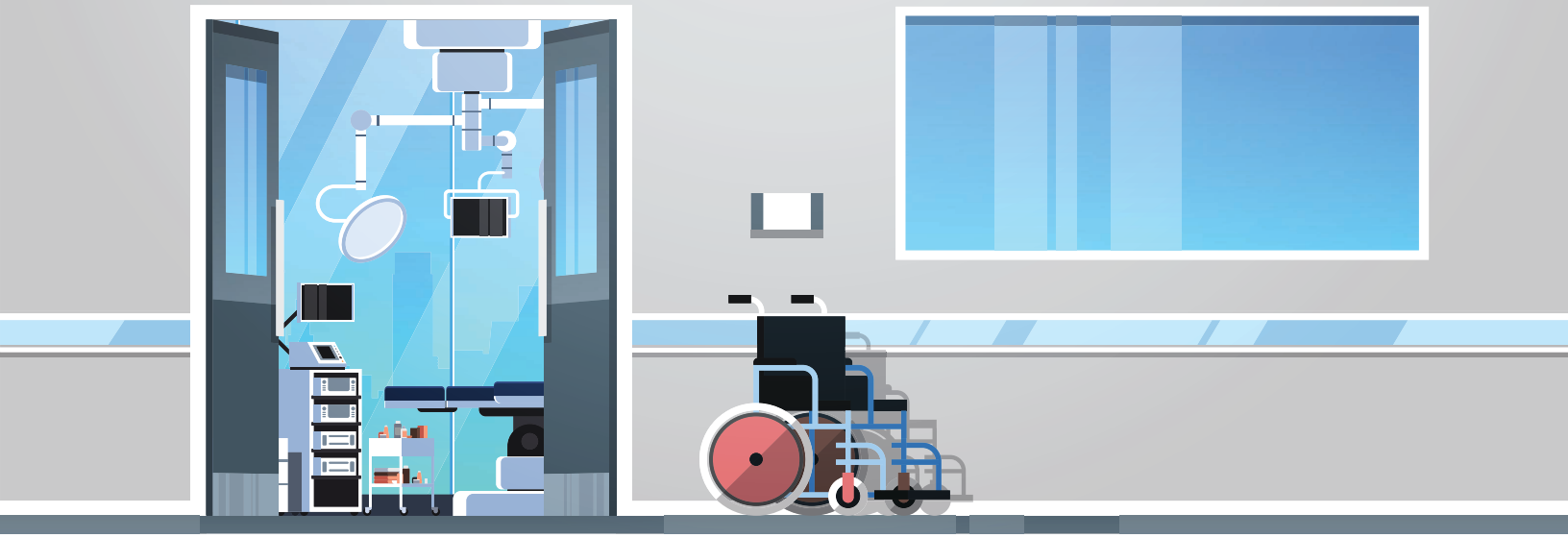

The concerning rise of corporate medicine

Public contracts with corporate clinics top $393 million over last six years, including surgical centres engaged in unlawful extra-billing

By Andrew Longhurst

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Summary

Private surgeries and medical imaging are big business in BC. Over the last two decades, this for-profit sector has benefited from increased outsourcing of publicly funded procedures and unlawful patient extra-billing.

These private businesses are flourishing in part because the BC government has been awarding them millions of dollars in contracts ($393 million in six years) to provide services within the public system while not holding them accountable for unlawful billing practices that are prohibited under the Canada Health Act and BC Medicare Protection Act.

The growth of the for-profit surgical and medical imaging industry in BC raises concerns about the increasing influence and control these private players have in our public health-care system. Although private delivery may add to the volume of services in the short term, it contributes to workforce shortages in our public hospitals and also comes at a steeper price—a profit margin, capital costs (private-sector capital assets that the public pays for but will never own) and often higher labour costs (to attract staff from the public sector) are always built into the per-unit cost charged to governments by private clinics. It should not be used in place of long-term investment in the staff and infrastructure our system requires.

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BC has an urgent task of improving performance in the public system by using existing resources more effectively and increasing public-sector capacity, rather than entrenching corporate health-care providers.

Canadian provinces, including BC, have tended to focus on short-term injections of funding and on increasing the surgical volumes in hospitals and private clinics to address immediate needs, with limited attention paid to scaling up system efficiencies, such as centralized referrals for surgeries and team-based models of non-surgical and pre-surgical care that reduce waits and better support patients.

Investing in staff, scaling system efficiencies and investing capital dollars in infrastructure that is part of a public system are all required for the long-term success of our health-care system, and should be government priorities as they wean BC off its growing reliance on corporate health-care delivery.

Making a market for for-profit surgical and imaging providers: Unlawful extra-billing and outsourcing

Over the last two decades, government policies have created a market for for-profit surgical and imaging providers. These for-profit clinics have emerged in the absence of federal and provincial action against unlawful user fees and because of government outsourcing to private providers.

Since the creation of public health care in BC, public funding and provision of surgeries was the norm. However, since the late 1990s more and more new for-profit surgical clinics have opened.

For-profit clinics have emerged in the absence of federal and provincial action against unlawful user fees and because of government outsourcing to private providers.

