

**Eroding Public Medicare:  
Lessons and Consequences of For-Profit Health  
Care Across Canada**

**October 6, 2008**



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# Executive Summary

In researching this report, we set out to find all the for-profit diagnostic, surgical and “boutique” physician clinics across Canada. Our goal was to measure the impact of for-profit privatization. How is it affecting costs and access in the public system? How many clinics are violating the Canada Health Act? Where are they taking their staff from and how is that affecting access to public non-profit services?

Our main findings, in brief:

1. Across Canada in total we found 42 for-profit MRI/CT clinics, 72 for-profit surgical hospitals (clinics) and 16 boutique physician clinics. The surgical clinic numbers exclude those that sell only medically unnecessary cosmetic surgery and other such procedures.
2. Among these clinics we found evidence to suspect 89 possible violations of the Canada Health Act in 5 provinces. These include clinics that appear to be selling two-tier health care and extra billing patients for medically-necessary services.
3. We found an increasingly aggressive group of private company owners who are pushing provincial governments to give them publicly-funded contracts to increase their revenues (and profits).
4. A significant number of private clinics are now openly selling two-tier health care for medically-necessary services. In addition, a notable percentage are billing the public plan and charging patients in addition, by co-mingling medically necessary and unnecessary services to sidestep the Canada Health Act.
5. The number and scope of private clinics has been growing since the deep cuts to healthcare transfers and hospitals in the mid 1990s. Their expansion has increased in the last five years.
6. This is a new phenomenon. The first for-profit MRI clinics were opened only ten years ago, and the majority have opened in the last five years. Almost all the for-profit surgical clinics and boutique physician clinics have opened in the last five years.
7. To date, every region of the country has been the target of for-profit clinics’ expansion, except PEI, the Northwest Territories, Yukon and Nunavut.
8. A change in for-profit clinic ownership from small locally-owned companies to chains and U.S.-led multinationals is beginning to take place that holds grave implications. Some of the MRI/CT clinics are chains, some multinational. The first chains and U.S. multinational corporate takeovers of surgical clinics have emerged in the last five years. In the last several years also, at least one country-wide chain is emerging in boutique physician clinics.
9. We found evidence of wait times that are highest in areas with the most privatization as resources – financial and human – are taken out of the public health system.
10. We found a demonstrable reduction in capacity of public non-profit hospitals as a direct result of staff poaching by nearby private clinics. In at least two provinces, hospitals have been forced to reduce or close down public services due to shortages worsened by staff poaching from nearby for-profit clinics.
11. We found that out-of-pocket costs charged by private clinics are beyond the financial reach of most of the population in those provinces.

The majority of for-profit clinics are maximizing their profits by charging public plans and charging patients out-of-pocket or through third-party insurance as well. The evidence shows that for-profit delivery erodes the public health system by taking financial and human resources out of the public system and by promoting two-tier health care. In many cases, the drive of clinics to maximize revenues by billing all available sources – governments, patients and third-party insurers – is jeopardizing the equality and fairness of the public system which is supposed to assure equal access to medically-necessary hospital and physician services regardless of wealth.

There is little evidence to support the contention that for-profit ownership bears any relation to reducing wait times. In fact, in demonstrable cases, for-profit clinics have forced reductions in local public and non-profit hospitals' services by taking staff out of local hospitals, worsening shortages in the public health system. Several provinces, including Ontario, Alberta and Manitoba, have in recent years reversed for-profit ownership opting to build capacity in the public health system instead, thereby improving access on an equitable basis.

The evidence shows that where the federal and provincial governments have acted to halt violations of the Canada Health Act, they have succeeded. But no province has adequate regulatory and enforcement regimes to stop the extra charges and two-tiering that is threatening equal access to care. And the federal government is not enforcing the Canada Health Act to protect patients from increasingly aggressive attempts to dismantle equal access to health care for all Canadians.



# Introduction

In researching this report, we set out to find all the for-profit diagnostic, surgical and “boutique” physician clinics across Canada, to see how they work and how they are affecting costs and access in the public health system. Concerned about increasing reports of companies selling queue-jumping services without penalty, and inadequate action by federal and provincial governments to uphold the principles of universal publicly-funded health care, we decided to try to measure what is happening “on the ground.” We knew our findings would be subject to intense scrutiny, so we assiduously combed media reports taking only credible sources and phoned the clinics directly to interview staff. Wherever possible we have used the private clinics’ own words – in their advertising, speeches, and our interviews -- to reveal the full picture of the growth of for-profit hospitals and clinics, and their approach to selling health care.

Our findings reveal a disturbing picture of an increasingly aggressive group of private company owners who are promoting profit-driven health businesses that threaten Canadians’ universal and equal access to care. We found that a significant number of private clinics are now openly selling two-tier health care for medically-necessary services. In addition, a notable number are exploiting loopholes in the Canada Health Act to extra-bill patients. These clinics sell two-tier services by co-mingling publicly- covered medically-necessary services with medically-unnecessary services (therefore not publicly-covered), regardless of the prohibition on two-tiering and ethical and safety concerns.

In our research we found that the number and scope of private for-profit hospital and physician clinics across the country has been growing since the deep cuts to public hospitals in the mid-1990s. Their expansion has dramatically increased in the last five years and the trend is accelerating with the introduction of chains and U.S.-owned multinationals. Almost all areas of the country are now affected, and the type of ownership and control is changing from small local businesses to chains and U.S.-led multinational corporations. The evidence shows that the clinics are reducing capacity in local public hospitals. Since the clinics often sell services without regard to need and often maximize their profits by charging the provincial health plans and charging patients and third-party insurers as well, the clinics are disrupting the core tenet of public medicare in Canada that those who need service the most should get it first, regardless of income level.

From Canada’s first private MRIs opened in British Columbia and Alberta, we have seen a growth to at least 42 for-profit MRI/CT clinics across the country by the end of 2007. The more recent explosive growth has been in private hospitals – called surgical clinics – and “boutique” physician clinics selling access to MDs and health professionals for thousands of dollars per patient per year. Though only two provinces have an accreditation process that tracks for-profit surgical clinics, we found 72 for-profit surgical clinics across Canada, excluding an additional number that exclusively sell medically-unnecessary cosmetic surgery and other procedures. Located exclusively in the wealthiest neighbourhoods of the country’s largest urban centres, and not tracked by any provincial or territorial governments, we found 16 “boutique” physician clinics in B.C., Quebec and Ontario, and we are certain there are many more not covered in this paper. In addition, we found a small but growing bevy of “middle-men” companies: for-profit brokers linking “customers” to for-profit clinics.

Unquestionably, the emergence of the for-profit health clinic industry is a new phenomenon of private health care in Canada. Almost all the for-profit MRI/CT clinics have opened in the last ten years, doubling in the last five years. Almost all the for-profit surgical clinics (hospitals) and two-tier or boutique physician clinics have opened in the last five years. To date, every region has been the target of for-profit clinics' expansion, except PEI, the Northwest Territories, Yukon and Nunavut, though Nunavut recently had a failed proposal for a for-profit breast-screening clinic. Even in New Brunswick, where there are not currently any for-profit clinics, there is an aggressive push for more privatization.

With the expansion of for-profit healthcare, we are seeing a change in ownership and control that should be of concern. In our research, we found that corporate ownership is starting to change from small local physician-led corporations to investor-owned chains. U.S.-based hospital and private health companies are buying ownership of private clinics in the first forays by multinational profit-seeking investor-owners into Canada.

Our research reveals that for-profit clinics are siphoning scarce personnel from local hospitals and the public health care system. In at least two provinces, we found a demonstrable reduction in capacity of public non-profit hospitals as a direct result of staff poaching by nearby for-profit clinics. Ontario's for-profit MRI/CT clinics led to cuts in MRI hours in local community hospitals. In Manitoba, the for-profit MRI clinic caused a reduction in MRI hours in the Winnipeg Health Sciences Centre. In addition, staff poaching from local hospitals was found in Nova Scotia and British Columbia.

We found evidence of wait times that are highest in areas with the most privatization. Statistics Canada reports that Montreal is the hardest place in Canada to get a family doctor. Yet Montreal has a very high density of private "boutique" physician clinics – perhaps the most in the country – selling two-tier health care for wealthy executives and companies. These services are inaccessible for the vast majority who cannot afford the clinics' extraordinary prices. Longer wait lists in areas with high levels of privatization have also occurred with Alberta's private cataract surgery clinics. Without question for-profit clinics are promoting two-tier health care. We found startling evidence of ophthalmologists working in public facilities are moonlighting in private clinics where they co-mingle cataract surgery with uncovered procedures in order to sell queue-jumping services for cash. It is not unusual, now, for a patient to be told by his or her ophthalmologist that they can wait months for surgery in the hospital or get faster service – by the same doctor – if they make a cash payment of up to \$2,000 or more. (This system of unethical self-referral appears to be most prevalent in eye surgery.)

Notably, for many provincial governments that eschew U.S.-style health care but are allowing for-profit clinics, the contention that for-profit health care delivery does not imperil the publicly funded nature of our health system is not supported by the evidence. In fact, our research shows it is a minority of private clinics that refrain from charging patients directly for services, even in violation of the Canada Health Act. A substantial portion of the for-profit clinics we found maximize their revenues (and their profit) by combining billings to the public plan with direct charges wherever they can within and outside of Canadian law, using WCB (or equivalent), third party and out-of-country customers, and direct charges to patients. Nor does the evidence support the hypothesis that a public system and a parallel private system can coexist without harming the public system. For-profit clinics in Canada have siphoned staff time from public and non-profit hospitals to serve lighter-care and less acute patients or "customers" – or, in the worst

cases, patients with no medical need whatsoever -- leaving behind a heavier burden and worsening shortages in our local public hospitals.

The evidence from our research is that the for-profit clinics, as a general rule, are operating in their own business interests to maximize their profits, and in so doing, have adopted a morally agnostic approach to the consequences. For example, in British Columbia, where a physician's requisition is required to get an MRI in a private clinic, none of the private for-profit clinics that we interviewed expressed any concern when our researchers posed as patients trying to buy medically unnecessary procedures. "It is up to the requisitioning physician" was the typical response, and several clinics told us where to find physicians who would give referrals for non-medically necessary MRIs. One clinic's staff actually suggested to our researcher that he should get a medically unnecessary CT scan – which exposes patients to radiation at much higher levels than x-rays. Untroubled by the idea of selling potentially dangerous procedures without any clinical reason, the clinic's staff person simply informed our researcher that he must be healthy (without symptoms) and over 50 since the scan would expose him to radiation. A quick review of the advertisements from private clinics show that they are selling a vast array of tests and procedures from full-body scans to colonoscopies without proper consideration of medical need, sometimes attempting to create demand for unnecessary procedures.

Sometimes flagrantly, and sometimes more insidiously, the private clinics are leveraging wide a crack in Canada's system that is supposed to be based on universal equal access to care based on need, not ability to pay. Despite cloaking themselves in the mantra of championing access to care, our findings reveal that the clinics' prices are too high for all but the wealthiest tiers of Canadians to afford.

The evidence also shows that a descent into a U.S.-style system of access based on wealth is not inevitable. Where governments have clamped down they have succeeded, as in the case of Ontario's action against a proposal to open two-tier "boutique" clinics, or the Quebec government's reining-in of several clinics, or the federal government's stand against for-profit MRI clinics charging patients in Alberta. But in general, provincial governments have turned a blind eye or failed to set up regulatory and monitoring systems to counter transgressions. And the federal government has, in recent years, totally failed its mandate to act as steward of the principles of the Canada Health Act.

As our evidence shows, the context of aggressive privatization and eroding of ethical boundaries means that every province will have to set up much improved systems of registering, monitoring and enforcement. All provincial and territorial governments a strong public interest – and the ability if they choose to use it – to stem the tide of for-profit ownership, stop the growth of for-profit multinationals in Canada, and protect equal access to health care. For all Canadians, the creation of our public health system has been a bulwark against deepening inequalities, unnecessary loss of life, and eroded social cohesion. It is our hope that the findings of this report will compel policy makers to action, to build capacity in the public non-profit system and protect the great gains in equality, access, fairness and efficiency that are the legacy of our public health system.



# Background

For most Canadians access to health care is a key issue. We want to know that we will have a hospital bed if we need it, that care is available in or near our communities, that cost is not a barrier, that we can see a specialist in a timely manner and that we can have the necessary tests and treatments when required.

The Public Medicare system in Canada – enshrined in the Canada Health Act – removed the barrier of payment from access to care by pooling our tax money and redistributing it through access to care based on need. Our nation-wide public insurance system was built on the principle of universality, holding that Canadians should have access to medically necessary hospital and physician care, no matter whether we are wealthy, middle class, or poor. Under this Act, the provinces and territories have an array of legislation to govern the public health system. But all are required to follow the basic tenet of the CHA - that all Canadians have access to publicly-funded hospital and physician care “on uniform terms and conditions” – as a pre-condition for provinces to receive federal funding.

Provincial governments found in violation of these core tenets are supposed to have federally-collected tax dollars withheld. This system of accountability has been used, periodically, to ensure compliance with the Act. In recent years, however, the federal government has all but abdicated its responsibility to ensure accountability for the use of federal transfers for health care and the upholding of the principles that underlie our public health system.

The Public Medicare system was forged as a compromise. Justice Emmett Hall recommended a public *insurance* plan, but left the *delivery* of the system to the network of physicians and non-profit and charitable hospitals across the country, rather than opting for salaried physicians and a fully public hospital system as had been created in Britain. At that time of the inception of Canadian Public Medicare, the for-profit multinational health industry did not exist, though the insurance industry and the Canadian Medical Association – aided by the American Medical Association – fought the single-tier public insurance system, preferring a system that allowed extra-billing<sup>1</sup>. Though there were small health businesses, locally owned, there was no aggressive profit-driven industry as exists today.

In fact, from the middle of the 1900s on – earlier in Saskatchewan - the federal government and the provinces worked at creating an infrastructure of public, non-profit and charitable hospitals to mitigate geographic inequities in access to care and to provide the network that would enable the creation of our public health insurance plan. For much of the latter part of the twentieth century, Canadian policy makers attempted to improve access by expanding and modernizing coverage of emerging technologies such as MRIs and CTs, by creating strategies for addressing regional disparities in access, by creating a regulated professional workforce of doctors, nurses, health professionals and support staff, and in later decades, by creating the structures to govern long term care and community care. Throughout this period, a handful of

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<sup>1</sup> See Barlow, Maude. Profit Is Not the Cure. Toronto: McClelland and Stewart Ltd., 2002; pp. 20. For more on the fight against the inception of public medicare in Canada see Fuller, Colleen. Caring for Profit. Vancouver and Ottawa: New Star Books and the Canadian Centre for Policy Alternatives, 1998; pps.42-46.

private hospitals that had existed prior to Medicare continued to exist as small, locally-owned ventures.

This trend was dramatically reversed with the federal government's announcement in the mid-1990s of their intention to deeply cut and restructure federal health transfers. The 1995 budget started a multi-year cut of approximately 40% from health care transfers to provinces. Provinces responded with their own cuts to hospitals, rationalizing services across communities and regions, and moving services out of hospitals. The provinces with the most aggressive drives for privatization at that time – Ontario and Alberta – were at the same time pursuing tax cuts that favoured higher income residents, worsening the impact of the federal government cuts to health care and other social programs.

Starting in the 1990s, the seeds of a new industry of private health care businesses were planted. Over the 1990s and into this decade, the number and type of these corporate-owned facilities expanded. In Alberta, the first for-profit MRI opened in 1993. In Ontario, a for-profit cancer treatment centre opened in 2001, followed by eight for-profit MRI/CT clinics. In Quebec, the first orthopaedic surgeon opted out of the public insurance plan in 2001 to open a for-profit surgical centre. In 2004, the foundations for the chain of Lasik MD for-profit eye clinics were laid.

Since the early 2000s, a private for-profit surgical and diagnostic industry has emerged for the first time across Canada, making significant inroads in the provinces with the largest potential “markets”: Ontario, Alberta, British Columbia and Quebec. More recently, private interests have begun to move into the provinces with smaller populations, including New Brunswick, Nova Scotia, Manitoba, Saskatchewan and Newfoundland. At the same time, we began to see the growth of “boutique clinics” in the country's largest urban centres – physician clinics marketed specifically to sell exclusive access to care - charging patients thousands of dollars per year in membership fees.

This trend is new, and reversible. In fact, several provinces have moved to contain or roll back experiments with for profit clinics. In Ontario, a for-profit cancer treatment centre contract was cancelled and the service was returned to public non-profit control after the Provincial Auditor found it cost more than the public cancer treatment centres. In Manitoba, the for-profit Pan Am Clinic was turned into a public non-profit clinic – able to provide more services at a lower cost. In Alberta, the government reimbursed patients that had been charged for MRIs in private clinics, built up capacity in public hospitals and cancelled contracts with private for-profit clinics. Case studies of these experiences are contained in the following report. In these cases, the provinces increased capacity in the public system, to improve access to care on an equitable basis.

## Scope of Research

This paper is not theoretical. It looks at the actual and current operations of the majority of for-profit diagnostic, surgical, and “boutique physician” clinics and hospitals across the country and draws conclusions about their impact on the integrity of the public health system from the direct evidence. This is not, however, an exhaustive study of every private health facility. Finite resources and time dictated that we had to decide how to “cast the net” so we determined that we would focus as a priority on the sectors that are currently in policy debate. We have covered surgical clinics – focusing on those that sell medically necessary services, excluding abortion clinics, which arose as a special case, and excluding those that exclusively sell non-medically necessary services, such as cosmetic surgery. We included a special case study on private eye-surgery clinics, since a number of clinics and one major country-wide chain are co-mingling cataract surgery which is medically-necessary with special lens implants which are not medically necessary to extra-bill patients. In addition, we have covered diagnostics, focusing only on MRIs and CTs, excluding labs, x-ray and ultrasound clinics, though these also deserve scrutiny. Finally, we looked at “boutique” physician clinics – which are increasingly moving into surgeries and diagnostics. Please see Appendix I for more details on methods.

Our research should serve as a starting point, and a warning. More study is needed. But more urgently, action is needed. For the grave ethical problems, quality concerns, costs, and damage to public hospitals are now indisputable and should act as a warning to governments to take action to control the excesses of the for-profit health care industry, no matter where on the political spectrum they fall.





# Lessons

## **I. Worsening shortages**

The public health system relies on an efficient and principled use of finite resources - most seriously the doctors, nurses and health professionals for whom there are shortages across Canada and internationally. Across the country, for-profit clinics are removing scarce specialists, nurses and health professionals from public non-profit hospitals to treat less urgent “customers,” causing reduced capacity in public and non-profit facilities. In Manitoba and Ontario, the loss of radiologists and technologists in public non-profit hospitals to for-profit clinics caused reductions in hours of service from the public MRI machines. In demonstrable cases, patients are waiting longer for publicly-covered services if they are seeing physicians who practice in public hospitals and in their own private companies where they charge extra fees for their services. “Boutique” physician clinics in Quebec, Ontario and British Columbia have very low physician caseloads and maximize their income through very high extra-billing to patients. This high cost, low volume approach is unsustainable in any health system, but is particularly damaging in the context of shortages and will create a precarious level of inaccessibility to care if it spreads to even 10% of physicians. Overall, the for-profit clinics and hospitals are already creating and threaten to create worsening wait times and higher costs for patients.

## **II. Queue-jumping and violations of the Canada Health Act**

For-profit clinics are selling queue-jumping and two-tier health care in violation of the principles of the Canada Health Act. In five provinces our researchers found evidence of suspected violations that should be investigated and prohibited. A significant proportion of for-profit clinics are co-mingling insured and uninsured services to extra-bill patients, in an attempt to sidestep the Canada Health Act’s prohibition on two-tiering. Provincial and federal governments have the ability to enforce existing or set up regulatory regimes that would stop these practices.

## **III. Increased user fees**

We found significant evidence of for-profit clinics charging user fees that are prohibited under the Canada Health Act, which should be investigated and prohibited.

## **IV. Commercialization, selling of dangerous or unnecessary procedures**

The profit motive is perverting the relationship between physicians and patients, turning physicians into salespeople for health products and services that are medically unnecessary, untested and/or dangerous. Our interviews with clinic staff about buying medically unnecessary services and some clinics’ advertising practices demonstrate a disturbing erosion of physicians’ ethical and professional standards. The business models used by for-profit clinics to maximize their revenues violate Canadians’ values and trust in our doctors. Advertising for medically-unnecessary services to create demand turns health services into commercial products, an approach which is antithetical to a publicly-funded health system. In this model, patients are viewed as customers rather than citizens, and the interaction between patient and physician has become a profit-making venture. Unethical self-referral and ordering of tests that benefit a physician’s personal financial interests are epidemic in eye surgery clinics and boutique physician clinics. No provincial government

and no provincial College of Physicians and Surgeons has set up or enforced an adequate regulatory and enforcement regime to control these practices.

#### **V. High prices**

For-profit clinics are charging an array of prices that show wide variation across the country. The prices charged for MRIs, surgeries and boutique physician clinics are demonstrably higher than the financial grasp of the majority of people in the provinces where the services are being sold. The evidence, from a significant number of the clinics, is that their prices are higher than public and non-profit hospitals' costs. These extraordinary costs are notable in cataract surgeries, MRI/CTs, boutique physician clinics and surgeries.

#### **VI. Heightened geographic inequities**

For-profit clinics are disproportionately located in urban centres where there is a bigger "market" of private care "customers". This is particularly true of boutique physician clinics that are selling executive health packages for thousands of dollars per patient per year. Rural communities and provinces with small populations are the least interesting for the profit-seeking market model of health care. Geographic inequities in access will be worsened if this trend is allowed to continue.

#### **VII. Cream Skimming**

As evidenced in international studies, we found evidence that for-profit MRI/CT clinics and surgical hospitals in Canada engage in a practice known as "cream skimming" or taking the lightest care, easiest patients. These clinics and hospitals are not set up for emergencies: they cannot deal with complex or heavy care patients. Thus, while siphoning scarce medical personnel from the public system, they also take the lightest most profitable cases, leaving the heavy care patients to the public system with less capacity to deal with them.

#### **VIII. Fraud**

The growth of the private health care industry in the U.S. has resulted in a major problem of fraudulent billings to public health plans, insurance companies and patients. Though regulatory regimes are in their infancy across Canada, we have already seen the introduction of private health care fraud in the King's Clinic in Toronto, Ontario where clinic operators were found guilty of the largest fraud in Canada's history up to that time<sup>2</sup>.

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<sup>2</sup> "Fraud artist Ron Koval freed after 14 months" *CTV News Online*, May 30, 2002.

# **Case Study 1.**

## **Reversal of Privatization**

Over the last decade, several initiatives have been undertaken across Canada to reverse for-profit privatization of diagnostic and surgical facilities. These include: the for-profit cancer treatment centre at Sunnybrook Hospital, Ontario; Ontario's experiment with for-profit MRI/CT clinics; Alberta's experiment with for-profit MRI clinics; Manitoba's experiment with a for-profit MRI clinic contract and the Pan Am cataract surgery clinic in Winnipeg. These reversals have been revealing, in several cases enabling clear comparisons between the practices and costs of private for-profit ownership and public non-profit ownership.

The evidence from these cases reveals that the for-profit status of the clinics had no relation to the oft-repeated claims of reducing wait times. In fact, these case studies show that, where costs have been publicly disclosed, the for-profit clinics were less efficient than public clinics and required more money to provide each unit of treatment. Higher costs per treatment mean that each dollar of investment in the for-profit clinics bought less capacity than equivalent investment in local public non-profit hospitals. In many cases, higher costs resulted in the decision by three provincial governments of various political stripes to return these services to public non-profit status. In many of these cases the reversal of the for-profit contracts resulted in cost savings, allowing saved public funds to be re-directed towards reducing wait lists and improving access to care.

The for-profit clinics not only cost more in terms of financial resources, but also diminished capacity in nearby public non-profit hospitals. In virtually all cases, the for-profit clinics siphoned scarce physician specialists, technologists and nurses out of the public health system, reducing access in lower cost, more efficient local public and non-profit hospitals. In some cases, the clinics sold poorer quality services than those provided in their public non-profit counterparts. Finally, the clinics were shown to result in diminished public accountability – characterized by secret contracts covering the use of millions of dollars in public funding.

## **Case Study 1 a.**

### **Cancer Care Ontario**

#### **Private Cancer Treatment Centre at Sunnybrook**

##### **Lessons:**

- This for-profit clinic resulted in higher costs per procedure than public non-profit cancer treatment centres
- The clinic siphoned scarce doctors and nurses out of the public non-profit hospital system
- Accountability was diminished. Government policies for fairness and transparency in tendering was ignored. The clinic's contract was secret, shielding it from public scrutiny and appropriate public accountability
- The clinic did not reduce wait lists

In 2003, Cancer Care Ontario closed the for-profit cancer treatment centre at Sunnybrook Hospital as a result of public pressure and a critical Special Audit by the Provincial Auditor General. The clinic had been opened in 2001, under Ontario Health Minister Tony Clement. The contract was awarded without tender to a for-profit company owned and operated by Dr. Tom McGowan while he was Executive Vice President of Cancer Care Ontario (the public agency that oversees cancer treatment in Ontario and which determined that the for-profit contract be created). The terms of the deal were ultimately subject to scrutiny only after months of persistent work by the opposition parties in the legislature. The contract was considered a "commercial secret" and therefore not accessible to the public. NDP Health Critic Frances Lankin was finally granted permission to read the contract after raising the issue repeatedly in the Legislature. She was forced to take hand-written notes of the terms of the deal as she was not allowed to make a photocopy, nor any electronic reproduction. Eventually Liberal Health Critic Lyn McLeod and Frances Lankin were able to force a special audit of the deal by the provincial auditor, though the full contract was never revealed to the public who were paying for it. The results of the audit showed higher costs and a failure to consider public options. Ultimately the clinic was closed and replaced by increased capacity at a lower cost in the public cancer treatment system.

##### **Higher Costs**

The key findings of the Provincial Auditor General were<sup>3</sup>:

- The for-profit cancer treatment centre was charging \$500 more per procedure than Ontario's public cancer treatment centers
- The centre was given \$4 million in public money to cover their start-up costs
- Wait lists had not changed after more than a year of operation

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<sup>3</sup> Office of the Provincial Auditor General, Special Audit of Cancer Care Ontario. December 13, 2001

### **Negative Human Resources Impact on Local Hospitals**

The for-profit clinic's owner and oncologist, Dr. Tom McGowan, worked in the public health system prior to starting up his for-profit company upon obtaining the contract from Cancer Care Ontario. There was no public accounting of where the clinic found their staff, though it was revealed that at least some of the nurses came from nearby non-profit Princess Margaret Hospital. Because the clinic received more funding than public cancer treatment centers, it was able to pay its staff bonuses to attract their work time out of local public non-profit hospitals.

### **Secrecy and Loss of Public Accountability**

Both the lack of transparent and fair tendering and the secrecy of the contract resulted in significant public controversy. The lack of tendering process, and the failure to consider public or non-profit options was criticized by the Provincial Auditor General. The contract was revealed only after tenacious work by the Opposition Parties in the Legislature. Even then, Opposition Health Critic Frances Lankin was only able to hand-write notes while personally viewing the contract. Ultimately, on the basis of her concerns and under pressure by the public and both Opposition Parties, the Provincial Auditor General reviewed the terms of the contract. His critical findings were made public, but the contract itself remained shielded from public scrutiny, even though the contract was paid by public funds.

### **No Impact on Wait Times**

The Provincial Auditor General revealed, in his Special Audit, that the for-profit cancer treatment centre had not resulted in reduced wait times for cancer treatment. In fact, wait times had not diminished at all. This finding underlines a crucial piece of misinformation about for-profit privatization of hospital services. The type of ownership- for-profit versus non-profit or public – has no relationship to diminished wait times. In fact, in this case, as in many others, the higher costs of the clinic meant that it would have less impact on wait times than if Cancer Care Ontario used the same investment to increase capacity in public non-profit cancer treatment.

## **Case Study 1 b.**

### **Ontario's For-Profit MRI/CT Clinics**

#### **Lessons:**

- The for-profit clinics siphoned scarce radiologists and technologists from public non-profit hospitals, reducing the number of scans the hospitals were able to do
- The for-profit clinics “cream-skimmed” the fastest, lightest care patients leaving the more complex heavy care patients for public non-profit hospitals
- The for-profit clinics siphoned revenues from public non-profit hospitals
- The contracts with the for-profit clinics were, and remain, secret and unaccountable
- The clinics reported selling medically unnecessary scans, wasting resources and compromising health for profit, in contravention of clinical treatment protocols

In total, seven clinics paid by public funds, but operated on a for-profit basis, were opened by Ontario's Conservative government under Premier Ernie Eves and Health Minister Tony Clement. Two of the clinics were owned by groups of doctors. The rest were owned by for-profit companies. The terms of the contracts with the companies were never made public, though it was reported that they were paid \$4.6 million per year. Once it took office, the McGuinty government began negotiations to buy out the clinics and restore non-profit governance<sup>4</sup>. All contracts come to an end in 2007 and all MRI/CT clinics providing medically necessary services under Ontario's health plan are now non-profit.

The experience of these clinics revealed that they not only took scarce funds and human resources out of local hospitals, they also provided care only to non-complex lighter care patients. In documented cases, the for-profit clinics siphoned scarce personnel – both radiologists and technologists - out of public non-profit hospitals, demonstrably reducing the number of scans hospitals were able to do. The clinics also siphoned revenue from hospitals for WSIB (WCB) – or third party insurance – patients. The contracts were shielded by commercial secrecy and have never been revealed to the public, though they were paid with public funds.

Ultimately, the experience with the for-profit MRI/CT clinics in Ontario yields direct evidence that the clinics increased wait times in non-profit hospitals to sell services for profit, regardless of medical need.

#### **Negative Human Resources Impact on Local Hospitals**

University Health Network scaled back the hours of operation of its publicly owned and operated MRI diagnostic tests because it lost between 2 and 4 technologists to one of the new private MRI clinics. Private clinic operators went into the public hospital to try to recruit staff. The chief

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<sup>4</sup> Buekert, Dennis, Canadian Press “Ontario to buy private clinics” July 18, 2004. Confirmed in writing by Ministry of Health and Long Term Care to Ontario Health Coalition.

technologist reported he was offered an annual salary of \$90,000, \$22,000 more than he earned at the hospital<sup>5</sup>.

Kingston General Hospital lost one of its three MRI technologists to the for-profit clinic, which offered a higher salary and reduced hours<sup>6</sup>. KGH was forced to reduce MRI hours of operation as a result.

Windsor Hotel-Dieu Grace Hospital lost one of its MRI technologists to the for-profit clinic in Kitchener<sup>7</sup>. The technologist was offered a bonus of between \$10,000 and \$15,000 to work at the private clinic<sup>8</sup>. Hotel Dieu was forced to reduce MRI hours of operation as a result.

### **Higher Costs & Lighter Patient Load**

The contracts with the private MRI companies are commercial secrets. However, the claim by Eves government that the clinics can offer services for 36% less was countered by the Ontario Hospital Association who noted that the clinics only take the light and easy scans. MRI technologists confirmed that the clinics are not set up for high-risk patients, nor those with heavy or complex care needs. They did not have the facilities, equipment or staff to deal with emergencies or complex care. There has not been any public evaluation of costs in these for-profit clinics.

In addition to OHIP funding, the for-profit clinics received funding by selling services for WSIB-funded scans, causing a loss of revenue to local hospitals<sup>9</sup>. There has been no investigation to clear up questions of queue jumping at the clinics.

### **Patient Safety and Quality Concerns**

MRIs are used to diagnose cancers, multiple sclerosis and other diseases. CT scans use radiation and scan for diseases and stroke. Perhaps the most serious quality issue with for-profit MRI and CT clinics is the sale of medically unnecessary scans without clinical indication to “worried well” queue-jumpers. CT scans expose patients to radiation at much higher levels than x-rays. Medically unnecessary scans yield a significant number of “false positives” or findings that require follow up tests and procedures unnecessarily, wasting resources and alarming the patient. As a result, ethicists and physicians have raised concerns about the for-profit clinics valuing profit before patient safety.

Premier Dalton McGuinty revealed that at least some of the for-profit clinics were selling “medically unnecessary” scans to patrons who paid out-of-pocket fees. Clinic operator Neena Kanwar, president of KMH Cardiology and Diagnostic Centres, admitted that the clinic would

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<sup>5</sup> Mallen, Caroline and Theresa Boyle, Toronto Star “Eves to discuss MRI staff poaching; doesn’t say what province will do. Opposition wants to end more clinics” August 12, 2003; A6.

<sup>6</sup> Boyle, Theresa and Robert Benzie, Toronto Star “Second clinic lures MRI worker; Kingston hospital loses technologist Premier to blame, Liberals, NDP say” August 2, 2003; A7.

<sup>7</sup> Ibid.

<sup>8</sup> Boyle, Theresa, Toronto Star “Eves not worried by clinic hiring” August 1, 2003; A19 and Theresa Boyle and Robert Benzie, Toronto Star “Private MRI clinic didn’t poach, Eves says, But hospital contradicts Eves’ version” July 30; A6

<sup>9</sup> Telephone interview with Patty Rout, Vice President and Treasurer of the Ontario Public Service Employees Union.

take patients who pay out of pocket for medically unnecessary scans<sup>10</sup>. The reported cost was \$700 - \$1,200 – considerably more than the cost of a hospital MRI.

Other ethical issues regarding self-referral and quality control have been raised in regards to private clinics' practices in other jurisdictions. However, these issues have not been investigated or reported upon in Ontario.

### **Secrecy and Loss of Public Accountability**

The contracts - both the initial deals signed by the Eves government and the renegotiated contracts signed by the McGuinty government are secret, shielded from the public by "commercial confidentiality." There has been no public accounting of cost, quality or outcomes.

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<sup>10</sup> Boyle, Theresa and Robert Benzie, Toronto Star "Yuppie scans spark debate; Can healthy people pay for own MRIs? Issue remains unresolved" July 28, 2003; A6



## **Case Study 1c.**

### **Pan Am Clinic in Manitoba**

#### **Lessons:**

- The for-profit Pan Am Clinic cost \$300 more per cataract surgery procedure, according to its CEO.<sup>11</sup>

In 2001, the Manitoba government negotiated a buyout of the for-profit Pan Am Clinic from its owner, Dr. Wayne Hildahl. It now operates as a not-for-profit clinic with Dr. Hildahl continuing as the chief operating officer. The reversal of this privatization has led to lower costs and enhanced capacity. The CEO of the clinic, who is the same CEO as when the clinic was private for-profit has publicly acknowledged the lower costs and increased number of procedures done for the same money.

#### **Higher Costs Under For-Profit Ownership**

As a non-profit entity, the Pan-Am Clinic charges less than for-profit facilities. When the Winnipeg Regional Health Authority (public regional health governing body) took over its operation, the payment for cataract surgery fell from \$1,000 to \$700. Dr. Hildahl notes that the main difference now is that all surpluses have to go towards patient care. "Before the buy-out, I could have taken the money and gone on vacation. Now the surpluses are used to treat more patients."<sup>12</sup>

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<sup>11</sup> Rachlis, Michael M. M.D. Public Solutions to Health Care Wait Lists Canadian Centre for Policy Alternatives, December 2005; 30.

<sup>12</sup> Ibid. For more information on the transfer to public ownership see: "Private Pan Am Clinic goes public" CBC News Monday, April 2, 2001 at [http://www.cbc.ca/2001/04/02/mb\\_clinic020401.html](http://www.cbc.ca/2001/04/02/mb_clinic020401.html) and <http://news.gov.mb.ca/news/index.html?archive=2007-1-01&item=921>

## **Case Study 1 d.**

### **Maples Surgical Centre, Private MRI in Manitoba**

#### **Lessons:**

- This for-profit clinic promoted two-tier Medicare and queue-jumping when it was more profitable for it to do so
- The contract is secret and is shielded from public accountability
- The clinic has siphoned staff away from a local public hospital, reducing the number of MRIs the hospital was able to perform
- Quality concerns led to the annulment of the contract for MRIs
- The clinic “cream skims” providing only simple, high-volume (and profitable) procedures

In December 2007, the Manitoba government announced that it cancelled its MRI contract with for-profit Maples Surgical Centre over concerns about the quality of its MRI scans. The private clinic began selling MRIs to wealthy queue-jumpers for \$695 per scan in December 2005, despite the Canada Health Act’s prohibition on two-tier health care. The provincial government responded by signing a contract with the company for publicly-paid MRIs, and the clinic agreed to stop selling two-tier scans. However two years later, the privately-bought MRI machine became out-of-date and the government complained that its scans were not meeting best practices for quality evidenced in the public MRI scans in Manitoba. As a result, the government cancelled the contract – which has never been publicly released – and brought the scans back into the public system.

#### **Violation of the Canada Health Act and Dismantling of Medicare**

The Maples Surgical Centre case shows the inclination of for-profit clinics to create unequal access to health care when it is profitable to do so. Clinic owner, Dr. Godfrey, aggressively campaigns for private health care in both Manitoba and British Columbia where he owns to private clinics (hospitals). In Manitoba, he touched off a flurry of controversy by selling MRIs for \$695 per scan<sup>13</sup>, paid directly by patients who could afford them, stopping only when the Manitoba government negotiated a contract with the Maples Surgical Centre that provided guaranteed streams of public funding. Despite claims about reducing wait times, this private MRI scanner siphoned two technologists out of a local public hospital, forcing the hospital to reduce the number of scans it could perform.

#### **Negative Human Resources Impact on Public Hospitals**

Both the technologists running the MRI at the Maples Surgical Centre were recruited out of the public Health Sciences Centre. As a result, the public hospital had to cut back its own MRI scans due to the staffing shortage<sup>14</sup>.

#### **Quality Concerns**

The Winnipeg Regional Health Authority (WRHA) stopped referring MRI patients to the Maples Surgical Centre, effectively ending the contract in December 2007. The for-profit clinic’s MRI

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<sup>13</sup> Lambert, Steve. *Canadian Press* “Deal reached to end dispute over private health care in Manitoba” December 18, 2006.

<sup>14</sup> *Canadian Press* “Poaching claim scorned” January 18, 2006.

machine is a 0.2-Tesla, with a weaker magnetic field than newer scanners. The weaker scans reveal less clear results. All the other scanners are owned and operated by public hospitals in that health region and all have higher quality scans. The WRHA said that the caseload from Maples would be absorbed by the public hospitals<sup>15</sup>.

### **Cream-Skimming**

Like most for-profit MRI clinics, Maples Surgical Centre is set up to take lighter, faster, high-volume procedures. This for-profit centre is not set up to deal with heavier-care or more risky and complex patients. Only extremities are done in its scans. For example no complex brain or torso scans are done in this clinic.

### **Secrecy and Lack of Public Accountability**

The contract has never been revealed publicly. In response to questions, government officials are looking into whether or what parts of the contract can be revealed.

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<sup>15</sup> Turenne, Paul, *The Winnipeg Sun* "From controversial to obsolete; WRHA says Maples MRI machine is out of date" December 18, 2007 and Joe Paraskevas, *Winnipeg Free Press* "Maples' MRIs out of service" December 18, 2007 and Milena Izmirlieva, *Global Insight* "Winnipeg Health Authority Boycotts Private Clinic" December 19, 2007.

## **Case Study 1 e:**

### **Alberta Private MRI/CT Clinics**

#### **Lessons:**

- The for-profit clinics promoted two-tier health care and charged patients out-of-pocket for scans, in violation of the Canada Health Act, when it was profitable to do so
- For-profit ownership bore no relation to length of wait times. When the province increased capacity in the public system, patients were able to access scans without cost in local hospitals

In 1993, Alberta became the first province in Canada to allow private for-profit MRIs with the opening of the Western Canada MRI Centre in Calgary and Edmonton's Magnetic Resonance Centre.<sup>16 17</sup> The number of machines grew throughout that decade. These clinics charge patients directly for medically-necessary scans. Federal fines levied on Alberta as a consequence of the 1995 Marleau decision (that found charging patients for the scans was a violation of the Canada Health Act) led to Alberta's newly minted Health Authorities being directed to contract and cover the cost of user (facility) fees for medically necessary surgical procedures provided in private surgical clinics, however, charges for medically necessary MRI scans continued. The federal government remained publicly silent on this situation until Alberta's Bill 11 once again brought the issue into the public eye.

In response to an organized campaign by Friends of Medicare, then federal Health Minister Alan Rock finally threatened to penalize Alberta if there was proof that some patients were getting quicker medical care because they purchase MRI scans. Proof was gathered and even the Premier of Alberta initially agreed to change existing policies. However, both the Premier and Prime Minister Jean Chretien backed down. Instead, Health Canada bureaucrats were directed to use negotiation in an attempt to resolve the issue of private-pay MRI and CT scans in British Columbia, Alberta, Quebec and Nova Scotia. In addition, the federal government provided an infusion of new money to augment MRI capacity within the public health system. During the interim, the Calgary Region Health Authority contracted with a private clinic for the provision of a specific volume of medically necessary MRIs.<sup>18</sup>

In 2001, the Calgary Regional Health Authority brought the provision of publicly-funded MRIs back into public hospitals when it significantly increased its in-house capacity and ceased to contract with private for-profit facilities for MRI services<sup>19</sup>. Ironically, while other provinces began to expand their for-profit clinics, Alberta rolled back its experiment with this type of for-profit privatization. A recent study from the Canadian Institute for Health Information reports that all across Alberta, the number of for-profit MRI/CT machines has remained stagnant since

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<sup>16</sup> Cernetig, Miro, "Health-care clinics taking U.S. twist MRI technology made available in West for \$1,000 per visit" *Globe and Mail*, April 10, 1993.

<sup>17</sup> Brooks, Janet, "Alberta's private MRI clinics one sign of move away from cash-free medical care" *Canadian Medical Association Journal (CMAJ)*, 1994 September 1; 151(5):647-648

<sup>18</sup> According to the 2003-04 Canada Health Act Report, MRI and CT services "are considered to be insured services when they are medically necessary for the purpose of maintaining health, preventing disease or diagnosing or treating an injury, illness or disability are provided in a hospital or a facility providing hospital care."

<sup>19</sup> Since that time, there may have been a few short-term small-volume contracts, but the Calgary Regional Health Authority would not provide clear information on this.

2003.<sup>20</sup> The study shows that between 2003 and 2007 no new private MRIs opened in Alberta. Instead, the province chose to increase public capacity, and according to one private operator interviewed by Michelle Lang of the Calgary Herald in the summer of 2008, “Few new clinics are opening in the province because there isn’t a big market of customers willing to buy an MRI or CT scan.”<sup>21</sup>

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<sup>20</sup> Lang, Michelle, “Alberta lags at offering private MRIs” Calgary Herald, August 22, 2008.

<sup>21</sup> Ibid.



## **Case Study 2.**

### **For-Profit MRI/CT Clinics**

For-profit MRI/CT clinics have been the vanguard for the privatization of hospital services across the country. These clinics have reduced capacity and undermined the organizing principles of the public health system through a mixture of creating demand for unnecessary scans, selling queue-jumping scans, and siphoning scarce staff and resources out of public and non-profit hospitals. Nowhere is it clearer that for-profit ownership results in the perversion of medical and public service ethics. For-profit MRI/CT clinics – as a general rule - treat scans as a commodity for the purchase of whomever can pay, regardless of clinical protocols and consequences for the health system.

Since the inception of for-profit MRI/CTs with the opening of the first clinics, in Alberta in 1993, for-profit MRI companies have aggressively promoted two-tier health care, allowing patients to queue-jump without regard for medical need, sometimes openly violating the Canada Health Act, and at other times using loopholes to charge patients for scans. The shortages caused by the loss of radiologists and technologists from local public non-profit hospitals to for-profit clinics have forced hospitals in at least two provinces to reduce their public MRI hours. This evidence belies claims that for-profit ownership of clinics can coexist with our publicly-funded health system without causing damage. Canada's decade-long experience with for-profit MRI/CT clinics yields incontrovertible evidence of staff poaching causing reduced public/non-profit hospital capacity, higher costs and two-tiering. It is not surprising then, but it should serve as a warning to British Columbia, Quebec, Saskatchewan and the Maritimes, that three provinces have experimented with for-profit MRI clinics and have since returned those services to public non-profit hospitals and clinics.

### **Background**

CT scans were first used on general patient populations in 1972. MRIs were introduced in 1984. Since that time increasing medical uses, patient concerns and marketing by private medical corporations have fuelled an explosion of demand for this high-tech, non-invasive diagnostic imaging. There is little doubt that this technology has provided great improvements in diagnosis. Unnecessary surgeries that used to be ordered upon clinical presentation can be avoided by using scanning equipment first. It is now possible to treat acute strokes if a CT scan can be arranged within three hours of the onset of symptoms to distinguish between a stroke caused by bleeding and one caused by a blood clot. Physician demand for MRI services has also increased because of liability concerns.<sup>22</sup> However, physicians and hospital administrators have also been subjected to "sophisticated targeting by the medical industries".<sup>23</sup> These industries have been among the biggest multinationals on the planet, including General Electric, Phillips and Siemens.

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<sup>22</sup> Telephone interview with Normand Laberge, CEO of the Canadian Association of Radiologists, July 18, 2002.

<sup>23</sup> Cowley, L.T., Issacs, H. L., Young, S.W., & Raffin, T.A. (1994). Magnetic resonance imaging marketing and investment: Tensions between the forces of business and the practice of medicine. *Chest*.105(3)920-928.

Direct advertising to patients and the general population has fed the frenzy for more MRIs and CT scanners<sup>24</sup>. The extreme of this phenomenon was seen in the early 1990s in a U.S. trend of clinically healthy people purchasing for full body scans- just to make sure that they were “OK”. These ‘worried well’ were nurtured by an unregulated scanning industry that put CT scans on flat bed trucks, driving around to malls and church lots, offering a scan on the spot. CT 2000, one of these companies, proudly called itself “the Wal-mart of scanning”. It charged \$199 (U.S.) for a scan of one of three body parts or \$567 for all three<sup>25</sup>. The American CTs-on-vans fad died down, in part due to quality and safety concerns. But Canadian “boutique” physician clinics and many for-profit MRI/CT clinics in this country sell medically unnecessary scans to the “worried well”, marketing these procedures as a preventative service where “paying customers [can have] computer enhanced X-ray studies of the whole body....long before symptoms arise”.<sup>26</sup>

In Canada, recently, as several provinces require a physician’s referral for a scan, the clinics have abdicated responsibility for ensuring scans are medically necessary. In British Columbia, Alberta and Quebec, clinic staff told our researchers that they could get a scan whether or not it was needed, as long as they got a physician’s referral. One clinic staff person suggested that our researcher buy a medically unnecessary CT scan, regardless of exposure to radiation. Some clinics suggested nearby “walk in” clinics where physicians would provide a referral, even though our researchers clearly stated that they had no symptoms and therefore were seeking a medically unnecessary scan.

The increase in demand for MRIs, coupled with serious health care funding cuts in the mid-1990s, created a situation of lengthy waits for non-urgent MRI procedures and CT scans. At the apex of the well-publicized crisis, MRI waits were up to nine months in Ottawa<sup>27</sup> and were growing across Canada<sup>28</sup>. Long waits can sometimes mean extended suffering, continued uncertainty, and poorer outcomes<sup>29</sup>. Pro-privatization provincial governments ignored the growing pressure, then responded, late, by building capacity in under private for-profit control in an exercise that was popularly coined “create a crisis then privatize”.

Canada’s first for-profit MRI clinic, in Calgary, opened in 1993. It was followed quickly by another in Vancouver. As of 2007, we found 42 for-profit MRI/CT clinics in five provinces: seven (7) in Alberta; twelve (12) in BC; one(1) in Manitoba; one (1) in Nova Scotia; and twenty-one (21) in Quebec.

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<sup>24</sup> It is estimated that some MRI vendors spent close to one million dollars at the Sydney Olympics on direct patient advertising. Imaging Advisory Committee. (January 2001). Magnetic resonance imaging report of findings and recommendations. Ministry of Health and Wellness, Government of Alberta.

<sup>25</sup> Kolata, G. (2002, May27). Cheaper body scans spread, despite doubts. New York Times.

