Executive Summary;
The Creeping Privatization of Health Care in New Brunswick

NB Health Coalition

February 2017

Introduction

As the New Brunswick government struggles to fund health care services, it has followed the regressive footsteps of other governments across the country and the world by turning to privatization as a potential solution. This paper sets out to describe the current context in New Brunswick with regard to the worrisome trend. It also illustrates the consequences of privatizing health care services and lays out recommendations for alternatives that can transform health care to make it more effective and cost efficient while keeping services public.

The research for this report for the New Brunswick Health Coalition was conducted from June to October 2016. Information was gathered from media reports, documents and interviews with unions representing health care workers, the NB Health Council, health coalitions in other provinces, Statistics Canada, health research institutes and peer-reviewed journals. Information requests were also submitted to government, but significant details about plans which included privately operated organizations had significant portions of documents blacked out. This demonstrates how public accountability and transparency is compromised by the involvement in health care of a third party with private interests.

A dream still in the making: free health care for all

Proponents of privatization in health care or politicians sometimes argue that private delivery of health services is nothing to fear; saying it has always existed in the system. However, a more complete public ownership of health care in Canada is a dream that has yet to be fully realized and is the path to addressing the challenges faced by New Brunswick and Canada as a whole. Other countries, such as Sweden, have had success with national health systems that have even more public ownership, funding and management than Canada (Maitzkin and Hellander, 2016).

Tommy Douglas, credited as the founder of Medicare in Canada and voted “The Greatest Canadian” in a nation-wide survey of CBC viewers, gave a speech in 1984 outlining his vision for the future of Medicare. In that speech he describes a goal of expanding Medicare to include things like community clinics focused on prevention and wellness as well as prescription drug costs and other services still covered by private plans today. A progressive health care system was created in Canada but more work needs to be done to ensure equal access (Silnicki, 2014).

Tommy Douglas, founder of Medicare.

Scan of health services and privatization schemes in New Brunswick

Prevention-based primary health care system

Primary health care is an under-developed sector of New Brunswick’s health care system, but holds much potential for improving the overall health status of New Brunswickers as well as reducing costs. The NB Health Council recommended in their 2014 report card that a concerted strategy be developed to improve health promotion and disease prevention in the province: "This strategy should consider the determinants of health, and focus first on four key areas: achieving healthy weights, lowering high blood pressure rates, improving mental health and preventing injuries."

The government of New Brunswick has done some community health needs assessments and begun assembling family health teams. However, a more comprehensive approach to prevention-based primary health care is needed. Building a prevention-based primary health care system will reduce emergency room visits, stays in hospitals and chronic diseases, which are costly to treat (NB Health Council's 2015 Primary Health Survey). Instead of taking on this responsibility themselves, government has been looking to private industry to fill this gap.

The New Brunswick government must allocate adequate resources to developing a comprehensive public prevention-based primary health care system. A network of community health clinics is an essential piece of a primary health care system. These clinics have a sound knowledge of their patients and community; use clinical guidelines and provide evidence-based care; use and share information through electronic medical records; and have effective patient flow processes.

Senior care

Nursing home care in New Brunswick is currently a mix of public and private service. There are 62 homes operated by the non-profit sector and 3 owned and operated by the private sector. The non-profit sector receives much of its funding from government, but the private sector will be involved more deeply in this kind of care, because the Gallant government has announced that all new nursing homes will be Public-Private Partnerships (P3s).

Numerous auditor general reports throughout Canada, including New Brunswick's have criticized P3s. These reports mention how profit affects services and leads to frequent cost overruns and compromised transparency and quality of care (CCPA, 2015). A report by New Brunswick's Auditor General argues that comprehensive long-term plan is needed to care for our aging population and must include a multi-faceted solution involving nursing homes, other long-term care facilities, extra-mural care, family support and other options.

Nursing home care is not the only health care service required by seniors. A 2015 poll done for the Canadian Alliance for Long Term Care, a body representing long term care providers that deliver publicly-funded health care services, confirms that a majority of Canadians want the federal government to take action to help ensure that seniors have access to long-term care.

