



CANADIAN FEDERATION
OF NURSES UNIONS
LA FÉDÉRATION CANADIENNE
DES SYNDICATS D'INFIRMIÈRES
ET INFIRMIERS

POSITION STATEMENT

Privatization of Health Care

March 2023

BACKGROUND AND OVERVIEW

Privatization is one of the most critical issues facing Canada's universal public health care system. But this is by no means a new issue – the corporate pursuit of profits from health care has been a longstanding phenomenon across the country.

Ultimately, privatization shifts public services to the private sector. It seeks to reduce the involvement of government and its accountability to the public. Profit and market competition replace the concept of health care as a public good.

Health care has become an area of significant growth for business investment. Corporations are aware of the attractive profits that can be made in supplying drugs, selling equipment and delivering health care services.

Despite another legal victory against Dr. Brian Day of the Cambie Surgical Centre, efforts to profit off health care are expanding across the country. Dr Day's appeal to challenge Canada's public health care system was struck down by the B.C. Court of Appeal, and the case will now go to the Supreme Court.

In August 2022, the Government of Ontario released a five-point plan that revealed its intention to further privatize health care delivery in the province.¹ The Plan to Stay Open: Health System Stability and Recovery reveals the province's plans to purportedly ease health care pressures by increasing publicly covered surgeries at private clinics and sending patients waiting for a long-term care bed to a home not of their choosing.

In January 2023, the Ontario government announced it will permit thousands of surgeries, including cataract, hip and knee replacements, as well as diagnostic tests like MRIs, CT scans, colonoscopies, and endoscopies, to be outsourced to private, for-profit providers, shifting 50% of surgeries out of the public system. Creeping threats to expand for-profit, private delivery of care is being echoed by other provincial governments as well, including in Alberta, where the premier has signaled an interest to introduce a Health Care Savings Account, which would have individuals in part paying out of pocket to access care.²

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Several other provinces have privatized health care delivery in certain areas. For instance, cataract surgeries take place in private clinics in Nova Scotia, diagnostics are done in private clinics in Saskatchewan, and a number of surgeries are provided at private clinics in Ontario. Private, for-profit virtual care has expanded greatly, with Canadians often paying out of pocket to access care.

While the *Canada Health Act* forbids extra billing of patients where patients would be required to pay out of pocket for medically necessary hospital and physician services, there is no explicit ban on private, for-profit clinics. Private companies can provide health services as long as patients are not charged for insured services.³

It should be noted that the private sector plays a significant role in the delivery of public health care in Canada, including family physicians, who largely operate as private contractors and bill the provincial systems accordingly. Other services that are sometimes privately delivered include lab and diagnostic services, housekeeping, dietary services and linens.

The use of private, for-profit companies to provide care that could otherwise be carried out in publicly owned and operated facilities can have troubling results for patients, populations, workers and governments.

Patients may not always be required to pay for medically necessary services in for-profit clinics, but they have been charged extra for upgraded products, administrative fees, block fees for physicians, equipment intrinsic to the treatment, and blood tests and screenings, among others.⁴ Ontario's Auditor General released a report in December 2021, which found that the provincial health ministry "has no oversight mechanism to prevent patients from being misinformed and being charged inappropriately for publicly funded surgeries."⁵

An extensive study in 2017 found private clinics across the country charge patients extra user fees and sell medically necessary services.⁶ In British Columbia, private clinics, including surgical centers, were contracted to perform publicly funded procedures, thus engaging in unlawful extra-billing.⁷ *The Globe and Mail* also investigated the issue of extra-billing in 2017, finding that private clinics sell "private options" for which patients are charged hundreds or thousands of dollars. Additionally, patients pay significantly higher prices at private clinics than the government does when it hires those clinics to provide the same types of treatments.⁸

In private, for-profit long-term care facilities, the profit motive competes directly with the duty to provide residents with optimal care. A disproportionate number of COVID-19 cases and deaths have occurred in for-profit homes as compared to non-profit and publicly-owned homes. A May 2020 *Toronto Star* investigation found that residents in for-profit homes were 60% more likely to contract the virus and 45% more likely to die from the virus than residents in non-profit homes, and four times more likely to both contract the virus and die from the virus than a resident in a municipally run home.⁹

Staffing levels in these homes have been inadequate and at crisis levels for years, only to be exacerbated by the pandemic. Data shows that for-profit long-term care homes have 17% fewer staff than non-profit homes.¹⁰ When for-profit long-term care homes pay exorbitant dividends to their shareholders while failing to hire enough full-time and adequately compensated staff, both workers and residents suffer unjustly.

The plans in Ontario to outsource thousands of less complex medical procedures to private, for-profit providers will result in many nurses and doctors leaving the public system for these jobs. In the context of a critical nursing shortage and broader shortage of health care workers, this will exacerbate short-staffing in public facilities that are caring for vulnerable complex patients and populations. Furthermore, the Ontario government has admitted that more options will be available to those who have the means to pay for them, leading us down the path of two-tier health care. As the Ontario Nurses' Association clearly states, "this is not in the best interest of our patients or our nurses," and the CFNU agrees.

