

This document contains selected articles/letters concerning the CMAJ article; "A systematic review and meta-analysis of studies comparing mortality rates of private for-profit and private not-for-profit hospitals" by P.J. Devereaux et al. in C.M.A.J. 2002;166:1399-1406.

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Opinion/Editorial, Toronto Star, December 9, 2002

Kirby wrong to dismiss our findings

Phillip Devereaux and Gordon Guyatt

Michael Kirby's standing Senate committee, in its final report on the Canadian health-care system, sums up its view of private for-profit health care by stating, "The committee is neutral to the ownership question." Its members believe, therefore, that Canadian governments should take a permissive attitude toward for-profit hospitals.

Is the committee's decision evidence-based?

We are members of a research team that recently published a systematic review of 15 studies evaluating 38 million patients receiving care in either private, for-profit or private, not-for-profit American hospitals.

Overall, the studies show higher death rates in for-profit institutions, an excess mortality that, were we to switch to for-profit hospitals, would mean an additional 2,200 Canadian deaths each year. This is in the range of how many Canadians die each year from colorectal cancer, motor vehicle accidents, or suicide.

Kirby thought our findings important enough that he asked an economist associated with pro-market groups to prepare a critique.

He used this critique to dismiss our findings, and justify his view that Canadians needn't be concerned about current moves toward for-profit health-care delivery.

There are serious problems with the senator's process and his conclusions.

Over several hundred years, the scientific community has developed processes to ensure that published research is of high quality.

They include review by knowledgeable experts, under the scrutiny of journal editors. Other scientists have the opportunity to question findings in letters to the editor, and the authors have an opportunity to respond to

these letters.

Our study underwent this rigorous peer-review process, and was published in Canada's leading medical journal. Editorials by two leading scientists endorsed our findings.

Kirby did not question us about his concerns, or ask us to respond to the critique, which was not subject to peer review and remains unpublished. The critique, and the conclusions that Kirby draws from it, are deeply flawed.

The Senate committee's document states that "apart from psychiatric hospitals, provincial/territorial governments rarely own hospitals."

Hence, the Senate committee appropriately corrects a common misconception that our Canadian hospitals are publicly (i.e. government) owned and administered. Canadian hospitals are private, not-for-profit institutions run by communities, religious organizations, and regional health authorities.

Having provided the basis for our comparison of private, for-profit and private, not-for-profit hospitals, Kirby nevertheless suggests that we should have compared for-profit hospitals to publicly owned and administered institutions.

Referring to the critique, he contends that "including public hospitals in the Devereaux et al. meta-analysis could have led to very different results."

As it turns out, we also separately reported four studies that provided comparisons of mortality rates in for-profit hospitals with a mix of private, not-for-profit and public hospitals.

All four showed higher death rates in for-profit hospitals, and two were "statistically significant" (meaning that they excluded chance as an explanation of their findings).

Thus, we made the right comparison. Including public hospitals would, if anything, have strengthened our finding.

Kirby notes that the unpublished critique questioned our "methodology used ... on several grounds: criteria for the inclusion of pertinent literature; selection of particular results for inclusion in the analysis."

In fact, we took all possible safeguards to ensure an unbiased answer. These included explicit rules for deciding which studies to include, and restricting our sample to those of high quality.

Similarly, members of our study team who decided which of a number of alternative analyses from the original studies were most appropriate to include were "blind," or unaware, of which approaches were more favourable to not-for-profit hospitals. Strategies such as these resulted in the positive peer-review, and endorsement by the two editorialists.

Finally, despite Kirby's suggestion that American data cannot provide meaningful conclusions for Canada, the results of our systematic review are directly relevant to Canada.

First, the studies included patients receiving publicly financed care in private, not-for-profit and private, for-profit hospitals, a situation identical to what Canadian policymakers have been considering.

Second, the fact that the results are consistent over time despite changes in American health care suggests that the adverse impact of private, for-profit hospitals is manifest regardless of the context in which they operate.

Finally, should Canada open its doors to for-profit hospitals, we would find the same large corporations that own the hospitals included in our study trying to buy our hospitals.

There is every reason to think their management strategies, and increased death rates, would cross the border.

Why did Kirby, if he was really interested in understanding the science behind our work, not ask us to respond to the criticisms?

Phillip Devereaux is a cardiologist and Gordon Guyatt is a professor of medicine; both work at McMaster University.

