

Private Medicine in Quebec

by Jasmin Guénette and Julie Frappier



Quebec is one of the provinces in which private medicine has developed rapidly in recent years. This trend coincides with a large number of Quebecers being unable to find a family doctor¹ and with lengthening wait times both for undergoing treatment after a diagnosis² and for being seen by a doctor in a hospital emergency room.³ How many private clinics are there, and how many doctors have left the public system in Quebec?⁴ Why do patients resort to private medicine?

This *Economic Note* aims to sketch a brief picture of this industry and its clientele using the available official data as well as some original research.

A growing but limited sector

Over the past several months, Quebec Health Minister Réjean Hébert has made one alarmist statement after another about private medicine. In May, he spoke of the “haemorrhaging” of doctors to private clinics and said that this worrisome phenomenon was making the shortage of doctors in the public system even worse.⁵ In September, he reiterated his determination to “plug the holes” and put an end to this “shift toward the private sector.”⁶ But what are the facts of the matter?

A doctor who does not participate in the public health plan is a doctor who can bill patients directly instead of being paid by the Régie de l'assurance maladie du Québec. While their number has increased since the start of the 2000s, non-participating physicians still account for just 1.38% of all doctors in Quebec (263 out of a total of 18,990). Of this number,

186 were general practitioners and 77 were specialists⁷ (see Figure 1).

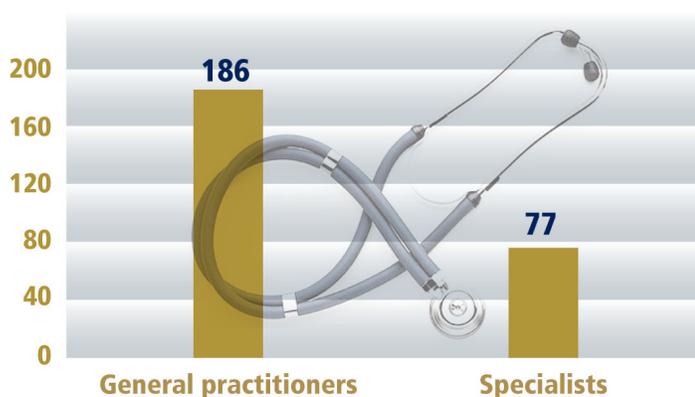
It is therefore hard to maintain that there is an exodus to the private sector. Besides, it is the Department of Health and Social Services that controls the number of non-participating physicians, since doctors must receive its permission before leaving the public plan or returning to it.

The most common specialties among non-participating physicians are dermatology (18%), psychiatry (16%) and plastic surgery (14%). All of the other specialties are represented by just one or a few doctors. The official data on clinics is very basic. Our crosschecking allowed us to determine that 243 non-participating physicians are affiliated with 185 medical clinics (twenty of the 263 non-participating physicians are affiliated with public health establishments where some rent facilities).

It is interesting that “large” medical clinics that are entirely private represent the visible minority most often mentioned in the media, but that they are not representative



Figure 1 — Number of non-participating physicians, 2013



Source: Régie de l'assurance maladie du Québec, *Liste des professionnels de la santé non-participants ou désengagés au régime de l'assurance maladie du Québec avec adresse de pratique au Québec*, March 14, 2013.

of the private medicine ecosystem. Indeed, 58% of non-participating physicians either work alone or are the only non-participating physicians in clinics where participating physicians also work. Groups with from 2 to 4 non-participating physicians represent another 29% of the total, while the largest groups, with 5 or 6 non-participating physicians, account for just 13% of these doctors.⁸

Half of non-participating general practitioners are located in the regions of Montreal and the Montérégie. Specialists, for their part, are mainly concentrated in the Montreal region.

While their number has increased since the start of the 2000s, non-participating physicians still account for just 1.38% of all doctors in Quebec (263 out of a total of 18,990).

As for the number of doctors working in the public system, far from decreasing because of these departures to the private sector, it has continued to increase rapidly in recent years. From 2004 to 2012, the number of general practitioners rose from 8,165 to 9,294—an increase of 1,129 or 13.8%—while the number of specialists climbed from 7,980 to 9,696—an increase of 1,716 or 21.5%⁹ (see Figure 2). Furthermore, Quebec has more doctors per capita than the Canadian average, and more than seven other provinces.¹⁰

Given these data and the relatively small number of non-participating physicians, the development of private medicine cannot be held responsible for the problems of the public health care system in Quebec, as Minister Hébert would have us believe. We must look elsewhere for the reasons why the public system fails to meet the needs of Quebecers in a timely fashion.¹¹

