Ontario Health Coalition

MYTH BUSTER: 10 big myths about health care privatization

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1. The Ford government is indeed privatizing our public health care system. It is false to claim they are not.

The Ford government has tried to downplay the extent to which they are privatizing, using words like "alternative", "independent" or "community" health care facilities instead of referring to them as private for-profit facilities, angrily denouncing claims that they are privatizing, and even outright denying it. Here are the real facts:

- In January 2023, the Ford government announced their plan to reroute 14,000 cataract surgeries away from our public hospitals and move them to new private for-profit clinics (essentially day/outpatient hospitals). They also plan to privatize hip and knee surgeries. Since then, they have repeatedly announced expansions to their privatization plans to include thousands more procedures and a widening array of surgeries.
- They have massively increased funding to the only existing for-profit hospitals in Ontario (for-profit hospitals have been banned since 1973 and only two that do surgeries remain in operation). In other words, they are taking public funding and staff from public hospitals to pay for procedures in private for-profit facilities.
- They are funding private hospitals twice as much per surgery, shunting funding increases of up to 300% to for-profit hospitals and clinics, and doing nothing to stop for-profit staffing agencies from charging public hospitals up to three times more for staff.
- At the same time, throughout the 2023 - 2024 financial year until the last few weeks of the budget year, they imposed real dollar cuts on public hospitals pushing them into service closures and deficits.
- They are not only transferring the ownership of these services to for-profits, they are also doing nothing to stop these clinics from privatizing who pays for care, allowing the clinics to extra-bill patients on top of OHIP and charge direct user fees to patients that are unlawful.

These are indeed major changes with lasting implications. The financial data is clear and irrefutable: the Ford government is shifting more than a billion dollars a year to private for-profit hospitals, clinics and staffing agencies. Private for-profit hospitals have been banned in Ontario since 1973, fifty years ago. Although previous governments have brought in some private clinics, what the Ford government is doing is a major transfer of public funding and a large-scale expansion of private for-profit clinics. The scope of services privatized involves core hospital services (for-profit hip & knee surgeries, a range of other surgeries, diagnostics etc.) and is unprecedented. Without question, this is substantial new privatization and a serious threat to our public single-tier Medicare. In addition, the Ford government is privatizing services across our health care system.

2. It is a political choice to privatize our health care. To claim it is necessary is false.

Ontario has all kinds of under-used hospital capacity in our local public hospitals. Operating rooms in our public hospitals are frequently closed evenings, weekends, even permanently, due to underfunding. These ORs are sitting under-used in almost every public hospital across our province while the Ford government shifts hundreds of millions of dollars over to for-profits to build and open new operating rooms for their own profit. In fact, in the midst of the worst staffing crisis we have ever seen, the Ford government has chosen to redirect more than a billion dollars in public funding to private for-profit clinics, hospitals and for-profit staffing agencies rather than use that funding in our public hospitals. Ontarians overwhelmingly support public hospitals and they could not be privatized unless they were dismantled or driven into the ground, which is what the Ford government has been doing.

That is not all. For family doctors, health teams & nurse practitioners the Ford government is choosing to fund for-profit corporate-owned clinics at Shoppers Drug Mart and other for-profit clinics instead of Community Health Centres (CHCs). CHCs are non-profit community-based organizations with democratically elected boards of directors and team-based primary care and they have been asking for funding to expand access to care for the worst-served communities. Ford is also privatizing thousands of long-term care beds. Corporations with the worst records of care are getting the most licenses. Ford is also privatizing home care, Public Health, and more.

3. Privatization is a "take away" from our local public hospitals. It is false to say it is an "add on."

For-profit surgical clinics only serve the profitable patients -- that is, the quickest, least expensive, and easiest-to-care-for patients in order to maximize profits. E.g., they do not take people who are obese, have diabetes, and co-morbidities that might put them at risk of coding on an operating table.