<sup>26</sup> Fayerman, P. (2002, February 28). New clinic hopes public will pony up for CT scans. Victoria Times Colonist.

<sup>27</sup> Adam, M. (2002, July 9). Ontario approves private MRI clinics: Ottawa likely to get at least one of the 20 machines to ease long waits. Ottawa Citizen

<sup>28</sup> Press Release. (2002, June 4). Study shows waiting lists are growing for radiological exams. Ontario Association of Radiologists.

<sup>29</sup> McGrurran, J., Noseworthy, T., and the Steering Committee of the Western Canada Waiting list Project.(2002, Spring). Improving the management of waiting lists for elective healthcare services: Public perspectives on proposed solutions. Hospital Quarterly, pp.28-32



## Finding a “Market”: Two-Tiering and Revenue Maximization

The business-model favoured by for-profit MRI/CT clinics maximizes revenue for profit through a mixture of increasing demand for medically unnecessary scans for which patients are charged out-of-pocket and charging for medically-necessary scans to provincial health plans, patients, and third party insurers such as WCB (see Table 1). Our researchers found evidence that all but one for-profit MRI/CT clinics were willing to sell medically-necessary scans to patients for out-of-pocket fees. The federal government has found this practice to be a violation of the Canada Health Act’s prohibition on two-tiering.

However, since the Canadian “market” of patients willing to pay \$500 - \$1,000 or more for a scan is relatively small, even in wealthier urban centers, and since medically-unnecessary procedures are not covered by private insurance, most of these clinics would likely not have a viable business case if provincial governments took the following steps: fund scans in non-profit and public hospitals and clinics, and; ensure that WCB-funded procedures were rolled into non-profit and public hospitals and used to build capacity in the public health care system.

<b>Province/Territory</b>	<b>Number of private for-profit MRI/CT clinics</b>	<b>Private MRI/CT clinics for which researchers found evidence of charging patients directly for medically-necessary scans</b>	<b>Private MRI/CT clinics selling services to WCB/3<sup>rd</sup> party insurers/patients (medically unnecessary or medically necessary)</b>
<b>Alberta</b>	7	7	7
<b>BC</b>	12	12	12
<b>Manitoba</b>	1	0	1
<b>New Brunswick</b>	0	0	0
<b>Newfoundland and Labrador</b>	0	0	0
<b>Northwest Territories</b>	0	0	0
<b>Nova Scotia</b>	1	1	1
<b>Nunavut</b>	0	0	0
<b>Ontario</b>	0	0	0
<b>PEI</b>	0	0	0
<b>Quebec</b>	21	21	21
<b>Saskatchewan</b>	0	0	0
<b>Yukon</b>	0	0	0
<b>Total:</b>	42	41	42

In addition, staff at most of the for-profit MRI/CT clinics we were able to interview indicated that they were willing to sell medically-unnecessary scans without clinical indication as long as the patient could provide a physician’s requisition, a practice of questionable ethics sometimes

likened to a modern-day version of snake-oil salesmanship. This is of particular concern with CT scans, which expose patients to levels of radiation much higher than those associated with x-rays. The consequences of taking scarce technologist and radiologists' time to sell unneeded procedures for profit, while patients with greater need wait is a violation of medical ethics and the cornerstone equity principles that underlie our public health system. Every province has a regulatory body for physicians that can and should act to curtail such misuse of resources and abrogation of professional ethics.

## **Eroding Public Capacity: Poaching Staff from Local Hospitals**

The experience of for-profit MRI/CT clinics in Canada yields very clear evidence of damage to the public non-profit hospital system as a consequence of privatization. For-profit clinics in Manitoba and Ontario have demonstrably caused reduction in MRI hours in nearby public non-profit hospitals as a result of recruiting radiologists and technologists out of the public facilities. In Ontario's experiment with eight for-profit MRI/CT clinics in the early 2000s, three clinics were publicly reported to have lured technologists away from non-profit hospitals, forcing the hospitals to reduce their MRI hours. In Manitoba, the poaching of radiologists caused a shortage at the nearby public hospital, forcing it to reduce its MRI hours.

## **High Costs**

Most for-profit MRI/CT clinics are located in British Columbia and Quebec (totaling 33 of 42 clinics across the country) followed by Alberta. Our interviews yield significant variance in the prices charged to patients by these clinics, but in all cases, the prices are out of reach for the average income resident.

- In Alberta – where we found 7 for-profit clinics – patients are charged a range between \$500 and \$800 per scan, or more. The median annual income for the province was \$28,800 in 2005 (Stats Can).
- In British Columbia --- where we found 12 for-profit clinics – costs were much higher at \$500 - \$2,200 (depending on complexity), though most clinics reported that they charge \$850 - \$875 per routine scan. The median annual income for the province was \$24,400 in 2005 (Stats Can).
- In Quebec – where we found 21 for-profit clinics – costs were \$600 - \$1,350 (depending on complexity), though most clinics reported that they charge \$600 - \$650 per routine scan. The median annual income for the province was \$ 24,100 in 2005 (Stats Can).

The majority of Canadians have gross annual incomes that are below \$30,000 per year. Charges of hundreds or thousands of dollars for an MRI is not an option for many Canadian families, contrary to the assertions by clinic operators that for-profit privatization improves access to health care.

## **Cream-Skimming**

In general, private MRI clinics do not take risky or heavy-care patients. Many do not do complex scans, and focus on scans of extremities. Patients who are not ambulatory or are in crisis

cannot use for-profit clinics as a general rule. Thus, MRI technologists and radiologists recruited out of public hospitals reduce capacity to deal with complex and heavy patients.

## **Reducing Rural & Remote Care**

All of the for-profit MRI/CT clinics we found in Canada are located in urban centres where there is a larger “market” of patients. In Alberta, all the for-profit MRI and CT clinics are located in Calgary (pop. >1 million), Edmonton (pop. > 1million) and Red Deer (pop. 80,000). In British Columbia, eight for-profit MRI machines and one CT are located in and around Vancouver, one MRI is in Victoria, one is in the Comox Valley (pop. 60,000) and two are in Kelowna (pop. 160,000). In Nova Scotia, the sole for-profit MRI clinic is located in Dartmouth. In Quebec, fourteen for-profit MRI machines and nine CTs are located in the Montreal area and suburbs, two MRIs and one CT are located in and around Quebec City, one MRI is in Trois-Rivieres, and three MRIs are in Gatineau in the national capital region (pop. capital region >1 million). While shortages of health professionals and staff in rural and remote communities is a significant barrier to health care access, the evidence is that for-profit MRI/CT clinic operators find these areas of least interest when choosing places to locate. Further concentration of scarce radiologists and technologists in urban centres will reduce access in smaller towns and make travel distances and costs even higher than they are currently for rural residents.



## Case Study 3.

# Laser Eye Surgery/Cataract Eye Surgery

### Lessons

- Private, for-profit health care promotes queue-jumping and two-tier health care.
  - o A number of for-profit laser vision correction clinics also sell medically-necessary cataract surgery for direct charges to patients, despite the Canada Health Act's prohibition on two-tiering.
  - o A number of clinics offering cataract surgery will allow patients to jump the queue if they pay extra fees for surgery. Several physicians disguise these fees as the price of the lens rather than the surgery in an attempt to sidestep the Canada Health Act's prohibition on two-tiering.
- High costs of private for-profit cataract surgery are unaffordable for most Canadians.
- There appears to be frequent incidence of physicians practicing in both public hospitals and for-profit clinics, referring patients to their own private businesses for treatment. This raises ethical questions about self-referrals that must be addressed by provincial governments and Colleges of Physicians and Surgeons.

## Queue-jumping and Sidestepping the Canada Health Act

### **Background**

In the last decade, demand for cataract surgeries has increased dramatically. In Ontario, for example, the annual number of cataract surgeries performed increased by 143.6% from 1992 to 2004<sup>30</sup>. The Canadian Institute for Health Information reports a 32% increase in cataract surgeries nationwide in the five year period from 1997–1998 to 2002–2003, amounting to more than 62,000 additional cataract surgeries over this period.<sup>31</sup> As Canada's population ages the demand for cataract surgeries will continue to increase. Approximately half of people between 55 and 64 and 85% of people over 75 will develop cataracts when they are monitored over a 10-year period according to a Wisconsin study.<sup>32</sup>

The consequences of forgoing or delaying treatment are serious. The *Canadian Medical Association Journal* reported in 2007 that "Patients who waited more than six months to receive cataract surgery experienced more vision loss, a reduced quality of life and had an increased rate of falls compared with patients who had wait times of less than six weeks,"<sup>33</sup> and the Canadian Ophthalmological Society recommends a maximum wait of 16 weeks for cataract surgery.<sup>34</sup>

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<sup>30</sup>R Rachmiel, G.E. Trope et al

<sup>31</sup>CIHI, "Canadians begin waiting for surgery before getting on the 'wait list'," March 7, 2006 [http://secure.cihi.ca/cihiweb/dispPage.jsp?cw\\_page=media\\_07mar2006\\_e#3](http://secure.cihi.ca/cihiweb/dispPage.jsp?cw_page=media_07mar2006_e#3), (accessed March 22, 2008)

<sup>32</sup>CBC News "Long waiting times for cataract surgery cause harm", April 23, 2007, <http://www.cbc.ca/health/story/2007/04/23/cataract-waits.html> (accessed March 22, 2008)

<sup>33</sup>CBC News, April 23, 2007

<sup>34</sup> CBC News, April 23, 2007

## Laser eye clinics and for-profit cataract surgery

The past decade has seen the emergence of a laser eye surgery industry consisting of clinics across the country selling this medically-unnecessary (cosmetic) service on a private, for-profit basis. In 2004, there were an estimated 70 laser eye clinics across Canada. There were approximately 100,000 procedures performed in Canada in 2000.<sup>35</sup>

But laser eye surgery clinic owners have not limited themselves to cosmetic procedures. Most laser eye surgery clinics we found in Quebec are now also selling for-profit, private cataract surgery directly to patients using the same physicians to perform both laser vision correction and cataract surgery. The first clinic in Canada to privately sell cataract surgery to the public was Montreal's Laservue in 1997.<sup>36</sup> In 2004, LasikMD/CataractMD in Montreal became the second clinic to sell the procedure to patients for out-of-pocket fees.<sup>37</sup> At present, there are at least eight clinics in Quebec selling both procedures.<sup>38</sup>

In 2004, founder Mark Cohen, president of LasikMD and CataractMD announced his intention to build a chain of cataract clinics with outlets in Toronto, Montreal, Ottawa, Vancouver and possibly Calgary.<sup>39</sup> LasikMD is now the largest seller of laser vision correction surgery in Canada with outlets in 18 cities in every province except Saskatchewan and Prince Edward Island and more than 36 ophthalmologists on staff.

At present, three LasikMD outlets, in Mississauga, Montreal and Ottawa, also house the CataractMD on the same physical premises, utilizing the same pool of eye surgeons as LasikMD. While Cohen and his initial team of doctors in Montreal opted out of Medicare in 2004 in order to sell surgery privately,<sup>40</sup> three months later he announced that several of his doctors were remaining in Medicare while still selling cataract surgery for direct charges to patients by using what he claimed was a loophole in the *Canada Health Act*. The physicians would co-mingle medically-necessary cataract surgery with "refractive lens removal" – a procedure not covered by public health plans. Because cataract surgery is considered medically-necessary, patients are protected against extra-billing and two-tiering by the Canada Health Act's requirement that medically-necessary hospital and physician services be provided for without extra fees and on equal terms and conditions. Refractive lens removal is not considered medically necessary, so doctors charge out-of-pocket fees for it. This "co-mingling" of publicly-covered and uncovered procedures has been used to sidestep – or using Cohen's words – to exploit a "loophole" – in the Canada Health Act. Cohen states:

"The doctors who have not opted out are charging for a refractive lens removal," adding "It's a clear distinction. While the patient may have a cataract at the time of a refractive lens exchange, it's not cataract removal. That's incidental."

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<sup>35</sup>"Oh say, can you see? The fuzzy world of laser eye surgery" Martin O'Malley & June Chua, CBC News Online, January 2001 [http://web.archive.org/web/20010124045200/http://cbc.ca/news/indepth/background/laser\\_eye.html](http://web.archive.org/web/20010124045200/http://cbc.ca/news/indepth/background/laser_eye.html)

<sup>36</sup>Derfel, Aaron, "Montreal's unique for private cataract operations: Only place in Canada where clinics charge patients directly for the surgery," *Montreal Gazette*, February 16, 2005

<sup>37</sup>Ibid.

<sup>38</sup>See the section in this report on Quebec.

<sup>39</sup>Derfel, Aaron, "Montreal's unique for private cataract operations: Only place in Canada where clinics charge patients directly for the surgery," *Montreal Gazette*, February 16, 2005

<sup>40</sup>Derfel, Aaron, "Private eye clinic opens in Montreal to ease cataract waiting lists," *Canadian Press*, September 12, 2004

But patients paying out-of-pocket for their refractive lens exchange can jump the queue to get their cataract removal done at the same time.

Today, other clinics selling cataract procedures on a private pay-for-surgery basis to patients are also insisting that what they are charging patients for is not the surgery but the lens; Herzig Eye Institute in Toronto, for example which, for cataract surgeries conducted in its clinic, charges OHIP for the surgery while also charging the patient a fee beginning at \$1,200 per eye for the lens.<sup>41</sup>

Our researchers found that other clinics, such as the Toronto Eye Surgery Centre, promote queue-jumping by offering patients a choice between having their surgeons perform cataract surgery in hospital in a few months time or in the clinic, within weeks, for a fee.<sup>42</sup> In British Columbia, the South Island Surgical Centre Nurse Manager told our researcher in regards to cataract surgery that “if it’s an MSP (British Columbia’s public plan - the Medical Services Plan) and you want to jump the queue you can do that.”<sup>43</sup> VisionMed told our researcher that they will charge cataract patients \$590 per eye above what it charges the provincial Medical Services Plan.<sup>44</sup> The Valley Laser Eye Institute in British Columbia informed our researcher that they will charge patients \$1,200 if they have their cataract surgery performed at the clinic, and the fee includes a special lens.<sup>45</sup>

For fees amounting to hundreds of dollars, or \$1,000 or more, patients who can afford it, jump the queue to buy two-tier cataract surgery at private clinics. These costs are high and are out of price range for most Canadians for whom median annual incomes are lower than \$30,000 in most provinces. For example, Ontario is now paying \$474 in non-profit hospitals for cataract surgery.

The practice of for-profit eye surgery raises other significant issues. There has been no investigation, that we have been able to find, of whether the wait times told to patients for receiving care in the public system are accurate. Generally wait times vary according to need, but several clinic staff informed us of long wait times in public hospitals – encouraging our researchers to buy procedures privately – without ever having assessed their level of need. Since we found physicians practicing in both the public non-profit hospital system and in private clinics often refer patients to their own private for-profit businesses, the ethics of self-referral in this industry have come under question. Provincial governments and Colleges of Physicians and Surgeons have yet to take action to address these serious issues.

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<sup>41</sup> Telephone interview with staff at Herzig Eye Institute, April 10, 2008

<sup>42</sup> Telephone interview with Helen at the Toronto Eye Institute, April 10, 2008

<sup>43</sup> Telephone interview with Kendall O'Brien, RN, Nurse Manager at South Island Surgical Centre, December 6, 2007

<sup>44</sup> Telephone interview with Joanne at VisionMed, December 6, 2007

<sup>45</sup> Telephone interview conducted with clinic staff, December 6, 2007





## **Case Study 4.**

### **For Profit Hospitals (Surgical Centres)**

#### **Lessons:**

- For-profit hospitals are promoting two-tier health care
- For-profit hospitals require much more intensive monitoring and enforcement regimes, which are inadequate in all provinces and which erode resources available to care
- High costs for procedures are out of reach for almost all Canadians
- There is evidence that the majority of the clinics are staffed from local public non-profit hospitals, taking resources from the public system and measurably reducing capacity in some cases

### **Background**

The major growth of private hospitals in Canada has occurred in the last five years. But the foundations for the emergence of the profit-seeking hospitals was first set in Alberta in the mid-1990s. Then-premier Ralph Klein's conservative party passed a motion at its 1995 convention to turn over some of the hospitals it had closed to the private sector. In 1996, the Chretien government forged an agreement called the "Working Understanding" with the government of Alberta which endorsed a "strong" role for the private sector in health care "within and outside" the publicly-funded health system. It provided an outline for private clinics to charge both within and outside the public health system (to charge the public system and to charge patients out-of-pocket). In 2000, the Alberta government passed Bill 11. Among other pro-privatization initiatives, it allowed the conversion of non-profit hospitals to for-profit status and allowed for-profit hospitals to charge the public health plan for surgeries. In a Canadian first Alberta began to allow physicians to practice both inside and outside the public health system and private hospitals to be subsidized by the public purse.

Not to be outdone, under Ontario's Harris government, a for-profit cancer treatment centre was opened in 2001. In quick succession, the government announced 20 for-profit MRI and CT clinics, which were later reduced to seven.

Under Gordon Campbell, for-profit health care has mushroomed in British Columbia. Prior to 2000, privatization had made relatively few inroads in this province compared to Alberta and Ontario.<sup>46</sup> However, in 2002, Campbell's government announced the deepest cuts to public services in Canada's history. It then passed Bill 29, allowing privatization of hospitals, including emergency rooms. This ushered in a proliferation of for-profit surgical and diagnostic centres. In 2002, B.C. became home to the country's first for-profit CT clinic, opened by Canadian Diagnostic Centres Inc., selling medically-unnecessary "yuppie scans" for \$1,200 each. In 2003, private MRI clinics were announced in Abbotsford, St. Mary's Hospital announced plans

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<sup>46</sup> Armstrong, Pat, Hugh Armstrong and Colleen Fuller CCPA Research Associates, Health Care, Limited: the Privatization of Medicare, A Synthesis Report prepared by the CCPA for the Council of Canadians in collaboration with the Canadian Health Coalition at: [http://www.profitisnotthecure.ca/documents/health\\_care\\_ltd.pdf](http://www.profitisnotthecure.ca/documents/health_care_ltd.pdf)

to begin selling surgeries and lease the non-profit facilities to for-profit companies, the BC government began negotiations with US-based multinational Baxter International Ltd. to sell kidney disease treatments and dialysis in the Fraser Valley Health Region, the Vancouver Coastal Health Authority announced plans to contract out thousands of surgeries to private clinics, among others. In 2003, the federal government charged BC for allowing the False Creek Surgical Centre to charge fees for medically-necessary services. The fine was minimal.

The first orthopedic surgeon to opt-out of the public health system was Dr. Nicolas Duval in Quebec in 2001. He opened the Duval Orthopedic Clinic, which sells hips or knee surgery for about \$12,000.<sup>47</sup> In 2004, three Emergency Room physicians opted out of Medicare and formed MD Plus in Montreal. That same year, two ophthalmologists opted out and formed Cataract MD.

In December 2006, Quebec's National Assembly passed Bill 33. This radical legislation not only embraces private for-profit delivery of services, but also private health insurance for medically-necessary services – in total contradiction to the principle of equal access to care for all, regardless of wealth. Bill 33 allows private insurance carriers to cover hip and knee replacements as well as cataract surgery. The Bill legalized private hospitals – called “Specialized Medical Centres” – to provide overnight and day surgeries and contract with public hospitals. Hospitals were also authorized to contract with private labs and private doctors. Critics warned that the number of services to be privatized could be expanded by simple regulation by the Minister of Health, without public debate or legislative change.<sup>48</sup> Though the government, at the time of the passage of Bill 33, emphasized the limits on privatization, very quickly, the number of services that are now allowed to be two-tier through the sale of private insurance has expanded.

By 2007, there are at least five private cataract clinics in Montreal, of at least eight in the province. We found 14 surgical clinics in Quebec in total, selling services for direct payment by patients – both medically necessary and medically unnecessary procedures. Several clinics and companies have been investigated for two-tiering, but more incidents keep emerging.

## **Revenue Maximization: Two-tiering, Charging Inside and Outside the Public Health System**

By 2007, we found 72 private for-profit surgical hospitals operating in 7 provinces, excluding those that sell purely unnecessary services such as cosmetic surgery and the abortion clinics that arose as a special case. We found that a significant number of these clinics are now openly selling two-tier health care for medically necessary services. In addition, a notable number are exploiting loopholes in the Canada Health Act to extra-bill patients. Thirty-four (34) of the 72 clinics told our researchers that they could buy medically-necessary procedures for out-of-pocket payment. Forty (41) informed us that they bill patients or third party insurers that are not

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<sup>47</sup> Lang, Michelle, “Opting out adds up for doctors. For the right price, Alberta physicians could follow”, *Calgary Herald*, September 11, 2005.

<sup>48</sup> See the analysis of Bill 33 in various publications by Marie-Claude Premont, professor of law and Associate Dean of Graduate Studies, Faculty of Law at McGill University.

medically necessary or without checking if they are medically necessary or not. Thirty-one (31) told us that they do not charge patients for services.

<b>Province/Territory</b>	<b>Surgical Clinics Selling Medically Necessary Services</b>	<b>Surgical Clinics Charging Patients Directly for Services</b>	<b>Surgical Clinics Selling Medically-Necessary or Unnecessary Procedures to Patients, WCB or 3<sup>rd</sup> Party Insurers</b>	<b>Surgical Clinics That Do Not Charge Patients Directly</b>
<b>BC</b>	25	16	16	9
<b>Alberta</b>	24	0	4	20
<b>Saskatchewan</b>	0	0	0	0
<b>Manitoba</b>	2	0	1	1
<b>Ontario</b>	5	3	5	0
<b>Quebec</b>	14	14	14	0
<b>New Brunswick</b>	0	0	0	0
<b>Nova Scotia</b>	1	0	0	1
<b>PEI</b>	0	0	0	0
<b>Newfoundland</b>	1*	1*	1*	0
<b>Northwest Territories</b>	0	0	0	0
<b>Nunavut</b>	0	0	0	0
<b>Yukon</b>	0	0	0	0
<b>Total</b>	72	34	41	31

\*This clinic is not a cataract surgery clinic, technically. But it sells uncovered treatment that is a substitute for cataract surgery for direct charges to patients.

These findings mean that a majority of the for-profit surgical clinics that sell medically-necessary care have a business case that maximizes revenues by billing all available sources: governments, WCB(or equivalent) or third party insurers and patients for medically necessary or medically unnecessary procedures. Half told us that they would charge a patient for a medically-necessary procedure. This is undoubtedly a significant erosion of the principles of public Medicare in Canada that all patients should receive medically-necessary care – on equal terms and conditions - without fees and two-tiering.

## Requirement for More Oversight, Regulation and Enforcement

Only two Canadian provinces have accreditation processes that track private for-profit surgical hospitals (called clinics). In other provinces, there is no official tracking of the clinics. But the evidence shows that simple accreditation is not enough. British Columbia and Quebec have the worst record for lax enforcement of the Canada Health Act's requirement that patients not be charged for medically-necessary services in surgical clinics. But in Ontario, Alberta and possibly Newfoundland we also found evidence of possible violations.

The current context of frequent co-mingling of medically unnecessary and medically necessary procedures in eye clinics and surgical centres means that provinces need to set up monitoring and enforcement regimes to ensure that clinics selling medically-unnecessary services do not stray into territory covered by the Canada Health Act.

But for clinics expressly created to sell medically necessary (CHA covered) services, the frequency of for-profit clinics levying charges to patients points to the perils of allowing the profit motive in health care. Both provincial governments and the federal government are required to ensure that the tenets of equal access and universality are upheld and protected. Though some governments have taken steps to limit the worst offenses, more keep arising. Governments have not taken adequate steps to halt these practices. But the frequency of incidents of two-tiering and extra-billing reveals that it would be most prudent not to create the situation in the first place. The requirement for more intensive monitoring and enforcement under for-profit ownership of health care is necessary where private clinics are allowed, but it requires resources that should be used to increase capacity and improve access to care.

## High Costs

Our interviews reveal that the private surgical centres, despite cloaking their activities in a mantra of improving access to health care, sell queue-jumping procedures at rates that none but the very wealthiest could afford. In British Columbia, for example, where Statistics Canada reported the median annual income in 2005 to be \$ 24,400, surgeries and clinic fees are beyond the reach of most of the population. Some examples:

- In an interview with our researcher, staff at the Cambie Surgery Centre in B.C. told us that they would charge between \$15,000 and \$20,000 for a partial knee replacement and \$500 to \$750 for an initial medical assessment.
- Blaylock Surgical Centre in B.C. told our researcher that a colonoscopy would cost \$1,300 and a knee arthroscopy would cost \$2,800.
- Kamloops Surgical Centre told our researcher that an initial assessment would be \$350.
- Langley Surgical Centre gave our researcher a price range of \$2,685 to \$3,800 for arthroscopy.
- South Island Surgical Centre told our researcher that he would have to pay a facility fee of \$1,200 whether or not the public plan covered his operation.
- Seafeld Surgical Centre gave us a price for the facility fee – at \$5,000- and said the cost of the surgery was negotiated between the patient and the doctor.

In Quebec, costs are similarly out-of-reach. Statistics Canada reported the median annual income in 2005 was \$24,100. Some examples of private clinic prices:

- Westmount Surgical Centre told us a knee arthroscopy would cost \$2,500, and the physicians bill the public system as well.
- Rockland MD told us they would charge between \$2,400 and \$3,100 for a hernia operation.
- Duval Orthopedic Clinic told our researcher he would have to pay between \$12,000 and \$15,000 for knee surgery.
- Cataract surgery charges were over \$2,000 generally, per eye.

## **Negative Impact on Health Human Resources**

For-profit surgical clinics are, in general, a newer phenomenon in Canada than the for-profit MRI/CT clinics, and research has yet to be done tracking which hospital each clinic took its staff from and what impact that has had on the public or non-profit hospital. In our clinic listing, in the province-by-province section of this report, we have provided a start. We found clear evidence of staff taken from nearby public hospitals in Quebec, Nova Scotia and British Columbia to work in for-profit clinics. Obviously, since private clinics do not create new health professionals, we found the majority of clinics had taken physicians and other staff out of local or other public hospitals. Despite some paltry efforts to limit “poaching” as this practice has been called, clinics that have been prohibited from taking staff from nearby hospitals have simply gone further afield, to other provinces or regions. A few clinics claim to have recruited staff internationally, but there is no evidence of this. In the case of for-profit MRI clinics, there is clear evidence that staff poaching from nearby public hospitals has caused demonstrable reductions in public health care services. Because the clinics are outside of full-service hospitals, they generally cannot provide care for more complex and heavy-care patients. For example, when we asked about arthroscopic joint procedure, a staff person at the Langley Surgical Clinic in B.C. told us that there are “some criteria that have to be met, a BMI of under 35, we look at your height and your weight to make sure you’re appropriate to have surgery outside of a hospital setting – that criteria is throughout British Columbia.” This practice – referred to as cream skimming – means that the impact of staff poaching is exacerbated when private clinics worsen shortages in local hospitals but leave the heaviest care patients behind.

## **Reducing Rural and Remote Health Care**

All of the surgical clinics we found across Canada are located in urban centres that have larger “markets” of wealthier customers to whom to sell health care. In fact, 41 are located in or around the country’s largest three cities. In Alberta all the for-profit clinics are in Edmonton or Calgary, with the exception of one that is located in Medicine Hat (pop. 60,000). In Manitoba, all are in Winnipeg. In British Columbia: 20 of the for-profit hospitals/clinics are in Vancouver or the surrounding cities; one is in the Comox Valley, one is in Kamloops, two are in Victoria and one is in Nanaimo. In Nova Scotia, the sole for-profit surgical clinic is in Halifax/Dartmouth. In Ontario, all of the private surgical clinics are in the Greater Toronto Area. In Quebec: 16 surgical clinics are in Montreal; 2 are in Quebec City; one is in Trois Rivières. The evidence is that a significant expansion of for-profit health care in Canada would worsen access in rural and

remote communities by worsening shortages and taking human and financial resources out of the public health system into private clinics located exclusively in urban centres.

## **Case Study 5.**

### **Boutique Physician Clinics**

#### **Lessons:**

- These clinics attempt to sidestep the Canada Health Act by co-mingling medically necessary and medically unnecessary care, promoting exclusive access and elite health services to the wealthy. Most of these clinics maximize their profit by billing the public plan and charging high extra fees.
- Negative Health Human Resources Impacts
- High Costs

A very new phenomenon in Canada, these clinics bundle together health service packages and sell them, usually as “executive” or “corporate” health care for hundreds, or even thousands of dollars per year per patient. CNN has called it “When Wealth Buys Health”, and the advertising and prices of these companies leaves little doubt that they are marketing specifically for exclusivity. In our research, we found 16 boutique physician clinics across Canada, but we are certain there are more, most have opened in the last few years. We are also seeing the emergence of chain for-profit boutique clinics with the expansion of the Copeman clinics in B.C. and Alberta, an attempt to move into Ontario, and plans to move into Manitoba.

### **Profit Maximization, Extra-Billing and Sidestepping the Canada Health Act**

Many of the boutique physician clinics co-mingle medically-necessary with unnecessary services in an attempt to sidestep the Canada Health Act’s prohibition on two-tiering. We have been able to find some evidence of the business model favoured by at least some of these clinics. Featuring low case loads and high charges, the clinics pose a significant drain of doctors from the public health system, if they were to expand in number and size. For example, Don Copeman has made public his model for a planned expansion into Ontario.<sup>49</sup> The business plan was for 8 MDs to service a maximum of 4,000 patients – or 500 patients each. A normal caseload would be 1,500 to 2,000 patients. Copeman’s stated target income for physicians would be \$275,000 per year, of which \$60,000 would be from billings to OHIP – the public insurance plan. Patients would be charged an array of fees including a \$1,200 “enrolment fee” and a \$2,300 “annual fee” for “enhanced” care. The Ontario government ultimately stopped Copeman’s plans to expand into Ontario by threatening fines if Ontario legislation and the Canada Health Act were violated.

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<sup>49</sup> Ontario Health Coalition interview with Don Copeman conducted by telephone on January 26,2006.

## Negative Impact on Health Human Resources

The boutique clinics we found across Canada are located exclusively in wealthy urban neighbourhoods where there is a “market” of customers to pay the high fees. These findings raise two significant threats to access. First, boutique clinics generally have very low physician caseloads for very high fees. The inefficiency of these clinics worsens shortages of doctors available for patients who cannot afford the extraordinary high fees. The Medical Reform Group in Ontario calculated that if every family doctor in Ontario restricted their practice to 150 patients – as at least one boutique clinic does – only 1 of 7 Ontarians would have a family doctor.<sup>50</sup> Rural and remote community access to care is eroded with more location of physicians and clinics exclusively in urban centres.

## High Costs

The charges levied by all the boutique clinics in Canada that we found are beyond the financial grasp of all but the wealthiest:

- In some Ontario examples: the proposed Copeman Clinics planned to charge patients \$1,200 for an enrolment fee plus \$2,300 for an annual fee; Medysis charges \$1,250 to \$1,350 for an executive health assessment and \$1,500 for “Medysis One” with physicians on call; Medcan charges \$2,295 for a comprehensive health assessment; Genesis charges \$2,500 per year for “personalized health planning”; the Cleveland Clinic charges \$2,500 for assessment and follow up.
- In British Columbia: Continuum Medical Care charges \$895 for a package of tests; the Copeman Clinic charges \$3,900 for the “Elite Program” in the first year and \$2,900 thereafter.
- In Alberta: Dominion Medical Centres sells a \$1,050 package of tests; Copeman Healthcare Centre charges \$3,900 for the first year and \$2,900 thereafter.

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<sup>50</sup> “Bad news for Ontarians: Boutique medicine arrives in Ontario”, *Medical Reform Group Newsletter*, Volume 22, Number 2 (Fall 2003).



## Cross-Canada Snapshot

	ALTA	BC	MAN	NB	NFLD	NS	NUN	NWT	ONT	PEI	QUE	SASK	YUK
Median Income (gross)	\$28,800	\$24,00	\$23,900	\$21,800	\$19,400	\$22,800	\$24,000	\$36,100	\$27,100	\$22,400	\$24,100	\$23,500	\$31,700
Cost for an MRI in a for-profit clinic	\$550 - \$1,000	\$500 - \$2,200	N/A	N/A	N/A	\$725	N/A	N/A	N/A	N/A	\$595 - \$800+		N/A
Cost for a knee replacement in a for-profit clinic		\$2 - 3,800 arthroscopy \$13-20,000 knee replacement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$3,000 arthroscopy \$15,000+ knee replacement		N/A
% of Radiologists working in for-profit clinics	Est. 50%	17.35%	1.7%	0%	0%	1.2%	0%	0%	0%	0%	34.2%	0	0%
% of Ophthalmologists working in for-profit clinics	28%	10.49%	42%	16.6%	16%	10.4%	0%	0%	14.2%	0%	12.7%	20.8%	0%
Number of for-profit clinics receiving public funding	35 contracts	22	Est. 2	0	0	1	0	0	2	0		0	0
Number of people covered by provincial health plan (in millions)	3.3	4.2	1.2	0.75	0.5	0.9	0.03	0.04	12.5	0.1	7.5	1.0	0.03
Number of physicians in public health plan	5,585	8,454	2,016	1,935	971	2,220	135	232	22,234	211	15,851	1,719	64
Number of physicians opted out	0	6	0	0	0	0	0	0	51	0	158	0	0

Note: sources for all data can be found in the province-by-province snapshots



# **Suspected Violations of the Canada Health Act – Total 89**

## **The Canada Health Act<sup>51</sup>**

The Canada Health Act relies upon federal spending powers to establish a Canada-wide publicly funded, and single-tier health care system in which access to care is based on need, not ability to pay. Under the Act, provinces are required to establish health care insurance plans that operate in accordance with the criteria and other requirements of the Act. Failure to comply with the Act's five criteria may lead to a reduction in federal cash contributions to the province. The Act also prohibits extra billing and user charges in relation to the delivery of insured health care services. Failure to implement these prohibitions results in mandatory and offsetting reductions in federal cash transfers to the offending province. Under the Act, "insured health services" includes both hospital and physician services. "Physician services" means any medically required services rendered by medical practitioners.

For present purposes, two of the Act's five criteria – universality and accessibility – are of particular importance. In order to satisfy the criterion respecting universality, the health care insurance plan of a province must entitle one hundred per cent of the insured persons of the province to the insured health services provided for by the plan on uniform terms and conditions (Section 10). In order to satisfy the criterion respecting accessibility, the health care insurance plan of a province must provide for insured health services on uniform terms and conditions and on a basis that does not impede or preclude, either directly or indirectly whether by charges made to insured persons or otherwise, reasonable access to those services by insured persons (Section 12(1)).

Thus, Canada Health Act criteria of accessibility and universality require provincial governments to ensure that no financial barrier exists to publicly funded health care services. The Act prohibits extra billing and/or user charges for insured health care services and prohibits the sale of two-tier access to care.

The following section contains a list of provinces and suspected violations that require further investigation. Our findings are based on advertising by the clinics and interviews with clinic staff. In total, we found evidence to suspect that 89 for-profit clinics in 5 provinces that appear to be in breach of the Canada Health Act's criteria regarding universality and accessibility by either selling medically necessary hospital or physician services for direct charges to patients by selling two-tier access to care.

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<sup>51</sup> The legal interpretation of the Canada Health Act here is taken from Sack Goldblatt Mitchell LLP *Memorandum to the Ontario Health Coalition regarding Copeman Healthcare Inc.* January 19, 2006. The memorandum can be viewed in its entirety at: <http://www.web.net/~ohc/privatization/OHClegalOpinionOn2TierClinics.pdf> and more information is available at: <http://www.web.net/~ohc/Privatization.htm>

# Nova Scotia: Suspected Violations -1

**Canadian Diagnostic Centres, Halifax**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Service sold: MRIs, ultrasounds, other diagnostic tests

Clinic staff told our researcher that it charges patients \$225 for an ultrasound, paid directly by the patient or by third party insurance but not by the provincial MSI plan.<sup>52</sup> In a different interview, a researcher was told that an MRI for the knee is more than \$700 (on the company website it is \$725) while a bone densitometry test is \$110.<sup>53</sup> The clinic requires a requisition from a doctor in order to conduct a scan.<sup>54</sup>

Q: Is this faster than getting it through the hospital?

A: We try to get you in within 5 business days compared to 6 months or a year for a hospital.<sup>55</sup>

# Alberta: Suspected Violations -7

**Dominion Medical Centres, Edmonton**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services

Services sold: Executive health examinations, which include vision and hearing tests, prostate or breast cancer screening, a complete physical exam, lifestyle review, medically unnecessary CT scan of coronary arteries and an ECG to detect heart disease. Blood tests for lung, kidney, liver and thyroid conditions.”<sup>56</sup>

Q: Could you tell me about your executive health program?

A: You come in here, book an appointment and “spend about an hour and a half with the doctor and they go through a very detailed medical and then you spend about a half an hour with me and we run through a series of tests” checking ears, lungs, vision and then we’d pre-book a CT scan for a total body scan or core scan and a cardiac score. So an hour and a half to two hours here and then you’d go over to Insight Imaging and get a total body scan and cardiac score and within a couple of weeks the doctor would have a binder that we’d mail out to you with all your results... as well as a summary letter from the doctor and any other requisitions he’d give you.

Q: How much would it cost?

A: The initial exam is \$1050 and if there’s any imaging that’s separate so a total body scan and cardiac score together would be \$1150 but “even though I would book those appointments the doctor would still determine which imaging would be best for you or if they figure you’re healthy and don’t need any imaging then you wouldn’t have to do it and I would cancel the appointment.”

Q: So I’d only do the imaging if I need it, if I’m showing a symptom?

A: I’d still pre-book it and the doctor will usually go through with you but that’s optional.<sup>57</sup>

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<sup>52</sup> Telephone interview with clinic staff, April 7, 2008

<sup>53</sup> Telephone interview with staff, April 4, 2008

<sup>54</sup> Telephone interview with Carolanne at the clinic, April 15, 2008

<sup>55</sup> Telephone interview with Carolanne at the clinic, April 15, 2008

<sup>56</sup> Sinnema, Jodie, “Executives’ Golden Checkup: Specialized health exams for businessmen, offered for decades in the U.S., have moved into Canada, including Alberta,” *Edmonton Journal*, January 4, 2007

<sup>57</sup> Interview with Jodene at Dominion Medical Centres, April 28, 2008

### **Mayfair Diagnostics, Calgary**

1 MRI, 1 CT

#### **Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: Mayfair offers medically unnecessary diagnostic tests without clinical indications.<sup>58</sup> The clinic also offers queue-jumping services for patients facing a waiting list for medically necessary MRIs. According to their website, patients “stuck on a waiting list for diagnostic imaging” can obtain a scan from Mayfair “within just 24-48 hours.”<sup>59</sup>

### **Canadian Diagnostic Centre, Calgary**

#### **Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRI, CT, ultrasound mammography, bone density, x-ray, and fluoroscopy<sup>60</sup>  
A researcher was told that if he wished to purchase an MRI the price would be \$775 per scan area.<sup>61</sup>  
CDC requires a requisition form from a physician and will conduct a scan “if your doctor feels like you need one.”<sup>62</sup> Queue-jumping is encouraged; a researcher was told, “there is at least a 6 month wait” if he went through the public health system whereas “if you pay for it, it’s in one to three days.”<sup>63</sup>

### **Medical Imaging Consultants, Edmonton<sup>64</sup>**

3 MRI machines in 2 locations

#### **Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: Bone Mineral Densitometry (BMD), Breast Imaging, MRIs (including medically unnecessary “preventative” scans), Nuclear Medicine, Ultrasound, X-Ray/Fluoroscopy, Mobile Bone Densitometry.

Clinic staff told a researcher that an MRI scan could be purchased by a patient, out-of-pocket, for \$575<sup>65</sup>  
A researcher was told in a separate interview that a patient requiring an MRI could either go through the public system and have his doctor request use of a private clinic or, if the patient doesn’t wish to go on the waiting list, the patient can pay the clinic a fee and have the scan immediately,<sup>66</sup> within 3 days according to MIC’s University clinic.<sup>67</sup>

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<sup>58</sup>[http://www.mayfairdiagnostics.com/pdfs/Mayfair\\_Brochure.pdf](http://www.mayfairdiagnostics.com/pdfs/Mayfair_Brochure.pdf)

<sup>59</sup> [http://www.mayfairdiagnostics.com/index.php?option=com\\_content&task=view&id=38&Itemid=66#mri](http://www.mayfairdiagnostics.com/index.php?option=com_content&task=view&id=38&Itemid=66#mri)

<sup>60</sup> <http://www.canadadiagnostics.ca/>

<sup>61</sup> Telephone interview with staff, April 4, 2008

<sup>62</sup> Telephone interview with clinic, April 10, 2008

<sup>63</sup> Telephone interview with clinic, April 10, 2008

<sup>64</sup> <http://www.mic.ca/home.html>

<sup>65</sup> Telephone interview with staff, April 4, 2008

<sup>66</sup> Telephone interview with staff, April 10, 2008

<sup>67</sup> Telephone interview with Dale, University clinic, April 10, 2008

**Insight Medical Imaging (Meadowlark Wellness Centre), Edmonton**

1 MRI, 1 CT machines

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: X-Ray, Mammography, Ultrasound, Nuclear Medicine, MRI, and CT

A researcher was told that he could purchase an MRI scan from the clinic privately and that a thoracic MRI would cost between \$475 and \$650. A doctor's requisition form was required.<sup>68</sup> A researcher was told that a patient can either have a doctor book an MRI through the public system and it may be assigned to this clinic or they can pay the clinic directly, out of pocket, and have it done privately at the clinic within two weeks.<sup>69</sup>

**Central Alberta Medical Imaging Services Ltd., Red Deer**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRIs, bone density tests, nuclear medicine, mammography, ultrasound

A researcher was told that he could purchase an MRI, out-of-pocket, and the price starts at \$725 depending on the scan.<sup>70</sup> Queue-jumping is encouraged; our researcher was told that if he chose to obtain a scan publicly there would be a waiting list where there is none for a privately purchased scan.<sup>71</sup>

Q: Do you sell MRIs?

A: Yes.

Q: How much?

A: They start at \$725 if you're buying it privately

Q: Is it covered by Alberta Health Care?

A: You can either pay us directly and book it through us right away or your doctor can put a requisition in through the hospital in which case the request would go into the waiting list. Either way the scan is done here, at the clinic.<sup>72</sup>

**Open MRI (MYK Imaging), Calgary**

1MRI (Open bore)

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRIs

Q: Do you sell MRIs?

A: Yes.

Q: How much?

A: \$695 per body part +\$250 if contrast required but there's no waiting list, unlike a hospital – you need a referral from an MD

Q: Covered by Alberta Health?

A: No, the patient pays privately.<sup>73</sup>

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<sup>68</sup> Telephone interview with clinic staff, December 13, 2008

<sup>69</sup> Telephone interview with Marina at the clinic, April 10, 2008

<sup>70</sup> Telephone interview with clinic staff, April 10, 2008

<sup>71</sup> Telephone interview with clinic staff, April 10, 2008

<sup>72</sup> Telephone interview with clinic staff, April 10, 2008

<sup>73</sup> Telephone Interview, December 14, 2007

## British Columbia: Suspected Violations - 29

**Canadian Magnetic Imaging**<sup>74</sup>, Vancouver

**Suspected violations to be investigated:**

- 2) Charging patients for medically necessary services
- 3) Queue-jumping

Service sold: MRIs

In an interview, the clinic told the researcher that he would have to pay \$875 for a routine MRI. The researcher was also told that while CMI's specialty is non-medically necessary "litigation MRIs" they would conduct medically necessary MRIs if requested. All MRIs require a requisition form from a physician.<sup>75</sup>

Q: If my doctor says I need an MRI can I get one from your clinic?

A: Yes, but we need a doctors referral.

Q: What's the difference between going to your clinic and a hospital?

A: A hospital will take you 3 to 6 months.

Q: And how fast can I get it from your clinic?

A: 2 days<sup>76</sup>

**Canadian Diagnostic Centres**, Vancouver,

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Service sold: MRIs, CTs

In an interview, the clinic told the researcher that he would have to pay \$875 for a routine MRI;<sup>77</sup> a requisition form from a physician is required.<sup>78</sup>

Q: If my doctor says I need an MRI can I get one from your clinic?

A: You can, once we receive the referral from your doctor we'll call you within 24 hours

Q: What's the difference between going to your clinic and a hospital?

A: We're generally quicker than a hospital, we can expedite the scan.

Q: And how fast can I get it from your clinic?

Q: Once we receive the referral we can book for the next day.<sup>79</sup>

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<sup>74</sup> [www.canmagnetic.com](http://www.canmagnetic.com)

<sup>75</sup> Staff interview, April 4, 2008

<sup>76</sup> Telephone interview with clinic, April 28, 2008

<sup>77</sup> Telephone interview with clinic, December 14, 2008

<sup>78</sup> April 9, 2008 telephone interview with Stephanie at CDC.

<sup>79</sup> Telephone interview with Jen of the clinic, April 28, 2008

**Comox Valley MRI<sup>80</sup>** (associated with Comox Valley Surgical Centre)

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Service sold: MRIs

In an interview the clinic told the researcher that he would have to pay \$875 for a routine MRI; the researcher was told that a requisition form from a physician is required.<sup>81</sup>

Q: How much would you charge for an MRI for the knee

A: \$875.

Q: Is it faster to get it from you than from a hospital

A: Yes it is, the hospital waiting time is 3 to 6 months in Nanaimo.

Q: How long is the wait with your clinic?

A: One week.<sup>82</sup>

**AccessMRI, Surrey**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Service sold: MRIs

In an interview, a member of the clinic's staff told a researcher that an MRI that he would have to pay \$875 for an MRI of his knee; the researcher was told that a requisition form from a physician is required.<sup>83</sup>

Q: If my doctor says I need an MRI can I get one from your clinic? For my leg.

A: You can, we need a requisition from your doctor, it would be \$875 for your leg.

Q: What's the difference between going to your clinic and a hospital?

A: If you're having it at the hospital it's covered by MSP. It takes a week max here and at a hospital it's anywhere from 6 months to a year.<sup>84</sup>

**Okanagan Health MRI Clinic<sup>85</sup>**, Kelowna (extremities only)

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services.
- 2) Queue-jumping

Service sold: MRIs

When interviewed, a clinic staffer told a researcher that he would be charged \$725 for an MRI of his knee; the researcher was told that a requisition form from a physician is required.<sup>86</sup>

Q: How much is an MRI for the knee?

A: \$725.

Q: And how long does it take to get one?

A: We're booking next Wednesday.

Q: How long does it take if I get one from the hospital?

A: 6 to 7 months you would have to be referred from a specialist whereas ours the GP just has to fill out a requisition and you can come here.<sup>87</sup>

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<sup>80</sup>[http:// www.comoxvalleymri.com](http://www.comoxvalleymri.com)

<sup>81</sup> Telephone interview with Linda on April 9, 2008

<sup>82</sup> Telephone interview with Linda on August 29, 2008

<sup>83</sup> Telephone interview with staff, December 14, 2007

<sup>84</sup> Telephone interview with Amita, April 28, 2008

<sup>85</sup> <http://www.okanaganhealthmri.ca>

<sup>86</sup> Telephone interview with staff, December 14, 2007



**CML** - 2 clinics

MRI Vancouver, (Burnaby) and MRI Victoria<sup>88</sup>

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Service sold: MRIs

According to a price list on CML's website, patients are charged \$875 to \$1100 for an MRI depending on the body part; the researcher was told that a requisition form from a physician is required.<sup>89</sup>

Q: If my doctor says I need an MRI can I get one from your clinic?

A: Yes, sure.

Q: How much would it cost for the knee?

A: \$875.

Q: What's the difference between going to your clinic and a hospital?

A: We're private you have to pay, and at the hospital you don't have to pay but you have to wait - it takes months to get in there.

Q: And how fast can I get it from your clinic?

A: A couple of days, maybe<sup>90</sup>.

**Specialty MRI Clinics Inc**<sup>91</sup>, Vancouver (extremities only)

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Service sold: MRIs

Q: How much does an MRI cost for my knee

A: It's \$475

Q: Is it covered by MSP?

A: No, it's not we're a purely private clinic but if you have an extended health carrier it's often carried by that. Total cost is \$475, not tax.

