province is expected to cover about half of the hospital's \$500-million price tag, and is considering financing the remaining costs by issuing savings bonds.

Calgary Herald, Aug 9/04 p. B1, "Region will build new hospital alone....," Kerry Williamson and Sarah Chapman  
[www.cupe.ca](http://www.cupe.ca) Oct 5/04, "P3 Hospitals Canned in N.B. and Alberta"

## **2003**

In the past year, Alberta's Health Minister Gary Mar has revealed plans to join forces with the private sector in all aspects of health care over the long term. RFPs have been issued by the Calgary Health Region for privatization of all aspects of the city's health system.

The Daily Courier (Kelowna), 01/10/03, A5.

The Times-Herald (Moose Jaw), 01/03/03, 6, CP.

Calgary Sun, 01/04/03, 18, CP.

## **PRIVATE FOR-PROFIT HOSPITALS**

Calgary Health Region announces to the press that they are prepared to enter into a deal with the private sector to build a new hospital. Calgary Health Region seeks private sector bids to build a \$25 million parkade at Foothills Hospital and is looking into P3s to build a new \$200-300 million hospital in the city. The land has been purchased and requests for proposals have been issued.

Calgary Herald, 05/10/03, B3, David Heyman.

Edmonton Journal, 01/13/03, A6, David Heyman.

Calgary Herald, 01/13/03, A1/Front, David Heyman.

New private, for-profit hospitals are proposed for Edmonton. They will likely do work now done in public hospitals. Primary health care teams and other reforms have potential to improve the health care delivery, but the hospitals also risk being "taken over by US-style, corporate health management organizations."

The Edmonton Journal, 11/10/2003, "One-stop shopping for health care lauded," Rick Pedersen, A6.

Three new P3s in Edmonton: Edmonton Health Authority announced plans to develop 3 new PPP hospital projects. The deadline for business proposals is January 20<sup>th</sup>, 2003.

Canadian Press Newswire, 01/04/03, Edmonton.

Peace Country Health has been given the green light to pursue proposals for private funding to be used to upgrade and renovate community health care facilities. Locations include the Queen Elizabeth II hospital and replacement of the acute care wing of the High Prairie Hospital in Grande Prairie.

Fort McMurray Today, 11/10/2003, "P3s in the works for Peace Health region," Debi Ruhl (Grande Prairie Herald-tribune), 5.

### **CONTRACTING OUT**

Edmonton's Capital Health has awarded a multi-million dollar ambulance contract to a private company. More than 40 paramedics could lose their jobs as their current deal through Emergency Medical Services expired in January 2004.

The Edmonton Sun, 08/27/03, Keith Bradford.

The Edmonton Sun, 09/05/2003, "Private contract puts jobs of paramedics on the line," Keith Bradford.

The Calgary Health Region (CHR) adds a common cancer detecting diagnostic procedure to the list of medical services to be contracted out to the private sector. A request for expressions of interest in setting up private clinics to perform endoscopies has been issued. Negotiations are underway with a for-profit company, Health Resource Centre, who already provide a number of private procedures. The CHR is also planning to build a private hospital in the form of a public private partnership in Calgary's deep south.

The Calgary Herald, 13/07/03, David Heyman.

David Tuer, chair of the Calgary Health Region, suggests private surgical clinics for out-of-towners (non-Canadian tourists) and instituting health premiums based on how often people use the system, among other measures to raise money to address the health region's financial deficit. Health Minister Gary Mar sees merit in the proposals.

The Sault Star, (source: Calgary Herald, Calgary Sun), 07/07/03, B9.

The Edmonton Journal, 07/07/03, B1 Front.

### **PRIVATE FACILITIES AND SERVICES: TWO-TIER CARE**

The Alberta government increased the accommodation fee for seniors in long term care facilities to \$40/day from \$28. What is essentially a 42.9% rent increase has been brought in by the Tories to increase the profit of Extendicare. The private, for-profit

company has a monopoly over long-term care facilities in the province. The new money will not go to cover health care costs but will go to profits. Extendicare benefited in the same way from Ontario's increased funding for long-term care services, without improving access to care.

Fast Forward Weekly, 11/13/2003, "Nursing home user fees linked to private profits," Tom Babin, 4.

Ontario Man buys CT scan at private Calgary clinic.

