A SNAPSHOT OF THE IMPACT OF THE GROWTH OF
PRIVATE SURGERY CLINICS IN ALBERTA
ON PATIENTS AND PUBLIC PLAN MEMBERS (2002)


Some unexpected results:

- higher prices
- higher costs
- less coverage
- less choice
- longer waits
- loss of public scrutiny
- loss of public confidence
Alberta Minister of Hospital Services refuses to publicly fund facility (operating) costs of first private surgery clinic due to lack of evidence of cost savings, but physicians allowed to bill professional fees similar to fees charged in hospital to public plan.

1984 New Canada Health Act bans extra billing, but Alberta non-compliant.

1986 Extra billing in Alberta hospitals ends with agreement with Alberta Medical Association, but unregulated patient charges for “facility fees” at private clinics and double-dipping continues - fuels growth of clinics.

1994 Influx of new competitors, market saturation, and dropping volumes leads to pressure for private clinic access to more Medicare dollars through contracts with new RHAs and aggressive marketing of new uninsured laser surgeries.

1996 Federal ban on patient charges for facility fees by Diane Marleau, but new Federal Minister David Dingwall allows patient charges for physician recommended extras related to the provision of publicly paid surgeries.

1999 100% of all publicly insured eye surgery (including cataracts) contracted out to private surgery clinics in Calgary.
Note: CPSA data only reflects general categories of procedures at time of accreditation - not current activities.

As of 06/98 there were 49 accredited Non-Hospital Surgical Facilities (NHSF) or private day surgery clinics in Alberta: 26 listed as generally providing dental surgery only and 23 listed as “other” (which could include dental surgery as well), but few details are available from the College. The first cataract surgery outside a public hospital in Alberta was performed in a dental surgery clinic.

They are called “non-hospital” facilities because Alberta Legislation requires the province to cover all the costs of “hospital” services, and no facility can call itself a hospital without the permission of the Minister of Health.

Private surgical facilities in Alberta provide both publicly insured and non-insured procedures including orthopedic and general surgery, ear, nose and throat, gynecology, plastics, urology, ophthalmology, and podiatry procedures.
1994 CONSUMER GROUP TELEPHONE SURVEY OF WAITING TIMES FOR (NO COST) CATARACT SURGERY IN PUBLIC HOSPITALS

BACKGROUND INFORMATION

♦ More than 1 in 4 Albertans advised to have cataract surgery were paying unregulated market prices for cataract surgery in a number of private surgical centres owned and run by doctors. Surgeons and anesthetists in these clinics also billed the provincial Medical plan for their professional fees but few patients were aware of this fact.

♦ Constant media reports of routine 2 years waits for cataract surgery in all public hospitals were driving Alberta seniors to private eye clinics, but information reported to Consumers’ Association by callers. Long waiting times cited by private clinic operators as rationale for proposed tax breaks for private clinics – i.e. proposed Gimbel Foundation Bill.

♦ No information on waiting times for cataract surgery with individual surgeons available from Alberta Health, Medical Association or the College of Physicians and Surgeons.

SURPRISING RESULTS

♦ Routine waits of 2 years for no cost hospital based surgery were not the norm. Waiting times for cataract surgery performed by surgeons who regularly performed this procedure as part of their practice and only operated in public hospitals were **2 - 8 weeks with 6 weeks being the average**. Longer waits for fully paid cataract surgery in public hospitals (up to 18 months) were only encountered by patients whose surgeons also offered a shorter wait in a private clinic for private payment.

♦ Fees charged to patients in private clinics ranged from $700-$1275 per eye. Surgeons and anesthetists also billed Alberta Health fees of $700 plus.

♦ Patient charges called “facility fees”, originally intended to cover the operating costs of the clinic, were 2 to 2 ½ times the tracked per case costs in two public facilities (hospitals).

♦ Alberta had highest rate of cataract surgery per 1000 population in Canada – more than double that of Quebec. 1991 figures showed 1/3 patients going to private clinics.

♦ Most cataract surgery done by outpatient day surgery in both hospital and private clinics.
4 YEARS LATER: 1998 SURVEY OF WAITING TIMES FOR PUBLICLY INSURED CATARACT SURGERY IN 3 ALBERTA HEALTH AUTHORITIES

POST BAN ON “FACILITY FEES”, CREATION OF REGIONAL HEALTH AUTHORITIES IN 1995 AND NEW CONTRACTING OUT TO PRIVATE SURGERY FACILITIES IN EDMONTON AND CALGARY.

Calgary RHA (100% of procedures contracted to private clinics)
♦ 1 surgeon to 37,000 covered population in Calgary
♦ Minimum reported waits by surgeon ranged from 1 to 40 weeks
♦ The “average” of all reported waiting times was 16 to 24 weeks
♦ 56% of surgeons’ offices reported waits <12 weeks in Calgary

Edmonton RHA (80% in public hospitals and 20% contracted out)
♦ 1 surgeon to 51,000 covered population in Edmonton
♦ Minimum reported waits by surgeon ranged from 2-8 weeks
♦ The “average” of reporting waiting time was 2 to 8 weeks
♦ 87% of surgeons’ offices reported waits <12 weeks in Edmonton

Lethbridge RHA (100% performed in public hospitals)
♦ 1 surgeon to 49,000 covered population in Lethbridge
♦ Minimum waits ranged from 1 to 8 weeks in Lethbridge
♦ The “average” of reported waiting times was 4 to 7 weeks
♦ 100% of surgeons’ reported waits of < 12 weeks in Lethbridge
In July 1996, private clinics in Alberta were no longer allowed to charge patients “facility fees” but many patients reported still being charged at private clinics. It turned out that many surgeons were recommending patients purchase an “enhanced” or “foldable” lens implants in lieu of implants covered under Medicare. Claimed benefits of these implants included: less risk to potential temporary or permanent loss of eyesight (less infection, complications), better vision and less pain and discomfort. Despite many surgeons in Calgary and Edmonton recommending patients purchase these implants, they also advised local public hospital administrators these implants were not a substantial improvement and should not be paid by the public system.