MRG Response to the National Post article by David Gratzner and Neil Seeman, Private medicine kills?.

The MRG submitted a full op-ed reply that the Post rejected, and published only the letter. Both the letter and the op-ed response are included below.

Letter to the National Post Editor – June 6, 2002

Health stats are not ideology

P.J. Devereaux and Gordon Guyatt

David Gratzner and Neil Seeman take issue with conclusions from our recent systematic review of medical research, showing that care in private for-profit hospitals increases risk of death (Private Medicine Kills? May 31).

They charge the work is flawed methodologically, comes to spurious conclusions, has undergone substandard peer review, and is irrelevant to the Canadian situation. They are mistaken on every count. To avoid any possibility of bias the studies were "blinded": study results were removed from the tables and text so that a study's results could not influence its inclusion in our review. The review process identified 15 studies of 38 million people that met our quality and relevance criteria. The 14 adult studies demonstrated a statistically significant 2% increased risk of death in the private for-profit hospitals.

The one study that evaluated more than 1.5 million newborns demonstrated a statistically significant 9.5% increased risk of a newborn dying in a for-profit hospital.

The results suggest that if all Canadian hospitals converted from private not-for-profit status to for-profit, it would cost 2,200 lives. This is in the range of the yearly Canadian deaths from colorectal cancer, motor vehicle accidents or suicide. Dr. Gratzner and Mr. Seeman protest this conclusion, suggesting the number would be closer to 400 extra deaths, because the whole Canadian system is unlikely to switch to private for-profit delivery.

But their comments beg the question: Even if it resulted in only one extra

death, why would any politician, policymaker, or doctor (like Dr. Gratzner himself) subject Canadians to the increased risk? In clinical medicine, we have moved from treating patients according to dogma. It is time to similarly move the debate about health-care policy into the evidenced-based era. We encourage readers who disagree with our results to adopt the scientific method: Undertake research and publish in top quality peer reviewed journals, as we have done.

Dr. P.J. Devereaux, cardiologist; Dr. Gordon Guyatt; internal medicine and professor of medicine; McMaster University, Hamilton, Ont.

MRG Op-Ed Submission (rejected by the Post)

Deadly inaccurate criticism in for-profit health care debate

By P.J. Devereaux and Gordon Guyatt

The Canadian Medical Association Journal recently published our study demonstrating higher death rates in private for-profit hospitals than private not-for-profit hospitals. While the academic community and most media commentators have expressed enthusiasm about our work, our methods and conclusions have received harsh criticism in the National Post. In this article, we will demonstrate that our conclusions rest on solid ground.

The medical community recognizes that the clearest answers to scientific questions are obtained by gathering all the relevant high quality studies. We undertook such a systematic review to compare death rates in private for-profit and private not-for-profit hospitals.

We took all possible scientific safeguards to ensure an accurate answer. These included explicit rules for deciding which studies to include, and restricting our sample to those of high quality. We conducted an extremely thorough search. To avoid any possibility of bias, we trained our research staff to remove the study results from the tables and text of all potentially relevant studies with a black marker. Because we blacked out all study results prior to determining study eligibility we were unable to select or reject an article based on the study results. Therefore, we did not and could not select studies to reach a specific conclusion.

Our systematic review identified 15 studies of 38 million people that met our quality and relevance criteria. Seven of these studies demonstrated a statistically significant higher mortality rate in the private for-profit hospitals. One study reached the opposite conclusion, and the remaining seven failed to provide a clear answer. Our findings highlight the value of systematic reviews. It would be easy to come to misleading conclusions looking only at three or four studies. By bringing together all the evidence, the higher risk of dying in private for-profit hospitals becomes clear.

Because decisions should be based on the best single estimate of risk, researchers commonly combine the results of the studies included in systematic reviews. Our pooling of the results of studies in adults demonstrated a statistically significant 2% increased risk of death in the private for-profit hospitals.

We did not combine the one study that evaluated newborn death rates with the 14 adult studies. This study, which included data on over 1.5 million newborns, demonstrated a 9.5% increased risk of a newborn dying in a private for-profit hospital.

Our results also provide insight into how the increase mortality arises. We found that for-profit hospitals, to generate the 10 to 15% profit margin demanded by investors, they employ fewer skilled doctors, nurses, and pharmacists than do not-for-profit hospitals.