Edmonton Journal, 03/16/03, D8.

Vancouver Sun, 03/22/03, B6, Joanne Laucius.

Private Clinic to do major surgery. Health Resource Center (HRC), a for-profit surgical clinic in Calgary, continues to operate providing health services to third party payers.

Globe and Mail, 09/14/02, Brian Laghi and Dawn Walton.

Calgary Herald, 03/14/13, A6, David Heynan.

Alberta's "expert panel on de-listing" established by the Mazankowski Report. Council considers de-listing and cost-sharing for chiropractic care, reduces eye exams for children to one every two years.

Edmonton Journal, 03/16/03, A6, Tom Olsen.

Calgary Herald, 03/16/03, A10, Tom Olsen.

The Leader-Post (Regina), 03/08/03, B7, Graham Thomson.

Edmonton Journal, 03/06/03, A1/Front, Graham Thomson.

Medical Post, 01/21/03, Barbara Kermode-Scott, Vol 39, No. 3.

Edmonton Journal, 01/07/03, A1/Front, Tom Olsen.

Two-tier access in Edmonton. Nurse jumps queue by paying for MRI.

Edmonton Journal, 12/09/02, Susan Ruttan.

On January 8, 2003, patient jumps 8-month queue by paying for MRI.

Edmonton Journal, 09/01/03, B3, Don Thomas.

Negotiations underway for private funding of Youville long-term care projects in Edmonton. The 100-bed long-term care facility will be built by Citadel – a private company that operates several other seniors’ facilities in Edmonton.

St. Albert Gazette, 02/19/03, 1/Front, Glenna Hanley.

#### **OTHER/TRADE**

Calgary Health Region is looking to export its expertise to the UK health system by joining a multi-national bidding consortium called Anglo-Canadian Clinics. The consortium was chosen as the preferred bidder to provide management and health services in three outpatient surgical centres in London. So far the consortium is comprised of UK investors and Calgary-based Surgical Centres Inc.

Calgary Herald, “CHR Ponders Role in U.K. bid,” September 13, 2003, B3, Tarina White.

## **SASKATCHEWAN [Updated October 18, 2004]**

### **2004**

Premier Lorne Calvert has indicated that he is willing to work with the Muskeg Lake Cree Nation regarding their plans to own and operate an MRI unit on their Saskatoon Reserve. The premier said that Health Minister John Nilson will meet with Nation representatives to explore the concept further.

The Star Phoenix (Saskatoon), July 8/04 p. A3, "Government open to MRI on reserve,"  
Lana Haight and James Wood

The Muskeg Lake First Nation is proceeding with plans for its own Magnetic Resonance Imaging (MRI) clinic in Saskatoon, despite government objections. The band's business advisor, Lester Lafond, says the province rejected the plan, but he says it is going ahead anyway, with or without government support. Lafond says the new service would fill a need in Saskatchewan. But the Ministry of Health is funding a new MRI facility for Regina, which will increase the province's capacity by about 50%. He says the issue is not only with acquiring the actual MRI machine, but also with finding qualified technicians.

SASK.CBC.CA, News "First Nation considers private MRI clinic"  
Last Updated: Apr 5 2004 03:53 PM CDT.

Former NDP Finance Minister Janice McKinnon recommends looking at health care user fees to address rising costs. Premier Lorne Calvert has rejected the argument that health spending is out of control.

The Star Phoenix (Saskatoon), 11/15/2003, "Keep open mind to health-care user fees" McKinnon, Lana Haight, B10.

Health Edition, 11/28/2003, Volume 7 Issue 46, [www.healthedition.com](http://www.healthedition.com)

Creeping privatization through changes to personal care home legislation allowing unlimited number of beds in homes, in conjunction with a decline in the number of publicly-funded beds, results in the expansion of for-profit personal care homes for level 1 & 2 care.

Presentation to CUPE Health Care Conference, 02/06/03, Ottawa, ("Personal Care Homes: The Privatization of Health Care in Saskatchewan").

Broadcast News, 12/05/02, "Yorktown, Saskatchewan – A private personal care home raising questions at a public sector union".

Privatization of food services in Regina Qu'Appelle region. Services to be centralized and rethermalized food to be served.

The Leader-Post (Regina), 06/14/03, D10, Neil Scott.