In 2017, the Ontario and Canadian Health Coalitions surveyed private medical facilities in Canada. They found a total of 136 private surgical, MRI, cataract and boutique physician clinics in the country. Private MRI clinics were the largest category (47 of the private clinics).[1] Quebec (19) and British Columbia (14) had the most MRI clinics. The report found that "user charges are overt, with clinic staff in Nova Scotia, Alberta, British Columbia, Saskatchewan and Quebec stating outright that they are private clinics and patients are required to pay."[2]

As of June 2022, there were 45 private surgical clinics operating in BC.[3] The growth of private surgical clinics in BC has benefited from extra-billing. *Extra-billing* is an unlawful practice whereby clinics bill patients privately for medically necessary procedures that are already covered by the public health-care system (through BC's Medical Services Plan or MSP). Extra-billing allows wealthier patients to jump the queue by paying for medically necessary health care privately, and is prohibited under the Canada Health Act and BC Medicare

1 Ontario Health Coalition, *Private Clinics and the Threat to Public Medicare in Canada: Results of Surveys with Private Clinics and Patients* (Toronto: Ontario Health Coalition, 2017), https://healthcoalition.ca/wp-content/uploads/2017/06/Private-Clinics-Report.pdf, 8.

2 Ontario Health Coalition, 2017, 10.

3 "Accredited Non-Hospital Medical Surgical Facilities in British Columbia," College of Physicians and Surgeons of BC, updated June 20, 2022, https://www.cpsbc.ca/files/pdf/NHMSFAP-Accredited-Facilities.pdf.

Protection Act.[4] This unlawful practice drew government and public attention following a 2012 BC government audit of the Cambie Surgery Centre,[5] and has been a persistent problem in BC.[6]

The for-profit medical imaging industry has also grown significantly in BC as a result of unlawful extra-billing to "private-pay" patients. In large part, the growth of the for-profit imaging sector resulted from the failure of the province and health authorities to adequately increase public-sector medical imaging capacity over the last 20 years—an issue that the current government has made a significant effort to address.

As a form of privatization, outsourcing became increasingly common across Canada as governments pursued fiscal austerity, reducing public spending and cutting taxes.

However, charging unlawful user fees is not the only revenue source for private surgical and imaging clinics. *Outsourcing* or *contracting out* (also called private delivery) occurs when the government contracts with private, for-profit companies to deliver publicly funded services. Health authorities contract with private clinics for the provision of publicly funded day surgeries and diagnostic medical imaging, including MRIs, CT and ultrasound scans. (Outsourcing is also a problem in other areas, such as seniors' care, especially in long-term/residential care.)[7]

As a form of privatization, outsourcing became increasingly common across Canada as governments pursued fiscal austerity, reducing public spending and cutting taxes. Over the last 20 years, the CCPA has extensively documented how austerity reduced BC's fiscal capacity and led to declining investment in public services (relative to the size of the province's economy or GDP).[8]

As part of this austerity, many health authorities delayed or deferred capital spending, and hospitals were faced with constraints on physical space and the ability to meet the growing health-care needs of the

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4 Extra-billing is not prohibited in medical imaging clinics under the BC Medicare Protection Act, despite a commitment by the provincial government to bring its legislation into alignment with the Canada Health Act which prohibits extra-billing for medically necessarily medical imaging (see note 33). There is nothing in BC legislation that prevents surgeons or physicians from working entirely in private clinics and charging whatever the market will bear, but they cannot perform surgeries in public facilities nor participate in—that is, bill—the public system.

5 Cambie Surgeries Corporation, led by orthopaedic surgeon and clinic CEO Brian Day, launched a constitutional challenge of BC's legislation principally aimed at a ban on extra-billing (charging patients beyond the fees doctors are paid by the public plan) by physicians enrolled in the Medical Services Plan (MSP) and a ban on private duplicative insurance (private insurance that covers medical services that are medically necessary and already covered by the public insurance plan). The legal challenge was in response to a 2012 BC government audit of Day's clinics, which found extensive unlawful billing. In a September 2020 decision, the BC Supreme Court ruled in favour of the defendants and found that the impugned sections of BC's Medicare Protection Act *do not* breach the Charter of Rights and Freedoms. Cambie Surgeries Corporation appealed the decision. On July 15, 2022, the BC Court of Appeal unanimously dismissed the appeal.

6 Health Canada, *Canada Health Act Annual Report 2020-2021* (Ottawa, ON: Health Canada, 2022), https://www.canada.ca/en/health-canada/services/publications/health-system-services/canada-health-act-annual-report-2020-2021.html, 394. Among the provinces, BC has had the greatest amount of unlawful extra-billing. The federal government deducts from a province's share of the Canada Health Transfer on a dollar-for-dollar basis for extra-billing. The federal government deducted $15.9 million in 2018 (for the fiscal year 2015/16, including $4.7 million of unlawful patient charges by MSP-enrolled physicians at Cambie Surgery Centre), $16.2 million in 2019, $16.8 million in 2020 and $13.9 million in 2021 (Health Canada, 2022, 31).

7 Andrew Longhurst and Kendra Strauss, "Time to End Profit-Making in Seniors' Care," *Policy Note* (blog), CCPA–BC, April 22, 2020, https://www.policynote.ca/seniors-care-profit/.

