Waiting in the Wings!

How for-profit health corporations are planning to cash-in on the privatization of Medicare in Canada.

by Darren Puscas
with an introduction by Tony Clarke
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We encourage you to undertake direct action in your community.
We must fight back or risk the irreparable loss of Canadian Medicare.
Take action now - join the struggle to save Medicare.

Polaris Institute

Exposing the Private Healthcare Industry

The Canadian public Medicare system is at serious risk. Many governments and corporations are pushing for a more and more privatized system, while others, including much of the public, want Medicare to remain a publicly funded and administered right for all Canadians. The great Canadian Healthcare debate is now well underway.

All across the country, the advocates for a public system of universal healthcare are dueling it out with those calling for greater privatization leading to a two-tiered healthcare system. The federal government's commission on healthcare, chaired by former Saskatchewan Premier Roy Romanow, appears to have become the rallying point for the first camp while the Senate commission on healthcare, chaired by Senator Michael Kirby, has been the galvanizing center for much of the second camp.

Yet, the federal government appears to have already abandoned the goal of a publicly delivered, universal healthcare system. Over the past quarter century, the 50/50 funding formula between the federal and provincial governments has been steadily eroding. The federal share dropped to 42 percent under the Trudeau government, then to 33 percent under the Mulroney government, and down to 23.5 percent under the Chrétien government, reaching as low as 10.5 percent at one point.

The Private Sector Moves in on Canadian Healthcare

Meanwhile, the private sector has been rapidly moving in to take over the slack. For example, every time a medical service is taken off the list covered by our public healthcare system, for-profit health companies are quick to add the service to their private insurance plans. Indeed, the for-profit healthcare industry sees Canada's publicly funded system of Medicare as a lucrative 90 billion dollar annual market. Opening up the publicly funded system to privately delivered services provides for-profit healthcare corporations the opportunity to cash-in.

> *"Healthcare is no different from the airline or ball bearing industry,"*
> **--- Rick Scott, former CEO of HCA, the world's largest for-profit hospital corporation. Scott vowed to destroy every public hospital in North America.**

So, just who are these corporations seeking to profit from the privatization of healthcare in Canada? Well, the for-profit healthcare industry that exists today has been largely built-up in the U.S. over the past few decades. In 1996, for example, the U.S. investment consulting firm, Lehman Brothers, actually documented how the U.S. healthcare system was taken over by strategic maneuvers on the part of private insurance, hospital, pharmaceutical and medical product companies. During the 1970s and 1980s, reported Lehman Brothers, for-profit healthcare corporations gradually became "the gatekeepers of the health care dollar, … dictat[ing] the direction of healthcare spending" in the U.S.

Today, the private healthcare industry is alive and well in the U.S. There, corporations provide the bulk of healthcare services — from insurance plans and pharmaceutical drugs to the operation of hospitals, homecare and long term care — on a for-profit basis (a for-profit model that has left 40 million without health insurance). What's more, the leading corporations in each of the major healthcare sectors are now expanding their operations, eager to open up markets in other countries. Canada has been identified as a prime target for this corporate expansion. With the aid of several private Canadian companies, the U.S. corporate takeover of healthcare services is already underway in this country.

But, again, who are these corporate players? To date, few of these corporations have been specifically named and exposed during the current public debate about the future of Canada's healthcare system. The time has come to identify these corporate players but to also expose their track records in delivering healthcare services. This is the main purpose of this publication.

What follows here is a brief profile of six leading corporate players that are in a pivotal position to take advantage of the privatization of public healthcare in Canada. The final section looks at how international trade deals could lock in this kind of corporate takeover of healthcare for future generations.

Tony Clarke,
Director, Polaris Institute

1. MDS:

Medicare's Trojan Horse

Have you ever wondered how, in a country where we are supposed to have a public healthcare system, we find ourselves having to pay for more and more for medical goods and services? Well, part of the answer has to do with the fact that private Canadian companies like MDS, with extensive business ties to the U.S., are allowed to sell healthcare goods and services on a for-profit basis in this country.