Q: What's the advantage of getting it in the clinic rather than the hospital?

A: About 10 months wait, right now it's about 2 to 3 months to see an orthopedist and then the wait is 6 to 8 months for the scan because it's not an emergency issue.

Q: So even if it's medically necessary?

A: Even if it's medically necessary it's still non-emergent so they only do x number on a monthly basis and that's tends to be 5 to 8 months.

Q: If it is medically necessary I can get it from you?

A: Are you from Canada?

Q: Yes.

A: The Canada Health Act defines absolutely everything that a doctor asks for as medically necessary; the provinces do not have as broad a category...

Q: I can get an MRI from you then?

A: Oh yeah, what we need is a requisition from your doctor faxed over to us. We're running at about 75% this time of year so there's usually bookings the next day.<sup>92</sup>

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<sup>87</sup> Telephone interview with staff, August 29<sup>th</sup>, 2008

<sup>88</sup> <http://www.cmlhealthcare.com/web/main.cfm?docID=75&loc=van>

<sup>89</sup> <http://www.cmlhealthcare.com/web/main.cfm?docID=74>

<sup>90</sup> Telephone interview with Abdullah el-Habib at MRI Vancouver, April 28, 2008

<sup>91</sup> <http://www.specialtymri.com/team.htm>

<sup>92</sup> Telephone interview with staff, April 29, 2008

**Fraser Valley MRI, Abbotsford (linked with Valley Medical)**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Service sold: MRIs

When a staff person at Fraser Valley MRI was interviewed, a researcher was told that he would have to pay \$750 for a routine scan and \$1025 for an arthroscopy.<sup>93</sup>

Q: Do you sell MRIs?

A: Yes .

Q: How much would I have to pay?

A: \$750 for a routine MRI, \$200 more if contrast is needed.

Q: How soon can I get one?

A: Once the doctor's requisition form is faxed to us we can book you the next day – there's no waiting list, it's more than 6 months if you use the hospital.

Q: I'm just doing some research on MRI clinics and I'm asking all the clinics how many radiologists they have on staff?

A: 4 or 5.

Q: And how many scans do you do a day?

A: I don't know if I can say that.<sup>94</sup>

**MedRay MRI<sup>95</sup>, Coquitlam**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Service sold: MRIs

A researcher was told that he would be billed \$850 for an MRI of a knee<sup>96</sup>

Q: If my doctor says I need an MRI can I get one from your clinic?

A: Yes, as long as the doctor's written a requisition.

Q: How much would it cost to get my knee scanned?

A: \$850.

Q: What's the difference between going to your clinic and a hospital?

A: The hospital you're going to wait, we're a private clinic and you can get in a couple of days, in a hospital you're in the waiting list and it can be 6 months to a year.<sup>97</sup>

**Image One MRI (Kelowna)**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Service sold: MRIs

According to the pricelist on Image One MRI's website, an MRI scan can be purchased by a member of the public for prices ranging from \$725 for a knee to \$2,175 for an abdomen and pelvis.<sup>98</sup>

Q: If my doctor says I need an MRI can I get one from your clinic?

A: yes, you can, we're private though so you have to pay

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<sup>93</sup> Telephone interview with staff, December 13, 2007

<sup>94</sup> Telephone interview with staff, December 12, 2007

<sup>95</sup> <http://www.medrayimaging.com>

<sup>96</sup> Telephone interview with staff, December 13, 2007

<sup>97</sup> Telephone interview with Monique of MedRay MRI, April 28, 2008

<sup>98</sup> <http://www.imageonemri.ca/trellis/Pricing>

Q: How much would it cost to get my knee scanned?  
A: \$725.  
Q: What's the difference between going to your clinic and a hospital?  
A: the wait time is cut is to 1/10<sup>th</sup> .  
Q: How long is the wait for a hospital MRI?  
A: At least four months.  
Q: And at your clinic?  
A: Two days.<sup>99</sup>

**Continuum Medical Care, West Vancouver**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services

Services sold: Corporate Health Program and other boutique packages bundling medically unnecessary and necessary services.

The clinic co-mingles medically necessary and unnecessary services for a fee. According to an interview with Ashley at the clinic, a 3.5 hour program of tests and consultations for which a client pays \$895 includes a one hour consultation with a physician.<sup>100</sup>

Continuum is a private for-pay "corporate health program" operated out of a public, MSP covered clinic. Continuum clients are able to access the physicians at the clinic through the year under MSP.

According to a subsequent interview:

A: We basically have some bloodwork done about a week before you come in so the results are available, you see a physician for an hour to go over your history and blood work and then you have a cardiac stress test and we put that together in a portfolio and then anything else you may require, a colonoscopy or anything along those lines... and you'd have to pay for it privately. We do a complete screen and then if the physician determined you need further testing you'd have a choice between going through the private system or go through MSP. If you need a colonoscopy but it's not urgent we'd put it in the public system so you wouldn't have to pay for it

Q: Do I need an MSP card for the corporate health?

A: You do not.

Q: Do you charge MSP for anything then

A: No, it's \$900.<sup>101</sup>

**Copeman Clinic, Vancouver,**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: "Corporate health" services including health assessments and annual memberships giving access to a bundle of medically unnecessary and necessary health services

According to the clinic's website a client purchasing the "Elite Program" pays \$3900 for the first year and \$2900 annually thereafter. A client purchasing a "comprehensive health assessment" is charged \$1200.<sup>102</sup> According to an interview with the clinic, clients without an MSP [Medicare] card will be billed above and beyond these rates.<sup>103</sup> Membership in the clinic buys access to the doctors. In an interview with the clinic, a researcher was told that the patient is billed for anything that is "preventative", while

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<sup>99</sup> Telephone interview with clinic staff, April 28, 2008

<sup>100</sup> Telephone interview with Ashley at Continuum, December 19, 2007

<sup>101</sup> Telephone interview with staff at Continuum, April 16, 2008

<sup>102</sup> <http://www.copemanhealthcare.com/services/fees-and-guarantees.htm>

<sup>103</sup> Telephone interview, April 16, 2008

anything that is “regular”, that is medically necessary procedures or visits, is billed to MSP; the clinic staff person openly describes the system as “two tier”.<sup>104</sup>

Q: Hi, can you tell me more about your clinic, I called before but just want some more details. Does it make a difference if I have an MSP card or not?

A: We focus on “preventative health care” You need your MSP for anything that isn’t preventative. MSP is billed for “regular” medical care. We’re part of a two-tier system, The government system is only “reactive health care”, not preventative. If you don’t have MSP you’ll be billed above the regular sign up costs.<sup>105</sup>

Q.I have a question about your services, can I just come in and see someone tomorrow?

A. We don’t have any openings tomorrow I can book you next week.

Q.I don’t want the full membership thing on your website, just an appointment with a doctor

A.We have an executive medical appointment which is \$1400 complete physical and bloodwork. It is 3.5 hours in length.

[call back]

Q. Sorry, I have a follow-up. If I want to see a doctor tomorrow can I use MSP?

A. Our doctors are contracted to Copeman services but you can see one for 15 minutes and then they decide if they will take you on as a patient.

Q. Can I get a physical with them then under MSP?

A. Well I don’t think they can do a physical in 15 minutes.

Q. But they can take me on as a patient and do a physical if they decide?

A. That is up to them, but their time is contracted to Copeman.

Q. But if I don’t want a physical can I just come in, like a walk-in clinic to see them?

A. We are not a walk in clinic, you can have a 15 minute appointment and see if they will take you on as a patient.<sup>106</sup>

By comingling medically necessary and unnecessary services and charging a membership or facility fee the clinic may be in violation of the Canada Health Act. According to our interviews, physicians at the clinic are charging both Medicare and patients. Queue-jumping occurs as paid memberships in the clinic buy access to physicians who are charging Medicare for their services. Access for those not paying the high fees is limited to a 15 minute appointment, which is not long enough for a “physical” according to clinic staff. Then, it is up to the physician whether or not they will take the non-fee-paying patient on. However, if you pay the extra fees, you can get an appointment within two weeks with full time for a physical exam and extras. The sale of preferential access for a fee is a suspected violation of the equality principle and prohibition on extra billing in the Canada Health Act.

### **False Creek Surgical Centre/False Creek Urgent Care Centre**

#### **Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: Includes MRI, hernia surgery, back surgery, gynecological surgery and low level emergency care.

Patients may be charged fees for medically necessary services by physicians who are registered with Medicare. According to a December 2006 Canadian Press report, False Creek charges \$199 for a basic

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<sup>104</sup> Telephone interview, April 16, 2008

<sup>105</sup> Telephone interview, April 16, 2008

<sup>106</sup> Telephone interview with staff, October 1, 2008

evaluation as well as additional costs such as \$50 for a blood test or \$70 to set a cast.<sup>107</sup> In an interview with clinic staff a researcher was told that patients are charged between \$190 and \$225 for setting a fracture, \$195 for treating a nosebleed, \$330 for treating a dislocation, and \$200 for removing a piece of wood from a patient's foot. Privileged access to specialists (or queue-jumping) appears to be sold: in an interview with clinic staff, a researcher was told that "same-day specialist referral" was available at a fee to the patient of \$1,250.<sup>108</sup>

#### **Comox Valley Surgical Centre, Courtenay (associated with Comox Valley MRI)**

##### **Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: The centre sells a mix of medically necessary and unnecessary services such as orthopedics, plastic and cosmetic, dental, urology, ob/gyn, cataract, epidural,

In an interview with a member of the surgical centre's staff, a researcher was told that he would have to pay "about \$2000" for a knee arthroscopy.<sup>109</sup>

In a separate interview, a researcher was told that the clinic is much faster than the public system in providing surgery and that surgeons at the clinic are in both the public and private system. A researcher was also told that a patient could choose to see the same surgeon in either a hospital under MSP [Medicare] or at the clinic for a fee – but if he sees the surgeon in the clinic there is no waiting list.<sup>110</sup> The clinic stated that the British Columbia Medical Association has a rate guide, independent of the ministry guidelines, "which posts prices at what doctors think is a fair rate" and that this is what is used by the clinic to set prices for the public to pay.<sup>111</sup>

#### **Cambie Surgery Centre, Vancouver**

##### **Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: Surgeries and procedures sold include orthopedic (arthroscopic/sport injuries), Plastic, Cosmetic and Oral, General Surgery, Laparoscopic Surgery, Gynecology, Vascular Surgery, Neurosurgery, Ophthalmology, Urology, Ear, Nose and Throat and Pediatric Dental.<sup>112</sup>

Q: Do you sell knee surgery?

A: We don't do full knee surgery in the facility but we do perform partial knee surgeries and knee scopes.

Q: How much is a partial knee surgery?

A: An initial medical assessment at our specialist clinic is \$500 to \$750. The procedure is \$15 to \$20,000 depending on the complexity.

Q: Is it covered by MSP?

A: No, we're completely private.

Q: What's the advantage of using your clinic?

A: It's much faster than the hospital. You can wait more than six months to see a specialist and then another six months for surgery. You can call our specialist referral clinic and see a specialist within a few weeks and then have surgery as soon as the week after that.<sup>113</sup>

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<sup>107</sup>"Canada's first urgent care centre opens in Vancouver but questions dangle", *Canadian Press*, December 1, 2006

<sup>108</sup> Telephone interview with clinic staff, December 12, 2007

<sup>109</sup> Telephone interview with staff, December 13, 2007

<sup>110</sup> Telephone interview with staff conducted April 16, 2008

<sup>111</sup> Telephone interview with staff conducted April 16, 2008

<sup>112</sup> <http://www.csc-surgery.com/index.php>

<sup>113</sup> Telephone interview with clinic, December 13, 2007

**Blaylock Surgical Centre** (affiliated with Valley Laser Eye Centre), Abbotsford, BC

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: Plastic/cosmetic surgery, general surgery, orthopedic, urology, gynecology and dental.

Q: Do you sell surgeries?

A: Yes, what are you interested in?

Q: Just trying to get a general idea on prices.

A: A colonoscopy costs \$1300 and knee arthroscopies are \$2800.

Q: Covered by MSP?

A: No, we don't accept MSP. You either pay for it privately or we accept payment from private insurers or WCB if it's a WCB case.<sup>114</sup>

Q: How much is an arthroscopy?

A: An initial consultation is \$200 and then approximately \$2800 for the surgery.

Q: Does it make any difference in the price if I have MSP?

A: No, we'll give you a receipt but we don't bill MSP for anything.

Q: What's the difference between going to your clinic and a hospital?

A: No waiting list. We can book surgery within 1 to 2 weeks<sup>115</sup>.

**Kamloops Surgical Centre**, Kamloops

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue jumping

Services sold: General Surgery, Cosmetic Surgery, Gynecology Surgery, Urology, Neurosurgery and Pain Management, Dentistry, Ophthalmology Surgery, Orthopedic and Sports Injuries Surgery<sup>116</sup>

Q: Do you sell knee surgery?

A: Yes.

Q: How much?

A: There's a \$350 consultation fee for seeing a specialist who will determine what your condition is and what, if any, surgery is needed.

Q: How much is the surgery?

A: It depends on what the specialist finds, I couldn't give you a figure.

Q: Can you give me some sort of idea?

A: It's in the thousands.

Q: Covered by MSP?

A: No. Patient pays or your employer or private insurer.<sup>117</sup>

Q: How does your clinic work?

A: We are a private clinic, but have doctors who work in the public system. What sort of surgery are you interested in?

Q: My knee.

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<sup>114</sup> Telephone interview with staff, December 13, 2007

<sup>115</sup> Telephone interview with staff, April 16<sup>th</sup>, 2008

<sup>116</sup> [http://www.kamloopssurgery.com/medical\\_procedures.htm](http://www.kamloopssurgery.com/medical_procedures.htm)

<sup>117</sup> Telephone interview with staff, December 13, 2007

A: Dr. Porter and Dr. Outerbridge are knee surgeons. If you want to receive an assessment with them under MSP there's a waiting list of about 1.5 years. However, if you pay \$350 consultation fee they can see you at the clinic in 2-6 weeks. That is one way to save time – pay for the assessment and then, if you need surgery, use that assessment to get into line in the public system. Or one can just pay for the assessment and then have surgery at the clinic.<sup>118</sup>

#### **Langley Surgical Centre, Langley**

##### **Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue Jumping

Services sold: Only day procedures are conducted such as ACL repair, hernia, general surgery  
Arthroscopic Joint Surgery, cataract, hernia repair and cosmetic surgeries are for sale.

Staff at Langley told a researcher that a patient could purchase surgery privately through the clinic. The patient is billed a facility fee depending on the surgery - for arthroscopy, it ranges from \$2685 to \$3800 and that the cost of the surgery itself depends on the arrangement made between the patient and the surgeon and that the clinic itself did not say whether a surgeon would be billing MSP [Medicare] or the patient for the surgery above and beyond the facility fee charge.<sup>119</sup>

Q: Do you sell surgical services?

A: Yes.

Q: What do you have available? Your website isn't up.

A: Yes, being redone. Only day procedures are conducted such as ACL repair, hernia, general surgery  
Arthroscopic Joint Surgery, cataract, hernia repair and cosmetic surgeries

Q: How much?

A: We charge a facility fee. Arthroscopy ranges from \$2685 to \$3800. "some criteria that have to be met, a BMI of under 35, we look at your height and your weight to make sure you're appropriate to have surgery outside of a hospital setting – that criteria is throughout British Columbia." It's much faster having the surgery done here – a surgeon can book here within the month where it's up to a year in the hospital.

Q: Who pays?

A: The patient or employers such as RCMP. WCB cases are covered.

Q: How many surgeons do you have on staff?

A: 6.

Q: Are they affiliated with any hospitals?

A: Langley Memorial and Surrey Memorial<sup>120</sup>

#### **South Island Surgical Centre, Victoria**

##### **Suspected violations to be investigated:**

- 1) Charging patients out of pocket for medically necessary services
- 2) Queue-jumping.

Services sold: General surgery as well as gynecology, urology, endoscopy, anesthesia, pediatric dental, ophthalmological, cosmetic/plastic.

The RN Nurse Manager at the centre told a researcher that patients are usually charged a facility fee of \$1200 whether or not the surgery is being covered by MSP. In regards to a query about cataract surgery, the researcher was told "if it's an MSP and [you] want to jump the queue you can do that"<sup>121</sup>

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<sup>118</sup> Telephone interview with staff, April 16<sup>th</sup>, 2008

<sup>119</sup> Telephone interview with staff, December 14, 2007

<sup>120</sup> Telephone interview with staff, December 14, 2007

<sup>121</sup> Telephone interview with Kendall O'Brien, RN, Nurse Manager, December 6, 2007, 4:45 ET

**Seafield Surgical Centre, Nanaimo,  
Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services

Services sold: Dental, General Surgery, Ophthalmology, Orthopedics, Plastic Surgery and Urology.<sup>122</sup>

Seafield's staff told a researcher that a facility fee of \$5000 is billed to the patient in the case of ACL reconstruction surgery actual surgical procedure. When asked by a researcher if MSP (Medicare in British Columbia) covers any of the surgeon's fees the response from staff was "couldn't tell you" and that the clinic is not involved in financial arrangements between the patient and surgeon but only rents out its facilities to affiliated doctors who make their own pay arrangements with patients. The clinic states that the facility fee is for OR time and for the use of the clinic's nurses and anesthesiologists.<sup>123</sup>

In a subsequent interview, when asked about the fee for the surgery itself the researcher was told he would have to "work it out with the doctor and anesthesiologist yourself" and that the medical professionals either bill MSP or charge the patient – either way the patient also pays the "facility fee."<sup>124</sup> The clinic referred the researcher to Dr. Chris Cameron whose office said it would not discuss billing until a consultation was held because it was necessary to examine and check out the injury before confirming coverage but that if the injury fell under MSP's coverage guidelines the doctor would have no problem billing the provincial Medicare plan.<sup>125</sup>

**New Westminster Surgical Centre  
Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: Dental, ENT, general surgery, ophthalmology, orthopedics and plastic surgery.<sup>126</sup>

New Westminster Surgical Centre told a researcher that a patient is billed a \$950 facility for cataract surgery in addition to the charge for the lens, which is paid for by the patient, and the cost of the surgery itself. When asked if MSP (Medicare in British Columbia) the researcher was told that the consultation "might be covered." The researcher was referred to Dr. Niema whose office told the researcher that the cost of a hard lens is covered by the government but that the patient is billed \$300 to \$450 per eye for soft lenses. In total, the researcher was told "if you go through [the surgery] privately it's about \$1500 per eye." The researcher was told that Dr. Niema performs MSP covered surgery out of Rich Meadows Hospital with a waiting list of four to six months or the surgery can be performed privately, for a fee, usually after a wait of "about 2 months."<sup>127</sup>

Q: How much is a knee scope?

A: "It depends on the surgeon but roughly you're looking at roughly \$2700 if it's just a straight scope"

Q: What does that actually pay for?

A: "That's the facility fee, the surgeon's fee and the anesthetist fee. Usually people will go to see an orthopedic surgeon and that's six months to get in... you could ask the walk in clinic to refer you to an orthopedic surgeon, if it's taking six months and you don't want, one of them who works with me will see patients privately for a \$350 fee."

Q: How long does it take to do it privately?

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<sup>122</sup> <http://www.surgicalcentres.com/seafieldprocedures.htm>

<sup>123</sup> Telephone interview with staff, December 6, 2007

<sup>124</sup> Telephone interview with clinic staff, April 16, 2008

<sup>125</sup> Telephone interview with clinic staff, April 16, 2008

<sup>126</sup> <http://www.surgicalcentres.com/newwestminprocedures.htm>

<sup>127</sup> Telephone interview with staff at Dr. Niema's office, December 6, 2007



A: "I can get you in to see the surgeon probably by the end of the month and then he books your surgery within about two weeks."<sup>128</sup>

**Delbrook Surgical Centre, North Vancouver**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: Orthopedic surgery including, ankle, wrist and shoulder surgery, Arthroscopic Joint Surgery, minor trauma and fracture surgery, sports medicine surgery, cosmetic and plastic surgery, hernia repair, carpal tunnel surgery, urological surgery, vasectomy and vasectomy reversal, dental surgery and diagnostic and therapeutic nerve block procedures.<sup>129</sup>

The centre told a researcher that a patient could privately purchase partial knee surgery for \$13,345, miniscal repair for \$4058, or an ACL procedure for \$6000.<sup>130</sup> Clinic staff told a researcher that the advantage of paying Delbrook privately for surgery rather than using a hospital is that Delbrook would "eliminate the wait time."<sup>131</sup>

**Pezim Clinic, Vancouver**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: The Pezim Clinic is dedicated solely to gastrointestinal (diagnostic) endoscopy (scope tests) and anorectal surgery.<sup>132</sup>

A staff member of the clinic told a researcher that Dr. Pezim performs both MSP and non-MSP colonoscopies. The non-MSP colonoscopies are medically unnecessary procedures done for screening purposes but is the same test that is done in a hospital – the patient is charged \$1,200. The researcher was told that for the MSP covered colonoscopies (which, according to the staffer, are for patients who are either symptomatic or have a strong family history indicating a risk), the clinic directly charges patients \$240 on top of its payment from Medicare as an "expense fee" in exchange for "faster service than what would be obtained through a hospital." The researcher was told "if you come here the privilege is you are not waiting for 6 months" and that the extra expense fee charged to patients is "because Dr Pezim is running this clinic outside of hospital someone has to cover the expenses."<sup>133</sup>

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<sup>128</sup> Telephone interview with Jenny of New Westminster Surgical Centre, April 28, 2008

<sup>129</sup> <http://www.delbrooksurgical.com/procedures/services.html>

<sup>130</sup> Telephone interview with clinic staff, December 6, 2007

<sup>131</sup> Telephone interview with staff, April 16, 2008

<sup>132</sup> <http://www.pezimclinic.com/>

<sup>133</sup> Telephone interview with Navin in Dr. Pezim's office, December 6, 2007

**Ambulatory Surgical Centre Vancouver L.P., Vancouver**  
**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: Orthopedic, podiatric, cosmetic and gynecology, reconstructive - plastic surgery services that do not require anesthetic. The centre also arranges expedited diagnostic services including MRI/CT.<sup>134</sup>

Q: If I wanted to get some knee surgery done privately can I purchase that from you?

A: We do provide that service.

Q: How much would it cost?

A: A knee scope can be about \$4000, if there's a tear it could be \$4500, ACL reconstruction is about \$7500.

Q: What would be the advantage of getting it done privately rather than through MSP?

A: "Privately you can get it done a lot sooner"

Q: How quickly?

A: "Within 4 to six weeks whereas in the public system it can take 8 or 9 months to see an orthopedic surgeon and then another 8 or 9 months for surgery if it's needed."<sup>135</sup>

**Valley Surgery Centre, Surrey**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: Cosmetic surgery, plastic surgery, orthopedic surgery, ophthalmologic surgery and urological surgery

Centre staff told a researcher that patients are billed approximately \$4000 for knee surgery.<sup>136</sup>

Q: I was told before that knee surgery would cost about \$4000, what does this go to?

A: "You're paying for the anesthetist, you're paying the facility fee, you're paying for the surgeon, the nurse's wages."<sup>137</sup>

The clinic referred a researcher to Dr. Yau whose office was then called.

Q: Do I need MSP?

A: No, you would pay Dr Yau and he, in turn, pays these people. You pay him about a week ahead and they will present him with a bill and he will pay them.

Q: How fast could I get surgery?

A: The end of May, 4 or 5 weeks.

Q: And how fast would it be through the public system?

A: 6 months or more.<sup>138</sup>

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<sup>134</sup> <http://www.asc-vancouver.ca>

<sup>135</sup> Telephone interview with Michelle at the centre, April 28, 2008

<sup>136</sup> Telephone interview with staff, December 6, 2007

<sup>137</sup> Telephone interview with Valley Surgery Centre staff, April 28, 2008

<sup>138</sup> Telephone interview with Carolyn of Dr. Yau's office, April 24, 2008.

**Valley Laser Eye Centre, Abbotsford (affiliated with the Blaylock Surgical Centre)**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: Cataract surgery and medically unnecessary laser eye surgery.

According to the medical office assistant responsible for cataract surgery at the centre cataract surgery is paid for by MSP if the patient is willing to go on the waiting list in which case Dr. Blaylock performs the surgery at Chilliwack Hospital or the patient can pay \$1200 per eye to be operated upon in the clinic within a month.<sup>139</sup>

Q: What services do you sell?

A: Laser eye surgery and cataract surgery.

Q: How much does cataract surgery cost?:

A: It depends, if MSP covers it then Dr. Blaylock performs the surgery in Chilliwack General Hospital and then it's free if you want a hard lens or \$400 if you prefer a soft foldable lens. There's a waiting list of 5 to 6 months though. If you wish to have the surgery in the clinic then it's \$1200 which includes the soft foldable lens and the waiting period is less than a month.

Q: How many cataract surgeries you perform?

A: We perform about 18 eye surgeries for each day, twice a week so that's 18 on Tuesdays in the general hospital and 18 private surgeries on Wednesday in the clinic.<sup>140</sup>

**Burnaby Eye Surgery Centre**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: Cataract surgery

Clinic staff told a researcher that cataract surgery could either be obtained from Dr Yu either in hospital in which case there would be a waiting period or in the clinic for a facility fee of \$350. In both private and public surgery options there would also be an additional \$350 charge for a soft lens.<sup>141</sup>

Q: Do you sell cataract surgery?

A: Yes.

Q: How much?

A: It's covered by MSP if it's done in hospital, no charge except for \$350 fee if you want a soft lens. We can also perform the surgery in the clinic "if you have MSP then it's \$350 for facility fee plus \$350 for the lens"

Q: What's the difference between doing it in the hospital and in the clinic?

A: There's no waiting list if the surgery is at the clinic.<sup>142</sup>

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<sup>139</sup>Telephone interview with Jodie, Medical Office Assistant/Cataract Surgery at Valley Laser Eye Clinic. December 13, 2007.

<sup>140</sup> Telephone interview with Jodie, Medical Office Assistant/Cataract Surgery at Valley Laser Eye Clinic. December 13, 2007.

<sup>141</sup> Telephone interview with staff at Dr. Yu's clinic, December 5, 2008

<sup>142</sup> Telephone interview with staff, December 5, 2007

**Coquitlam Cataract Centre,  
Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

The clinic told the researcher that patients could either have Dr. Parkinson perform the surgery in hospital in which case there would be a 5 to 6 month waiting period. MSP would cover the surgery except for the cost of a soft lens if the patient preferred that to a hard lens. The researcher was told that if the patient wished to have the surgery in the clinic he or she would be billed a \$700 “user fee” per eye plus the cost of a soft lens.<sup>143</sup> According to the clinic, Dr. Parkinson performs cataract surgery 3 to 4 days a month for which the patient is charged and about one day a month in public hospital for MSP patients.<sup>144</sup>

Q: How much is cataract surgery if I'm buying it privately?

A: \$700 is just for the surgery and then there's an interocular lens fee on top of that, the starting fee is \$250 and \$500 per lens

Q: What does the \$700 actually pay for?

A: \$700 is for the actual appointments and the surgery.

Q: What is the benefit of buying the surgery privately rather than going through MSP?

A: “You won't be waiting about a year.”

Q: How long would it take if I do it privately?

A: “Because of all the appointments it will be about a 2 month time period because you need to see Dr. Parkinson first and then a check-up.”<sup>145</sup>

**VisionMed, Vancouver**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: Cataract surgery and medically unnecessary laser eye surgery.

Q: How much does it cost privately?

A: \$795 for eye for basic surgery but if you want a better lens it's \$1795 per eye, the basic is \$790 per eye and a multi focal is \$2795 per eye We only use a foldable lens – the price included all the medication.

Q: How much is it if I don't have MSP?

A: If you are not covered by MSP it's a lot more. MSP covers the surgeons fee, the fee I just quoted you is the lens. \$2000 more for each eye if you don't have MSP.

Q: What's the benefit of doing it in the clinic instead of in the hospital?

A: You don't have to wait, you can have it done next week. 6 months to a year in a hospital and you might not be able to get the multifocal lens in the hospital.<sup>146</sup>

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<sup>143</sup> Telephone interview with staff, December 5, 2007

<sup>144</sup> Telephone interview with staff, December 5, 2007

<sup>145</sup> Telephone interview with Kelly of the cataract centre, April 28, 2008

<sup>146</sup> Telephone interview with Vivian of VisionMed, April 28, 2008

# Ontario: Suspected Violations -11

**Cataract MD/Lasik MD – 2 clinics in Ontario (Mississauga and Ottawa)**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Q: I'm curious about cataract surgery.

A: The first step is to come for an evaluation and see if you're a good candidate. Cataract is done in Ottawa, Mississauga and Montreal. Usually it lasts approximately 2 hours, there's a free consultation and they will tell you the exact price after the consultation. Lenses start at \$1990 per eye and can go to \$2990 per eye.

Q: What am I actually paying for?

A: Usually you pay for the lens and it includes everything, follow-up, correction after, it's for life.

Q: What's the difference between getting it done in the clinic and getting it done in the hospital?

A: There is more follow-up, you can come back anytime, it won't take as long.

Q: Is the lens actually different?

A: There are different lenses depending on your lifestyle. It depends on your activity.

Q: What's the difference between the lens I get at the clinic and the lens at the hospital?

A: There are monofocal at the clinic and the hospital and multifocal. The lens is about the same at the hospital, I can't tell you for sure, but we have several lenses at the clinic available.

Q: But I can get the same lenses at the hospital?

A: It's possible. The thing why some people come to the private clinic is it won't take as long, the appointment and surgery is very quick compared to a hospital.

Q: So the lens is basically the same but it's faster?

A: Mostly, yes.<sup>147</sup>

**Toronto Eye Surgery Centre/Yonge-Eglinton Laser Eye Cosmetic Centre**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: Laser and cataract surgery is sold along with cosmetic procedures.

A researcher was told that cataract surgery can either be paid for through OHIP in which case the patient would be put on a waiting list and the procedure would be performed in hospital or the patient can pay \$1500 to \$2500 per eye directly to the clinic<sup>148</sup> which "covers the whole procedure and post-ops". "OHIP covers some of the expenses such as for an anaesthetist and some of the appointments leading up to the surgery."<sup>149</sup> Without an OHIP card, the cost is about \$1300 more.<sup>150</sup> The clinic promotes queue-jumping saying that "we book quicker than in the hospital."<sup>151</sup>

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<sup>147</sup>Telephone interview with Carol at Cataract MD, April 16, 2008

<sup>148</sup> Telephone interview with Helen at the clinic, April 10, 2008

<sup>149</sup> Telephone interview with Phil at the clinic, April 23, 2008

<sup>150</sup> Telephone interview with Phil at the clinic, April 23, 2008

<sup>151</sup> Telephone interview with Susan at the clinic, April 23, 2008

**Shouldice Hospital, Thornhill**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services

Services sold: Hernia operations

A researcher was told that patients are charged \$135 a night for semi-private rooms and are expected to remain in the hospital for 3 or 4 nights.<sup>152</sup> The researcher was also told that the \$135 fee is mandatory as all of Shouldice's rooms are semi-private.<sup>153</sup> Ontario's non-profit hospitals generally do not charge patients for semi-private or private rooms if there are no other rooms available. In the Shouldice Hospital the mandatory room charges are akin to facility fees that have been found to be in violation of the Canada Health Act and may comprise a user fee (extra billing) since patients have no choice.

**Medisys, Toronto**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: Executive health assessments, 24-hour telephone access to physicians

According to the *Globe and Mail*, Medisys sells what it describes as a "medical concierge" service called Medisys One for an annual fee of \$1,500, which provides a preferred access to a doctor by providing "on call" access to a physician to answer questions over the telephone 24 hours a day.<sup>154</sup> According to the Medisys website, Medisys One includes medically necessary services such as medical assistance if "You are not feeling well or you are concerned with any aspect of your health," prescription renewal, assistance in referral to specialists if you "require immediate medical assistance" and "need to see a physician."<sup>155</sup>

Medisys also sells "executive health assessments" which a Medisys staffer described to a researcher as being an "annual medical" for which the patient is billed \$1250 to \$1350 depending on which program is purchased.<sup>156</sup> The check-up combines medically necessary and unnecessary services and, if the tests indicate a problem, Medisys arranges a referral to a specialist.<sup>157</sup>

Q: Does the health assessment include a physical?

A: Yes.

Q: If I need to see a specialist as a result is it any faster than through OHIP?

A: They refer you through OHIP but using Medisys "it may help cut down your waiting times, the doctors help each other out"

Q: What about Medisys One (the 24 hour service)

A: " Medisys one is a full out concierge service... you can call in and they'll set you up with a specialist Medisys knows and it'll help you get to see a doctor a lot faster."<sup>158</sup>

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<sup>152</sup> Telephone interview with staff, April 16, 2008

<sup>153</sup> Telephone interview with staff, April 10, 2008

<sup>154</sup> <http://www.medisys.ca/executive-health/medisys-one.htm>

<sup>155</sup> <http://www.medisys.ca/executive-health/medisys-one.htm>

<sup>156</sup> Telephone interview with Tammy of Medisys, December 14, 2007

<sup>157</sup> <http://www.medisys.ca/executive-health/feedback-follow-up.htm>

<sup>158</sup> Telephone interview with Michael Timoll, Client Services at Medisys, April 28, 2008

**Medcan, Toronto**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: Comprehensive health assessments, year-round access, and corporate health.

A staffer at Medcan told a researcher that Medcan sells a “comprehensive health assessment” for \$2295, which patients pay for out-of-pocket. The assessment consists of a “head to toe medical” lasting 4 to 5 hours and includes hearing, vision and respiratory testing, a chest x-ray, ECG, bloodwork, a consultation with a nutritionist, abdominal ultrasound and prostate exam. The fee paid by the patient also gives him or her “year round access” to the clinic and its physicians.<sup>159</sup> Medcan asks for a patient’s OHIP card “just to make sure you’re a Canadian resident” but claims not to charge OHIP. A researcher was told that MRIs can “in some cases” be “expedited”.<sup>160</sup>

**Genesis Professional Group, Concord**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services

Services sold: Health and lifestyle assessments and guaranteed ongoing access to the clinic’s physicians.

According to the Genesis website the cost is \$2,500 per year for “personalized health care planning.” Clients can return for consultations subsequently on a fee for service basis paid for by the patient. OHIP covers subsequent visits if they are illness-related and deemed medically necessary.<sup>161</sup>

Medical staff: Two physicians who have limited their caseload to 150 each.<sup>162</sup>

**Cleveland Clinic, Toronto**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: “Executive and preventative healthcare” which includes physicals and testing.

Q: How much is annual membership?

A: \$2500 a year.

Q: What do you get for that?

A: An initial six hour assessment appointment – it includes a colonoscopy if it’s your year for one. The second hour is the annual physical with a doctor and includes consultation time.

Three weeks later, you have a follow-up visit with a doctor for half an hour who provides you with recommendations. The clinic will set up referrals with specialists if that’s needed.

The annual fee includes visits during the year, “we can usually get you in to see our doctors within a day or so.”

Q: Do I need an OHIP card?

A: “Yes, you do need a health card. You give us a list of eligible employees and I check against the list and if they have it that’s fine and if not I ask them to call HR – we take their health card because there are some services that we do charge to OHIP, what we bill you for is what isn’t covered by OHIP.”<sup>163</sup>

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<sup>159</sup>Telephone interview with Heather, 10 :40 am, December 14, 2007.

<sup>160</sup>Telephone interview with Heather, 10 :40 am, December 14, 2007.

<sup>161</sup> <http://www.genesisg.com/faq.asp>

<sup>162</sup>Wente, Margaret, “Buy Your Own Doctor”, *Globe and Mail*, June 17, 2003

<sup>163</sup> Telephone interview with Sue Clark, executive health coordinator, December 14, 2007

Q: If I am referred to a specialist, is it someone at the clinic?

A: They are at the clinic or outside depending on your needs.

Q: Would I be able to see a specialist faster through your clinic than through the public system?

A: "Definitely, if they are internal. If they're external then it's faster but not necessarily the next day."

Q: If I see a specialist at the clinic, do I need OHIP?

A: It's OHIP covered.<sup>164</sup>

### **Sentinelle Santé/Sentinelle Health Group, Ottawa and Gatineau**

#### **Suspected violations to be investigated:**

1) Charging patients for medically necessary services

Services sold: the Ottawa office sells corporate health checkups, which involve a preventative medical examination and lab tests and lifestyle consultation, "pre-employment" exams that companies can use to test prospective employees.

Exams start at \$350 according to the clinic's website.

Q: Do you require an OHIP card?

A: "We like to have it just in case we have to send you for extra tests."

Ontario patients who need a family doctor are referred to Sentinelle's Gatineau clinic

Q: If I don't have a family doctor can I obtain one through the clinic?

A: "you could see a doctor if you want but you'd have to go to Gatineau."<sup>165</sup>

### **Scientia Health:**

#### **Suspected violations to be investigated:**

1) Charging patients for medically necessary services

Services sold: "Prevention based" executive health programs are sold which include fitness assessment, biochemical and physical biomarker testing, weight-loss program, genetic risk testing.

A block fee charged with comingling of medically necessary and unnecessary services. Lab tests are charged to OHIP but patients pay the clinic out of pocket for a physician to explain the results.

A patient can purchase a 3-month "foundation" program for \$2500. A "platinum" \$8,000 year-long program is also available including extensive testing and year-long follow-up.<sup>166</sup> Clients are billed directly; however, lab tests are paid for through OHIP.<sup>167</sup>

Q: Do I also need OHIP?

A: "You need an OHIP card because some of the testing is done through OHIP." "OHIP tests are part of our program, the rest of the program is out of pocket."<sup>168</sup>

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<sup>164</sup> Telephone interview with Hetal of the Cleveland Clinic, April 28, 2008

<sup>165</sup> Telephone interview with staff, April 24, 2008

<sup>166</sup> Telephone interview with Parneet Pal, Manager of health programs, December 14, 2007

<sup>167</sup> Telephone interview with Parneet Pal, Manager of health programs, December 14, 2007

<sup>168</sup> Telephone interview with Parneet Pal, Manager of health programs, January 2, 2008



## **La Vie Executive Health Centre**

### **Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services

Services sold: Comprehensive health assessments including a “comprehensive wellness program” which is year-round and includes services “when health issues arise”.<sup>169</sup>

Q: Do you sell executive health assessments?

A: Yes we do. It’s a full medical facility and we do four and a half hour comprehensive health assessments where we identify any early warning signals or risk factors.

Q: What does it involve exactly?

A: If you haven’t done an ultrasound or x-ray in the past year that’s where things start. We get you to do a pre-assessment questionnaire so we have a genetic makeup of family history. We do all of the bloodwork including PSA and other testing we might want to do based on that assessment. Lung function testing, ECG, vision, hearing “a full physical that’s about an hour and 15 minutes with our physician” and then time with our dietician and a fitness assessment with a personal trainer.

Q: Do I need an OHIP card at all?

A: “The only reason you need an OHIP card is if there are other specialists or facilities for imaging that we want... because then it becomes a medically necessary service and is covered by OHIP.” If for instance we found a mole and you needed to see a dermatologist “we would then facilitate the set-up of those sorts of appointments and for that the OHIP card would be necessary cause that’s then a medically necessary service.” “X-rays require the OHIP card as well”.

Q: And then your doctor goes over the results.

A: “Absolutely...once those images are done they are sent to us and reviewed with you by the physician.” We co-ordinate an appointment with a specialist “and then see you afterwards as part of our follow-up all. That’s all included in the \$1200 comprehensive fee.”

Q: So if I see a specialist I then follow-up with a doctor in your clinic?

A: “Once we complete the full assessment we have a follow-up with the client after all of the other specialist” appointments are completed and then we give you a full action plan.<sup>170</sup>

## **Quebec: Suspected Violations - 41**

Note: The Quebec government has de-insured medically necessary MRIs, CTs, and ultrasounds (excluding x-rays) when they are conducted outside of hospitals. Nonetheless, the Canada Health Act requires provincial governments to cover, under uniform terms and conditions, all medically necessary hospital and physician services. In the mid-1990s, Alberta was required to reimburse all patients who had been forced to pay for MRI scans that were medically necessary in private clinics. Thus, the Quebec government is in breach of the principle requiring equal access to health care regardless of ability to pay - by allowing clinics to require patients to pay for medically necessary MRI and CT scans.

**MédiClub**, Montreal<sup>171</sup>

### **Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services

Charging a fee for medically necessary services via a block fee for comingled services. Annual fee for privileged access to physicians.

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<sup>169</sup> <http://www.laviehealth.com/services/comprehensive-wellness-program.cfm>

<sup>170</sup> Telephone interview with Leo and La Vie, April 24, 2008

<sup>171</sup> [http://www.sante-net.net/montreal/cliniques%20privees\\_mtl.htm](http://www.sante-net.net/montreal/cliniques%20privees_mtl.htm)

Services sold: “pre-hiring exams” for employers to obtain for prospective employees, ophthalmological<sup>172</sup> and orthopedic<sup>173</sup> surgeries, including those requiring general anesthesia, kinesiology, massage.<sup>174</sup>

Q: I’m just wondering what an annual membership involves

A: You have a medical exam with a doctor, general bloodwork, and a follow-up during the year with your family doctor and also there’s a walk in clinic if you have a problem you can call us and we’ll make an appointment to see a doctor

Q: So I get access to a doctor for a whole year?

A: Yes, it’s your family doctor for the whole period that you’re a member.

Q: Do I need a Medicare card?

A: No, it’s private, you have to pay [asks researcher’s age] it’s \$800 for a year and we don’t need a Medicare card but whenever you see a doctor you have to pay after that.

Q: So it doesn’t make a difference in the price if I have a card or not?

A: No, not at all.

Q: Have the doctors opted out of Medicare?

A: They do both

Q: If I get a membership and I start seeing a family doctor can I charge some of the visits to Medicare?

A: No, it’s included.

Q: All my visits are covered by the fee?

A: Yes.<sup>175</sup>

**ChirurgiVision Clinic**, 2 clinics - Drummondville and Trois Rivieres

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

(Note: physician has opted out of Medicare)

Services sold: Cataract surgery and medically unnecessary laser eye surgery.

Q: How much does cataract surgery cost?

A: \$2300 to \$3250 depending on the lens.

Q: What are the advantages of paying the clinic instead of going to the hospital?

A: It’s much faster in the clinic because it’s private. You can wait 6 months to a year if you go through the hospital.<sup>176</sup>

Q: What does the \$2300 actually pay for?

A: For the surgery and the lens. There’s a \$150 fee for the exam, you’ll be here for about 2 hours, and then we’ll tell you if the surgery can be done and the date.<sup>177</sup>

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<sup>172</sup> <http://www.mediclub.ca/fr/bloc-operatoire/>

<sup>173</sup> <http://www.mediclub.ca/fr/chirurgie/orthopedique/>

<sup>174</sup> <http://www.mediclub.ca/>

<sup>175</sup> Telephone interview with MediClub, April 24, 2008

<sup>176</sup> Telephone interview with Sylvie at the clinic, April 9, 2008

<sup>177</sup> Telephone interview with Suzanne of the clinic, April 24

**Centre d'imagerie médicale Westmount Square, Montréal**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRIs, CTs, ultrasound, mammography, bone densitometry, fluoroscopy, virtual colonoscopy and other diagnostic modalities.

Q: How much is an MRI for the knee?

A: The minimum is \$650

Q: Do I need a doctor's form?

A: Always

Q: What's the benefit of getting it from your clinic rather than a hospital?

A: Usually we can get you an appointment within a few days

Q: And it takes longer in a hospital?

S: Yes, I don't know how long but it's more than a few weeks.<sup>178</sup>

**MD-Plus Medical Clinic/Clinique médicale MD-Plus, Montreal**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services

(Note: physicians have opted out of Medicare)

Services sold: Family medicine and urgent care

Q: I'm just wondering about your service?

A: We're a completely private clinic. Opening a file is \$60 plus the time that you spend with the doctor or we have a \$295 package which includes the \$60 to open the file and gives you access to appointments within 12 hours compared to between 48 and 72 hours. If you have this package, it gives you appointments within 12 hours.

Q: So it's \$295 a year.

A: For the package to have an appointment within 12 hours, the other way is to just pay \$60 to open your file and then you have to pay the doctor between \$100 and \$200 [each visit].<sup>179</sup>

**MRI Plus, Gatineau**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRIs

Q: [How much does it cost for an MRI of] the back.

A: Yes. It's \$1150.

Q: What's the benefit of using the clinic rather than a hospital for an MRI?

A: They have a longer waiting list.

Q: What would the difference be?

A: Over a year.<sup>180</sup>

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<sup>178</sup> Telephone interview with the clinic, April 15, 2008

<sup>179</sup> Telephone interview with the clinic, April 16, 2008

<sup>180</sup> Telephone interview with the clinic, April 16, 2008

**Ottawa Valley MRI, Gatineau (owned by Canadian Diagnostic Centre, Calgary)**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRIs

Q: How do I go about getting an MRI?

A: You need a requisition from a doctor

Q: What would be the benefit of getting an MRI from the clinic?

A: There's a waiting list at the hospital.

Q: Is it faster to go through the clinic?

A: We're a private clinic; you can get an appointment between 24 and 48 hours where at the hospital you have a waiting list.<sup>181</sup>

**St. Joseph's MRI, Gatineau**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRIs

Q: How much is an MRI?

A: \$695 for most scans.<sup>182</sup>

Q: What's the advantage of going to the clinic rather than a hospital?

A: Here it's faster, we don't have waiting times.<sup>183</sup>

**Ville Marie Radiology Centre/Ville Marie MRI, Montreal**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRIs, CTs, PET scans, mammography, specializes in breast imaging.

Q: How do I go about getting an MRI?

A: What kind?

Q: Lumbar.

A: We need a doctor's request by fax. It'll cost between \$625 and \$725.

Q: Can you suggest a doctor?

A: The doctor's here are specialized for the breast but we can do any kind of MRI.

Q: What's the advantage of going to the clinic rather than a hospital?

A: The hospital it's usually a few months before you can have an appointment and here it's a few days or a week.<sup>184</sup>

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<sup>181</sup> Telephone interview with staff, April 16, 2008

<sup>182</sup> Telephone interview with staff, January 24, 2008

<sup>183</sup> Telephone interview with staff, April 16, 2008

<sup>184</sup> Telephone interview with staff, April 16, 2008

**Tomo Concorde, Laval**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRIs, CTs

Q: How much does it cost for me to buy an MRI from your clinic?

A: For most scans, \$650<sup>185</sup>

Q: What's the advantage of getting an MRI from the clinic rather than a hospital?

A: It's much quicker here, in about a week, you'll have an appointment, but in a hospital, it will be longer.<sup>186</sup>

**Medisys MRI Scan Centre, Montreal**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRIs, Medisys also offers CTs and nuclear imaging at another Montreal location.<sup>187</sup>

Q: What's the advantage of getting an MRI from the clinic rather than a hospital?

A: Here it's private so it's faster but you need to pay.<sup>188</sup>

**Réso-Carrefour and Réso-Concorde, Laval (2 clinics)**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRI

Q: How much would it cost for me to buy an MRI of a knee in your clinic?

A: An MRI of a knee is \$650.<sup>189</sup>

Q: What's the advantage of getting an MRI from the clinic rather than a hospital?

A: In a hospital it's very long, maybe one year and here it's a private clinic and it's very short. 2 or 3 days.<sup>190</sup>

**Westmount Square Surgical Centre, Montreal**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: Day surgery including orthopedic, general surgery (including hernia repair) and plastic surgery.<sup>191</sup>

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<sup>185</sup> Telephone interview with staff, January 24, 2008

<sup>186</sup> Telephone interview with staff, April 16, 2008

<sup>187</sup> <http://www.medisys.ca/clinic-locations/index.htm#imaging>

<sup>188</sup> Telephone interview with staff, April 16, 2008

<sup>189</sup> Telephone interview with staff, January 24, 2008

<sup>190</sup> Telephone interview with staff, April 16, 2008

<sup>191</sup> <http://www.wssurgical.com/ecedures.htm>

Q: How do I arrange knee surgery – arthroscopy?

A: I have plenty of surgeons who could do this, more than 10 of them. It costs \$2500.

Q: Do I need a Medicare card?