8 Alex Hemingway, "Our Recommendations for the 2023 BC Budget," *Policy Note* (blog), CCPA–BC, June 23, 2022, https://www.policynote.ca/bc-budget-23/.

population.[9] With this lack of investment in operating rooms, recovery beds and medical imaging—including the skilled personnel needed to run them—to meet the needs of a growing population, outsourcing to the private sector grew.

How much public money is subsidizing the for-profit surgical and imaging industry in BC?

Outsourcing of surgical procedures and medical imaging is significant in BC, and revenue from health authority contracts is central to the business model of these corporations. The author's analysis[10] of public financial documents finds the following:

- Payments to private clinics across the province over the six-year period from 2015/16 to 2020/21 totalled $393.9 million (see Figure 1 and Table 1).
- Annual payments rose from $47.9 million in 2015/16 to $75.4 million in 2020/21—an increase of 57 per cent (Table 1).
- Over the six-year period, the largest annual increase (21 per cent) in outsourcing occurred in 2016/17 (Table 2), the year following the previous BC Liberal government's plan to increase surgical privatization.[11]
- The next largest annual increase (19 per cent) occurred in 2018/19 (Table 2), the first year of the BC NDP government's surgical strategy.[12]
- In the most recent years available (2019/20 and 2020/21), payments to private imaging clinics declined as the provincial government increased public-sector capacity—but payments to private *surgical* clinics continued to increase (Figure 1 and Table 2).
- False Creek Healthcare Centre, acquired by a Toronto private investment firm in 2019,[13] received $12.2 million in health authority payments between 2015/16 and 2020/21, despite the clinic having been audited by the BC government and found to be engaged in unlawful extra-billing.[14]

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9 For a discussion of fiscal austerity and its impact on the capital infrastructure of seniors' care, see Andrew Longhurst, *Assisted Living in BC: Trends in Access, Affordability and Ownership* (Vancouver: CCPA–BC, 2020), https://policyalternatives.ca/publications/reports/assisted-living-british-columbia; and Andrew Longhurst et al., "Labour Restructuring and Nursing Home Privatization in British Columbia, Canada," in *The Privatization of Care: The Case of Nursing Homes*, eds. Pat Armstrong and Hugh Armstrong (New York: Routledge, 2019), 102–12.

10 The author analyzed health authority financial statements between 2015/16 and 2020/21. Each health authority must publicly disclose payments each fiscal year to suppliers valued over $25,000. Financial documents were retrieved from health authority websites, and a list of private surgical and imaging clinics was created. The list of private clinics was verified against the list of accredited clinics by the College of Physicians and Surgeons ("Facility Directory," College of Physicians and Surgeons of BC, accessed March 7, 2022, https://www.cpsbc.ca/accredited-facilities/facility-directory).

11 Andrew Longhurst et al., *Reducing Surgical Wait Times: The Case for Public Innovation and Provincial Leadership* (Vancouver: CCPA–BC, 2016), https://policyalternatives.ca/publications/reports/reducing-surgical-wait-times.

12 BC Ministry of Health, "New Strategy Will Help More People Get the Surgeries They Need Faster," news release, March 21, 2018, https://news.gov.bc.ca/releases/2018PREM0010-000460.

13 Pamela Fayerman, "False Creek Private Surgery Clinic Sold to Toronto Equity Company," *Vancouver Sun*, August 19, 2019, https://vancouversun.com/news/local-news/false-creek-private-surgery-clinic-sold-to-toronto-equity-company.

14 Health Canada, 2022, 398. See note 18.

» Kamloops Surgical Centre received $15.4 million in health authority payments between 2015/16 and 2020/21, despite the clinic having been audited by the BC government and found to be engaged in unlawful extra-billing.[15] Interior Health continued to contract with the clinic during and after the period of unlawful extra-billing.

» These health authority payments do not capture the full revenue generated by the private clinics from public sources (through contracts with WorkSafeBC, the RCMP and other public payers not covered by this analysis).

Figure 1: Health authority payments to contracted private surgical and medical imaging clinics, 2015/16 to 2020/21

Sources: Author's calculations from health authority disclosures, 2015/16 to 2020/21, from health authority websites (called "Payments to Suppliers of Goods and Services" or similar).

* First year of the BC Liberal government's surgical strategy.

** First year of the BC NDP government's surgical strategy.

15 BC Ministry of Health, "HTH-2021-14960," Freedom of Information request, https://www.policynote.ca/wp-content/uploads/2022/08/HTH-2021-14960-Kamloops-Surgical-Centre-audit-report-extract.pdf.

The continued use of substantial public funds for contracted surgical and imaging services entrenches private health-care corporations. The industry has already become a significant political player in terms of lobbying and influence, and has been at the centre of concerns over unlawful patient extra-billing in violation of the BC Medicare Protection Act and Canada Health Act.[16]

According to Ministry of Health documents obtained by Freedom of Information request, 17 private clinic audits were referred to the Ministry's Audit and Investigations Branch since 2008, and 11 audits have been fully completed.[17]

Take the examples of False Creek Surgical Centre in Vancouver and Kamloops Surgical Centre. One of the largest private clinics, False Creek Surgical Centre has continued to receive health authority funding despite a BC government audit finding the clinic engaged in unlawful extra-billing.[18] The BC government did not take legal action against False Creek Surgical Centre as a result.

