



Ontario Health Coalition

Briefing Note: The Ford Government's Plan to Privatize Ontario's Public Hospital Services

THE LATEST

On January 16, Premier Doug Ford announced the first phases in his plan to privatize our public hospitals. His government is opening three new private for-profit day hospitals, expanding other for-profit clinics and shunting tens of millions in public funding to private clinics and hospitals. The premier said that 50% of the surgeries done in our public hospitals could be cut and privatized. This would devastate the services in most of our public hospitals. **There is no question: the Ford government is planning to privatize the vital surgical and diagnostic services from our public community hospitals, unless Ontarians stop them.**

For 100 years, Ontario has built our system of local public hospitals that operate on a non-profit basis, in the public interest.

Under the cover of the pandemic, the Ford government began to [make plans](#) to privatize Ontario's public hospital services, including surgeries and diagnostics to private for-profit hospitals and clinics.

In July 2021, [they increased funding to private clinics by \\$24 million](#). In January 2021, they announced new licenses for ["independent health facilities"](#) (which is the name for private clinics, 98% of which are for-profit) to [perform eye surgeries in place of public hospitals](#). The Ministry of Health issued a ["call for applications"](#) on [January 15](#) and clarified applicants could be a "corporation" rather than an a doctor: *"The Applicant could be a corporation that operates a Health Facility that meets the criteria for submitting an Application."* The Financial Accountability Office of Ontario (an office of the Ontario Legislature like the Ontario Auditor General) [shows in its financial reports](#) that the Ford government *doubled* the funding for the private clinics in the final quarter of last fiscal year (January – March) compared to the previous three quarters of the year. It has continued to increase funding for private clinics ever since, *overspending* the private clinics budget line even while it has *underspent* on public health care by \$1.25 billion this year so far.

The Ford government lied in the lead-in to the election

In the two months leading into the election, we, the Ontario Health Coalition issued media warnings about the privatization plans after the Minister of Health said that they were [going to let independent health facilities operate private hospitals](#).

[Despite the fact that they were indeed already expanding the private for-profit clinics and hospitals](#), the government sent spokespeople out to categorically [deny the privatization plan](#), saying outright that [they were not and would not expand private clinics and hospitals](#). Two months *after* the election in which they [denied that they were planning to privatize](#), the government announced that it is indeed [going to privatize our public hospitals' surgeries and diagnostics](#). It can never be acceptable for a political party or government to lie to the public leading into an election about its plans. This is a threat to the fundamentals of our democracy.

For-profit privatization is a threat to Public Medicare

The [Canada Health Act](#) is like a patients' bill of rights. It says no patient can be charged for medically needed hospital and physician care. Health care is to be provided based on need – no matter where you live, and no matter how rich or poor you are. This is what Canadians won when we achieved Public Medicare.

[For-profit hospitals/clinics routinely violate the Canada Health Act and charge patients thousands of dollars for medically needed services](#). Not only is it illegal to do so, their prices are exorbitant.

- Shoulder surgery in a private clinic is often 10-times the cost in the public health system, starting at ~\$5,000.
- MRIs are 3 - 4 times the price, often starting at \$1,000.
- For-profit cataract clinics routinely charge patients \$1,500 - \$2,000, 3- 4 times the OHIP covered cost.

To be clear, these charges are illegal. You CANNOT be charged for medically needed diagnostic tests and surgeries.

[Private for-profit clinics also maximize their profits by selling medically unnecessary add-ons, often manipulating patients into thinking they are necessary](#) such as extra eye measurement tests for \$200.

The clinics have also been caught by auditors for double billing. That means they [billed the provincial health plan, such as OHIP, and charged the patient as well](#) – for the same surgery or diagnostic test.

Ontario banned for-profit hospitals 50 years ago... for good reason

For 100 years or more, communities all across Ontario have donated, volunteered, and helped to build our local hospitals. Any new private for-profit hospitals were banned in Ontario in 1973 – 50 years ago – shortly after OHIP was formalized. The Ford government’s attempts to privatize our hospital services is the dismantling of literally 100-years of effort by Ontarians to build local hospitals and improve their services.

Virtually all of the for-profit clinics/hospitals we called [in our research](#) located their facilities in large urban centres, where there is a “market” of wealthy people from whom they can take extra money to make profit. Within urban centres, for-profit clinics tend to be located in the wealthiest neighbourhoods. For-profit privatization of our hospital services takes away funding and resources from all local public hospitals and will be particularly devastating to smaller and rural communities, and in particular, northern communities.

For-profit clinics and hospitals are not an “add on”, they are a take-away

For-profit clinics only serve the profitable patients – that is the quickest and easiest-to-care-for patients. They aim to do high volumes quickly to maximize profits. For example, private clinics/hospitals do not take people who are obese, have diabetes and co-morbidities that might put them at risk of coding on an operating table. If a patient gets into trouble in a private clinic, they call an ambulance to send that person to a public hospital.

Canada has no surplus of health care labour. We have always had limited supplies of nurses, health professionals and physicians. The pandemic has worsened the staffing shortages significantly. Operating rooms, MRIs and CTs, surgical and medical beds all rely on having enough health professionals, nurses and physicians to provide care.

For-profit clinics do not create a single new staff person. Across Canada, where for-profit clinics have crept in, they have taken scarce health professionals and staff out of local public hospitals, making shortages worse and leaving the remaining staff in the public hospitals to deal with complex care patients with less staff and less funding.

The Ford government is choosing purposely not to build public capacity and instead to privatize

Virtually every public hospital in Ontario has operating rooms that are closed for days, weeks, months or even permanently, due to lack of funding. Ontario now has the [fewest hospital beds per person](#) left of any province in Canada. Ontario also [funds our hospitals at the lowest rate in Canada](#).

The Ford government cut real dollar hospital funding leading into the pandemic. It capped the wages of nurses, health professionals and support staff – worsening the staffing crisis and angering staff who had risked their lives and worked so hard for all of us throughout the pandemic.

The Ford government is making a CHOICE to use our public dollars to privatize these services to for-profit clinics rather than funding our public hospitals to do them.

For-profit privatization of hospital services has resulted in serious quality of care issues

Rigorous studies that have analysed data covering thousands of hospitals and millions of patients show that the quality of care in for-profit hospitals and clinics is poorer than that in public and non-profit hospitals and clinics. So much poorer, in fact, that for-profit hospitals and clinics cause the avoidable deaths of thousands of patients every year. Despite decades of trying to win improved patient protections, the lobby of the for-profits is very powerful. There is [less regulatory oversight](#) for private for-profit clinics (they oppose regulation and enforcement) and fewer safety requirements, resulting in:

- For-profit hospitals have [significantly higher death rates](#) because they skimp on trained staff to maximize profits. You are 9.5% more likely to die in a private clinic or hospital than a public hospital.
- [For-profit dialysis clinics](#) also have [significantly higher death rates](#) than public and non-profit clinics because they use shorter dialysis times to push patients through faster and use less trained staff.
- We have seen an additional array of safety and quality of care issues at for-profit clinics. [For-profit colonoscopy clinics have resulted in more missed cancers](#). Faulty sterilization and poor safety practices have been an issue in a number of clinics, for example in one private clinic in Ottawa, [almost 7,000 patients were potentially exposed to HIV/hepatitis contamination because of faulty sterilization](#).