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NOT ADDING UP

Surgical and diagnostic privatization in Ontario

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Summary

The Ontario government is aggressively promoting greater for-profit involvement in health care delivery. The most pronounced shift in this policy direction came in 2023 with the passage of Bill 60 (*Your Health Act*)—an omnibus bill intended to support the provincial government’s expansion of for-profit health care in the province.

In 2025, the provincial government awarded \$280 million for newly licensed for-profit facilities to perform orthopedic surgeries and medical imaging—the largest injection of public funds into for-profit facilities outside of Quebec.

This research study analyzes how the Ontario government’s policy direction favours the for-profit surgical and medical imaging industry over public hospitals and evaluates whether this policy direction is reducing wait times and serving the public interest.

Analysis of Freedom of Information (FOI) requests and publicly available data shows the following:

- There are 918 licensed integrated community health services centres (ICHSCs, previously called independent health facilities) operating in Ontario—an increase from 902 facilities in 2023.
- Most services provided in ICHSCs are medical imaging, including diagnostic ultrasound (41 per cent) and radiography (21 per cent). Twenty-one ICHSCs are contracted by the Ministry of Health to perform plastic surgeries (eight facilities), eye surgeries (six facilities), and CT and MRI scans (seven facilities). Two private hospitals—Don Mills Surgical Unit and Shouldice Hospital—perform multiple surgical procedures and hernia repairs, respectively.



- In 2024-25, three per cent of total day surgeries in Ontario were outsourced to for-profit facilities, both ICHSCs and private hospitals.

Volume of outsourced surgeries increasing faster than public hospital surgeries

The volume of surgeries performed in ICHSCs increased from 16,873 in 2017-18 to 36,653 in 2024-25—an increase of 117 per cent. At the same time, the number of day surgeries performed in public hospitals increased from 1,263,098 in 2017-18 to 1,393,719 in 2024-25—an increase of only 10 per cent. Between 2017-18 and 2024-25, the number of surgeries performed in ICHSCs increased by an average annual rate of 13 per cent compared to 2.2 per cent in public hospitals.

For-profit surgeries and medical imaging are big business—and growing

In 2024-25, for-profit surgical and medical imaging was a \$674 million industry in Ontario (out of a \$77.9 billion health budget), which increased from \$457 million in 2017-18—or by 48 per cent. For-profit surgical and medical imaging facilities received \$4.1 billion in cumulative funding from the Ontario government over eight years (2017-18 to 2024-25).

Public payments to for-profit facilities increasing faster than hospital funding

The Ontario government's policy direction favouring private, for-profit facilities is demonstrated when analyzing average annual funding growth in the three years following Bill 60. From 2022-23 to 2024-25, the average annual growth of public payments to for-profit surgical (22.8 per cent) and medical imaging (10.7 per cent) facilities increased faster than the average growth rate of public hospital funding (4.9 per cent).





Public payments to for-profit facilities are not transparently reported

The Ontario Public Accounts significantly under-report public payments to ICHSCs. In 2024-25, the Public Accounts report \$84.7 million transferred to ICHSCs while expenditure reporting obtained by FOI puts payments to ICHSCs at \$659 million. The Public Accounts under-reported payments to ICHSCs by 778 per cent in 2024-25.

Privatization is more expensive and lower quality than public hospital delivery

Across the country, outsourced surgeries and medical imaging have been consistently found to be more expensive than performing the same procedures in public hospitals. In Ontario, cataract surgeries were found to be more than twice as expensive as those performed in public hospitals and privately delivered knee arthroscopies were two to three times more expensive than performing them in public hospitals.

Evidence from Canada and internationally shows that private, for-profit health-care delivery is associated with lower-quality care, worse health outcomes, and greater risk of preventable death. A 2024 international review of 14 studies published in *Lancet Public Health* found “aggregate increases in privatization frequently corresponded with worse health outcomes for patients”.

Outsourcing is a gateway to two-tier health care

For-profit facilities are entrenching U.S.-style, two-tier health care in Canada through unlawful patient charges. Nearly one-third (46 out of 147) of unlawful extra-billing and user fee contraventions from 2023 to 2025—the years following the implementation of Bill 60—were related to cataracts and other eye procedures, which have been a major focus of surgical privatization by the Ontario government.





Wait times are increasing with greater for-profit involvement

Between 2017 and 2025, median wait times for eight of 12 priority procedures have increased in Ontario, including MRI scans, cataract surgeries, and all cancer surgeries. Despite the 185 per cent increase in public payments to ICHSCs for ophthalmologic procedures between 2017-18 and 2024-25, cataract surgery wait times did not improve. This trend challenges the Ontario government's rationale that greater outsourcing of cataract surgeries reduces wait times. Ontario's experience is consistent with the international evidence, and from other provinces, which finds outsourcing is not an effective strategy to reduce public wait times.

Conclusion and recommendations

The Ontario government's policy direction favours for-profit—rather than public—delivery of surgeries and medical imaging. As the market grows and this corporate lobby becomes more powerful—like in Alberta—the prospect of American-style, two-tier health care becomes a greater risk.