False Creek Surgical Centre has continued to receive health authority funding despite a BC government audit finding the clinic engaged in unlawful extra-billing.

Instead, the province's approach to curbing unlawful extra-billing has been to increase outsourcing with private surgical clinics but make the contracts between health authorities and clinics subject to compliance with the BC Medicare Protection Act and Canada Health Act, as of 2018.[19] In other words, the province is entrenching one form of health-care privatization (outsourcing of publicly funded surgeries) to curb another form of health-care privatization (two-tier health care where those who can afford it are able to pay privately for services already available through our public system).[20]

Email correspondence obtained through a Freedom of Information request reflects this approach in stark terms. False Creek Surgical Centre's owners met with Deputy Minister of Health Stephen Brown on September 3 and 5, 2019. Sid Sharma from Centric Health (the outgoing owner of False Creek Surgical Centre) summarized the meeting discussion in an email to Deputy Minister Brown:[21]

> I appreciate your candid conversation on how we can work together once the ideological differences are resolved. It was encouraging to hear that the Government is looking to continue on the path of Public-Private Partnership for delivering health care for the British Columbians. I found it most encouraging that there is an option for a long term, volume

16 Longhurst et al., 2016; Ontario Health Coalition, 2017; and Kathy Tomlinson, "B.C. Doctors Warned That Charging Patients as Well as Public System Is Illegal," *Globe and Mail*, June 16, 2017, https://www.theglobeandmail.com/news/national/bc-doctors-warned-that-charging-patients-as-well-as-public-system-is-illegal/article35343452/.

17 BC Ministry of Health, "HTH-2021-14960," Freedom of Information request, https://www.policynote.ca/wp-content/uploads/2022/08/HTH-2021-14960-Status-of-MSC-audits-extract.pdf.

18 Health Canada, 2022, 398. Publicly available documents about the audit do not explicitly state the period of unlawful extra-billing or when the provincial government audit was conducted. However, the audit appears to have occurred in 2018 following Vancouver Coastal Health abruptly cancelling its contract because of extra-billing; see Pamela Fayerman, "Vancouver Health Authority Ends Contract with Private Surgery Centre over Patient-Pay Issues," *Vancouver Sun*, August 30, 2018, https://vancouversun.com/news/local-news/vancouver-health-authority-ends-contract-with-private-surgery-centre-over-patient-pay-issues.

19 Health Canada, 2022, 397.

20 This strategy is explicitly described in Health Canada, 2022, 397.

21 BC Ministry of Health, "HTH-2020-01517," Freedom of Information request, https://www.policynote.ca/wp-content/uploads/2022/08/HTH-2020-01517-Centric-Records-reduced.pdf.

> guaranteed contracts which will enable us to make an informed decision on long term sustainability of this business model. … Dr. Cobourn and I would like an opportunity to discuss procedure volumes the Government may be looking to outsource as this will fundamentally impact the revenues earned from such outsourcing contract. We would also like to know the possible length of the contract for outsourced work.

In March and May 2020, BC's two largest health authorities—Fraser Health and Vancouver Coastal Health—each awarded False Creek three-year contracts valued at $2.84 million and $3.34 million, respectively.[22]

Another large private surgery clinic, Kamloops Surgical Centre (in receipt of $15,406,530 in health authority payments between 2015/16 and 2020/21) engaged in unlawful extra-billing. A 2018 BC government audit found evidence of unlawful extra-billing estimated to be $490,414 between 2016/17 to 2017/18.[23] The BC government did not take legal action against Kamloops Surgical Centre as a result, and Interior Health continued to outsource surgeries to the clinic during and after the period of unlawful extra-billing.

Problems with private delivery: More costly and worsens public staffing shortages

Although private delivery may add additional short-term volume, it contributes to workforce shortages in our public hospitals and also comes at a steeper price—a profit margin, capital costs (private-sector capital assets that the public pays for but will never own) and often higher labour costs (to attract staff from the public sector) are always built into the per-unit cost charged to governments by private clinics.

For example, research into outsourcing of publicly funded knee surgeries (for injured workers through WorkSafeBC) found that they cost nearly four times more in a private clinic compared with in a public hospital ($3,222 vs. $859), and with worse outcomes.[24] In 2016, the Vancouver Island Health Authority paid for-profit clinics nearly twice the per-scan price ($550) for MRIs than the cost to perform them in the public system ($300).[25] Based on the Canadian and international research on for-profit health-care delivery (hospitals, dialysis and long-term care), private delivery also comes with greater risks to patient safety, as for-profit providers have a tendency to employ fewer high-skilled personnel.[26] In England, a new study by University of Oxford researchers[27] published in the *Lancet Public Health* journal concluded that "private sector outsourcing corresponded with significantly increased rates of treatable mortality, potentially as a result of a decline in the quality of health-care services."[28]

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22 Health Canada, 2022, 398.

23 BC Ministry of Health, "HTH-2021-14960," Freedom of Information request, https://www.policynote.ca/wp-content/uploads/2022/08/HTH-2021-14960-Kamloops-Surgical-Centre-audit-report-extract.pdf.