More comprehensive long-term care services, such as respite cay centres and home care will reduce the pressures on nursing homes and hospitals. The absence of a centralized strategy for long-term care results in higher costs for both users and the government, services that are not comprehensive and a lower quality standard of care.

Extra-mural care

New Brunswick's extra-mural program provides home health services to New Brunswickers of all ages in their homes and communities. The program was set up to be an alternative to hospital admissions, to promote early hospital discharges and to provide seniors with an alternative to or delay in entering nursing homes. The services are publicly funded and delivered through the regional health authorities.

The New Brunswick government announced in February 2016 that they had signed a Memorandum of Understanding with Medavie EMS to explore combining extra-mural services with services that it already manages, Ambulance New Brunswick and Tele-Care 811 (Huddle, 2016). Medavie EMS, a private non-

profit company and subsidiary of Medavie Inc., a large organization with operations across Canada and beyond, does not have the same accountability as government does to the public. The profits it generates are not re-invested in the public good and do not stay within the province, the same way that a public corporation must invest their returns back into public coffers. The returns are instead held in trust, unused or only used to serve the interests of Medavie EMS.

Extra-mural services in New Brunswick have been viewed as a leading model for alternative health care delivery in Canada. Rather than turning it over to private management, it should remain within the public sphere and be expanded to increase efficiency within our present system. Such an expansion could also help address issues within the senior care sector.

Prescription drug coverage

Canada is the only developed country with a universal health care system that does not include universal prescription drug benefits. One in five Canadians struggle to fill prescriptions due to cost, while pharmaceuticals are some of the world's most profitable corporations (Butler, 2016). The New Brunswick Drug Plan, instituted on May 1, 2014, is intended to provide coverage for uninsured New Brunswickers. The plan's costs was to be covered by plan members, government and employers who did not have a workplace drug plan. The business lobby, spearheaded by the Canadian Federation of Independent Businesses, forced the government to back down and it is now funded only by government and members of the plan.

The New Brunswick Drug Plan is an improvement to the previous system that left approximately 70,000 New Brunswick families with no drug coverage at all (New Brunswick Nurses Union). However, it is being managed not by the province, but by Medavie Blue Cross. It is not cost efficient, since there are a limited number of participants and although premiums are based on income, it is still costly for plan members.

The province has announced plans to consolidate this plan with other provincial plans, but as Health Minister Victor Boudreau has admitted: "Some of them have different maximums, they may have different co-pays, they may have different premiums, some there are no premiums, some there are premiums based on income... there are going to be winners and losers because we are going to have to make some adjustments, which means some people are going to be affected either positively or negatively... It's virtually impossible for that not to happen if you're trying to bring 14 plans into one" (Huras, 2015).

Additional measures must be taken to improve access to prescription medication, specifically, a national universal pharmacare program must be implemented. Using CIHI data professor Steve Morgan has estimated that a national pharmacare program could save New Brunswick roughly $180 million/year (Mackenzie, 2016).

Blood plasma

Over 30,000 Canadians were infected with HIV and Hepatitis C through blood transfusions in the 1980s and early 1990s. A Royal Commission Inquiry chaired by Justice Horace Krever on the blood scandal recommended the creation of a new blood agency and stricter regulations. Justice Krever's report said that the Canadian blood supply should be governed by five basic

principles: blood is a public resource, donors should not be paid, sufficient blood should be collected to preclude imports from other countries, access to blood and blood products should be free and universal, and safety of the blood supply system is paramount.

Only Quebec and Ontario forbid the sale of blood plasma. New Brunswick is set to become the next location of a private blood plasma company. Canadian Plasma Resources, a private company that operates in Saskatchewan, wants to open a plasma clinic in Moncton in 2017. The clinic would pay blood plasma donors with a $25 VISA gift card for each donation. The New Brunswick government supports the company and has offered payroll rebates to set up a $40 million clinic.

Studies have shown that people no longer voluntarily donate their plasma once payment for plasma starts and competition between voluntary non-profit blood agencies and for-profit companies that paid donors led to a shortage in blood supply in Austria and Germany in 2006 and 2007 (Canadian Health Coalition, 2016). Selling blood to the U.S. is further worrisome because of free trade agreements like NAFTA that could stop Canada from storing its plasma for domestic use since it may force its continued sale to the U.S. Canada may not be able to safeguard its own supply in the event of a plasma shortage or crisis (Canadian Health Coalition, 2016).

