

# POLICY BRIEF: Private MRI options have grown substantially in Canada

Colin Craig and Matthew Lau | December 2019



## Executive summary

In 1993, Canada's first private magnetic resonance imaging (MRI) clinic opened in Calgary – the Western Canada MRI Centre. Critics accused the clinic of “undermining” Canada's public health care system and predicted negative consequences.

More than a quarter-century after that clinic first opened, SecondStreet.org decided to investigate what options Canadian patients now have when it comes to paying for private MRI scans. Our research concluded:

- Canadian patients can now pay out-of-pocket for a private MRI scan in a majority of provinces if they do not want to wait for the public system to provide the service.
- Canada's largest province, Ontario, does not allow private MRI scans to be sold to the public, but it does allow third-party providers, such as a patient's employer, to pay for an MRI scan at a government-run facility.
- While many special interest groups have spent decades opposing a patient's right to choose between using the public system and paying for service at a private clinic, private clinics have relieved the public system from having to provide thousands of MRI scans.
- Countries with health care systems that outperform Canada allow patients to choose: use the public system or pay out-of-pocket at a private facility.

## Private MRI clinics – 1993 vs. 2019

The first private MRI clinic in Canada opened on March 1, 1993 in Calgary. At that time, the number of MRI units in the United States was one for every 89,000 people,

compared to less than one for every 1 million Canadians. Given the “*extraordinary pressures on the publicly funded units,*” within three weeks of its opening, the Alberta government allowed hospitals to send their patients to the private clinic.<sup>1</sup>

Today, there is much greater access to private MRI scans, but government regulations in some provinces still represent a significant barrier for patients. For instance, in Ontario, patients can only access a private MRI scan through a third-party payer other than the government (for example, an employer pays or through private insurance). Since Ontario patients are not allowed to directly pay for MRI scans, they must either wait on a government waiting list or travel to another jurisdiction where they can pay for faster care.

Table 1  
Status of private MRI scans by province

BC	Allowed – However, the BC government is in court trying to ban private MRI scans
AB	Allowed
SK	Allowed – However, for each private scan sold the operator must provide a free scan to a patient waiting in the public system
MB	None currently available; private clinics would need to apply for and receive approval from the government
ON	Not allowed except as a ‘Third-Party Service’
QC	Allowed
NS	Allowed
NB	Allowed
PE	None currently available, but no legislation preventing them
NL	None currently available; private clinics would need to apply for and receive approval from the government

## Waiting times – private vs. public

When the Western Canada MRI Centre opened in Alberta, its medical director argued that Canadians should be offered an alternative to government waiting lists, other than leaving the country. The director noted, “as a Canadian, I think it’s fundamentally wrong to export our patients, our capital, and ultimately, our doctors south of the border.”<sup>2</sup>

The evidence shows that many Canadians have benefitted from access to private MRI scans. A survey conducted in 2006 and published in the journal *Healthcare Policy* found that the average wait time for elective MRI scans was 0.5 weeks in private centres, compared to 13.6 weeks in public centres.<sup>3</sup> Access to private MRI scans meant some Canadians waited only a few days for the service, and not the four-month average wait in the government-run system. In addition, patients who chose private options shortened the government waiting list by exiting the queue.

Providing patients with private options is particularly important given that the public system has not managed the service well. A 2009 article in *Healthcare Policy* found that despite the “substantial waiting list problem” for MRI scans in Canada, “strategies used to manage wait lists and reduce wait times are diverse, uncoordinated and... largely ineffective.”<sup>4</sup>

The article also noted that few MRI sites “have documented criteria to guide triaging decisions. No site had a method of quality assurance to determine whether or not the prioritization was being performed consistently.” Moreover, “almost no effort was made to control demand (e.g., by identifying inappropriate requests for MRI scans).”<sup>5</sup>

Long government waiting lists for MRI scans persist to this day. In Ontario for example, the provincial government’s

data shows that only 40 percent of patients are scanned within the target time frame set by specialists and health care administrators.<sup>6</sup> Meanwhile in other provinces, surveys of doctors find that waiting times for MRI scans are even longer than in Ontario.<sup>7</sup>

Critics sometimes argue that allowing more private health care services in Canada would make the public system’s waiting list longer by causing health care professionals to leave the public system. However, this claim is never made of other professions. For instance, nobody complains that private accounting firms deprive the government of accountants, nor are private golf courses accused of luring waves of staff away from government-run golf courses.

Indeed, if there is a lack of staff in the health care sector, the government has only itself to blame. It is, after all, the government that operates the post-secondary training system in Canada and restricts the numbers of health care professionals entering the workforce. A shortage shows the government is clearly not responding to the market’s need.

Ironically, the “solution” of restricting those dissatisfied with the public system from accessing private options relies on increasing government control to solve a problem itself created by too much government control in the first place. But as researchers Nadeem Esmail and Mark Milke have noted, “Bureaucratic meddling is not generally a solution to a problem created by earlier bureaucratic meddling.”<sup>8</sup> It tends instead to compound the original problem.

In fact, following the examples of other countries by allowing a greater role for the private sector in health care delivery, could even encourage medical professionals to remain in Canada, instead of leaving for greener pastures in the United States. Private options could provide

professionals with an opportunity to earn side income (outside of the public system). This could be of particular benefit for surgeons who often have their surgical time (and earnings potential) rationed by governments. Allowing patients additional health care options would also increase competition and encourage innovation.

## Health care in other countries

Is Canada's public health care system working well? Many Canadians identify the country's health care system as a source of pride. Yet, as noted recently by the former Ontario Medical Association president, "*study after study ranks Canadian health care below most other OECD countries. We outperform many poor, undeveloped nations, but this is surely not a cause for pride.*"<sup>9</sup>

A 2017 report from the progressive Commonwealth Fund found that Norway, the United Kingdom, Australia and New Zealand all have health care systems that are producing better results than Canada's system, while each of those countries spends less than Canada.<sup>10</sup> Notably, in each of the four countries, patients have a choice between using the public system and private health care options.

Other research from the Commonwealth Fund "*found that Canada ranks last on wait times among 11 developed countries and is below average on access to doctors and medical technologies, such as MRI scanners,*" this according to a *National Post* column by Brian Lee Crowley and Sean Speer. The Canadian health care system, they concluded based on the evidence, "*is an expensive underperformer.*"<sup>11</sup>

Similarly, Fraser Institute economists determined, based on the Commonwealth Fund data, as well as additional data from the World Health Organization and the Organization for Economic Cooperation and Development,

that "*although Canada's is among the most expensive universal-access health care systems in the OECD, its performance is modest to poor.*"<sup>12</sup>

Canadians who are skeptical of how a more robust private health care system could operate alongside our public health care system need only look to the education system for reassurance. Across Canada, parents can choose between putting their children in a public school or a private school.

While the vast majority of parents choose to send their children to a public school, a small portion opt for private schools. Just as private schools save taxpayers money while improving educational outcomes, so too do private MRI clinics ease the fiscal burdens imposed by health care costs on governments while improving health care outcomes by providing quicker service.<sup>13</sup>

## Conclusion:

In the 26 years since Canada's first private MRI clinic opened its doors, private MRI clinics have appeared in a majority of provinces. While special interest groups have opposed giving patients the right to choose between the public and private systems, and for years have predicted dire consequences for years, their fears have not materialized. In fact, private MRI clinics have taken significant strain off of Canada's public system.

Patients should take note that countries with health care systems that outperform Canada – Australia, New Zealand, Norway and the United Kingdom, to name a few – allow patients a choice between receiving services through the public system and the private system.

## About the authors

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