24 Mieke Koehoorn et al., "Do Private Clinics or Expedited Fees Reduce Disability Duration for Injured Workers Following Knee Surgery?," *Healthcare Policy* 7, no. 1, https://pubmed.ncbi.nlm.nih.gov/22851986/, 57.

25 Cindy Harnett, "Island Health Paying $1 Million to Private Clinics to Cut MRI Wait-Lists," *Times Colonist* (Victoria), February 2, 2016, https://www.timescolonist.com/local-news/island-health-paying-1-million-to-private-clinics-to-cut-mri-wait-lists-4632404.

26 P.J. Devereaux et al., "A Systematic Review and Meta-Analysis of Studies Comparing Mortality Rates of Private For-Profit and Private Not-for-Profit Hospitals," *Canadian Medical Association Journal* 166, no. 11, 1399–1406; and Longhurst and Strauss, "Time to End Profit-Making."

27 Andrew Gregory, "NHS Privatisation Drive Linked to Rise in Avoidable Deaths, Study Suggests," *Guardian*, June 29, 2022, https://www.theguardian.com/society/2022/jun/29/nhs-privatisation-drive-linked-to-rise-in-avoidable-deaths-study-suggests.

28 Benjamin Goodair and Aaron Reeves, "Outsourcing Health-Care Services to the Private Sector and Treatable Mortality Rates in England, 2013–20: An Observational Study of NHS Privatisation," *Lancet Public Health* 7, no. 7, https://doi.org/10.1016/S2468-2667(22)00133-5, E638-E646.

In addition to being more costly and having poorer outcomes, outsourcing surgeries and imaging pulls limited specialized health professionals from the public to the private system.

In addition to being more costly and having poorer outcomes, outsourcing surgeries and imaging pulls limited specialized health professionals from the public to the private system. The weight of the Canadian and international evidence shows that private, for-profit delivery of surgical care does not reduce public waiting times over the long term.[29] Private-sector delivery can instead increase wait times in the public system as the limited pool of specialized health professionals cannot be in two places at once.[30]

COVID-19 backlog: Government responds to capacity challenges

The COVID-19 pandemic has challenged the province's ability to deliver timely access to diagnostic imaging and surgeries. In the face of continuous waves of cancelled surgeries due to redirecting physical and human resources to COVID care, the provincial government responded with a surgical renewal strategy that provides new injections of funding so that health authorities can extend operating room and imaging hours in the public system and also contract with private clinics. The recent provincial budget allocates $303 million over three years to maintain the increased surgical and imaging volumes.[31]

Using all available capacity, public and private, did help the province address COVID-induced surgical backlogs in the short term—but continuing to do so will only undermine the public health system in the long term. In this regard, there are some positive but mixed signals from the province.

Even before COVID created significant backlogs and demand for more imaging capacity, BC had started to address the problem of unlawful user fees charged by private imaging clinics by increasing public-sector capacity, and in some cases, acquiring for-profit clinics. BC has demonstrated a welcome commitment to expanding public MRI capacity, but the ongoing lack of legislative prohibitions against extra-billing and the continued outsourcing by health authorities to private medical imaging clinics have contributed to serious shortages of MRI technologists in public hospitals.[32] Unlike for surgeries, BC still permits private imaging clinics to charge patients for medically necessary imaging, in contravention of the Canada Health Act—a problem that the provincial government has still not addressed despite pressure from the federal government.[33]

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29 Canadian Health Services Research Foundation, *Myth: For-Profit Ownership of Facilities Would Lead to a More Efficient Healthcare System*, Mythbusters series (Ottawa: Canadian Health Services Research Foundation, 2004), https://www.hhr-rhs.ca/en/?option=com_mtree&task=att_download&link_id=6839&cf_id=68; and Sara A. Kreindler, "Policy Strategies to Reduce Waits for Elective Care: A Synthesis of International Evidence," *British Medical Bulletin* 95, no. 1, https://doi.org/10.1093/bmb/ldq014.

30 Canadian Health Services Research Foundation, 2004.

31 BC Ministry of Finance, *Stronger Together: Budget and Fiscal Plan 2022/23 – 2024/25* (Victoria: BC Ministry of Finance, 2022), https://www.bcbudget.gov.bc.ca/2022/pdf/2022_Budget_and_Fiscal_Plan.pdf, 10–11.

32 Health Sciences Association of BC, *Submission to the Select Standing Committee on Finance and Government Services: Budget 2021 Consultation*, June 25, 2020, https://hsabc.org/system/files/HSABC%20Budget%202021%20Submission%20FINAL.pdf, 7–12.

33 Health Canada, 2022, 392. In the BC government's update to Health Canada, the BC government noted that it had intended to bring the legislative prohibition against unlawful extra-billing for diagnostic services (section 18.1 of the BC Medicare Protection Act), including medical imaging clinics, into effect on April 1, 2019. However, a December 2021 update from the BC government to Health Canada suggested at that time that the BC government did not have a scheduled date when section 18.1 would be brought into effect. The BC Ministry of Health stated in this update that "BC is continuing to assess the implications of implementing this section of the MPA [Medicare Protection Act]" (Health Canada, 2022, 395).