MDS is already a leading player in Canada's emerging private healthcare industry. Specializing in the marketing of medical goods and services, MDS has steadily expanded its operations over the past 30 years. Currently, MDS provides services to 17,000 physicians and institutions through 380 locations in seven provinces throughout Canada. Through joint ventures with U.S. healthcare corporations, MDS has played a pivotal role in the piece-by-piece erosion of Canada's public healthcare system. Here's how:

Privatized Medical Services: MDS operates Canada's largest network of clinical laboratories and physician services. MDS now controls 55 percent of the distribution of medical supplies in Canada plus 30 percent of the Canadian laboratory market. MDS and three other companies control 90 percent of the Ontario lab industry. In 1997, 40 percent of MDS revenues came from the public purse, mainly through public-private partnerships and direct payments for laboratory work.

> *"We see the United States...as a leading indicator of changes to healthcare in Canada"*
> --- Robert Brecken, MDS Vice President

Private Healthcare Investments: At the same time, MDS operates the MDS Capital Corporation which combines seven capital funds for strategic investments in more than 120 for-profit healthcare companies. MDS also manages the Canadian Medical Discoveries Fund, disbursing government funds to numerous companies, including MDS subsidiaries. Through these strategic investments, MDS has secured a stranglehold on much of Canada's health sector and its future direction.

Political Power & Influence: MDS's political connections and lobbying have had a direct influence in shaping healthcare policy making in Canada. In Alberta, for example, MDS owns 37 percent of the Health Resources Group, the major pusher for private hospitals in that province, while MDS board member, John Evans, is actively involved in the Alberta Premier's Advisory Council on Health.

MDS vice president of corporate affairs and government relations, Brian Harling, is the chair of the federal government's advisory group on healthcare and international trade. In the 2000 federal election, MDS contributed $12,537 to the Liberal party, $11,950 to the Canadian Alliance, and another $11,700 to the Alberta Conservative party [1994-99]. These widely distributed contributions expose the extent to which Canadian politicians are tied to healthcare corporation interests and help explain why politicians and governments are increasingly accepting the idea of a further privatized healthcare system.

U.S. Joint Healthcare Ventures: In addition, MDS has developed an extensive network of joint ventures with hospital and laboratory companies in the U.S. For instance, MDS has a partnership with the world's largest for-profit hospital chain, Columbia/HCA, to install their auto lab system in U.S. hospitals. In partnership with Duke University, MDS manages the clinical laboratories in the university hospital and health system. Says MDS vice president, Robert Brecken: "...working within the United States provides us with the experience and knowledge of new directions we can carry into Canada."

Links to the Labs

Other Laboratory Services Privateers include:

Gamma-Dynacare
Website: www.dynacare.com

Canadian Medical Labs
Website: www.cmlhealthcare.com

ParaMed Home Health
Website: www.para-med.com
(A division of Extendicare- profiled here on pages 7)

Drinking Water Scare. It was MDS who was at the heart of the June 2002 drinking water scare where 67 South Western Ontario communities were left with untested water because, in the words of the assistant deputy minister of the environment, "[MDS Laboratories had failed to tell communities] when indications of adverse water quality were observed." To add to the outrage, it has recently been reported that Paul Rhodes, who was once a communications director to Mike Harris, was paid $240,000 to provide public relations advice on how to best handle the Walkerton water disaster. He was also on contract with MDS at the time. Is this the type of company we want involved in our health system?

NOTE: This PDF version of "Waiting in the Wings!" is adapted from a popular education booklet format, and as such, sources are not included. Specific source inquiries should be directed to darren_puscas@on.aibn.com or to the Polaris Institute directly (contact information is on the last page). Inquiries about obtaining the original booklet version of this document should also be directed at the Polaris Institute.

2. HCA:

Private Hospitals in Canada?

Have you ever wondered what our healthcare system would be like in Canada if our hospitals were run on a for-profit basis by corporations based in the U.S.? A May 2002 report from the *Canadian Medical Association Journal* concluded that you are "more likely to die in a private hospital" and that establishing private, for-profit hospitals in Canada would be a "mistake that would lead to thousands of deaths." Yet, despite this damning conclusion, the push for private hospitals continues. By taking a closer look at HCA, a corporation specialized in privatizing hospitals all over the U.S., we can get a better picture of what could happen in Canada.