If the privatization of surgeries and diagnostic procedures was sound health care policy, then the evidence would support this direction—but it does not. Instead, the provincial government should rethink its policy direction:

- Stop privatizing surgeries and medical imaging;
- Immediately increase public hospital funding and service capacity; and,
- Commit to evidence-based public system improvement strategies.





Introduction

The Ontario government is aggressively promoting greater for-profit involvement in health care delivery. Although this policy direction was underway before the COVID-19 pandemic, the most pronounced shift came in 2023 with the passage of Bill 60 (*Your Health Act*)—an omnibus bill intended to support the provincial government’s expansion of for-profit health care in the province.¹

Since 2023, the Ontario government has been moving quickly to increase for-profit and investor involvement in Ontario’s health care system by encouraging the privatization of medical imaging and surgeries—core public hospital services covered by public medicare. In May 2023, the government brought this legislation into force. Among the legislative changes, “independent health facilities” were renamed “independent community health services centres”, which are private, for-profit facilities that perform a range of diagnostic testing and surgical procedures.

Since the passage of Bill 60, the provincial government issued three “calls for applications” to expand publicly funded, privately delivered procedures (also called outsourcing). In June 2024, the Ministry of Health issued a call for the expansion of outsourced MRI and CT scans,² followed by endoscopy services in August 2024,³ and orthopedic procedures in July 2025.⁴ In 2025, the provincial government announced that it had awarded \$155 million for newly licensed for-profit facilities to perform CT and MRI scans and endoscopies,⁵ and \$125 million for orthopedic surgeries at four private facilities.⁶ Outside of Quebec, this \$280 million is the largest injection of public funding into for-profit facilities in Canada.

Despite the Ontario government’s policy direction, for-profit delivery is generally more expensive than performing the same procedures in public





hospitals, poses risks to patient safety and care quality, and contributes to longer — not shorter — public wait times.⁷ Publicly funded, for-profit health care delivery is also a gateway to two-tier medicine as private facilities across the country have been shown to illegally charge patients for necessary health care already covered under provincial health plans.⁸

In Ontario, the provincial government is building the for-profit health care industry through substantial public funding. As this market grows and this corporate lobby becomes more powerful, the prospect of an American-style, two-tier health care system becomes a greater risk. Similarly, the Alberta government built a for-profit health care industry through public contracts, claiming that patients would never be required to pay privately for health care. In 2025, with this for-profit industry in place, the Alberta government began introducing legislation to establish a two-tier health care system.⁹ As Ontario follows in Alberta's footsteps, Canadian medicare has never faced a greater threat.



This study

In 2023, the Canadian Centre for Policy Alternatives published *At What Cost? Ontario Hospital Privatization and the Threat to Public Health Care*. That study explained the legislative changes under Bill 60 and analyzed the trends in publicly funded for-profit delivery of surgeries and medical imaging based on data obtained by Freedom of Information (FOI) requests, considering that details surrounding public funding for privately delivered procedures are not publicly disclosed.

There have been significant developments in the privatization of surgeries and medical imaging since Bill 60 came into effect. With a longer time horizon available for analysis, this research study analyzes how the Ontario government's policy direction favours the for-profit surgical and medical imaging industry over public hospitals. This research study evaluates whether this policy direction is reducing wait times and serving the public interest.

This research study uses descriptive statistical analysis of publicly available data and data obtained through four FOI requests submitted to the Ontario Ministry of Health and Ontario Health. This report also draws on the academic and policy literatures.

Growth of the for-profit surgical and medical imaging industry

Ontario's for-profit surgical and medical imaging facilities are a growing private health care industry. There are three types of for-profit facilities that perform publicly funded (OHIP-insured) out-of-hospital medical imaging and surgical procedures:

- Fee-for-service integrated community health services centres (ICHSCs, formerly called independent health facilities): Fee-for-service ICHSCs bill the Ontario Health Insurance Plan (OHIP) based on the provincial Schedule of Facility Fees.¹⁰ Diagnostic radiology (x-ray), nuclear medicine, ultrasound, pulmonary function studies, and sleep procedures may have facility fees billed fee-for-service.
- Contracted ICHSCs with a transfer payment agreement: Surgeries, MRI and CT scans, and other services (e.g., dialysis) cannot be billed fee-for-service and require a transfer payment agreement, which serves as a contract between the facility and the ministry. These agreements contain terms, volumes, and payment amounts per procedure that may be different between facilities and are not publicly disclosed.

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- Private hospitals: There are also two private hospitals in Ontario that operate under the *Private Hospitals Act*—a separate legislative framework from ICHSCs. These two for-profit facilities, Shouldice Hospital and the Don Mills Surgical Unit (part of the private equity-owned Clearpoint Health Network chain), perform publicly funded surgeries through transfer payment agreements with the Ministry of Health.

These facilities receive public funding, and ICHSCs and private hospitals may also perform private-pay services that are not publicly insured under OHIP, without explicit limits on what can be charged for such services. Under the *Integrated Community Health Services Centre Act*, providers must obtain consent from patients for the purchase of non-insured OHIP services.