On the surgical side, in April 2022, the BC government purchased two private clinics owned by Surgical Centres Inc.—View Royal Surgical Centre in Victoria and Seafield Surgical Centre in Nanaimo—for $11.5 million.[34] According to the Ministry of Health, the movement of these clinics into the public system will provide Vancouver Island residents with an additional 2,300 surgeries and endoscopies per year. Vancouver Island Health Authority will own the equipment and will take over the leases from Surgical Centres Inc. While the details of this lease arrangement are not public, this is a positive step and should be part of a larger shift away from the for-profit delivery of surgical care.

How can BC further strengthen public health care and reduce wait times—now and over the long term?

Policy strategies to increase surgical and diagnostic capacity and reduce wait times must be implemented with a long-term view. BC has an opportunity to focus policy on improving performance in the public system by using existing resources more effectively and increasing public-sector capacity, rather than entrenching corporate health-care providers.

Canadian provinces, including BC, have tended to focus on short-term injections of funding and increasing the surgical volumes in hospitals and private clinics,[35] with limited attention to scaling up system efficiencies, such as *single-entry models* that provide a "central intake" and a consistent patient-referral pathway for a particular health condition and surgical specialty. In BC, most patients are referred to individual surgeons' wait-lists, rather than a single-entry model where a team of surgeons and other health professionals work collaboratively, working at the top of their skill set, to facilitate rapid assessment, triage and faster access to the first available surgeon with the appropriate expertise.

There has been limited attention by the province and health authorities to team-based models of triage, non-operative therapy and surgical patient optimization.

While there have been some important system efficiencies introduced, including better wait-list management and central intake and booking for MRIs in the Lower Mainland,[36] there has been limited attention by the province and health authorities to team-based models of triage, non-operative therapy and surgical patient optimization.[37] Such approaches have been implemented very successfully through locally based initiatives like Vancouver Coastal Health's OASIS (OsteoArthritis Service Integration System) clinic, which has languished in recent years because of a lack of provincial and health authority leadership. Nearly half of all patients referred to the clinic as surgical candidates by their family doctor were ultimately found to be better

34 BC Ministry of Health, "Island Residents to Benefit from Increased Access to Surgeries," news release, April 28, 2022, https://news.gov.bc.ca/releases/2022HLTH0129-000663.

35 In a synthesis of international evidence on the strategies to reduce public wait times, University of Manitoba professor Sara Kreindler notes, "Such short-term injections of funding encouraged unsustainable strategies that failed to address the root causes of the wait list, and the backlog promptly reappeared after the money ran out." Kreindler, "Policy Strategies to Reduce Waits."

36 "Improving Access to MRI through Central Intake," Projects and Updates, Vancouver Coastal Health, March 16, 2020, http://www.vch.ca/for-health-professionals/resources-updates/mri-central-intake.

37 Longhurst et al., 2016.

suited for non-surgical treatment.[38] Specially trained physiotherapists in the public system more rapidly and cost-effectively assessed potential orthopaedic surgery candidates to determine which patients actually needed to consult with a surgeon, thereby freeing surgeons' time to consult with patients who require surgery and saving the public health system costs for unnecessary surgeon consultations. Such innovative approaches need to be scaled up to become the norm rather than the exception.

With respect to wait-list management, one of the main barriers to single-entry models is that most surgeons in BC and across much of Canada are paid "fee-for-service," which creates financial disincentives to team-based, collaborative care.[39] Shifting away from fee-for-service payment—a move supported by many younger physicians and surgeons—is long overdue. Advancing team-based single-entry models also means addressing severe shortages of other providers in the public system, including physiotherapists.[40]

We also need to address the root causes of hospital overcrowding, which means improving primary and community care to ensure that British Columbians have access to the ongoing care they need.

Hospital overcrowding also contributes to wait times. It existed before the pandemic, but we now face an even more urgent challenge. The $8.6 billion over three years in health infrastructure funding announced in BC's 2022 budget[41] —primarily for acute care—is welcome news as is the new public medical imaging capacity that has recently become operational in hospitals across the province,[42] along with new operating rooms and an expansion of surgical units.

But we also need to address the root causes of hospital overcrowding, which means improving primary and community care to ensure that British Columbians—especially seniors with multiple chronic conditions—have access to the ongoing care they need to avoid ending up in hospital due to preventable injuries and other health crises.

Seniors' access to primary care and home and community care is widely recognized as a solution to hospital overcrowding and helping seniors to live as independently as possible as they age. Access to publicly funded home care and long-term care declined steeply between 2001 and 2016, however.[43] Recent data from the Office of the Seniors Advocate BC suggests that this trend has not reversed.[44]

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38 Longhurst et al., 2016, 35.

39 Andrew Longhurst, "How (and How Much) Doctors Are Paid: Why It Matters," *Policy Note* (blog), CCPA–BC, January 15, 2019, https://www.policynote.ca/how-and-how-much-doctors-are-paid-why-it-matters/.