What does a 2% increase in death rates mean? If all Canadian hospitals converted from private not-for-profit status to for-profit, it would cost 2,200 lives. This is in the range of the yearly Canadian deaths from colorectal cancer, motor vehicle accidents, or suicide. If only a proportion of Canadian hospitals changed status, the additional number of deaths would be smaller. Whatever the exact number, why would we want to subject Canadians to any increased risk of death?

Our results are directly applicable to Canada because we focused on studies in which publicly funded patients received care in private for-profit and private not-for-profit hospitals. Canadian hospitals are not, as many think, public institutions. Rather, as Roy Romanow's Royal Commission workbook points out, 95% are private not-for-profit institutions that are owned, administered, and run by religious

organizations, communities, regional health authorities, or a board of directors.

Furthermore, the studies we evaluated spanned a 14-year time period of dramatic change in the American health care system. Despite these changes, our results were consistent over time, suggesting that for-profit hospitals increase death rates whatever the particular system in which they operate. Finally, should Canada open its doors to for-profit hospitals, we would find the same large corporations that own the hospitals included in our study trying to buy our hospitals. There is every reason to think their management strategies, and increased death rates, would cross the border.

Readers should be reassured by knowing that experts in our field have reviewed our work, and found the methods strong, and the conclusions sound. Top medical journals have a process of fast-track review for manuscripts that they feel are particularly important. The CMAJ chose to fast-track our manuscript, which meant that several expert reviewers gave our work special scrutiny, and judged it sound. Furthermore, the CMAJ asked two experts to write commentaries. One was altogether positive. The other, by University of Toronto Dean David Naylor, raised doubts about our pooling data across studies, but nevertheless concluded, "The study results are correct." Indeed, Dr. Naylor's bottom line captures the essential message of our study. "Does anyone still want to contract out large segments of our publicly financed health care system to for-profit US hospital chains after reading this article? I hope not."

In clinical medicine, we have moved from treating patients according to dogma. It is time to similarly move the debate about health-care policy into the evidenced-based era. We encourage readers who disagree with our results to adopt the scientific method: Undertake research and publish in top quality peer reviewed journals, as we have done.

Private medicine kills?

National Post – May 31, 2002

by David Gratzer and Neil Seeman

Rarely does a "systematic review and meta-analysis" in the Canadian Medical Association Journal make front-page news. But then few studies make so bold a claim as the paper by Hamilton, Ont., cardiologist Philip Devereaux and his 16 co-authors; namely, that American patients die at higher rates in U.S. for-profit hospitals than in U.S. non-profits. One co-author then dropped this bombshell: Hospital deaths in Canada would climb by 2,200 annually were for-profit facilities introduced.

Fans of medicare fired off overwrought press releases. "We all know what happens when shareholders and investors call the shots in health-care delivery ... higher death rates," said the Ontario Nurses Association. "Based on these findings, we believe that any move to privatize hospitals in Canada would be unethical and bordering on criminal negligence," said Michael McBane of the Canadian Health Coalition.

With Ministers of Health in three provinces considering the introduction of more private services, the new findings appear timely and relevant. Such was the presumed gravitas of this study that the journal's editors saw fit to fast-track it to publication, rather than cycle it through the normal length of peer review. Roy Romanow, head of the one-man federal commission studying medicare, reportedly feels the work is "compelling." Dr. Devereaux agrees: "Everyone keeps hearing privatization is the answer ... It's going to make it worse."

The paper does not, however, compare public and private health services. Instead, it looks at private non-profit hospitals and private for-profit hospitals. Drawing sweeping conclusions about privatization is premature -- at best, the study finds that certain types of privatization should, maybe, sometimes, be approached with caution.

In a review of 15 studies, covering more than 26,000 hospitals and 38 million patients, Dr. Devereaux's study finds a 2% higher relative risk of dying in for-profit facilities. To reach this conclusion the authors were creative and selective. First they ran a literature search of relevant articles and discovered a rich database: 805 publications. They then struck

committees to see which studies were most interesting and sifted out 15, less than 2% of their original number. (Their precise selection criteria are unclear. One study that was included wasn't even published in a peer-reviewed journal.)

Of the 14 studies considering adult care, seven found no statistical difference in mortality between private for-profit and private non-profit hospitals (this included the largest study covering 7.4 million patients); one showed a lower death rate at the for-profit institution (this was the second-largest study and included data from 5.3 million patients). In other words, a majority of the studies -- including the two largest -- had findings that didn't support Dr. Devereaux's conclusions. What's more, the margin of error in the majority of the studies (2%) was identical to the adverse effect associated with for-profits.