## **MANITOBA [Updated October 27, 2004]**

The Workers Compensation Board (WCB) sent about one-third of its 1000 day-surgery patients to the private Maples Surgical Centre in 2003. The terms under which medical care is provided to WCB clients, members of the RCMP and the Canadian military, and refugee applicants do not fall under the *Canada Health Act*.

Winnipeg Free Press, Aug 5/04, p A1, "Private clinic OK for workers,"  
David Kuxhaus and Mia Rabson  
National Post, Sept 10/04, p A1, "Loophole lets injured workers seek private care:  
Federal employees, too," Tom Blackwell

As the head of Winnipeg Regional Health Authority looks to the private sector for help with financing, Premier Gary Doer says private sector funding for the health care system is fine with him, as long as there are enough workers available to make it run.

CBC News Winnipeg, 11/14/2003, "Private sector should support public health:  
WRHA".

Maples Surgical Centre is a functioning private surgical clinic in Winnipeg. They provide both cosmetic and other potentially non-elective surgeries, from orthopedic to cataract surgery. The clinic has been unable to secure a contract with government to provide insured services.

Winnipeg Free Press, 05/06/03, A5.

Maples Surgical Centre, Winnipeg, MB. [www.nationalsurgery.com](http://www.nationalsurgery.com) ( 05/24/03).

## **ONTARIO [Updated October 27, 2004]**

### **2004**

#### **PRIVATE FOR-PROFIT HOSPITALS**

The capitol cost for the Brampton P3 hospital has increased from \$350 million to \$536 million in 2 years, a 53% increase. The total cost, including capital costs and the privatization of staff and services, is at least \$2.6 billion, with no equipment and other costs included. If the deal is signed under the terms that have been disclosed to date, the government will pay a 1% higher borrowing rate than the government borrowing rate. This higher borrowing rate means the public will pay at least \$124 million more for this privatized hospital than it would if the government financed the hospital directly and kept it public. The hospital has admitted that it will have to reduce the size of the hospital and its beds and services due to financial constraints.

Ontario Health Coalition Press Release, Aug 6/04,  
"Over \$100 Million Wasted in Secretive P3 Hospital Deal."

On July 23<sup>rd</sup>, the Royal Ottawa Health Care Group signed a deal with The Healthcare Infrastructure Company of Canada, a private consortium, to build the new Royal Ottawa Hospital. The deal is projected to cost \$256 million over the next 20 years and eight months. Construction is expected to be completed by the end of 2006. The design and construction costs of the hospital are already \$26 million more than the \$100 million figure cited in the former Conservative government's leasing plan. The new ROH, which is comprised of the Royal Ottawa Hospital and the Brockville Psychiatric Hospital, will have 50% fewer beds than the combined beds in the existing institutions. As well, the public can expect 14% fewer nurses and 38% less support staff.

Canada News-wire, Aug 25/04, "Health care Trojan Horse to visit CKCU Folk Festival in Ottawa."

Ottawa Sun, July 24/04 p 3, "P3 hospital a done deal; health officials, private consortium ink agreement," Sean McKibbon  
[www.rohcg.on.ca](http://www.rohcg.on.ca) "ROH signs deal for new public hospital."

On April 8, Ontario's Liberal government released the report of an independent study led by Michael Decter. The report recommends streamlining the way hospitals are bankrolled, embracing privately funded hospitals. The ministry of health is reviewing the recommendations to forge ahead with public private partnerships as the model for funding all new hospitals.

The Toronto Star, "More P3 schemes possible: Liberals," April 9, 2004, Richard Brennan and Robert Benzie (web version).

Capital Health Planning Review, January 16, 2004, <http://www.pir.gov.on.ca/>

### **CONTRACTING OUT**

The Ontario government is considering a private consultant's report (Hay Group Report) that says hospitals could save \$200 million if they were operated more efficiently. The report identifies the 25% "most efficient" hospitals in the province in areas such as laboratories, communications, finance, food services, health records, human resources, materials management, pharmacy and systems report. It concludes that if the remaining 75% of hospitals followed similar operating practices in these areas, then the \$200 million savings would be realized. In most cases these "efficiencies" were obtained by contracting out the work. In order for contracting out to occur, the government would have to bring in legislation abrogating collective agreements and abolishing successor rights. When asked whether the Ontario government was considering such legislative changes, the Health Minister did not answer the question. A spokesperson for the Ontario Hospital Association said that there would have to be "wide consultation" if the government were to scrap successor rights.

