

PRESS RELEASE

CONSUMERS' ASSOCIATION OF CANADA (ALBERTA)

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Use of Private Clinics Needs a Sober Second Look says Alberta Consumer Group with Release of Report

In response to the provincial government's call for input to the *Proposed Policy Framework on Insured Surgical Services*, the Alberta Consumers' Association is releasing a report, "The Consumer Experience with Cataract Surgery and Private Clinics in Alberta; Canada's Canary in the Mine Shaft" by Wendy Armstrong. This report provides compelling evidence that the current model of contracting out publicly insured cataract surgery to private clinics is seriously flawed. The Association will provide the Health Minister and the Premier with a copy of the report early next week, and will be requesting a meeting to discuss the findings.

"The problems which have arisen due to the rapid growth of private eye surgery clinics in Alberta need to be carefully considered before the provincial government or any Regional Health Authorities expand into contracting out major surgeries such as hip replacements", said Larry Phillips, President of the provincial consumer group.

The Report describes how the Alberta model of cataract delivery emerged, and how it has evolved into a well entrenched two-tiered model of publicly insured care.

It also describes the changing character of "private" health care in Alberta and how taxpayer dollars are increasingly used to subsidize commercial activities and new investor-driven health care corporations - to the detriment of the public and the public plan.

Contrary to commonly held beliefs and claims made by suppliers, the evidence in the report reveals that the growth of private cataract surgery clinics in Alberta has:

- ❖ increased public waiting lists (the same physician services both lines)
- ❖ increased the cost of services to the plan, the price to patients and the cost of health plan coverage to the community at large
- ❖ created a number of conflicts-of-interest which jeopardize taxpayers and patients
- ❖ decreased public accountability, public scrutiny, and public control of the Alberta provincial health care plan.

"Remarkably, instead of being the *solution* to rising costs, longer waits and less than ideal patient care, increased reliance on private business and the introduction of new sources of private payment for suppliers has been the *cause* of many of these problems", said Wendy

Armstrong, the author of the report. **“While a limited number of small private initiatives may provide a safety valve and source of innovation, the more public plans rely on facilities and agencies owned and controlled by private business interests, and the more costs are shifted outside the plan, the greater these problems will become.”**

Some highlights from the report include:

- There are two public health insurance plans in Alberta - the promise and the reality. The promise is that all medically necessary surgical procedures recommended by one’s physician will be fully covered by the public plan. The reality is that many Alberta cataract patients encounter major out-of-pocket charges (up to \$1500) for products related to insured surgery which their doctor has identified as medically beneficial.
- A survey revealed that the higher the degree of reliance on private clinic services in a location, the higher the incidence and magnitude of charges to patients for services which are supposed to fully publicly insured, the longer the average waiting lists for surgery, and the least patient choice of fully insured surgeons and sites of care.
- The number of private surgery clinics in Alberta climbed from 4 in 1980 to 20 in 1988, 36 in 1993 and 53 in 1999. About half provide anesthesia for dental services only. The others provide a wide range of day surgeries spanning almost all specialties, both insured and non-insured. Two are located in former public hospitals. Between 1990 and 1993, 6 new eye surgery clinics opened. The destruction of public hospital capacity and legislation to facilitate contracting out in 1994 served as a public bail-out of investors in private clinics who were suffering dropping volumes due to an rapid expansion of clinics over the past decade. 100% of all eye surgery (from cataracts to corneal transplants) is now contracted out to private clinics in Calgary.

"It appears to be an easy mistake to make", said Armstrong. "Other public health plans in Australia, New Zealand and the U.S. began experimenting with similar models of privatization many years ago. They encountered many of the same hidden risks and costs which have come to light in this report and are now trying to pull back.

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