



HON. ADRIX DIX ANNOUNCES THE SOUTH ISLAND HIP AND KNEE PROGRAM.  
PHOTO: PROVINCE OF BRITISH COLUMBIA, FLICKR



BCHC CO-CHAIR AND HSA MEMBER  
AFTER THE GOVERNMENT

# THE GROWING THREAT

**BY SAMANTHA PONTING  
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ON MAY 1, THE B.C. HEALTH COALITION (BCHC) PRESENTED TWO B.C. PRIVATE SURGICAL CLINICS WITH AN INVOICE FOR \$15.9 MILLION.

It was a symbolic gesture seeking to highlight how unlawful extra-billing by private clinics across the province is costing the public health care system. Supporters gathered with placards and banners protesting the creeping development of a two-tiered health system in British Columbia.

The federal government clawed back \$15.9 million in federal funding to B.C. because of unlawful extra-billing conducted by private clinics in the province from 2015-2016.

Extra-billing, as defined in the *Canada Health Act*, refers to the amount charged to an insured patient for a publicly insured medical service that exceeds the amount paid out by the public insurer. Over the past 16 years, B.C. is the only province the federal government has repeatedly fined for unlawful extra-billing by withholding



MEMBERS OF HSA, THE COUNCIL OF CANADIANS, AND THE B.C. HEALTH COALITION RALLIED OUTSIDE THE B.C. SUPREME COURT ON APRIL 8, 2018, THE MORNING THE BRIAN DAY COURT CASE RESUMED.

transfer payments on a dollar-for-dollar basis.

While publicly funded health care services are administered by the provinces and territories, the act outlines the criteria provincial bodies must adhere to in order to receive federal health transfer payments. In Canada, these totalled \$36 billion in 2016-2017. It is these five criteria (public administration, comprehensiveness, universality, portability, and accessibility) that define the principles and parameters of Canadian Medicare.

Despite this, extra-billing is

widespread in the province.

Now the new provincial government is taking steps to prevent the practice. In April, it announced that it would bring sections of Bill 92, the *Medicare Protection Amendment Act*, into law. This act passed in the B.C. legislature in 2003 but sections of it were not brought into force as a result of relentless lobbying efforts from for-profit clinics and physicians across the province. The then BC government, led by Premier Gordon Campbell, decidedly turned a blind eye to illegal extra-billing.

The enforcement of Bill 92 means that it will be an offence



R EDITH MACHATTIE DELIVERS AN INTERVIEW  
ANNOUNCES 37,000 NEW MRIs FOR 2018-2019.

AN INVOICE FOR \$15.9 MILLION IS DELIVERED TO THE FALSE  
CREEK SURGICAL CENTRE

# TO CANADIAN MEDICARE

## HOW PRIVATELY-FUNDED HEALTH CARE HURTS US

for doctors and private clinics to extra-bill patients, for which doctors can be fined up to \$20,000. The B.C. government has coupled its crackdown on extra-billing with a strategy to reduce diagnostic and surgical wait times, thereby addressing the public's reliance on privately funded and delivered services.

This flurry of public policy developments has brought to light some of the tensions existing between private, for-profit and public health care in Canada.

### Understanding private health care in Canada and B.C.

Canada's public health system is a source of pride for many Canadians. It was founded on the principle of universality, whereby everyone - regardless of income - has access to medical treatment. It's a sharp contrast to the privately funded system of our southern neighbours, from whom we sometimes hear chilling tales of personal bankruptcy, debilitating hospital bills, and mortgaged homes for the sake of accessing health care.

Despite this, some British Columbians have been able to access health care services

faster than others because of their ability to pay. Others have felt forced to resort to paying private health care fees because the public health system hasn't responded quickly enough to their health needs. The province, up until now, has allowed private clinics to extra-bill patients who are paying privately for services, essentially encouraging a two-tiered system to grow.

To demonstrate the magnitude of the problem, a 2017 survey of private clinics by the Ontario Health Coalition (OHC) found that 30 out of 34 private clinics in B.C. were found to be charging extra user-fees. These practices are often in contravention of the *Canada Health Act*. For example, in a 2012 audit of CEO Brian Day's private clinics, the B.C. government found evidence of extensive illegal extra-billing and overlapping claims to B.C.'s Medical Services Plan. In less than 30 days, nearly half a million dollars of illegal extra-billing occurred at the Cambie Surgical Centre.

