

# The Pulse

Ontario Health Coalition Newsletter  
Winter/Spring 2004

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Despite our success in making the P3s a major issue in the election campaign, since the election, the new government has announced that it will proceed with the private P3 hospitals in Brampton and Ottawa.

They have changed the deals slightly so that the public will hold title to the hospitals, but all the services and the land will still be privatized, the contracts with the consortia will last for a generation (from 28 to 66 years) and private financing is still intact. In fact, the deals are still P3s, which the government is trying to downplay. (Details about the new project can be found on the OHC website or by telephoning the OHC office.)

In January we held a press conference to let the media know that there are more P3s in the works. Under media questioning, Health Minister George Smitherman admitted that the following hospitals have received approval from the Ministry to investigate redeveloping as P3s:

### CAMH (three or four sites)

**Bridgepoint Health Centre**

**Salvation Army Grace Hospital**

**Markham-Stouffville Hospital**

**Uxbridge Hospital**

**Halton Health Centre in Oakville**

**West Lincoln Memorial in Grimsby**

**St. Joseph's Health Centre in Hamilton**

This means that in total, we are now up to ten private hospitals in the works for Ontario. We are concerned that every new hospital or hospital redevelopment will be privatized similarly.

The OHC has ramped-up our action plan to stop the private hospitals. Actions include:

1. **Regional Lobby Training Sessions** held in southwestern Ontario, southeastern Ontario,

## TEN PRIVATE HOSPITALS IN THE WORKS FOR ONTARIO— Stop the Private Hospitals Campaign at Full Steam

### SAVE PUBLIC MEDICARE!

- > Before the election, the Liberals opposed hospital privatization.
- > Now, two private hospitals (P3s) in Brampton and Ottawa are being negotiated, and another ten are under investigation.
- > Will all our future hospitals be controlled by for-profit corporations?  
**NOT IF WE CAN HELP IT!**

### PUBLIC MARCH AGAINST PRIVATE HOSPITALS

Nathan Phillips Square to Queen's Park via University Avenue

**Saturday April 03 \* STARTS AT NOON at CITY HALL**

For more information contact the Ontario Health Coalition:

416-441-2502 ohc@sympatico.ca [www.ontariohealthcoalition.ca](http://www.ontariohealthcoalition.ca)

the Kawarthas, Oshawa, Ottawa, Toronto and Hamilton-Niagara. Over 50 lobby trainers are back in their communities training local activists to meet with local politicians on this issue. Need a lobby kit and guide? Contact us and we'll send you one.

2. **Mass lobbies of MPPs**—in dozens of towns and at Queen's Park, health coalition members and friends have already visited local MPPs and Ministers. Hundreds have written letters, op-ed pieces or letters to the editor. Thanks for all of your work, and if you haven't done so, CALL THEM ON IT! See page 2 for help.

3. A public march is planned for April 03 in Toronto. See above for details.

4. In early February the OHC met with Health Minister George Smitherman on this issue. We will continue to meet and press both inside and outside the House for public hospitals.

5. The OHC held two press conferences in January on the issue of privatizing healthcare and another on February 24th, about the corporate records of P3 hospital bid-winners.

6. Upcoming: the release of a new major report on the facts and precedents behind P3s.

## OHC LAUNCHES LONG-TERM CARE CAMPAIGN

After a heart-wrenching series on conditions in nursing homes, Health Minister George Smitherman appointed MPP Monique Smith to lead an investigation into long-term care. Her report is imminent and the Minister is planning to announce measures to improve conditions based on it. Notably, in late November, the Toronto Star reported that Extendicare is showing record profits—attributed in part to funding increases in Ontario by their CEO. Despite this, the Minister's message in the Star and in recent meetings has been a rejection of minimum staffing standards to guarantee levels of care and a call for families and volunteers to spend more time helping out in facilities.

The OHC has launched a postcard campaign as a first step to push for the major improvements we need to guarantee that funding reaches residents and that facilities are publicly accountable.

You can order postcards for your organization by calling us at (416) 441-2502. Please be sure to leave your complete mailing address with postal code and the number of cards you want. Please collect the cards and send them in by late March.