HCA is the largest for-profit hospital chain in the world. In its former incarnation as Columbia/HCA, this corporation owned and operated 348 hospitals. After being found guilty of numerous fraud charges in the U.S., the company was restructured. To raise the cash required to pay for the settlement of its multi-million dollar lawsuits, the largest health related lawsuits in U.S. history, HCA sold off chunks of its operations, including its non-hospital businesses. As of 2002, HCA owns and operates 200 hospitals and other healthcare facilities in 24 U.S. states, plus Britain and Switzerland, and employs 168,000 people. To expand their operations globally, HCA has developed joint ventures in other countries, such as with MDS here in Canada. A corporation of this size and clout, with the potential to enter the Canadian hospital market, bears closer scrutiny:

> *"I sometimes had to watch 72 heart patient monitors at a time. I was told you either do it or there's the door."*
> **-former HCA technician, Susan Marks**

Health Fraud Scandal: In what has been called the largest health fraud case in U.S. history, HCA was the subject of a massive investigation by the FBI and the U.S. Department of Justice in 1997. The company was charged for making unallowable or inflated claims in their annual Medicare cost reports and for giving kickbacks of money and perks to physicians if they referred their patients to Columbia/HCA hospitals. During the period under investigation, HCA was the largest biller to Medicare in the U.S., making up to 36 percent of their profits from government healthcare funds. Through the settlement, HCA was required to pay nearly $800 million.

Political Power Plays: HCA has effectively used its close business and political connections to advance business friendly healthcare policies. In 1995, soon after meeting with Columbia/HCA President Richard Scott, Governor (at the time) George W. Bush vetoed a Texas patient protection bill which the company had been actively opposing. The patient's bill would have expanded the number of children and adults covered by the state's health insurance program for the poor. In the 2000 election cycle, HCA's political party contributions topped $124,000 US, more than two-thirds going to the Republican Party.

Buy & Close Hospitals: HCA has a history of taking over hospitals and then closing them in order eliminate competition and maximize its profit margin. For example, in 1995, when Columbia/HCA took over HealthTrust Corporation, it promptly closed a 34-bed medical center facility in Gilmer, Texas. Similarly, for profit hospitals are not inclined to serve poor communities. In 1998, when the Alexian Brothers Hospital [which provided $10 million worth of free care in 1997] was transferred to Columbia/HCA, the company refused to make a statement of commitment to provide a community health fund and ensure continuing service to the poor.

Slash & Burn Practices: To fuel its expansion and profit targets, HCA also has a track record of slashing jobs. As former HCA executive and whistleblower Mark Gardiner said about HCA's management philosophy: "Employees are the largest operating expense. Cut that to the bone. Cut nursing to the bone. I mean cut it to as low as your conscience will allow." The 7th largest employer in the U.S., HCA was reputed to be one of the most difficult companies to work for in the late 1990s, according to the *Corporate Crime Reporter.*

Other Hospital Privateers

Networc Health Inc (Alta)
[owns the Health Resource Centre which set up a private "clinic" (hospital) in Calgary in September 2002]
Website: www..hrgcanada.com

Tenet Healthcare
Website: www.tenethealth.com

3. Cigna
& Other HMOs: Healthcare Misery

Just imagine what it would be like if a range of healthcare services in Canada, from routine check-ups to hospital stays, were managed on a for-profit basis by corporations that were headquartered in the U.S. Well, there are a variety of U.S. based health maintenance companies in the U.S. like Cigna, which are likely to target Canada for expanding their operations and markets.

The U.S. healthcare system is largely managed by the HMO industry, which is short for Health Maintenance Organization. This industry is run by a network of big corporations which includes Aetna, Cigna Corp., Humana Inc., UnitedHealth Group Inc., and Health Net Inc. These corporations sell private healthcare plans for people to access the services of physicians, hospitals, homecare and long term care. Selling access to healthcare is a big business. Take, for example, Cigna, which has established HMOs in most U.S. states and is the third largest HMO corporation in the world. Cigna's assets total more than $91 billion and, in 2001 alone, it brought in more than $19 billion in revenue. Cigna is eager to become even bigger. As the major representative of the for-profit health industry on the U.S. Coalition of Service Industries, Cigna has been in a pivotal position to shape the new global rules on cross-border trade in services [known as the GATS] currently being negotiated at the World Trade Organization. What's more, Canada is seen as one of Cigna's major potential growth markets. Canadians should beware of Cigna and its privately managed healthcare schemes. Here's why:

> *"the company's drive to satisfy the quarterly, bottom-line expectations of Wall Street investors jeopardizes the health of our clients' patients and the health of their practices."*
>
> **- Jim George, attorney in physicians' lawsuit against CIGNA**

Civil Racketeering Charges: In a large class action suit currently before the courts in the U.S., Cigna along with other major HMO corporations is being charged with violating federal racketeering laws by using financial incentives for physicians to deny treatment and cut costs. Consider the case of Cigna insurance holder Thomas Concannon, who was diagnosed with a rare cancer, multiple myeloma, requiring a bone marrow transplant in order to survive. Cigna refused to pay for the transplant operation, effectively handing Concannon a death sentence. Only after heavy pressure and media coverage, did Cigna finally agree to pay for Concannon's transplant.