A: All of my surgeons are paid by Medicare in Quebec otherwise, you'd pay twice as much

Q: So the \$2500 is above that?

A: You pay for the medical supplies and equipment....Now all of my surgeons won't see you without an MRI so go back to your family doctor and ask him to prescribe you an MRI then fax me the report and then you can have a consultation with the surgeon – that takes two to three days.

Q: What's the difference between doing this in your centre and at the hospital?

A: We can see you right away, and in the hospital, you have to wait.

Q: So what does the \$2500 pay for exactly?

A: "medical supplies, medication, sterilization of the theatre, administrative charges, all the disposable instruments, and the dressing."<sup>192</sup>

**Opmedic Group**, 2 clinics Laval and Montreal

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services

Services sold: pain management, cosmetic surgery, vascular surgery, colonoscopies and gastroscopies, urological, gynecological, hand and coetaneous surgery.

Q: I just want to ask about how much surgery costs – short colonoscopy?

A: A short one is \$250.

Q: That's above what you charge Regie?

A: Yes, because we're a private clinic.

Q: So what does the \$250 actually pay for?

A: For what's given to you, time, the operating room.<sup>193</sup>

**Cataract MD**, Montreal

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: Cataract surgery and medically unnecessary laser eye surgery.

[See under Ontario – the three clinics shares the same toll-free number and call centre and the details do not differ between provinces]

**Cliniques Michel Pop**, Montreal

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

(Note: physician has opted out of Medicare)

Services sold: Cataract surgery and medically unnecessary laser eye surgery.

Q: Do you sell cataract surgery?

A: Yes.

A: \$100 for the consultation which is deductible from the surgery and the surgery is \$2150

Q: Does RAMQ cover the surgery at all?

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<sup>192</sup> Telephone interview with staff, April 16, 2008

<sup>193</sup> Telephone interview with the clinic, April 16, 2008

A: This is a private clinic, if you go to the hospital, it is covered

Q: What's the difference between having the surgery done in the clinic and at the hospital?

A: The waiting period is a year or a year and a half in hospital.

Q: How long the wait in the clinic?

A: 1 to 2 weeks<sup>194</sup>

**Iris Clinique D'Ophthalmologic, Laval**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: Cataract surgery and medically unnecessary laser eye surgery.

Q: Do you sell cataract surgery?

A: Yes.

Q: How much is it?

A: \$2590 each eye.

Q: Why should I get surgery at your clinic instead of at the hospital?

A: You don't have to wait in a private clinic because you can have an appointment in one or two weeks and in hospital, you have to wait about 6 months or more.<sup>195</sup>

**MD Specialists, Montreal**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: Gastrointestinal surgery.

Q: Do you sell colonoscopy surgery?

A: Yes.

Q: How much is it?

A: There's a flat fee of \$450 if you have a Quebec health card.

Q: What if I don't have a card?

A: Then it's \$1150.<sup>196</sup>

Q: What does the \$450 pay for?

A: Private services and medication

Q: What's the difference between getting the surgery at a hospital and in your clinic?

A: Basically here, it's private, usually people choose to do it privately because it's quite urgent.

Q: How quickly?

A: A few days

Q: How long does it take in a hospital?

A: Probably a year.<sup>197</sup>

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<sup>194</sup> Telephone interview with the clinic, April 9, 2008

<sup>195</sup> Telephone interview with the clinic, April 28, 2008

<sup>196</sup> Telephone interview with clinic staff, April 9, 2008

<sup>197</sup> Telephone interview with clinic staff, April 29, 2008

**Institut Privé de Chirurgie, Quebec City**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

(Note: physician has opted out of Medicare)

Services sold: Cataract surgery and cosmetic/dermatological procedures

Q: Do you sell cataract surgery?

A: Yes.

Q: How much?

A: \$100 for the exam and \$2650 for the surgery, each eye, and we have multifocal lens that's \$3550 but you don't need glasses.

Q: What's the difference between having the surgery in the clinic and the hospital?

A: The doctor is not on l'assurance maladie. It's faster, the next appointment is May 7<sup>th</sup> and for the surgery it's about one or two weeks after and then in one month you have the exam and the surgery for both eyes. In a hospital I think it's between 1 and 2 years.<sup>198</sup>

**Centre de médecine privée Blouin-Valois, Saint-Lambert,**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services

(Note: physicians have opted out of Medicare)

Services sold: General medicine<sup>199</sup>

Q: How much is a checkup?

A: checkup of 40 minutes is \$160

Q: What's the difference between going to your clinic and using the public system?

A: When you have a file here you can have an appointment right now. It's faster than the public system.<sup>200</sup>

**Sentinelle Santé/Sentinelle Health Group, Gatineau (and Ottawa)- family medicine, services sold:**

Medical examinations, checkups and testing.

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services

(Note: Quebec physicians have opted out of Medicare).

Services sold: Gatineau has a private medical clinic (see Quebec), the Ottawa office sells corporate health checkups which involve a preventative medical examination and lab tests and lifestyle consultation and pre-employment exams [see Sentinelle Health Group for information on the Ottawa clinic]

Q: How does your clinic work, is there an annual membership?

A: No you have to come for a complete physical which is \$375 and then there's no follow-ups included, you become a patient of the doctor that's seen you and all the follow-ups are payable by blocks of time so 10 minutes is \$90, 15 minutes is \$130, 20 minutes is \$175 and so on.

Q: Is any of it covered by Medicare?

A: No because we're private, we're not part of Medicare.

Q: So I don't need a Medicare card?

A: You need it for your blood test, that's done at the hospital, we take the blood here but it's done at the hospital, your card pays for the analysis of your blood.

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<sup>198</sup> Telephone interview with clinic staff, April 29, 2008

<sup>199</sup> [http://www.sante-net.net/montreal/cliniques%20privees\\_mtl.htm](http://www.sante-net.net/montreal/cliniques%20privees_mtl.htm)

<sup>200</sup> Interview with Nicole at the clinic, April 29, 2008



Q: What's the difference using your private clinic over a public clinic?

A: If you have a doctor in the public system you're fine but if you don't and you need to see a doctor that's where the advantage is, you have access to a doctor whereas in the public you don't have access unless you're a member somewhere.<sup>201</sup>

**Rockland MD**, Montreal

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

Services sold: Day surgeries including: general surgery, endoscopies, colonoscopies and gastroscopies, orthopedic surgery, ENT surgery, plastic surgery, treatment of prostate cancer, minor emergencies, general medicine. Medically unnecessary "comprehensive health assessments" are also sold.<sup>202</sup>

While several of Rockland's physicians have opted out of Medicare, a number have not and are thus practicing both publicly and privately.

Q: Do you sell hernia procedures?

A: Yes.

Q: How much does it cost?

A: Between \$2400 and \$3100 depending on how complicated it is. You'd have to see a surgeon first for a consultation.

Q: Does RAMQ cover it at all?

A: No, we're private.

Q: Do I need a RAMQ card, does it make a difference in the price?

A: No.<sup>203</sup>

Q: What's the difference between having the procedure at the hospital and at your clinic?

A: At the hospital it's covered by your Medicare card. The advantage is you could probably have the procedure here within a few days whereas at the hospital you'll be waiting a few months.<sup>204</sup>

**Duval Orthopedic Clinic**, 2 –site private hospital in north-end Montreal and Laval.

**Suspected violations to be investigated:**

- 1) Charging patients medically necessary services

(Note: physicians have opted out of Medicare)

Services sold: Knee and hip replacements, arthroscopic surgeries and ligament reconstruction.

Q: How much would I have to pay for a knee surgery?

A: Between \$12,000 and \$15,000

Q: Is it covered by Medicare at all?

A: No, we're a private clinic.

Q: Does having a Medicare card make any difference in the price?

A: No, not at all.<sup>205</sup>

Q: What's the difference between having the surgery in the clinic or in the hospital?

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<sup>201</sup> Telephone interview with the clinic, April 29, 2008

<sup>202</sup> <http://www.rocklandmd.com/en/services.php>

<sup>203</sup> Telephone interview with the clinic, April 16, 2008

<sup>204</sup> Telephone interview with the clinic, April 29, 2008

<sup>205</sup> Telephone interview with the clinic, April 9, 2008

A: Because you have to wait, there's a waiting list and here we're private so there's no waiting list

Q: How quickly could I get surgery at the clinic.

A: It could be done next month.<sup>206</sup>

**Laservue, Montreal**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

(Note: physician has opted out of Medicare)

Services sold: Cataract surgery and medically unnecessary laser eye surgery.

Q: Do you sell cataract surgery?

A: Yes we do.

Q: How much does it cost?

A: \$2350 that includes the consultation and the surgery per eye.

Q: Is it covered by Medicare?

A: Not at all, not even for people living in Quebec.

Q: What's the difference between getting it done in a clinic and hospital?

A: It's not a hospital atmosphere, the technology is more sophisticated lenses are more sophisticated and the waiting period is less, here it's a two week waiting period and at the hospital it's at least six months.<sup>207</sup>

Q: How much of the \$2350 is for the lens itself?

A: About \$400. The \$2350 includes the cost of the surgery, 3 visits, the nurses and everything else.<sup>208</sup>

**100 Vision/Dr Guy Doyon, Sherbrooke**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

(Note: physician has opted out of Medicare)

Services sold: Cataract surgery and medically unnecessary laser eye surgery.

Q: Do you sell cataract surgery?

A: Yes.

Q: How much is it?

A: Between \$2000 and \$2500 per eye.

Q: How much of that is for the lens?

A: About \$400 to \$500.

Q: Does Medicare cover any of the cost?

A: No, Dr Doyon doesn't accept Medicare. The clinic is private so the waiting list is shorter.<sup>209</sup>

**Montreal Eye Clinic, 2 clinics, Montreal and Longueuil**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping.

(Note: at least one of the clinic's physicians has opted out of Medicare)

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<sup>206</sup> Telephone interview with Dr. Duval's secretary, April 29, 2008

<sup>207</sup> Telephone interview with Anna at Laservue, April 29, 2008

<sup>208</sup> Telephone interview with clinic, April 16, 2008

<sup>209</sup> Telephone interview with clinic, April 16, 2008

Services sold: Cataract surgery, glaucoma treatment and medically unnecessary laser eye surgery.

Q: Do you sell cataract surgery?

A: Yes we do.

Q: How much does it cost?

A: Depends on the lens, \$2100 to \$3500.

Q: How much is the lens itself?

A: Between \$1000 and \$2,500

Q: Does Medicare cover any of it? Is the price any different if I don't use Medicare?

A: No, we're a private clinic.

Q: What's the difference between using your clinic and going to a hospital?

A: Waiting time first of all, you could wait 6, 7 or 8 months.

Q: How long do I have to wait if I use your clinic?

A: You come in for an evaluation this week and next week we can do the surgery. <sup>210</sup>

**Imagerie médicale West Island Medical Imaging inc.** Pointe-Claire

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRI, CT, and ultrasound.

Q: Do you sell MRIs?

A: Yes.

Q: How much do you sell them for?

A: A knee or shoulder is \$650.

Q: Are they covered by Régie de l'assurance maladie du Québec?

A: No.<sup>211</sup>

Q: How do I get an appointment?

A: You see your doctor and he sends us a prescription.

Q: What's the difference between going to your clinic and a hospital?

A: There's no wait when you are private. <sup>212</sup>

**Clinique de radiologie CLM (RésoScan CLM),** Greenfield Park

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRI, CTs, mammography, bone density, ultrasound.

According to the clinic's website, MRIs and CTs are not covered by Medicare. MRIs are sold to the public for prices ranging from \$625 to \$950 and CTs sell for prices ranging from \$395 to \$595. <sup>213</sup>

Q: Do you sell MRIs?

A: Yes, but we need a requisition from your doctor.

Q: How much is an MRI?

A: Depends on the body part, begins at \$625.

Q: Does RAMQ pay for the MRI?

A: No, you have to pay yourself.

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<sup>210</sup> Telephone interview with clinic, April 9, 2008

<sup>211</sup> Telephone interview with staff, January 25, 2008

<sup>212</sup> Telephone interview with staff, April 16, 2008

<sup>213</sup> <http://www.resoscan.com/examens.htm>

Q: I'm doing some research on private MRI clinics. How many radiologists work at your clinic?

A: About 16.

Q: How many scans do you do in an average day?

A: 20 to 25.

Q: Why would a patient buy an MRI from your clinic rather than go to a hospital.

A: There's no waiting list, the clinic is faster.<sup>214</sup>

**Clinique radiologique Saint-Louis enr. / IRM Saint-Louis, Sainte-Foy**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: Diagnostic radiology including MRIs and mammograms.

Q: Do you sell MRIs?

A: Yes.

Q: How much do you sell them for?

A: Most are \$595.

Q: Are they covered by Régie de l'assurance maladie du Québec?

A: No, you have to pay for it yourself but it's much faster than the hospital – we can make an appointment for you within two days.

Q: I'm just doing some research on MRIs for a project and so I'm calling all the clinics and asking how many radiologists do you have?

A: 10.

Q: How many MRI scans do you do a day?

A: Many.

Q: Can you give me a number?

A: No, many.<sup>215</sup>

**Radiologie Varad, Montréal**

**Suspected violations to be investigated:**

- 1) Charging patients medically necessary services
- 2) Queue-jumping

Q: Do you sell MRIs?

A: Yes.

Q: How much is one?

A: About \$625 depending on what part of the body.

Q: Is it covered by RAMQ?

A: "No, you pay here, payable by credit card." Other tests here are covered by L'assurance medicale but not MRIs.

Q: I'm just doing some research on MRIs for a project and so I'm calling all the clinics and asking how many scans you do a day?

A: 16 to 20.<sup>216</sup>

Q: What do I have to do to get an MRI?

A: You need a requisition from your doctor.

Q: How long does it take?

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<sup>214</sup> Telephone interview with clinic, January 24, 2008

<sup>215</sup> Telephone interview with clinic, January 24, 2008

<sup>216</sup> Telephone interview with clinic, January 24, 2008

A: If you send one today we can make an appointment for next week. It takes a few months if you use the hospital.<sup>217</sup>

**Écho-Médic / Réso-Médic, Laval**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRIs and ultrasound tests.

Q: Do you sell MRIs?

A: Yes.

Q: How much do you sell them for?

A: \$650 for most scans +\$100 for contrast – we need a requisition form from a doctor before we can make an appointment.

Q: Are they covered by Régie de l'assurance maladie du Québec?

A: No, but if you go to a hospital it's 6 months at least, I can give you an appointment the day after tomorrow.<sup>218</sup>

**Clinique de radiologie St-Pascal - IRM Québec, Québec City**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRI, CTs, mammography, bone density

Q: Do you sell MRIs?

A: Yes.

Q: How much do you sell them for?

A: Begins at \$595.

Q: Are they covered by Régie de l'assurance maladie du Québec?

A: No, you can pay with a credit card.<sup>219</sup>

Q: How do I get an appointment?

A: You need a requisition from a doctor.

Q: What's the difference between going to your clinic and a hospital?

A: "We have appointments more quickly, in one or two days, than in a hospital."<sup>220</sup>

**Imagerie des Pionniers Inc., Lachenaie**

**Suspected violations to be investigated:**

- 1) Charging patients out of pocket for medically necessary services
- 2) Queue-jumping

Services sold: Diagnostic testing including MRIs, ultrasound and bone density tests.<sup>221</sup>

Q: Do you sell MRIs?

A: Yes.

Q: How much do you sell them for?

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<sup>217</sup> Telephone interview with clinic, April 16, 2008

<sup>218</sup> Telephone interview, January 24, 2008

<sup>219</sup> Telephone interview with clinic staff, January 25, 2008

<sup>220</sup> Telephone interview with staff, April 16, 2008

<sup>221</sup> <http://www.imageriedespionniers.com>

A: \$600 or more.

Q: Are they covered by Régie de l'assurance maladie du Québec?

A: No.<sup>222</sup>

Q: How do I get an appointment?

A: A doctor needs to send us a request.

Q: What's the difference between going to your clinic and a hospital?

A: The clinic is a lot faster, a few days.. With the hospital you can wait a year.<sup>223</sup>

#### **IRM Trois-Rivières, Trois-Rivières**

##### **Suspected violations to be investigated:**

- 1) Charging patients medically necessary services
- 2) Queue-jumping

Services sold: MRIs

Q: Do you sell MRIs?

A: Yes.

Q: How much do you sell them for?

A: Most are \$595

Q: Are they covered by Régie de l'assurance maladie du Québec?

A: No.<sup>224</sup>

Q: How do I get an appointment?

A: Doctor's requisition form

Q: What's the difference between going to your clinic and a hospital?

A: We can get you an MRI faster.<sup>225</sup>

#### **La Clinique radiologique Clarke inc. / IRM Clarke, Montréal**

##### **Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: X-rays, MRIs

Q: Do you sell MRIs?

A: Yes, but you need a doctor's prescription.

Q: How much do you sell them for?

A: \$650 average.

Q: Are they covered by Régie de l'assurance maladie du Québec?

A: No. But we're faster than the hospital because there's no waiting list.<sup>226</sup>

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<sup>222</sup> Telephone interview with clinic staff, January 25, 2008

<sup>223</sup> Telephone interview with staff, April 16, 2008

<sup>224</sup> Telephone interview with staff, January 24, 2008

<sup>225</sup> Telephone interview with staff, April 16, 2008

<sup>226</sup> Telephone interview with staff, January 24, 2008

**Léger et associés, radiologistes, Montréal**

**Suspected violations to be investigated:**

- 1) Charging for medically necessary services
- 2) Queue-jumping

Services sold: MRI, ultrasound and other diagnostic imaging.

Q: Do you sell MRIs?

A: Yes.

Q: How much do you sell them for?

A: Depends on the body part.

Q: The knee.

A: About \$595.

Q: Are they covered by Régie de l'assurance maladie du Québec?

A: No.<sup>227</sup>

Q: How do I get an appointment?

A: Doctor's requisition form.

Q: What's the difference between going to your clinic and a hospital?

A: With the hospital there is a waiting list.<sup>228</sup>

**Radiologie Laënnec Inc., Mont-Royal**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRI, CTs, and ultrasound.

Q: Do you sell MRIs?

A: Yes.

Q: How much do you sell them for?

A: The average scan is \$650.

Q: Are they covered by Régie de l'assurance maladie du Québec?

A: No.<sup>229</sup>

Q: How do I get an appointment?

A: Doctor's requisition form.

Q: What's the difference between going to your clinic and a hospital?

A: It's not a hospital setting, you don't wait as long to get the scan and you the results are sent back faster.<sup>230</sup>

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<sup>227</sup> Telephone interview with staff, January 22, 2008

<sup>228</sup> Telephone interview with staff, April 16, 2008

<sup>229</sup> Telephone interview with staff, January 22, 2008

<sup>230</sup> Telephone interview with staff, April 16, 2008

**Radiologie Montérégie, Longueuil**

**Suspected violations to be investigated:**

- 1) Charging patients for medically necessary services
- 2) Queue-jumping

Services sold: MRI, CTs, and ultrasound

Q: Do you sell MRIs?

A: Yes.

Q: How much does an MRI cost?

A: \$625 .

Q: Is it covered by Régie?

A: No, you have to pay for the exam.

Q: What's the difference between a clinic and a hospital?

A: "We can give you an appointment in two or three days here and if you go in the hospital you have to wait a couple of months or a year."

Q: What do I have to do to get an MRI?

A: You have to have a prescription from your doctor.<sup>231</sup>

**TOTAL: 89**

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<sup>231</sup> Interview with clinic staff, April 29, 2008



# Alberta

## Snapshot

Median income (2005): \$28,800<sup>232</sup>

Persons registered with Medicare: 3,275,931<sup>233</sup>

### Alberta Health Care Insurance Plan

Number of participating physicians: 5,585<sup>234</sup>

Number of opted-out/non-participating physicians: 0<sup>235</sup>

**For-Profit Surgical Facilities selling medically necessary services: 24<sup>236</sup>**

### For-Profit MRI/CT Clinics:

7 MRIs (4 in Edmonton, 2 in Calgary, 1 in Red Deer); 3 CTs<sup>237</sup> (1 in Edmonton, 2 in Calgary)

Number of clinics willing to conduct medically unnecessary scans: 3

Number of public MRI machines: 19<sup>238</sup>

### Impact of For-Profit clinics on Physician-Specialists:

Ophthalmologists: 94<sup>239</sup>

Laser Vision Correction Surgery: 7 clinics

Ophthalmologists providing laser surgery: 26<sup>240</sup>

Percentage of ophthalmologists working in for-profit clinics: 28%

Orthopedic surgeons: 123<sup>241</sup>

Diagnostic Radiologists: 227<sup>242</sup>

Number of Radiologists involved with private/for profit clinics: 117

Percentage of radiologists working in for-profit clinics: 51.54%

<sup>232</sup> Statistics Canada, CANSIM, table 111-0009.

<sup>233</sup> Canada Health Act Annual Report, 2005-2006

<sup>234</sup> Canada Health Act Annual Report, 2005-2006

<sup>235</sup> Canada Health Act Annual Report, 2005-2006

<sup>236</sup> The College of Physicians and Surgeons of Alberta give accreditation to "Non-Hospital Surgical Facilities" and list 64 such entities as of April 2008 (see:

[http://www.cpsa.ab.ca/facilitiesaccreditation/attachments/Accredited%20Facility%20Listing\\_NHSF.pdf](http://www.cpsa.ab.ca/facilitiesaccreditation/attachments/Accredited%20Facility%20Listing_NHSF.pdf) ) Most of these facilities provide non-medically necessary services such as cosmetic surgery, fertility services or laser vision correction surgery. A number of others provide dental surgery which is not normally insurable. Non-profit freestanding abortion clinics are also included in the College's list As a result of Bill 11, several individual physicians have incorporated themselves for the purposes of entering into contracts with health authorities. These clinics and individuals are not included in our estimate. 24 surgical centres accredited by the College are counted in this estimate because they are for-profit facilities and they either have contracts with a regional health authority to provide surgical services as per [http://www.health.gov.ab.ca/regions/rha\\_service-agreements.html](http://www.health.gov.ab.ca/regions/rha_service-agreements.html), or surgeons who have incorporated themselves and have contract with a health authority conduct their surgery in the facility, have contracts to provide surgery for WCB or sell medically necessary surgical procedures directly to the profit. This includes oral and dermatological surgical facilities who have contracts to provide publicly funded surgical services.

<sup>237</sup> Does not include one CT machine at Edmonton Diagnostic Imaging which is used for dental purposes only

<sup>238</sup> <http://www.health.gov.ab.ca/resources/stats-facts.html#MRI>

<sup>239</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>240</sup> Estimate based on a count of ophthalmologists practicing at facilities performing laser vision correction surgery.

<sup>241</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>242</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

## Background and Overview

Under former premier Ralph Klein, the province of Alberta was loudest in its threats to openly defy the Canada Health Act and expand the private for profit health care, though the actual implementation of these threats has been inconsistent. The province had a small number of for-profit surgical facilities prior to Klein's tenure in government. The number of these facilities expanded through the 1980s. But the most significant growth in the size and scope of services sold for-profit occurred during the Klein years. Like in other provinces where privatization of hospital surgeries and diagnostic tests has occurred, the most significant growth of for-profit privatization accompanied a period of cuts to capacity in the public health system in the mid-1990s. The pattern of cutting public non-profit capacity and then posing privatization as the "solution" has been coined "create a crisis and then privatize." Ultimately, the experience of privatization in Alberta has been that the government returned most MRI services to public control. Similarly, the province's experiment with for-profit surgeries has yielded concrete evidence of significantly higher costs and longer waits as a consequence of privatization.

Shortly after Klein became premier in 1992, his government embarked on a major overhaul of health care in the province with the goal of cutting \$700 million in health care expenditures over a four year period.<sup>243</sup> After several years of protest, and with Alberta spending \$500 million less than when the cutting regime began, Klein announced a moratorium on further health care cuts in 1996.<sup>244</sup> With doctors leaving the province, 8,000 nurses unemployed, and the 1997 provincial election only months away, Klein announced that his government would reinvest \$475 million into the health care system by the year 2000.<sup>245</sup> But the plan was to build capacity in the private sector. With media headlines declaring the health care system in crisis, the government announced plans to turn to private, for profit hospitals for some publicly funded medical services.<sup>246 247</sup>

In 1993, Alberta became the first province in Canada to allow private, for-profit MRIs with the opening of the Western Canada MRI Centre in Calgary and Edmonton's Magnetic Resonance Centre.<sup>248 249</sup> Over the rest of the decade, the number of for-profit owned MRI machines in the province grew. These clinics initially charged patients directly for diagnostic tests that were medically-necessary, in violation of the Canada Health Act.

The experiment was short-lived, and most of the MRI services were returned to public non-profit control. By 2000, public pressure was mounting and public warnings were issued from the federal government that the province was in violation of the Canada Health Act by forcing patients to pay out-of-pocket for access to medically necessary services. The Klein government responded to the pressure by promising that MRIs prescribed by a physician would be paid for with public funds whether they are obtained in a public facility or a private clinic. Ultimately, the province promised to repay patients for all medically necessary MRI scans purchased in private, for-profit facilities since 1993.<sup>250 251 252</sup> The province provided

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<sup>243</sup>Cairney, Richard, "Health care as an election issue: Alberta's experience", *Canadian Medical Association Journal*, 1997;156:1438,1440 <http://www.cmaj.ca/cgi/reprint/156/10/1438.pdf>

<sup>244</sup> *ibid*

<sup>245</sup> *ibid*

<sup>246</sup> Pearlstein, Steven, "Alberta opts for private hospitals as cure for clogged health system," *Washington Post*, November 18, 1999

<sup>247</sup> Harper, Tim, "Private health-care spending swells --- Ontario tops \$1,000 per person for the first time, study says," *Toronto Star*, December 17, 1999

<sup>248</sup> Cernetig, Miro, "Health-care clinics taking U.S. twist MRI technology made available in West for \$1,000 per visit," *Globe and Mail*, April 10, 1993

<sup>249</sup>Brooks, Janet, "Alberta's private MRI clinics one sign of move away from cash-free medical care," *Canadian Medical Association Journal (CMAJ)*, 1994 September 1; 151(5): 647-648

<sup>250</sup> "Alberta backs off Klein promise to pay for prescribed MRIs," *Canadian Press* May 20, 2000

a further \$3.2 million so that health authorities could temporarily utilize private clinics for publicly funded scans until seven new MRI scanners opened in provincial hospitals.<sup>253</sup> Most of the contracts terminated at the end of 2001 when additional public machines began operation.<sup>254</sup> Seven years after the first experiment with for-profit privatization of diagnostic MRI clinics, most of the services were returned to public non-profit control. According to the public listing of its contracts, it appears that the Calgary Health Region has no contracts with private MRI providers.<sup>255</sup> Clinics in Edmonton, however, do handle public MRI referrals from the Capital Health Authority.

Alberta's experience with private delivery of cataract surgery yielded similar results. The privatization of these services yielded concrete evidence that wait lists were longer in areas with higher rates of privatization. In 1999, a study by the Consumers Association of Canada (Alberta) found that waiting lists and costs for cataract surgery were higher in Calgary where all cataract surgery was done in private clinics, 56% of patients had surgery in less than 12 weeks as opposed to Edmonton where most such surgery was undertaken in public facilities and 87% of surgeries were done within 12 weeks.<sup>256</sup>

Nevertheless, in 2006, the Klein government released a Health Policy Framework that would allow physicians to work in both the public and private sector (i.e. doctors opted into Medicare would be allowed to market and sell the same medically-necessary services covered under Medicare to patients for private payment outside the Medicare plan – a practice currently prohibited under the Alberta Health Care Insurance Act). Dr. Ian MacDonald, chair of Ophthalmology at the University of Alberta, re-iterated that there was a disparity between waiting times for cataract surgeries in Calgary and Edmonton as of 2006.<sup>257</sup>

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<sup>251</sup> Jeffs, Allyson, "Liberals vow to make MRIs strictly public-health service; Paying for scan and jumping queue not in MacBeth's plans", *Edmonton Journal*, February 28, 2001

<sup>252</sup> Walker, Robert, "Province to pay costs of MRI scans since '93: Price could hit \$12.8 million," *Calgary Herald*, April 10, 2001

<sup>253</sup> Thomson, Graham, "New MRI policy headed off showdown with Ottawa: Long-standing feud over private services has likely ended," *Edmonton Journal*, April 11, 2001

<sup>254</sup> "MRI clinics weather loss of contracts: Demand for private scans still growing", *Edmonton Journal*, January 8, 2002

<sup>255</sup> Calgary's MRIs are currently being performed at Foothills Medical Centre, the Rockyview, Peter Lougheed and Alberta Children's Hospitals and the South Calgary Health Centre. Accessed on April 10, 2008 from <http://www.calgaryhealthregion.ca/di/1-Services/DIServices-MRI.htm>

<sup>256</sup> Armstrong, Wendy, *The Consumer Experience with Cataract Surgery and Private Clinics in Alberta; Canada's Canary in the Mine Shaft* published by the Consumers' Association of Canada (Alberta), 2000.

<sup>257</sup> Gregoire, Lisa, "Alberta's hybrid public-private 'third way'", *CMAJ* • April 11, 2006; 174 (8). <http://www.cmaj.ca/cgi/content/full/174/8/1076>

### Services Contracted Out to For-Profit Facilities

The Calgary and Edmonton regional health authorities both contract out some services to private health clinics – a total of 35 such contracts have been approved by the provincial ministry of health.<sup>258</sup>

Regional Health Authority	Service Contracted	Number of Contracts
Capital Health Authority (Edmonton)	Ear, nose and throat	1
	Dermatology	1
	Ophthalmology	5
	Oral Surgery	9
	Plastic Surgery	2
	Pregnancy Termination	1
Calgary Health Region	Ear, nose and throat	1
	Ophthalmology	5
	Oral surgery	6
	Pregnancy Termination	1

Source: Alberta Health and Wellness – Stats and Facts  
<http://www.health.gov.ab.ca/resources/stats-facts.html>, accessed March 2008

### Summary Review of For-Profit Clinics

#### Boutique clinics

##### **Dominion Medical Centres, Edmonton**

Services sold: Executive health examinations, which include vision and hearing tests, prostate or breast cancer screening, a complete physical exam, lifestyle review, medically unnecessary CT scan of coronary arteries and an ECG to detect heart disease. Blood tests for lung, kidney, liver and thyroid conditions.”<sup>259</sup>

Cost: Clients are billed \$1,050 for the package.

Dominion Medical Centres is a public family practice and walk-in clinic that also privately sells “executive health examinations.”

<sup>258</sup> <http://www.health.gov.ab.ca/resources/stats-facts.html>

<sup>259</sup> Sinnema, Jodie, “Executives' Golden Checkup: Specialized health exams for businessmen, offered for decades in the U.S., have moved into Canada, including Alberta,” *Edmonton Journal*, January 4, 2007

In 2007, the centre was investigated for possible violations of the Canada Health Act by Alberta's ministry of health and by the province's College of Physicians and Surgeons after NDP leader Brian Mason accused the clinic of offering "gold-plated queue-jumping" but both bodies decided there were no violations occurring. "Dr. Andrew Spak and Dr. Brian McPeak, the clinic's founders, have always said the executive health exams are medically unnecessary and therefore do not contravene the Canada Health Act."<sup>260</sup>

However, despite saying publicly that its exams are medically unnecessary, a nurse who participates in the assessments told a researcher that "even though I would book those appointments the doctor would still determine which imaging would be best for you or if they figure you're healthy and don't need any imaging then you wouldn't have to do it and I would cancel the appointment."

Q: So I'd only do the imaging if I need it, if I'm showing a symptom?

A: I'd still pre-book it and the doctor will usually go through with you but that's optional.<sup>261</sup>

### **Copeman Healthcare Centre, Calgary (proposed)**

In April, Don Copeman announced plans to open a private clinic in Calgary in September modelled on his Vancouver clinic. The clinic would charge a \$3900 enrollment fee in the first year and a \$2900 annual fee after that, selling preferential access to health care services.<sup>262</sup>

## **For-Profit MRI/CT Clinics willing to do medically unnecessary scans**

### **Mayfair Diagnostics, Calgary**

1 MRI, 1 CT

Services sold: Mayfair offers medically unnecessary diagnostic tests without clinical indications. The clinic also sells scans to those waiting for diagnostic imaging in the public health system.<sup>263</sup>

Cost for an MRI: 3 packages are offered ranging from \$1,095 for a heart, lung and osteoporosis scan to \$1,995 for heart, lung, osteoporosis as well as a virtual colonoscopy, and a CT scan of the abdomen and pelvis.<sup>264</sup>

MRI covered by Alberta Health Care?: No, services are sold directly to the patient.<sup>265</sup>

Radiologists: 6<sup>266</sup>

Number of scans per day: 10<sup>267</sup>

Mayfair promotes "preventative screening" packages on its website<sup>268</sup> and encourages prospective clients to obtain scans "by virtue of being 50"<sup>269</sup> adding that "Most physicians endorse routine screening for most diseases beginning at age 50."<sup>270</sup> When asked, the clinic stated that going to a private clinic for a preventative scan was preferable to attempting to use the public system as one needs an "actual health care problem,

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<sup>260</sup> "Clinic within bounds of health act," *Edmonton Journal*, April 10, 2007

<sup>261</sup> Interview with Jodene at Dominion Medical Centres, April 28, 2008

<sup>262</sup> "Private clinic to offer care for \$2,900 per year," *CBC News*, April 17, 2008

<sup>263</sup> [http://www.mayfairdiagnostics.com/pdfs/Mayfair\\_Brochure.pdf](http://www.mayfairdiagnostics.com/pdfs/Mayfair_Brochure.pdf)

<sup>264</sup> Prices from phone interview with staff, Dec 13, 2007

<sup>265</sup> Telephone interview with staff, April 10, 2008

<sup>266</sup> [http://www.mayfairdiagnostics.com/index.php?option=com\\_content&task=view&id=7&Itemid=13](http://www.mayfairdiagnostics.com/index.php?option=com_content&task=view&id=7&Itemid=13)

<sup>267</sup> Telephone interview with staff, April 10, 2008

<sup>268</sup> [http://www.mayfairdiagnostics.com/index.php?option=com\\_content&task=view&id=4&Itemid=47](http://www.mayfairdiagnostics.com/index.php?option=com_content&task=view&id=4&Itemid=47)

<sup>269</sup> Mayfair Diagnostics brochure, page 7, accessed from

[http://www.mayfairdiagnostics.com/pdfs/Mayfair\\_Brochure.pdf](http://www.mayfairdiagnostics.com/pdfs/Mayfair_Brochure.pdf)

<sup>270</sup> Ibid, page 13

showing symptoms” to use the public system.<sup>271</sup> But, according to its promotional materials and our interviews, the clinic also sells medically necessary diagnostic scans.

### **Canadian Diagnostic Centre, Calgary**

1 MRI, 1 CT

Services sold: MRI, CT, ultrasound mammography, bone density, x-ray, fluoroscopy<sup>272</sup>

CDC also offers medically unnecessary “preventative” CT health scans including heart and lung scans and virtual colonoscopies.<sup>273</sup>

Cost for an MRI: \$775 per scan area.<sup>274</sup>

MRI covered by Alberta Health Care?: The clinic’s MRI and CT services are private, and sold for cash up-front to the general public while some of its non-MRI/CT services are paid by Alberta Health.<sup>275</sup>

Radiologists: 5<sup>276</sup> radiologists, several of whom formerly worked with public hospitals.

Benjamin Wong is the former Head of MRI at the Ottawa Civic Hospital and Head of Adult Cardiac and Body MRI at the University of Alberta Hospital and Robert Davies was previously at the Peter Lougheed Centre and Rockyview General Hospital in Calgary.<sup>277</sup>

Number of scans per day: about 20 a day, 5 days a week<sup>278</sup>

Other: CDC was founded as Western Canada MRI in 1993.

### **Medical Imaging Consultants, Edmonton**<sup>279</sup>

3 MRI machines in 2 locations

Services sold: Bone Mineral Densitometry (BMD), Breast Imaging, MRIs (including medically unnecessary “preventative” scans), Nuclear Medicine, Ultrasound, X-Ray/Fluoroscopy, Mobile Bone Densitometry

Cost for an MRI: \$575<sup>280</sup>

MRI covered by Alberta Health Care?: The patient is charged directly by the clinic if they don’t wish to go on the public waiting list. Patients can choose to go through Alberta Health Care in which case the requisitioning doctor will send the requisition to a hospital and request use of a private clinic.<sup>281</sup>

Radiologists: 74, from the University of Alberta, Stollery Children's, Royal Alexandra, Grey Nuns and Sturgeon General Hospitals<sup>282</sup>

Number of scans per day: 32<sup>283</sup>

CDC promotes the use of medically unnecessary “preventative” full body CT scans on its website on a page titled “How Can Preventative Health Scans Help Me?”<sup>284</sup>

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<sup>271</sup> Telephone interview with staff, April 10, 2008

<sup>272</sup> <http://www.canadadiagnostics.ca/>

<sup>273</sup> <http://www.canadadiagnostics.ca/private/preventative-health-scans.php>

<sup>274</sup> Telephone interview with staff, April 4, 2008

<sup>275</sup> Telephone interview with staff, December 14, 2007

<sup>276</sup> <http://www.canadadiagnostics.ca/private/about-cdc.php#no2>

<sup>277</sup> <http://www.canadadiagnostics.ca/public/about-cdc.php#no2>

<sup>278</sup> Telephone interview with staff, April 10, 2008

<sup>279</sup> <http://www.mic.ca/home.html>

<sup>280</sup> Telephone interview with staff, April 4, 2008

<sup>281</sup> Telephone interview with staff, April 10, 2008

<sup>282</sup> <http://www.mic.ca/home.html>

<sup>283</sup> Telephone interview with staff, April 10, 2008

<sup>284</sup> <http://www.canadadiagnostics.ca/private/preventative-health-scans.php>

## For-Profit MRI/CT Clinics conducting medically necessary scans

### **Insight Medical Imaging (Meadowlark Wellness Centre), Edmonton**

1 MRI, 1 CT machines

Services sold: X-Ray, Mammography, Ultrasound, Nuclear Medicine, MRI, CT

Cost for an MRI: \$550-\$750<sup>285</sup>

MRI covered by Alberta Health Care?: A patient can either have a doctor book an MRI through the public system and it may be assigned to this clinic or they can be charged directly, out of pocket, and have it done privately at the clinic within two weeks.<sup>286</sup>

Radiologists: 18<sup>287</sup>, likely from Misericordia Community Hospital<sup>288</sup>

Number of scans per day: 20-27<sup>289</sup>

Insight Medical Imaging also does CT scans for the Dominion Medical Centre's "Executive Health Program."<sup>290</sup>

### **Open MRI (MYK Imaging), Calgary**

1 MRI (open bore)

Services sold: MRI, x-ray, ultrasound, mammography, bone densitometry.

Cost for an MRI: MRIs are \$695 per body part +\$250 if contrast required<sup>291</sup>

MRI covered by Alberta Health Care?: No, out of pocket fees<sup>292</sup>

Radiologists: 11<sup>293</sup> radiologists. Deepak Kaura also practices at Albert Children's Hospital. Dr. Bernard May was director of radiology at both Drumheller Regional Hospital and Valley General Hospital until 2002. Dr. Gary Yeman was assistant professor of radiology at the University of Calgary before joining MYK in 1989.<sup>294</sup>

Number of scans per day: not disclosed

### **Central Alberta Medical Imaging Services Ltd., Red Deer**

Services sold: MRIs, bone density tests, nuclear medicine, mammography, ultrasound

Cost for an MRI: Starts at \$725

MRI covered by Alberta Health Care?: A patient can either pay the clinic directly and book it through them or have their doctor put a requisition in through the hospital in which case the request would go into the waiting list. Central Alberta Medical Imaging conducts MRIs privately or through the public system. Both types of scans occur at the clinic.<sup>295</sup>

Radiologists: 14<sup>296</sup>

Number of scans per day: not disclosed

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<sup>285</sup> Interview with Sonya, April 10, 2008

<sup>286</sup> Telephone interview with Marina at the clinic, April 10, 2008

<sup>287</sup> <http://x-ray.ca/radiologists.htm>

<sup>288</sup> <http://x-ray.ca/home2.htm>

<sup>289</sup> Telephone interview with Marina at the clinic, April 10, 2008

<sup>290</sup> Interview with Jodene at Dominion Medical Centres, April 28, 2008

<sup>291</sup> Telephone interview with staff, December 14, 2007

<sup>292</sup> Telephone interview with staff, April 4, 2008

<sup>293</sup> <http://www.openmriofcanada.com/doctors.html>

<sup>294</sup> *ibid*

<sup>295</sup> Telephone interview with clinic staff, April 10, 2008

<sup>296</sup> [http://www.camisrd.com/staff\\_rad.asp](http://www.camisrd.com/staff_rad.asp)

## Private, For-Profit Hospital Surgical Facilities: A sampling

### **Mitchell Eye Centre (Calgary)**

Services sold: laser eye surgery and cataract surgery<sup>297</sup>

Medical staff: 1 ophthalmologist, Dr. Mitchell,

Cost: Mitchell Eye Centre is under contract with the Calgary Health Authority, which pays it to provide cataract surgery;<sup>298</sup> the centre does not sell cataract surgery directly to the public.<sup>299</sup> Patients do pay out-of-pocket, however, for laser eye surgery.

### **Health Resource Centre, Calgary**

Services sold: Orthopedic

Medical staff: 56 MDs (18 knee, 6 shoulder, 1 elbow, 2 hand & wrist, 1 knee & ankle, 8 spine, 17 hip, 3 general)<sup>300</sup>

Costs: No upfront fees however a private room package is \$130/day but free semi-private rooms are also available.<sup>301</sup>

Who pays: Calgary Health Region referrals (hip and knee arthroplasties), Workers Compensation, RCMP, Armed Forces, private individuals are charged directly if they are non-residents of Canada.

Other: The company was forced to stop extra-billing for experimental hip resurfacing after investigation by the provincial health ministry. One patient said he paid more than \$22,000 for surgery.<sup>302</sup>

Since 2002, the Health Resource Centre has been approved for surgical procedures requiring overnight stays, specifically: primary total hip arthroplasty, uncomplicated primary total knee arthroplasty, uncomplicated primary total shoulder arthroplasty, uncomplicated lumbar posterior spinal fusion (not exceeding two disc-space levels), lumbar spinal laminectomy (not exceeding 2 disc space levels).<sup>303</sup> At present, it is the only private surgical facility approved for overnight stays.

In 2002, the federal government investigated whether or not Alberta was violating the CHA by allowing the MRC to operate as an extended stay facility. Provincial opposition health critic Kevin Taft called the licensing “a dark day for health care in Alberta.” NDP leader Raj Pannu said “this government knows that private, for-profit hospitals and health care is more expensive than public health care.”<sup>304</sup> In 2004, HRC performed 1,200 surgeries. The Calgary Health Region began contracting HRC to conduct publicly funded hip and knee replacements in 2005 with 500 procedures.<sup>305</sup> The facility has 37 beds.<sup>306</sup>

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<sup>297</sup> <http://www.mitchelleyecentre.com/flash.html>

<sup>298</sup> Telephone interview with Mitchell Eye Centre, February 7, 2008

<sup>299</sup> Telephone interview with staff, April 4, 2008

<sup>300</sup> <http://www.networc.com/Surgeons.aspx>

<sup>301</sup> Telephone interview with staff, April 10, 2008

<sup>302</sup> “Clinic billed for hip surgery: Private Calgary centre told to stop charging for still-experimental Birmingham procedure,” *Edmonton Journal*, July 19, 2005

<sup>303</sup> <http://www.health.gov.ab.ca/resources/stats-facts.html>

<sup>304</sup> “Alberta clinic a ‘private hospital’: critics”, *CBC News*, September 14, 2002

<sup>305</sup> Lang, Michelle, “City enters new era in medical expectations: Relentless change is the ‘order of the day’”, *Calgary Herald*, February 12, 2005

<sup>306</sup> <http://www.networc.com/>



### **Sante Surgi-Centre and Vein Clinic, Medicine Hat.**

Services sold: Cosmetic surgery, varicose vein treatment, dentistry, hernia, orthopedic

Medical staff: Includes 2 orthopedic surgeons who do WCB consults and 1 general surgeon who performs hernia procedures.

Who pays: Vein surgery, cosmetic surgery and dentistry is sold directly to patients; hernia and orthopedic surgery is only available through workers compensation.<sup>307 308</sup>

The clinic charges patients for services not covered under the provincial health system such as cosmetic surgery.<sup>309</sup> It is not contracted to perform any procedures paid by the Alberta public health plan. Orthopedic procedures are contracted and paid through workers' compensation. Sante Surgi-Centre is not under contract with a regional health authority to provide services.

### **Alberta Surgical Centre, Edmonton**

Services sold: Dental surgery (corrective and restorative), plastic surgery (reconstructive and cosmetic), otolaryngology surgery (nasal and sinuses), orthopedic surgery (diagnostic and reconstructive), urologic surgery (cystoscopy and vasovasotomy), ophthalmologic surgery (cataracts and laser), and dermatologic surgery (diagnostic and cosmetic).

Medical staff: 10 urologists, 8 pediatric dental surgeons, 1 cosmetic dermatologist, 3 plastic surgeons, 1 podiatric surgeon, 7 orthopedic surgeons, 2 ophthalmologists, 3 ENT

Who pays: Edmonton's Capital Health Authority has contracts paying the facility to provide publicly funded otolaryngological (ear, nose and throat)<sup>310</sup>, insured plastic surgery and cataract procedures.<sup>311</sup> The centre sells services to WCB and charges a facility fee of physicians who book time at the centre to conduct WCB procedures.<sup>312</sup> In 2007, the Alberta Surgery Centre took over the Coronation Day Surgery Centre (also known as the Alberta Eye Institute) and took over responsibility for its contracts with the Capital Health Authority to sell cataract, ENT and plastic surgeries to the public health system.<sup>313</sup>

### **Surgical Centres Inc., Calgary (Rockyview)**

Services sold: ENT, General Surgery, Gynecology, Infertility, Ophthalmology, Orthopedics, Plastic/Reconstructive Surgery, Podiatry and Urology/Infertility.

Medical staff: 6 ENT, 1 orthopedic, 12 ophthalmological, 3 general, 9 urological/infertility

Who pays: The Calgary Health Authority has contracted with SCI paying them to provide ophthalmological services<sup>314</sup> and anesthetic dentistry services.<sup>315</sup> Other services are paid for by WCB; uninsured cosmetic surgery deemed medically unnecessary by the provincial plan is paid for by the patient upfront.<sup>316</sup>

Other: SCI was founded in 1988 and also operates Riverview in Calgary, which offers Dental, Dermatology and Plastic Surgery as well as clinics in British Columbia.

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<sup>307</sup> Telephone interview with staff, December 14, 2007

<sup>308</sup> Telephone interview with staff, April 10, 2008

<sup>309</sup> <http://www.santesurgicentre.ca/employers.html>

<sup>310</sup> [http://www.health.gov.ab.ca/regions/HCPA\\_OtolaryngologySurgicalServices-July07.pdf](http://www.health.gov.ab.ca/regions/HCPA_OtolaryngologySurgicalServices-July07.pdf)

<sup>311</sup> [http://www.health.gov.ab.ca/regions/HCPA\\_OwnershipChangeReport-July07.pdf](http://www.health.gov.ab.ca/regions/HCPA_OwnershipChangeReport-July07.pdf)

<sup>312</sup> Telephone interview with staff, December 2007 and with staff at Dr. Leung and Dr. Arnett's offices.

<sup>313</sup> [http://www.health.gov.ab.ca/regions/HCPA\\_OwnershipChangeReport-July07.pdf](http://www.health.gov.ab.ca/regions/HCPA_OwnershipChangeReport-July07.pdf)

<sup>314</sup> [http://www.crha-health.ab.ca/contracts/clin\\_contracts/25719-Surgical\\_Centres.pdf](http://www.crha-health.ab.ca/contracts/clin_contracts/25719-Surgical_Centres.pdf)

<sup>315</sup> [http://www.calgaryhealthregion.ca/contracts/clin\\_contracts/DentistryAgreementFinal.pdf](http://www.calgaryhealthregion.ca/contracts/clin_contracts/DentistryAgreementFinal.pdf)

<sup>316</sup> Parker, David, "Company's new surgical facility a cut above", *Calgary Herald*, October 2, 2007

**Gimbel Eye Centre**<sup>317</sup> (2 clinics: Calgary and Edmonton)

Services sold: Cataract and laser eye surgery.