Download posters and handbills for the MARCH AGAINST PRIVATE HOSPITALS from our website: [www.ontariohealthcoalition.ca](http://www.ontariohealthcoalition.ca). Just follow the 'P3s-Public-Private Partnerships' link. You will find versions directed to healthcare workers and the public, in small and large formats. Distribute at will!



Photo credit: Vincenzo Pietropaolo

## TRUE OR FALSE? SOME FACTS ABOUT P3S

**Test your knowledge of public-private partnerships (P3s) by taking the following True or False test.**

**Question 1: P3s don't add to the debt. Answer: FALSE**

In a public hospital the public pays and the cost shows up on the province's books. In P3s, we sign a lease or mortgage deal committing ourselves to long-term payments that do not show up on the province's balance sheet. Still, we commit ourselves to debt. These hospitals are not free. In fact, they will cost much more than public hospitals.

**Question 2: There is no other option to P3s. Answer: FALSE**

The province can switch to accrual accounting to spread the cost of the hospitals out over the life of the building on the province's books. This is what all major corporations and the federal government do. Interest rates are at record lows. A far-sighted politician would see this as an ideal time to borrow money at the cheapest rates possible. See the CCPA report on the OHC website for more information.

**Question 3: There exist high penalties if we cancel the deals. Answer: FALSE**

The Royal Ottawa Hospital said that there would be \$10 million in penalties for cancellation. They later admitted this was untrue. In

court, their lawyers disclosed to ours that there were at most \$2 million in penalties, but these would likely not hold since the financial close had not been signed. Therefore, there are likely no penalties at all. At the maximum, a \$2 million penalty is very little given the cost of this policy direction.

**Question 4: The deals are New & Improved. Answer: FALSE**

A public hospital is very different than what the Liberals are planning. These hospitals have simply substituted mortgage payments for lease payments, but the private consortia, the privatization, the commercial land deals and the social costs still remain intact.

**Question 5: P3s aren't that bad. Answer: FALSE**

P3s cost more than public hospitals. P3s cut beds and staff to make room for higher profits and borrowing costs. P3s reduce democratic accountability cloaking themselves in commercial secrecy. P3s are inflexible and expensive to change because they put large sections of the hospital in corporate control for a generation, they insert profit-taking and commercialization into our hospitals, they reduce the quality of services through privatization, and they provide the means and incentive for more service charges, user fees and two-tier health-care. They are a serious threat to the future sustainability of the health system as they reduce services and increase costs.

## OHC TAKES STANCE ON BUDGET HEARINGS

In October, Ontarians voted for the fundamental change in direction promised by the Liberal Party during the election. Over the last month, literally hundreds of our members have contacted us in shock and dismay in response to a series of government announcements. Alarming them is the impression that the Government's priority appears to be the adoption of a regime of asset sales, i.e. privatization and constraint, rather than reinvestment in our social programs through a progressive tax system. Ontario's public health care system has been severely battered in the past eight years while the previous government gave first priority to tax cuts for the wealthy, leaving the sustaining of health and social programs in a distant second place. Current priorities don't appear much different. We are hearing almost daily that the inherited deficit has to be remedied before anything can be done to improve health care or education, even though the crying needs in both sectors remain Ontario voters' highest priority. But our health system and Ontarians who need it cannot sustain more of the same.

We have learned a few key lessons from the last eight years in Ontario and from worldwide evidence that privatization and restricting services do not save money, but threaten the future of the health system. From our experience, it is clear that:

**1. Delisting and attacks on universality of Medicare are a false economy, replacing progressive taxation with regressive and inefficient out-of-pocket costs.** After the recent years of Conservative government, Ontarians now have the highest out-of-pocket expenses for healthcare of any province in the country—an average of \$1,072 per person each year. For many of the working poor, for example, this more than wipes out what they received in "tax cuts". For middle-income families it diminishes significantly any tax cut savings.

**2. Privatization has increased our health care costs and fostered a system that is less accountable and responsive—less easy to "steer" to use the words of Mr. McGuinty and David Osbourne—not more.** The public-private partnerships being considered for our hospitals will cost more and will simply hide a higher debt off the province's books. The most efficient use of society's resources is thoughtful investment in necessary public infrastructure and restoration of public non-profit delivery of services.