Undeterred, Dr. Devereaux and his colleagues conjured up their own analysis, choosing to add up the data from the different studies. To complicate matters, many of the studies didn't have directly comparable data sets -- i.e., different sizes, geographic regions, academic affiliations and patient populations.

Nor is it always clear what was meant by the labels "private non-profit" and "private for-profit" in these studies. Given their similar legal charters, medically insured populations, and contractual relationships with HMOs, for-profits and non-profits often can be indistinguishable in terms of how they strive for efficiencies and contain costs.

We're not the only ones who find the methodology troubling. In a commentary in the same journal, Dr. David Naylor, dean of the University of Toronto's Faculty of Medicine, says "the study is flawed methodologically," adding that the disparate data and criteria created a "tossed salad of patients, institutions, variables and outcomes."

Even assuming the 2% finding were correct, the idea that allowing for-profit hospitals into Canada would kill 2,200 Canadians is misleading. This assumes that for-profits with ostensibly lower mortality rates would crowd out all non-profits. But that won't happen, just as it didn't occur in the United States, where 70% of all hospitals today are non-profit, and another 10% are public (owned by local governments). If Canada's private-public mix were to mirror that of the United States, the number of excess

deaths -- again, assuming the 2% finding were anywhere near valid -- would be closer to 400.

Even this number is improbable. It assumes that Canada would move to an administration- heavy managed-care model. It also fails to recognize that public and private facilities exist side by side. Each institution influences the other's strategies, with public hospitals in the United States caring for a disproportionate number of poor, uninsured and Medicaid recipients. All of which means it's inappropriate to isolate mortality rates at the individual hospital level and then generalize to a heterogeneous national population.

We agree on at least one thing with Dr. Devereaux and his co-authors: Medicare is at a "critical juncture." Let's hope that our politicians make choices based on credible information -- not incredible studies.

David Gratzer, a Toronto physician, is the editor of Better Medicine: Reforming Canadian Health Care. Neil Seeman is Director of the Canadian Statistical Assessment Service, a nonpartisan research group affiliated with The Fraser Institute.

Death rate 2% higher in for-profit hospitals

Toronto Globe and Mail – May 28, 2002

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

by Andre Picard – Public Health Reporter

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.

Profit and health a deadly mix – For-profit hospitals would kill 2,200 more people yearly, study says

Calgary Herald – May 27th, 2002

David Heyman

About 2,200 more Canadians would die every year if all the country's hospitals became private for-profit facilities, according to a new study by a group of Canadian and American researchers.

Authors of an article being published in the Canadian Medical Association Journal today analysed data from 15 American studies of 38 million people at 26,000 hospitals. The data was collected between 1982 and 1995.

It says patients at private for-profit hospitals in the U.S. had a two per cent higher death rate than those in not-for-profit hospitals. The disparity was much greater for newborns, who were 9.5 per cent more likely to die.

The authors of the study took those rates and extrapolated them for Canada, where about 108,000 people die in not-for-profit hospitals every year, to arrive at the figure of 2,200 more deaths.

That's roughly equal to the number of deaths from motor vehicle accidents, colon cancer or suicide, says Dr. P.J. Devereaux, a cardiologist at McMaster University in Hamilton and the lead researcher of the study.

Devereaux says the research shows privatization will not improve the performance of the medicare system, as proponents say, but rather make things worse.

"(Alberta Premier) Ralph Klein 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," Devereaux said.

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

The provincial government said Monday it didn't have enough time to prepare comment on the article by today.

"We need more than an hour or two to properly respond to an in-depth study like that," said Howard May, a spokesman for Alberta Health and Wellness.

But Christine Burdett, chairwoman of the lobby group Friends of Medicare, said the study makes a logical connection.

"It's easy to see the correlation between the increases in deaths and the reductions in staff, and the reductions in qualifications of staff," she said.

Further problems arise when private systems co-exist in nations with public hospitals, she said. In countries such as Britain, patients can be transferred from private to the public system when complications arise, putting a further burden on public health care.

However, the chief medical officer of a private surgical clinic in Calgary says the study unfairly makes some "enormous assumptions" and doesn't take enough account of the varying standards of care in the U.S.