40 Health Sciences Association of BC, *We're Chronically Understaffed: A Report on Public Rehabilitative Care in BC* (New Westminster: Health Sciences Association of BC, 2021), https://hsabc.org/sites/default/files/uploads/HSA%20Chronically%20Understaffed%20Report%20for%20Web.pdf.

41 BC Ministry of Finance, 2022, 67.

42 BC Ministry of Health, "Delivering More Imaging Exams for People in British Columbia," news release, June 9, 2022, https://news.gov.bc.ca/releases/2022HLTH0151-000924.

43 Andrew Longhurst, "Privatization & Declining Access to BC Seniors' Care: An Urgent Call for Policy Change" (Vancouver: CCPA–BC, 2017), https://policyalternatives.ca/publications/reports/privatization-declining-access-bc-seniors%E2%80%99-care.

44 Office of the Seniors Advocate BC, *Monitoring Seniors Services 2021 Report Supplementary Data Tables*, 7th ed. (Victoria: Office of the Seniors Advocate BC, 2021), https://www.seniorsadvocatebc.ca/app/uploads/sites/4/2022/02/MSS-DataTables-2021.pdf.

Much more investment in integrated primary care, seniors' care, affordable housing and social services (to address the social determinants of health) is needed to reduce the need for much more costly expansion of acute care.[45]

Finally, the uncontrolled transmission of SARS-CoV-2 continues to place immense pressure on a public health-care system, leading many experts to sound the alarm.[46]

Much more investment in integrated primary care, seniors' care, affordable housing and social services is needed to reduce the need for much more costly expansion of acute care.

As we face a new wave driven by the Omicron variant,[47] government and public health authorities need to shift to a "vaccines-plus" strategy that includes multiple layers of protection.[48] It is readily apparent that BC and Canada's sole reliance on vaccines is not working to prevent constant waves of (re)infection, hospitalizations and Long COVID—all of which add cumulative burden on our beyond-exhausted health workforce.[49] Non-invasive measures—indoor air quality standards, masks in congregate settings, widespread testing and vaccination—can reduce the likelihood of a perpetual backlog and long wait times. Already the pandemic's impacts on the public system are giving rise to calls for American-style, two-tier health care[50]—a move that would vastly increase inequities in health-care access and health outcomes.

Severe pressure on our hospitals and a lack of physical space and shortages of health-care personnel mean that outsourcing to private clinics is often viewed by governments of all political stripes as a politically expedient policy fix. However, as the evidence and experience demonstrate, a reliance on this approach in BC—and across Canada—has not reduced wait times over the long term.

BC's reliance on corporate surgical and imaging providers draws attention to the urgency of refocusing the provincial policy to public system improvement.

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45 Danyaal Raza, "Canada Has a Health-Care Investment Problem," *Policy Options*, October 21, 2021, https://policyoptions.irpp.org/magazines/october-2021/canada-has-a-health-care-investment-problem/.

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Table 1. Health authority payments to contracted private surgical and imaging clinics, 2015/16–2020/21

Health Authority	Facility/Provider	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
FHA*	False Creek Healthcare Centre	-	-	-	-	$102,075	$2,475,073
FHA	Fraser Valley MRI Clinic	-	-	-	$2,519,540	-	-
FHA	Langley Surgical Centre	-	$32,775	-	-	-	-
FHA	New Westminster Surgical Centre	$899,691	-	-	-	-	-
FHA	Pacific Medical Imaging	$10,858,328	$11,280,460	$11,974,066	$13,227,608	$13,694,692	$13,199,065
FHA	Seafield Surgical Centre	-	$778,466	$667,856	$650,825	-	-
FHA	South Fraser Surgical Centre	$306,355	$292,397	$176,963	$59,736	-	-
FHA	Surgical Centres Inc.	-	-	-	$30,420	$1,949,368	$2,441,098
FHA	Valley Medical Imaging	$11,715,293	$12,321,445	$13,041,494	$14,611,661	$15,458,127	$15,285,464
FHA	Valley Surgery Centre	-	$1,471,152	$2,203,371	$2,004,229	$2,429,794	$2,023,836
IHA*	Canadian Ultrasound Solutions	$371,632	-	-	-	-	-
IHA	HR Medical Services General Partnership	-	-	-	-	$205,214	$432,187
IHA	Interior Cardiac Services	-	-	-	$209,187	$243,965	$142,815
IHA	Kamloops Surgical Centre	-	$2,617,846	$2,383,781	$3,142,474	$3,652,524	$3,609,905
IHA	Summit Sonography	-	$453,320	$395,885	$324,963	$118,852	$142,976
NHA*	Prince George Surgery Centre	$906,199	$1,411,150	$1,373,220	$1,442,083	$1,310,397	$1,585,619
PHSA*	Kelowna Medical Imaging	$724,286	$674,955	$695,543	$703,990	$697,203	$604,637
PHSA	Langley Surgical Centre	$42,413	$29,250	$28,695	$31,611	-	-
PHSA	Madrona Imaging	$1,165,216	$1,195,086	$1,188,483	$1,231,313	$1,204,714	$1,111,358
PHSA	MedRay Imaging	$871,628	$982,649	$915,007	$1,018,321	$1,022,952	$721,300
PHSA	South Fraser Surgical Centre	$79,850	$54,378	-	-	-	-
PHSA	Victoria Surgery	-	-	$255,808	-	-	-
PHSA	West Coast Medical Imaging	$642,757	$667,802	$678,944	$696,445	$739,525	$684,070
PHSA	Greig Associates	$722,278	$739,053	$756,702	$804,512	$806,460	$654,970
Providence*	Ambulatory Surgical Centre	$34,929	$90,745	$57,992	-	-	-
Providence	False Creek Healthcare Centre	$316,767	$838,395	$525,567	$267,265	-	$242,899
Providence	Burrard Medical Imaging	$7,634,329	$8,404,529	$8,894,498	$9,527,399	$9,376,870	$8,186,371

