

The private sector invades medicare's home town

Charlotte Gray

In brief

IF CANADA'S MEDICARE SYSTEM has a home town it is probably Ottawa, where the system was first welded together 30 years ago. Charlotte Gray reports that there is a certain irony now that examples of private health care are sprouting up in the nation's capital.

En bref

SI L'ON PEUT DIRE QUE LE SYSTÈME D'ASSURANCE-MALADIE du Canada a une ville natale, ce serait sans doute Ottawa, où il a vu le jour voilà 30 ans. Comme le dit Charlotte Gray, il est assez ironique que des cas de soins de santé privés surgissent maintenant un peu partout dans la capitale nationale.

Canada's capital city, where public health care and sacred trust are the 2 terms federal politicians most dearly love to combine, has 2 provocative new enterprises. Ironically enough, both point to the private sector's growing importance in health care in Canada.

In a small shopping mall in Ottawa's west end, a brand new laboratory now offers innovative urine tests — for a price. The tests being provided by the International Centre for Metabolic Testing (ICMT) are supposed to indicate a person's vulnerability to degenerative disorders such as Alzheimer's disease and non-insulin-dependent diabetes. The tests can also indicate the efficacy of therapy once cancer has already been diagnosed and treated. The cost? Between \$50 and \$950, depending on the analysis being done. The cost is not covered by public or private health insurers.

Family clinics a hot commodity?

In Ottawa's east end, meanwhile, a walk-in family medicine clinic that offers service 12 hours a day and on weekends is but 1 of 13 such clinics in the city, all run by a medical services company that has just been listed on the Alberta Stock Exchange. The public share offering by Your Family Medical Centres (YFMC) is intended to raise capital for rapid expansion throughout Southern Ontario and Alberta and allow the company to buy practices and clinics. It provides physicians with examination and treatment facilities, equipment, nurses, receptionists and billing services. In return, physicians pay YFMC 32% to 40% of their gross income from the Ontario Health Insurance Plan (OHIP). Shareholders will receive a dividend based on profits the company can squeeze from tight management techniques and economies of scale. The cost to the clinics' users? There is no direct charge, but company profits come from tax dollars.

Both initiatives, which have received heavy coverage in the local media, reveal the entrepreneurial spirit bubbling away within our health care system, and similar stories can probably be found in other communities across Canada. With financial shortfalls shrinking access to health care, anxious Canadians are looking for alternatives to the services they have taken for granted — and for free — for the past 30 years. There is also growing interest in new technologies that are not covered by provincial health insurance.



Features

Chroniques

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But these initiatives raise some fundamental questions about our publicly funded system. In the case of the laboratory, for instance, are the tests offered by ICMT so important that they should be available in public facilities? And how reliable are testing standards in a laboratory that is not required to conform to national standards? In the case of the walk-in clinics, the questions relate both to the ethics of profit making in the public sector and to potential tension between medical and corporate priorities.

Your Family Medical Centres offers a straightforward business proposition to the doctors it enrolls: it allows them to enjoy the efficiency of more modern management practices while increasing their incomes. The company makes its profits, which so far have been slim, by using market muscle to get better deals from suppliers, landlords and insurers. It also uses technology and management practices to help maximize payments from OHIP.

Dr. Maurice Dufresne, who works at the Beacon Hill clinic in Ottawa, told the *Ottawa Citizen* that “the biggest benefit is that I can concentrate completely on my patients and let the YFMC team deal with OHIP and all the other issues.” He said there has been no pressure to cut operating costs or change his practice to increase billings; participating physicians will have the opportunity to get stock options in YFMC.

The story behind the International Centre for Metabolic Testing is more complicated because there is an interesting research angle. ICMT is owned by Kent MacLeod, an Ottawa pharmacist with a long-term interest in nutrition who owns NutriChem Pharmacy, which is well known in the capital for its stock of alternative medicines and nutritional compounds.

ICMT is located on the floor above the NutriChem Pharmacy. Since 1981, MacLeod has developed a nutritional supplement for children with Down’s syndrome and has become interested in using urinalysis to test for oxidative damage in these children.