For governments, private, for-profit health care means having to pay more money for the same service than in the public system to account for profit margins for these owners and shareholders.¹¹ Several provinces have brought for-profit medical procedures into the public system after determining the expenses were significantly higher in for-profit facilities.¹² We see this happening as well with private nursing agencies, which have employers paying up to four times the hourly wage of a nurse to a private staffing agency to fill ballooning vacancies in acute and long-term care facilities across the country.¹³ This represents a reckless stewardship of taxpayer dollars from the public purses, lessening funds available for use in the public system while padding the pockets of private interests.

Private, for-profit health care facilities do not welcome public accountability and have been hampered by poor oversight and a lack of transparency. Confidentiality agreements between provinces and for-profit clinics keep the amount paid by governments secret, making it challenging to understand the real costs.¹⁴

We have also seen schemes similar to the one recently planned for in Ontario fail to deliver on what the government and the private sector promised with regards to reducing wait times. For instance, the waiting list for an MRI in Saskatchewan doubled from 2015 to 2019, which was during a period in which patients could pay out of pocket for the service, and MRI hours were extended at hospitals.¹⁵

More recently, we are also seeing the expansion of privatization in our health care system through the deal struck between Canadian Blood Services and the international pharmaceutical giant Grifols, which enables the private, for-profit company to collect plasma for payment from Canadians. Many organizations are very concerned about Canada's security of supply of both plasma and whole blood, as this company will compete directly with donors who provide blood voluntarily in the public system.

CFNU POSITION

- The CFNU firmly opposes the private, for-profit delivery of health care services. Canada's nurses believe that health care is not a commodity to be bought or sold.
- The CFNU believes that any federal health funding to the provinces and territories should be tied to the condition that funding be spent directly on patient and resident care, without any funds going toward profit-making shareholders.
- The CFNU believes that the provinces and territories should refrain from outsourcing health care services to the private, for-profit sector, and should work to bring long-term care and home care fully within the public system.
- The CFNU believes private sector delivery of health care services lacks transparency and accountability as compared to public sector delivery of health care services, and that privatization leads to the degradation of care through cutting costs to increase profits.
- The CFNU opposes the use of private, for-profit surgical clinics rather than expanding funding and capacity for public hospitals to extend OR schedules and improve management of wait lists.
- The CFNU supports efforts to protest privatization in all areas of our health care system, and will continue to work closely with allies such as the Canadian Health Coalition and the Canadian Labour Congress to reverse its presence and challenge its expansion.

¹ <https://www.ontario.ca/page/plan-stay-open-health-system-stability-and-recovery>

² <https://nationalpost.com/opinion/tasha-kheiriddin-danielle-smith-gets-in-the-way-of-health-reform>

³ <https://www.cbc.ca/news/health/canada-health-act-privatization-healthcare-1.6726809>

⁴ <https://www.ontariohealthcoalition.ca/index.php/jumping-the-queue-the-ontario-health-coalition-releases-report-on-escalation-of-health-care-privatization/>

⁵ https://www.auditor.on.ca/en/content/news/21_summaries/2021_summary_AR_Outpatient.pdf

⁶ <https://www.ontariohealthcoalition.ca/index.php/jumping-the-queue-the-ontario-health-coalition-releases-report-on-escalation-of-health-care-privatization/>

⁷ https://policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2022/08/CCPA-BC_Concerning-Rise-of-Corporate-Medicine_web.pdf

⁸ <https://www.theglobeandmail.com/news/investigations/doctors-extra-billing-private-clinics-investigation/article35260558/>

⁹ <https://www.thestar.com/business/2020/05/08/for-profit-nursing-homes-have-four-times-as-many-covid-19-deaths-as-city-run-homes-star-analysis-finds.html>

¹⁰ <https://www.thestar.com/business/2020/06/05/ontarios-for-profit-nursing-homes-which-have-significantly-higher-rates-of-covid-19-deaths-have-17-fewer-workers-new-star-analysis-reveals.html>

¹¹ <https://www.ontariohealthcoalition.ca/index.php/fact-sheet-two-tier-health-care-and-private-clinics/#:~:text=Prices%20for%20private%20two%2Dtier,and%20least%20able%20to%20pay>

¹² https://www.cbc.ca/news/health/private-health-care-taxpayer-money-1.6777470?fbclid=IwAR3WgT8AvtkB6u7T9QynHPeF5wpFb4WmZPcS_D7_zmc-RHNfc79Iz9uLlNg

¹³ <https://ottawacitizen.com/news/local-news/agency-nurses>

¹⁴ https://www.cbc.ca/news/health/private-health-care-taxpayer-money-1.6777470?fbclid=IwAR3WgT8AvtkB6u7T9QynHPeF5wpFb4WmZPcS_D7_zmc-RHNfc79Iz9uLlNg

¹⁵ <https://www.cbc.ca/news/canada/saskatchewan/wait-list-mri-sask-1.5445158#:~:text=The%20waiting%20list%20for%20an,scan%20and%20long%20operating%20hours>