Table 1. Health authority payments to contracted private surgical and imaging clinics, 2015/16–2020/21 (continued)

Health Authority	Facility/Provider	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
VCHA*	Ambulatory Surgical Centre	$167,257	$2,720,758	$3,452,346	$5,454,980	$5,288,800	$2,816,456
VCHA	False Creek Healthcare Centre	$929,549	$1,892,439	$1,364,261	$1,494,481	-	$1,765,407
VIHA	Madrona Imaging	$6,138,347	$6,770,491	$7,259,125	$8,373,733	$8,209,587	$7,455,056
VIHA	Nanaimo MRI	$608,300	$53,782	-	-	-	-
VIHA	Seafield Surgical Centre	$75,214	$212,673	$3,103,023	$5,709,288	-	-
VIHA	Surgical Centres Inc.	-	-	-	-	$7,096,473	$8,471,261
VIHA	Vancouver Island MRI	$586,300	$55,784	-	-	-	-
VIHA	Victoria Surgery	$1,262,455	$1,030,048	$245,905	-	-	-
VIHA	Comox Valley Surgical Associates	$133,491	$172,254	$34,107	-	-	-
VIHA	RebalanceMD	$688,837	$900,785	$1,018,493	$1,225,639	$1,227,274	$1,245,299
VIHA	Sonus Locum Services	-	-	-	-	$111,418	$86,706
VIHA	West Coast Medical Imaging	-	-	-	$42,104	-	-
Fiscal year total		**$47,881,701**	**$58,144,867**	**$62,691,135**	**$74,803,807**	**$74,946,284**	**$75,383,828**
BC total, 2015/16–2020/21							**$393,851,622**
% change, 2015/16–2020/21							**57%**

NOTE: * FHA = Fraser Health Authority; IHA = Interior Health Authority; NHA = Northern Health Authority; PHSA = Provincial Health Services Authority; Providence = Providence Health Care; VCHA = Vancouver Coastal Health Authority; VIHA = Vancouver Island Health Authority.

SOURCES: Author's calculations from health authority disclosures, 2015/16 to 2020/21, from health authority websites (called "Payments to Suppliers of Goods and Services" or similar).

Table 2. Health authority payments to contracted clinics by type of service provider, 2015/16–2020/21

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	% change, 2015/16–2020/21
Contracted imaging	$42,038,694	$43,599,356	$45,799,747	$53,290,776	$51,889,579	$48,706,975	16%
% share of total	88%	75%	73%	71%	69%	65%	
% annual increase		4%	5%	16%	-3%	-6%	
Contracted surgeries	$5,843,007	$14,545,511	$16,891,388	$21,513,031	$23,056,705	$26,676,853	357%
% share of total	12%	25%	27%	29%	31%	35%	
% annual increase		149%	16%	27%	7%	16%	
Total (contracted imaging & surgeries)	**$47,881,701**	**$58,144,867**	**$62,691,135**	**$74,803,807**	**$74,946,284**	**$75,383,828**	**57%**
% annual increase		**21%**	**8%**	**19%**	**0%**	**1%**	

SOURCES: Author's calculations from health authority disclosures, 2015/16 to 2020/21, from health authority websites (called "Payments to Suppliers of Goods and Services" or similar).

Table 3. Top 20 private surgical and imaging clinics by health authority payments received, 2015/16–2020/21

Rank	Facility/Provider	
1	Valley Medical Imaging	$82,433,484
2	Pacific Medical Imaging	$74,234,219
3	Burrard Medical Imaging	$52,023,996
4	Madrona Imaging	$51,302,509
5	Ambulatory Surgical Centre	$20,084,263
6	Surgical Centres Inc.	$19,988,620
7	Kamloops Surgical Centre	$15,406,530
8	False Creek Healthcare Centre	$12,214,178
9	Seafield Surgical Centre	$11,197,345
10	Valley Surgery Centre	$10,132,382
11	Prince George Surgery Centre	$8,028,668
12	RebalanceMD	$6,306,327
13	MedRay Imaging	$5,531,857
14	Greig Associates	$4,483,975
15	West Coast Medical Imaging	$4,151,647
16	Kelowna Medical Imaging	$4,100,614
17	Victoria Surgery	$2,794,216
18	Fraser Valley MRI Clinic	$2,519,540
19	Summit Sonography	$1,435,996
20	South Fraser Surgical Centre	$969,679

SOURCES: Author's calculations from health authority disclosures, 2015/16 to 2020/21, from health authority websites (called "Payments to Suppliers of Goods and Services" or similar).

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