In 1997 MacLeod decided to widen the scope of his research and to establish a laboratory that offered urine tests that he says will determine susceptibility to a wide range of diseases. Dr. Slobodan Jovanovic, the laboratory’s director, is a native of Belgrade who holds a doctorate in chemistry and has worked at both the University of Ottawa and the US National Institute for Standards and Technology. The laboratory, which opened officially in November 1997, has

performed tests on about 150 people in its first 8 months.

Jovanovic said the urinalysis the company performs can only point to possible degenerative changes. Although it is not possible to eradicate the diseases, he said, it might be possible to postpone them. This might be achieved by lifestyle adjustments, such as adopting a healthier diet and stopping smoking.

Jovanovic thinks the urine tests offered by ICMT also have potential as screening tests for cancer patients who have already undergone surgery, chemotherapy or radiation therapy because they can point to recurrence at a very early stage. There are, of course, more precise tests, “but urinalysis is noninvasive and considerably cheaper. So it is cost-effective and can be done more frequently.”

It is already used in hospitals and research centres on patients who have been referred by physicians, but ICMT offers people the opportunity to order — and pay for — the tests themselves. The clinic’s supporters claim that this allows Canadians to play a more responsible role in their own health care. Jovanovic acknowledges that the tests have no diagnostic value, but feels that “everybody can benefit from this. We are pioneering public awareness of this kind of testing. The public knows the risk of degenerative diseases but not about the tests.”

Detractors might argue that, if the tests were really necessary, a person would eventually get them within the public system. Isn’t ICMT merely preying on baby boomers’ fears of aging and its related diseases. In a recent newspaper interview, MacLeod said most of his customers are Americans “because the Americans are used to paying for their health care.”

MacLeod and Jovanovic are now working on a database of test results in an attempt to establish meaningful correlations between metabolic and cognitive disorders and risk factors such as heredity, diet, occupation and lifestyle. They have already completed a study of biomarkers in 160 people with Down’s syndrome, most of whom were aged between 2 and 11.

People with the syndrome are particularly vulnerable to degenerative diseases — they age prematurely, develop Alzheimer’s disease-like changes in their brains in their 30s and 40s, and often experience premature onset of problems such as cataracts and autoimmune diseases. The ICMT study tested the urine samples of participants and compared results with those from siblings without

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the syndrome who lived in the same household. The study found marked differences between the 2 groups of children.

The ICMT study was supported in part by the Industrial Research Assistance Program of the National Research Council of Canada, and Jovanovic presented the results at 2 recent conferences. The paper based on the study, tentatively entitled "Biomarkers of oxidative stress are significantly elevated in Down syndrome," has been accepted for publication in *Free Radical Biology and Medicine*. Acceptance by the peer-reviewed journal was welcomed by MacLeod and Jovanovic, who are keen to prove the scientific validity of their work.

Jovanovic regards himself as primarily a research scientist who simply has been given a chance to work in a business environment where he can see research used to help people. "This is a noble cause," he said during an interview in his brightly lit laboratory, surrounded by equipment worth at least \$200 000 — a not inconsiderable investment for an enterprise that cannot bill OHIP. "What we are trying to do," explains Jovanovic, "is define our procedures and outcomes, and establish these tests as normal clinical tests that will be covered by OHIP."

Taken together, the 2 initiatives — ICMT and Your Family Medical Centres — can be interpreted as a healthy private-enterprise goose to the public sector. YFMC is employing streamlined management techniques and state-of-the-art information technology that the public system could emulate, while ICMT is pioneering tests that might provide a valuable addition to the battery of high-tech tests currently available in Canada.

Our huge, publicly funded system will always be more sluggish than a small private enterprise in adopting innovations, since it is less flexible and must satisfy rigorous standards of accountability. However, both of these initiatives challenge the way Canadians think about health care. Should we be prepared to pay for our own clinical tests if we have vague health concerns? Should OHIP dollars be providing the profits for well-run corporate medical practices? What happens when Canadians demand standards of practice and medical care that the public system cannot afford, or considers superfluous?

One thing is clear. As the gap widens between what Canadians want and what their health care system will provide, more entrepreneurs like these are going to emerge to bridge it. ?

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