Poor Payment Practices: Physicians and medical associations in several U.S. states have filed class action suits against Cigna and other HMO corporations for failure to pay for medical work and treatment prescribed for patients. In Texas, Cigna is charged with failures to properly pay doctors, including failing to provide a fee schedule to the physicians and arbitrarily changing the steps that doctors must take to be paid. Shortly after signing a contract with Cigna, one oncologist said he was told the contracted fees were no longer valid and he'd have to accept a new, lower reimbursement.

Overbilling U.S. Medicare: Cigna has also been charged with fraudulently overbilling U.S. taxpayers. A Cigna employee blew the whistle on a Cigna subsidiary, Connecticut General Life Insurance, charging they overbilled U.S. Medicare's Health Care Financing Administration for nearly 10 years. Cigna settled, agreeing to pay the U.S. Federal Government nearly $9 million.

Global Reach: Cigna is presently opening up HMO markets in Brazil, Guatemala, Chile, Spain, India, the Philippines and the United Kingdom. Says Jonathan Lewis, president of the Academy for International Health Sciences, "multinational corporations . . . are interested in finding alternatives to public health" for their workers. Or, says a HMO consultant Nalinee Sangrujee, "The force of globalization and U.S. companies going international is true for most companies... and there is no reason why managed care companies can't do the same." Given the demographics of the work force, both Mexico and Canada may prove to be better markets for Cigna to export its HMO model.

A couple of other HMOs that would love to get into the Canadian Health system:

Aetna
Website: www.aetna.com

Humana
Website: www.humana.com

4. Interhealth Canada:

Canadian Health for Export

It is not well known, but Canada is an active exporter of healthcare services - to those who can afford it. A Canadian company, Interhealth Canada, performs abroad for its Canadian shareholders (including the Ontario and B.C. governments) what is illegal within Canada – the establishment of private Medicare, including building and running hospitals and clinics.

As a 100% health export company, Interhealth sets up major projects in the health field overseas. Interhealth has operations in United Arab Emirates, China, and Thailand. Interhealth serves only the affluent and sells hospital and other services on a for-profit basis in these countries, and is looking to expand. Interhealth's exporting of healthcare with the investment support of provincial governments violates the essence of the Canada Health Act's provisions for universal, accessible, and affordable public health.

Provincial Government Funding: Governments in Canada are partial owners in Interhealth through the purchase of shares. Government shareholders in Interhealth include: the British Columbia Health Industry Development Office; the Ontario Ministry of Health; and the Ontario Development Corporation (Other key shareholders include: The University of Ottawa Heart Institute; York County Hospital; Hamilton Health Sciences Corporation; McMaster University; MDS Inc.)

Exporting Canadian Nurses and Doctors: Interhealth's ability to export health services is made possible by recruiting Canadian health professionals, utilizing public and private capital to sell healthcare services. This siphoning of healthcare resources drains the public tank. Interhealth is busy signing up nurses and doctors for its operations abroad, something that has raised serious concerns, especially in British Columbia. When asked about this, Steve Kenny, then executive director of the B.C. Health Industry Development Office, and who was very much behind the B.C. government's investments in Interhealth, couldn't help but admit the contradiction: "I don't think we want to be losing scarce resources like physicians, and especially nurses, to jobs overseas. When Interhealth came calling on me asking for assistance, I declined since I don't want to be a party to sending our scarce resources elsewhere. On the other hand, I can't stop them from approaching health professionals."

Federal Government Handouts: Export Development Canada (EDC). EDC is the Canadian Government's export credit agency, offering loans and credit to corporations eager to expand internationally. Interhealth has been backed by EDC in its overseas projects and in the the words of Chief Executive Skip Schwartz, "[Interhealth] will certainly be looking to [EDC] to be partners in any future projects." EDC's backing of Interhealth is a clear example of the Canadian government's push for the export of private healthcare, including hospitals - private ventures which would be illegal in Canada. EDC even featured Interhealth in an issue of their magazine *Export Wise* where they touted Interhealth as being at "the forefront of a growing trend which some experts believe is *Canada's next gold mine, exporting services*."