**3. Hospital restructuring did not yield expected savings under the Conservative government** and will not yield savings if our government follows the same path.

**4. Health promotion and disease and injury prevention are cost effective, yet governments fixated on this year's bottom line have failed over and over again to invest now to save costs and build a better health system.**

**5. If one wants to see the high costs of privatization, one need only look at the pharmaceutical industry. Ontario's drug costs have increased by a whopping 130% since 1995-96 while pharmaceutical corporations top the Fortune 500 list in profits.** The solution is not to destroy the universality principle of the health system. It is imperative that the province work to advocate for controls on drug pricing.

**6. After the deep cuts of the mid-1990s, the restored funding in the health system has gone disproportionately to hospital management personnel and private health corporations rather than front-line health care services. Improved transparency, democracy and other measures must be taken to ensure that funding reaches front-line staff and patients.** Unlike policy makers, Ontarians do not see health care as a commodity. We see it as an essential social program—an integral part of our social infrastructure. Medicare must not

## CALL THEM ON IT! A QUICK GUIDE TO CONTACTING YOUR MPP TO STOP P3s and PRIVATE CLINICS

You will want to start by telling them who you are and why you care about this issue (briefly). **Then let them know that we have several concerns to express:**

A. We are extremely concerned about the Liberal announcement about the P3s in Brampton and Ottawa—it is our first priority to stop them.

B. The modifications to the P3s leave large parts of the privatization and commercialization intact.

C. P3s do not get rid of debt for new hospitals. They simply move debt from honest accounting where it shows up on the province's books to off-book long-term lease or mortgage payments. We will still pay for the new hospitals. But with P3s, we will pay more.

D. We have also prioritized the MRI/CT clinic privatization and oppose the private takeover and allowance of two tier access for so-called "medically unnecessary" scans. This is simply a way for the companies to get more money to the detriment of the public system and the new medicare bill proposed by the Liberals will not stop it.

E. The secret process, with no transparency and no public consultation over such critical public policy issues is indefensible.

F. They are in violation of key campaign promises. The process must be opened up.

**We want to ask them the following:**

A. Will they work within caucus to stop the P3s and MRI/CT privatization?

B. Will they work to open up the process?

C. Will they look more deeply into the trend across Ontario of privatization of the services in hospitals and other healthcare agencies? Will they learn about the evidence opposing this?

D. Can they tell us anything about the internal government process regarding these issues?

**Please document their responses and send them to the OHC as soon as possible.**

be seen merely as a public insurance scheme covering parts of a largely private industry. It will not be sustainable if defined this way.

The future sustainability of Medicare will depend on:

\* Stable and adequate funding

\* Governments limiting profit-taking and resisting the commodification of health services.

\* The efficient utilization of resources—with a greater percentage of health spending directed to patient care rather than advertising, profit, and excess administrative costs.

\* The restoration of public confidence through building democratic decision-making, improved transparency, accountability, and public access to information.

\* Rebuilding and extending the application of the principles of universality, comprehensiveness, accessibility and public administration.

\* Modernization through progressive reform and the extension of the principles of the Canada Health Act to cover home care.

\* Control and coverage of drug and treatment costs.

\* Stable coverage of preventive services including homemaking, physiotherapy and other therapies, and access to timely treatment.

\* A serious commitment to combat the social causes of ill health: poverty, lack of safe and healthy housing, barriers to the access of public services and education, and unhealthy environments and workplaces. **OHC**

January 21, 2004

**PRESS RELEASE: EXTRAORDINARY SECRECY OBSCURES P3 HOSPITAL DEALS**

**TORONTO. The massive private (P3) hospital deals scheduled to be signed by the provincial government any day now are purposefully obscured by an astonishing lack of accountability and transparency, the Ontario Health Coalition charged in a media conference this morning.**

**The OHC expresses heartfelt thanks to the Ontario English Catholic Teachers' Association for their recent donation. The following is a statement from OECTA's Pat McKeown on their gift.**

The Ontario English Catholic Teachers' Association (OECTA) represents 34,000 elementary and secondary school teachers in Ontario's Catholic Schools. Once OECTA had decided to honour the health care workers whose efforts during the SARS crisis last year set a new standard for commitment and selflessness, one question remained: what to do with the \$15,000 OECTA's provincial executive had awarded for the purpose? Buying an advertisement in a newspaper to say 'Thank You' was too local and too impermanent.