The Alberta College of Physicians and Surgeons, for example, sets high standards for private clinics that private U.S. hospitals may not have to match, said Dr. Stephen Miller of the Health Resources Centre.

Those standards could include minimum ratios of staff to patients, for example. "That alone could account for the different mortality rates," said Miller.

Miller says HRC is subject to reviews without notice and to blind audits by the college, and the northwest Calgary facility has "been above reproach" for everyone.

U.S. for-profit hospitals show higher mortality rates: review

CBC News Online – May 28, 2002

TORONTO – Patients treated at for-profit hospitals in the U.S. had a greater risk of dying than those who went to not-for-profit hospitals, a new review has found.

Other studies have compared the costs of private and public hospitals. This one looked at whether patients are more or less likely to die at hospitals that try to make a profit.

The review appears in Tuesday's issue of the Canadian Medical Association Journal and is meant to help inform Canada's public policy debate on health care.

The researchers reviewed more than a dozen studies that compared mortality rates at the two types of hospitals. All of the patients were elderly and qualified for Medicare, the U.S. publicly-funded system.

The studies looked at data from more than 26,000 U.S. hospitals and 38 million patients between 1982 and 1995. The researchers concluded that private, for-profit hospitals had a two per cent higher risk of death for patients. That's equivalent to 2,200 deaths per year in Canada, according to University of Buffalo department of medicine, social and preventive medicine professor Dr. Holger Schunemann, one of the review's co-authors.

Dr. P. J. Devereaux of the departments of medicine and clinical epidemiology and biostatistics at McMaster University led the review. He said the need to generate profits may explain the higher death risk.

"They're employing less highly-skilled people," said Devereaux. "If you have a private for-profit institution, it has to generate revenue, keep its investors happy, keep its shareholders happy, and it's going to come from somewhere." Weighing the costs and benefits of for-profit hospitals.

In Alberta, the Klein government is poised to allow a private day-surgery clinic to keep patients for extended stays. Dr. Stephen Miller of the Health Resource Centre doesn't think the study applies to his facility.

"We have lower infection rates than in the national standards, we have have very high patient satisfaction and I think the track record speaks for itself," said Miller.

Dr. David Naylor, dean of the faculty of medicine at the University of Toronto, said the review convinced him that Canada shouldn't adopt U.S.-style private hospitals, but it doesn't address many other privatization questions.

"Is there a role for parallel private insurance?" asked Naylor. "If we went that route, that could actually be contained in not-for-profit public hospitals, as an alternative revenue source for them."

The study has already been presented to the Romanow Commission on the future of health care.

RELATED: Canadians willing to pay more to support health care, poll shows http://www.cbc.ca/stories/2002/05/27/health_survey020527.

Patients in greater danger in private hospitals, study says

Edmonton Journal – May 27th, 2002

Mark Kennedy

Patients in U.S. for-profit hospitals face a significantly higher risk of dying than those who enter not-for-profit hospitals in that country, a provocative new study finds.

The research findings, published in today's edition of the Canadian Medical Association Journal, are sure to add fuel to the politically explosive debate over whether Canada's upcoming medicare reforms should include the establishment of for-profit hospitals run by private companies.

The first-of-its kind study, based on a systematic review of 15 other studies in the United States, concludes that this would be a mistake for Canada because it would lead to thousands of deaths.

"Most of the debate has focused on whether private for-profit health-care facilities can contain costs more effectively," says the study. "What has been missing from this debate is consideration of the potential health outcomes."

The 17-person team of researchers, led by McMaster University cardiologist Dr. Philip Devereaux, examined data from studies of U.S. hospitals between 1982 and 1995. In total, 38 million patients in 26,000 hospitals were included in the review.

Alberta Premier "Ralph Klein 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," Devereaux said.

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

A spokesman for Alberta Health and Wellness said the government wasn't yet prepared to comment on the study.

"Private for-profit hospitals were associated with a statistically significant increase in the risk of death," concluded the report.

In particular, it found those receiving care in for-profit hospitals had a two per cent higher risk of dying in hospital or within 30 days of being discharged than those in a non-profit hospital. The report said that because its research methodology took various conservative precautions, the actual risk is probably higher.

Still, Devereaux said Monday that Canadians should not dismiss the dangers because it could have a "profound effect" on Canadians' lives.

