

For-profit clinics: A public health hazard

For-profit clinics are the thin edge of the wedge for health care privatization. A recent boom in the number of for-profit clinics across Canada represents a new attack on Medicare.

There are already 20 private MRI* clinics across the country and Ontario recently announced plans for 20 additional for-profit MRI and five for-profit CT* clinics. A for-profit MRI clinic in Nova Scotia is operating without any government regulation. For-profit clinics also operate in BC, Alberta and Québec.

For-profit clinics are dangerous to your health

A major study published in the November 2002 issue of the *Journal of the American Medical Association* found there is an increased risk of death in for-profit dialysis clinics compared to not-for-profit clinics.

Private clinics promote unnecessary diagnostic tests. They appeal to the “worried-well” – healthy individuals who want to allay concerns and are willing to expose themselves to an unnecessary dose of radiation. A whole body CT scan is the equivalent of 400 – 500 chest X-rays.

False positives are common. Unnecessary scans increase the number of false positives leading to unnecessary biopsies and increased costs to the public health system.

Entrepreneurs who own private clinics are often not physicians or radiologists. A harbour tour boat operator owns the Canadian Diagnostic Centre in Halifax and a retired physics teacher owns Quinte MRI. They think nothing of cutting costs by having the scans read off-site, sometimes off-shore, by unknown radiologists with uncertain credentials, increasing the risk to the patient.

For-profit clinics lead to “queue jumping”

When private clinics sell diagnostic services to those who can afford to pay, these patients can then access treatment in the public system ahead of others. This is called “jumping the queue” and contravenes the accessibility and the universality principles of the *Canada Health Act*. For a health service to be accessible nothing should impede its delivery, either directly or indirectly. For it to be universal, medically necessary health care must be available to everyone.

Why are there long waiting lists?

Long waiting lists are a direct result of government under-funding of both equipment and operating costs. Some governments don't provide capital funding for MRI or CT scanners. It is left to hospitals and charitable organizations to raise funds for new equipment.

The Ontario government has deliberately ignored recommendations from the Ontario Association of Radiologists (OAR) for 38 new MRI and 25 new CT scanners to meet growing needs.

Clinics in community hospitals cost less

The OAR found that private clinics in Alberta cost 21-25 per cent more than public clinics. The Alberta government purchased six new public MRI machines in the last two years and ended contracts with private clinics.

Community hospitals reduce overhead cost because they offer clinic services in an integrated health environment. They are exempt from business and property taxes, provincial sales tax and much of the GST.

There is no profit or management fee.

Trained staff works within the public system and not siphoned off to the private sector.

Taxpayers subsidize corporate profits

DC Diagnostic (now part of CML) received more than \$9 million from the federal government's \$1 billion medical equipment fund to buy diagnostic machines for its Ontario for-profit clinics. The money, awarded by the Ontario Ministry of Health and Long Term Care, purchased ultrasound machines, mammography units and X-ray machines and conveniently came at a time when the company's shares needed propping up.

Who are the major for-profit players?

Canada Diagnostic Centres (formerly Western Canada MRI) operates clinics in BC, Alberta and Québec. Paperny, a former big-ticket organizer for Jean Chrétien's Liberals and a BC Liberal Party campaign director. The Paperny family and holding company, Madacalo Investments, gave \$37, 329.82 to the Liberal Party of Canada between 1993 and 1997.

Canadian Medical Laboratories (CML) recently acquired DC DiagnostiCare and operate MRI clinics in BC and Alberta.

Quinte MRI operates clinics in New York, Québec, Missouri and the Cayman Islands.

US-based multinationals are preparing to move into Canada through mergers and acquisitions. *Insight Health Services* has 140 fixed and mobile centres in the US. *Syncor International* operates over 80 centres in the US and five other countries. **Alliance Imaging** is one of the largest operators in the US with over 325 centres in 48 states. *Medical Resources Inc.* has over 60 diagnostic imaging centers in the US. *Wellbeing Inc.* jumped immediately after the Ontario announcement to say they plan to open 12 for-profit clinics.

Cost of an MRI or CT scan in a private clinic

MRI \$475 to \$850 depending on the area scanned and contrast used

CT from \$690 for a heart scan to \$2100 for a full body scan and virtual colonoscopy

*** Glossary**

MRI – Magnetic Resonance Imaging scans produce detailed pictures of soft body tissue and organs without using ionizing radiation making early detection of cancers, neurological and musculoskeletal diseases possible

CT – Computed Tomography scans are a three-dimensional “window” into the body through which doctors can see brain, spine, joint and internal organs, allowing for early diagnosis

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