Toronto Star, Sep 24/04, "Hospital jobs on the block, union charges," Ron Ferguson  
Toronto Star, Sep 22/04, p A1 "Hospitals wary of cuts," Ian Urquhart

The University Health Network is considering whether to hire an outside company, Carillion Canada, to provide facilities management services, excluding housekeeping. The UHN is composed of the Toronto General, Toronto Western and Princess Margaret Hospitals.

Toronto Star, Sep 24/04, "Hospital jobs on the block, union charges," Ron Ferguson

### **GOOD NEWS**

The provincial government has begun to "buy back" private MRI clinics. The clinics were set up under the previous Conservative government. To date, MRI clinics in Kingston, Kitchener and Richmond Hill have been converted to non-profit entities. The government paid each of the clinics \$25,000 to compensate for costs associated with conversion. While it would have been preferable for these clinics to be fully integrated into the public health care system, their hours of operation have expanded significantly since converting to non-profit status. A fourth operator, DC Diagnosticare Inc, is a publicly traded corporation. Reportedly, the government has made an offer of \$14 million to buy its assets, including clinics in Ajax, Huntsville and Mississauga.

## **2003**

### **PRIVATE FOR-PROFIT HOSPITALS**

The Royal Ottawa Hospital will be the first public private partnership in Ontario after all. Despite an election promise to scrap the P3 deal and build the hospital publicly, the Liberal government announced on November 21<sup>st</sup> that the deal would go ahead. The previous government's plans for both the Royal Ottawa Hospital and the William Osler Hospital in Brampton will go ahead virtually unchanged.

In the only minor change to the deal, the public will now pay a mortgage for the facility with the private consortium acting as the bank, instead of the lease-back arrangement that was originally planned. The hospital will be built with private funds and the companies' profits will come off the top of the hospital's operating budget. The public sector will own the hospital once the contract is over left with an aged building that will be in need of finances for repair and renewal. The finer print details remain hidden from public scrutiny.

The Ottawa Citizen, 11/22/2003, "Spin on new ROH deal an insult," Randall Denley, F1.

The Toronto Star, 11/22/2003, "P3 hospitals, Morain house to go ahead",  
Valerie Lawton and Mike Funston, A1.

The Eves government has announced that Ontario's first private hospital deal has been signed. The Royal Ottawa Hospital will be built, owned and operated under a controversial P3 arrangement. The province will lease the hospital back from the private company, making it more expensive for the public purse over the long run. Cabinet has approved the Health Care Infrastructure Company of Canada's \$100 million proposal. The same company's \$350 million proposal was selected to build, manage and operate the William Osler Hospital in Brampton. A series of agreements dealing with everything from how services are run to building permits and ground leases still have to be negotiated. The Ontario Tories are intent on getting the deal signed and sealed before the October 2<sup>nd</sup>, provincial election.

Ottawa Citizen, 09/09/03, Mohammed Adam, B1/Front.

The Board of Toronto's Centre for Addiction and Mental Health is considering a P3 to finance a plan to amalgamate four treatment sites with encouragement from the provincial health ministry.

Toronto Star, 07/10/2003, Theresa Boyle.

It is rumored that the Sudbury Hospital is a candidate for a public private partnership (P3). The Uxbridge site of Markham Stouffville hospital will be a P3 and potentially 15 other hospital sites across Ontario.

The Sudbury Star, 05/23/2003, Jason Simac.

The Pulse, July 2003, Ontario Health Coalition Newsletter.

The Toronto Star, 04/12/2003, E1, Theresa Boyle.

(Date) Ontario announces P3 Hospital for Lakeridge Health Corporation (Markham/Stouffville/Uxbridge). Eight for-profit clinics are also underway.

National Post, 02/18/2003, A4, Tom Arnold.

Uxbridge Times, 04/25/03, p.1.

Uxbridge Times, 05/21/03, p.1, Carly Foster.

The William Osler Health Centre selected a preferred bidder. The Health Infrastructure Company of Canada is the consortium that has been selected to build, own and operate the new hospital in Brampton under a P3 arrangement. Construction is scheduled to begin in the next couple of months.