The number of deaths in Canadian hospitals per year now stands at 108,000. A two per cent increase would mean an additional 2,200 deaths annually. Devereaux said that's equivalent to the number of Canadians who die yearly in motor vehicle accidents or from colon cancer or from suicide.

"And those are things that no one would knowingly introduce into our society," Devereaux said.

"This doesn't make sense," he said of for-profit hospitals. "It's not a defence to say that our current system is perfect. It's just to say that one of the solutions we've been considering is going to make things worse."

The study suggests several possible reasons for the higher risk of dying from care received in a private hospital: investors typically require a 10 per cent to 15 per cent return, forcing hospital administrators to cut costs to patient care. Specifically, it says for-profit hospitals employ fewer highly skilled personnel, including doctors, nurses and pharmacists.

All the while, those private hospitals must pay taxes and often are pressured to guarantee large reimbursement packages for senior administrators, making it even more difficult to turn a profit while offering quality patient care.

"The U.S. statistics clearly show that when the need for profits drives hospital decision-making, more patients die," Devereaux said.

The study comes at a critical juncture in the history of Canadian medicare. Former Saskatchewan premier Roy Romanow, whose federally appointed royal commission into health care will deliver its report in November, has been swamped with competing arguments so far about the

merits of privatization.

Federal Health Minister Anne McLellan has mused publicly about being open to allowing for-profit hospitals, and provinces such as Alberta and Ontario appear keen to embrace the option as one way to reform their health systems.

The chief medical officer of a private surgical clinic in Calgary says the study unfairly makes some "enormous assumptions" and doesn't take enough account of the varying standards of care in the U.S.

The Alberta College of Physicians and Surgeons, for example, sets high standards for private clinics that private U.S. hospitals may not have to match, said Dr. Stephen Miller of the Health Resources Centre.

Those standards could include minimum ratios of staff to patients, for example. "That alone could account for the different mortality rates," Miller said.

Devereaux said he briefed Romanow last week about the study's findings, and he hopes the commission, people working in health care and the Canadian public heed its warnings.

Canadian health-care vision appears to be alive and well

Editorial In The Hamilton Spectator – May 28, 2002

By Howard Elliott

Public policy: Scrutinizing the alternatives In the highly politicized debate about the future of Canada's health-care system, no protagonist has so far fired a magic bullet.

Should our emphasis be on sustaining and improving the existing system, through considerable new public investment if necessary? Or should the existing, overstressed system be replaced by something different, that probably relies to a much greater degree on private-sector investment? Some alarmist voices continue to preach that hospitals, home care and pharmaceuticals are in crisis, and that failure to reinvent health care will have dire consequences for an aging, ailing population.

Others warn against the perils of increasing private-sector involvement, pointing to the United States as an example we don't want to emulate. Certainly, the average person feeling anxious about the availability of quality health care for ourselves, our loved ones and friends must be forgiven for not knowing whom to believe. But while there may be no magic bullet, there is at least one emerging trend that may hold the key to what our health-care system will look like in the future.

A new study led by the McMaster University faculty of health sciences warns that introducing private, for-profit hospitals in Canada would increase hospital deaths by at least 2 per cent per year, or 2,200 deaths. No one, including the study's authors, denies that it comes from a clear pro-universal health care perspective, but it's important to note that the authors recognized that, and went to great lengths to ensure the study results are objective.

This authoritative research raises troubling questions. Why is the death rate higher at for-profit hospitals, when not-for-profits in the United States tend to deal with sicker and higher risk patients? Why are more people dying at for-profit institutions, when they tend to attract patients with the knowledge and means to optimize their chances at recovery? Alongside the McMaster-led study comes a new public opinion poll, conducted by polling firm Pollara, which suggests a clear majority of

Canadians are willing to pay higher taxes to improve health care. The poll of 2,000 people found that 69 per cent would open their wallets to improve service levels, reduce waiting lists or do both. Pollara president Michael Marzolini says in all his years of polling Canadians on subjects including defence spending, the environment and unemployment, this marks the first time respondents have been willing to commit to higher taxes.

Significantly, respondents were asked about user fees and health-care premiums, and just 40 per cent were in favour, down from 60 per cent in recent years.

So, no magic bullet yet, but a vision is emerging, and it's one we're all familiar with, since it embodies the spirit of the traditional Canadian health-care vision. In growing numbers, we're not afraid to say we want accessible, timely and high-quality health services, and we want public dollars to pay for them. Is this vision shared by our elected leadership?