Who helps companies like Interhealth to push Canadian Health Exports?

Export Development Canada

www.edc.ca

Department of Foreign Affairs and International Trade (DFAIT)

www.dfait-maeci.gc.ca

Possible Trade Challenges: Beyond the ethical questions raised by Canadian for-profit export of healthcare, export companies like Interhealth risk helping promote the opening up of the Canadian health system to foreign corporate control. Canadian health exports create pressure for reciprocation through trade agreement guarantees of foreign access to various Canadian healthcare markets, including hospitals. A March 2000 letter from MDS Vice President Brian Harling to International Trade Minister Pierre Pettigrew makes this abundantly clear, stating that members of a key government health sector advisory body on international trade are "supportive of any opportunities for Canadians to increase their ability to offer their services internationally. [However]members cautioned that there would be a price to pay, i.e., granting similar opportunities to foreigners."

5. Extendicare:

Long Term Care or private Neglect?

A September 2001 study in the *American Journal of Public Health* revealed that investor owned nursing homes "provide worse care and less nursing care than non-profit and public homes", yet private long-term care companies, whether it be nursing homes or retirement homes, are growing in number by receiving an increasing percentage of the bed licenses given out by provincial governments. In some cases, the corporations even receive large government subsidies as incentive for building long-term care homes. Illustrating the continued sellout of Canadian Medicare to corporate interests, these government handouts are reflective of government's increasing inclination towards promoting the private health industry, even though inferior care is often the result. A quick look at the nursing home corporation Extendicare indicates that private long term care is not in Canadian's long-term interests. Here's how:

Gross Negligence: Extendicare was convicted in the largest abuse and neglect verdict in Florida's history (worth $20 million, with an appeal that was settled for an undisclosed amount). The case centred on an Alzheimer's patient at a Nursing home in Pinellas County who was not given medication, may have been unfed for up to a month, received no treatment for a bed sore that turned gangrenous, and later died. Extendicare withdrew all its operations in Florida as well as Texas where other lawsuits had been put forth, and began to concentrate elsewhere, including Canada.

> *"the companies that received the most beds [Extendicare, CPL Reit], they also seemed to be the companies that gave the most money [to the Ontario Conservative Party]."*
> **---York University Professor Robert MacDermid, on CBC's *The National***

Shutting out Public Care: The building of eight new Extendicare centres beginning in 2001 is heavily subsidized ($10.35/day per resident for 900 beds, totaling $700 million over 20 years) by the Ontario Conservative Government. This is typical of the Conservative government policy of massive investment in private sector long-term care, which has consistently shut out many public facilities. This includes Hamilton's St. Peter's Hospital, touted as a "world renowned centre of excellence in geriatric care", which was left out when in 1998 the government awarded five licenses in the Hamilton region, mostly to the private sector.

Who else wants (and often gets) taxpayer money to fund private long-term care facilities?

CPL REIT - www.cplreit.com (locations in B.C., Alb, Ont, QC, Man, and the US)

Buying bed licenses: Extendicare gave $37,000 to the Ontario Tories between 1995 and 1999, and was awarded the $700 million contract detailed above. Critics insist that there's "a link between those contributions and the awarding of nursing home licenses", as those who gave the most, Extendicare and CPL REIT, received the most beds.

Canadian Conflicts of interest: Senator Michael Kirby plays two conflicting roles within Canadian healthcare. He is the head of a Senate Commission reviewing the future of healthcare in Canada, where he is to serve the public interest. Kirby is also a board member for Extendicare, where his role is to serve the interests of the company. Extendicare is eager to see the further privatization of Canadian healthcare, and with Kirby at the head of this Senate a major conflict of interest seems obvious. Not surprisingly, the Kirby commission's second report, argues for further privatization of Canadian Medicare.

Paying Poor Wages: In Athabasca, Alberta, Extendicare wouldn't provide fair wages for front line workers providing care for elderly residents. Extendicare wanted to pay these workers less than $10 per hour and pocket the profits. This caused a difficult 56 day strike in which workers ultimately won a raise, their first in four years. Among other places, serious labour disputes over poor pay and working conditions have also occurred in Extendicare operations in Lethbridge, Alberta and Regina, Saskatchewan.