The corporate consortium consists of 3 companies:

- Borealis Infrastructure Management Inc.,
- Carillion Canada Inc.,
- The Ellis Don Construction firm.

William Osler Health Centre, News Release, 05/12/03, [www.williamoslerhc.on.ca/](http://www.williamoslerhc.on.ca/)

Press Release, "Brampton hospital announces potential corporate owners,"  
Canadian Union of Public Employees, [www.cupe.ca/www/57/OslerP3/](http://www.cupe.ca/www/57/OslerP3/), (05/20/03).

Timmins and District Hospital seeks private partners for a new Medical, Educational and Dialysis centre.

The Daily Press (Timmins), 01/24/03, Joyce Hunter.

December 2002, RFP for public private partnership at Royal Ottawa Hospital released.

Royal Ottawa Health Care Group, Press Release, 12/13/02.

November 2002, RFP for public private partnership hospital at William Osler Health Centre in Brampton.

Government of Ontario Press Releases, 11/30/02,  
<http://www.newswire.ca/government/Ontario> (05/22/03).

William Osler Health Centre, Press Release, Canada Newswire, 10/17/02.

### **PRIVATE FACILITIES AND SERVICES: TWO-TIER HEALTH CARE**

A number of services will be de-listed as a result of the Ontario Provincial government's May 18<sup>th</sup> 2004 Budget announcement. Chiropractic services, eye exams, and physiotherapy will no longer be covered by OHIP. Critics say this is shortsighted, especially in view of the government's talk of preventative health and wellness, and community-based care. It will harm those who are already less fortunate and increase the burden on the acute health care system in the future.

Metroland Papers, May 26, 2004, "Optometrists fear delisting will add to eye problems Page 1.

Cambridge Times, May 20, 2004, "Budget one step closer to two-tier health care: people who can't afford to pay must do without says MPP," Carol-Ann Nugent, 1/Front.

Toronto Star, May 21, 2001, Eye tests gone in a blink; Chiropractors, physio also delisted Long-term costs will be greater Critics; Richard Brennan, A1.

A private CT scanner clinic is to open in Thunder Bay. The same radiologists, who will own and staff the private clinic, currently work at Thunder Bay Regional Hospital.

Kenora Daily and Miner News, 11/04/2003, "Private Scanner Still a Go", A2.

Private clinics don't shorten waiting lists; they make them longer by poaching staff from the public sector. KMH Cardiology and Diagnostic centre located in Kitchener, is Ontario's first of seven privately run MRI clinics to open this summer. KMH hired its first technologist by taking her away from a public hospital in Windsor. Kingston's private MRI clinic, Kingston MRI, has also lured a full-time technologist away from the public sector. She was previously working at Kingston General Hospital.

The Kingston Whig-Standard, 01/08/03, A1/front, Sarah Hammond.

The Toronto Star, 30/07/03, A20, Editorial.

Patients pay \$2,500 for membership in North York medical practice where "personalized health planning" includes timely access to care and shorter waits for MRI scans.

The Globe and Mail, Margaret Wente, June 17, 2003.

In January 2003, 107 bids by 43 corporations were submitted to the Ontario Ministry of Health offices to run 20 for-profit MRI clinics and 5 CT scan clinics. By the end of the summer, selected companies will be providing private for-profit MRI scans in Kingston, Kitchener and Thunder Bay.

Typically, the clinics will be open for OHIP billable services 35-40 hours/week and the machines will be used to service customers with private insurance and Worker's Compensation Board claims in the off hours. The limited hours of services for the public system means claims that these clinics will shorten waiting lists are unlikely to be realized. Concerns about poaching staff from hospitals and from public not-for-profit providers are well founded. Especially considering a \$10,000 bonus offered by the Kitchener private MRI providers to attract radiologists.

Toronto Star, 01/08/03, AO6, Carolyn Mallan.

Daily Miner and News, 03/27/2003, A2.

Metroland Paper, 03/21/2003, 8, Lynn Rees Lambert.

Kingston-Whig Standard, 06/25/2003, 7.

The Observer (Sarnia), 03/26/2003, 1/Front.

Toronto Star, 04/12/2003, E1, Theresa Boyle.

Belleville-based Quinte MRI vows to open private MRI clinic in next two years.

Ottawa Citizen, 01/05/03, A8, Trish Audette.