Medical staff: Includes 5 ophthalmologists in Edmonton and 2 ophthalmologists in Calgary<sup>318</sup>

Who pays: Alberta Health Care pays for cataract surgery; laser surgery is charged to the patient.<sup>319</sup>

**Holy Cross Surgical Services, Calgary**

Services sold: cataract, hernia, ENT, pediatric myringotomy

Medical staff: The centre does not have any physicians permanently on staff, five or six surgeons will come in on any one day to perform surgeries in the centre. They do have an undisclosed number of nurses and anesthesiologists on staff.<sup>320</sup>

Who pays: HCSS is contracted by the Calgary Health Authority to provide publicly funded cataract, hernia, ENT and pediatric myringotomy procedures.

Holy Cross Surgical Centre is the former Holy Cross Hospital purchased by Enterprise Universal Inc. for \$4.5 million in 1997 from the Calgary Regional Health Authority (it was valued as being worth as much as \$20 million at the time). It is a for profit facility that includes a surgical facility, 4 ORs and a 5 bed recovery room. At the time the health authority justified the sale saying Calgary had too many hospital beds and that closing Holy Cross (and blowing up the old general hospital) would save up to \$50 million a year in operating costs. Holy Cross has treated 50,000 patients in the ten years since its sale via Health Authority contracts for surgeries - \$29 million worth - for eye surgeries (ophthalmology contracts over nine years account for at least \$17.8 million worth of contracts), hernia operations, dental procedures, ENS operations, and other services. In 2007, the facility provided 3,700 eye operations and 400 podiatry procedures for the Calgary Health Authority. Opposition leader Kevin Taft calls the sale a "massive blunder" that "almost certainly cost the taxpayers more money." EUI is owned by ophthalmologist Dr. Peter Huang and his brothers. He was, until 2006, both part-owner of the clinic and the Calgary Health Authority's head of ophthalmology when Holy Cross was being awarded ophthalmology contract by the authority. Since the sale of Holy Cross and the closure of two other Calgary hospitals, the city has experienced bed shortages and ER lineups. EUI also operated a 42 bed LTC facility whose contract was cancelled by the health region in the spring of 2007 over care concerns and fire safety. According to Elections Alberta records, the Huangs donated \$15,700 to the Alberta Progressive Conservatives between 1994 and 2000.<sup>321 322 323</sup>

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<sup>317</sup> <http://www.gimbeleycentre.com/ourdoctors/introduction.html>

<sup>318</sup> <http://www.gimbeleycentre.com/ourdoctors/introduction.html>

<sup>319</sup> Telephone interview with staff, January 14, 2008

<sup>320</sup> Telephone interview with staff, April 10, 2008

<sup>321</sup> Lang, Michelle & Cryderman, Kelly, "Public sell-off, Public buyback; Health officials sold the Holy Cross 10 years ago today, saying they didn't need the old hospital. But Calgary's medical system has been buying back health services at the site ever since," *Calgary Herald*, September 23, 2007

<sup>322</sup> Lang, Michelle, "CHR buys back care; Tax dollars pay for services at Holy Cross," *Calgary Herald*, September 23, 2007

<sup>323</sup> Lang, Michelle, "CHR may cut ties with hospital: Holy Cross accused of fire code violations," *Calgary Herald*, October 2, 2007

# British Columbia

## Snapshot

Median income (2005): \$24,400<sup>324</sup>

### British Columbia Medical Services Plan

Persons registered with Medicare: 4,216,199<sup>325</sup>

Number of participating physicians: 8,454<sup>326</sup>

Number of opted-out/non-participating physicians: 7<sup>327</sup>

### **For-Profit Surgical Facilities selling medically necessary services:**

For-profit surgical facilities selling medically necessary services and also under contract to the provide services to the public health system: 22<sup>328</sup>

Total for-profit private surgical clinics: 25<sup>329</sup>

### **For-Profit MRI/CT Clinics:**

Total number of privately owned MRI/CT scanners in operation: 12 MRI, 2 CT scanners

Number of clinics willing to sell medically unnecessary MRI/CTs: 5

Number of publicly owned MRI scanners: 19<sup>330</sup>

Number of private machines contracted by the public system: 0

Number of scanners used for direct sale of MRIs to the public: 12

### **Impact of For-profit clinics on Physician-Specialists:**

Ophthalmologists: 162<sup>331</sup>

Laser eye clinics: 6

Number of ophthalmologists practicing laser eye surgery: at least 17<sup>332</sup>

Percentage of ophthalmologists working in for-profit surgical clinics: 10.49%

Orthopedic surgeons: 182<sup>333</sup>

Diagnostic radiologists: 241<sup>334</sup>

Number of radiologists associated with private clinics: 42<sup>335</sup>

Percentage of radiologists working in for-profit MRI/CT clinics: 17.35%

<sup>324</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>325</sup> Canada Health Act Annual Report, 2005-2006

<sup>326</sup> Canada Health Act Annual Report, 2005-2006

<sup>327</sup> Canada Health Act Annual Report, 2005-2006

<sup>328</sup> See table 1

<sup>329</sup> These are the 22 private clinics listed by CIHI as under contract with the public health system and the Pezim Clinic, Valley Laser Eye Centre (which also sells cataract surgery) and Burnaby Eye Surgery Centre which sells cataract surgery privately.

<sup>330</sup> Response to query to Ministry of Health and Seniors Information Line, December 2007

<sup>331</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>332</sup> Estimate based on a count of ophthalmologists practicing at facilities performing laser vision correction surgery

<sup>333</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>334</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>335</sup> Number based on number of diagnostic radiologists identified as practicing at facilities that provide private MRIs

## Background and Overview

There are currently 72<sup>336</sup> accredited non-hospital medical/surgical facilities in British Columbia according to the province's College of Physicians and Surgeons. The vast majority of these facilities provide non-insured services such as cosmetic surgery and laser eye surgery. However, a number of the facilities also provide a broader range of surgical services. According to Comox Valley Surgical's website claims, "about 10% of procedures at 14 private surgery centres in BC are performed for individuals who are paying out of pocket. The rest are paid for by either private insurance covering Armed Forces, RCMP, Blue Cross, insured workers, or ICBC referrals, or under contract with Regional Health Authorities for MSP covered procedures."<sup>337</sup>

According to the Vancouver Sun an estimated 50,000 patients obtained surgery at BC for-profit clinics in 2005 paying between \$700 and \$17,000 in facility fees.<sup>338</sup>

As of the end of 2007, 22 private clinics were contracted by the public system to provide services. According to Shannon Boivin at CIHI the clinics under contract are:

**Table 1: Private Clinics selling services to the public system under contract, December 2007**

South Fraser Surgical Centre Inc. (Dental surgery)	Abbotsford BC
New Westminster Surgical Centre	New Westminster BC
Valley Surgery Centre	Surrey BC
Seaford Surgical Clinic	Nanaimo BC
Dr. Raymond Kahwaji Inc. (Anesthesiology)	Burnaby BC
South Island Surgical Centre	Victoria BC
Broadmead Surgical Centre	Victoria BC
Cambie Surgery Centre	Vancouver BC
Victoria Surgery	Victoria BC
Dr. Gerry Zimmerman Inc. (Dental surgery)	Vancouver BC
Delbrook Surgical Centre	N.Vancouver BC
False Creek Surgical Centre	Vancouver BC
Ambulatory Surgical Centre Vancouver, Limited Partnership	Vancouver BC
Okanagan Health Surgical Centre	Kelowna BC
Kamloops Surgical Centre	Kamloops BC
Prince George Surgical Centre	Prince George BC
Comox Valley Surgical Associates	Cumberland BC
Yaletown Laser & Cosmetic Surgery Centre	Vancouver BC
Dr. Spenser M. Lui, Inc. (Orthopedic)	Richmond BC
Coquitlam Cataract Center	Coquitlam BC
Blaylock Surgical Centre	Abbotsford BC
Langley Surgical Centre	Langley BC

source: Shannon Boivin, CIHI

According to Colleen Fuller, writing in 2006, since the election of the Gordon Campbell government "private [health] spending in B.C. has risen sharply, from \$871.40 per person in 2000 to an estimated

<sup>336</sup>Accredited Non-Hospital Medical Surgical Facilities in British Columbia, Updated February 13, 2008  
[https://www.cpsbc.ca/resources/cps/college\\_programs/nhmsf\\_program/nhmsflistoffacilities/document\\_uploads/facility\\_list.pdf](https://www.cpsbc.ca/resources/cps/college_programs/nhmsf_program/nhmsflistoffacilities/document_uploads/facility_list.pdf)

<sup>337</sup><http://www.comoxvalleysurgical.com/faq.php>

<sup>338</sup>Cited in Fuller, Colleen, "Want Runaway Health Costs? Encourage Private Surgical Clinics", *The Tyee*, December 8, 2006

\$1312 in 2006, an increase of more than 50 per cent. Public spending, on the other hand, increased from \$2433 per person in 2000 to an estimated \$3,157 in 2006, an increase of less than 30 per cent (current dollars).<sup>339</sup>

## Summary Review of For-Profit Clinics

### For-Profit MRI/CT Clinics

#### Clinics selling medically unnecessary scans

##### **Canadian Magnetic Imaging**<sup>340</sup>, Vancouver

Services sold: Open bore MRIs for medically unnecessary “litigation MRI” for patients requiring evidence for legal and insurance disputes.<sup>341</sup> Medically necessary MRIs are also conducted.<sup>342</sup>

Cost for an MRI: Most MRIs are \$875.00 (per scanned area)<sup>343</sup>. A “stroke protocol” is \$2200, a CD of the scan is provided to the patient<sup>344</sup>

Staff: 1 MD, 1 technologist and 5 non-medical staff. Radiologist Jason Clement is also a clinical instructor at UBC’s Dept of Radiology<sup>345</sup> and is on staff at St. Paul’s hospital.<sup>346</sup>

Owned and operated by Valley Medical Imaging (a consortium of local radiologists)

Are MRIs paid for by BC MSP? No, MRIs are private, cash up front

Number of MRI scans: 8 to 10 a day.<sup>347</sup>

##### **Canadian Diagnostic Centres**, Vancouver, (formerly Western Canada MRI Centre)

Services sold: MRI, CT and Ultrasound including “preventative” CTs

Cost for an MRI: Most single area, routine exams cost \$875. Up to \$1975 for breast cancer assessment<sup>348</sup> Full body “preventative” CTs are also available for \$690 (see below)

Are MRIs covered by BC MSP?: No, individual patients are charged directly. Payment by WCB and 3<sup>rd</sup> party insurance also accepted.<sup>349</sup>

Staff: 6 radiologists and 2 cardiologists.<sup>350</sup> Radiologists on staff include Borys Flak, Division Head of Radiology at the UBC Hospital; Gordon Andrews, who is on staff at both Vancouver General and UBC Hospitals; Audrey Spielmann who practices radiology at both Vancouver General and UBC Hospitals; Savvas Nicolaou, Head of Undergraduate Teaching at the UBC Department of Radiology and an active diagnostic radiologist at Vancouver General Hospital and UBC Hospital; Ian Gardiner formerly of UBC’s Department of Radiology and a breast imaging consultant at the Specialist Referral

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<sup>339</sup> Fuller, Colleen “It’s public hospitals that contain spending”, *the Tyee*, December 8, 2006

<sup>340</sup> <http://www.canmagnetic.com>

<sup>341</sup> <http://www.canmagnetic.com/litigation.html>

<sup>342</sup> Staff interview, April 4, 2008

<sup>343</sup> Staff interview, April 4, 2008

<sup>344</sup> <http://www.canmagnetic.com/scansrates.html>

<sup>345</sup> <http://practicalradiology.org/faculty.html>

<sup>346</sup> <http://www.dap.org/Default.aspx?p=106>

<sup>347</sup> Staff interview, April 4, 2008

<sup>348</sup> Telephone interview with staff, December 14, 2007

<sup>349</sup> Telephone interview with staff, December 14, 2007

<sup>350</sup> [http://www.canadadiagnostic.com/A3\\_AboutCDC.html](http://www.canadadiagnostic.com/A3_AboutCDC.html)

Clinic. Gardiner is also the former Chief Screener at the Screening Mammography Program of BC's Broadway location and ex- Director of the Vancouver Breast Centre. Cardiologists on staff are Brett Heilbron who is a Clinical Cardiologist at St. Paul's Hospital; Saul Isserow who is Staff Cardiologist at Vancouver General and UBC Hospitals and the Director of the VGH Centre for Cardiac Rehabilitation as well as Associate Director of Cardiology Services at UBC Hospital.

Number of MRI scans?: Not disclosed

CDC is willing to do a "preventative" medically unnecessary full body CT scan if the client is over the age of 50 for \$690. The clinic is unwilling to conduct the procedure for those under 50 because of the amount of radiation involved. While a doctor's referral is required the centre can suggest referral clinics that will make the needed requisition.<sup>351</sup>

**Comox Valley MRI**<sup>352</sup> (associated with Comox Valley Surgical Centre)

Services sold: MRIs, including medically unnecessary scans

Cost for an MRI: \$875 to \$1300<sup>353</sup>

Are MRIs paid for by BC MSP? No, patients are charged directly. Payment is also accepted from WCB, ICBC (provincially owned auto insurance), Blue Cross and other private insurance providers.<sup>354</sup>

Staff: 1 radiologist, Mike O'Reilly, who is a partner in the clinic and also works at St. Joseph's Hospital.<sup>355</sup>

Number of MRI scans: not disclosed

The clinic is willing to conduct medically unnecessary "preventative" MRIs with a doctor's referral and suggests that a client can go to a walk-in clinic and obtain a referral if their doctor is unwilling to give one. "Some doctors in the valley will not refer people to private clinics so we tell people to go to walk in clinics and they will do it."<sup>356</sup>

**AccessMRI**, Surrey

Services sold: MRIs, including "preventative" scans.

Cost for an MRI: \$875 for a knee<sup>357</sup>

Are MRIs paid for by BC MSP? No, patients are charged directly<sup>358</sup>

Staff: 1 radiologist<sup>359</sup>

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<sup>351</sup> April 9, 2008 interview with Stephanie at CDC.

<sup>352</sup> [www.comoxvalleymri.com](http://www.comoxvalleymri.com)

<sup>353</sup> <http://www.comoxvalleymri.com/services.pdf>

<sup>354</sup> <http://www.comoxvalleymri.com/comox-valley-mri-services.php>

<sup>355</sup> <http://www.comoxvalleymri.com/news.php>

<sup>356</sup> Telephone interview with Linda on April 9, 2008

<sup>357</sup> Telephone interview with staff, December 2007

<sup>358</sup> [http://www.accessmri.com/faq/default.htm#\\_Is\\_the\\_cost](http://www.accessmri.com/faq/default.htm#_Is_the_cost)

<sup>359</sup> Telephone interview with staff, December 2007

Number of MRI scans: not disclosed  
Access MRI is willing to conduct medically unnecessary “preventative” MRI scans with a  
with a doctor’s requisition saying that they’ve “never seen” a doctor refuse to make a  
requisition even if the patient shows no symptoms.<sup>360</sup>

**Okanagan Health MRI Clinic<sup>361</sup>**, Kelowna (extremities only)  
Linked with Okanagan Health Surgical Centre  
Services sold: MRIs  
Cost for an MRI: \$725 for a knee<sup>362</sup>  
Are MRIs paid for by BC MSP? No, patients are charged directly<sup>363</sup>  
Staff: 6 radiologists<sup>364</sup> from Kelowna General Hospital<sup>365</sup>  
Number of MRI scans: 25 scans a month – the scanner operates 2 or 3 days a week<sup>366</sup>

### **Clinics selling medically necessary MRIs**

**CML - 2 machines**  
MRI Vancouver, (Burnaby) and MRI Victoria<sup>367</sup>  
Services sold: MRIs  
Cost for an MRI: \$875 to \$1100<sup>368</sup>  
Are MRIs paid for by BC MSP? No, scans are paid for by the individual or their  
employer.<sup>369</sup>  
Staff: 3 radiologists working at both locations. Brent Lee is the director of the Burnaby  
clinic, Rick Smith is director of Victoria clinic. Smith and Robert Koopmans are from  
Royal Jubilee Hospital and also are professors at UBC.<sup>370 371</sup>  
Number of MRI scans: Vancouver 8 a day, 5 days a week; Victoria about 5 a day, 4 days  
a week<sup>372</sup>

**Specialty MRI Clinics Inc., Vancouver (extremities only)**  
Services sold: MRIs  
Cost for an MRI: \$475 for a knee<sup>373</sup>  
Are MRIs paid for by BC MSP? No, patients are charged directly.<sup>374</sup>  
Staff: 1 radiologist (Dennis Janzon), 1 technologist<sup>375</sup>  
Number of MRI scans: 6-8 a day (maximum capacity is 8 in a day)<sup>376</sup>

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<sup>360</sup> Telephone interview with Meda, April 9, 2008

<sup>361</sup> <http://www.okanaganhealthmri.ca>

<sup>362</sup> Telephone interview with staff, December 2007

<sup>363</sup> Telephone interview with staff, April 4, 2008

<sup>364</sup> Telephone interview with staff, April 4, 2008

<sup>365</sup> Telephone interview with staff, December 2007

<sup>366</sup> Telephone interview with staff, April 4, 2008

<sup>367</sup> <http://www.cmlhealthcare.com/web/main.cfm?docID=75&loc=van>

<sup>368</sup> <http://www.cmlhealthcare.com/web/main.cfm?docID=74>

<sup>369</sup> <http://www.cmlhealthcare.com/web/main.cfm?docID=74>

<sup>370</sup> <http://www.cmlhealthcare.com/web/main.cfm?docID=72>

<sup>371</sup> <http://www.cmlhealthcare.com/web/main.cfm?docID=79>

<sup>372</sup> Telephone interview with clinic staff, April 4, 2008

<sup>373</sup> Telephone interview with staff, December 14, 2007

<sup>374</sup> Telephone interview with clinic staff, April 4, 2008

<sup>375</sup> <http://www.specialtymri.com/team.htm>

<sup>376</sup> Telephone interview with clinic staff, April 4, 2008

**Fraser Valley MRI, Abbotsford (linked with Valley Medical)**

Services sold: MRIs

Cost for an MRI: \$750 for a routine. +200 for contrast.<sup>377</sup>

Staff: 4 or 5 radiologists<sup>378</sup>

Are MRIs paid for by BC MSP? No, patients are charged directly.<sup>379</sup>

Number of MRI scans: not disclosed

Other: The clinic is located next to MSA Hospital in Abbotsford. The clinic is owned and operated by Valley Medical Imaging (a consortium of local radiologists) and Quinte MRI (which owns 2 US clinics). In 2004, the Vancouver Sun reported that business was "slow" at the clinic with scans well below the 20 per day capacity. "'We're behind our projections. We know there are doctors out there that don't support us. Some do, some don't.'" said Dave Lutton, president of Canadian HealthScan who were operating the clinic at the time.<sup>380</sup>

**MedRay MRI<sup>381</sup>, Coquitlam**

Services sold: MRIs

Cost for an MRI: \$850 for a knee<sup>382</sup>

Are MRIs paid for by BC MSP? No, patients are charged directly.<sup>383</sup>

Staff: 17 radiologists who also work at 2 other hospitals. Clinic staff refused to name the hospitals.<sup>384</sup>

Number of MRI scans: not disclosed

**Image One MRI (Kelowna)**

Services sold: MRI scans

Cost for an MRI: Knee: \$725 to \$2,175 for abdomen and pelvis<sup>385</sup>

Are MRIs paid for by BC MSP? No

Staff: 1 Radiologist (Rob D'Ovidio), 2 Technologists<sup>386</sup>

Number of MRIs: 7 to 9 a day.<sup>387</sup>

**False Creek Surgical Centre**

Services sold: MRI and CT scans available

Cost for an MRI: Knee \$850<sup>388</sup>

Staff: 1 radiologist<sup>389</sup>

Are MRIs paid for by BC MSP? No, most scans are paid for directly by the patient. The clinic also accepts cases paid for by workers' compensation cases but does not do ICBC cases (i.e. public auto insurance).<sup>390</sup>

Number of MRI scans: 9<sup>391</sup>

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<sup>377</sup> Telephone interview with staff, December 12, 2007

<sup>378</sup> Telephone interview with staff, December 12, 2007

<sup>379</sup> [http://www.fraservalleymri.com/pages/patient\\_info/faq.aspx?tts=2&sts=1#covered](http://www.fraservalleymri.com/pages/patient_info/faq.aspx?tts=2&sts=1#covered)

<sup>380</sup> "Business slow at private MRI lab: Owner not sure if it's lack of demand, the \$2,000 cost or reluctance of doctors," *Vancouver Sun*, June 3, 2004

<sup>381</sup> <http://www.medrayimaging.com>

<sup>382</sup> Telephone interview with staff, December 2007

<sup>383</sup> Telephone interview with staff, April 4, 2008

<sup>384</sup> Telephone interview with staff, December 2007

<sup>385</sup> <http://www.imageonemri.ca/trellis/Pricing>

<sup>386</sup> Telephone interview with staff, December 2007

<sup>387</sup> Telephone interview with staff, April 4, 2008

<sup>388</sup> Telephone interview with staff, December 2007

<sup>389</sup> Telephone interview with staff, December 2007

<sup>390</sup> Telephone interview with staff, April 4, 2008

<sup>391</sup> 9 on April 4, 2008 according to Jen who works at the clinic



## Private for-profit clinics

### Boutique Clinics selling medically unnecessary services

#### **Continuum Medical Care**, West Vancouver

Services sold: Corporate Health Program and other boutique packages bundling medically unnecessary and necessary services.

Cost: \$895 charged to patients or their employer

Medical staff: 14 general practitioners and 12 specialists<sup>392</sup>

This facility sells a mixture of publicly insured and non-insured services. Clients are sold a package that includes physiotherapy, visual and audio screening, physical exam and laboratory services, stress testing, cardiology consultation, and access to a walk-in clinic. Continuum declares itself as “a seamless transition along the continuum of care between public and private systems.”<sup>393</sup> They have a Corporate Health Program, which sells non-insured services including: Seventeen laboratory blood work tests, A complete physical examination, Audio Screening, Dietary Screening, Fitness Testing, Stress Testing, Visual Screening. The clinic has a clientele of 40,000 registered patients (in the main clinic, not the Corporate Health Program).<sup>394</sup> It is a public clinic that also offers corporate health programs. The cost is \$895 and includes an hour-long consultation with a physician as well as bloodwork, an hour with a kinesiologist (including a cardiac stress test), a dietary consultation by phone, audiology test, and spirometry - 3.5 hours in all. The main clinic at Continuum is covered by the province’s Medical Services Plan and the doctors who Corporate Health clients consult can access the clinic throughout the year under MSP.<sup>395</sup> The clinic says they do not charge MSP for any services and an MSP card is not required for membership.<sup>396</sup>

#### **Copeman Clinic**, Vancouver,

Services sold: “Corporate health” services including health assessments and annual memberships giving access to a bundle of medically unnecessary and necessary health services

Cost: “Elite Program” is \$3900 for the first year and \$2900 annually thereafter; a “comprehensive health assessment” is \$1200.<sup>397</sup> Clients without an MSP card will be billed above and beyond these rates.<sup>398</sup>

Medical staff: Includes 7 MDs, 4 of which are general practitioners<sup>399</sup>

Opened in 2005. Copeman’s annual fees include “comprehensive health screening and management plan”; access to staff physicians such as a dietician, kinesiologist, psychiatrist, lifestyle coach; expertise in cardiology, oncology, urology, gynecology,

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<sup>392</sup> <http://www.cmcare.ca/physicians/>

<sup>393</sup> <http://www.cmcare.ca/about/index.cfm?SubMenuID=1>

<sup>394</sup> <http://www.microsoft.com/canada/casestudies/continuum.mspx>

<sup>395</sup> Telephone interview with Ashley at Continuum, December 19, 2007

<sup>396</sup> Telephone interview with clinic, April 23, 2008

<sup>397</sup> <http://www.copemanhealthcare.com/services/fees-and-guarantees.htm>

<sup>398</sup> Telephone interview with staff, April 16, 2008

<sup>399</sup> <http://www.copemanhealthcare.com/about-us/our-staff.htm>

orthopedics, neurology, osteoporosis, women's and men's health as well as ancillary uninsured services. The "Elite Program" is \$3,900 per individual in the first year of service only. Thereafter, the annual services fee is \$2,900 per individual. According to Copeman staffer Tetie Mah "anyone who joins the centre receives prevention screening, meet with a GP for a full hour for a physical, meet with a kinesiologist for ECG, dietician, glaucoma and medical team puts forward a plan and do." Further testing and "investigations" is co-ordinated by Copeman and paid for by the public system." The clinic has 1000 members and 4 GPs working on staff, "we cap each GPs roster at 500 which is probably a quarter of what's in the public system." There is a plan to open a clinic in Calgary in the spring of 2008.<sup>400</sup>

Membership in the clinic buys access to the doctors. The clinic co-mingles private and public services. According to the clinic the patient is billed for anything that is "preventative," anything that is "regular," that is medically necessary procedures or visits, are billed to MSP.<sup>401</sup>

### Private, for-profit surgical clinics

#### **False Creek Surgical Centre/False Creek Urgent Care Centre**

Services sold: The surgical centre sells plastic surgery, MRI, sports surgery, hernia, back surgery, gynecological surgery, diagnostic ultrasound, echocardiology, interventional pain management, interventional radiation. Dual Energy Digital X-Ray, GE 3.0T MRI (Jan 2007), CT (Jan 2007), 3-D & 4-D Ultrasound, & Echo Cardiograms, Blood collection and analysis (on site).<sup>402</sup> The urgent care centre sells services to patients wishing immediate treatment for minor conditions such as minor injuries, fractures, pain, minor burns, sporting injuries, colds, coughs, fevers, stomach ailments and asthma.<sup>403</sup>

Cost: \$199 for a basic evaluation, \$50 for an X-ray, and \$70 for a blood test.<sup>404</sup>

Medical staff: 1 MD works at the Urgent Care Centre.<sup>405</sup> The surgical centre includes over 29 surgeons<sup>406</sup> including 4 general surgeons including John Pacey from the Burnaby Hospital<sup>407</sup> and who is also a vascular surgeon, 1 additional vascular surgeon, Anthony Salvian, who is also a staff member at Vancouver General Hospital and St Paul's Hospital,<sup>408</sup> 2 urologists including William Taylor from Richmond General Hospital, 4 cardiologists, 6 cosmetic surgeons, 2 ENT specialists, an undisclosed number of gastroenterology surgeons from St. Paul's Hospital, 2 gynecologists, 4 orthopedic surgeons two of which are also on staff at Burnaby Hospital and one of whom is at Lions Gate Hospital, 1 neurosurgeon, Richard Chan, who also attends at Royal Columbian Hospital, Eagle Ridge hospital, Surrey Memorial Hospital and St. Mary's Hospital;<sup>409</sup>

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<sup>400</sup> Telephone interview with Copeman's Tetie Mah, December 14, 2007

<sup>401</sup> Telephone interview with staff, April 16, 2008

<sup>402</sup> <http://www.nationalsurgery.com/FCSC/index.php>

<sup>403</sup> <http://www.urgentcarecentre.com/procedures.html>

<sup>404</sup> "Canada's first private ER to begin service", *CTV News*, November 4, 2006,

[http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20061124/private\\_er\\_061124?s\\_name=&no\\_ads=](http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20061124/private_er_061124?s_name=&no_ads=)

<sup>405</sup> *Macleans*, June 11, 2007

<sup>406</sup> <http://www.nationalsurgery.com/FCSC/oursurgeons.php>

<sup>407</sup> <http://www.nationalsurgery.com/FCSC/oursurgeons-drpacey.php>

<sup>408</sup> <http://www.nationalsurgery.com/FCSC/oursurgeons-drsalvian.php>

<sup>409</sup> <http://www.nationalsurgery.com/FCSC/oursurgeons-drchan.php>

According to the founder, Dr. Mark Godley, False Creek performs over 3,000 procedures a year.<sup>410</sup> In December 2006, the clinic came to an agreement with the provincial Ministry of Health to accept BC Health Cards. On January 5, 2007, it was reported that the clinic has rejected the deal as the province only pays \$35 per patient visit as opposed to the \$199 the clinic would like to charge for a basic evaluation, (plus other costs, including \$50 for X-rays and \$70 for an arm cast).<sup>411</sup> The deal with the province was described as the first of its kind in Canada. In 2005/06 billings to the provincial MSP plan by the 35 doctors at False Creek who submitted claims totaled more than \$14.5 million or an average of more than \$414,000 each. This doesn't include private billings. According to Godley, the average surgery at the clinic costs \$5,000.<sup>412</sup> The clinic's medical staff consists of 70 specialists in all- over 50 MDs plus anesthesiologists and other support staff. The 10-bed<sup>413</sup> False Creek Urgent Care Centre, Canada's first such private facility, opened in December 2006 with fees including an evaluation fee of \$199 and \$50 for blood tests and \$70 to set a cast.<sup>414</sup> The Centre had to close due to a controversy over the ER poaching doctors from public Emergency Rooms in British Columbia. 24 doctors working in ERs in the Vancouver area were also being employed by the Urgent Care Centre including the clinic's director, Gordon Bird, who was also working in Delta Hospital's ER.<sup>415</sup>

The Urgent Care Centre reopened in March 2007 using a doctor who has never worked in the province before,<sup>416</sup> which Godley argues allows them to charge for services.<sup>417</sup> According to an interview with the clinic, the current ER is from Calgary.<sup>418</sup> Clinic procedures are paid privately and through Workers' Compensation.

#### **Comox Valley Surgical Centre, Courtenay**

Services sold: The centre sells a mix of medically necessary and unnecessary services such as orthopedics, plastic and cosmetic, dental, urology, ob/gyn, cataract, epidural, (Comox Valley also arranges MRIs through Comox Valley MRI which Comox' director is part owner of).<sup>419</sup>

Cost: A knee arthroscopy costs about \$2000.<sup>420</sup> A consultation is \$450.<sup>421</sup>

Medical staff: Consists of over 30 doctors with operating privileges.<sup>422</sup>

Comox Valley has been contracted to perform arthroscopies in order to get their wait lists down. In the "18 months since opening the Comox Valley Surgical Centre has performed well over 1000 surgeries"<sup>423</sup>

Comox doesn't charge MSP at all and having an MSP card won't reduce the cost of surgery at the clinic. The clinic promotes faster service for out-of-pocket payment.

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<sup>410</sup>“Conversations from the Frontier Centre for Public Policy” number 69, 2006.

<sup>411</sup>“No more BC Care Cards at new private clinic”, CBC News, January 4, 2007 <http://www.cbc.ca/canada/british-columbia/story/2007/01/04/bc-clinic.html>

<sup>412</sup>“Albertans lured to B.C. private clinic; Highlights health woes: Grits”, *Calgary Sun*, April 2, 2007.

<sup>413</sup>“Canada's first urgent care centre opens in Vancouver but questions dangle”, *Canadian Press*, December 1, 2006

<sup>414</sup>Ibid.

<sup>415</sup>Camille Bains, “Canada's first urgent care centre opens in Vancouver but questions dangle,” *Canadian Press*, December 1, 2006

<sup>416</sup>*Macleans*, June 11, 2007

<sup>417</sup>“Private ER reopens after skirting public health-care rules”, *Canadian Press*, April 10, 2007.

<sup>418</sup> Telephone interview with clinic staff, December 2007.

<sup>419</sup> <http://www.comoxvalleysurgical.com/services.php>

<sup>420</sup> Telephone interview with staff, December 2007

<sup>421</sup> Telephone interview with staff conducted April 16, 2008

<sup>422</sup> <http://www.comoxvalleysurgical.com/comox-valley-surgeons.php>

<sup>423</sup> <http://www.comoxvalleymri.com/news.php>

Surgeons at the clinic are in both the public and private system and a patient can choose to see the same surgeon in either a hospital under MSP or at the clinic for a private charge.<sup>424</sup>

**Cambie Surgery Centre, Vancouver**

Services sold: Surgeries and procedures sold include orthopedic (arthroscopic/sport injuries), Plastic, Cosmetic and Oral, General Surgery, Laparoscopic Surgery, Gynecology, Vascular Surgery, Neurosurgery, Ophthalmology, Urology, Ear, Nose and Throat and Pediatric Dental.<sup>425</sup>

Cost: A partial knee replacement is \$15-\$20 thousand dollars. An initial medical assessment of a patient is between \$500 and \$750.<sup>426</sup>

Medical staff consists of over 90 surgeons, including 5 urologists, 19 orthopedic surgeons, 1 spinal surgeon, 10 ophthalmologists, 4 neurosurgeons, 20 gynecologists, 5 ENT specialists.<sup>427</sup>

Cambie is owned by former Canadian Medical Association president Brian Day. The centre consists of 16,500 square feet of clinical space, 6 operating rooms, 11 recovery beds and 7 overnight stay rooms.<sup>428</sup> The Cambie Surgery Centre provides a full range of surgical services. While initially, the bulk of services were sold to third party insurers such as the Workers' Compensation Board, the Centre now sells surgical services to members of the public who are willing and able to pay the Centre's fees.<sup>429</sup> Cambie claims not to bill MSP for services it sells directly to the public. Many of the medical staff, a large number of who are also on staff at Vancouver General Hospital, bill MSP several hundred thousand dollars in 2006, and in several cases over \$1 million.

In 2002, the source of patients for the Cambie Clinic broke down as follows:

- 30% Workers' Compensation Board,
- 15% Cosmetic and Non-Medically Necessary Services,
- 10% Out-of-Province Patients
- 10% Insurance Companies
- 10% Children on Private Insurance
- 10% Children on Social Assistance
- 10% Private Corporations
- 2.5% RCMP
- 2.5% Natives, Armed Forces, Veterans<sup>430</sup>

The Clinic itself has a contract to provide publicly funded services to the Vancouver Coastal Health Authority. In the fiscal year ending 2006, the Authority paid Cambie over \$259,000.<sup>431</sup>

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<sup>424</sup> Telephone interview with staff conducted April 16, 2008

<sup>425</sup> <http://www.csc-surgery.com/index.php>

<sup>426</sup> Telephone interview with clinic, December 13, 2007

<sup>427</sup> <http://www.csc-surgery.com/surgeons.php>

<sup>428</sup> <http://www.csc-surgery.com/>

<sup>429</sup> Legislative Framework Governing Private Healthcare in British Columbia by Ron A. Skolrood, Lawson Lundell LLP, August 6, 2006

<sup>430</sup> "Surgical strike: Dr. Brian Day is a big supporter of public health care. But in order to save a sick system, he has a radical cure: cut a piece of it off and move it to his own clinic and other private- sector centres. The result: better access and faster service for you and more money for him. Is that so wrong?", *National Post Business Magazine*, February 1, 2002

<sup>431</sup> Vancouver Coastal Health, "Schedule of Payments to Suppliers of Goods and Services Fiscal Year Ended March 31, 2006", retrieved from <http://www.longwoods.com/view.php?aid=19091>

**Blaylock Surgical Centre** (affiliated with Valley Laser Eye Centre), Abbotsford, BC  
Services sold: Plastic/cosmetic surgery, general surgery, orthopedic, urology, gynecology and dental.

Cost: A colonoscopy costs \$1300 and knee arthroscopies are \$2800.<sup>432</sup> There is a \$200 consultation fee.<sup>433</sup> Blaylock states they do not accept MSP, instead they charge patients directly, third party insurers or WCB.<sup>434</sup> However, Blalock is also contracted to sell services to the regional health authority and was paid \$190,731 in the fiscal year ending in 2007.<sup>435</sup>

Medical staff: Approximately 30 surgeons are on staff part time. The permanent staff of 12 includes an anesthesiologist, OR tech, RN and others.<sup>436</sup>

**Kamloops Surgical Centre**, Kamloops

Services sold: General Surgery, Cosmetic Surgery, Gynecology Surgery, Urology, Neurosurgery and Pain Management, Dentistry, Ophthalmology Surgery, Orthopedic and Sports Injury Surgery.<sup>437</sup>

Cost: There is a \$350 consultation fee. The clinic would not give a price for surgery over the phone without an examination saying only that it was in the thousands. Patients are charges directly for medical procedures or they are paid for by WCB, third party insurers or the RCMP as an employer.<sup>438</sup> <sup>439</sup> The provincially owned Insurance Corporation of British Columbia (ICBC) has also paid for services from Kamloops Surgical Centre paying them a total \$30,525 in 2005.<sup>440</sup>

Medical staff: Includes 2 neurosurgeons, 2 plastic, 2 orthopedic, 3 dental, 1 urologist.<sup>441</sup> Several surgeons are from the Royal Inland Hospital of Kamloops, B.C. including Dr. Stewart (Urology) who is Chief of the Department of Surgery at the Royal Inland Hospital.<sup>442</sup>

From 2004 to 2005, The Interior Health Authority paid \$600,000 to the Kamloops Surgical Centre including "cataracts, dental work, orthopedic cases and other surgeries that don't require an overnight hospital stay."<sup>443</sup>

The clinic is a private clinic, but has doctors who work in the public system. Two knee doctors, Dr. Porter and Dr. Outerbridge are knee doctors who have a waiting list for an assessment that the clinic estimated to be 1.5 years. However, if you pay \$350 at

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<sup>432</sup> Telephone interview with staff, December 2007

<sup>433</sup> Telephone interview with clinic staff, April 16, 2008

<sup>434</sup> Telephone interview with staff, December 2007

<sup>435</sup> "Alphabetical list of suppliers of the Provincial Health Services Authority ("PHSA") that received aggregate payments exceeding \$25,000 for the year ended 31 March 2007." Accessed from <http://www.phsa.ca/NR/rdonlyres/BC0A2931-A597-4285-9851-6898B23CEA37/25288/Supplierover25000.pdf>

<sup>436</sup> "New, private surgery clinic emerges in British Columbia", *Canadian Healthcare Technology*, May 10, 2006, <http://www.canhealth.com/News337.html>

<sup>437</sup> [http://www.kamloopssurgery.com/medical\\_procedures.htm](http://www.kamloopssurgery.com/medical_procedures.htm)

<sup>438</sup> Telephone interview with staff, December 2007

<sup>439</sup> <http://www.kamloopssurgery.com/coverage.htm>

<sup>440</sup> Insurance Corporation of British Columbia, *Statements and , Schedules of Financial Information Year Ended: December 31, 2005*, accessed from [http://www.icbc.com/inside\\_icbc/pdf/fias2005.pdf](http://www.icbc.com/inside_icbc/pdf/fias2005.pdf)

<sup>441</sup> [http://www.kamloopssurgery.com/surgeons/surgeons\\_urology.htm](http://www.kamloopssurgery.com/surgeons/surgeons_urology.htm)

<sup>442</sup> [http://www.kamloopssurgery.com/surgeons/surgeons\\_urology.htm](http://www.kamloopssurgery.com/surgeons/surgeons_urology.htm)

<sup>443</sup> "Day surgeries moving to clinic to reduce hospital waiting list", *Vancouver Sun*, November 27, 2004.

Kamloops they can see you in 2-6 weeks. A researcher was told that is one way to save time – pay for the assessment and then use that assessment to get into line for surgery (if needed) in the public system. Or one can just pay for the assessment and then surgery at the clinic. The clinic was unclear if one can get a public assessment and then pay for surgery.<sup>444</sup>

**Langley Surgical Centre, Langley**

Services sold: Only day procedures are conducted such as ACL repair, hernia, general surgery Arthroscopic Joint Surgery, cataract, hernia repair and cosmetic surgeries are for sale.

Cost: A facility fee is charged - for arthroscopy, it ranges from \$2685 to \$3800. Services are paid for directly by the patient or by WCB, or the RCMP as an employer.<sup>445</sup> According to the clinic, the surgeon and anesthesiologist can bill MSP (Medicare) for any procedure that is covered by Medicare.

Medical staff: 6 surgeons at least one of whom is from Langley Memorial Hospital and another of whom is from Surrey Memorial Hospital.

When asked about Arthroscopic Joint Surgery, Langley's intake officer indicated that "some criteria that have to be met, a BMI of under 35, we look at your height and your weight to make sure you're appropriate to have surgery outside of a hospital setting – that criteria is throughout British Columbia."<sup>446</sup> In 2005, the B.C. Nurses Union petitioned the B.C. Supreme Court to order the provincial government to investigate illegal billing practices by False Creek and Langley. In regards to Langley, the petition alleged that a Langley patient, Joyce Hamer, was privately billed \$3,000 for medical services she received in 2003. The petition alleges that Hamer was reimbursed the \$3,000 private fee.<sup>447</sup>

**South Island Surgical Centre, Victoria**

Services sold: General surgery as well as gynecology, urology, endoscopy, anesthesia, pediatric dental, ophthalmological, cosmetic/plastic.

Cost: A facility fee of \$1200 is usually charged whether the surgery is being covered by MSP or not.<sup>448</sup>

Medical staff: There are 54 MDs on staff including 10 general surgeons, 17 anesthesiologists, 6 gastroenterologists, 3 ophthalmologists, and 3 urologists.<sup>449</sup>

The clinic allows queue jumping with the nurse manager saying, "if it's an MSP and you want to jump the queue you can do that"<sup>450</sup>

South Island Surgical Centre is owned by Surgical Centres, Inc., which also owns New Westminster Surgical Centre.

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<sup>444</sup> Telephone interview with staff, April 16, 2008

<sup>445</sup> Telephone interview with staff, December 2007

<sup>446</sup> Telephone interview with staff, December 2007

<sup>447</sup> "Nurses union asks court to investigate alleged illegal billing by private clinics," *Vancouver Sun*, April 22, 2005.