Managing hospital units: Extendicare also manages some hospital wards, such as the McCall Centre for Continuing Care in Toronto based in the Queensway General Hospital. These privately managed hospitals raise serious fears of a slippery slope leading to U.S. style hospitals which provide more expensive, often poorer quality care. Tellingly, an outspoken commissioner of the government mandated 1996-2000 Ontario Health Services Restructuring Commission, which pushed to cut public hospitals, was Extendicare Vice President Shelley Jamieson.

6. Comcare

Homecare for Profit

Homecare in Canada does not fall within the Canada Health Act, exposing it to privatization. Homecare privatization has accelerated rapidly, especially in Ontario where 1999 laws opening up homecare to privatization led to a major change in the private homecare landscape. Governments have permitted the growth of for-profit homecare operations despite the fact that studies in the US show that private homecare providers cost the public more money than public or non-profit homecare providers. The increased costs are largely due to large executive salaries and high levels of profits. Why then would our governments be so willing to sell off homecare?

Comcare is based in London, Ontario and is owned by the large laboratories and diagnostics company Gamma-Dynacare, which is owned by the Latner's, a family deeply connected to, and financially supportive of, the Ontario Tories. Comcare is the largest home care corporation in Canada. Operating in most provinces, they provide home care and home support to those who can afford to pay, or who are subsidized by government programs. Comcare is notorious for providing low wages, poor benefits and overtime, in addition to keeping nurses and support workers as casual labour as a means to save money and have nurses on call at their command. Comcare, like other major home care corporations, bids low in newly privatized areas (like Ontario) and uses its market power to destroy smaller, often not-for-profit competitors and then uses this monopoly power to drop wages and raise rates. Here are some examples:

> *"[We are] being pushed to the max... you go into the home and you're tired, you're stressed and you are not as good as you should be. I fear for the people who are going to need nursing in the future"*
> **--- Kingston Nurse Cynthia Melo, who's union went on strike against Comcare in 1998-99**

Kingston: Cheap, Casual Labour

In late 1998, eighty Comcare nurses in Kingston went on strike to fight for a first contract demanding full and part-time permanent jobs. Comcare refused because they wanted all their nurses to be casual labour, on call daily for last minute assignments. Some nurses were working 48 hour weeks - which is obviously not casual labour. After 5 long months, the nurses won the case in binding arbitration and were offered a contract, with the arbitration board ruling that Comcare had been unreasonable and uncompromising.

Windsor: Undercutting Community Care

In 1999, 226 Windsor area non-profit Victorian Order of Nurses (VON) community nurses lost their jobs as contracts were awarded to Comcare and Olsten. The Canadian Union of Public Employees stated that Comcare and Olsten gained the contracts in large part because they were able to undercut other bids due to poor working conditions and inferior care they provided. A major rally was held at the legislature in Toronto to fight against this destruction of non-profit community care, but it fell on the deaf ears of the provincial government.

Newfoundland: Slashing Workers Wages

In the mid 1990s, Comcare cut hourly wages of support workers from a minimal $7.00 per hour to the unliveable level of $5.25 per hour. After two years of contract talks which got nowhere, a strike for fair wages was called by 140 women workers of the United Food and Commercial Workers. What did Comcare do in response? They ended the strike by closing all of their operations in Newfoundland!

Other Homecare privateers include:

We Care
www.wecare.ca

ParaMed (a division of Extendicare)
www.para-med.com

Bayshore Health Group
(formerly Olstens)
www.bayshore.ca

Public Homecare providers: Corporate providers like Comcare, We Care, Bayshore and others see staff and operations as expendable and insignificant when compared to their profit margins. Corporate homecare providers also create serious doubts about public accessibility and affordability. For these reasons, as recommended in a 1997 National Forum on Health Report, what we need is publicly run homecare providing high quality, accessible, and reliable long-term homecare, with a 'patients and employees first' attitude. It is time to stop the creeping corporatization of homecare and make a fully funded national program a reality.

GATS & FTAA:

Free Trade's Newest Threats to Healthcare

Healthcare corporations push whenever they can for privatized healthcare, including support for international trade agreements that promote, expand and 'lock in' the privatization of services. The Free Trade Area of the Americas (FTAA) Services negotiations and the World Trade Organization's (WTO) General Agreement on Trade in Services (GATS) [along with the already existing North American Free Trade Agreement (NAFTA), which continues to pose the most direct threat to the Canadian Healthcare system] are key trade agreements that endanger public healthcare and hold enormous potential profit for corporate interests. A look at the GATS sheds light that at these various services negotiations, absolutely nothing, including health care, is off the bargaining table for potential privatization.