Bids close for companies to operate CT scanner in Brantford. Race is over for companies to set up private clinic. A private CT scanner is expected to be up and running in Brantford by March. The CT scan clinic will be privately owned and operated in Brantford, despite a clear need for a CT scanning machine in nearby Simcoe.

The Expositor (Brantford), 01/09/03, A8.

Four corporations win right to open publicly funded, private for-profit MRI and CAT scan clinics. The four corporations are: DC Diagnosticare, Kingston MRI Inc., Superior Imaging, and KMH Cardiology and Diagnostic centre.

Canadian Press Newswire, 02/21/03, Andrea Baillie.

Kingston is one site announced to receive a new privately run MRI clinic this spring. Other services have been licensed in Vaughan, Kitchener, Ajax and Mississauga.

Brockville Recorder and Times, 02/25/03, A1, Mark Calder.

Ontario continues to privatize home care services through the competitive bidding model, driving not-for-profit providers out of business in several areas (Kingston, Guelph, etc.).

The Guelph Tribune, 03/21/03, p.8, Virginia McDonald.

New long-term care beds continue to be privatized.

Ottawa Citizen, 04/16/03, C7.

The Dunville Chronicle, 03/05/03, 1/Front, Karen Best.

City of Hamilton calls for management proposals to run the Wentworth Lodge, a municipal long-term care facility. The proposals include privatization of the Lodge.

Ancaster News, 04/30/03, p. 36, Craig Campbell.

Ontario government closes private for-profit cancer clinic at Sunnybrook hospital. It failed to prove that health care could be provided more efficiently and effectively and at a lower cost in a private, for-profit facility, as Premier Mike Harris claimed it would.

London Free Press, 02/26/03.

Toronto Star, 12/04/03, A23, Karen Palmer and Vanessa Lu.

The Record (Toronto Star News Service), 03/03/03, A7, Ian Urquhart.

Private Positron Emission Tomography (PET) clinic opens in Mississauga.

Toronto Star, 03/13/03/, B4, Melissa Leong.

National Post, 03/12/03, A17.

Medical Post, 04/08/03, David Hodges, Vol. 39, No. 14.

Medical Post, 03/25/03, Andrew Skelly, Vol. 39, No. 12.

Canada Newswire, 03/11/03.

Health Canada orders private clinic providing cancer diagnoses for \$2,500 each to suspend services. The PET company (Care Imaging) was approved to offer fee for service tests using equipment specifically for patients with heart problems – not cancer patients.

Sault Star, 03/25/03, B3, Source: Canadian Press.

## **QUEBEC [Updated October 18, 2004]**

### **2004**

#### **PRIVATE FOR-PROFIT HOSPITALS**

The Quebec Government has announced that two new Montreal superhospitals will be built as public-private partnerships. To this end, Quebec Treasury Board president, Monique Jerome-Forget, wants to get legislation (Bill 61) passed by December that will create the Agence des partenariats public-privé du Québec, to act as the government's P3 manager.

Each superhospital has a budget of \$1B. The provincial government will contribute \$800 million towards the construction of each hospital and the remaining \$200 million will have to be raised by the hospitals. Financial syndicates will likely construct and own the superhospitals and rent them back to the hospital boards for 30 years, at which point they will revert to public ownership.

The development of the public-private partnerships will mean a 3-year delay in the completion of the facilities.

Montreal Gazette Oct 9/04, p. A1, "MUHC angry as Quebec hedges," Aaron Derfel  
Montreal Gazette Oct 8/04, p. A11, "Superhospitals to be public-private projects,"  
Kevin Dougherty

More information about the Quebec government's perspective on "Public Private Business Partnerships" (PPBP) can be obtained at:

[http://www.tresor.gouv.qc.ca/marche/partenariats/engl\\_bpartnerships.htm](http://www.tresor.gouv.qc.ca/marche/partenariats/engl_bpartnerships.htm)

#### **CONTRACTING OUT**

On December 18, 2003 "An Act to amend the Labour Code" was passed in the Quebec National Assembly. The Act makes changes to the Quebec Labour Code that encourage contracting out. It removes previous job protection provisions for work that is contracted out, and renders public sector workers' collective agreements null and void if they are hired to "follow the work".