Unmet needs

In reality, far from being responsible for any labour shortage in the public system, non-participating physicians respond to the unmet needs of patients who often have no choice but to turn to them for help. This demand for private care is evident from the results of polls. Quebec has the largest proportion of residents (66%) who want greater access to private health care. Alberta (48%) and Ontario (46%) are the provinces with the least support for more private care.¹²

We tried to get a better sense of the nature of this demand, about which no data had been collected before now, by carrying out our own field study of the patients of private clinics.¹³

First of all, the financial profile of clients does not correspond to the caricature of a very wealthy elite pampering itself with treatments in luxurious downtown Montreal clinics, but instead looks more like the profile of the

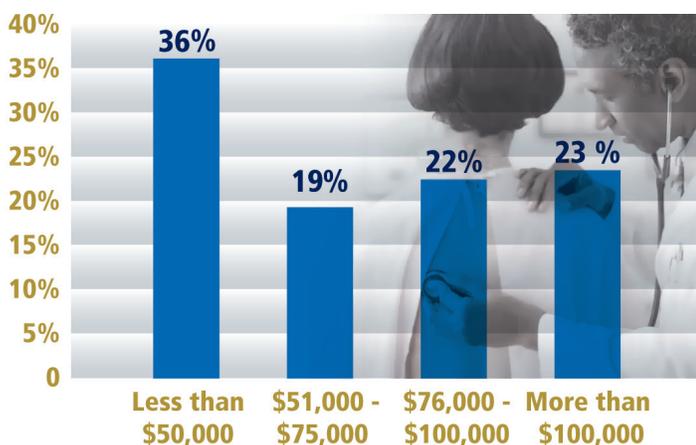
Figure 2 — Number of participating physicians, 2004 and 2012



Source: Canadian Institute for Health Information, *Supply, Distribution and Migration of Canadian Physicians 2012, 2013*, pp. 95-97.

general population. In Quebec, the median household income is \$68,000¹⁴ (which is to say that half of households have higher incomes and half have lower incomes than this). In our sample, 55% of respondents reported having a family income lower than \$75,000, while 45% had higher incomes (see Figure 3).

Figure 3 — Annual family income of patients



Source: Study carried out by the Montreal Economic Institute. See the Technical Annex on our website for detailed results.

A large majority of respondents (83%) paid for their medical consultations out of their own pockets, while 17% were reimbursed entirely (6%) or partially (11%) by their insurance companies.

Half of respondents (48%) said they tried to go to a public hospital or public clinic for the same reason before making their appointments. In these cases, the private clinics were clearly responding to needs that were not adequately met by the public system.

The reasons given for visiting a private clinic confirm the existence of problems accessing front-line care in the public system. Nearly half of visits (46%) were motivated by an emergency, while another third (33%) were due to pain or medical concerns. The other reasons given were annual checkups (6%), medical follow-ups (9%), surgery (1%), or other reasons (5%).

Finally, among a selection of thirteen responses, five reasons were mentioned as being very important by almost all of the patients (over 90%) in their decisions to visit a private clinic: the ability to get an appointment quickly; the ability

to get treatment or surgery quickly; good patient follow-up; the fact that medical personnel provided good explanations of diagnoses or treatments; and the professionalism of the medical personnel. The other reasons were all considered very important or somewhat important by a majority of respondents, but a smaller majority.

It is interesting to note that reasonable consultation fees were a very important reason for just two thirds of respondents. We can presume that the others either had sufficiently high incomes not to have to worry about these fees, or that they had health concerns serious enough that these fees were insignificant compared to the importance of receiving rapid care.

Promoting the emergence of complementary services

These results show that while the supply of private medical services remains relatively limited, it nonetheless benefits many Quebecers who believe that these services meet their needs better than those offered in the public system. Furthermore, the decision to visit a private clinic entails a reduction in the demand for public care, and therefore a certain amount of relief for the overloaded public system.

Far from constituting a “drain,” private medicine contributes to increasing the total supply of health services available and to relieving the pressure on the overloaded public system.

How can we make these services more accessible to more Quebec families, regardless of their budgets? One possible solution is tax credits for medical expenses.

In Quebec, taxpayers can request non-refundable tax credits corresponding to 20% of spending on medical fees above 3% of net income.¹⁵ At this threshold, one must have spent hundreds or even thousands of dollars on medical fees before qualifying for any reimbursement.

An obvious reform would therefore be to make admissibility start from the very first dollar spent on medical fees in private clinics, for treatment that is normally covered by

the public system.¹⁶ Far from constituting a net “tax expenditure” for the public treasury, such a measure would actually reduce costs since only a small portion of patient expenses would be reimbursed, whereas a consultation in the public health care system is 100% financed by taxpayers.