Canada has no surplus of health care labour. This is true of many countries including those with private for-profit health care. We have always had limited supplies of nurses, health professionals and physicians. The pandemic has worsened the staffing shortages significantly. Operating rooms, MRIs, CTs, and medical hospital units all rely on having enough health professionals, nurses, and physicians to provide care. Yet for-profit clinics do not create a single new staff person. Public universities do that. In fact, private clinics take health professionals and staff *out* of local public hospitals, making shortages worse and leaving the public hospitals to deal with the most costly and complex patients with less staff and less funding. Privatization takes away from our local hospitals and is particularly devastating to smaller, rural and northern communities.

4. Privatization makes wait times worse. It is false to claim that it improves them.

In areas where there is more privatization, the wait lists for people in the public health system get worse. Those who can pay thousands of dollars to jump the queue may get care – for a lot of money. However, the rich jumping the queue does not reduce the number of people waiting, it just pushes other people with greater needs further back. Private clinics and hospitals divert public funding and staff in the public system to for-profit clinics and hospitals. They do not increase the total amount of resources available, so wait times in the public or private health care system get worse.

5. For-profit clinics and hospitals do not save money. They cost <u>more</u> not less.

For-profit clinics and hospitals charge higher fees to the public system (OHIP) and they extra-bill patients on top. For-profit corporations also have no interest in putting money they take from their patients into improving the public health care system. They take the profits out of the health system for themselves and their investors.

- CBC uncovered contracts that show that the Ford government is using our public tax funds to pay more than double for surgeries at a private for-profit hospital.
- The Kingston Health Coalition uncovered contracts that show that they are paying 56% more to do cataract surgeries at a private clinic.
- Across the board, the Ford government is paying a premium of 20% from OHIP billings alone (not including extra user fees charged to patients) at private clinics: they are funding public hospitals approximately $500 per surgery and private clinics are getting $605 per surgery and the for-profit hospital (the Don Mills Surgical Unit) is getting $1,264 for the same surgery.

The same public funding would have provided far more surgeries in public hospitals.

6. Private clinics routinely charge patients thousands of dollars on top of OHIP.

Repeated investigations show that for-profit clinics extra-bill patients. This means they charge patients for services already covered by public health care (OHIP), such as cataract surgeries, MRIs, and even primary care…and they charge OHIP too. Extra-billing is illegal. It violates the Canada Health Act which requires hospital and physician care to be provided to all Canadians without charge. Our health care is based on our medical need, not our wealth – this is a cornerstone principle.

Private clinics charge also exorbitant prices and manipulate patients into paying for unneeded add-ons. A new study in the Canadian Medical Association Journal finds that Ford's experiment so far in shunting public funds to private clinics has meant the rate of surgeries in private clinics increased only for high-income patients and actually *decreased* for low-income patients. Here are some patients who were charged for care despite Premier Ford's promise that Ontarians would never have to pay with their credit card, only their OHIP card. We have many more examples.

- Lois Cooper was referred to a for-profit clinic for eye surgery. She was charged "close to $8,000 for appointments, equipment rentals and procedures."
- A private clinic charged Leda Raptis $2,000 for an MRI that she needed for open-heart surgery.

7. Private for-profit medicine is not more efficient, it is more costly and more dangerous.

For-profit health care prioritizes not the best quality of care, but what makes the biggest profit, even if the care provided is worse or dangerous. Patients are sold unnecessary treatments and procedures. For example, patients are sold CT scans that they do not need which is dangerous because it exposes them to seventy times or more the radiation of an x-ray.

8. Wait times exist in for-profit health care systems. It is false to claim that private health systems do not have wait times or that Canada has the worst wait times.