The impact of the SARS crisis last spring, mainly in Toronto, has receded in the minds of the general public but not in those of nurses, doctors, orderlies and other workers in the health care community. In May 2003, the Provincial Executive accepted a motion to devote \$15,000 to recognizing these workers' efforts during the crisis. We deliberated over what would be the most lasting way to use the funds and finally settled on a donation of the full amount to the Ontario Health Coalition in the name of these workers. This seemed a natural decision; a union of teachers donating to a coalition that brings together the unions representing all the workers in health care who not only devoted themselves during the SARS crisis, but who every day make our public health care system function. The OHC works to preserve public health care in this province, and is part of the broader effort, especially since the release of the Romanow Report in December 2002, to save publicly-funded, universally accessible health care in Canada.

Every member of the Ontario English Catholic Teachers' Association, and especially those living in the GTA, joins me in expressing appreciation for the noble efforts expended daily by Ontario's nurses, in ordinary times and also in these times of crisis in the health care system. The OECTA would like to convey to OHC members their gratitude and appreciation for the professionalism and the deep humanity nurses demonstrate in their careers.

"We have been trying for a year and a half to get the hospitals and the government to disclose, even the first documents relating to the requests for proposals," noted Stephen Schrybman, lawyer for the coalition and a group of unions who have launched a legal challenge against the P3 hospitals. "The government and hospitals are playing a shell game, joining cause in resisting the disclosure of records despite the major commitments of public funding to build the new hospitals. It is indefensible for government and public institutions to avoid disclosure simply to avoid public criticism."

"The Brampton Hospital will be accompanied by deep privatization of services at four hospital sites. The public and the hospital workers have a right to know exactly which services will be privatized and whether there has been any study or consideration about keeping those services public," added Brad Philips of the Service Employees Union, representing front-line workers at the William Osler Health Centre in Brampton. "The public should know whether the government has studied the higher mortality rates in private facilities, or the impact of the trade agreements relating to this privatization, or where the cuts will be made to make room for profits," he concluded.

## **CORPORATE PROFILE OF P3 BID-WINNER CARILLION**

**Carillion PLC** is the parent company of Carillion Canada Inc., specializing in the privatization of public services. Carillion Canada Inc. is one of the companies that make up the consortium Healthcare Infrastructure Canada which has won the bids to privatize the new Royal Ottawa and Brampton William Osler hospitals. Carillion will privatize the services in both hospitals, as well as the Georgetown and Etobicoke hospitals. Carillion has also bid on the Abbotsford P3 Hospital in British Columbia.

Carillion's parent companies in Britain have been trailed by a series of controversies—their record follows:

### **Railway Workers Killed**

Four rail workers employed by Carillion Rail were killed by a runaway flatbed rail wagon. This resulted in a call for an inquiry over maintenance of railways and the role of private contractors. The previous November, after a series of rail disasters, Network Rail announced it would re-publicize rail maintenance that was subcontracted to Carillion.

Carillion was fined more than \$160,000 by the British government for health and safety violations that resulted in two serious workplace accidents.

### **2 x Guinness World Record For Longest Wait on Hospital Trolley**

Tony Collins made it into the Guinness Book of World Records' for the longest wait on a hospital trolley, having experienced a 78-hour wait in 2001 at the Princess Margaret Hospital rebuilt by Carillion, after already having endured 60 hours stranded on a hospital trolley at another Carillion operated hospital then being discharged without being given a bed. In February 2003 Carillion's Great Western Hospital more than doubled their previous record when Herbert Edwards, 62, was admitted to hospital for a suspected heart attack and had to wait 144 hours on a trolley.

### **Record Profit-Taking**

"Construction companies engaged in the private finance initiative expect to make between

"We have heard that the clinics in the P3 hospitals will be run for private pay patients in the so-called off-hours. Since this increases two-tier healthcare and pulls scarce personnel and resources out of the public health system, we have a right to a clear answer about whether or not this will be the case," added Pat McNamara of the Ontario Public Sector Employees Union, another party to the court case. "The public has a right to know if the privatization deals in these hospitals will increase two-tier healthcare and allow new service charges."

