

# Public Private Partnerships (P3s) or Profit Over Patients? The Facts About For Profit Hospitals



## What On Earth is a P3?

“Public Private Partnership” - or P3 - is just a sneaky term for a radical change in the development of the basics that we need in communities. The “partnership” it talks about really means that public infrastructure like roads, schools and now hospitals will no longer be public institutions. P3 means for-profit ownership of public infrastructure and services. In P3s, for profit corporations finance the building of public infrastructure and the delivery of services and get paid handsomely for it by the public through our taxes or other fees. They build and own it. They profit. And we pay. In fact we pay *way* more, over the long run, than we would for public institutions and infrastructure.



## What's It To Me?

In December 2001, Health Minister Tony Clement announced the first two P3 hospitals in the country. These for-profit hospitals are planned in Brampton and Ottawa. The deal is this: a for-profit group of corporations (a consortium) builds and owns the hospital and runs all of its “non-clinical” services. They lease it back to the public under a hefty multi-decade lease. If the Ernie Eves provincial government is allowed to get away with this, we will see other hospitals, and possibly roads, water, schools and other public services privatized in the same way.

## What's the BIG DEAL?

The first big problem is that P3s are expensive...*way* more expensive than building hospitals publicly. In Ontario, the full cost will not be revealed to us for quite some time. But we know what the costs look like in other places.

In Australia, the New South Wales state auditor found that for their P3 hospital, at the end of the lease-back arrangement, the government will have paid for the hospital more than twice over— yet it wouldn't own it.

In Britain, “Private Finance Initiatives” - their term for P3s, have been called “Perfidious Financial Idiocy” by the prestigious British Medical Journal. See flip side of this sheet for more information.

The P3s proposed by Clement are a very risky deal. Giving a group of corporations control of all “non clinical” services puts profit-seeking corporations in control of key hospital functions. Profit comes before patients. Profit is found by reducing costs: laying off staff, reducing numbers of beds, using the cheapest design and construction techniques. Profit is also found by introducing user fees for every service possible.

## P3s Tried, Failed and Abandoned

The first 18 P3 hospital projects in Britain cost 53 million pounds (over \$110 million) for consultants alone.

P3s in Britain have led to a 30% reduction in hospital beds and a 25% reduction in clinical staff budgets

In the first British P3 hospital in Cumberland, short-cuts in facility construction and design have created a shocking host of problems:

Ô two ceilings collapsed because of cheap plastic joints in piping and other plumbing faults – one joint narrowly missed patients in the maternity unit

Ô the sewage system could not cope with the number of users and flooded the operating theatre with sewage

Ô clerical and laundry staff cannot work in their offices because they are too small

Ô a transparent roof design flaw and no air conditioning mean that on a sunny day the temperature inside the infirmary reaches over 33 degrees celsius

In Nova Scotia P3 school deals exempt the for-profit owners and builders from any legal liability for shoddy construction and faulty wiring and plumbing. The Halifax P3 school's well water was contaminated by arsenic. The for-profit owners denied responsibility and students and staff were forced to use bottled water for over 12 months. In 2000, all future P3 schools in Nova Scotia were cancelled in a flurry of scandal and public outrage. By then the thirty Nova Scotia P3 schools, with contracts as long as 35 years, were slated to cost the public \$32 million more than if they had been built in the traditional manner.

In PEI, the government pulled out of its P3 hospital project after it discovered that it would cost more than if the hospital were kept public.

## P3s and the Future of Public Medicare

Medicare was never meant to be a public insurance program to cover an Americanized for-profit health industry. In Canada, we developed our health care system on a set of visionary principles. It is fundamental to our system that health care is a human right - not a commodity to be bought and sold for profit. We are proud of Medicare because it contains the best in us – our beliefs in equity, inclusion, humanity and compassion. For profit hospitals are a dangerous leap in the direction of dismantling public Medicare. Medicare is our birthright and our legacy. We must act now to protect and strengthen it for generations to come.

## We Can Win!

This year is an election year in Ontario. Let's take our best opportunity to make it very clear to politicians that we expect them to act as guardians, not destroyers, of our treasured public health system. Let's tell them - through letters, phonecalls, public events and actions - that they must stop the Americanization of

## What Do We Want?

We fully support the renewal of our public infrastructure. But let's do it right so we don't have to pay for generations to come. We welcome new hospitals for Brampton and Ottawa. Let's make sure they are publicly financed and governed on a non-profit basis.

*The struggle against for-profit hospitals and clinics in Ontario is the urgent struggle to secure the future of public Medicare complete with our values of compassion*

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Ontario Health Coalition

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our hospitals. Keep our hospitals public. Protect and strengthen public Medicare.