Canadians are often told the myth that private for-profit health systems do not have wait times. This claim is patently false. For example, in the most privatized health system among our peer nations -- the United States -- people routinely wait for care. For example, a 2022 survey of physician offices showed that the average wait time to see a family doctor in urban areas was three weeks. The average wait time to see a cardiologist was close to four weeks. In rural areas, the situation is worse. One resident of rural Vermont spent six months looking for a family doctor and the closest he got to booking an appointment was being put on an "indefinite wait list." Even in a large urban setting such as Los Angeles, a physician is currently reporting that his patients with serious acute health care needs such as congestive heart failure are waiting on stretchers in emergency for two days for an inpatient hospital bed.

It is also important to note that the pro-privatization forces (usually funded by for-profit health care entities and interest groups) often mislead Canadians about our standing in the world. International studies are often misquoted or manipulatively quoted and groups pushing privatization put out information that is sometimes completely false. Prior to the pandemic, the data shows that Canada had the lowest wait times for cataract surgeries and second lowest for joint replacement surgeries among peer nations.

9. Funding matters. It is false to claim that more funding won't improve services.

To justify its privatization, the Ford government has claimed that "throwing more money at it" will not make a difference. The evidence shows otherwise. After the huge cuts of the 1990s that threw public hospitals into crisis, reinvestment and funding increases in the early 2000s did indeed reduce wait times. In fact, Ontario moved to lead the country in reducing wait times for many types of surgery. When the government adopted austerity (budget constraints and cuts) once again, wait times grew. The fact is that increased funding combined with better organization and management of wait lists, hospital processes -- when they have been used – have significantly increased the number of procedures done and reduced wait times. In addition, other solutions such as reducing unneeded testing and procedures, better preventative care and early intervention, improved care across the continuum of health care make a difference.

The fact is that for decades, with the exception of only a few years, Ontario's governments have cut and constrained public hospital funding. Ontario's hospitals have been downsized more radically than anywhere else in Canada and more than almost anywhere among our peer nations. This has had a terrible impact on patient access to care – leaving people on stretchers in hallways because all the hospital beds are full, resulting in cancelled surgeries, closed operating rooms, understaffing and more. The reason behind the cuts is not overspending, it is privatization. Virtually every service cut from public hospitals has been privatized. In fact:

- Public hospital funding in Ontario is the lowest out of all the provinces and territories.
- Ontario also has the fewest hospital beds in Canada.
- When the Ford government took power, it chose to cut hospital funding to below the rate of inflation, increasing it only during the pandemic.
- Even after the pandemic it funded public hospitals well below the rate of inflation and has capped wages of nurses and health professionals, limiting funding and worsening the health care worker shortage.
- The Ford government repeatedly underspent the health care budget even while patients are waiting, our emergency departments and other vital services are closing, and our nurses and hospital staff are leaving by the thousands due to overwork, burnout, and frustration.

If the Ford government funded our health care even to the average of Canada, they could resolve the crisis.

10. We can afford to restore our public health care to its former place of pride. It is false to claim we cannot. In fact, what we can't afford is privatization.

As noted above, the Ford government is funding a private for-profit hospital double the OHIP rate for surgeries so the same funding could have provided twice as many surgeries in public hospitals. In the private cataract surgery clinics, the Ford government is paying a premium of approximately 20% or more – meaning that the same public funding would buy far more surgeries… plus patients are being extra-billed on top. In the United States where the delivery of health services is often private for-profit and private insurance companies abound, health care costs are almost double that of Canada. Health care administration in the United States eats up one-third of their total health care funding and is four times the cost in Canada per capita largely due to privatization. Yet, over 26 million Americans did not have health insurance in 2023 and 38% said that they delayed getting medical treatment because they could not afford it.

The fact is we can afford to improve our public health care. We could spend billions more before we even reach the average spending of all the other provinces. Those who tell us it isn't affordable are wilfully ignoring that patients are paying the price, in direct costs at private clinics when they are elderly, sick and least able to pay, and in poorer health care. We can afford to restore our proud public health care. What we cannot afford is privatization.

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Ontario Health Coalition
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