"From the little information that has been released we do know that the deals will amount to over \$1 billion in public money and costs have been rising since the beginning," said Natalie Mehra of the Ontario Health Coalition. She concluded: "Surely the people of Brampton have the right to know how much money they will have to pay for their privatized hospital and thirty years-long lease deal. Given that privatized hospitals are a fundamental policy change, and given the extraordinary cost and duration of these deals, the veil of secrecy that obscures them from public scrutiny is unjustifiable."

three and ten times as much money as they do on traditional contracts, the industry has admitted...The figures...were confirmed by the Major Contractors Group representing top PFI firms such as Carillion." (Guardian, Sept. 08, 2003)

"Ballooning public infrastructure spent, particularly on the railways, helped construction group Carillion deliver a 22% increase in pre-tax profits last year" (Daily Telegraph, March 16, 2003)

In past three years Carillion's construction division margins have risen 25% .

(April 2003 UNISON Companies update, Carillion)

"Shares in construction company Carillion have fallen by half between April and December 2002 due to negative sentiment about PFIs (P3s in England)—however in September Carillion doubled its interim profits (Daily Telegraph, Dec 14, 2002)

### **Severe Bed Shortages**

According to the BBC, local residents expressed concern about the cost, location and possible shortage of beds in Great Western Hospital in Swindon, England, operated by Carillion. A January 03, 2003 letter from doctors leaked to media called the bed situation "untenable" and stated that elective and urgent surgeries were being cancelled because beds were full and that GPs were being asked not to refer more patients.

### **Outrageous Wages**

National Association of Pension Funds called for investors to abstain from approving Carillion's remuneration report at their May 2003 AGM. Carillion CEO John McDonough was paid £616,000 in first full year on job including £141,000 in bonuses. Finance director John Girlongs' pay rose 29% to £390,000. Hospital cooks, cleaners and porters employed by Carillion were paid £4.30 (minimum wage) and have been staging successive strikes asking for pay increase.

Carillion construction services boss Roger Robinson received 21% pay raise to £400,000, and Carillion closed 20 UK offices (more than half) and axed 400 employees as part of "radical" restructuring. **OHC**

## OHC LONG-TERM CARE STATEMENT; POSTCARD TO THE MINISTER OF HEALTH

Dear Minister:

Seniors residing in Ontario's long term care facilities require your immediate intervention to improve the conditions in which they live. The recent Toronto Star series underlines the appalling conditions caused by underfunding, privatization and deregulation. As a priority, we call on your government to immediately:

Enact a required staffing standard in Ontario long term care facilities. Require and fund each facility to provide a minimum standard of 3.5 hours per day of nursing and personal care for residents.

Revoke all resident fee increases above the cost of living.

Strengthen the inspection process. As a first step implement random unannounced inspections and mandate inspectors to talk to families and staff.

Protect residents, family members and staff who speak out with whistleblower protection.



## BILL 8: COMMITMENT TO THE FUTURE OF MEDICARE ACT, 2003

Bill 8 is titled the Commitment to the Future of Medicare Act. It was introduced in the autumn as the fulfilment of the Liberal Party's promise to enshrine the Canada Health Act (CHA) in Ontario law, create a Health Quality Council to monitor and provide accountability, and prohibit two-tier healthcare. As it stands, the Bill includes no concrete initiative to further the implementation of the principles of the CHA, does not provide improved democracy, transparency and accountability; and does not prohibit the further erosion of the scope of Medicare, the increasing problems of privatization, profit-taking and two tiering for those uninsured services. Further, it opens the possibility of extra-billing through the regulations and allows block fees by physicians. We are particularly concerned since the Bill gives the Minister of Health sweeping powers to order restructuring of the health system without making clear his intent and without any democratic control, input or checks and balances.

