

Higher Death Rates in For-Profit Hospitals

MEDIA COVERAGE

===== < <http://medicare.ca> > =====

1. Toronto Star (May 28, 2002)
"More die in for-profit hospitals, study says"
Authors say bottom line means more than hiring talent
By Prithi Yelaja
2. Globe and Mail (May 28, 2002)
Death rate 2% higher in for-profit hospitals
At least 2,200 more Canadians would die if U.S. system were adopted, study says
By André Picard
3. National Post (May 28, 2002)
For-profit hospitals have higher risk of death: study
'These findings should help Canadians re-embrace the concept of universal health care system':
'Not a solution'
By Tom Arnold
4. Canadian Press (May 27, 2002)
Study links for-profit care, high death rates
Hospital death rates could rise by up to 2,200 a year, researchers claim

===== < <http://medicare.ca> > =====

1. _____

Toronto Star (May 28, 2002)
"More die in for-profit hospitals, study says"
Authors say bottom line means more than hiring talent
By Prithi Yelaja

Hospital deaths would increase by as many as 2,200 a year if Canada introduced U.S.-style private for-profit hospitals into the health-care system, a new study suggests.

The results should send a sobering message to those advocating private-sector solutions for Canada's health-care system, said lead author, Dr. Philip Devereaux, a cardiologist at McMaster University.

"(Alberta Premier) Ralph Klein has indicated at the last premiers' conference, that he did not think that the public cared who delivered their care as long as it remained government funded," he said.

"Our research suggests that in fact the public should care."

The team of 17 researchers, mainly from the universities of Toronto, Buffalo and McMaster, analyzed 15 American studies comparing death rates in for-profit hospitals with those in not-for-profit ones.

The studies included data on 38 million patients in 26,000 hospitals between 1982 and 1995.

The death rate in for-profit hospitals was 2 per cent higher than in not-for-profit facilities, the data found.

The explanation for the difference in death rates between the two types of hospitals is simple, said Devereaux, whose research is published today in the Canadian Medical Association Journal.

Hospitals that must typically achieve a 10 to 15 per cent profit margin for shareholders, as well as pay taxes (not-for-profit hospital don't pay taxes), spent less money on hiring highly skilled doctors, nurses, pharmacists and other health-care staff.

Although the study involved U.S. data, the findings are directly relevant to Canada, because many of the same large American hospital chains included in the study would likely be bidding for Canadian hospitals if they were put up for sale, the researchers said.

"Although our health-care system may not be perfect, this is not one of the solutions," said Devereaux. "It seems clear that this changeover ... will make our system worse."

The study flies in the face of comments from Canadian policy-makers, including Senator Michael Kirby and Health Minister Anne McLellan, who have stated that ownership of hospitals doesn't matter as long as they remain government-funded and care is delivered efficiently and cheaply, said Michael McBane, co-ordinator of the Canadian Health Coalition, a national watchdog group on health that represents nurse, seniors, churches and unions.

"To open for-profit hospitals in light of this study would be highly unethical and bordering on the criminal," he said.

2. _____

Globe and Mail (May 28, 2002)

Death rate 2% higher in for-profit hospitals

At least 2,200 more Canadians would die if U.S. system were adopted, study says

By André Picard

Patients in for-profit hospitals are more likely to die than those cared for at not-for-profit facilities, a new Canadian study says.

The research, which adds a new twist to the continuing debate about privatization in the health-care sector, suggests that at least 2,200 more Canadians would die needlessly each year if this country's hospitals were privatized.

P. J. Devereaux of the department of clinical biostatistics and epidemiology at McMaster University in Hamilton and the lead author of the study, said that, overall, the death rate is about 2 per cent higher in for-profit hospitals even though not-for-profit hospitals tend to have sicker patients.

He said profit-oriented hospitals likely have a higher death rate because they save money by hiring less qualified staff, such as nursing aides instead of registered nurses.

"The reality is that they need a return of 10-15 per cent, and the easiest way to do that is to cut corners on higher skilled personnel, which is the biggest expense in a hospital," Dr. Devereaux said.

The researcher said he is fully expecting to be attacked by proponents of privatization but said "no one is questioning the scientific validity of the results, except to say we may have underestimated the death rate in for-profit hospitals."

But opponents of privatization were far swifter in their reaction than proponents.

"Based on these findings, we believe that any move to privatize hospitals in Canada would be unethical and bordering on criminally negligent," said Michael McBane of the Canadian Health Coalition.

The research, published in today's edition of the Canadian Medical Association Journal, is a meta-analysis, meaning it is a compilation of previously published data. The research team compiled the results of 15 studies comparing care in U.S. for-profit and not-for-profit hospitals; the research covers 38 million patients in 26,000 hospitals.

In the United States, about 10 per cent of hospitals are for-profit institutions, 70 per cent are not-for-profits and the remaining 20 per cent are public institutions. In Canada, 95 per cent of hospitals are not-for-profit institutions with charitable status that are government-financed, and the balance (largely psychiatric institutions) are provincially run.