<http://www.publicationsduquebec.gouv.qc.ca>

## **FOR-PROFIT CLINICS AND SERVICES: TWO-TIER CARE**

Three Montreal doctors have opened a private medical clinic providing 24-hour patient care, including health check ups, minor surgery, MRI tests and lab work. The clinic is located near the wealthy Montreal neighbourhoods of Outremont and the Town of Mount Royal.

According to its owners, the clinic is targeted at middle class patients. It charges \$100 for a 20-minute visit and \$75 for each extra 15 minutes. There are also special annual packages, ranging from \$895 to \$1,493, that include several visits a year as well as lab tests and access to a doctor or nurse 24 hours a day.

Federal Health Minister Ujjal Dosanjh is quoted as say that while he is “not happy” about the opening of the clinic, there are no plans to stop it because it is not breaking the law. He is seeking a legal opinion on the matter. Quebec Health Minister Philippe Couillard has also indicated that the clinic isn’t illegal but that it will siphon staff from the public system.

The Globe and Mail, Oct 13/04, p. A5 “Private clinic opens to fanfare, concerns,” Tu Thanh Ha  
The Montreal Gazette, Oct 13/04, “‘Middle-class’ patients expected at Montreal private clinic,”  
Monique Beaudin  
The Record (Sherbrooke), Oct 12/04, p. 7, “Politicians stand by as private health care clinic opens in Montreal,” Anne Dawson

Since 2000, 82 Quebec doctors have opted out of the medicare system. Of these 82, thirty-six work as general practitioners and 46 are specialists, mostly ophthalmologists, plastic surgeons, psychiatrists, orthopedic surgeons and dermatologists.

Montreal Gazette, Sep 16/04, p. A2, Mike de Souza, Elizabeth Thompson  
Globe and Mail, Oct 13/04, p. A5, Tu Thanh Ha

Quebec has more than 50 private clinics offering diagnostic tests, cataract surgeries and orthopedic procedures to paying patients. The province has at least 14 clinics alone offering MRI, CT and ultrasound tests -- the most in the country.

National Post, Sep16/04, p. A21, “A second quiet revolution?”, Editorial  
National Post, Sep 9/04, p. A1, “The Single-Tier Myth,” The Single-Tier Myth

In Montreal, an opted out physician, Dr. Réjean Ouellette has a medical practice that consists solely of making house calls. He charges \$125 in certain areas of Montreal, \$150 for other locations in Montreal and in Laval, and if he has to go further afield, he charges more money. He only works during the day, although when building up this practice he worked 24 hours a day.

Montreal Gazette, Sep 14/04, p. A4, Brenda Branswell

Lasik MD, the private clinic that specializes in laser eye surgery, is expanding its business in Montreal by offering cataract operations to those who can afford to pay. The Quebec Health Minister, Philippe Couillard, indicated that his government is not opposed to a private cataract centre, describing it as a “marginal phenomenon”.

Montreal Gazette, Sep 12/04, p. A1. Aaron Derfel

LDS Diagnostic Services has several clinics in affluent neighbourhoods in Montreal, serving patients with private insurance or who are willing to pay out of pocket to jump the public queue. The private clinic draws from a limited pool of qualified staff, worsening staff shortages in the public system.

Montreal Gazette, 9/15/2003, Peter Diekmeyer.

WCB supports private health care, skirts waiting lists by queue-jumping its clients ahead of other Quebecers. In March of 2003, then Minister of Health François Legault admitted that the Québec Commission de la santé et de la sécurité du travail (CSST), the provincial worker’s compensation board, refers clients to the private sector. Access to information requests revealed dozens of contracts with private health care providers.

Montreal Gazette, 05/12/03, A18.

For-profit diagnostic clinics continue to operate.

National Post, 05/09/03, FP2, Briefing.

Montreal Gazette, 05/06/03, A6.

Montreal Gazette, 03/27, 2003, A2, Allison Hanes.

## **NEW BRUNSWICK [Updated October 27, 2004]**

### **PRIVATE FOR-PROFIT HOSPITALS**

Premier Lord favours private companies to own and operate hospitals. Considering public private partnerships for new hospitals.

National Post, Canadian Press, 01/03/2003, Richard Foot and Charlie Gillis.

Canadian Press Newswire, 05/18/03.