Copies of the Bill may be purchased through Publications Ontario at 1-800-668-9938, or at 416-326-5300 in Toronto. An electronic version of Bill 8 is also available on the Legislative Assembly website at: [www.ontla.on.ca](http://www.ontla.on.ca)

## OHC HOMECARE STATEMENT

This is an amended version of a homecare statement passed by CareWatch Toronto. At the OHC Assembly in the fall, CareWatch asked that we send out the statement for our member organizations to endorse and send in to George Smitherman, Minister of Health. Please ask your organization to forward the statement with your endorsement to the Minister:

We ask that the government:

- 1) Repeal Bill 130 and return Community Care Access Centres to democratic governance by the communities they serve, thus restoring public accountability to the homecare sector.
- 2) Immediately repeal any and all directives requiring the CCACs to contract out services and allow the CCACs to hire staff directly. Ensure continuity of care and fairness for workers by providing successor rights for those workers affected.
- 3) Increase the amount of in-home respite provided for family caregivers. To function as respite, care must be delivered by properly trained workers who are fairly compensated for their work and extra training.
- 4) Provide sufficient funding for community care so that supportive care, for the frail elderly as well as the chronically ill, is available to those who choose to age in place.
- 5) Reverse the privatization of homecare by restoring public/non-profit services.

## THANK YOU TO COALITION MEMBERS WHO TOOK PART IN NATIONAL PRESS CONFERENCE & BILL 8 HEARINGS!

Ontario communities that took part in exposing the shoddy corporate records of P3 bid-winners: *Toronto, Brockville, Cornwall, Ottawa, Brampton, Brighton, Campbellford, Hamilton, Lindsay, Niagara Falls, Peterborough, St. Catharines, Guelph, London, Sarnia, Windsor, Woodstock, Sudbury, Thunder Bay and Cambridge.* Coalitions involved in the Bill 8 hearings: *Ottawa, Toronto, St. Catharines and Windsor. Keep turning up the heat!*

February 24, 2004

## PRESS RELEASE: SHODDY CORPORATE RECORDS BEHIND BID-WINNERS OF PRIVATE HOSPITAL PROJECTS PLANNED

**TORONTO.** In one of over 30 media events held across the country today, the Ontario Health Coalition issued a warning about the corporations who are winning bids to privatize hospitals across the country.

Spokespeople for the OHC revealed that governments in British Columbia, Alberta, Ontario and Quebec are actively planning over fifteen private hospitals. New Brunswick and Newfoundland have flirted with similar plans and may follow suit. In Ontario, there are three private hospitals in planning in Toronto, and others in Hamilton, Oakville, Grimsby, Brampton, Uxbridge, Markham-Stouffville, and Ottawa. The coalition fears all new hospitals will be privatized this way.

"The corporations see public health care as a potential source of huge profits," said Natalie Mehra of the Ontario Health Coalition. "Carillion, one of the bidders, holds the Guinness Book of World Records title twice-

over for longest wait on a stretcher for a hospital bed. Meanwhile, the company reports record-breaking profits from private hospital deals financed by taxpayers."

"In these hospitals for-profit corporations will take over key hospital services and run them for their own gain. On one hand, we see less beds and less staff, and on the other we see record profits and exorbitant executive salaries," added Karl Flecker of the Polaris Institute, "In P3 deals, citizens will end up paying much more for less service."

"It's like sending in the fox to guard the chicken coop," concluded Sid Ryan, President of CUPE Ontario. "These P3 deals and the corporations that are pushing them are one of the most serious threats facing our health system today. We demand that our politicians resist the siren's call of privatization or we will lose our public health system."

The coalitions released an exposé on Carillion, one of the key private companies that has won bids to lead private hospital projects in Canada, and a backgrounder on private P3 hospital plans. All are available from the Ontario Health Coalition.

COMING SOON FROM THE OHC:

**Cross-province Long-Term Care Hearings (15 towns)**

**High-Profile Economists' Speaking Tour of Ontario about P3s (30 towns)**

**Trojan Horse of Privatized Health Care Goes on Tour of Ontario (30 towns)**

**DON'T FORGET TO ORDER OHC'S LONG-TERM CARE POSTCARDS TO SEND TO THE MINISTER OF HEALTH! WE'LL BE HAPPY TO SEND YOU HOWEVER MANY YOU WISH. CALL 416-441-2502**