For starters, a 1999 report from the Canadian government stated that GATS consultations would proceed even in "areas of particular sensitivity, such as health, education, and transport." The Canadian healthcare market is seen as one of the largest "unopened oysters" in the world, and the GATS is one of the tools to pry it open.

Despite this, Canadian government officials say that public services like healthcare are currently exempt from the GATS, but in reality this is only for sectors completely financed by governments and run on a fully non-profit basis. As we have seen throughout this booklet, the Canadian healthcare sector is filled with for-profit companies such as MDS and Extendicare, ending any exemption for Canada's healthcare sector under strictly interpreted GATS rules. Since there is no exemption, Canadians have reason to worry about a GATS attack on Canadian Medicare:

Three examples of where the GATS could have a significant and detrimental affect on Canada's ability to preserve and renew Medicare (Adapted from the summary of *Reckless Abandon: Canada, the GATS, and the Future of Healthcare*)

1. **Canadian Health Insurance**: Unbelievably, the Canadian government already officially exposed Health Insurance to GATS rules, which constrains our ability to expand Medicare coverage to encompass health services already covered by private health insurance, for example home care and pharmacare. This means that if the Canadians decide in the future that home care should be publicly insured (as it should), government legislation to do so could be subject to GATS challenges and possible economic sanctions against Canada.

2. **Hospital Support Services**: When hospitals try to bring services like food, laundry, or maintenance back under public control in cases where private contracts prove too costly or are poorly run, new GATS rules could be used to challenge this "contracting in" as a so-called "unfair barrier" to foreign owned service corporations.

3. **Medical Services in Hospitals**: Though medical services in hospitals are currently protected from GATS rules, this protection may be undermined by other legislation which allows public funding of private for-profit hospitals. It is conceivable that a healthcare corporation like HCA could use Alberta's controversial Bill 11 and NAFTA to access public health funding from the Canadian government, and GATS rules could potentially extend these rights (including access to government subsidies) to all other foreign-owned corporations, eventually inundating health care with for-profit corporations and undermining -or worse, destroying- Medicare.

Health Corporations and their Corporate Lobby Groups

Where do the corporations fit into all this? Well, there are several powerful big business lobby groups, including the US Coalition of Service Industries (USCSI) and the Canadian Manufacturers & Exporters (CME), both of which are powerful advocates within the GATS and FTAA negotiations to ensure their needs are being met. They have direct access to top politicians in key departments, and often contribute directly to politicians' formulation of trade agreement policy. Corporations profiled in this booklet are either members of these lobby groups, (like CIGNA, which sits on the USCSI) or gain indirectly from policies that are implemented due the lobbying of these groups.

Canadian Government and the GATS

Because of the potentially disastrous effects that the GATS could have on the Canadian healthcare system, Ottawa must reverse its policy on GATS and make clear that it is in strict opposition to extending coverage of healthcare services in the GATS. It must clearly state that safeguarding Canada's healthcare system will never be compromised by the push to secure market access for Canadian health exports, such as those promoted by Interhealth Canada. While we cannot accept the legitimacy of the whole GATS negotiations process itself because it is undemocratic and harmful, this is especially true for a vital public service like healthcare.

Key Groups Opposing the Corporate Takeover of Healthcare in Canada

Contact these groups for more information or to get involved in their fight against privatized Medicare!

Canadian Auto Workers (CAW)
www.caw.ca
ph: 1-800-268-5763

Canadian Federation of Nurses Unions (CFNU)
www.nursesunions.ca
ph: 1-800-321-9821
email:cfnu@nursesunions.ca

Canadian Health Coalition
www.healthcoalition.ca
ph: 613-521-3400 x311#

Canadian Labour Congress
www.clc-ctc.ca
ph: 1-613.521.3400

Canadian Union of Public Employees (CUPE)
www.cupe.ca
ph: 613-237-1590

Coalition Solidarité Santé
ph: (514) 527-4577

Council of Canadians
www.canadians.org (click on "Health Campaign")
ph: 1-800-387-7177

Friends of Medicare Alberta
www.friendsofmedicare.ab.ca

Hospital Employees Union (CUPE affiliate in B.C.)
www.heu.org
ph: 604-438-5000

Manitoba Medical Alert Coalition
ph: 204-982-6127

National Union Public and General Employees (NUPGE)
www.nupge.ca
ph: 613-228-9800

