

Definition: Privatization is the transfer of public assets or services from public ownership and control to private ownership and control.

Why Not Privatize? Who Loses?

As a public good, health care should be managed for social needs and not for short-term profit. When public necessities like health care are privatized, the public loses.

Who Benefits?

The goal of for-profit companies is to make maximum profit and that profit has to come from somewhere. For a private company to provide health services at the same cost as the public system, profit margins must come at the expense of standards of patient care, wages, and working conditions.

Privatization Means:

1. **A two-tier health system where the rich get service because they can jump the queue and pay while everyone else has to wait**

Since the 2001 provincial election, wait lists have grown by 31%. Private clinics have proliferated and these clinics offer the wealthy the opportunity to jump ahead of the lineup. At Canada Diagnostic Centres in Vancouver, an MRI or CT can be done within 48 hours of a doctor's referral for \$1200.

2. **Higher costs and user fees associated with private hospitals and privately delivered services**

Private health care often means hidden user fees. In May 2004, BC Liberal MLA Barry

Penner went to the False Creek Surgical Centre for surgery on a ruptured disc on his back. He was not charged for the surgery, but he paid the private clinic a "facility fee" reported to be several thousand dollars.

Former BC health minister Colin Hansen said that there's nothing to prevent private clinics from charging a facility fee; as long as the patient is not paying the doctor's fee directly, there's no violation of the *Canada Health Act*.

However, B.C. has already been fined for violations of the *Canada Health Act*. In 2004, the federal government fined the B.C. government \$126,000 for allowing patients to pay for surgeries at private clinics.



3. Increased costs for the public system

The increased use of private health delivery can increase the cost of delivering the same services publicly. According to a study of private/public cataract surgeries in Alberta by Wendy Armstrong, "More reliance on a growing number of private clinics and out-of-pocket payment led to higher prices and less choice of services within the public plan – and longer public waiting lists."

4. Draining health professionals from the public system

Delivering health services privately drains scarce health professionals and other resources from the public system, thereby weakening the public system.

5. Loss of Control and Lack of Public Accountability.

Privatization means that the public loses access to information and control over the health system. For example, during the bid process for the Abbotsford private hospital, bid submissions were not open to scrutiny by the public, legislators, or the press. The government will pay Access Health Abbotsford, the successful bidder, an estimated \$424 million over the life of the 30-year contract, but no one knows how much of the \$424 million will be profit for the company.

6. Bad Jobs

Privatization saves money through salary reductions and layoffs. Between 2002 and 2004, 8000 B.C. health care workers, the majority of them women, lost their jobs and thousands more had their wages rolled back by 15%. The fired workers were replaced with contract workers who earn from \$9.50 to \$11.50 an hour and have few, if any,

benefits. Pay equity, a hard won battle for women workers, is lost with private contractors.

7. Loss of Privacy Rights

As of March 31, 2004, the BC government announced that it is contracting out the administration of the Medical Services Plan to Maximus Corporation. This decision will compromise confidentiality for all British Columbians. Under American laws, health records held by Maximus (or any US company) are subject to secret search and seizure by U.S. authorities.

8. Declining Standards of Patient Care

When dietary, laundry, and cleaning contracts were awarded to multinational companies like Sodexho and Compass, health authorities were inundated with complaints about the quality of food, cleanliness and patient care.

"The food is tasteless. The quality is poor. The presentation is lacking...For seniors in long-term care, meal time used to be a highlight of their day. Now I'm receiving a lot of complaints from them and their families. The health authority is saving money, but what about the quality of life for these people?" *Lynn Stephens, Liberal MLA, Langley.*

Many B.C. hospitals have also contracted out security resulting in increased health and safety concerns for workers and higher security risks for patients and the visiting public.



PRIVATIZATION ISN'T CHEAPER

There is no evidence that privatized health care or contracting out results in savings to the public. In fact, a recent study published by the Association of Chartered Accountants of the U.K. concluded that privately financed hospitals are not affordable. The study found that annual capital costs were more than CDN\$105 million higher in privately financed hospitals than in those directly financed by government.

According to the Romanow Commission on the Future of Health Care In Canada:

“Early in my mandate, I challenged those advocating radical solutions for reforming health care – user fees, medical savings accounts, de-listing services, greater privatization, a parallel private system – to come forward with evidence that these approaches would improve and strengthen our health care system. *The evidence has not been forthcoming.* I have also carefully explored the experiences of other jurisdictions with co-payment models and with public-private partnerships, and have found these lacking. There is no evidence these solutions will deliver better or cheaper care, or improve access (except, perhaps for those who can afford to pay for care out of their own pockets.)

BC – the Sprint to Privatize:

Since 2001, health care privatization has escalated. Examples include:

Proliferation of private surgical clinics and privatization of surgical procedures:

As of 2004, it was estimated that 10,000 surgeries are handled by private surgical clinics in the Lower Mainland each year. And the number is growing. The Vancouver Coastal Health Authority has contracted out 10% of Richmond Hospital's surgical case load (about 750 surgeries per year). In November 2004, St. Paul's Hospital announced that it will privatize 1,000 day surgery procedures.

Mass contracting out of health services:

In January 2002, legislation was passed that tore up health care collective agreements and paved the way for contracting out of health services.

Housekeeping, laundry, dietary, security and maintenance services have been contracted out at many hospitals and long term care facilities. 8000 workers, most of them women, have been laid off.

Public-Private Partnerships:

The government has initiated two large public-private partnerships: the Abbotsford Private Hospital project and the Vancouver Hospital Ambulatory Care Centre. Providence Health is proposing to replace St. Paul's Hospital in Vancouver which could lead to another P3 Hospital in B.C.

Private Access to Specialists:

Since 2002, several specialist referral clinics have opened in the Vancouver area. Individuals pay \$350 - \$500 to access specialists directly instead of waiting for referrals from their family doctor.

The B.C. Health Coalition's Vision for Universal Health Care in BC is something all British Columbians can share:

1. Health care is a right – everyone must have the right to high quality, responsive, and appropriate health care which is publicly funded, publicly accountable, and publicly controlled.
2. Access to health care must be equitable – regardless of an individual's income, level of ability, age, cultural heritage, sex, sexual orientation, or geographic location.
3. Issues that are basic to good health must be addressed – food, education, income, housing, and social support and personal safety determine an individual's ability to achieve and maintain good health.
4. We believe in the original vision of a truly comprehensive health care system. The next steps are the expansion of the public system to include a universal system of home and long-term care services and pharmacare.
5. We believe in an accountable health care system through democratic participation and governance at all levels.
6. We recognize the need to move away from a fee-for-service model toward a community-based, multi-disciplinary approach to the management, organization, and delivery of services and care. Levels of services must be sufficient so that the burden of care does not fall on families, mainly women.

Don't allow an internationally proven failure like privatized health care to take root in your community or health region. Add your voice to the thousands of British Columbians who reject this for-profit model and instead, actively support fully funded, public and universally accessible health care for all British Columbians. For more information, contact the BCHC or visit the websites listed below.

FOR MORE INFORMATION:

B.C. Health Coalition:	www.bchealthcoalition.ca
Hospital Employees' Union:	www.heu.org
Right to Privacy Campaign:	www.righttoprivacycampaign.com
P3 Watch	www.p3watch.ca
Ontario Health Coalition	www.web.net/ohc/
New Internationalist Privatization Issue #355	www.newint.org

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