

For-Profit Health Care

Dispelling the Myths

Myth #6 **Medicare Will Be Protected in Trade Agreements**

Proponents of the recent Alberta decision to contract out clinical services to for-profit corporations reject the claim that such a move will expose medicare to the full force of the “privatizing” thrust of current international trade agreements.

They suggest that the province is simply engaging in a social experiment which, if unsuccessful, could be terminated.

At the federal level, Trade Minister Pierre Pettigrew has said he will make sure Canada’s health care system is protected, and that any suggestion to the contrary is “preposterous.”

Such assurances that medicare will be protected are simplistic and worrying. At the international level, the World Trade Organization (WTO), with the support of the United States and international trade organizations, is developing an agenda aimed at opening all public services to trade and foreign investment. The efforts of those who want to alter Canada’s health care



system by turning to private, for-profit service providers furthers the agenda of these international trade organizations, while eroding the ability of the federal government to reverse the trend. As Robert Evans has said, moving in this direction “... may be letting out of the bottle a genie that no one in Canada can put back in.”

“By permitting a private, for-profit hospital – for that is what overnight stays mean – to operate in Calgary, the Alberta government would be opening the door to entry by international (principally American) for-profit hospital chains, anywhere in Canada.”

Robert Evans

In fact...

NAFTA — North American Free Trade Agreement

- Under NAFTA, Canada's health care system is protected only to the extent that it is considered a social service carried out for a public purpose.
- Alberta's decision to allow regional health authorities to contract with for-profit companies for inpatient medical and surgical procedures could open the way for an American for-profit health care company to charge that under NAFTA the Alberta law had an impact on federal law and, therefore, the whole country was now open to for-profit hospitals.¹
- "At its very heart the NAFTA protects the logic of the free market: an idea which inevitably conflicts with the nature of Canada's health care system."²

GATS — General Agreement on Trade in Services

- With GATS, the World Trade Organization (WTO) has the explicit objective to open national boundaries, to the greatest possible extent, to all forms of international trade.
- The WTO does not recognize sub-national governments (such as provincial governments) — a precedent set in one part of a nation is interpreted as applying to the whole.
- A decision by one province to open up public funded health services to for-profit corporations could open the door to entry by international for-profit hospital chains and health services providers, anywhere in Canada.
- Under GATS, a precedent once set cannot be reversed.

FTAA — Free Trade Area of the Americas

- A proposed free-trade agreement that would span North and South America could see publicly funded services such as health care open to bidding by private companies from the hemisphere's 34 member nations.
- A secret report obtained by the *Globe and Mail*³ from one of the nine groups negotiating the agreement outlines a regime that would see all sectors — including health care — open to competition.
- Canada, which has been one of the biggest proponents of the FTAA, so far has not taken any sector off the table.

Since NAFTA we've been heading in the direction of a single North American [health] industry. The more we export health care, the more we're going to be under pressure to reciprocate by opening our markets to private medicine.

Colleen Fuller
author of *Caring for Profit: How Corporations are Taking Over Canada's Health System*

References

1. M. Rachlis, *A Review of the Alberta Private Hospital Proposal*, The Caledon Institute of Social Policy, 2000, pg. 6.
2. Barry Appleton, "International Agreements and National Health Plans: NAFTA," in Drache, Daniel, and Terry Sullivan, eds., *Health Reform*, London: Routledge, 1999, pg. 87.
3. "Trade Deal Could Cover Health Care," *Globe and Mail*, Jan. 18, 2001.