Private Delivery Model: Calgary
- 18 out of 23 surgeons (78%) charged $250 to $750 per eye
- Most commonly reported price was $400 per eye
- 3 of 18 offered a shorter wait for purchase of this option (illegal)

Mixed Delivery Model: Edmonton
- 6 out of 15 surgeons (40%) charged $250 to $425 per eye
- Most commonly reported price was $250 per eye

Public Delivery Model: Lethbridge
- 0 out of 3 surgeons charge patients for this “option”, instead the same advertised implants are routinely provided at no charge and purchased by the local hospital for a wholesale price of under $100.

Testing Claims: the Consumers’ Association formally requested that the Alberta Foundation for Medical Research review the medical literature to assess the evidence to support the claims being made to patients. The agency reported that multiple types of newer “foldable” implants had not been evaluated for long term outcomes and there were a number of trade-offs. The benefits and risk of each type of implant (of which there were many) varied according to a number of complex factors such as the unique anatomy and condition of the patient’s eye, the material in the manufacture of the implant and the surgeon’s skill and experience. (i.e. too technical for sale in retail markets)
Consumers’ Association of Canada (Alberta)

THE MIRACLE OF REPACKAGING

A time line of patient charges and public subsidies of private surgery clinics in Alberta

1980 - 1986
SURGEON & ANESTHETIST PROF. FEES PAID BY PUBLIC PLAN
PATIENT CHARGES (up to $800) CALLED “EXTRA BILLING”

1986 - 1996
SURGEON & ANESTHETIST PROF. FEES PAID BY PUBLIC PLAN
PATIENT CHARGES ($700-$1275) CALLED “FACILITY FEES”

1996 – 2000
SURGEON AND ANESTHETIST FEES PAID BY PUBLIC PLAN
PER CASE FACILITY FEES PAID BY RHA (reported $500-$600)
PATIENT CHARGES (up to $750) CALLED “ENHANCEMENT FEES”

NOTE: A public outcry over the inequities in charges among RHAs for “foldable” or “enhanced” cataract lens implants with the publication of the Consumers’ Association Report in Jan. 2000 led to Alberta Health covering these implants in all regions -at wholesale prices.
A CONSUMER NIGHTMARE: the story of Mr. Smith (alias)

Mr. Smith, 74, was referred to a certain cataract surgeon by his optometrist whom he trusted. His eyesight was failing badly and both eyes were affected. “I was worried about driving, particularly with the grandkids.”

At his appointment, the surgeon gave him written information about the benefits of a “foldable” lens implant which would cost an extra $250 per eye and told him the choice of was up to him. Mr. Smith was shocked. He hadn’t anticipated there would be a cost - nor did he feel he had the expertise to judge. So Mr. Smith asked the surgeon what he would do - and took his advice to pay the extra. Besides, Mr. Smith didn’t want to delay his surgery that was only scheduled for 3 weeks away.

Once he got home, Mr. Smith began talking to friends who’d had cataract surgery with the regular lens implant who were very satisfied. He began to wonder about the wisdom of his choice. Since he was facing a big increase in property taxes and his income was limited Mr. Smith tried to find out more information with little success. So he called the surgeon’s office and told the receptionist he had been reconsidering. He requested that she tell the surgeon that if both types of implants were going to be available at the hospital, he’d like another chance to speak with the doctor before to see exactly how much of a difference this lens would make.

A few days later, at 10 p.m. the night before his surgery, his surgeon called him at home. With no opportunity for discussion, Mr. Smith was brusquely advised that since he obviously had so little faith in the surgeon’s advice, he must not consider him competent. Therefore the surgeon was canceling Mr. Smith’s surgery and referring him to someone else to wait both for another appointment and another surgery date. Mr. Smith was both frightened and angry. He finally got in to see the other surgeon 6 weeks later, was advised that the “foldable” lens would provide better vision and less chance of certain complications leading to a possible loss of vision. Mr. Smith paid his $500 and proceeded with the surgeries.

Documented call to Alberta Consumers’ Association, November 1998
**Conclusions of Canary Report:**

1. Remarkably, instead of being the solution to rising costs, longer waits and less than ideal patient care, increased reliance on new sources of private payment and private business interests over the past 20 years has been a major contributing factor to this situation.

2. The “status quo” is not at all what most people think it is.

3. No one is “minding the store” when it comes to either Medicare or private-pay medical markets in Canada.

4. Medical care is ill suited to retail markets – and dangerous.

5. Public safety is at risk from the overzealous application of poorly evaluated technologies by commercially oriented suppliers.

6. It’s probably not a good idea to choose your surgeon or surgery based on how many Airmile points you can earn.

7. This situation has arisen more by default than design.

8. Many identified problems are not unique to Canada - leading one to suspect that it is the nature of Modern Medicine and Medical Markets that may be the problem – *not* Medicare.