

## 10 more reasons why for-profit health care is a bad idea

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### 1 Care will suffer

Private health corporations cut corners on quality to ensure profits. A recent study on private hospitals published in the *Canadian Medical Association Journal* found for-profit hospitals had higher death rates than not-for-profit hospitals.

A similar study comparing for-profit and not-for-profit clinics in the US found the same result – dialysis patients were more likely to die in a for-profit clinic.

Corporations providing long term care for profit have been sued in the US for providing care below the standards required by law. One major way to increase profits is to cut back on the number of staff. Studies in the US show nine out of ten nursing homes have inadequate numbers of nurses and aides resulting in unacceptable levels of care and hundreds of deaths each year.

### 2 Waits will increase

It is a myth that private health services will shorten waiting times. A study of waiting times for cataract surgery in Manitoba showed that waits increased when physicians operated in both the private and public sectors. In Alberta, cataract surgeries in the public system in Edmonton had shorter waiting times than in Lethbridge, where surgeries were contracted to the private sector.

### 3 Costs will rise

Private health care means higher administration costs with fewer dollars actually going to direct patient care. In the US, the world's largest privatized health care system, health care spending accounts for 14 per cent of the total value of goods and services produced (GDP) – and leaves 42 million Americans without coverage. Canada's public not-for-profit system is more efficient, providing better results and universal coverage while consuming only nine per cent of GDP.

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#### **4 The rich will jump the queue**

Private clinics will let those who can afford to pay for private diagnostic services jump the queue for treatment in the public system. Those who can't afford to pay – most likely women, children and the marginalized – will either be denied treatment or face long waits.

#### **5 Canadian tax dollars will boost corporate profits**

Private health care diverts tax dollars from patient care to corporate profits. Private clinics, contracted services and public private partnerships all use public dollars to subsidize private profits. In Ontario, federal funds intended for medical equipment have already been given to a for-profit company to buy diagnostic equipment. Every penny of health spending must go to care – not corporate profits.

#### **6 Canadians will pay more**

Canadians will have to pay out-of-pocket for health care. These charges will come in the form of user fees, extra-billing, increased premiums or concessions at the bargaining table in order to hold on to a decent health benefit package. In a two-tier health system, Canadians will risk bankruptcy as they struggle to pay for private health services for themselves or a loved one.

#### **7 Some will have no coverage**

Without a universal public health care system, 42 million Americans in 2002 had no health coverage whatsoever. Over 58 million Americans will, at some point in their lives, find themselves uninsured.

#### **8 Privatization threatens the principles of the Canada Health Act**

*Universality* – For-profit health care is 'metropolitan' health care. Provinces that are 'small markets' and rural and remote areas will not be profitable 'cost-centres' for business. As a result, corporations will not want to provide service to these areas.

*Accessibility* – Private, for-profit health care will let those who can pay jump the queue. For-profit hospitals and clinics will limit beds or services to guarantee full capacity – and maximum profits. This will mean fewer beds will be available – and smaller communities may go without.

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*Portability* – Some provinces will privatize more than others, resulting in a patchwork quilt across the country. Canadians may be covered for services in some provinces but not others.

*Public administration* – Health funding may flow directly to for-profit health care corporations with little or no accountability. For-profit corporations will manage and administer large sums of public money without government oversight.

*Comprehensiveness* – Under pressure from corporations and tax cuts, provinces are 'de-listing' services or excluding new services from Medicare. As a result, public health coverage is shrinking.

## **9 Trade agreements could lock in privatization**

Privatization undermines any health care protections the Canadian government claims exist under NAFTA and GATS. For-profit care weakens our argument that these services should be considered social services provided by the public sector. When governments allow health care to be privatized, it becomes very difficult to reverse the process and restore public services. Two studies commissioned by the Romanow Commission confirm these dangers are very real.

## **10 Communities – and workers – will pay the price**

Public health care is a major employer (hospitals, long term care, home care, community health clinics, public health units, day centers, etc.). Health support services are especially threatened by contracting out and privatization. Public food service, cleaning and laundry jobs pay family-supporting wages and give workers – mainly women, people of colour and new immigrants – decent jobs and working conditions.

Privatizing health support work will hurt cities and towns, especially small communities. Private contractors pay lower wages, offer fewer benefits, and rely on part time and casual labour. They are also less likely to do business in smaller communities. This can have a devastating impact on a local economy.

For-profit health care will also hit employers hard. And as the cost of benefits rises, employers will look to cut costs, often on the backs of workers and communities.