

# dialogue

August 23, 2007

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

## UK docs warn Canadian counterparts about market-based health reforms

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**B**ritish doctors are telling their counterparts at the Canadian Medical Association (CMA) not to follow them down the privatization road, warning such changes fragmented health care in the UK, discouraged collaboration and wasted money.

In an August 15 letter from the president and co-chair of the National Health Service Consultants Association, Dr. Peter Fisher and Dr. Jacky Davis say the separation between purchaser and provider is the “Trojan horse allowing privatization in its various forms.”

Ontario’s Local Health Integration Networks (LHINs) and Community Care Access Centres (CCACs) are based on this model.

“Health care turmoil in the UK has escalated with private sector involvement causing much of the chaos we predicted,” they write.

They point to Scotland and Wales, which recently examined the evidence and decided to move further away from market-based reforms.

The troubles stem from three major reforms – payment-by-results (PbR) funding, the increased use of the private sector to deliver public health care, and the “patient choice” agenda.

PbR led to a dramatic increase in unnecessary admissions, as hospitals sought to find more patients to make up their funding requirements. Over three years, emergency visits increased by three per cent in the UK, but in hospitals funded on a PbR basis, emergency visits increased by 18 per cent over the same period. The PbR

hospitals also experienced a dramatic increase in administrative costs for coding, billing, accounting, advertising, and combating fraud.

The uncertainty of PbR funding means that the large long-term debts carried by public-private partnership hospitals are creating financial difficulties. One hospital had to borrow £54 million (about \$115 million Canadian) it owed the contractor involved in the P3 deal.

### “Health care turmoil in the UK has escalated with private sector involvement”

- UK doctors’ letter to the CMA

Private sector delivery of public health services began as a support to the National Health Service, but quickly evolved into a competitive environment, diverting patients and income away from publicly-delivered health care.

The doctors say private sector providers also provide poor value for money

and result in higher readmission rates than publicly-run facilities.

While health reforms in the UK have attempted to create greater choice for patients, the diversion of money to private clinics has destabilized local public health services. “If that destabilization leads to closure of local public services, then patients will have lost the choice that is really important to them – good comprehensive services located close to where they live.

The British Medical Association – counterpart to the CMA – recently voted to oppose PbR and passed a unanimous resolution favouring collaboration over competition.

The CMA has been under fire since releasing its Medicare Plus position paper, urging provincial governments towards greater privatization of health care delivery and allowing doctors to work in both the private and public sectors.

## Safe needles in all hospitals by Sept. 08

55 million N95 masks to be purchased

The government announced today it is providing 55-million N95 respirators and mandating the use of safety engineered needles or needle-less systems to protect health care workers in Ontario. Safe needles will be mandatory in hospitals by September 1, 2008, at long term care homes, psychiatric facilities, laboratories and specimen collection centres in 2009, and in other health care workplaces by 2010. Health Minister George Smitherman said the government had accepted the SARS inquiry recommendation to use the precautionary principle in protecting workers’ health and safety. OPSEU, its labour partners, and MPP Shelly Martel have been pushing the government towards legislating improved health and safety regulations since the SARS epidemic in 2004.