



Ontario Health Coalition

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

August 28, 2024

THE LATEST

On January 16, 2023, Premier Doug Ford announced his plan to open new private for-profit day hospitals in three cities, expand other for-profit clinics and shunt 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 our vital public hospital services unless Ontarians stop the Ford government from privatizing 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" and clarified applicants could be a "corporation" rather than a doctor: "*The Applicant could be a corporation that operates a Health Facility that meets the criteria for submitting an Application.*"

In 2023, they awarded thousands of surgeries to private clinics. The private clinics that were awarded the licenses are TLC Laser Eye Centres in Waterloo, Herzig Eye Institute and Focus Eye Centre in Ottawa, and Windsor Surgical Centre.

In June 2024, the Ministry of Health opened applications to issue more licenses for private MRI and CT scan clinics in the fall. Once again, corporations could apply. In August 2024, the Ministry announced a new round of applications for clinic licenses to privatize 60,000 gastrointestinal endoscopies. They plan to issue licenses in early 2025.

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 the 2022 fiscal year (January – March) compared to the previous three quarters of the year. It has continued massive funding increases for private clinics ever since while it has repeatedly underspent on other parts of health care including public hospitals. From 2023 – 2024, Ford gave an increase of more than 200% to private clinics and increased funding to a private for-profit hospital (Don Mills Surgical Unit) by almost 300%. At the same time, they imposed real dollar cuts on public hospitals throughout the entire budget year until the last month of it, by funding them below the rate of inflation leaving them without the resources to deal with the staffing crisis and emergency department and other service closures. The picture is clear: drive the public system into the ground and use the resulting crisis to privatize.

For-profit privatization is a threat to Public Medicare for all of us

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, but their prices are also exorbitant.

- Shoulder surgery in a private clinic can be more than four times the cost in the public health system, from \$15,000 to \$23,000.
- A patient has been charged \$2,000 for an MRI, more than twenty times the public cost.
- For-profit cataract clinics charge patients up to \$8,000, sixteen 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.

Higher costs: The Ford government is [paying more than double for surgeries](#) at a private for-profit hospital

Our local public hospitals are funded \$508 per cataract surgery, but the Ford government is using public funding to pay Don Mills Surgical Unit \$1,264 for the same surgery. That funding would have provided far more surgeries in public hospitals. The evidence from the United States and around the world is that for-profit privatization costs more. Governments do it to give contracts to corporations with whom they have connections. It is not in the public interest and it is far more expensive both for us as taxpayers and as patients.

Ontario banned for-profit hospitals 50 yrs ago for good reason

For more than 100 years, communities across Ontario have donated, volunteered, and helped to build our local hospitals as non-profit and public entities to operate in the public interest, not for profit. 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 in the public interest.

For-profit privatization takes away funding & resources from [all local public hospitals](#) -- particularly devastating to smaller, rural & northern communities.

Virtually all of the for-profit clinics/hospitals we have called [in our research](#) locate their facilities in large cities and wealthy neighbourhoods where there is a "market" of wealthy people from whom they can take extra money to make profits.

For-profit clinics & 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 in order to maximize profits. For example, they do not take people who are obese, have diabetes, and comorbidities that might put them at risk of coding on an operating table.

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, CTs, and surgical and medical hospital units all rely on having enough health professionals, nurses, and physicians to provide care. For-profit clinics do not create a single new staff person. In fact, they take health professionals and staff out of local public hospitals, making shortages worse and leaving the public hospitals to deal with the most costly complex patients with less staff and less funding.

The Ford government is choosing not to rebuild public hospital capacity & 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](#). Yet the Ford government cut real dollar hospital funding leading into the pandemic and did so again in 2023-2024. It capped the wages of nurses, health professionals and support staff for years-- 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 hospitals have a record of poor care

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 for-profits are very powerful and, like in long-term care, lobby for deregulation & money without strings. The result is:

- 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](#) have [significantly higher death rates](#) than public/non-profit clinics because they use shorter dialysis times to push patients through faster and use less trained staff.
- [For-profit colonoscopy clinics](#) have [resulted in more missed cancers](#).
- 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](#).