Conclusion

Insofar as patients choose to pay out of their own pockets to get it, private health care corresponds to a real demand. Those who resort to it do so because they have a hard time accessing care in the public system or because they are dissatisfied with the overall quality of care (follow-ups, explanation of diagnoses, management of medical files, etc.)

The reasons given for visiting a private clinic confirm the existence of problems accessing front-line care in the public system.

The development of private medicine should not serve as an excuse for avoiding the reforms needed to improve the efficiency of the public system. Far from constituting a “drain,” private medicine actually contributes to increasing the total supply of health services available and to relieving the pressure on the overloaded public system. This positive role should be properly valued and encouraged.

References

1. This was the case for 13% of Quebecers in 2010-2011. Institut de la statistique du Québec, *Enquête québécoise sur l'expérience des soins 2010-2011. Le médecin de famille et l'endroit habituel des soins : regard sur l'expérience vécue par les Québécois*, Vol. 2, March 2013, p. 35.
2. The average wait time for receiving an elective treatment after diagnosis by a general practitioner in Quebec rose from 16.6 weeks in 2012 to 17.8 weeks in 2013. Bacchus Barua and Nadeem Esmail, *Waiting Your Turn: Wait Times for Health Care in Canada 2013 Report*, Fraser Institute, October 2013, pp. 6-7.
3. The average wait time in Quebec emergency rooms increased from 15.9 hours in 2006 to 17.5 hours in 2013. Daphnée Cameron, “Palmarès des urgences : toujours plus d'attente,” *La Presse*, May 8, 2013.
4. The law currently does not allow doctors (with some exceptions, like for radiologists) to practice both in the public system and in the private sector, which forces them to leave the former if they want to practice in the latter.
5. Tommy Chouinard, “Médecine privée : Québec veut stopper l'hémorragie,” *La Presse*, May 17, 2013.
6. Pascale Breton, “L'automne s'annonce chaud en santé,” *La Presse*, September 17, 2013.
7. As of March 2013 for non-participating physicians; see Régie de l'assurance maladie du Québec, *Liste des professionnels de la santé non-participants ou désengagés au régime de l'assurance maladie du Québec avec adresse de pratique au Québec*, March 14, 2013. As of 2012 for participating physicians; see Canadian Institute for Health Information, *Supply, Distribution and Migration of Canadian Physicians 2012*, 2013, pp. 95-97.
8. Régie de l'assurance maladie du Québec, *ibid.*, and authors' calculations.
9. Canadian Institute for Health Information, *op. cit.*, note 7.
10. Quebec had 235 doctors per 100,000 population in 2012, which places it 3rd among Canadian provinces behind Newfoundland and Nova Scotia. The Canadian average is 214. Ontario has 201 doctors per 100,000 population. Canadian Institute for Health Information, *op. cit.*, note 7, p. 102.
11. The Montreal Economic Institute has published many studies on this topic over the past decade. See the Health Care section of our website at <http://www.iedm.org/669-sante--health-care>.
12. The Environics Institute for Survey Research, *What Canadians think about their health care system*, January 11, 2013.
13. The study is based on 141 questionnaires that were returned to us between June and August 2013, out of 360 sent out to eleven clinics. This sample, while not statistically significant, is sufficiently large to give us an indication of the characteristics and opinions of the target population. It also constitutes the only available data in this regard. See the Technical Annex on the Montreal Economic Institute's website for more specific methodology and the detailed results of this study.
14. Statistics Canada, Median total income, by family type, by province and territory, 2011.
15. Quebec Department of Finance and the Economy, *Dépenses fiscales, Édition 2012*, 2013, p. B.75. A similar tax credit exists at the federal level.
16. The current tax credit is applied to an array of expenses for health care or products related to health, such as dental care, eyeglasses, etc., for which there are not necessarily alternatives between the public system and the private sector. Our proposal is meant solely to encourage choices that reduce pressure on the overloaded public system, and not to make this tax credit more generous for all types of health-related expenses.

910 Peel Street, Suite 600
Montreal (Quebec) H3C 2H8, Canada
Telephone: 514-273-0969
Fax: 514-273-2581
Website: www.iedm.org

The Montreal Economic Institute is an independent, non-partisan, not-for-profit research and educational organization. Through its publications, media appearances and conferences, the MEI stimulates debate on public policies in Quebec and across Canada by proposing wealth-creating reforms based on market mechanisms. It does not accept any government funding.

The opinions expressed in this study do not necessarily represent those of the Montreal Economic Institute or of the members of its board of directors.

The publication of this study in no way implies that the Montreal Economic Institute or the members of its board of directors are in favour of or oppose the passage of any bill.

Reproduction is authorized for non-commercial educational purposes provided the source is mentioned.

Montreal Economic Institute © 2013

Illustration: Ygreck