The New Brunswick government has a duty to protect the health of its citizens and should ban payment for plasma, recognizing that payment impacts the safety of plasma products and prohibiting the operations of Canadian Plasma Resources in our province. They should instead work with Canadian Blood Services to develop a strategy to increase unpaid plasma clinics in Canada and move toward self-sufficiency in plasma supply.

Laundry, cleaning, portering and food services

The New Brunswick government announced intentions to centralize laundry services and privatize the management of cleaning and food services in New Brunswick hospitals in 2013 (Bishop, 2016; CUPE 1252, 2015). Privatizing such services is linked to dirty hospitals, a rise in hospital-acquired infections and poor quality food, which endanger the health and well-being of patients (CUPE 1252, 2015).

The New Brunswick government has recently looked to British Columbia for advice on how to privatize public services. In 2002, the B.C. government passed Bill 29, allowing health authorities to override existing union contracts and contract out services such as food and cleaning services. Cleaning services in fourteen hospitals were outsourced. Within a year of the privatization in B.C.'s hospitals, there were media reports of dirty hospitals and the spread of bacteria, such as C. difficile, that tragically led to patient deaths (CUPE 1252, 2015).

The New Brunswick government has signed a contract with Sodexo, a multinational for-profit company, to manage these services. The Bathurst Chaleur Regional Hospital did have Aramark providing kitchen services but the services were brought back inside the hospital last year when Vitalité did not renew their contract. According to the New Brunswick Health Council, New Brunswick hospitals have maintained a low incidence of hospital-acquired infections compared to other places in Canada. In order to protect our citizens, the New Brunswick Government must revisit and abandon their plans to outsource these services to the private sector.

Consequences of health care privatization

In addition to the consequences outlined in each of the above sections, this paper highlights evidence that privatization schemes have led to negative health outcomes for patients and poor working conditions for health care workers. It discusses the impacts of losing services in rural communities, leading to accessibility issues and limiting rural job opportunities. The negative consequences of privatization are disproportionately borne by seniors, women and minority groups. Privatization also poses a threat to New Brunswickers being able to receive health care services in the official language of their choice.

Conclusions and Recommendations

The following recommendations of the New Brunswick Health Coalition illustrate an alternative path to privatization. A path that leads not only to economic saves for a cash-strapped government, but to improved health of the New Brunswick population.

1. The New Brunswick government along with the other provinces and territories negotiate a new Canada Health Accord with the Canadian government that provides adequate health transfers to the provinces;

2. The New Brunswick government develop a public prevention-based primary health care system;

3. The New Brunswick government invest in community primary health clinics to expand services and ensure integrated services.

4. The New Brunswick government invest in public long-term care facilities and abandon the P3 model in long-term care facilities;

5. The New Brunswick government support the different care needs of seniors, including dementia care;

6. The New Brunswick government invest in accelerating the implementation of the Home First Strategy;

7. The New Brunswick government invest more in extramural care, day programs, assisted-living spaces and respite care;

8. The New Brunswick government not sign an agreement with Medavie EMS to take over the extra-mural and Telecare programs;

9. The New Brunswick government expand the New Brunswick Drug Plan to include more drugs and medical equipment;

10. The New Brunswick government continue to administer the New Brunswick Drug Plan;

11. The Canadian government develop a national universal pharmacare program;

12. The Canadian government protect health care including drug coverage from international trade agreements.

13. The Canadian government deny a license to Canadian Plasma Resources and other companies that propose to pay donors for blood, plasma or other blood product;

14. The New Brunswick government regulate payment for plasma as a safety issue, recognizing that payment impacts the safety of plasma products;

15. The New Brunswick and Canadian governments work with Canadian Blood Services to develop a strategy to increase unpaid plasma clinics in Canada and move toward self-sufficiency in plasma supply;

16. The New Brunswick government keep laundry and the management of hospital cleaning and food services in-house and public;

17. The New Brunswick government adequately fund healthy food for hospital patients and long-term care residents and abandon "rethermalized" food and prepare fresh food in the facility's kitchens.