<sup>448</sup> Telephone interview with Kendall O'Brien, RN, Nurse Manager, December 6, 2007, 4:45 ET

<sup>449</sup> <http://www.southislandsurgical.com/ourphy.htm> accessed December 2007

<sup>450</sup> Telephone interview with Kendall O'Brien, RN, Nurse Manager, December 6, 2007, 4:45 ET

### **Seafield Surgical Centre, Nanaimo,**

Services sold: Dental, General Surgery, Ophthalmology, Orthopedics, Plastic Surgery and Urology.<sup>451</sup>

Cost: For ACL reconstruction, there is a facility fee \$5000, on top of an arrangement with the surgeon for the actual surgical procedure. Intake staff said they “couldn’t tell you” if MSP covers any of surgeon’s fee.<sup>452</sup> The clinic says it is not involved in financial arrangements between the patient and surgeon but that it rents out its facilities to affiliated doctors who make their own pay arrangements with patients. The amount of the facility fee is determined by the requirements on clinic resources. The clinic states that the facility fee is for OR time and the use of the clinics nurses and anesthesiologists.<sup>453</sup>

As for the fee for the actual surgery, patients are told to “work it out with the doctor and anesthesiologist yourself” and that the medical professionals either bill MSP or charge the patient – either way the patient also pays a “facility fee.”<sup>454</sup> The clinic referred a would-be patient to Dr. Chris Cameron whose office said it would not discuss billing until a consultation was held because it was necessary to examine and check out the injury before confirming coverage but that if the injury fell under MSP’s coverage guidelines the doctor would have no problem billing the provincial Medicare plan.<sup>455</sup>

Medical staff: 49 physicians are affiliated with the clinic including 14 anesthesiologists, 3 plastic, 11 dental/pediatric dental surgeons, 5 orthopedic surgeons, 3 general surgeons and 2 OB/GYNs.<sup>456</sup>

### **New Westminster Surgical Centre**

Services sold: Dental, ENT, general surgery, ophthalmology, orthopedics and plastic surgery.<sup>457</sup>

Cost: Patients are directly charged \$950 for cataract surgery per eye plus the cost of the lens if the patient wishes to purchase a soft lens instead of the MSP-paid for hard lens.<sup>458</sup> Patients are billed \$2700 for a knee scope.<sup>459</sup>

Medical staff: 17 Anesthesiologists, 3 plastic surgeons, 1 psychiatrist, 2 ENT, 2 general, 1 neurosurgeon, 6 ophthalmologists, 5 orthopedic surgeons, 1 vascular, 1 urology

New Westminster Surgical Centre is owned by Surgical Centres Inc., which also owns the South Island Surgical Centre<sup>460</sup>

The centre sells services and charges a facility fee.<sup>461</sup>

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<sup>451</sup> <http://www.surgicalcentres.com/seafieldprocedures.htm>

<sup>452</sup> Telephone interview with staff, December 2007

<sup>453</sup> Telephone interview with staff, December 2007

<sup>454</sup> Telephone interview with clinic staff, April 16, 2008

<sup>455</sup> Telephone interview with clinic staff, April 16, 2008

<sup>456</sup> <http://www.surgicalcentres.com/seafieldphysicians.htm>

<sup>457</sup> <http://www.surgicalcentres.com/newwestminprocedures.htm>

<sup>458</sup> Telephone interview with staff, December 2007

<sup>459</sup> Telephone interview with Jenny at the clinic, April 28, 2008

<sup>460</sup> Telephone interview with staff, December 2007

<sup>461</sup> Telephone interview with Jenny at the clinic, April 28, 2008

According to the office of Dr. Niema, who is NWSC's cataract surgeon, the consultation might be covered by MSP. Dr. Niema's office told a researcher that a soft lens would cost between \$300 to \$450 an eye. If Dr. Niema does the surgery in hospital it would take about 4 to 6 months, if the surgery is done privately in the clinic the cost to the patient would be about \$1500 per eye and could be done in about two months.<sup>462</sup>

**Pezim Clinic**, Vancouver,

Services sold: The Pezim Clinic is dedicated solely to gastrointestinal (diagnostic) endoscopy (scope tests) and anorectal surgery.<sup>463</sup>

Cost: For a colonoscopy, the patient is charged \$1200 if the procedure is obtained privately and \$240 on top of MSP if the procedure is under the provincial health plan.<sup>464</sup> According to the clinic, both MSP and non-MSP services are sold, "non MSP is where we only do screening so for that we have to pay privately, that's \$1200, if it's MSP \$240 as expense fee for doing it in a non-hospital service." MSP only covers for patients who have symptoms or family history. In regards to the \$240 fee on top of MSP, the clinic said, "if you do it at the hospital it's covered all the way, if you come here the privilege is you are not waiting for 6 months, because Dr. Pezim is running this clinic outside of hospital someone has to cover the expenses."<sup>465</sup>

Medical staff: 1 MD, Michael Pezim.<sup>466</sup>

**Ambulatory Surgical Centre Vancouver L.P.**, Vancouver

Services sold: Orthopedic, podiatric, cosmetic and gynecology, reconstructive - plastic surgery services that do not require anesthetic. The centre also arranges expedited diagnostic services including MRI/CT.<sup>467</sup>

Cost: For knee surgery, the patient is billed approximately \$4000 plus a \$375 consultation fee.<sup>468</sup> According to the clinic, MSP is not charged for surgeries that patients are directly billed for.<sup>469</sup> Cosmetic surgery is paid for by patient, other services paid by third party payers, not patients such as the employer, Workers Compensation, and ICBC (public auto insurance). According to the ASCV website, however, "patients may not self-pay for health services, with the exception of cosmetic surgery."<sup>470</sup> The centre also accepts cases paid for by the provincial Medical Services Plan under contract with the local health authority.<sup>471</sup>

Medical staff: 23 surgeons including 9 orthopedic surgeons, 3 general surgeons and 2 vascular surgeons and 6 plastic surgeons.<sup>472</sup> Many of the surgeons are also on staff at St. Paul's Hospital.<sup>473</sup>

The surgeons are in the public system but "offer" the clinic hours.<sup>474</sup>

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<sup>462</sup> Telephone interview with staff, December 2007

<sup>463</sup> <http://www.pezimclinic.com/>

<sup>464</sup> Telephone interview with Navin, 7:16 pm, EST, 6 Dec 2007

<sup>465</sup> Telephone interview with Navin, 7:16 pm, EST, 6 Dec 2007

<sup>466</sup> <http://www.pezimclinic.com/content/about.html>

<sup>467</sup> <http://www.asc-vancouver.ca/>

<sup>468</sup> Telephone interview with Virginia at the clinic, April 16, 2008

<sup>469</sup> Telephone interview with Virginia at the clinic, April 16, 2008

<sup>470</sup> [http://www.asc-vancouver.ca/html/employers\\_\\_\\_insurers.html](http://www.asc-vancouver.ca/html/employers___insurers.html)

<sup>471</sup> Telephone interview with staff, December 2007

<sup>472</sup> [http://www.asc-vancouver.ca/html/our\\_surgeons.html](http://www.asc-vancouver.ca/html/our_surgeons.html)

<sup>473</sup> <http://www.asc-vancouver.ca/about.html>



### **Delbrook Surgical Centre, North Vancouver**

Services sold: Orthopedic surgery including , ankle, wrist and shoulder surgery, Arthroscopic Joint Surgery, minor trauma and fracture surgery, sports medicine surgery, cosmetic and plastic surgery, hernia repair, carpal tunnel surgery, urological surgery, vasectomy and vasectomy reversal, dental surgery and diagnostic and therapeutic nerve block procedures.<sup>475</sup>

Cost: \$13,345 for partial knee surgery, miniscal repair \$4058, ACL \$6000<sup>476</sup> paid for by Workers' Compensation, RCMP, private insurance or direct payment by individual patients. Lionsgate Hospital also hire the facility for some surgeries.<sup>477</sup> The clinic states it does not charge MSP at all, an MSP card is not required, and there is no difference in price if one presents a health card.<sup>478</sup>

Medical staff: 17 surgeons<sup>479</sup>

Clinic promotes fast service for out-of-pocket payment.<sup>480</sup>

### **Valley Surgery Centre, Surrey**

Services sold: Cosmetic surgery, plastic surgery, orthopedic surgery, ophthalmologic surgery and urological surgery

Cost: Approximately \$4000 for knee surgery paid for by the patient.<sup>481</sup>

Medical staff: At least 25 surgeons including 7 plastic surgeons, 3 orthopedic surgeons, 7 Anesthesia MDs, 1 ENT surgeon, 1 ophthalmologist and 1 general surgeon (Adenoidectomy, Herniorrhaphy, Inguinal Hernia Repair Mesh Plug, Tonsillectomy)<sup>482</sup>

The clinic states it does not charge MSP at all, an MSP card is not asked for, and having a card makes no difference as to the cost of the surgery.<sup>483</sup>

### **Victoria Surgery Centre, Victoria**

Services sold: ENS, general surgery (including hernia, biopsies, varicose veins)<sup>484</sup>, gynecology, urology, neurology (lumbar discectomy and laminectomy)<sup>485</sup>, orthopedics, plastic/cosmetic surgery<sup>486</sup>

Cost: In December 2007, a partial knee surgery could cost between \$3000 and \$7000 depending on the particulars. Patients pay for the surgery themselves, MSP does not cover the procedure if it's obtained privately.<sup>487</sup> The centre is also under contract to provide some surgeries to the public system.<sup>488</sup> By late April 2008 the clinic was informing potential clients that they no longer sold private surgery. "We can't help you out if you pay for it, we aren't able to do those sorts of surgeries at the moment, we used to, but there's a ban."<sup>489</sup>

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<sup>474</sup> Telephone interview with Virginia of the clinic, April 16, 2008

<sup>475</sup> <http://www.delbrooksurgical.com/procedures/services.html>

<sup>476</sup> Telephone interview with staff, December 2007

<sup>477</sup> Telephone interview with staff, December 2007

<sup>478</sup> Telephone interview with staff, April 16, 2008

<sup>479</sup> <http://www.delbrooksurgical.com/about/physician.html>

<sup>480</sup> Telephone interview with staff, April 16, 2008

<sup>481</sup> Telephone interview with staff, December 2007

<sup>482</sup> <http://valleysurgerycentre.com/surgeons.htm> accessed December 2007

<sup>483</sup> Telephone interview April 16, 2008

<sup>484</sup> <http://www.victoriasurgery.com/proceduresGeneral.html>

<sup>485</sup> <http://www.victoriasurgery.com/proceduresNeurology.html>

<sup>486</sup> <http://www.victoriasurgery.com/surgicalProcedures.html>

<sup>487</sup> Telephone interview with Alanna of the clinic, December 6, 2007

<sup>488</sup> According to a list of private surgical centres under contract provided by Shannon Boivin of CIHI

<sup>489</sup> Telephone interview with Alanna, April 28, 2008

Medical staff: 8 anesthesiologists, 11 physicians, 5 dental surgeons, 5 general surgeons, 1 neurology surgeon, 7 orthopedic surgeons, 5 plastic surgeons, 5 urologists/gynecologists<sup>490</sup>

### **Eye clinics selling medically necessary cataract surgery**

#### **Valley Laser Eye Centre, Abbotsford (affiliated with the Blaylock Surgical Centre)**

Services sold: Laser eye and cataract

Cost: Cataract surgery is paid for by MSP if the patient is willing to go on the waiting list in which case Dr. Blaylock performs the surgery at Chilliwack Hospital or \$1200 per eye if the patient is willing to pay directly in order to be operated upon in the clinic within a month.<sup>491</sup>

Medical staff: Dr. Grant Blaylock is the sole ophthalmologist on staff

Dr. Blaylock performs 18 cataract surgeries each Tuesday at the hospital under MSP and 18 each Wednesday at the clinic charging the patient directly.<sup>492 493</sup>

#### **Burnaby Eye Surgery Centre,**

Services sold: cataract surgery

Cost: Paid by MSP if performed in hospital with a waiting list or, if the surgery is performed at the clinic without a waiting list there is a \$350 facility fee.<sup>494</sup>

Medical staff: Edward Yu is the owner of the clinic and sole ophthalmologist on staff.<sup>495</sup>

#### **Coquitlam Cataract Centre,**

Services sold: Cataract surgery

Cost: If the surgery is conducted in the clinic, there is a \$700 user fee per eye plus the cost of a soft lens which costs between \$250 and \$500 per eye depending on which lens is purchased.<sup>496</sup> If Dr. Parkinson performs the surgery in hospital, it is paid for by MSP except for the cost of the soft lens.<sup>497</sup>

Medical staff: Kevin Morris Parkinson is the sole ophthalmologist on staff.<sup>498</sup>

According to the clinic, Dr. Parkinson performs cataract surgery 3 to 4 days a month for which the patient is charged and about one day a month in public hospital for MSP

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<sup>490</sup> <http://www.victoriasurgery.com/physiciansSurgeons.html>

<sup>491</sup> Telephone interview with Jodie, Medical Office Assistant/Cataract Surgery at Valley Laser Eye Clinic. December 2007.

<sup>492</sup> Telephone interview with Jodie, Medical Office Assistant/Cataract Surgery at Valley Laser Eye Clinic. December 2007.

<sup>493</sup> According to the clinic's website "With local healthcare restructuring, cataract surgeries are now performed at Chilliwack General Hospital, where Dr. Blaylock attends once a week offering public cataract surgery to the residents of the Fraser Valley and Lower Mainland." [http://www.valleylasereyecentre.ca/about\\_us/about\\_vlec.php](http://www.valleylasereyecentre.ca/about_us/about_vlec.php)

<sup>494</sup> Telephone interview with receptionist, Wed Dec 5<sup>th</sup>, 2007 approx 2pm

<sup>495</sup> Telephone interview with receptionist, Wed Dec 5<sup>th</sup>, 2007 approx 2pm

<sup>496</sup> Telephone interview with Kelly of the clinic, April 28, 2008

<sup>497</sup> Telephone interview with staff, December 2007

<sup>498</sup> Telephone interview with staff, December 2007

patients.<sup>499</sup> When asked why a patient would purchase surgery from the clinic rather than obtaining it in hospital through the public system a researcher was told “you won’t be waiting about a year” and that, by comparison “it will be about a 2 month time period” before receiving surgery in the clinic.<sup>500</sup>

**VisionMed, Vancouver**

Services sold: Laser vision correction surgery and cataract surgery.<sup>501</sup>

Cost: Laser eye surgery costs \$500 to \$2500 per eye depending on the technology used<sup>502</sup> and cataract surgery costs \$795 per eye for “basic surgery” or up to \$2795 per eye for a multifocal lens. According to VisionMed’s staff, the provincial Medical Services Plan pays part of the surgery fee for cataract surgery and the patient is directly charged \$795 above that.<sup>503</sup> According to staff this fee is for the lens and to pay for the facility. Patients who are not on the British Columbia Medical Services Plan are charged an additional \$2000 per eye. “You don’t have to wait, you can have it done next week” if the procedure is purchased from the clinic compared to having to wait “6 months to a year [for] a hospital.”

Medical staff: Two ophthalmologists.<sup>504 505</sup>

Cataract surgery occurs on Tuesdays and laser eye surgery is conducted on Thursdays and Fridays.<sup>506</sup>

**Eye clinics exclusively selling medically unnecessary services**

Many ophthalmologists appear to be dividing their time between laser surgery and cataract surgery and/or between private cataract surgery and cataract surgery in the public system.

**Iris Ophthalmology**

Services sold: Laser vision surgery

Cost: Iris charges \$3,690 for “wavefront” laser eye surgery and \$4,690 for prebyopic laser eye surgery.<sup>507</sup>

Medical staff: Hugo Sutton is the proprietor and sole ophthalmologist on staff.<sup>508</sup>

Iris provides an example of ophthalmologists spending time performing lucrative laser eye surgery rather than cataract surgery. Iris charges \$3,490 for “wavefront” laser eye surgery and \$4,490 for prebyopic laser eye surgery. Cataract surgery is not performed. Located in Langley, Iris’ ophthalmologist is Dr. Hugo Sutton who, according to the clinic’s website, “was instrumental as the lead teacher of cataract surgery at the University Eye

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<sup>499</sup> Telephone interview with staff, December 2007

<sup>500</sup> Telephone interview with Kelly of the clinic, April 28, 2008

<sup>501</sup> Telephone interview with Joanne, 2:23 pm ET, Dec 6, 2007

<sup>502</sup> <http://www.visionmed.ca/lvc/index.cfm?fuseaction=Home.showPricingPage>

<sup>503</sup> Telephone interview with Vivian of the clinic, April 28, 2008

<sup>504</sup> Telephone interview with Joanne, 2:23 pm ET, Dec 6, 2007

<sup>505</sup> <http://www.visionmed.ca/lvc/index.cfm?fuseaction=Home.showOfficePage&ID=1>

<sup>506</sup> Telephone interview with staff, December 2007

<sup>507</sup> <http://www.iris.ca/clinic/pricing.html>

<sup>508</sup> <http://www.iris.ca/clinic/doctors.html>

Care Centre between 1987-1991, and has completed more than 10,000 cataract surgeries with lens implantation.”<sup>509</sup> Dr. Sutton doesn’t seem to have a practice independent of Iris Ophthalmology, which suggests he no longer performs cataract surgery. He is also the founder of Lasik Vision. According to our phone call to the clinic, Sutton spends 3 days a week performing laser eye surgery. According to a profile in *Report on Business Magazine*, Sutton opened a private cataract clinic in 1978. However there “was a significant drop in the fees that ophthalmologists were allowed to charge for the bread-winning cataract/lens procedure,” and so Sutton and other ophthalmologists moved to refractive surgery. In the words of former Sutton associate Dr. Dan Reinstein this enabled them to “continue the payments on their boats.”<sup>510</sup>

### **Coal Harbour Eye Centre**

Services sold: Laser vision correction surgery

Cost:\$ 2399 for both eyes, inclusive<sup>511</sup>

Medical staff: Steven Lawrence Kirzner is the sole ophthalmologist on staff.<sup>512</sup>

How much: \$2399 for both eyes, inclusive<sup>513</sup>  
Coal Harbour treats 2,400 patients a year<sup>514</sup>

### **Victoria Corneal Laser Centre**

Services sold: Laser vision correction surgery

Cost: \$1399-\$1699 per eye<sup>515</sup>

Medical staff: 3 MDs Dr. Nelson “has been in ophthalmology practice in Victoria since 1980, specializing in corneal and cataract surgery.”<sup>516</sup>

What services do they sell: LASIK and PRK eye surgery

How much: \$1399-\$1699 per eye<sup>517</sup>

How many staff/where from: 3 MDs work at the clinic.<sup>518</sup> Dr. Nelson “has been in ophthalmology practice in Victoria since 1980, specializing in corneal and cataract surgery.”<sup>519</sup>

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<sup>509</sup><http://www.iris.ca/clinic/doctors.html>

<sup>510</sup>Cole, Trevor, “Eye of the Storm — The Lasik-Vision story” *Report on Business Magazine*, 2001. Republished at <http://www.trevorcole.com/Journalism/Lasik-Vision.html>

<sup>511</sup> [http://www.seewell.ca/fee\\_schedule.html](http://www.seewell.ca/fee_schedule.html)

<sup>512</sup> <http://www.seewell.ca/surgeon.html>

<sup>513</sup> [http://www.seewell.ca/fee\\_schedule.html](http://www.seewell.ca/fee_schedule.html)

<sup>514</sup> Telephone interview with staff, December 2007

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<sup>516</sup> <http://www.see-better.com/drnelson.asp>

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<sup>518</sup> <http://www.see-better.com/about.asp>

<sup>519</sup> <http://www.see-better.com/drnelson.asp>

# Manitoba

## Snapshot

Median income (2005): \$23,900<sup>520</sup>  
Persons registered with Medicare: 1,173,815<sup>521</sup>

### Manitoba Health

Number of participating physicians: 2,016<sup>522</sup>  
Number of opted-out/non-participating physicians: 0<sup>523</sup>

### For-Profit Surgical Facilities selling medically necessary services:

2

### For-Profit MRI/CT Clinics:

1, not currently operational<sup>524</sup>

### Impact of For-profit clinics on Physician-Specialists:

Ophthalmologists: 31<sup>525</sup>  
Laser Vision Correction Surgery: 7 clinics  
Ophthalmologists providing laser surgery: 13<sup>526</sup>  
Percentage of ophthalmologists working in for-profit clinics: 42%

Orthopedic surgeons: 39<sup>527</sup>

Diagnostic radiologists 58<sup>528</sup>  
Number of radiologists associated with private clinics: 1  
Percentage of radiologists working in for-profit clinics: 1.7%

## Background and Overview

The Manitoba government has been under pressure by advocates of private clinics since the beginning of this decade when Mark Godley, founder of British Columbia's False Creek clinic opened the Maples Surgical Centre in Winnipeg. In response, the Manitoba legislature passed In May, 2001, the NDP government introduced Bill 25, the *Health Services Insurance Amendment Act* making it illegal for any privately run clinic to have overnight beds. Previously, a private hospital was defined as a clinic with at least four overnight beds.<sup>529</sup> Also in 2001, the private Pan-Am Clinic was purchased for \$3.9 million by

<sup>520</sup> Statistics Canada, CANSIM, table 111-0009.

<sup>521</sup> Canada Health Act Annual Report, 2005-2006

<sup>522</sup> Canada Health Act Annual Report, 2005-2006

<sup>523</sup> Canada Health Act Annual Report, 2005-2006

<sup>524</sup> According to an interview with Maples Surgical Centre staff, April 10, 2008, the centre's MRI is not currently operational and is awaiting upgrade.

<sup>525</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>526</sup> Estimate based on a count of ophthalmologists practicing at facilities performing laser vision correction surgery

<sup>527</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>528</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>529</sup> NDP targets private clinics with new law Bill introduced yesterday disallows overnight stays, charging facility fees

the Manitoba NDP government in 2001 which pledged to spend another \$3 million to double the size of the clinic. The clinic was founded in 1979 as a sports injury clinic<sup>530</sup> and began performing insured services on contract with the government in 1999.<sup>531</sup> When the clinic was acquired by the government it was performing 1,500 surgeries a year.<sup>532</sup> In 2004, the Manitoba government said the number of surgeries performed at the Pan-Am had doubled since it became public in 2001.<sup>533</sup>

At present, Manitoba has no private, for-profit MRI facility operating outside of Medicare. The Maples clinic did start such a facility in 2005, however, in December 2006 a contract was signed with the provincial government contracting the MRI for publicly-funded scans in exchange for an agreement to cease selling scans privately. Recently, the government ceased to purchase MRI scans from the clinic over quality concerns (see entry on Maples Clinic and the MRI Case Study 1d earlier in this report)

In November, 2007, the Roseau River First Nations announced plans to open a private, for-profit, MRI/CT on reserve land "We're going to start off with family physicians and a pharmacy... Through time, we'll expand to include diagnostic imaging suites like MRI and CT scanners, and then a surgical suite for laparoscopic surgery," said a consultant working on the plan. British Columbia Conservative Senator Gerry St. Germain is a partner in the scheme.<sup>534</sup> A \$10 million clinic will include 15 family doctors and a full service prescription pharmacy and is projected for fall 2008 or winter 2009.<sup>535</sup>

## Summary Review of For-Profit Clinics

### For-Profit Hospital Surgical Facilities<sup>536</sup>

#### Maples Surgical Centre:

Services: plastic, orthopedic, pain management and pediatric dentistry.

Facilities: 3 operating rooms, six recovery beds, 3 short stay rooms.

Medical staff: 7 surgeons (5 cosmetic - 2 of whom also do "Manitoba Health" elective and emergency surgery, 2 orthopedic who do WCB surgery)

Who pays: Workers Compensation Board and previously Manitoba Health (on contract), 3<sup>rd</sup> party insurers. Clinic states they do not do private pay surgery.<sup>537</sup> In 2003, about 1/3 of the WCB's 1000 day surgery patients were sent to Maples.<sup>538</sup>

The \$3 million Maples Surgical Clinic was established in 2001 by Dr. Mark Godley, founder of the False Creek Surgical Centre in British Columbia in 1998, after he reached an agreement with the Manitoba Workers Compensation Board to contract for services.

Prior to the clinic's opening Godley made it clear that his goal was to eventually have overnight beds but that the clinic would initially just provide day surgeries such as plastic and orthopedic procedures<sup>539</sup> as well as dental and eye surgeries. 12 Manitoba MDs

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to their patients", *Winnipeg Free Press*, May 24, 2001

<sup>530</sup>"Pan Am Clinic deal opens a door", *Winnipeg Free Press*, April 9, 2001

<sup>531</sup>"Pan Am facility will double in size; critics charge purchase ideologically driven NDP pays \$4 million for private clinic", *Winnipeg Free Press*, April 3, 2001

<sup>532</sup>"Day surgeries to double at clinic Pan Am deal takes pressure off hospitals", *Winnipeg Free Press*, September 20, 2001

<sup>533</sup>"Manitoba Tories accuse government of double standard over private clinics", *Canadian Press*, August 3, 2004

<sup>534</sup>"Medical clinic planned for newly opened urban reserve", *CBC News*, November 27, 2007,

<http://www.cbc.ca/canada/manitoba/story/2007/11/27/urban-reserve.html>

<sup>535</sup>*Winnipeg Free Press*, November 27, 2007

<sup>536</sup> Providing services which are, or which normally would be, insurable under Medicare.

<sup>537</sup> Telephone interview with intake staff, January 4, 2008, 12:06 ET

<sup>538</sup>"Manitoba Tories accuse government of double standard over private clinics", *Canadian Press*, August 3, 2004

<sup>539</sup> *Canadian Press*, "Mba-Private-Clinic", *Broadcast News*, April 4, 2001

were signed up to provide services in 2001 with Godley intending to recruit 20 more.<sup>540</sup> The clinic opened over the objections of the Manitoba government and vowed not to allow overnight surgeries in the clinic.<sup>541</sup> Health minister David Chomiak told the press, "We don't want private hospitals in Manitoba, I can't stop him from running a clinic, but we've indicated there is a hospital act in Manitoba and we intend to make it ironclad that private facilities will not be open overnight."<sup>542</sup>

In May, 2001, the NDP government introduced Bill 25, the *Health Services Insurance Amendment Act* making it illegal for any privately run clinic to have even one overnight bed. Previously, a private hospital is defined as a clinic with at least four overnight beds.<sup>543</sup> In June 2001, Godley offered to sell the clinic to the province for \$2.5 million.<sup>544</sup> The Winnipeg Regional Health Authority rejected the offer in September as it was already preoccupied with taking over the Pan Am Clinic.<sup>545</sup>

He opened the Maples clinic with the expectation that it would be contracted by the government to perform some insured procedures.<sup>546</sup> Minister Chomiak said: "What I have is a doctor who has flown in here and every day is complaining that we're not funding his clinic, "but I don't want to extend further contracts with private clinics or get into a situation where I had contracts with every private clinic. We can't sustain that. We decided as a policy decision a year ago that we would try something that we think is really innovative, that we think is maybe a trendsetter."<sup>547</sup>

The minister also argued that the problem isn't a shortage of facilities but a shortage of staff and funding: "There are waiting lists everywhere in the system but our hospitals are only operating at 50% capacity and most of our surgical centres are operating at only 50% capacity," he said. "There always have been waiting lists, there always will be waiting lists. Every health care system has a certain volume of things that they can afford to do. Operating rooms is not the problem. The issue is how to pay for everything. The only thing holding [us] back is cost and staff. [Dr. Godley's] argument that if you only let me open my surgical centre, then you won't have a waiting list -- it doesn't fit."<sup>548</sup>

In late 2005, Maples acquired an MRI machine, the province's only privately operated unit, which Godley initially said would be used for WCB cases and out of province clients.<sup>549</sup> Subsequently, he said that based on a legal opinion he'd received that

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<sup>540</sup>“State of the art,' doctor says, but Chomiak adamantly opposed New private surgical clinic gets raves from inspector,” *Winnipeg Free Press*, April 25, 2001

<sup>541</sup>“State of the art,' doctor says, but Chomiak adamantly opposed New private surgical clinic gets raves from inspector,” *Winnipeg Free Press*, April 25, 2001

<sup>542</sup> Rabson, Mia, “State of the art,' doctor says, but Chomiak adamantly opposed New private surgical clinic gets raves from inspector,” *Winnipeg Free Press*, April 25, 2001

<sup>543</sup>“NDP targets private clinics with new law Bill introduced yesterday disallows overnight stays, charging facility fees to their patients”, *Winnipeg Free Press*, May 24, 2001

<sup>544</sup>“Private clinic for sale Owner of state-of-the-art surgical facility says hands tied by NDP”, *Winnipeg Free Press*, June 14, 2001

<sup>545</sup>“WRHA rejects offer to purchase clinic Maples Surgical Centre offered for \$2.5M”, *Winnipeg Free Press*, September 22, 2001

<sup>546</sup>“Manitoba on an 'ideological drive' against private clinics, operators say: Refusal to fund them makes economic sense, researchers say”, *National Post*, June 25, 2001

<sup>547</sup>“Manitoba on an 'ideological drive' against private clinics, operators say: Refusal to fund them makes economic sense, researchers say”, *National Post*, June 25, 2001

<sup>548</sup>“Manitoba on an 'ideological drive' against private clinics, operators say: Refusal to fund them makes economic sense, researchers say”, *National Post*, June 25, 2001

<sup>549</sup>“Manitoba's first private MRI to start this month, but not to reduce wait times,” *Canadian Press*, November 3, 2005

performing private MRIs for insured Manitobans was not illegal; Maples announced that it would make scans available to the public for \$695 with a maximum wait of 48 hours.<sup>550</sup>

Maples hired staff from public facilities to run its MRI forcing Winnipeg's Health Sciences Centre to reduce its own MRI operations by more than 20 hours a week after one of its technicians went to Maples full-time and a second went to work there part-time (the HSC also lost a 3<sup>rd</sup> technician for unrelated reasons). In January 2006, Manitoba Health gave Maples approval to provide MRIs to patients in non-insured circumstances, such as Workers Compensation, the military and the RCMP and that the scanner could only be used for insured patients if it and the province could negotiate a contract. Health Minister Tim Sale said that Maples must agree to eight principles for such a contract including not poaching staff, having a complaints process, and providing proof that the province's waiting lists are being reduced. In December 2006, Maples signed a three year \$2.3 million contract with the Winnipeg Regional Health Authority for MRI and surgical services. In exchange, the centre agreed to stop selling MRI scans to the public. The agreement took effect in February 2007 and specified that services could not be provided more effectively or efficiently in the public system and that value for money must be shown. Patients are referred to Maples by the WRHA in order to prevent the clinic from "cherry picking."

In December 2007, the Winnipeg Regional Health Authority stopped referring patients to the clinic. The WRHA expressed concern about quality. Godley has stated that he expects to acquire a new MRI machine in 2008.

#### **Western Surgery Centre (Winnipeg)**

Services: Cosmetic, Oral, refractive lensectomy, cataract

Staff: 2 oral and maxillofacial surgeons (Dr. Andrew Stoykewych and Dr. Anthony Canosa), 1 ophthalmologist (Brian Gillespie), 1 dentist for children (Cory B. Sul) and an unknown number of cosmetic surgeons use the facility.<sup>551</sup>

Facilities: Licensed as a day surgery facility, the centre has two operating theatres and capabilities for general anesthesia, or local anesthesia with or without intravenous sedation by an anesthesiologist. The centre has a 7 bed recovery room.<sup>552</sup>

Cost: Manitoba Health is charged \$700 per eye for cataract surgery.

Who pays: private for most procedures, Winnipeg Health Authority has a contract with the centre to provide cataract surgery<sup>553</sup>

Cataract surgery: 135 cataract surgeries are performed per month on average, with a total of 1,501 in the 2006/2007 fiscal year.<sup>554</sup> In January 2008 there was a 12 week waiting period (compared to Winnipeg's 11 week overall average).<sup>555</sup>

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<sup>550</sup>“Private MRIs illegal: minister - Clinic owner dares province to stop him - Can't charge for medically necessary service: Sale”, *Winnipeg Free Press*, November 17, 2005

<sup>551</sup><http://www.westernsurgerycentre.com>

<sup>552</sup><http://www.westernsurgerycentre.com/index2.php?id=facility>

<sup>553</sup><http://www.gov.mb.ca/health/waitlist/surgical/ataract.html>

<sup>554</sup>Cataract wait surgery times, January 24, 2008, <http://www.gov.mb.ca/health/waitlist/surgical/ataract.html>, accessed March 24, 2008

<sup>555</sup>Cataract wait surgery times, January 24, 2008, <http://www.gov.mb.ca/health/waitlist/surgical/ataract.html> , accessed March 24, 2008



## Boutique clinics

### **Copeman Clinic** (proposed)

In January 2006, Don Copeman announced plans to open a clinic in Manitoba by the end of 2007 charging a \$1,200 initiation fee and \$2,300 in annual dues.<sup>556</sup>

### **Laser Eye Clinics**

Manitoba has four laser eye clinics. One clinic is owned by the national Lasik MD chain and utilizes 5 ophthalmologists though several of these are from out of province and divide their time at Lasik clinics across Canada. One of them, Dr. John van der Zweep, is also on staff at Misericordia Hospital as well as at the Pan Am Surgical Centre in Winnipeg and practices “practices comprehensive ophthalmology and performs cataract and refractive surgery”<sup>557</sup> when he is not performing laser eye surgery. The three other laser eye surgery clinics in Manitoba, Image Plus, Clearvue and Eyetech, employ a total of 8 ophthalmologists between them including at least two whose biographies mention their expertise in cataract surgery.<sup>558</sup>

Of the 31 ophthalmologists estimated to be practicing in Manitoba, 13, or 41%, are involved with providing laser eye surgeries. All of the laser eye clinics are located in Winnipeg where the average waiting time for cataract surgeries is 11 weeks compared to 8 weeks in the Assiniboine and Brandon regional health districts and 12 in the central district.<sup>559</sup>

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<sup>556</sup>“Private clinic to offer 'Cadillac' services Patients would pay initial fee, annual dues”, *Winnipeg Free Press*, January 12, 2006

<sup>557</sup> <http://www.lasikmd.com/cwinnipeg/meet-your-doctor/our-surgeons/dr-john-van-der-zweep.en.html>, accessed March 24, 2008

<sup>558</sup> <http://www.clearvue.ca/gillespie> and <http://www.imageplus.ca/chin.html> accessed March 24, 2008

<sup>559</sup> Cataract wait surgery times, January 24, 2008, <http://www.gov.mb.ca/health/waitlist/surgical/ataract.html>, accessed March 24, 2008



# New Brunswick

## Snapshot

Median income (2005): \$21,800<sup>560</sup>

### **New Brunswick Medical Services Plan**

Persons covered by Medicare: 751,250<sup>561</sup>

Number of participating physicians: 1935<sup>562</sup>

Number of opted out/non-participating physicians: 0<sup>563</sup>

### **For-Profit Surgical Facilities selling medically necessary services:**

none

### **For-Profit MRI/CT Clinics:**

none

### **Impact of For-profit clinics on Physician-Specialists:**

Ophthalmologists: 24<sup>564</sup>

Laser eye clinics: 2

Ophthalmologists providing laser surgery: 4<sup>565</sup>

Percentage of ophthalmologists working in for profit clinics: 16.6%

Orthopedic surgeons: 31<sup>566</sup>

Diagnostic radiologists: 47<sup>567</sup>

## Background and Overview

There are no private, for-profit surgical clinics or MRIs in New Brunswick.

A new Liberal government was elected in September 2006. Premier Shawn Graham appointed Mike Murphy, an insurance lawyer<sup>568</sup>, as the new minister of health.

In March 2007, Murphy said he wanted to know what role New Brunswickers feel the private sector should have in public health care delivery for a report he was preparing. He suggested that this could mean private clinics in fields such as radiology and blood collection would be able to open and serve the

<sup>560</sup> Statistics Canada, CANSIM, table [111-0009](#).

<sup>561</sup> The Canada Health Act Annual Report, 2005-2006 does not provide a number – this figure is the estimated population of New Brunswick published by Statistics Canada on March 27, 2008 at <http://www.statcan.ca/Daily/English/080327/d080327d.htm>

<sup>562</sup> Canada Health Act Annual Report, 2005-2006

<sup>563</sup> Canada Health Act Annual Report, 2005-2006

<sup>564</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), Supply, Distribution and Migration of Canadian Physicians, 2006, CIHI, 2006

<sup>565</sup> Does not include 3 Lasik MD ophthalmologists who are normally resident in other provinces

<sup>566</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), Supply, Distribution and Migration of Canadian Physicians, 2006, CIHI, 2006

<sup>567</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>568</sup> "Liberals engage in double-speak to sell private health care to New Brunswickers", *Citizens' Press*, May 4, 2007

private sector.<sup>569</sup> Murphy wouldn't rule out a pay-for-service health care system when interviewed on the matter.<sup>570</sup>

A month later, in a speech to the Saint John Board of Trade, Murphy suggested that for-profit companies be allowed to compete for public health dollars and that patients could be permitted to pay for medical services privately. Murphy also said that the provincial government was considering renting out public health care facilities to private users to raise money.<sup>571</sup> He said it might be worthwhile to sell excess hospital capacity to private health providers such as insurance companies, workers compensation boards and corporations.<sup>572 573</sup> Danny Legere of CUPE criticized the idea as "health care for the rich and health care for the poor, both in our public facilities. If you're poor you'll have to go on the waiting list. If you have the means to pay, you won't have to wait and you can jump the queue."<sup>574</sup> Mike McBane of the Canadian Health Coalition said the ideas have been proven ineffective and would make health care more expensive and less accessible.<sup>575</sup> Murphy is working on a new provincial health care plan, which in April was reported to be delivered within months.<sup>576</sup>

The Liberal government's consideration of private sector delivery is an about face from Premier Shawn Graham's position when he was opposition leader during the 2003 election campaign and challenged then-Premier Bernard Lord on what specific "New Brunswick health-care services [the Tories] would privatize." - Graham promised that a Liberal government would not promote further privatization of the health sector.<sup>577</sup>

## Summary Review of For-Profit Clinics

### Private for-profit clinics selling medically unnecessary services

#### **TLC Laser Eye Centre, Moncton**

Services sold: Laser vision correction surgery.

Cost: \$1295 to \$2295 per eye<sup>578</sup>

Medical staff: 2 ophthalmologists (Vicki Taylor and Paul LaPierre<sup>579</sup>)

TLC is part of an American chain of laser vision surgery centres.<sup>580</sup>

#### **Lasik MD**

Services sold: Laser vision correction surgery.

Cost: Starts at \$490 per eye.

Medical staff's ophthalmologists of which 2 local and 3 visit from Lasik clinics in other provinces, The Lasik MD clinic utilizes the services of five ophthalmologists including Dr. Guy LeBlanc who is also on staff at Georges L. Dumont Hospital in Moncton and "has

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2007 <sup>569</sup>"NB health minister seeking input from residents about private health care", *Canadian Press*, March 25, 2007

<sup>570</sup>"NB Tories fail to challenge government over talk of private health care", *Canadian Press*, March 20, 2007

2007 <sup>571</sup>Moore, Chris, "NB government may rent public health facilities to private users for cash", *Canadian Press*, April 26,

<sup>572</sup>Moore

2007 <sup>573</sup>Blackwell, Tom, "NB minister open to user-pay health care; Wants options on the table", *National Post*, April 27,

<sup>574</sup>Moore

<sup>575</sup>Blackwell

2007 <sup>576</sup>Blackwell, Tom, "NB minister open to user-pay health care; Wants options on the table", *National Post*, April 27,

<sup>577</sup>*Citizens' Press*

<sup>578</sup> Telephone interview with TLC, April 2008

<sup>579</sup> <http://www.tlcvision.com/finddoctor.fxml>

<sup>580</sup> <http://www.tlcvision.com/locatetlc.fxml>

over 20 years experience in phacoemulsification and was a pioneer in cataract surgery by phacoemulsification in Atlantic Canada.”<sup>581</sup> Also on Lasik’s staff is Dr. Christopher Symonds who is also on staff at Atlantic Health Sciences Corporation in Saint John, New Brunswick where he specializes in cataract surgery, glaucoma treatment and diabetic retinopathy.<sup>582</sup>

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<sup>581</sup> <http://www.lasikmd.com/cmoncton/meet-your-doctor/our-surgeons/dr-guy-leblanc.en.html>, accessed March 24, 2008

<sup>582</sup> <http://www.lasikmd.com/cmoncton/meet-your-doctor/our-surgeons/dr-christopher-symonds.en.html>, accessed March 24, 2008



# Newfoundland and Labrador

## Snapshot

Median income (2005): \$19,400<sup>583</sup>  
Persons registered with Medicare: 545,160<sup>584</sup>

### **Newfoundland and Labrador Medical Care Plan**

Number of participating physicians: 971<sup>585</sup>  
Number of opted out/not-participating physicians: 0<sup>586</sup>

**For-Profit Surgical Facilities selling medically necessary services: 0**

**Number of For-Profit MRI/CT Clinics: 0**

### **Number of specialists:**

Ophthalmologists: 19<sup>587</sup>  
Laser Vision Correction Surgery: 2 clinics  
Ophthalmologists providing laser surgery: 3  
Percentage of ophthalmologists working in for-profit clinics: 15.8%

Orthopedic Surgeons 16<sup>588</sup>  
Diagnostic Radiologists 46<sup>589</sup>

## Background and Overview

Newfoundland and Labrador have no private, for-profit surgical clinics providing medically necessary services. Nor does it have any private for-profit MRI clinics. However, in 2003, a Toronto company called MRI Canada arranged for a Newfoundland man to jump a 9-month queue for an MRI at the St. John's Health Sciences Centre by paying the centre \$1,100. The hospital discontinued the practice after an internal inquiry.<sup>590</sup>

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<sup>583</sup> Statistics Canada, CANSIM, table 111-0009.

<sup>584</sup> Canada Health Act Annual Report, 2005-2006

<sup>585</sup> Canada Health Act Annual Report, 2005-2006

<sup>586</sup> Canada Health Act Annual Report, 2005-2006

<sup>587</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>588</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>589</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>590</sup> Hilliard, Will, "Man jumped MRI line: paid \$1,100 to have scan at St. John's hospital," *The Telegram*, March 13, 2003, page A1

## Summary Review of For-Profit Clinics

### Eye surgery clinics

#### **BenseVision**<sup>591</sup>, St. John's

Medical staff: Includes 1 MD

Services: Laser eye, Refractive Lens Exchange, minor cosmetic surgery, Botox and other procedures.

Cost: \$2500 per eye for Refractive Lens Exchange

Who pays?: Patient, out of pocket

Founded in 1986, the Bense Eye Clinic in St. John's, Newfoundland provides private, for-profit treatments including laser vision surgery. Dr. Bense used to perform cataract surgery in hospital (under Newfoundland Health Care) but doesn't do so any longer, instead he does a private uninsured Refractive Lens Exchange treatment surgery at the clinic for \$2500 per eye, which the clinic promotes as a substitute for cataract surgery.<sup>592</sup> Bense also conducts minor cosmetic facial surgery.

#### **Lasik MD**, St. John's

Services: Medically unnecessary laser eye surgery

Cost: \$490 per eye

Medical staff: 2 ophthalmologists.<sup>593</sup>

Other: Brett Williams is also in private practice in St. John's, on staff at the Health Sciences Centre in St. John's and teaches at Memorial University.<sup>594</sup>

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<sup>591</sup> <http://www.bense.ca/aboutus/experience.php>

<sup>592</sup> Telephone interview with clinic, January 24, 2008

<sup>593</sup> <http://www.lasikmd.com/cstjohns/meet-your-doctor/our-surgeons/lasik-md-surgeons.en.html>

<sup>594</sup> <http://www.lasikmd.com/cstjohns/meet-your-doctor/our-surgeons/dr-brett-williams.en.html>



# Northwest Territories

## Snapshot

Median income (2005): \$36,100<sup>595</sup>

### **NWT Health Care Plan**

Persons registered with Medicare: 44,082<sup>596</sup>

Number of participating physicians: 232<sup>597</sup>

Number of opted-out/non-participating physicians: 0<sup>598</sup>

### **For-Profit Surgical Facilities selling medically necessary services:**

none

### **For-Profit MRI/CT Clinics:**

none

### **Number of Specialists:**

Ophthalmologists: 1<sup>599</sup>

Orthopedic surgeons: 1<sup>600</sup>

Diagnostic radiologists: 0<sup>601</sup>

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<sup>595</sup> Statistics Canada, CANSIM, table 111-0009.

<sup>596</sup> Source: Canada Health Act Annual Report, 2005-2006

<sup>597</sup> Source: Canada Health Act Annual Report, 2005-2006

<sup>598</sup> Source: Canada Health Act Annual Report, 2005-2006

<sup>599</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>600</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>601</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006



# Nova Scotia

## Snapshot

Median income (2005): \$22,800<sup>602</sup>

### **Nova Scotia Medical Services Insurance Plan**

Persons registered with Medicare: 933,259<sup>603</sup>

Number of participating physicians: 2,220<sup>604</sup>

Number of opted out/non-participating physicians: 0<sup>605</sup>

### **For-Profit Surgical Facilities selling medically necessary services:**

For-profit surgical facilities selling medically necessary services and also under contract to the provide services to the public health system: 1

### **For-Profit MRI/CT Clinics:**

1

### **Impact of For-profit clinics on Physician-Specialists:**

Ophthalmologists: 48<sup>606</sup>

Laser eye clinics: 3

Ophthalmologists providing laser surgery: 5<sup>607</sup>

Percentage of ophthalmologists working in for-profit clinics: 10.4%

Orthopedic surgeons: 31<sup>608</sup>

Diagnostic radiologists: 71<sup>609</sup>

Number of Radiologists involved with private/for profit MRI clinics: 2

Percentage of radiologists working in for-profit clinics: 2.4%

## Background and Overview

There is one private MRI clinic in this maritime province, which opened in 2002. The Canadian Diagnostic Centres, located in Halifax, sells MRI's to individuals and third party insurers (mostly the Workers' Compensation Board) and charges \$725 for a routine scan. Canadian Diagnostic Centres also has locations in Vancouver, Calgary, Hull, Mississauga and Toronto. There are four staff members, two radiologists who are also the owners of Canadian Diagnostic Centres in Halifax, and two technologists. On average, eight scans are performed a day and an appointment is available one week in advance.<sup>610</sup>

<sup>602</sup> Statistics Canada, CANSIM, table [111-0009](#).

<sup>603</sup> Source: Canada Health Act Annual Report, 2005-2006

<sup>604</sup> Source: Canada Health Act Annual Report, 2005-2006

<sup>605</sup> Source: Canada Health Act Annual Report, 2005-2006

<sup>606</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>607</sup> Does not include one Lasik MD ophthalmologist who is normally resident in Newfoundland.

<sup>608</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>609</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>610</sup> Telephone interview with clinic staff

Prior to the opening of the private MRI clinic, the Nova Scotia Government Employees Union (NSGEU) held media conferences and sent letters to then provincial health minister Jamie Muir (Truro-Bible Hill, PC) and met with the minister in person, calling on the Nova Scotia government to stop this private clinic from opening in the province.<sup>611</sup>

Three years later, Scotia Surgery, opened in Dartmouth offering oral, orthopedic and plastic day surgeries including facelifts, breast enhancements and tummy tucks for profit. The facility doesn't do knee replacements but does do knee scopes and minisectomies. This facility has caused a drain of surgeons, doctors and anesthesiologists from the public health system in the province.<sup>612</sup> There are five oral surgeons, three orthopedic surgeons, and five cosmetic surgeons work (3 full body, 2 facial - 1 of whom is also an ENT physician) at Scotia Surgery. Canadian Union of Public Employees (CUPE) was vocal about the human resources drain from the public sector, but again there was no action from the Conservative government. There are about 24 full time staff at Scotia Surgery.

In March 2008, the Nova Scotia health minister Chris d'Entremont that the province has signed a one-year, \$1-million contract allowing surgeons with the Capital District Health Authority to use private operating-room facilities owned by Scotia Surgery Inc. in Dartmouth for an estimated 500 surgeries.<sup>613</sup> Opposition leader Darrel Dexter criticized the government saying "The result is that they're taking money out of the public system and putting it into a private facility."<sup>614</sup>

## Summary Review of For-Profit Clinics

### For-Profit MR/CT Clinics

#### Canadian Diagnostic Centres, Halifax

Services sold: MRIs, ultrasound, bone densitometry

Cost: \$225 for an ultrasound, paid directly by the patient or by third party insurance but not by the provincial MSI plan.<sup>615</sup> An MRI for the knee is \$785 while a bone densitometry test is \$110.<sup>616</sup>

Staff: 2 radiologists including one, Joanne Korman<sup>617</sup> who was hired away from the QEII Health Sciences Centre.<sup>618</sup>

How many MRIs: 8 a day reported in December<sup>619</sup>, 12 to 14 a day reported in April.<sup>620</sup>

Patients need a requisition from a family physician in order to have book an MRI scan.

When asked if they conducted preventative scans the reply was "no not really." CDC promotes queue-jumping stating that they conducted scans in 5 business days versus 6 months in a hospital.<sup>621</sup>

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<sup>611</sup>"Union set to challenge MRI clinic", *Halifax Daily News*, July 3, 2002

<sup>612</sup>"Departure of QEII doctor a sign of things to come", CUPE Press Release, May 19, 2005

<sup>613</sup> Canwest News Service, "Nova Scotia: Province to privatize some surgeries," *Ottawa Citizen*, March 13, 2008

<sup>614</sup>Doucette, Keith, "Nova Scotia to pay \$1 million to use private orthopedic clinic", *Canadian Press*, March 12, 2008

<sup>615</sup> Telephone interview with clinic staff, April 7, 2008

<sup>616</sup> Telephone interview with staff, April 4, 2008

<sup>617</sup> <http://www.mrinews.ca/staff.html>

<sup>618</sup> <http://www.mrinews.ca/staff.html>

<sup>619</sup> Interview with Carolanne, December 31, 2007

<sup>620</sup> Telephone interview with staff, April 4, 2008

<sup>621</sup> Telephone interview with staff, April 15, 2008

## Private, for-profit surgical clinics

### Scotia Surgery, Dartmouth

Services sold: The clinic performs oral, orthopedic, and plastic day surgeries.

Cost: As of April 2008, medically necessary services are covered by the provincial MSI plan or by workers compensation with no added fee. Medically unnecessary services are paid for directly by the patient. Patients for medically necessary services are no longer accepted on a “walk-in” basis but have to go through their physician and then have their surgery assigned to Scotia Surgery by the health authority.<sup>622</sup> Previously, medically necessary services had been paid for directly by patients, if they were not covered by Workers’ Compensation, at a cost set by the physician.<sup>623</sup>

Medical staff: 5 oral surgeons, 3 orthopedic surgeons, and 5 plastic surgeons were associated with the centre as of December 2007<sup>624</sup> however, surgeons from anywhere in the province can book surgeries at the clinic. After the clinic opened in 2005, at least two of their surgeons were hired away from QEII Health Sciences Centre as well as anesthesiologists.<sup>625</sup>

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<sup>622</sup> Telephone interview with Scotia Surgery’s Denise Noble, April 7, 2008.

<sup>623</sup> Interview with Denise Noble, December 2007.

<sup>624</sup> The number is what was given when the clinic was asked in December 2007 how many of each type of surgeon worked at the clinic.

<sup>625</sup> December interview with Karen Mackenzie of CUPE Nova Scotia.



# Nunavut

## Snapshot

Median income (2005): \$24,000<sup>626</sup>

### Nunavut Health Care Insurance Plan

Persons registered with Medicare: 31,172<sup>627</sup>

Number of participating physicians: 135<sup>628</sup>

Number of opted-out/non-participating physicians: 0<sup>629</sup>

### For-Profit Surgical Facilities selling medically necessary services:

none

### For-Profit MRI/CT Clinics:

none

### Number of Specialists:

Ophthalmologists: 0<sup>630</sup> (1 from Yellowknife, NWT visits western Arctic and 1 from eastern Canada visits Iqaluit for specialty clinics)<sup>631</sup>

Orthopedic surgeons: 0<sup>632</sup>

Diagnostic radiologists: 0<sup>633</sup>

## Background and Overview

“No radiologists or orthopedic surgeons are here full time but some would come up from elsewhere for specialty clinics or we would refer people to the south.” (Interview with Ben Van Den Assem, Registrar and Director for Professional Practice, Government of Nunavut, January 22, 2008)

In 2003, Rankin Inlet-based Piruqsaijit Ltd, Canada’s largest group of privately owned Inuit development corporations, proposed a scheme to set up a private diagnostic service for breast cancer in Rankin Inlet. Health Minister Ed Picco, fearing the service would violate the Canada Health Act, Picco ordered officials to review the proposal as the diagnostic machine, a Computed Tomography Laser Mammography; (CTLM) was to be used for profit.<sup>634</sup> According to *Nunatsiaq News* the project subsequently “lost

<sup>626</sup> Statistics Canada, CANSIM, table 111-0009.