### **GOOD NEWS**

The New Brunswick government has decided against a public-private partnership for the building of a 70-bed \$90 million hospital in the Upper St. John River Valley. Previously, the government had indicated that it was studying the idea of a P3 arrangement for the hospital.

The Western Star June 25/04 p 7, "Province decides against building P3 Hospital."

## **NOVA SCOTIA [Updated October 27, 2004]**

### **FOR-PROFIT FACILITIES AND SERVICES: TWO-TIER CARE**

A physician in Pictou County, Dr. Felderhof, has decided to convert her family practice into a health co-operative run by a board of directors who are co-op patients/members. Co-op promoters have talked about fees of \$10 to \$25 monthly or \$120 to \$300 annually for uninsured services, including access to nurses. While physicians in private practice decide what uninsured medical services they will charge patients for (e.g. over-the-phone prescription renewals, ear wax removal, and filling out insurance forms) and how much they will charge, community health centres do not charge for uninsured services. Dr. Felderhof has stated that patients who cannot afford fees will still have access to insured services at the co-op. While the co-op structure may be a good idea, the model proposed in Pictou County would apply two levels of service to a community-based arrangement.

The Daily News, Sept 2/04 p 4 (Opinion). "Health co-operatives: New Glasgow initiative could set precedent," John Jacobs, Canadian Centre for Policy Alternatives

Nova Scotia's first private MRI clinic officially opens its doors six months after the for-profit company, Canadian Diagnostic Services, received its first patient in the facility. It is the third private MRI clinic in the region. A fourth is scheduled to open later this year in Cape Breton.

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A for-profit MRI clinic in Halifax, operated by Canadian Diagnostics Centre, continues to operate outside of the *Canada Health Act*.

The Halifax Daily News, 01/14/2003, p.6, Peter Mclaughlin.

Military skips MRI queue using new private clinic.

The Western Star Corner Brook, 11/29/03, p.7.

Halifax Daily News, 11/28/03, p.6.

A patient purchased services from MRI Canada, a for-profit MRI provider, allowing him to jump the queue for treatment.

The Telegram (St. John's), 03/13/03, A1/Front, Will Hilliard.

## **NEWFOUNDLAND AND LABRADOR [Updated October 27, 2004]**

### **FOR-PROFIT FACILITIES AND SERVICES: TWO-TIER CARE**

Premier Grimes and Newfoundland and Labrador Government considering a P3 deal for a long-term care facility in Corner Brook. Call for expressions of interest on hold for the moment.

The Western Star (Corner Brook), 05/10/2003, p.3, Gary Kean.

The Telegram (St. John's), 03/28/2003, A3, Michael Connors.

The Telegram (St. John's), 04/08/03, A4, Barb Sweet.

Premier Grimes opting for a straightforward privatization rather than a P3 for the LTC facility. May 24<sup>th</sup> deadline for requests for expressions of interest.

CUPE meeting with Premier Grimes, May 20, 2003.

A private, for-profit mobile MRI service is under consideration for Corner Brook and region.

The Western Star (Corner Brook), 05/22/03, p.3.

### **GOOD NEWS**

Premier Williams said that a long-term care facility in Corner Brook will be built as a public facility.

The Humber Log, Sep 29/04, p 1, "Premier keeps commitment to long-term care facility," Greg Davis.

## **PRINCE EDWARD ISLAND [Updated October 21, 2004]**

### **GOOD NEWS**

Premier Pat Binns considered building the new Prince County Hospital in Summerside using a P3 approach. He told the media: “we looked at all the pros and cons and we rejected it. We just felt that it wasn’t going to work as well as a publicly-funded, publicly-administered hospital system. We visited it, we looked at it and we said no.”

[www.cupe.ca](http://www.cupe.ca) See "Prince Edward Island" [May 27, 2002 08:00 PM]

# NUNAVUT

## CONTRACTING OUT

Sodexo partners with Piruqsaijit Ltd. (the largest group of privately owned Inuit development corporations) to provide food management, administration and housekeeping. Sodexo readily admits the deal sets the stage for Sodexo to propose that it provide services for Nunavut health care services.

Nunatsiaq News, 04/18/03, Charlotte Petrie.

Know about other instances of privatization in the health care sector? Please send tips and/or sources to:

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:as/cope491  
Research/HC\_RA\HC Inventory – Revised – October 27, 2004