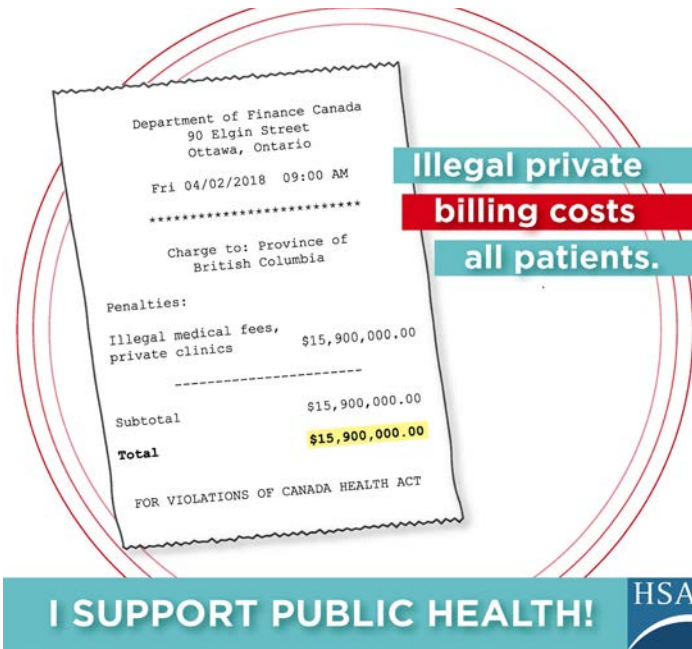
It's clear that private health care is taking a toll on patients' pockets. The same OHC report found that costs for medical treatments in private clinics across

the country are exorbitant and significantly higher than the rates billed in the public system. It reports that patients were charged up to five times the rate of the service as offered in the public health plan.

Through permitting these practices, the province had been failing to comply with federal law. But B.C. is not alone. Surveys conducted by the OHC reveal that private clinics in at least six provinces are charging user fees, and violations of the *Canada Health Act* have become more overt over the past 10 years.

This problem is magnified in B.C., which hosts the second largest private, for-profit clinic sector in Canada. This comes as little surprise after provincial health care funding over the last 16 years has not kept pace with our growing population, leaving B.C. lowest in the country in per-person funding. In 2001, B.C. ranked second in per-capita provincial health care spending, but by 2016, B.C. fell to eighth place among the 10 provinces.

Lack of capacity in the public system to deliver MRI scans and



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surgeries, for example, can drive patients to seek privately-funded care. In B.C., this is shifting. The province's recent investments to expand public sector capacity in MRIs, for example, are critical measures to decreasing diagnostic and surgical wait times.

But it's not just about funding. From what we know about high-performing health systems internationally, system innovations and improvements in the delivery of public care will improve timely access to care in a more cost-effective manner than turning to privatization. The province's new comprehensive surgical strategy – with a focus on system improvements and efficiencies – is a step in the right direction.

It will centralize waitlists for hip and knee surgeries so patients can see the first available surgeon and streamline patient pathways through improved surgical assessments. By better utilizing a multidisciplinary team of health care professionals – including physiotherapists and occupational therapists – who will assess, triage and support patients before and after surgery, our public surgical services will become more effective.

### Privatization's effect on health human resources shortages

The most prominent claim by advocates of two-tiered, for-profit health care is that it will reduce wait times and improve access for patients. However, this claim is typically advanced by individuals and corporations who have a financial stake in seeing the introduction of a parallel for-profit tier funded by user fees and private health insurance, where access is determined based on income and not medical need.

This argument does not hold up to a large body of academic research. Based on evidence from B.C., Manitoba, England, New Zealand, and Australia, wait times in the public system in fact increased with the introduction of a parallel private tier.

This can be explained, in part, because the private tier pulls limited health human resources from the public system, leaving it with a shortage of healthcare professionals. This has been the experience in B.C., where amidst growth of the for-profit sector, health human resources shortages have become increasingly dire.

In B.C., we face critical shortages of medical imaging technologists and operating room nurses, who may be drawn to

the private sector based on compensation, better hours, and more manageable workloads – a self-perpetuating cycle that increases workloads for public sector professionals, thus further pulling limited staff out of the public system.

The B.C. government has recognized this problem, and bringing Bill 92 fully into force is a necessary, evidence-based strategy to deal with chronic understaffing in the public system.

### Ongoing threats to public health care

In 2009, the Cambie Surgeries Corporation, led by CEO Brian Day, launched a legal challenge after the BC government informed Day that his clinics would be audited following reports of illegal extra-billing. His legal challenge seeks to knock down the laws that ban extra-billing and user fees, calling these laws unconstitutional. The challenge is now before the B.C. Supreme Court.

Seeking to set the legal foundations for a two-tiered health system, the case is asking the court to allow for the private funding of medically necessary services, which would include eliminating the ban on private health insurance. The court challenge resumed this past April, and threatens to drastically undermine Canada's universal public health system. Action is needed now more than ever to defend public health care.

The BCHC and Canadian Doctors for Medicare have obtained intervener status in the case. This is just one of the many strategies needed to halt health care privatization.

The BCHC works with local coalitions across BC to defend public health care through community actions, research, public education and advocacy. HSA is a leading supporter of the coalition.

**TO LEARN HOW YOU CAN JOIN EFFORTS TO DEFEND PUBLIC HEALTH CARE, CONTACT [INFO@HSABC.ORG](mailto:INFO@HSABC.ORG) OR VISIT [BCEALTHCOALITION.CA](http://BCEALTHCOALITION.CA).**