Study links for-profit care, high death rates Hospital death rates could rise by up to 2,200 a year, researchers claim – From Canadian Press

Toronto Star – May. 27, 2002

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.

You might pay for your own demise

Toronto Star

By Thomas Walkom

ARE FOR-PROFIT hospitals dangerous to your health? The answer, according to a study published today in the Canadian Medical Association Journal is a definite yes.

The CMAJ piece, co-authored by 17 doctors and researchers affiliated with five institutions, pulls together and evaluates results from 15 different U.S. studies. For Canadians, their findings are most relevant.

Alberta has passed a law allowing for-profit private hospitals to operate inside medicare. Ontario is allowing private sector firms to build, own and partially operate hospitals in Brampton and Ottawa (although in both cases, clinical care will continue to be run by existing non-profit entities).

In short, the notion of having for-profit private firms deliver medicare hospital services is gaining currency. The idea has been raised at both Roy Romanow's federal commission into medicare and Michael Kirby's Senate inquiry. Both left and right are attracted.

It should be emphasized that private delivery inside medicare is not necessarily the same as two-tier medicine. Two-tier medicine involves creating a parallel private system of hospitals outside of universal public health insurance – available only to those willing to pay extra. Private delivery means simply that for-profit firms would be allowed to own and run hospitals delivering publicly funded health care. For example, a private for-profit firm could buy and run, say, all the major Toronto hospitals.

Its only restriction under this scenario is that it would not be allowed to charge patients extra for medically necessary services.

Fans of more corporate involvement in health like the private delivery model. It seems to avoid the bitter political problems posed by two-tier medicine. At the same time, aficionados say, it brings private sector efficiency and money to a cash-strapped health system.

However, according to the CMAJ study, there is a price. The price is that people treated in for-profit hospitals are more liable to die.

The study, headed by McMaster University's Dr. P.J. Devereaux, looked at the U.S. This was for a simple reason. Canada has only one shareholder-owned acute care hospital, the Shouldice hernia clinic north of Toronto.

And even the Shouldice, according to managing director Alan O'Dell, is effectively a non-profit institution. As with any other hospital, its money comes from the Ontario government. And after paying all costs (including a modest return to the two shareholders – both children of the clinic's founder), any extra profit is returned to the province.

So to compare for-profit and not-for-profit hospitals, Devereaux team had to look elsewhere. They chose the U.S, which has both.

Their method was to conduct a so-called meta-analysis of 15 relevant studies involving for-profit and not-for-profit U.S. hospitals.

These 15 studies encompassed 26,000 hospitals and 38 million patients over a 13-year period. In other words, the sample size was pretty good.

However, the results were chilling. Having adjusted for such things as severity of illness, and patient income, the Canadian researchers found that those treated by for-private hospitals were 2 per cent more likely to die.

Two per cent may sound small. But over the total sample size of 38 million patients, it works out to lots of extra deaths.

The authors explain their findings in terms of the dynamics of for-profit health care. Typically, they point out, shareholders expect a 10 per cent to 15 per cent return on their investment. As well, for-profit hospitals must pay taxes, plus hefty compensation packages to senior executives.

The real crunch comes when these pricier for-profit institutions have to compete for U.S. Medicare patients (in the U.S., seniors enjoy a limited form of public health insurance known as Medicare). One way for-profit firms can compete with their non-profit counterparts, the study says, is by skimping on care.

And that is what seems to occur. The Canadian study finds that for-profit hospitals employ fewer skilled nurses and doctors per patient. The result is that more of their patients die.

The authors insist that these U.S. findings are relevant to the current Canadian debate. They are right. Indeed, there is a structural similarity between the U.S. Medicare system and that proposed by provinces such as Alberta.

In both cases, funding is essentially public. In both cases, actual care is delivered by those institutions – be they for-profit or not-for-profit – that promise to do the job most cheaply.

But how do hospitals cut costs? Supporters of private delivery will say that for-profit institutions are inherently more efficient than their non-profit counterparts. (Since most hospitals operate as local monopolies, it is not clear why this would be true – but it is the argument.)

The authors of this study say for-profit hospitals compete by skimping on care or – to put it most unkindly – by killing their patients. The evidence seems to back them up.

For-profit hospital patients, higher risk

From the Science & Technology Desk – United Press International – May 27, 2002

Reported by Alex Cukan in Albany, N.Y.