<sup>627</sup> Canada Health Act Annual Report, 2005-2006

<sup>628</sup> Canada Health Act Annual Report, 2005-2006

<sup>629</sup> Canada Health Act Annual Report, 2005-2006

<sup>630</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>631</sup> Telephone interview with Ben Van Den Assem, Registrar and Director for Professional Practice, Government of Nunavut, January 22, 2008

<sup>632</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>633</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>634</sup> “Picco orders review of Rankin Inlet cancer clinic scheme”, *Nunatsiaq News*, October 25, 2002  
[http://www.nunatsiaq.com/archives/nunavut021025/news/nunavut/21025\\_02.html](http://www.nunatsiaq.com/archives/nunavut021025/news/nunavut/21025_02.html)

momentum”.<sup>635</sup> In Nunavut’s capital, two private dentistry clinics — Nunavut Dental Services and the Iqaluit Dental Clinic, are in operation.<sup>636</sup>

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<sup>635</sup>Petrie, Charlotte, “Rankin Inlet firm joins forces with service-industry giant”, *Nunatsiaq News*, April 18 2003  
[http://www.nunatsiaq.com/archives/030418/news/nunavut/30418\\_03.html](http://www.nunatsiaq.com/archives/030418/news/nunavut/30418_03.html)

<sup>636</sup>[http://www.nunatsiaq.com/archives/nunavut010630/nvt10608\\_01.html](http://www.nunatsiaq.com/archives/nunavut010630/nvt10608_01.html)



# Ontario

## Snapshot

Median income (2005): \$27,100<sup>637</sup>

### Ontario Health Insurance Plan

Persons registered with Medicare: 12,500,000<sup>638</sup>

Number of physicians registered with Medicare: 22,234<sup>639</sup>

Number of physicians opted out of Medicare: 51<sup>640</sup>

Number of non-participating physicians: not applicable

### For-Profit Surgical Facilities selling medically necessary services:

Private for-profit surgical clinics: 5 (grandfathered under Private Hospitals Act, only 2 charge OHIP, the third is a cosmetic surgery clinic. Shouldice, claims to be not-for-profit)

### For-Profit MRI/CT Clinics:

Private for-profit MRIs: 0

### Impact of For-profit clinics on Physician-Specialists:<sup>641</sup>

Ophthalmologists: 378

Laser eye clinics: 30

Number of ophthalmologists practicing laser eye surgery: at least 54<sup>642</sup>

Percentage of ophthalmologists working in for-profit clinics: 14.2%

Orthopedic surgeons: 433

Diagnostic radiologists: 754

Number of radiologists associated with private clinics: 6<sup>643</sup>

Percentage of radiologists working in for-profit clinics: 0.8%

## Background and Overview

### For-profit hospitals

When new private hospitals were prohibited in Ontario in 1973, eight institutions were grandfathered under the legislation and allowed to retain hospital status. Three of these are surgical hospitals. Two of the three, Shouldice Hernia Centre and the Don Mills Surgical Unit receive public funding, at least in part, while the Cosmetic Surgery Hospital in Woodbridge receives none. 4 of the remaining 5 "hospitals", Beechwood Private Hospital in Penetanguishine, Wiseman's Private Hospital in Perth (now known as the Perth Community Care Centre), Woodstock Private Hospital and the St. Joseph's Morrow Park Infirmary & Private Hospital are all long term care facilities (St. Joseph's is run by the Sisters of St. Joseph and is exclusively for the care of nuns requiring long-term care). Bellwood Private Hospital/Bellwood Health Services is an addiction treatment centre. The Private Hospitals Act was amended in 1996 to give the

<sup>637</sup> Statistics Canada, CANSIM, table 111-0009.

<sup>638</sup> Canada Health Act Annual Report, 2005-2006

<sup>639</sup> Canada Health Act Annual Report, 2005-2006

<sup>640</sup> Canada Health Act Annual Report, 2005-2006

<sup>641</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>642</sup> Estimate based on a count of ophthalmologists practicing at facilities performing laser vision correction surgery

<sup>643</sup> and MRI clinics in Gatineau, Quebec employ 6 radiologists who are also on staff at Montfort Hospital in Ottawa.

provincial government to revoke the operating licence of a private hospital if doing so was in the public interest.<sup>644</sup>

### **For-profit cancer centre (2001-2003)**

An after hours for-profit cancer treatment centre opened at Sunnybrook Hospital in Toronto in early 2001 under a deal with Cancer Care Ontario, a public agency, that gave it \$500 more per treatment than in public non-profit facilities. The centre was also given \$4 million in public money to cover start-up costs. The clinic was able to use its extra funding to attract staff from local hospitals by offering bonuses. The provincial auditor reviewed the clinic and found that not only did it cost the public purse more than non-profit hospitals but also the clinic's operation had no effect on waiting lists.<sup>645</sup> The centre closed in 2003.

### **For-profit MRI/CT clinics**

In June 2002, Ontario's Progressive Conservative government announced its intention to allow 25 private, for-profit MRI and CT clinics to operate across Ontario. Until that point MRI and CTs were exclusively available in hospital. Contracts for seven clinics were signed before the government lost power in the 2003 provincial election. The result of Ontario's experiment in for-profit MRI/CTs was a reduction of the capacity of the public system as the private clinics poached technologists and radiologists from public hospitals, thus causing at least three public hospitals to reduce the number of hours they could operate their public, non-profit MRI scanners, and also diverted income generated by WSIB (Workers Compensation) cases from the hospitals to the private clinics.<sup>646 647</sup>

In 2003, the incoming Liberal government promised to end the practice of allowing private MRIs and sought to bring the seven clinics into the public system. The government negotiated agreements with KMH (Kitchener and Vaughan), Superior (CT - Thunder Bay), Kingston MRI to make those clinics non-profit facilities which do not sell private scans but only provide them for OHIP and WSIB (Workers Compensation). CML agreed its 2 MRI and 3 CT machines would not sell scans privately but resisted government demands that its machines be not-for-profit, however, by June 2007 an agreement was reached to convert the CML scanners as well.<sup>648</sup>

## **Summary Review of For-Profit Clinics**

### **Boutique Clinics selling medically unnecessary services**

*The Medical Reform Group in Ontario states that boutique clinics aggravate the shortage of doctors. The Medical Reform Group estimates that if each family doctor in Ontario restricted their practice to 150 patients - as at least one boutique clinic does - only 1 out of 7 Ontarians would have a family doctor.*<sup>649</sup>

#### **King's Health Centre, Toronto (defunct)**

Services sold: "Preventative" and executive health programs bundling medically unnecessary and necessary services.<sup>650</sup>

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<sup>644</sup> "Harris government protects public health care - private hospitals to close," *Canada News Wire*, March 3, 1999

<sup>645</sup> Office of the Provincial Auditor (Ontario), *Special Audit of Cancer Care Ontario*, December 13, 2001

<sup>646</sup> Mehra, Natalie, *First Do No Harm: Lessons from Ontario's Experience with For-Profit Diagnostic and Hospital Clinics*, Ontario Health Coalition, October 1, 2007

<sup>647</sup> "Second private MRI clinic hires technologist away from public hospital," *Canadian Press*, August 1, 2003

<sup>648</sup> Telephone interview with Laurie Williams, Ontario Ministry of Finance, April 14, 2008

<sup>649</sup> "Bad news for Ontarians: Boutique medicine arrives in Ontario", *Medical Reform Group Newsletter*, Volume 22, Number 2 (Fall 2003)

<sup>650</sup> Walkom, Thomas, "Health care cuts spell p-r-o-f-i-t for doctors," *Toronto Star*, March 25, 1995

Cost: The clinic was funded by billing patients and through the billing of OHIP by physicians.<sup>651</sup> The Health Centre took 40% of the OHIP fees of its staff physicians in order to cover overhead.<sup>652</sup>

Medical staff: 90 physicians were on staff.<sup>653</sup>

King's was founded by Ron and Loren Koval in 1996 and closed down four years later when the Kovals fled with \$15 million. They were arrested and convicted of defrauding two financial institutions out of more than \$90 million over a six-year period.<sup>654</sup>

#### **Copeman Clinic (proposed, 2006)**

Services sold: Executive health care.

Cost (proposed): \$1200 enrollment fee in addition to a \$2300 annual fee.<sup>655</sup>

In January 2006, Copeman Healthcare Inc (i.e. Don Copeman, owner of BC's Copeman Clinic) announced its intention to expand into Ontario with clinics planned for Ottawa, Toronto and London and the intention to charge patients for "enhanced medical services. Copeman promotional material promised preferential access to insured health care services for those who could afford the fees. A legal opinion commissioned by the Ontario Health Coalition from Sack Goldblatt Mitchell concluded that "the billing scheme associated with clinics that Copeman Healthcare Inc. Has announced it plans to open in Toronto raise very substantial and serious issues concerning compliance with the *Commitment to the Future of Medicare Act*, the *Canada Health Act*, and CPSO professional misconduct regulations and policies." In February, the provincial Ministry of Health warned the company that they faced fines under Ontario's Bill 8 if they violate the Canada Health Act.<sup>656</sup> Copeman said that each of his Ontario clinics would have a cap of 4,000 patients and have 8 MDs on staff.<sup>657</sup>

The target income for physicians in his clinic is \$275,000 composed of a \$200,000 base salary and \$15,000 educational supplement from the clinic and a projected remuneration from the Ontario Health Insurance Plan of \$60,000. Copeman would allow MDs to retain 100% of their OHIP charges without any clawback for administrative fees.<sup>658</sup>

Copeman has no immediate plans to expand in 2008 and that more obstacles existed than had been anticipated. Copeman does hope to expand to Ontario within the next five years but there is no actual timeline nor any concrete plans to do so. A staffer with Copeman said, "We're starting out with (expansion to) Calgary in the spring and then further down the road we'll be opening in Ontario."<sup>659</sup>

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<sup>651</sup> Daly, Rita, "Private health centres deliver care for profit --- Golf at downtown clinic, hernia hospital," *Toronto Star*, March 31, 1999

<sup>652</sup> Walkom, Thomas, "Health care cuts spell p-r-o-f-i-t for doctors," *Toronto Star*, March 25, 1995

<sup>653</sup> Daly, Rita, "Private health centres deliver care for profit --- Golf at downtown clinic, hernia hospital," *Toronto Star*, March 31, 1999

<sup>654</sup> "Timeline: Behind the Kovals' trail of deceit," *CTV News*, Updated Thu. May. 10 2007 5:58 PM  
[http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20070510/kovals\\_timeline\\_070510/20070510/](http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20070510/kovals_timeline_070510/20070510/)

<sup>655</sup> Blackwell, Tom, "Private clinics touted as health system cure: Medical service to charge patients \$2,300 a year," *National Post*, January 12, 2006

<sup>656</sup> "Ontario: Officials warn firm about private clinics", *The Ottawa Citizen*, February 3, 2006

<sup>657</sup> "Private clinic to offer 'Cadillac' services Patients would pay initial fee, annual dues", *Winnipeg Free Press*, January 12, 2006

<sup>658</sup> Ontario Health Coalition interview with Don Copeman conducted by telephone on January 26, 2006.

<sup>659</sup> Telephone interview with Copeman Healthcare in Vancouver, December 2007.

### **Medisys, Toronto**

Services sold: Executive health assessments, which include lab tests, prevention counselling, gynecological exam and PAP smear, blood tests, lung, hearing and vision testing and post-assessment counselling.<sup>660</sup> Medisys also sells Medisys One, which is a “medical concierge” service that provides a physician “on call” 24 hours a day to answer questions over the telephone.<sup>661</sup>

Cost: \$1250 to \$1350 for an “executive health assessment”, the patient is charged for directly. The clinic claims not to charge OHIP.<sup>662</sup> Patients pay \$1500 a year for Medisys One.<sup>663</sup>

Staff: According to the Marketing Director, Medisys has 60 full and part-time medical staff and serves 12-13,000 clients per year<sup>664</sup>. In December 2007, they had a total of 16 physicians working in their two Toronto locations.<sup>665</sup> They also have clinics in Ottawa, Calgary, Montreal and Vancouver<sup>666</sup> and are headquartered in Montreal.<sup>667</sup> At least one of their physicians, Dr. Lafontaine, has opted out of RAMQ.<sup>668</sup>

### **Medcan, Toronto**

Services sold: Comprehensive health assessments, year-round access, corporate health. The comprehensive health assessment consists of a “head to toe medical” lasting 4 to 5 hours and includes hearing, vision and respiratory testing, a chest x-ray, ECG, bloodwork, a consultation with a nutritionist, abdominal ultrasound and prostate exam. The results are then reviewed with the patient and if referrals are needed that will be booked. The client is referred outside MedCan to specialists. For MRIs sometimes they send people to Buffalo.<sup>669</sup>

Cost: The client is charged \$2295 for a comprehensive health assessment and year around access. This block fee pays for a mixture of medically necessary and unnecessary services. Services are paid for by the patients or their employers, the charge covers all services except when the client is referred elsewhere and that is covered by OHIP. The clinic does process each client’s health card but says this is “just to make sure you’re a Canadian resident but we don’t charge off of OHIP”.<sup>670</sup> Staff: There are 20 to 25 physicians at Toronto clinic.<sup>671</sup>

Other: In 2005, their promotional material stated that their Toronto office had 8,000 clients and 11 medical staff.<sup>672</sup>

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2006 <sup>660</sup> *Medisys Executive Health Assessments: Your health is the bottom line*, Medisys promotional pamphlet, November

<sup>661</sup> <http://www.medisys.ca/executive-health/medisys-one.htm>

<sup>662</sup> December 2007 with clinic staff

<sup>663</sup> Allemang, Liz, “The doctor will see you right away; At Toronto’s private health clinics, Bay Street tycoons and holistic moms get custom care for a price,” *Globe and Mail*, February 10, 2007

<sup>664</sup> January 25, 2006, telephone interview with Rubin Benegbi, Marketing and Sales Director, Medisys.

<sup>665</sup> December 2007 with clinic staff

2006 <sup>666</sup> *Medisys Executive Health Assessments: Your health is the bottom line*, Medisys promotional pamphlet, November

<sup>667</sup> <http://www.medisys.ca/clinic-locations/index.htm>

<sup>668</sup> Régie de l’assurance maladie, “Liste des professionnels de la santé non-participants ou désengagés au régime de l’assurance maladie du Québec avec adresse de pratique au Québec”, as of March 10, 2008, accessed from <http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

<sup>669</sup> Telephone interview with Heather, 10 :40 am, December 14, 2007.

<sup>670</sup> Telephone interview with Heather, 10 :40 am, December 14, 2007.

<sup>671</sup> Telephone interview with Heather, 10 :40 am, December 14, 2007.

<sup>672</sup> <http://www.hrpao.org/conf2005/Exhibitors/exhibitorcluster/Medcan+Health+Management.htm>

**Genesis Professional Group:**

Services sold: Health and lifestyle assessments and guaranteed ongoing access to the clinic's physicians.

Cost: \$2,500 per year for "personalized health care planning." Clients can return for consultations subsequently on a fee for service basis paid for by the client. If the subsequent OHIP covers subsequent visits if they are illness-related and deemed medically necessary.<sup>673</sup>

Medical staff: Two physicians who have limited their caseload to 150 each.<sup>674</sup>

**Cleveland Clinic:**

Services sold: "Executive and preventative healthcare" which includes physicals and testing.

Cost: The client is charged \$2,500 for assessment and follow-up. "A six-hour, head-to-toe physical, from fitness assessment to pap smear and colonoscopy.

Staff: According to the clinic's website, staff includes at least 17 MDs including one orthopaedic surgeon.<sup>675</sup> According to an interview with the clinic, there are two MDs at the clinic full time to conduct the assessments and 20 to 30 specialists who are at the clinic 1 or 2 days a week.<sup>676</sup>

Other: Clients meet with their GP and specialists, including a nutritionist and physiologist."<sup>677</sup> The second hour of the assessment is an "annual physical" with a physician. There is a half-hour follow-up with a physician three weeks later and assessment includes referrals to OHIP-covered specialists if the assessment turns up any problems.<sup>678</sup> Payment of the annual fee allows clients to make see physicians at the clinic throughout the year – according to an interview with the clinic "we can usually get you in to see our doctors within a day or so."<sup>679</sup> The clinic has a cap of 8 health assessments a day.<sup>680</sup>

This is a satellite clinic of the Ohio based corporation.

**Sentinelle Santé/Sentinelle Health Group, Ottawa and Gatineau**

Services sold: Gatineau has a private medical clinic (see Quebec); the Ottawa office sells corporate health checkups, which involve a preventative medical examination and lab tests and lifestyle consultation. "Pre-employment" exams that companies can use to test prospective employees. The clinic asks for an OHIP card for follow-up tests if necessary, "we like to have it just in case we have to send you for extra tests." Ontario patients who need a family doctor are referred to Sentinelle's Gatineau clinic: "you could see a doctor if you want but you'd have to go to Gatineau."<sup>681</sup>

Cost: An "industrial" pre-employment exam at \$350 and includes a medical, a back exam, spirometry, audiogram, eye exam and lumbar x-ray. An "executive" pre-employment exam includes lab testing, a general exam, a review of the subject's lifestyle and habits, a resting electrocardiogram, and a general exam.<sup>682</sup>

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<sup>673</sup> <http://www.genesispg.com/faq.asp>

<sup>674</sup> Wente, Margaret, "Buy Your Own Doctor", *Globe and Mail*, June 17, 2003

<sup>675</sup> [http://www.clevelandcliniccanada.com/pdf/cc\\_Physician%20Bios.pdf](http://www.clevelandcliniccanada.com/pdf/cc_Physician%20Bios.pdf)

<sup>676</sup> Telephone interview with Sue Clark, executive health co-ordinator, December 14, 2007

<sup>677</sup> "The doctor will see you right away; At Toronto's private health clinics, Bay Street tycoons and holistic moms get custom care for a price," *Globe and Mail*, February 10, 2007

<sup>678</sup> Telephone interview with Sue Clark, executive health co-ordinator, December 14, 2007

<sup>679</sup> Telephone interview with Sue Clark, executive health co-ordinator, December 14, 2007

<sup>680</sup> Telephone interview with Sue Clark, executive health co-ordinator, December 14, 2007

<sup>681</sup> Telephone interview with staff, April 24, 2008

<sup>682</sup> [http://www.sentinellesante.ca/forfaits/index\\_e.php](http://www.sentinellesante.ca/forfaits/index_e.php)

Staff: 2 MDs in Gatineau, 1 MD in Ottawa; 2 nurses in Gatineau, 1 in Ottawa, 1 nutritionist, 1 kinesiologist.<sup>683</sup>

#### **Scienta Health:**

Services sold: "Prevention based" executive health programs are sold which include fitness assessment, biochemical and physical biomarker testing, weight-loss program, genetic risk testing.

Cost: A 3-month "foundation" program costs \$2500. A "platinum" \$8,000 yearlong program is also available including extensive testing and yearlong follow-up.<sup>684</sup> Clients are charged directly however, lab tests are paid for through OHIP.<sup>685</sup>

Medical staff: 3 MDs and 2 nutritionists.<sup>686</sup>

#### **La Vie Executive Health Centre**

Services sold: Comprehensive health assessments.

Cost: Clients pay \$1,200 for a five hour "comprehensive wellness assessment" and a written "action plan".<sup>687</sup>

Medical staff consists of one MD Dr. Hassan Sannoufi who is also La Vie's president, a registered dietician and an RPN. According to his biography, Sannoufi "has accumulated over 5,000 hours of experience in thirteen different emergency departments across Canada" since 2004.<sup>688</sup>

The centre opened in May 2007 at the Brookstreet Hotel. In January 2008 the Ontario Health Coalition was quoted in the *Ottawa Citizen* decrying LaVie as "a threat to Medicare because they sell queue-jumping care to the wealthy" selling "commingled medically necessary with unnecessary care in order to sidestep the provisions of the Canada Health Act that ban extra-billing."<sup>689</sup>

### **Private, for-profit surgical clinics performing medically necessary surgery**

#### **Herzig Eye Institute**

Services sold: Cataract surgery and laser eye surgery

Cost: OHIP is charged if the surgery is conducted in hospital. If the patient wishes to purchase a special lens (from \$1200 to \$2800 per eye), the surgery is done at the clinic, OHIP is still charged for the surgery but the patient is charged for the lens. If the patient does not have OHIP the cost is \$3000.<sup>690</sup>

Medical staff: 5 ophthalmologists<sup>691</sup>

For OHIP covered surgery in hospital a soft-folded UVA/UVB lens is used which Herzig claimed is the only lens available from OHIP. The institute sells multifocal, monofocal and accommodative lenses and IOL measurement, which is not covered by OHIP. Herzig does not allow a patient to have surgery in the clinic with the OHIP lens. A referral from a family doctor is not needed for surgery at Herzig.

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<sup>683</sup> [http://www.sentinellehealthgroup.ca/home/index\\_e.php](http://www.sentinellehealthgroup.ca/home/index_e.php)

<sup>684</sup> Telephone interview with Parneet Pal, Manager of health programs, December 14, 2007

<sup>685</sup> Telephone interview with Parneet Pal, Manager of health programs, December 14, 2007

<sup>686</sup> [http://www.scientahealth.com/aboutus/healthcare\\_team.php](http://www.scientahealth.com/aboutus/healthcare_team.php)

<sup>687</sup> "Well-heeled' health care", *Ottawa Citizen*, January 19, 2008

<sup>688</sup> <http://www.laviehealth.com/about/our-team-dr-hassan-sannoufi.cfm>

<sup>689</sup> "Well-heeled' health care", *Ottawa Citizen*, January 19, 2008

<sup>690</sup> Telephone interview with staffer, April 10, 2008

<sup>691</sup> <http://www.herzig-eye.com/html/surgeons.html>

**Cataract MD/Lasik MD** (Mississauga and Ottawa) - also has a clinic in Montreal

Services sold: Cataract surgery

Cost: Cataract \$1990-\$2990 per eye<sup>692</sup>

Laser eye \$490-\$1190 per eye Wavefront \$1750-\$1990

Staff: 3 Ottawa<sup>693</sup> and 5 Toronto<sup>694</sup> Dr. Agapitos is an assistant professor of ophthalmology at the University of Ottawa and is an Active Attending Surgeon at the Riverside Eye Care Centre at the Ottawa Hospital.

Dr. Richard Bains is currently assistant professor of ophthalmology at the University of Western Ontario in London, Ontario. Dr. Bains has also served as program director for the department of ophthalmology at the University of Western Ontario.<sup>695</sup>

Dr. Breslin is a corneal and cataract surgeon at the Toronto Western Hospital, University Health Network.<sup>696</sup>

Dr. Lloyd teaches eye surgery to ophthalmology residents and medical students at the University of Toronto. He is on staff at Sunnybrook Hospital, as well as at the new Kensington Eye Center.<sup>697</sup>

Dr. Misra's private ophthalmic practice is located in Oshawa, Ontario. As a specialist in cataract and refractive surgery, she performs over 850 cataract extractions per year.<sup>698</sup>

As a Staff Surgeon of the Ottawa Hospital, Dr. Myles has one of the highest volumes of cataract practices in the Ottawa area and is regarded as one of the city's top eye surgeons.<sup>699</sup> Dr. Tam is an active Attending Surgeon at William Osler Health Centre in

Brampton, as well as at Mount Sinai Hospital and Kensington Eye Institute in Toronto.<sup>700</sup>

Other: CataractMD was founded in Montreal in 2004 by Mark Cohen who also founded LasikMD. Cohen said in 2005 that he intended to create a chain of cataract surgery clinics that included Toronto, Ottawa, Montreal, Vancouver and possibly Calgary. He argued that it would be possible to use a "loophole" in the Canada Health Act and allow doctors who have not opted out of Medicare to perform cataract surgery by selling the cataract surgery free as part of a package deal with a refractive lens exchange. "The doctors who have not opted out are charging for a refractive lens removal,[i]t's a clear distinction. While the patient may have a cataract at the time of a refractive lens exchange, it's not cataract removal. That's incidental."<sup>701</sup>

CataractMD says that the price charged is for the lens rather than the surgery itself. "You pay for the lens and it includes follow-up". However, when asked, a CataractMD staff person could not say whether the monofocal and multifocal lenses they had available were any different from what was available in the hospital and said that "why people come to the clinic is it won't take as long... the appointment and surgery is very quick compared to a hospital."<sup>702</sup>

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<sup>692</sup> Telephone interview with staffer, April 10, 2008

<sup>693</sup> <http://www.cataractmd.ca/ataract-md-ottawa.php>

<sup>694</sup> <http://www.cataractmd.ca/ataract-md-toronto.php>

<sup>695</sup> <http://www.cataractmd.ca/dr-richard-bains.php>

<sup>696</sup> <http://www.cataractmd.ca/dr-cal-breslin.php>

<sup>697</sup> <http://www.cataractmd.ca/dr-john-lloyd.php>

<sup>698</sup> <http://www.cataractmd.ca/dr-manjula-misra.php>

<sup>699</sup> <http://www.cataractmd.ca/dr-michael-myles.php>

<sup>700</sup> <http://www.cataractmd.ca/dr-eric-tam.php>

<sup>701</sup> Derfel, Aaron, "Montreal's unique for private cataract operations: Only place in Canada where clinics charge patients directly for the surgery," *Montreal Gazette*, February 16, 2005

<sup>702</sup> Telephone interview with Carol at Cataract MD, April 16, 2008

### **Toronto Eye Surgery Centre/Yonge-Eglinton Laser Eye Cosmetic Centre**

Services sold: Laser and cataract surgery is sold along with cosmetic procedures.

Cost: \$1500 to \$2500 per eye. The patient is told she can either have the surgery paid through OHIP in which case she would be put on a waiting list and it would be performed in hospital or she can pay \$1500 to \$2500 per eye directly to the clinic<sup>703</sup> which “covers the whole procedure and post-ops”. “OHIP covers some of the expenses such as for an anesthetist and some of the appointments leading up to the surgery.”<sup>704</sup> Without an OHIP card, the cost is about \$1300 more.<sup>705</sup> The clinic promotes faster care for a fee by saying that “we book quicker than in the hospital”<sup>706</sup>

Staff: A total of 7 physicians, 6 perform cataract surgery<sup>707</sup>, 3 perform laser eye surgery<sup>708</sup> (including 2 of the 6 cataract surgeons). Dr. Gorfinkel is on staff with University Health Network, Toronto Western Hospital and the Kensington Eye Institute, Toronto;<sup>709</sup> Dr. Kravetz is at the William Osler Health Center,<sup>710</sup> Dr. Rootman, who owns the clinic, is with University Health Network and the Toronto Western Hospital.<sup>711</sup> Dr. Singal is with Toronto East General Hospital and Toronto Western Hospital, University Health Network, Yonge Eglinton Laser Eye Centre and the Kensington eye Institute; Dr. Slomovic is Full-time Cornea surgeon, University Health Network and a Refractive surgeon, Yonge Eglinton Laser Eye Centre<sup>712</sup> and Dr. Weinstock is Associate professor at University of Toronto. Teaches cataract surgery at the University of Toronto.<sup>713</sup>

### **Private hospitals grandparented under *Private Hospitals Act (1973)***

#### **Shouldice Hospital, Thornhill**

Services sold: Hernia operations

Cost: The cost of the surgery itself is paid by OHIP, however, patients are charged \$135 a night for semi-private rooms and are expected to remain in the hospital for 3 or 4 nights.<sup>714</sup> The \$135 fee is mandatory as all of Shouldice’s rooms are semi-private.<sup>715</sup> If the patient has no OHIP coverage, she or he is charged \$3,600 in total for the surgery and a three-night stay.<sup>716</sup>

Medical staff: 11 physicians<sup>717</sup>

Other: The 89-bed facility received a total of \$5.2 million of funding from the Ontario Ministry of Health and Long-Term Care in 2007-2008<sup>718</sup> to provide hernia operations to Ontario residents. The hospital performs approximately 7,000 operations a year, approximately 20% of which are for Americans.<sup>719</sup>

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<sup>703</sup> Telephone interview with Helen at the clinic, April 10, 2008

<sup>704</sup> Telephone interview with Phil at the clinic, April 23, 2008

<sup>705</sup> Telephone interview with Phil at the clinic, April 23, 2008

<sup>706</sup> Telephone interview with Susan at the clinic, April 23, 2008

<sup>707</sup> <http://www.torontocataract.com/doctors.shtml>

<sup>708</sup> <http://www.toronto-laser.com/html/team.html>

<sup>709</sup> <http://www.torontocataract.com/gorfinkel.shtml>

<sup>710</sup> <http://www.torontocataract.com/kravetz.shtml>

<sup>711</sup> <http://www.torontocataract.com/rootman.shtml>

<sup>712</sup> <http://www.toronto-laser.com/html/team.html>

<sup>713</sup> <http://www.torontocataract.com/weinstock.shtml>

<sup>714</sup> Telephone interview with staff, April 16, 2008

<sup>715</sup> Telephone interview with staff, April 10, 2008

<sup>716</sup> Leslie, Colin, “The private clinic debate”, *Medical Post*, May 9, 2000

<sup>717</sup> <http://www.shouldice.com/staff.htm>

<sup>718</sup> Ministry of Health and Long Term Care, “Ministry of Health and Long-Term Care McGuinty Government Delivers Strengthened Public Health Care”, *Canada News Wire*, June 8, 2007, accessed from [http://ogov.newswire.ca/ontario/GPOE/2007/06/08/c2470.html?lmatch=&lang=\\_e.html](http://ogov.newswire.ca/ontario/GPOE/2007/06/08/c2470.html?lmatch=&lang=_e.html)

<sup>719</sup> Leslie, Colin, “The private clinic debate”, *Medical Post*, May 9, 2000



### **Don Mills Surgical Unit, Toronto**

Services sold: Services include the Albathern Prostate Cancer Treatment System, ophthalmology (cataract removal, lens implant, cosmetic eye and eyelid surgery), orthopedic surgery and cosmetic surgery.

Cost: Cataract and orthopedic surgery is funded by the province, the other services are non-insured. According to Health Minister George Smitherman, DMSU charges the province \$750 per eye for cataract surgery while “the public sector can provide this procedure for as low as \$575 per eye.”<sup>720</sup> DMSU received \$1,227,900 in global funding from the Ministry of Health in 2007-2008.<sup>721</sup>

Medical staff: On staff are 16 surgeons and 10 anesthesiologists of whom “all hold senior positions in large publicly funded area hospitals.”<sup>722</sup>

Other: DMSU has ambulatory, short stay and in-patient services. The hospital serves 4,000 patients annually has 2 operating rooms, a patient recovery area, 20 in-patient beds and a pre-assessment unit. In early 2007 a proposal for the unit to do 1500 publicly funded knee replacement surgeries was rejected by province.<sup>723</sup> According to a letter to the editor by Health Minister George Smitherman, DMSU’s offer to do the surgeries at below the rate paid to public hospitals was misleading. “the fine print shows that it is only willing to do the least-complicated cases, which is known as cream-skimming,” according to the minister and the “real cost could actually be about \$1.5 million more than if these same surgeries were performed in the public system”.<sup>724</sup>

DMSU was founded by a group of Toronto surgeons in the 1960s and was sold to Canadian health services company Alegro Health Corporation in 2005.<sup>725</sup>

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<sup>720</sup> Letter to the Editor by George Smitherman to the Kingston Whig-Standard published March 28, 2007.

<sup>721</sup> Ministry of Health and Long Term Care, “Ministry of Health and Long-Term Care McGuinty Government Delivers Strengthened Public Health Care”, *Canada News Wire*, June 8, 2007, accessed from [http://ogov.newswire.ca/ontario/GPOE/2007/06/08/c2470.html?lmatch=&lang=\\_e.html](http://ogov.newswire.ca/ontario/GPOE/2007/06/08/c2470.html?lmatch=&lang=_e.html)

<sup>722</sup> <http://www.dmsu.com/physicians.html>

<sup>723</sup> “Ideology blamed for rebuff of private surgery plan: Knee replacement proposal rejected by government would have saved enough to perform another 276 operations, critic says”, *Globe and Mail*, March 22, 2007

<sup>724</sup> Letter to the Editor by George Smitherman to the Kingston Whig-Standard published March 28, 2007.

<sup>725</sup> <http://www.dmsu.com/about.html>



# Prince Edward Island

## Snapshot

Median income (2005): \$22,400<sup>726</sup>

### **PEI Health Care Insurance Plan**

Persons registered with Medicare: 144,159<sup>727</sup>

Number of participating physicians: 211<sup>728</sup>

Number of opted out/not-participating physicians: 0<sup>729</sup>

### **For-Profit Surgical Facilities selling medically necessary services:**

none

### **For-Profit MRI/CT Clinics:**

none

### **Number of Specialists:**

Ophthalmologists: 5<sup>730</sup>

Laser eye clinics: 0

Orthopedic surgeons: 4<sup>731</sup>

Diagnostic radiologists: 7<sup>732</sup>

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<sup>726</sup> Statistics Canada, CANSIM, table 111-0009.

<sup>727</sup> Source: Canada Health Act Annual Report, 2005-2006

<sup>728</sup> Source: Canada Health Act Annual Report, 2005-2006

<sup>729</sup> Source: Canada Health Act Annual Report, 2005-2006

<sup>730</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>731</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>732</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006



# Quebec

## Snapshot

Median income (2005): \$24,100<sup>733</sup>

### **Régie de l'assurance maladie du Québec (RAMQ) du Québec**

Persons registered with Medicare: 7,546,131<sup>734</sup>

Number of participating physicians: 15,851<sup>735</sup>

Number of opted-out/non-participating physicians: 158<sup>736</sup>

### **For-Profit Surgical Facilities selling medically necessary services:**

Private, for-profit clinics: 90 (2005 estimate)<sup>737</sup>

Private, for-profit surgical clinics selling medically necessary procedures: at least 14

### **For-Profit MRI/CT Clinics:**

Private, for-profit scanners: 21 MRIs, 10 CTs

### **Impact of For-profit clinics on Physician-Specialists:**

Ophthalmologists: 284<sup>738</sup>

Laser eye clinics: 11<sup>739</sup>

Number of ophthalmologists practicing laser eye surgery: 36

Percentage of ophthalmologists working in for-profit clinics: 12.67%

Orthopedic surgeons 317<sup>740</sup>

Diagnostic radiologists: 522<sup>741</sup>

Number of radiologists associated with private clinics: at least 179<sup>742</sup>

Percentage of radiologists working in for-profit clinics: 34.2%

Quebec has by far the most physicians opted out of the public health system. Of the over 100 Quebec MDs who have opted out of Medicare, many are plastic surgeons performing uninsured cosmetic

<sup>733</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>734</sup> The *Canada Health Act Annual Report* does not list a figure for Quebec. Number cited here is the population of Quebec in 2006 according to Statistics Canada.

<sup>735</sup> Collège des médecins du Québec stated that there are 15,952 physicians in Quebec in a December interview. They did not have a figure for the number of physicians in Medicare, this is derived by using the 101 figure published in Macleans and deducting it from 15,952.

<sup>736</sup> As of February 5, 2008, according to La Régie de l'assurance maladie du Québec, quoted in Derfel, Aaron, "MDs going private at faster rate," *Montreal Gazette*, February 14, 2008

<sup>737</sup> Ferrabee, James, "Medicare, Quebec Style, Has Opened the Way for a Lot of Private Clinics and Quebecers Don't Seem Perturbed," *Institute for Research on Public Policy*, May 2005 <http://www.irpp.org/ferrabee/archive/0505.htm>

<sup>738</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>739</sup> Includes four LasikMD clinics counted separately.

<sup>740</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>741</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>742</sup> Minimum number based on interviews with clinics. Three clinics refused to disclose the number of radiologists they have on staff. 6 radiologists working in the Gatineau but on staff at Montfort Hospital in Ottawa are not included in this figure

surgery<sup>743</sup>. However, there are a growing number of orthopedic surgeons, emergency specialists, ophthalmologists and GPs billing for publicly insured Canada Health Act services.

The first orthopedic surgeon to opt-out (in Canada) was Dr. Nicolas Duval in 2001. In 2002, he opened the Duval Orthopedic Clinic, an 18-bed clinic where his patients recover and undergo physiotherapy and to which patients from across Canada travel to buy new hips or knees for about \$12,000.<sup>744</sup> The Duval clinic has 4 physicians, 2 of whom only see out of province patients or patients not covered by RAMQ<sup>745</sup> Until 2001, Duval was an orthopedic surgeon with the CHUM university group of hospitals.<sup>746</sup> Dr. Lavigne was, until 2006, attending orthopedic surgeon and co-director of the Arthroplasty Research Unit at Hôpital Maisonneuve-Rosemont, Montréal<sup>747</sup> Dr. Lavoie remains on staff at Centre de recherche en orthopédie CHUM Hôpital Notre-Dame,<sup>748</sup> while Dr. Vendittoli remains on staff at Hôpital Maisonneuve-Rosemont (University of Montreal).<sup>749</sup>

In 2004, 3 ER physicians opted out of Medicare to found MD-Plus Medicare. The same year, 2 ophthalmologists opted out of Medicare to found Cataract MD.<sup>750</sup>

In contrast to the prevalence of for-profit health care in Quebec, Quebec residents have significant problems accessing care in the public system. 24.8 per cent, or two million Quebecers, do not have a family doctor.<sup>751</sup> According to Statistics Canada, Montrealers have the worst access to family doctors of any Canadians; 300,000 have no GP, 32% have no regular family doctor.<sup>752</sup>

Quebec has de-insured medically necessary MRI scans in for-profit clinics.<sup>753</sup>

There are at least 5 private cataract clinics in Montreal of at least 8 in the province.<sup>754</sup> Several of these also offer laser eye surgery.

The Quebec National Assembly passed Bill 33 in December 2006 which will allow private insurance carriers initially to sell private insurance for hip and knee replacement as well as cataract surgery; despite initial limitations, additional privatized procedures have been added. An additional provision in Bill 33 allows clinics to charge “accessory fees” for the use of private operating rooms, equipment and some personnel.<sup>755</sup> In November 2007, a group of more than 300 prominent Quebecers signed a declaration calling on the provincial government to reinforce the public health-care system, arguing that privatization would lead to poorer care at higher cost.<sup>756</sup>

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<sup>743</sup>Lang, Michelle, “Opting out adds up for doctors: For the right price, Alberta physicians could follow,” *Calgary Herald*, September 11, 2005

<sup>744</sup>Lang, Michelle, “Opting out adds up for doctors: For the right price, Alberta physicians could follow,” *Calgary Herald*, September 11, 2005

<sup>745</sup><http://www.duval.bz/en/m4.html>

<sup>746</sup><http://www.duval.bz/images/CV-NDuval-f.pdf>

<sup>747</sup><http://www.duval.bz/images/CV-MLavigne-e.pdf>

<sup>748</sup><http://www.duval.bz/images/CV-PLavoie-f.pdf>

<sup>749</sup><http://www.duval.bz/images/CV-PVendittoli-e.pdf>

<sup>750</sup>“Doctors to open private ER: 3 local physicians opt out of Medicare. Clinic will handle minor emergencies for \$100 fee, refer serious cases to hospitals,” *The Gazette*, September 15, 2004

<sup>751</sup>Gore, Brian “Quebec doctors don't get no respect: Physician provides his prescription to help the province's ailing health-care system,” *Montreal Gazette*, July 9, 2006

<sup>752</sup>“Family doctors tough to find in Montreal: study,” *CBC News*, June 14, 2006  
<http://www.cbc.ca/canada/montreal/story/2006/06/14/qcdocs20060614.html>

<sup>753</sup>Derfel, Aaron, “Alberta proposal not for us: Couillard: Doctors must be public or private; Studies in countries with blend of systems show increase in public sector waiting times,” *Montreal Gazette*, March 2, 2006

<sup>754</sup>[Findprivateclinics.ca](http://Findprivateclinics.ca)

<sup>755</sup>“Loophole allows clinic fees: Private surgical care. Wealthier patients to jump queue under Bill 33, legal expert warns”, *The Gazette*, January 25, 2007

<sup>756</sup>“Petition defends public health care”, *Montreal Gazette*, Thursday, November 22, 2007

In February 2008, former Quebec health minister Claude Castonguay, who had been commissioned by the provincial government to investigate ways to stabilize the health care budget, issued his report *Getting Our Money's Worth* which recommended allowing private insurance for an even wider range of services.<sup>757</sup>

## Summary Review of For-Profit Clinics

### Cataract clinics

#### **Cliniques Michel Pop, Montreal**

Services sold: Cataract and laser vision correction surgery.

Cost: Cataract surgery is \$2150 per eye;<sup>758</sup> laser eye surgery ranges from \$950 to \$1950 per eye.<sup>759</sup>

Is cataract surgery paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patient is charged directly.<sup>760</sup>

Staff: 1 ophthalmologist, Dr. Pop<sup>761</sup>

Dr. Pop has opted out of Medicare.<sup>762</sup>

#### **Iris Clinique D'Ophtalmologic, Laval**

Services sold: Cataract and laser vision correction surgery.

Cost: Cataract surgery is a minimum of \$2590 for each eye; laser vision surgery is \$3690 to \$4690 for both eyes.<sup>763</sup> The clinic states the price for cataract surgery is a "global amount," and not just for the lens. \$100 is charged for a pre-surgery visit. The price is higher for different lenses such as the multifocal lens.<sup>764</sup>

Is cataract surgery paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patient is charged directly for the entire amount.<sup>765</sup>

Staff: 1 ophthalmologist, Dr. Christian Feremi

The cataract clinic is associated with Dr. Hugo Sutton's clinic in British Columbia.<sup>766</sup>

Feremi is not on the list of physicians who have opted out of Medicare but we could not find him registered with Quebec's College des Médecins. Iris states that they do not accept Medicare.

#### **Institut Privé de Chirurgie, Quebec City**

Services sold: Cataract surgery and cosmetic/dermatological procedures

Cost: Cataract surgery is \$2650 to \$3550 per eye depending on lens and \$100 for an evaluation.<sup>767</sup> The price charged is not just for the lens but for the surgery as well.<sup>768</sup>

Is cataract surgery paid for by Régie de l'assurance maladie du Québec (RAMQ): No, the patient is billed directly.<sup>769</sup>

Staff: 2 ophthalmologists, 3 phleobologists are on staff.<sup>770</sup>

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<sup>757</sup> Maioni, Antonia, "Castonguay's prescription; Support for user fees and privatization will resonate beyond Quebec's borders," *Toronto Star*, February 21, 2008

<sup>758</sup> Telephone interview with clinic staff, April 9, 2008

<sup>759</sup> <http://www.cmpop.com/>, accessed January 24, 2008

<sup>760</sup> Telephone interview with clinic staff, April 9, 2008

<sup>761</sup> <http://www.cmpop.com/fr/data/index.html>

<sup>762</sup> Régie de l'assurance maladie du Québec avec adresse de pratique au Québec", as of March 10, 2008, accessed from <http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

<sup>763</sup> Telephone interview with clinic staff, April 9, 2008

<sup>764</sup> Telephone interview with clinic, April 16, 2008

<sup>765</sup> Telephone interview with clinic staff, April 9, 2008

<sup>766</sup> <http://www.iris.ca/clinic/locations.html>

<sup>767</sup> Telephone interview with staff, April 29, 2008

<sup>768</sup> Telephone interview with staff, April 16, 2008

<sup>769</sup> Telephone interview with staff, January 24, 2008

Both ophthalmologists at the clinic have opted out of Medicare.<sup>771</sup>

#### **Laservue, Montreal**

Services sold: Laser surgery and cataract surgery.

Cost: Cataract surgery is \$2350 per eye. Laser vision correction is \$2500 to \$3500 for both eyes.<sup>772</sup> The lens itself represents only \$400 of the total cost.<sup>773</sup>

Is cataract surgery paid for by Régie de l'assurance maladie du Québec (RAMQ): No, the patient is billed directly.<sup>774</sup>

Staff: 2 ophthalmologists.<sup>775</sup>

Laservue became the first clinic in Canada to offer private pay cataract surgery in June 1997 when Drs Mac Mullie and Gordon Balazsi opted out of Medicare.<sup>776</sup>

#### **100 Vision/Dr. Guy Doyon, Sherbrooke**

Services sold: Cataract and laser eye surgery

Cost: cataract \$2000-\$2500 per eye depending on lens, Laser \$2000-\$4400 for both eyes. The lens itself accounts for \$400 to \$500 of the total price of cataract surgery.<sup>777</sup>

Is cataract surgery paid for by Régie de l'assurance maladie du Québec (RAMQ): No, the patient is billed directly.<sup>778</sup>

Staff: 1 ophthalmologist is on staff.<sup>779</sup>

Dr. Doyon has opted out of Medicare.<sup>780</sup>

#### **Cataract MD/Lasik MD, Quebec City, Brossard, Montreal, Laval**

Services sold: cataract and laser eye surgery in Montreal, laser eye only at the other locations.

Cost: Cataract \$1990-\$2990 per eye; Laser eye \$490-\$990 per eye Wavefront \$1750 per eyes

Is cataract surgery paid for by Régie de l'assurance maladie du Québec (RAMQ): No, the patient is billed directly.<sup>781</sup>

Staff: 5 ophthalmologists at the Montreal clinic practice cataract surgery. A total of 13 ophthalmologists in 4 clinics perform laser vision correction. Darren Albert is the chief of the ophthalmology service at Anna Laberge Hospital on the South Shore of Montreal and is Assistant Professor of Ophthalmology at McGill University in Montreal, Canada where he is a practicing ophthalmologist, surgeon, and Low Vision Specialist.<sup>782</sup>

Dr. Bashour instructs and works at the teaching hospital of the University of Sherbrooke, as the Ophthalmology Clinical Assistant Professor, the Director of Ophthalmic, Plastic and Reconstructive Surgery and the Director of Pediatric Ophthalmology. He is also the Assistant Professor of Ophthalmology at McGill University.<sup>783</sup>

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<sup>770</sup> Telephone interview with staff, January 24, 2008

<sup>771</sup> Régie de l'assurance maladie, "Liste des professionnels de la santé non-participants ou désengagés au régime de l'assurance maladie du Québec avec adresse de pratique au Québec", as of March 10, 2008, accessed from <http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

<sup>772</sup> Telephone interview with staff, January 24, 2008

<sup>773</sup> Telephone interview with staff, April 16, 2008

<sup>774</sup> Telephone interview with staff, January 24, 2008

<sup>775</sup> Telephone interview with staff, January 24, 2008

<sup>776</sup> Derfel, Aaron, "Montreal's unique for private cataract operations: Only place in Canada where clinics charge patients directly for the surgery," *Montreal Gazette*, February 16, 2005

<sup>777</sup> Telephone interview with staff, April 16, 2008

<sup>778</sup> Telephone interview with staff, January 24, 2008

<sup>779</sup> Telephone interview with staff, January 24, 2008

<sup>780</sup> Régie de l'assurance maladie, "Liste des professionnels de la santé non-participants ou désengagés au régime de l'assurance maladie du Québec avec adresse de pratique au Québec", as of March 10, 2008, accessed from <http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

<sup>781</sup> Telephone interview with staff, January 24, 2008

<sup>782</sup> <http://www.cataractmd.ca/dr-darren-albert.php>

<sup>783</sup> <http://www.cataractmd.ca/dr-mounir-bashour.php>



Dr. Demers is a cornea and cataract specialist at the University of Montreal Hospital Center (CHUM) where he performs cataract (500 cases per year) and cornea transplants (40 cases per year).<sup>784</sup> As Director of Refractive Surgery at McGill University and the Royal Victoria Hospital, Dr. Wallerstein teaches ophthalmologists-in-training and performs surgeries. Dr. Wallerstein is also Assistant Professor of Ophthalmology at McGill University.<sup>785</sup>

The clinic was opened in 2004 by Mark Cohen, all of the ophthalmologists at the Quebec Lasik clinics were reported that year to have opted out of Medicare.<sup>786</sup> However, in 2008, none of the five surgeons performing cataract surgery at the clinic has opted out of Medicare.<sup>787 788</sup> CataractMD claims that the price charged to patients is for the lens rather than the surgery itself. "You pay for the lens and it includes follow-up". However, when asked, a CataractMD staff person could not say whether the monofocal and multifocal lenses they had available were any different from what was available in the the hospital and said that "why people come to the clinic is it won't take as long... it's very quick."<sup>789</sup>

#### **ChirurgiVision Clinic, Drummondville and Trois Rivieres**

Services sold: laser and cataract surgery

Cost: Cataract surgery is \$2300 to \$3250 per eye depending on the lens.<sup>790</sup> The fee is for the "for the surgery and the lens."<sup>791</sup> There is also a \$150 fee for the exam.

Is cataract surgery paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patient pays the entire cost.<sup>792</sup>

Staff: 3 ophthalmologists.<sup>793</sup>

Dr. Roy and Dr. de Groot are both opted out of RAMQ.<sup>794</sup> Dr. Saurel is not listed as having opted out but is also not registered with the College des Medecins.

