

dialogue

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A bi-weekly update on issues
affecting health care in Ontario

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Hospitals escalate divestment of work to for-profit labs

Lab testing and specimen collection continues to be driven out of the hospitals and into the arms of private for-profit companies. Hospital boards are finding the province is fully prepared to pay for private lab testing rather than adequately fund hospitals to provide such services in-house.

In Hamilton, about 20 full and part-time staff recently received notice of layoff as St. Joseph's Healthcare announced an October 31st closure of the last three of its community lab collection sites. About 480 residents per day will be searching for a new location to have their blood and urine samples taken. It is anticipated that collections for lab testing will migrate to existing for-profit facilities in the region.

In Muskoka, a plan to shift community testing to a private facility in Brampton led to a very public battle waged by the OPSEU locals, gathering community support. Under pressure, the hospital has since delayed any decision until a provincial review can be undertaken. The hospital claims it costs \$150,000 a year out of its global budget to undertake community testing, although a leaked budget for the program suggests otherwise.

The remaining hospitals that perform community lab testing appear to be under pressure to divest this work to for-profit companies such as MDS and Gamma Dynacare.

While increased lab work is considered a financial burden for hospitals who have to fund lab testing from their global budgets, private for-profit labs see increased volume as an asset, given they are paid for each test they do. As a result, hospital labs are struggling to stay afloat, while for-profit labs are expanding their share of the work.

It does not mean, however, that Ontarians are necessarily getting the best bang for their dollar.

As with any privatization in health care, the drive to maximize profits becomes inconsistent with quality health care delivery.

MDS laboratories pay much less than their counterparts in the public sector, and since being bought last year by Borealis – OMERS' infrastructure company – there is concern MDS could be squeezed hard to earn back the \$1.3 billion spent to acquire the company.

The impact of that will likely be felt among front line staff, not among the lucrative deals management have secured for themselves. While MDS experienced job cuts and reduced hours in a company-wide restructuring, ex-CEO John Rogers was handed an \$11.2 million severance package.

In Alberta, MDS' share in Calgary Laboratory Services was bought out by the Calgary Health Region, reversing the trend to privatization in the least likely of Canadian provinces. Could it be that even Alberta has come to realize that public is best?

With the squeeze on labs, the public should be worried. Private for-profit labs operating in public facilities came under scrutiny in 1999, when the Sunnybrook-Dynacare lab misdiagnosed children's entertainer Sharon Hampson (Sharon, Lois and Bram). Having improperly cleaned a pair of forceps, she was misdiagnosed with a reoccurrence of breast cancer, resulting in unnecessary surgery.

"I know they cannot give me back my lymph nodes," Hampson told the *Toronto Star*, "But this isn't about me, it's about this whole lab system. This is about saving money and bottom lines."

Whitby Mental Health Centre closes board meetings despite OHA policy

Divested from the OPS, Whitby Mental Health Centre is now under the Public Hospital Act. While many hospitals open their board meetings to public scrutiny, at WMHC these meetings take place strictly behind closed doors.

Public Hospitals are considered to be private corporations, and as such, have no legal obligation to open these meetings to the public. Under pressure to provide greater openness and transparency, the Ontario Hospital Association established a policy of open hospital board meetings in

1998. There have also been four attempts to legislate public access to these meetings.

Local 331 President Joan Gates has been pushing to open Whitby's board meetings after being denied access.