Nova Scotia Government and General Employees Union
www.nsgeu.ns.ca

Ontario Council of Hospital Unions (CUPE Affiliate in Ontario)
ph: (416) 599-0770

Ontario Health Coalition
www.web.net/ohc
ph: 416-441-2502, email:ohc@sympatico.ca

Saskatchewan Health Coalition
ph: 306-652-0300

Service Employees International Union - Canada
www.seiu.ca
ph: 1-800-337-3798

Save Medicare
www.savemedicare.com

Youth for Medicare
www.youthformedicare.ca

Key Web-based Reports and Articles on the Problems of Healthcare Privatization

(click on any link to go directly to the article)

General Health Privatization

Profit is Not the Cure: A Call to Citizen's Action to Save Medicare - Maude Barlow
http://www.canadians.org/documents/profit_not_cure.pdf (PDF format)

Healthcare Ltd.
http://www.policyalternatives.ca/whatsnew/healthcareltdpr.html Summary + link to full report

Long Term Care

Canadian Health Coalition LTC Research page
http://www.healthcoalition.ca/ltc.html

Ownership Matters: Lessons from Ontario's Long Term-care Facilities
http://www.web.net/ohc/may26sum.htm

Home Care

Home Care: What We Have, What We Need – Colleen Fuller
http://www.healthcoalition.ca/nr5232001.html

Lab Services

MDS Corporate Profile
http://www.polarisinstitute.org/corp_profiles/public_service_gats/corp_profile_ps_mds.html

Health Maintenance Organizations (HMOs)

The HMO Page - http://www.hmopage.org

Hospitals

Build Hospitals for People Not for Profits *Hospital Employees Union*
Go to http://www.heu.org and click on "Publications" and then "Special Reports".

HCA corporate profile
http://www.polarisinstitute.org/corp_profiles/public_service_gats/corp_profile_ps_hca.html

Canadian Healthcare Export

Interhealth Canada Corporate Profile
http://www.polarisinstitute.org/corp_profiles/public_service_gats/corp_profile_ps_interheal.html

"Healthcare in Canada, Market Access Abroad: Our Government's Conflicting Agendas" (Chapter 2 in Matt Sanger's Reckless Abandon) Available from the Canadian Centre for Policy Alternatives (http://www.policyalternatives.ca)

Healthcare & the General Agreement on Trade in Services

Reckless Abandon: Canada, the GATS and the Future of Healthcare – summary

http://www.policyalternatives.ca/publications/reckless-abandon-summary.pdf (PDF format)

Healthcare - International

International Case Studies for For-Profit Healthcare Reform – NUPGE

http://www.nupge.ca/publications/medicare_international_case_studies.pdf (PDF format)

Ideas for Action: How you can get involved in the fight against the corporate takeover of Canadian Medicare

1. Community Healthcare Watch - Organize a Community Healthcare Watch Committee in your own city or town composed of people from a variety of community organizations including healthcare workers. If such a coalition already exists in your community, join and actively participate. An inspiring example activity: the citizens of Revelstoke, B.C. successfully set up a 24-hour "security watch" at a local seniors' residence to prevent the government from secretly removing residents in the middle of the night to prepare for the centre's closure.

2. Do a survey of public healthcare assets - Conduct a survey of public healthcare assets in your city or town -- hospitals, clinics, labs, long-term care and other healthcare facilities. Develop community based strategies to protect and defend these public assets from closure, privatization, or corporate takeover.

3. Identify and challenge local healthcare corporations - Identify any for-profit healthcare corporations [such as those found in this booklet] that may be located in your city, town, or region. Do some background research on their operations. Develop community-based action strategies to unmask and expose their track record, and coordinate actions to challenge their operations, supply lines or shareholder meetings. An action might be to hold a community corporate tour, inviting the public to see exactly where these privateers are located.

4. Challenge the politicians who are so heavily tied to the private healthcare industry. - Write letters, call your MP, or organize demonstrations or other coordinated actions to expose and challenge the politicians and political parties tied to such companies as Interhealth, Comcare, or Extendicare.

5. See the Polaris Institute's "Challenging Healthcare Privatization: Ideas for Action" at www.polarisinstitute.org/polaris_project/public_service/h_c_action/h_c_action.html or contact us directly.

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