HAMILTON, Ontario, May 27 (UPI) -- Medicare patients treated in private for-profit hospitals in the United States have a greater risk of dying than those cared for in private not-for-profit hospitals, according to a study of the outcomes of 38 million patients.

The study, by researchers from McMaster University in Hamilton, Ontario, and the University of Toronto, both in Canada and the University at Buffalo was published Monday in the Canadian Medical Association Journal.

"The reason why private for-profit hospitals have higher mortality is because they have less highly skilled professionals -- less board-certified physicians, less registered nurses, less pharmacists," Dr. P. J. Devereaux, research fellow in the departments of Medicine and Clinical Epidemiology, and Biostatistics at McMaster University, told United Press International.

"Hospitals have become more efficient, but the for-profit hospitals have to pay taxes and satisfy shareholders using the same Medicare reimbursement rate."

Canadians are engaged in an intense debate about the relative merits of private for-profit versus private not-for-profit healthcare delivery, so researchers undertook a meta-analysis, or a systemic review of relevant studies to answer that question, Devereaux said.

"The emphasis has been on determining if for-profit hospitals can contain costs and run more efficiently -- if having for-profits would create 'two-tier medicine' -- and on the potential for foreign investors to become involved and influence Canadian health policy in light of NAFTA (North American Free Trade Agreement)," Devereaux said. "What has been missing from this debate is how expansion of private for-profit hospitals would affect patients."

Private not-for-profit hospitals are owned by religious organizations, communities, regional health authorities or hospital boards of directors. Public not-for-profit hospitals are owned by governments and for-profit hospitals are owned by shareholders or investors. In the United States, about 12 percent of hospitals are for-profit, according to the researchers.

"Although the relative increase in risk amounts to 2 percent in our analysis or 2,047 deaths, this may seem small, but it is statistically significant and could have a fairly large impact," Dr. Holger Schunemann, of the University at Buffalo department of social and preventive medicine, told UPI. "In Canada, that is equivalent to 2,200 deaths yearly, which equals the Canadian death rates for suicide, colon cancer or motor vehicle accidents."

If all hospitals in the United States became for-profit hospitals, 14,300 additional deaths would result, according to Schunemann.

"These issues raise concerns that the profit motive causes hospitals to limit care in ways that affect patient outcomes, and our findings suggest such concerns are justified," Devereaux said.

Devereaux pointed out that for-profit hospitals had fewer highly skilled personnel per "risk-adjusted" bed, a statistic strongly associated with hospital mortality rates.

Differences in mortality rates between for-profit and not-for-profit decreased when researchers adjusted statistically for staffing levels, he said.

"It's important data, and expenditures must always be considered, but high-quality hospital staff recruitment also has to do with hospital philosophy and mission and not just money," Dr. Herbert Pardes, president and chief executive officer of the New York-Presbyterian Healthcare System, which comprises more than 30 hospitals in the tri-state New York metro region, told UPI. "Institutions that value quality, the best doctors, the best staff and the best programs will have quality outcomes."

"However, if I needed a procedure I'd choose a hospital that did a high volume of them, because those that are really experienced have better

outcomes," he added.

The researchers examined 8,500 abstracts of reports in pairs, and 800 were considered relevant by both researchers and were chosen for full review. Data and the results of each article were blacked out by magic marker so that the results would not influence the selection of the studies considered eligible for the analysis, according to Devereaux.

Fifteen studies involving 38 million patients were analyzed and took into account teaching status of the hospital, the patients' severity-of-illness and hospitals' case mix.

"Medicare patients, or publicly-funded patients were chosen for the analysis," Devereaux said. "It's the exact structure relevant to Canada, but we did not look at diseases or length of stay."

The meta-analysis results have significant implications for healthcare delivery in both Canada and the United States, according to the researchers.

"All data are derived from U.S. studies," said Schunemann. "The results are directly applicable to the American public. Being treated in a private for-profit hospital puts patients at increased risk, and the number of private for-profit hospitals in the United States is growing."

Devereaux said the Canadian health system is at a crucial juncture. "Many individuals are suggesting we would be better served with private for-profit healthcare delivery but our systematic review raises concerns about the potential negative health outcomes associated with for-profit hospitals," he said.

"Canadian policy makers, the stakeholders who influence them and the public, whose health will be affected by their decisions, should take this evidence into account."