Dr. Devereaux said the U.S. findings apply here for a number of reasons. First, all the patients in the studies who were examined were enrolled in the medicare program, meaning their care was paid for by the state or federal government, just as it is in Canada.

The figures were compiled from a period of 15 years, during which time the health system changed dramatically, but death rates remained consistent.

Finally, Dr. Devereaux said, if Canadian hospitals were privatized, the most likely owners would be U.S.-based multinationals.

"The data clearly show that private, for-profit care is not a good option for us. Privatization would not improve the quality of health care, it would make it worse," he said.

However, Dr. Devereaux quickly added that "this shouldn't be read as a defence of the status quo."

In recent months, a number of high-profile figures, including federal Health Minister Anne McLellan and Senator Michael Kirby, have suggested that Canadians don't care if health care is privately delivered as long as basic services are publicly funded.

In a commentary, also published in today's CMA Journal, David Naylor, dean of the faculty of medicine at the University of Toronto, takes issue with that view, saying that the new study provides devastating proof that care will suffer.

"Does anyone still want to contract out large segments of our publicly financed health-care system to for-profit U.S. hospitals after reading this article? I hope not," he said.

Dr. Naylor said the data should remind Canadians of why they have a medicare system.

"In my view, these findings should also help Canadians re-embrace the core concept of a universal health-care system in which the vast majority of services are provided by non-profit institutions with public accountability," he said.

This year, Canadians will spend about \$105-billion on health care, according to the Canadian Institute for Health Information.

About 70 per cent of spending comes from the public purse, and the other 30 per cent is financed privately.

About 53 cents of every health-care dollar goes to hospitals and similar institutions like nursing homes.

3. _____

National Post (May 28, 2002)

For-profit hospitals have higher risk of death: study

'These findings should help Canadians re-embrace the concept of universal health care system': 'Not a solution'

By Tom Arnold

Patients in U.S. for-profit hospitals face a significantly higher risk of dying than those who enter not-for-profit hospitals, a Canadian study has found.

The research concludes that if private, for-profit hospitals were introduced in Canada, hospital deaths would increase by as many as 2,200 a year.

In an accompanying perinatal study, researchers found there was a 10% increased risk of death among children under 28 days in private for-profit hospitals.

The authors say the results should send a sobering message to those supportive of letting the private sector into Canada's ailing health care system. The report is likely to provide new fuel to the debate over whether to permit more private, for-profit health care delivery in Canada.

While many recent health care commissions, including the special Senate committee led by Liberal Senator Michael Kirby, have suggested Canada's health system should be publicly financed, they have been more open to the idea of allowing for-profit companies to offer services.

The study is published in today's issue of the Canadian Medical Association Journal.

A 17-member research team, mostly based at McMaster University in Hamilton, examined 15 studies comparing death rates in for-profit hospitals to those in not-for-profit facilities. About 38 million patients in 26,000 American hospitals were included. Conducted over a 13-year period, from 1982 to 1995, it found the residents had a 2% higher relative risk of dying in a for-profit facility.

"The Canadian health care system is at a crucial juncture with many individuals suggesting that we would be better served by private, for-profit health care delivery," the research concludes. "Our systematic review raises concerns about the potential negative health outcomes associated with private for-profit hospital care."

Dr. P.J. Devereaux, a cardiologist at McMaster University who is the paper's lead author, added: "We urge all health care policy makers to consider health outcomes, not just economic factors when making decisions about Canada's hospitals."

Dr. Devereaux said for-profit hospitals must typically achieve a 10% to 15% profit margin to deliver bonuses to senior administrators, so to ease cost pressures they tend to hire less highly skilled personnel, including doctors, nurses and pharmacists.

"Within the debate of Bill 11 (in Alberta) everyone was talking about the issue of cost, will it lead to two-tier medicine and what's the implications of NAFTA," said Dr. Devereaux, explaining why he pursued the research. "No one was discussing the health outcomes, and as a physician obviously that's what I was most interested in."

"Everyone keeps hearing privatization is the answer. Our research is not a defence of the status quo for health care. All it is saying is that one of the things that we've been considering in terms of change is not a solution. It's going to make it worse."

The Alberta law allows private clinics to offer surgeries requiring overnight stays. Critics claimed it opened the door to privatized health care, while the government said it protects medicare.

During the Alberta debate, in 2000, the Fraser Institute released a paper titled How Private Hospital Competition Can Improve Canadian Health Care. It examined data from 15 U.S. studies and concluded the findings provided a strong case for private hospitals. Of the studies reviewed, eight showed that private hospitals performed better, three found that public hospitals performed better and four revealed no difference in performance. Mortality rates were not studied.

John R. Graham, a senior analyst with the institute, did not want to comment on the research until he read it. "Right now we're forbidding people from making a choice as to what kind of a hospital to go to. So at least let's let people make a choice for themselves. Let's not have 17 authors in one article make that choice for every Canadian."

