

Private surgery leaner, meaner

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Vancouver Island's health authority is negotiating with a private Calgary-based firm to deliver 55,000 surgical and diagnostic procedures over the next five years.

The work will be conducted at free-standing clinics, initially in Victoria, and later in the mid-Island.

While Island Health Authority has previously made use of contractors, this is a significant expansion of privately delivered medicine in our province.

And, it is by no means temporary.

The directive to proceed in this manner, and the justification for doing so, come from the B.C. government.

While several reasons were given for the shift to private facilities, a central justification was "extremely limited future capital investments."

Almost nothing about this policy can be defended, and some of it might violate the Canada Health Act.

Surgical waitlists have been growing, but public funds aren't available to set up additional operating rooms and equipment. Hence, the decision to get corporate players involved.

But that only makes sense if their price is no greater than the public system pays. Yet how can that be, since companies must make a profit?

Part of the answer is that private clinics won't have to pay union salaries. That means the owners can pay nursing staff less, ignore seniority and set their own rules for sick leave.

In effect, the government is creating a parallel delivery system to circumvent its own collective agreements.

But part of the answer is also that the ministry doesn't know, with any precision, what it costs to deliver the services to be contracted out.

Ontario's hospitals, with support from their ministry, have worked out the price of every procedure. That includes both direct costs, such as nursing salaries and diagnostic tests, and indirect costs such as overhead and depreciation, which can add 30 per cent to the bill.

But B.C. hasn't invested in such a system, and health authorities are hamstrung by this failure.

In contrast, it is essential that private-clinic operators do know these details. They live or die by such precision. And they will take advantage of their superior knowledge at the bargaining table.

In effect, health authorities are playing poker with an opponent who knows better than they do what cards they are holding.