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MATTER!**
It's what you don't know that can hurt you.

OCLR
ONTARIO COALITION
FOR LAB REFORM

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Secret Changes to Community Medical Lab Tests Threaten Patient Care

CRITICAL LAB FACTS FOR MPPs

By mid-December 2017, the Ministry of Health and Long Term Care (MOHLTC) is expected to finalize dramatic changes to both the standards and funding system for community medical laboratory testing.

In Ontario, laboratory tests have been an out-of-sight, out-of-mind, and taken-for-granted service treated as a commodity at the lowest cost or a back office expense.

Elsewhere, lab tests are being recognized as a strategic resource to bring the latest in information technology and medical science advances to practitioners and their patients, and personalize the diagnosis, monitoring and treatment of disease.

COMMUNITY LABORATORY TESTING AND PATIENTS IN ONTARIO TODAY:

-  Community lab tests are the **second most-used healthcare service** in Ontario, with over 15 million patient requisitions per year.
-  Nearly **six out of ten Ontarians require the service** annually, including 1 in 20 whose poorer health requires about one third of all out-of-hospital testing.
-  Lab test results are a **factor in eight out of ten medical decisions**.
-  Unique among Canadian provinces, Ontario community medical tests are **exclusively delivered by private laboratories**, requiring a **special oversight that has yet to be put in place**.
-  **Few standards exist for much** of what community labs are expected to deliver to patients.
-  Large variations in test use from region to region and community to community represent a **'patchwork' of service province-wide**.
-  Ontarians have **50% fewer patient service outlets per capita** than BC or Quebec, while our costs have been among the highest of any province.
-  **No new tests have been added** for 17 years, while other provinces have added as many as 30 in the last two years alone.



Are we headed in the right direction?

Between 1998 and 2011, laboratory testing services were reduced, while funding was *increased 20 points above inflation*. Conversely, between 2011 and 2015, testing services were improved, even as funding was actually frozen and then lowered. Since the end of 2015, lab services have begun to be reduced again.

A LEGAL LABS 'CARTEL'

-  The previous payment system led to the rise of a **legal private community medical laboratories 'cartel'** in **Ontario**; two large private corporations are allowed to **control over 90% of laboratory testing** in Ontario communities.
-  Two "mega-labs" are able to **legally collaborate with one another**, owing to a provincial regulatory exemption - activity that would **otherwise be subject to federal commercial competition laws** to protect patients (consumers).
-  Between 1998 and 2011, larger laboratories were able to:
 - **close 100 public patient service access points**;
 - **discontinue 2/3 of healthcare practitioner specimen pick-up services, cutting services to 4,000 physicians and nurse practitioners**;
 - **drop 95% of home specimen collection services for Ontario's most frail patients, compelling an estimated 700,000 people to be brought down to patient service centres**;
 - **lower per test costs with new technology**; and
 - lengthen wait times such that an **estimated 340,000 Ontarians annually left before having their blood taken**.

Yet, Ministry funding increased by 20 points above inflation!

-  Since December 2015, the two largest labs have **announced more service reductions**.



Do the current changes continue to favour control over patient services by the Legal Laboratories 'Cartel'?

BIAS AGAINST SME LABS

-  **Independent SME laboratories**, some under the same family ownership for over 45 years, have been **working to improve the Ontario laboratory system for patients**.
-  Over **20 smaller laboratories had to close** due to unfriendly provincial policies since 1998, including financial penalties, leaving only five SME labs still operating in Ontario.
-  From 2011 to 2015, Ministry action on some of the SME labs/OCLR's recommendations caused **many improvements for Ontario community patients**:
 -  **40 patient service centres re-opened**.
 -  **88,000 new hours were added to assist patient access, especially before work/on weekends**.
 -  **Additional service was provided to rural, underserved areas**.
 -  **Innovative improvement projects were undertaken**.

All at lower cost to the Ministry!

-  SME laboratories have added proportionately **more services and achieved more innovation** but have been **paid effectively much less per test** than the largest laboratories.



Are the SME laboratories that have been the source of Ontario-based innovation and quality improvements for patients being treated fairly in the new deal?

A CURTAIN OF SECRECY

- ✎ The **\$650 million annually that Ontario spends** on community medical laboratory services **is hidden** in Estimates under the \$13B line for services and care provided by physicians and practitioners.
- ✎ Even the largest laboratory, the **largest private company recipient of public healthcare funds in Ontario, is not listed** in Public Accounts, so it is not subject to the scrutiny of MPPs or the public.
- ✎ Inspection **results for laboratory quality are not available for public review** even by the Auditor General.

MINISTRY STEALTH CHANGES

- ✎ The only publicly available information has been general measures from omnibus Bill 87.
- ✎ A **proposed regulation change was quietly posted, with no actual wording**, just before the September holiday weekend for a minimum 15-day comment period.
- ✎ **Most of the Labs Strategy has not been seen** by representatives for patients, doctors, nurse practitioners, laboratory professionals, hospital labs or Ontario laboratory suppliers, all of whom will be greatly impacted.
- ✎ **Community medical laboratories**, which have been shown much of the Ministry Labs Strategy, have been **sworn to confidentiality and are unable to discuss** its details.



Shouldn't changes to such a crucial part of public healthcare be transparent?

WHAT'S IN ONTARIO'S SECRET LABORATORY STRATEGY?

- ✎ The **OCLR has identified ways for the Ministry to save tens of millions of dollars more** in the laboratory payment system that can be redirected to improve lab services for patients.
- ✎ **The OCLR calls for a quasi-independent Labs Commissioner** to be authorized to oversee the laboratory testing system, ensure patient interests are protected at all times, and to apply current medical science to ensure there are constantly better test services available, ultimately saving lives.
- ✎ If not done properly, the new lab services strategy could **entrench unfair payments** to the largest labs or **thwart innovation** in Ontario community medical testing for years to come.



**Does the Ministry plan adequately protect patients' interests?
Is the Ministry obtaining the best value for money for Ontarians?**

For more information, please contact:



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