

Intelligence MEMOS



From: Janice MacKinnon
To: Canadians Concerned About Healthcare
Date: October 6, 2021
Re: **SASKATCHEWAN MODEL SHOWS HOW PRIVATE CLINICS CAN PLAY IN A PUBLIC SYSTEM**

The federal election featured a renewed debate about private healthcare in Canada. Yet only in Canada would the topic of private healthcare spark any debate. Many OECD nations that have systems that are less expensive and produce better outcomes than Canada's feature private care that is common and noncontroversial.

Medicare covers primarily doctor and hospitals services, leaving patients to pay directly for many other services.

In Canada, private healthcare facilities that allow patients to pay directly for services that are also covered by Medicare are contrary to the *Canada Health Act*, although many such facilities exist. So, why have successive governments not acted in a sustained way to penalize such facilities? Perhaps because healthcare is a provincial responsibility and provinces, especially Quebec, are adamant that Ottawa should not be telling them how to run their systems.

Another form of private care is the use of private companies to deliver healthcare services that are paid for by provincial governments, which is permissible since the *Canada Health Act* only requires public administration of services. Many services, such as diagnostics, are run by private companies and many physicians are private operators.

However, when provinces act to move services currently provided in hospitals to privately operated clinics, they encounter a barrage of criticism: Quality of care will be compromised; health-care professionals will be drained from the public system, creating shortages of doctors and nurses; and the clinics will cherry pick patients requiring the least complicated procedures, leaving the public system to pay for those with more complex medical problems.

All of these challenges were addressed more than 10 years ago when Saskatchewan moved 34 day procedures – such as cataract, dental and orthopedic surgeries – from hospital settings to private clinics, as part of its plan to reduce wait times. The Ministry of Health was [transparent](#) about the principles upon which the clinics would operate.

They are required to: support a patient-first approach to health care through improving access, quality and choice; comply with the Canada Health Act and all relevant provincial legislation and regulations; be fully integrated within the publicly funded, publicly administered health system; meet all necessary safety and quality standards; be implemented through an open, consistent, equitable and fully transparent selection process; and show that the costs of services must be equal to, or less than, the public system.

The Health Ministry also made public the clinic selection criteria, which included credentials, experience, service, implementation schedules and pricing. Companies signed contracts with the government specifying the number of procedures to be performed, the time frame and the costs.

Queue-jumping is not allowed. All services are paid for by the government and clinics cannot charge patients directly for services. Cherry picking is prevented since the clinics are not allowed to choose the patients they treat; instead, the Saskatchewan Health Authority decides which patients should be referred to the clinics.

The issue of clinics luring healthcare professionals from the public system was addressed by requiring all clinics to submit a human resources plan. The plans showed that many of the staff at the clinics were retired registered nurses and licensed practical nurses who were attracted by the hours, as there is no on-call, shift or weekend work.

The Saskatchewan clinics have offered quality services, which have been reviewed positively by patients, at a cost that is significantly lower than hospitals. Clinics are located outside the complex and expensive hospital settings and have the advantage of only performing specific procedures that can be delivered more effectively and efficiently. The day procedures performed at the clinics were 26 per cent less costly than the same procedures performed in hospitals.

Patients appreciate the convenience of the clinics, with free, accessible parking, and the bright and cheery settings with children's play areas. They also reduce the risk of patients being exposed to hospital-based infections.

The Saskatchewan model shows that private clinics can provide quality services at a lower cost than comparable hospital-delivered services, if they are properly regulated and structured.

Rather than rehashing an age-old debate about private health care, we should be focusing on the many other healthcare problems that have been brought to light during the pandemic.

Janice MacKinnon is a professor at the University of Saskatchewan's School of Public Health and a former Minister of Social Services.

To send a comment or leave feedback, email us at blog@cdhowe.org.

The views expressed here are those of the authors. The C.D. Howe Institute does not take corporate positions on policy matters.

A version of this Memo first [appeared](#) in the National Post.