In an accompanying editorial in the medical journal, Dr. David Naylor, dean of medicine at the University of Toronto, asks: "Does anyone still want to contract out large segments of our publicly financed health care system to for-profit U.S. hospital chains after reading this article? I hope not."

"In my view, these findings should also help Canadians re-embrace the core concept of a universal health care system in which the vast majority of services are provided by non-profit institutions with public accountability. Beyond that affirmation, let the medicare debate continue."

Dr. Devereaux said the research is objective. The research team initially identified more than 8,000 potentially eligible publications. Since the issue is the subject of a "highly politicized debate," researchers selected the eligible studies after the actual findings were blacked out.

4. _____

Canadian Press (May 27, 2002)
Study links for-profit care, high death rates
Hospital death rates could rise by up to 2,200 a year, researchers claim

Death rates would rise if Canada allowed for-profit hospitals, study says Introducing private, for-profit hospitals into the Canadian health-care system would increase hospital deaths by as many as 2,200 a year, a new study suggests.

A consortium of researchers from Canada and the United States jointly analysed 15 American studies comparing death rates in for-profit hospitals to those of not-for-profit institutions. The studies, which included data on 38 million patients in 26,000 hospitals over a time span of 15 years, showed the death rate in for-profit hospitals was two per cent higher than that of not-for-profit institutions.

The researchers applied that two-per-cent figure to the number of Canadians who die in hospital each year - currently about 108,000 - to come up with the estimate of the impact for-profit hospitals would have on hospital mortality rates in this country.

The results, published Tuesday in the Canadian Medical Association Journal, should send a sobering message to those keen on inviting the private sector to play a greater role in Canada's ailing health-care system, the authors say.

"(Alberta Premier) Ralph Klein has indicated at the last premiers conference that he did not think that the public cared who delivered their care, as long as it remained government funded," said lead author Dr. Philip Devereaux.

"Our research suggests that in fact the public should care."

The impact of a two-per-cent increase in deaths - which the authors believe is a conservative estimate - is roughly equivalent to the number of Canadians who die in motor vehicle accidents or commit suicide each year, noted Devereaux, a cardiologist at McMaster University in Hamilton.

"I think that within this debate people have been hearing for so long that privatization is the answer, i.e. private for-profit, that people have started to accept it," he said at a news conference.

"And that's why I think it's important to hear the results and to step back and think about that. And say: 'Why would we consider switching to this?'"

While the findings will undoubtedly play a role in the ongoing debate over the future of health care in this country, not everyone was willing to acknowledge that what has played out in the United States would play out in Canada.

Dr. Wilbert Keon, a prominent Ottawa heart surgeon and a member of the Senate, agreed a two-per-cent higher mortality rate in for-profit hospitals would be unacceptable in the Canadian context.

But Keon, who recently said it was time for Canadians to embrace private health care, said that if hospitals in this country were privatized they would have to meet strict quality standards set by a federal agency. And he insisted it is too soon to eliminate options in the search to find new ways to inject cash into the struggling health-care system.

"I think this study is well done, by very good people. But I do think we have to keep an open mind. And I think we do have to look at ways of delivering quality care at a reduced cost," Keon said.

Still, the findings convinced the dean of medicine at the University of Toronto, who was not involved in the study.

"Does anyone still want to contract out large segments of our publicly financed health-care system to for-profit U.S. hospital chains after reading this article? I hope not," Dr. David Naylor wrote in a commentary on the article also featured in this week's journal.

The team of 17 researchers, who are mainly from McMaster and the universities of Toronto and Buffalo, N.Y., set out to find out if there were any health consequences of delivering hospital care in a for-profit setting.

So they did what's known as a meta-analysis, searching for all studies comparing death rates in for-profit versus not-for-profit hospitals in the United States. The idea behind a meta-analysis is to connect the dots, to group all relevant research on a topic together so that scientists can see the big picture rather than focus on one individual finding.

Because the issue is so politically charged, they decided to initially "mask" the studies - blocking out the outcome so that researchers could not be tempted to include or exclude studies based on what they found rather than what they looked at and how they were conducted.

Fifteen studies met the criteria and were included in the meta-analysis. All but one study showed higher death rates in for-profit hospitals.

The reason seemed clear, Devereaux said: Hospitals that had to both generate profits for shareholders and pay taxes - not-for-profit hospitals didn't pay taxes - spent less money on nurses, doctors, pharmacists and other health-care professionals.

"To maintain the profits . . . corners are being cut on the delivery of health care, which is directly important to actual health outcomes."

The authors believe the results are applicable to Canada, pointing out that the U.S. multinationals who own the for-profit hospitals in the American system would likely be the buyers if Canadian hospitals were put on the block.

The study, which cost roughly \$55,000 to conduct, was funded through an Atkinson Foundation research grant and a Hamilton Health Sciences research development grant.