#### **Montreal Eye Clinic, Montreal and Longueuil**

Services sold: Cataract, laser, glaucoma treatment

Cost: Cataract surgery is \$2100 to \$3500 per eye, depending on the lens \$1000 to \$2500 of which is for the lens itself.<sup>795</sup>

Is cataract surgery paid for by Régie de l'assurance maladie du Québec (RAMQ): No, the doctor is not in the Medicare surgery so patients have to pay directly.<sup>796</sup>

Staff: 5 ophthalmologists are on staff.<sup>797</sup>

Clinic owner Dr. Fanous has opted out of Medicare.<sup>798</sup>

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<sup>784</sup> <http://www.cataractmd.ca/dr-pierre-demers.php>

<sup>785</sup> <http://www.cataractmd.ca/dr-avi-wallerstein.php>

<sup>786</sup> Derfel, Aaron, "Eye surgery goes private: Clinic could help Quebec tackle lengthy waiting lists," *Montreal Gazette*, September 12, 2004

<sup>787</sup> Régie de l'assurance maladie, "Liste des professionnels de la santé non-participants ou désengagés au régime de l'assurance maladie du Québec avec adresse de pratique au Québec", as of March 10, 2008, accessed from <http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

<sup>788</sup> <http://www.cataractmd.ca/cataract-md-montreal.php>

<sup>789</sup> Telephone interview April 16, 2008

<sup>790</sup> Telephone interview with Sylvie of the clinic, April 9, 2008

<sup>791</sup> Telephone interview with Suzanne of the clinic, April 24, 2008

<sup>792</sup> Telephone interview with Sylvie of the clinic, April 9, 2008

<sup>793</sup> [http://www.chirurgivision.com/en/the\\_clinic/our\\_specialized\\_team.asp](http://www.chirurgivision.com/en/the_clinic/our_specialized_team.asp)

<sup>794</sup> Régie de l'assurance maladie, "Liste des professionnels de la santé non-participants ou désengagés au régime de l'assurance maladie du Québec avec adresse de pratique au Québec", as of March 10, 2008, accessed from <http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

<sup>795</sup> Telephone interview with clinic staff, April 9, 2008

<sup>796</sup> Telephone interview with clinic staff, April 9, 2008

<sup>797</sup> <http://www.cdom.com/lasik/staff.html>, the number is 6 including clinic owner Dr. Fanous

<sup>798</sup> Régie de l'assurance maladie, "Liste des professionnels de la santé non-participants ou désengagés au régime de l'assurance maladie du Québec avec adresse de pratique au Québec", as of March 10, 2008, accessed from <http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

## For-profit MRI clinics

### **Centre d'imagerie médicale Westmount Square, Montréal**

Services sold: MRIs, CTs, ultrasound, virtual colonoscopy and other diagnostic modalities.

Cost for an MRI: \$650 for a knee scan<sup>799</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>800</sup>

Staff: 28 radiologists (owners/operators)<sup>801</sup> also on staff at the McGill University Health Center, Montreal General Hospital, Royal Victoria Hospital, the Montreal Children's Hospital and the Montreal Neurological Institute.<sup>802</sup>

Number of MRI scans a day: 18<sup>803</sup>

The clinic states that a doctor's requisition is required<sup>804</sup> they also promote faster access for a fee saying that scans can be done in a few days. They engage in "preventative" scanning offering "total body screening", a mix of MRIs and CTs for more \$4000<sup>805</sup>

### **Clinique de radiologie CLM (RésoScan CLM), Greenfield Park**

Services sold: MRI, CTs, mammography, bone density, ultrasound.

Cost for an MRI: \$625 - \$950<sup>806</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>807</sup>

Staff: 16 radiologists<sup>808</sup> are from l'hôpital Charles-LeMoine.<sup>809</sup>

Number of MRI scans a day: 20 -25<sup>810</sup>

The clinic requires a requisition from a doctor. The clinic performs "preventative MRIs" telling patients that they should "just tell a doctor that want an MRI."

### **Clinique de radiologie St-Pascal - IRM Québec, Québec City**

Services sold: MRI, CTs, mammography, bone density

Cost for an MRI: \$595 for most scans up to \$825 for arthroresonance and \$995 for full colon (3 segments)<sup>811</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>812</sup>

Staff: 14 radiologists from l'Hôpital de l'Enfant-Jésus<sup>813</sup>

Number of MRI scans a day: Not disclosed.<sup>814</sup>

The clinic requires a requisition from a doctor. It promotes access for a fee saying "we have appointments more quickly, in one or two days, than in a hospital".<sup>815</sup>

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<sup>799</sup>Telephone interview with staff, January 24, 2008

<sup>800</sup>Telephone interview with staff, January 24, 2008

<sup>801</sup>[http://www.radiologymontreal.com/patients/the\\_radiologists.html](http://www.radiologymontreal.com/patients/the_radiologists.html)

<sup>802</sup>[http://www.radiologymontreal.com/patients/the\\_radiologists.html](http://www.radiologymontreal.com/patients/the_radiologists.html)

<sup>803</sup>Telephone interview with staff, January 24, 2008

<sup>804</sup>[http://www.radiologymontreal.com/patients/before\\_your\\_exam.html](http://www.radiologymontreal.com/patients/before_your_exam.html)

<sup>805</sup>Telephone interview with staff, April 15, 2008

<sup>806</sup><http://www.resoscan.com/examens.htm>

<sup>807</sup>Telephone interview with staff, January 24, 2008

<sup>808</sup>Telephone interview with staff, January 24, 2008

<sup>809</sup>"Les radiologistes de l'hôpital Charles-LeMoine, centre affilié à l'université de Sherbrooke, offrent depuis 1973, à la clinique de radiologie CLM, des services d'imagerie médicale de qualité à la population de la Montérégie." (accessed from <http://www.resoscan.com/>)

<sup>810</sup>Telephone interview with staff, January 24, 2008

<sup>811</sup><http://www.radiologiestpascal.com/tarifs.htm>

<sup>812</sup>Telephone interview with staff, January 25, 2008

<sup>813</sup>Telephone interview with staff, January 25, 2008

<sup>814</sup>Telephone interview with staff, January 25, 2008

<sup>815</sup>Telephone interview with staff, April 16, 2008

**Clinique radiologique Saint-Louis enr. / IRM Saint-Louis, Sainte-Foy**

Services sold: Diagnostic radiology including MRIs and mammograms.

Cost for an MRI: \$595 for most scans;<sup>816</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>817</sup>

Staff: 10,<sup>818</sup> from Hotel Dieu de Québec<sup>819</sup>

Number of MRI scans a day: "Many", the clinic refused to give a specific number.<sup>820</sup>

A doctor's requisition is required. The clinic promotes access for a fee saying they can book an appointment within two days and saying that is much faster than obtaining a scan through the hospital.<sup>821</sup>

**Écho-Médic / Réso-Médic, Laval**

Services sold: MRIs, CTs and ultrasound tests.

Cost for an MRI: \$650 for most scans plus \$100 for contrast.<sup>822</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>823</sup>

Staff: 11<sup>824</sup> radiologists, who are also staff at local hospitals the names of which were not disclosed<sup>825</sup>

Number of MRI scans a day: 8-10<sup>826</sup>

A doctor's prescription needs to be faxed in before a scan can be booked. The clinic promotes access for a fee saying they can book a scan within two days compared to six months to a year in a hospital.<sup>827</sup>

**Imagerie des Pionniers Inc., Lachenaie**

Services sold: Diagnostic testing including MRIs, ultrasound and bone density tests.<sup>828</sup>

Cost for an MRI: \$600 and up<sup>829</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>830</sup>

Staff: 2<sup>831</sup> radiologists, from l'hôpital Pierre-Legardeur.<sup>832</sup>

Number of MRI scans a day: 5 or 6<sup>833</sup>

The clinic requires a doctor's requisition. It also promotes access for a fee by promising faster service than a hospital.<sup>834</sup>

**Imagerie médicale West Island Medical Imaging inc. Pointe-Claire**

Services sold: MRI, CT, and ultrasound.

Cost for an MRI: \$650 for most scans (knee, shoulder etc)<sup>835</sup>

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<sup>816</sup> Telephone interview with staff, January 25, 2008

<sup>817</sup> Telephone interview with staff, January 25, 2008

<sup>818</sup> Telephone interview with staff, January 25, 2008

<sup>819</sup> Telephone interview with staff, January 25, 2008

<sup>820</sup> Telephone interview with staff, January 25, 2008

<sup>821</sup> Telephone interview with staff, April 16, 2008

<sup>822</sup> Telephone interview with staff, January 24, 2008

<sup>823</sup> Telephone interview with staff, January 24, 2008

<sup>824</sup> <http://echo-medic.com/>

<sup>825</sup> <http://echo-medic.com/> "Chacun d'entre eux est aussi affilié à l'un des centres hospitaliers de la grande région métropolitaine."

<sup>826</sup> Telephone interview with staff, January 24, 2008

<sup>827</sup> Telephone interview with staff, April 16, 2008

<sup>828</sup> <http://www.imageriedespionniers.com>

<sup>829</sup> Telephone interview with staff, January 24, 2008

<sup>830</sup> Telephone interview with staff, January 24, 2008

<sup>831</sup> Telephone interview with staff, January 24, 2008

<sup>832</sup> Telephone interview with staff, January 24, 2008

<sup>833</sup> Telephone interview with staff, January 24, 2008

<sup>834</sup> Telephone interview with staff, April 16, 2008

<sup>835</sup> Telephone interview with staff, January 25, 2008

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>836</sup>

Staff: Clinic refused to disclose number of radiologists employed or which hospitals they also work for.<sup>837</sup>

Number of MRI scans a day: Not disclosed.<sup>838</sup>

The clinic requires a doctor's requisition.

### **IRM Trois-Rivières, Trois-Rivières**

Services sold: MRIs

Cost for an MRI: charges \$595 for most scans<sup>839</sup>

Are MRIs paid for by Assurance maladie: No, the clinic charges patients directly for scans.<sup>840</sup>

Staff: 1 radiologist, Luc Grondin,<sup>841</sup> of Hospital Regional de Trois-Rivières (CHRTR).<sup>842</sup>

Number of MRI scans a day: Not disclosed.<sup>843</sup>

The clinic requires a doctor's requisition. It also promotes access for a fee by promising faster service than a hospital.<sup>844</sup>

### **La Clinique radiologique Clarke inc. / IRM Clarke, Montréal**

Services sold: X-rays, MRIs

Cost for an MRI: An average scan is \$650.<sup>845</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>846</sup>

Staff: Approximately 10<sup>847</sup> who are on staff at the Jewish General Hospital.<sup>848</sup>

Number of MRI scans a day: 5 to 15 or more depending on their complexity<sup>849</sup>

The clinic requires a doctor's requisition. It also promotes access for a fee by promising faster service than a hospital.<sup>850</sup>

### **Léger et associés, radiologistes, Montréal**

Services sold: MRI, ultrasound and other diagnostic imaging.

Cost for an MRI: A knee is about \$595<sup>851</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>852</sup>

Staff: The clinic employs 31 radiologists, mostly from l'Hotel Dieu de Montreal/CHUM.<sup>853</sup>

Number of MRI scans a day: On January 22, 2008 they had between 10 and 18 scans.<sup>854</sup>

The clinic requires a doctor's requisition.

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<sup>836</sup> Telephone interview with staff, January 25, 2008

<sup>837</sup> Telephone interview with staff, January 25, 2008

<sup>838</sup> Telephone interview with staff, January 25, 2008

<sup>839</sup> Telephone interview with staff, January 24, 2008

<sup>840</sup> All questions answered by telephone interview, January 24, 2008

<sup>841</sup> <http://www.lhebdojournal.com/article-65649-La-resonance-magnetique-en-prive.html>

<sup>842</sup> Telephone interview with staff, January 24, 2008

<sup>843</sup> Telephone interview with staff, January 24, 2008

<sup>844</sup> Telephone interview with staff, April 16, 2008

<sup>845</sup> Telephone interview with staff, January 24, 2008

<sup>846</sup> Telephone interview with staff, January 24, 2008

<sup>847</sup> Telephone interview with staff, January 24, 2008

<sup>848</sup> Telephone interview with staff, January 24, 2008

<sup>849</sup> All questions answered through phone interview, January 24, 2008

<sup>850</sup> Telephone interview with staff, January 24, 2008

<sup>851</sup> Telephone interview with staff, January 22, 2008

<sup>852</sup> Telephone interview with staff, January 22, 2008

<sup>853</sup> <http://www.legerradiologie.qc.ca/fr/historique.html>

<sup>854</sup> Telephone interview with staff, January 22, 2008

**Radiologie Laënnec Inc., Mont-Royal**

Services sold: MRI, CTs, and ultrasound.

Cost for an MRI: Average scan is \$650.<sup>855</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>856</sup>

Staff: More than 6<sup>857</sup> some of whom are from a hospital whose name was not disclosed.<sup>858</sup>

Number of MRI scans a day: Varies, about 20 to 22.<sup>859</sup>

The clinic requires a doctor's requisition. It also promotes access for a fee by promising faster service than a hospital.<sup>860</sup>

**Radiologie Montérégie, Longueuil**

Services sold: MRI, CTs, and ultrasound

Cost for an MRI: \$625 for most scans<sup>861 862</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, some scans are covered by CSST (workers' compensation) or SAAQ (auto insurance), otherwise fees are charged directly to the patient.<sup>863</sup>

Staff: 19 radiologists.<sup>864</sup>

Number of MRI scans a day: Not disclosed.

The clinic requires a doctor's requisition. It also promotes access for a fee by promising faster service than a hospital. "We can give you an appointment in two or three days here and if you go in the hospital you have to wait".

**Radiologie Varad, Montréal**

Services sold: MRI, ultrasound, Doppler, mammography, CT and other radiological tests.

Cost for an MRI: \$625<sup>865</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): "No, you pay here, payable by credit card." Services other than MRI are covered by RAMQ.<sup>866</sup>

Staff: 17<sup>867</sup> radiologists from St. Luc Hospital/CHUM<sup>868</sup>

Number of MRI scans a day: 16-20<sup>869</sup>

MRIs require a physician's requisition faxed in advance. The clinic promotes access for a fee saying they can make an appointment "next week" as opposed to a longer wait for a hospital MRI.<sup>870</sup>

**Réso-Carrefour and Réso-Concorde, Laval (2 locations)**

Services sold: MRI

Cost for an MRI: An MRI of a knee is \$650.<sup>871</sup>

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<sup>855</sup> Telephone interview with staff, January 22, 2008

<sup>856</sup> Telephone interview with staff, January 22, 2008

<sup>857</sup> Telephone interview with staff, January 22, 2008

<sup>858</sup> Telephone interview with staff, January 22, 2008

<sup>859</sup> Telephone interview with staff, January 22, 2008

<sup>860</sup> Telephone interview with staff, April 16, 2008

<sup>861</sup> "Liste de prix" link at [http://www.radiologiemonteregie.com/html/main\\_fr.html](http://www.radiologiemonteregie.com/html/main_fr.html)

<sup>862</sup> Telephone interview with staff, April 29, 2008

<sup>863</sup> [http://www.radiologiemonteregie.com/html/main\\_en.html](http://www.radiologiemonteregie.com/html/main_en.html)

<sup>864</sup> [http://www.radiologiemonteregie.com/html/main\\_fr.html](http://www.radiologiemonteregie.com/html/main_fr.html)

<sup>865</sup> Telephone interview with staff, January 24, 2008

<sup>866</sup> Telephone interview with staff, January 24, 2008

<sup>867</sup> <http://www.radiologievarad.com/en/equipe.php>

<sup>868</sup> <http://www.radiologievarad.com/en/equipe.php>

<sup>869</sup> Telephone interview with staff, January 24, 2008

<sup>870</sup> Telephone interview with staff, April 16, 2008

<sup>871</sup> Telephone interview with staff, January 24, 2008

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>872</sup>

Staff: There is one radiologist at each clinic at any one time; the clinic refused to disclose the size of their radiologist pool or which hospitals they are drawn from.<sup>873</sup>

Number of MRI scans a day: Refused<sup>874</sup>

The clinics require a prescription from a doctor. When asked if they could suggest a physician they recommended Clinic Concord (Polyclinique Médicale Concorde). The clinic does "preventative MRIs" with a prescription.

### **Medisys MRI Scan Centre, Montreal**

Services sold: MRIs, Medisys also offers CTs and nuclear imaging at another Montreal location.<sup>875</sup>

Cost for an MRI: \$600 minimum.<sup>876</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>877</sup>

Staff: 3<sup>878</sup> radiologists are employed; whether or not they are affiliated with hospitals was not disclosed.<sup>879</sup>

Number of MRI scans a day: Up to 12 scans a day.<sup>880</sup>

The clinic requires a doctor's referral, if the patient has no doctor they suggest going through a walk-in clinic. They will do preventative MRIs but only with a doctor's requisition form.

### **Tomo Concorde, Laval**

Services sold: MRIs, CTs

Cost for an MRI: Knee \$650<sup>881</sup>

Are scans paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans,<sup>882</sup> payment by workers compensation or auto insurance are also accepted.

Staff: 4-6<sup>883</sup> radiologists, name of hospital on which they are on staff was not disclosed.<sup>884</sup>

Number of scans a day: 20<sup>885</sup>

Need a referral from a doctor, suggests one goes through emergency. The clinic will do a "preventative MRI" as long as there is a doctor's referral.<sup>886</sup>

### **Ville Marie Radiology Centre/Ville Marie MRI, Montreal**

Services sold: MRIs, CTs, PET scans, mammography, specializes in breast imaging.

Cost for an MRI: \$625 to \$1350<sup>887</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans.<sup>888</sup>

Staff: 2 radiologists.<sup>889</sup>

Number of MRI scans a day: 3 to 4<sup>890</sup>

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<sup>872</sup> Telephone interview with staff, January 24, 2008

<sup>873</sup> Telephone interview with staff, January 24, 2008

<sup>874</sup> Telephone interview with staff, January 24, 2008

<sup>875</sup> <http://www.medisys.ca/clinic-locations/index.htm#imaging>

<sup>876</sup> Telephone interview with staff, January 24, 2008

<sup>877</sup> Telephone interview with staff, January 24, 2008

<sup>878</sup> Telephone interview with staff, January 24, 2008

<sup>879</sup> Telephone interview with staff, January 24, 2008

<sup>880</sup> Telephone interview with staff, January 24, 2008

<sup>881</sup> Telephone interview with staff, January 24, 2008

<sup>882</sup> Telephone interview with staff, January 24, 2008

<sup>883</sup> Telephone interview with staff, January 24, 2008

<sup>884</sup> Telephone interview with staff, January 24, 2008

<sup>885</sup> Telephone interview with staff, January 24, 2008

<sup>886</sup> Telephone interview with staff, April 16, 2008

<sup>887</sup> <http://www.villemarieirm.com/suiteeng.html#>

<sup>888</sup> Telephone interview with staff, April 9, 2008

<sup>889</sup> <http://www.villemarieirm.com/suiteeng.html>

Requires doctor's requisition with reason for MRI.

### **St. Joseph's MRI, Gatineau**

Services sold: MRIs

Cost for an MRI: \$695 for most scans, \$975 Arthrogram: shoulder, knee or hip <sup>891</sup>

(price includes a contrast injection), \$1100 for breast (including contrast), \$250 for contrast if needed in other scans <sup>892</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans. <sup>893</sup>

Staff: 4 <sup>894</sup> radiologists, 3 or whom also work at Hull & Gatineau hospitals. <sup>895</sup>

Number of MRI scans a day: Refused <sup>896</sup>

St. Joseph MRI in Gatineau was opened in 2006 "operated by doctors that include four radiologists from the Hull hospital who work at the clinic when they are off duty." <sup>897</sup>

The clinic requires a requisition form before booking. The clinic says they do not do preventative MRIs. <sup>898</sup>

### **Ottawa Valley MRI, Gatineau (owned by Canadian Diagnostic Centre, Calgary)**

Services sold: MRIs

Cost for an MRI : \$725 (knee) <sup>899</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans. <sup>900</sup>

Staff: 3 <sup>901</sup> radiologists who work "full time" at Montfort Hospital in Ottawa. <sup>902</sup>

Number of MRI scans a day: 15 to 20 <sup>903</sup>

Ottawa Valley MRI is owned by Alberta based Canadian Diagnostic Centre. <sup>904</sup>

The patient needs a request from a doctor for an MRI to be scheduled. The clinic promotes access for a fee saying they can book an MRI within 48 hours compared to a much longer wait if one goes through a hospital. <sup>905</sup>

### **MRI Plus, Gatineau**

Services sold: MRIs

Cost for an MRI: \$750 (knee) <sup>906</sup>

Are MRIs paid for by Régie de l'assurance maladie du Québec (RAMQ): No, patients are charged directly for scans. <sup>907</sup>

Staff: 3 <sup>908</sup> radiologists from Montfort Hospital in Ottawa <sup>909</sup>

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<sup>890</sup> Telephone interview with staff, April 9, 2008

<sup>891</sup> Telephone interview with staff, January 24, 2008

<sup>892</sup> Telephone interview with staff, January 24, 2008

<sup>893</sup> Telephone interview with staff, January 24, 2008

<sup>894</sup> Telephone interview with staff, January 24, 2008

<sup>895</sup> Telephone interview with staff, January 24, 2008

<sup>896</sup> Telephone interview with staff, January 24, 2008

<sup>897</sup> "Private MRI clinics push for public patients in Ottawa-Gatineau", *CBC News*, April 3, 2007, <http://www.cbc.ca/canada/ottawa/story/2007/04/03/mri-070403.html>

<sup>898</sup> Telephone interview with staff, April 16, 2008

<sup>899</sup> Telephone interview with staff, December 14, 2007

<sup>900</sup> Telephone interview with staff, January 24, 2008

<sup>901</sup> [http://www.ottawavalleymri.com/About\\_Us/Our\\_Physicians.php](http://www.ottawavalleymri.com/About_Us/Our_Physicians.php)

<sup>902</sup> [http://www.ottawavalleymri.com/About\\_Us/Our\\_Physicians.php](http://www.ottawavalleymri.com/About_Us/Our_Physicians.php)

<sup>903</sup> Telephone interview with staff, December 2007

<sup>904</sup> [http://www.ottawavalleymri.com/About\\_Us/Our\\_Physicians.php](http://www.ottawavalleymri.com/About_Us/Our_Physicians.php)

<sup>905</sup> Telephone interview with staff, April 16, 2008

<sup>906</sup> Telephone interview with staff, December 14, 2007

<sup>907</sup> Telephone interview with staff, January 24, 2008

<sup>908</sup> "Private MRI clinics push for public patients in Ottawa-Gatineau", *CBC News*, April 3, 2007, <http://www.cbc.ca/canada/ottawa/story/2007/04/03/mri-070403.html>

<sup>909</sup> "Private MRI clinics push for public patients in Ottawa-Gatineau", *CBC News*, April 3, 2007,

Number of MRI scans a day: 4-12<sup>910</sup>

MRI Plus requires a doctor's requisition form. They could not suggest any physicians or clinics for a form but suggest one phone the local CLSC (health and social services) for physicians accepting new patients. The clinic says they will do "preventative MRIs" with a doctor's requisition form "it's you that's paying for it so I don't think they'd have an issue with it." The clinic also promotes access for a fee saying they can book an MRI for "next week" compared to "over a year" for a hospital scan.<sup>911</sup>

### **Boutique Physician clinics**

#### **Centre Multi-Medic, Montreal,**

Services sold: sports medicine, acupuncture, nutritional services

Medical staff: 2 MDs (general/sports)<sup>912</sup>

Cost: Patient is charged directly for services. Nothing is charged to RAMQ.

"The Centre Multi-Medic was founded by Dr. Chantal Ducasse, the first female sports physician to voluntarily withdraw from the RAMQ-run public system. Her goal was to bring a range of private medical services under one roof."<sup>913</sup> Both of the physicians on staff do not participate in RAMQ (Medicare).<sup>914</sup>

#### **Centre de médecine privée Blouin-Valois, Saint-Lambert,**

Services sold: General medicine<sup>915 916</sup>

Cost: \$210 for a full check-up,<sup>917</sup> \$160 for a 40 minute appointment.<sup>918</sup> There are no charges made to RAMQ.

Medical staff: 3 MDs<sup>919</sup>

All three physicians on staff have opted out of RAMQ (Medicare).<sup>920</sup>

#### **MD-Plus Medical Clinic/Clinique médicale MD-Plus, Montreal**

Services sold: Family medicine and urgent care

Cost: Patients are charged \$60 to open a file, a minimum of \$100 for a 20 minute appointment, pro-rated for longer appointments.<sup>921</sup> Patients can pay by procedure or subscribe to the "Availability Package" patients pay a \$295 annual fee for priority appointments with a doctor within 12 hours. Fees on top of that are \$100 for a 20 minute consultation and \$75 for an additional 15 minutes.<sup>922</sup> Corporate block packages are available. There are no charges made to Medicare (RAMQ).<sup>923</sup>

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<http://www.cbc.ca/canada/ottawa/story/2007/04/03/mri-070403.html>

<sup>910</sup> Telephone interview with staff, December 14, 2007

<sup>911</sup> Telephone interview with staff, April 16, 2008

<sup>912</sup> <http://multi-medic.com>

<sup>913</sup> <http://multi-medic.com/en/index.php>

<sup>914</sup> Régie de l'assurance maladie, "Liste des professionnels de la santé non-participants ou désengagés au régime de l'assurance maladie du Québec avec adresse de pratique au Québec", as of March 10, 2008, page 4, accessed from

<http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

<sup>915</sup> Telephone interview with staff, April 9, 2008

<sup>916</sup> [http://www.sante-net.net/montreal/cliniques%20privees\\_mtl.htm](http://www.sante-net.net/montreal/cliniques%20privees_mtl.htm)

<sup>917</sup> Telephone interview with staff, April 9, 2008

<sup>918</sup> Interview with Nicole at the clinic, April 29, 2008

<sup>919</sup> Telephone interview with staff, April 9, 2008

<sup>920</sup> Régie de l'assurance maladie, "Liste des professionnels de la santé non-participants ou désengagés au régime de l'assurance maladie du Québec avec adresse de pratique au Québec", as of March 10, 2008, page 5, accessed from

<http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

<sup>921</sup> Telephone interview with staff, April 9, 2008

<sup>922</sup> "Justify Your Existence: Alain Chamoun; Former ER doctor says working at a private clinic gives him more time to listen to patients...", *The Gazette*, November 24, 2007

<sup>923</sup> Telephone interview with staff, April 16, 2008



Medical staff: 4 MDs<sup>924</sup>

MD-Plus is a private “emergency” clinic located near the wealthy neighbourhoods of Outremont and the Town of Mount Royal. The clinic had 500 paying customers in 2005. The three doctors who founded the clinic left positions working in public hospital Emergency Rooms in Montreal. The clinic’s doctors have opted out of Medicare. One patient reported that she paid \$7,000 for a simple shoulder operation and was told if there were complications, she would have to go to a public hospital. One patient with flesh-eating disease arrived at the clinic and was referred to a public hospital. Federal government investigated whether it violated the Canada Health Act under Minister Ujjal Dosanjh. Number of patients: each doctor sees 25 to 40 patients a day.<sup>925</sup> The clinic has connections with private lab and radiology. The three Montreal doctors who founded the clinic did so after they opted out of Medicare. Dr. Luc Bessette, used to work in the ER of St. Luc Hospital; Dr. Christian Hobden, used to serve as chief of the ER at Cite de la santé hospital in Laval,<sup>926</sup> he is no longer listed as being on staff at MD Plus. All of Bessete’s current colleagues have opted out of Medicare.<sup>927</sup> Dr. Chamoun used to be at the emergency department of the CHRDL (Centre hospitalier régional de Lanaudière) and had also served as *loco tenens* (replacement) physician in the Abitibi and on the North Shore prior to joining the clinic and Dr. Emond has been on staff at the emergency department of Hotel-Dieu hospital in Montreal.<sup>928</sup>

**Sentinelles Santé/Sentinelle Health Group, Gatineau (and Ottawa)- family medicine, Services sold:**

Medical examinations, checkups and testing.

Cost: Fees are charged of the patient. The patient first purchases a “complete physical” for \$375, after that the client becomes a patient of the doctor and buys blocks of time for follow-up appointments. \$90 for 10 minutes, \$130 for 15 minutes, \$175 for 20 minutes and so on.<sup>929</sup>

Staff: 2 MDs in Gatineau, 1 MD in Ottawa; 2 nurses in Gatineau, 1 in Ottawa, 1 nutritionist, 1 kinesiologist.<sup>930</sup>

Other: The clinic had 300 patients, projected (in 2005) which was projected to increase to about 1000 in 2006.<sup>931</sup> Both of the physicians in Gatineau have opted out of RAMQ (Medicare).<sup>932</sup>

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<sup>924</sup> <http://www.md-plus.ca/en/about-us.html>

<sup>925</sup>“Justify Your Existence: Alain Chamoun; Former ER doctor says working at a private clinic gives him more time to listen to patients, instead of rushing from one case to the next”, *The Gazette*, November 24, 2007

<sup>926</sup>“Doctors to open private ER: 3 local physicians opt out of Medicare. Clinic will handle minor emergencies for \$100 fee, refer serious cases to hospitals,” *The Gazette*, September 15, 2004

<sup>927</sup>Régie de l’assurance maladie, “Liste des professionnels de la santé non-participants ou désengagés au régime de l’assurance maladie du Québec avec adresse de pratique au Québec”, as of March 10, 2008, page 4, accessed from <http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

<sup>928</sup> <http://www.md-plus.ca/en/about-us.html>

<sup>929</sup> Telephone interview with the clinic, April 29, 2008

<sup>930</sup> [http://www.sentinelleshealthgroup.ca/home/index\\_e.php](http://www.sentinelleshealthgroup.ca/home/index_e.php)

<sup>931</sup> Thriving private clinic in Gatineau is set to hire 2 more doctors, find larger building: Patients willing to pay \$300 a visit, owner says, by Dave Rogers, *The Ottawa Citizen*, 28 April 2006

<sup>932</sup> Régie de l’assurance maladie, “Liste des professionnels de la santé non-participants ou désengagés au régime de l’assurance maladie du Québec avec adresse de pratique au Québec”, as of March 10, 2008, page 5, accessed from <http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

## Private surgical clinics

### Rockland MD, Montreal

Services sold: Day surgeries including: general surgery, endoscopies, colonoscopies and gastroscopies, orthopedic surgery, ENT surgery, plastic surgery, treatment of prostate cancer, Minor emergencies, general medicine. Medically unnecessary "comprehensive health assessments" are also sold.<sup>933</sup>

Cost: In 2008, the clinic was charging \$2400 to \$3100 for a hernia procedure and claimed that it was not charging RAMQ and that a health card was not required and that the absence of a card had no effect on the price patients were charged.<sup>934</sup> Previously, a hernia operation cost the patient \$2,000 in fees above what Rockland bills the public system.<sup>935</sup> Hopital Sacre-Coeur, suffering from a shortage of nurses, has contracted out up to 1,300 surgeries a year to the clinic paying it about \$600 a surgery for use of its facilities and staff.<sup>936</sup>

Medical staff: 13 MDs including 4 family doctors, 2 general surgeons, 3 orthopedic surgeons, 1 plastic surgeon, 2 ENT surgeons and 1 pathologist.<sup>937</sup>

Doctors work in both public and private system. Rockland MD has been found to be charging extra fees to patients and ordered to stop. The clinic is located in the north east of Montreal. "Doctors at the clinic will perform knee arthroscopies, hernia repairs and other day surgeries, billing the Regie de l'assurance-maladie du Quebec for each procedure." At the same time, patients will be charged \$1,300 for the use of the facilities, equipment and some personnel. Corporate records indicate that the president of the clinic is a physician, Fernand Taras. Rockland was ordered in June 2007 to stop charging extra fees for services. Health Minister Philippe Couillard said that for a hernia operation the extra charges could come to "about \$2,000."<sup>938</sup> The clinic claims that all of its general practitioners have opted out of RAMQ (Medicare).<sup>939</sup> However a majority of Rockland's physicians are not included in the Ministry's list of physicians who have opted out of RAMQ and may therefore be in violation of Quebec law prohibiting private billing while participating in the public system.<sup>940</sup>

### Duval Orthopedic Clinic, 2 –site private hospital in north-end Montreal and Laval.

Services sold: Knee and hip replacements, arthroscopic surgeries and ligament reconstruction.

Cost: A knee replacement is between \$12,000 and \$15,000.<sup>941</sup>

Medical staff: 4 orthopedic surgeons. Doctors Duvall and Lavoie have totally opted out of Medicare, two other surgeons on staff only operate on patients not covered by RAMQ. Duval was formally a surgeon in the CHUM hospital system<sup>942</sup> as was Lavoie.<sup>943</sup> Until 2005 Dr. Lavigne was concurrently attending orthopedic surgeon at Hôpital Maisonneuve-Rosemont, and co-director of the hospital's Arthroplasty Research Unit.<sup>944</sup>

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<sup>933</sup> <http://www.rocklandmd.com/en/services.php>

<sup>934</sup> Telephone interview with clinic, April 16, 2008

<sup>935</sup> "Hybrid' clinics can't charge for extras: ruling; Medicare watchdog acts", *The Gazette*, June 6, 2007

<sup>936</sup> "A crash course in health care politics", *Globe and Mail*, November 29, 2007

<sup>937</sup> <http://www.rocklandmd.com/en/notreequipe.php>

<sup>938</sup> "Hybrid' clinics can't charge for extras: ruling; Medicare watchdog acts", *The Gazette*, June 6, 2007

<sup>939</sup> "The RocklandMD medical team is made up of general practitioners who are not RAMQ participants." Accessed on April 16, 2008 from <http://www.rocklandmd.com/en/notreequipe.php>

<sup>940</sup> Régie de l'assurance maladie, "Liste des professionnels de la santé non-participants ou désengagés au régime de l'assurance maladie du Québec avec adresse de pratique au Québec", as of March 10, 2008, accessed from <http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

<sup>941</sup> Telephone interview with staff, April 9, 2008

<sup>942</sup> <http://www.duval.bz/images/CV-NDuval-f.pdf>

<sup>943</sup> <http://www.duval.bz/images/CV-PLavoie-f.pdf>

<sup>944</sup> <http://www.duval.bz/images/CV-MLavigne-e.pdf>

Dr. Duval opted out of the public Medicare system in 2001 when he started the clinic.<sup>945</sup> The clinic performed 496 surgeries in 2006.<sup>946</sup>

### **Westmount Square Surgical Centre, Montreal**

Services sold: Day surgery including orthopedic, general surgery (including hernia repair) and plastic surgery.<sup>947</sup>

Cost: \$2500 for a knee arthroscopy,<sup>948</sup> this charge is above what the surgeon charges RAMQ. The clinic claims that the \$2500 is for "medical supplies, medication, sterilization of the theatre, administrative charges, all the disposable instruments and the dressing."<sup>949</sup>

Medical staff: About 25 surgeons including at least 12 orthopedic surgeons who are also on staff at either the Notre Dame Hospital or the McGill University Health Centre hospitals.<sup>950</sup>

The clinic has been cited in the past for charging patients a \$2,000 "set up" fees charged when also charging Medicare, in breach of the Canada Health Act.<sup>951</sup> Bill 33 allows such a charge but Westmount was levying the fee before the Bill was approved.<sup>952</sup> Westmount conducts 15 - 20 paid procedures per week.<sup>953</sup> The clinic opened in 2004.<sup>954</sup>

### **MD Specialists, Montreal**

Services sold: Specializes in gastrointestinal conditions.

Cost: The direct charge to the patient for a colonoscopy is a \$450 "flat fee" if they have a Quebec health card and \$1150 if they do not.<sup>955</sup> In 2005, the *Montreal Gazette* reported that one patient with a Quebec health card was also charged "\$1,000 for nursing care; \$300 for "sterilization and preparation of operating-room instrumentation set-up;" \$200 for disposable instruments and supplies; \$200 for medication; \$100 for a dressing and splint and \$200 in administrative charges," a total of \$1,800 in charges normally covered by the province.<sup>956</sup> In the past, the clinic has also levied extra charges such as a \$120 fee for "supplemental nursing care" and \$80 for "counseling."<sup>957</sup>

Medical staff: 8 physicians are on staff.<sup>958</sup>

The private Westmount clinic has treated more than 2,000 patients by 2006.<sup>959</sup> Its physicians have not opted out of RAMQ.<sup>960</sup>

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<sup>945</sup> "Quebec healthcare", Telephone interview with Nicolas Duval on CTV News, February 19, 2008, accessed via Factiva.

<sup>946</sup> Collins, Michelle, "Private health clinics continue to quietly multiply in Ontario; As many as 10 new clinics have opened, Health Ministry admits it can't keep track," *Globe and Mail*, December 27, 2006

<sup>947</sup> <http://www.wssurgical.com/ecedures.htm>

<sup>948</sup> Telephone interview with staff, April 9, 2008

<sup>949</sup> Telephone interview with staff, April 16, 2008

<sup>950</sup> Telephone interview with staff, April 9, 2008

<sup>951</sup> Derfel, Aaron, "Loophole allows clinic fees: Private surgical care. Wealthier patients to jump queue under Bill 33, legal expert warns," *Montreal Gazette*, January 25, 2007

<sup>952</sup> "Petition defends public health care", *Montreal Gazette*, November 22, 2007

<sup>953</sup> Telephone interview with staff, January 24, 2008

<sup>954</sup> <http://www.wssurgical.com/eindex.htm>

<sup>955</sup> Telephone interview with staff, April 9, 2008

<sup>956</sup> Derfel, Aaron, "Private clinics charge 'set-up' fees," *Montreal Gazette*, February 14, 2005.

<sup>957</sup> Derfel, Aaron, "Private clinics charge 'set-up' fees," *Montreal Gazette*, February 14, 2005.

<sup>958</sup> [http://www.specialistesmdspecialists.com/index\\_EN.htm](http://www.specialistesmdspecialists.com/index_EN.htm)

<sup>959</sup> Derfel, Aaron, "Private clinics charge 'set-up' fees," *Montreal Gazette*, February 14, 2005.

<sup>960</sup> Régie de l'assurance maladie, "Liste des professionnels de la santé non-participants ou désengagés au régime de l'assurance maladie du Québec avec adresse de pratique au Québec", as of March 10, 2008, accessed from <http://www.ramq.gouv.qc.ca/fr/professionnels/desengages.pdf>

### **Opmedic Group, Laval and Montreal**

Services sold: pain management, cosmetic surgery, vascular surgery, colonoscopies and gastroscopies, urological, gynecological, hand and coetaneous surgery.

Cost: For a short colonoscopy, patients covered by RAMQ must pay an extra fee of \$250<sup>961</sup> for "anesthetic and operating room time."<sup>962</sup>

Medical staff: 16 surgeons<sup>963</sup>

Opmedic opened its new Laval facilities in 2006. Doctors at the clinic work in both public and private system. Opmedic was found to be charging extra fees to patients in 2005 and ordered to stop.<sup>964</sup> Gross profit for the fourth quarter of 2007 totaled \$1.159 million compared to \$0.851 million in 2006.<sup>965</sup> In October 2007 signed an eight-year agreement to open four digestive endoscopy centres within the next 24 months in Laval, Quebec City, on the South Shore of Montreal and in the Gatineau area.<sup>966</sup> In June 2007, the Regie de l'assurance maladie du Québec (RAMQ) ordered RocklandMD in Montreal and Opmedic in Laval to stop charging for extras - such the use of medical equipment or support staff - or face legal consequences.<sup>967</sup>

### **MédiClub, Montreal**<sup>968</sup>

Services sold: "pre-hiring exams" for employers to obtain for prospective employees, ophthalmological<sup>969</sup> and orthopedic<sup>970</sup> surgeries, including those requiring general anesthesia, kinesiology, massage.<sup>971</sup>

Cost: Patient is charged directly for annual membership is \$800 a year if you're under 40 and \$1250 if you are over 40.<sup>972</sup> Membership gives one year round access to physicians as well as an annual medical and blood testing and ECG. Some of their physicians have opted out of Medicare and others haven't. A knee arthroscopy costs \$3000, which is charged directly to the patient.<sup>973</sup>

Medical staff: Consists of approximately 50 physicians.<sup>974</sup> The surgical department is made up of 2 orthopedic surgeons, 3 plastic surgeons 1 ophthalmologist.<sup>975</sup>

A Health Card (RAMQ) is not required and having one makes no difference as to the price. Included in the membership is a "medical exam with a doctor, general bloodwork, you have a follow-up during the year with your family doctor" MediClub provides you with a family doctor during your membership period.<sup>976</sup>

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<sup>961</sup> Telephone interview with clinic staff, April 9, 2008

<sup>962</sup> Telephone interview with clinic staff, April 16, 2008

<sup>963</sup> <http://www.opmedic.com/en/suite.htm>

<sup>964</sup> Dougherty, Kevin, "Hybrid' clinics can't charge for extras: ruling; Medicare watchdog acts," *Montreal Gazette*, June 6, 2007

<sup>965</sup> "Opmedic Group Inc - Financial Results for the Fourth Quarter", *Market News Publishing*, November 13, 2007

<sup>966</sup> "OMG Opmedic to open four Laval digestive endoscopy centres", *Stockwatch*, October 25, 2007

<sup>967</sup> "Hybrid' clinics can't charge for extras: ruling; Medicare watchdog acts", *The Gazette*, June 6, 2007

<sup>968</sup> [http://www.sante-net.net/montreal/cliniques%20privees\\_mtl.htm](http://www.sante-net.net/montreal/cliniques%20privees_mtl.htm)

<sup>969</sup> <http://www.mediclub.ca/fr/bloc-operatoire/>

<sup>970</sup> <http://www.mediclub.ca/fr/chirurgie/orthopedique/>

<sup>971</sup> <http://www.mediclub.ca/>

<sup>972</sup> Telephone interview with staff in membership department, April 9, 2008

<sup>973</sup> Telephone interview with staff in surgery department, April 9, 2008

<sup>974</sup> Telephone interview with staff in membership department, April 9, 2008

<sup>975</sup> Telephone interview with staff in surgery department, April 9, 2008

<sup>976</sup> Telephone interviews with staff, April 24, 2008

# Saskatchewan

## Snapshot

Median income (2005): \$23,500<sup>977</sup>

### Saskatchewan Health Services Plan

Persons registered with Medicare: 1,021,080<sup>978</sup>

Number of participating physicians: 1,719<sup>979</sup>

Number of opted-out/non-participating physicians: 0<sup>980</sup>

**For-Profit Surgical Facilities: 0**

**For-Profit MRI/CT Clinics: 0**

### Impact of For-Profit clinics on Physician-Specialists

Ophthalmologists: 24<sup>981</sup>

Laser Vision Correction Surgery: 2 clinics

Ophthalmologists providing laser surgery: 5

Percentage of ophthalmologists working in for-profit clinics: 20.8%

Orthopedic Surgeons                      27<sup>982</sup>

Diagnostic Radiologists                  61<sup>983</sup>

## Background and Overview

Saskatchewan has no private-for profit surgical or MRI clinics at present. However, in 2004 a plan by the Muskeg Lake Cree Nation to build an aboriginal-run private, for-profit MRI on reserve land in Saskatoon was proposed.<sup>984</sup> The federal Department of Indian Affairs ruled in July that the provincial government has the right to reject the plan as it regulates health care in the province. The province announced that they were willing to consider funding the clinic.<sup>985</sup> The proposal was later modified to a diabetes and wellness centre without an MRI.<sup>986</sup>

Following the election of the centre-right Saskatchewan Party in the fall of 2007 the proposal for a private, for-profit MRI in Saskatchewan was revived with new Premier Brad Wall saying strategies "might include (the provincial government) not owning every single MRI. Right now they don't in terms of X-ray technology, in terms of other diagnostics; the government doesn't have to own it all."<sup>987</sup> However, he

<sup>977</sup> Statistics Canada, CANSIM, table 111-0009.

<sup>978</sup> Canada Health Act Annual Report, 2005-2006

<sup>979</sup> Canada Health Act Annual Report, 2005-2006

<sup>980</sup> Canada Health Act Annual Report, 2005-2006

<sup>981</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>982</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>983</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>984</sup> "Saskatchewan First Nation promises private, for-profit MRI", CBC News, April 21, 2004, <http://www.cbc.ca/story/canada/national/2004/04/21/mri040421.html>

<sup>985</sup> Laghi, Brian "Ottawa to sidestep MRI ruling, sources say", *Globe and Mail*, July 13, 2004

<sup>986</sup> Hall, Angela, "Proposed MRI project renews privatization debate," (Regina) *Leader-Post*, February 15, 2008

<sup>987</sup> Hall, Angela, "Proposed MRI project renews privatization debate," (Regina) *Leader-Post*, February 15, 2008

ruled out the idea of charging a fee for MRIs.<sup>988</sup> In February 2008 the Kawacatoose First Nation and Siemens Canada announced plans for a health centre in east Regina that would include MRI services. University of Saskatchewan health economist Allen Backman told the *Leader-Post* that he doubts that a private MRI service could stay afloat without offering both insured and non-insured services.<sup>989</sup> Nonetheless, the new Saskatchewan government has expressed “openness” to the proposal.<sup>990</sup>

## Summary Review of For-Profit Clinics

### Boutique clinics

**Horizon Laser Vision Center**, (2 clinics) Saskatoon and Regina

Services: Medically unnecessary laser eye surgery

Cost: \$1495 per eye<sup>991</sup>

Medical staff: Includes 5 ophthalmologists<sup>992</sup>

Other: Fully one of every five of Saskatchewan’s ophthalmologists are involved with laser eye surgery at Horizon.

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<sup>988</sup> Hall, Angela, “Proposed MRI project renews privatization debate,” (Regina) *Leader-Post*, February 15, 2008

<sup>989</sup> Hall, Angela, “Proposed MRI project renews privatization debate,” (Regina) *Leader-Post*, February 15, 2008

<sup>990</sup> Wood, James, “Government hopes to find health care efficiencies”, *StarPhoenix*, July 26, 2008.

<sup>991</sup> Telephone interview, March 22, 2008

<sup>992</sup> [http://www.horizonlaser.com/about/saskatoon\\_surgeons.php](http://www.horizonlaser.com/about/saskatoon_surgeons.php) and [http://www.horizonlaser.com/about/regina\\_surgeons.php](http://www.horizonlaser.com/about/regina_surgeons.php) (accessed March 22, 2008)

# Yukon

## Snapshot

Median income (2005): \$31,700<sup>993</sup>

### **Yukon Health Care Insurance Plan**

Persons registered with Medicare: 32,226<sup>994</sup>

Number of participating physicians: 64<sup>995</sup> (includes only resident physicians and specialists)

Number of opted-out/non-participating physicians: 7<sup>996</sup>

### **For-Profit Surgical Facilities selling medically necessary services:**

none

### **For-Profit MRI/CT Clinics:**

none

### **Number of Specialists:**

Ophthalmologists: 0<sup>997</sup>

Orthopedic surgeons: 0<sup>998</sup> (7 licensed but none are resident)<sup>999</sup>

Diagnostic radiologists: 0<sup>1000</sup> (22 are licensed to practice but none are resident)<sup>1001</sup>

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<sup>993</sup> Statistics Canada, CANSIM, table 111-0009.

<sup>994</sup> Source: Canada Health Act Annual Report, 2005-2006

<sup>995</sup> Source: Canada Health Act Annual Report, 2005-2006

<sup>996</sup> Source: Canada Health Act Annual Report, 2005-2006

<sup>997</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>998</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>999</sup> Telephone interview with Cindy Loverin, Yukon Medical Council, January 22, 2008

<sup>1000</sup> Table 2.0. Physicians by Specialty and Province/Territory, Canada, 2006 (pg 72), *Supply, Distribution and Migration of Canadian Physicians, 2006*, CIHI, 2006

<sup>1001</sup> Telephone interview with Cindy Loverin, Yukon Medical Council, January 22, 2008





# **Appendix I.**

## **Methods**

Research was compiled using government sources, website and promotional information from the clinics, new articles and telephone interviews. For Alberta and British Columbia we found clinics primarily through private facility accreditation lists compiled by the provincial Colleges of Physicians and Surgeons. The clinics listed were investigated to determine whether or not they provided medically necessary services, to the best of our ability. For other provinces, there are no accreditation lists. We used commercial lists of private clinics, newspaper databases, and searches of telephone and web directories.

Through a combination of examining clinic websites (where they exist) and telephone interviews, we attempted to determine what services were offered. We asked the clinics a series of questions, posing as patients looking for both medically necessary and medically unnecessary services. We asked about price and who pays (patient, government, WCB or third party) and what the difference was between obtaining a procedure through the clinic rather than through a public hospital. We documented all interviews. In many cases, we phoned back two or three times to verify findings and to fill in information gaps. We asked surgical and boutique clinics whether or not a public health card was required and whether a fee was charged even if we provided a public health card.

This research was conducted over a year and one month (2007- 2008), by volunteer researchers.