

For-Profit Health Care

Fact Sheets on Key Health Care Issues

For-profit health care delivery threatens to undermine Medicare

In his final report, *Building on Values: The Future of Health Care in Canada*, delivered to Parliament in November 2002, Commissioner Roy Romanow was very clear in rejecting for-profit delivery of health care. The Commission states that “direct health care services should be delivered in public and not-for-profit health care facilities.”

In rejecting privatization or a for-profit model of sustaining the health care system, Romanow reiterated the challenge he made to the proponents of such an approach that they provide convincing evidence that this approach would improve our health care system. The evidence was not forthcoming.

The Ecumenical Health Care Network (EHCN) applauded the position the Commission took against for-profit options for sustaining the health care system. That position was consistent with the recommendations the EHCN made to the Commission in May 2002. At that time the EHCN wrote:

“We urge that you hold the key values of solidarity, community, equity, compassion and efficiency at the centre of your policy deliberations. These values should enable you to see clearly that health care is a public good, not a market good.”

Dr. Arnold Relman, Professor of Medicine and Social Medicine at Harvard Medical School, and Emeritus Editor-in-Chief of the *New England Journal of Medicine*, echoes the findings of the Romanow Commission, in stating that “the facts are that no one has ever shown, in fair and

accurate comparisons, that for-profit makes for greater efficiency or better quality and certainly have never shown that it serves the public interest any better.”

September 2004 Health Care Agreement

The First Ministers’ Agreement reached in September 2004 failed to address the issue of two-tier access to health care prohibited under the *Canada Health Act*, yet currently being provided by a proliferation of private, for-profit clinics in provinces such as British Columbia, Alberta, and Quebec. As guardian of Medicare, the federal government has an important role to play in safeguarding the principles that are enshrined in the *Canada Health Act*. The federal Minister of Health is responsible for monitoring and enforcing the Act to ensure that all Canadians, regardless of

What Compels Our Vision for Equitable Access to Health Care?

At the heart of the values we hold as an ecumenical community are the biblical teachings of our faith which call us to promote the health and healing of all people. Our quest for a just sharing of the gifts of healthy living and health care is rooted in both the Hebrew and Christian scriptures. Jeremiah voiced particular concern for the “rights of the needy” (5:28), and Christ embodied God that all might “have life and have it abundantly” (John 10:10).

“How does God’s love abide in anyone who has the world’s goods and sees a brother or sister in need and yet refuses help?” – 1 John 3:17

their ability to pay, have equal and timely access to health care services.

A Growing Body of Evidence

There is a significant body of well-documented evidence from the experiences of public-private partnerships (P3's) in both Canada and other countries that illustrates their frequent failure to deliver on promises of cost savings and improved effectiveness in the construction and management of facilities for the delivery of public services. Examples of failed, flawed or abandoned (because they weren't economically feasible) P3's across Canada include schools in Nova Scotia, the Brampton and Royal Ottawa Hospitals in Ontario, the Moncton to Fredericton toll highway, the 407 toll highway in Ontario, The Foyer St-Charles Long Term Care Home in Quebec City, the Calgary Southeast Hospital, and the Royal Hospital and Cancer Care Centre in Abbotsford, B.C.

The rush to embrace P3's may owe more to ideology than to common sense. There are sound reasons to approach P3s with great caution. Among the reasons are the following: governments can borrow the funds for construction at lower rates than the private sector; unlike private corporations, governments and not-for-profit institutions do not have to factor shareholder profits into their costs. In assessing the feasibility of a P3, the public needs to be assured that cheaper design and construction standards will not be used in order to cut costs and maximize returns for shareholders. The responsibility of cost overruns should be the responsibility of the private company and not passed on to governments and citizens.

P3 hospitals are not inconsistent with the *Canada Health Act*. The risk is that they create an environment in which two-tiered services can flourish. Independent and evidence based studies are needed to inform public policy. These studies could compare publicly funded and managed facilities to P3s based on the following criteria: compatibility with the CHA, cost effectiveness, efficiency, public accountability, risk liability and transparency.

The Proven Record

The long and widely-respected role of the not-for-profit sector has proven cost-effective and competent in delivering health care services while upholding the values and inclusivity of the *Canada Health Act*. Religious communities and not-for-profit agencies such as the Victorian Order of Nurses offer high quality and compassionate health care in many Canadian communities. This sector offers a viable alternative to for-profit options.

International Trade Agreements

The further expansion of for-profit health care management and delivery, and the construction of health care facilities through P3's, expose Canada to future legal challenges under the North American Free Trade Agreement (NAFTA) and the General Agreement on Trade in Services (GATS). These initiatives would make it difficult to undo public-private partnership deals when it is discovered that they actually boost costs and lead to greater inequities. In legal opinions obtained by the Canadian Health Coalition, under Chapter 11 of the NAFTA Agreement, even the experience of just one province could impact all others.

This Fact Sheet is one in a set produced by the Ecumenical Health Care Network (EHCN). The Network is a project of the Commission for Justice and Peace of the Canadian Council of Churches and includes representatives from the Anglican Church of Canada, the Canadian Conference of Catholic Bishops, the Catholic Health Association of Canada, the Evangelical Lutheran Church in Canada, The Presbyterian Church in Canada, the Salvation Army, and the United Church of Canada.

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