In addition to public funding for OHIP-insured services, evidence shows that unlawful extra-billing and patient charges are common in this for-profit industry, despite the *Commitment to the Future of Medicare Act* and *Integrated Community Health Services Centre Act* prohibiting patient charges for OHIP insured services (see *Publicly funded for-profit delivery is a gateway to two-tier health care* section).¹¹

The Ontario government provides very limited public reporting on ICHSCs and private hospitals. Therefore, multiple Freedom of Information (FOI) requests were made to the Ministry of Health to determine publicly funded procedure volumes and payments to this growing for-profit industry. Analysis of data obtained by FOI request shows the following.

Most for-profit facilities perform medical imaging

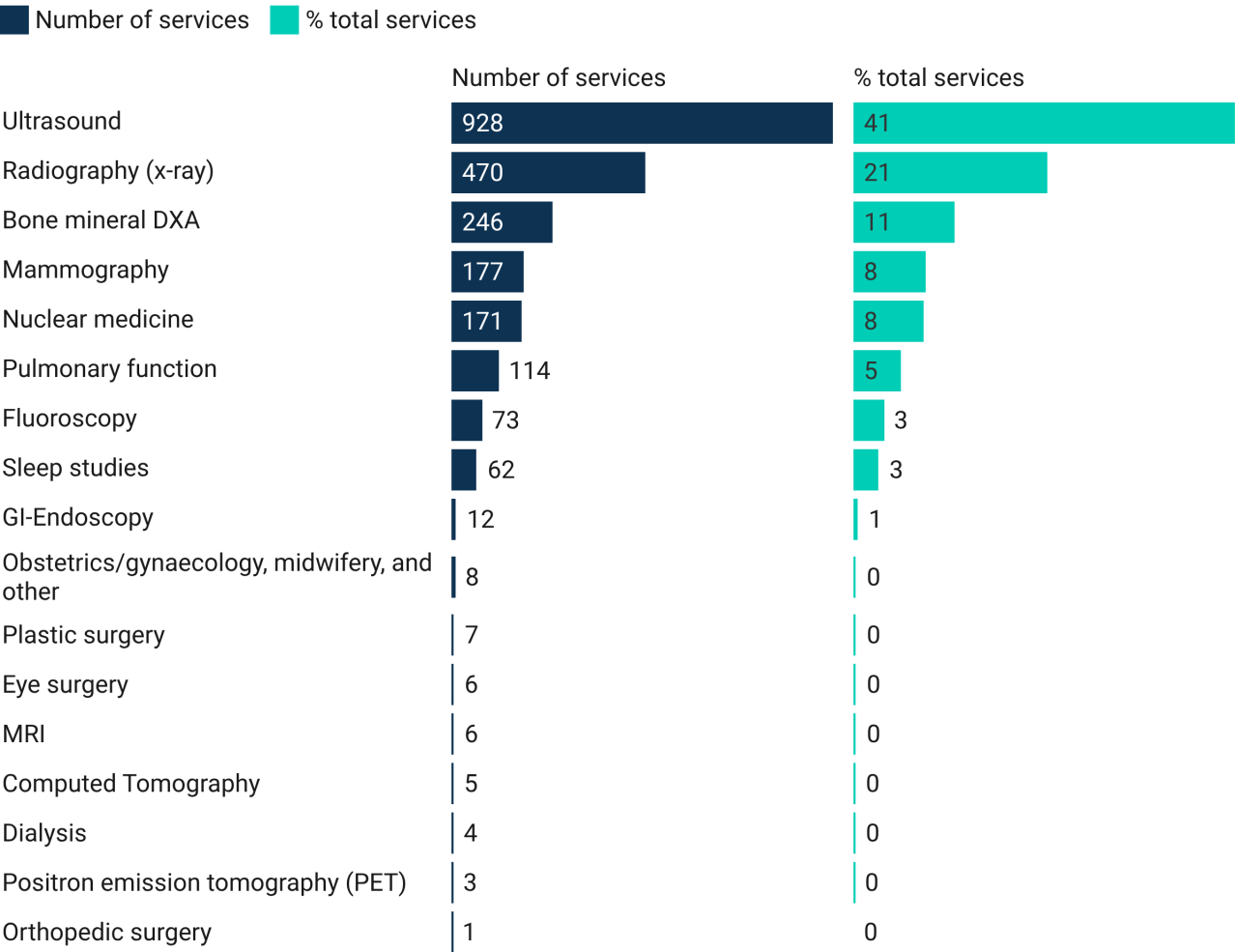
As of April 2026, there are 918 licensed ICHSCs operating in Ontario—an increase from 902 facilities in 2023.¹² Of these, 21 ICHSCs have transfer payment agreements with the Ministry of Health to perform plastic surgeries (eight facilities), eye surgeries (six facilities), and CT and MRI scans (seven facilities). The remaining 897 bill OHIP on a fee-for-service basis.

Nearly two-thirds (62 per cent) of ICHSCs deliver two or more services, with many of these facilities offering multiple types of medical imaging. When broken down by type of service, 41 per cent of services are diagnostic ultrasound, 21 per cent are radiography (x-ray), followed by

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Figure 1 / Services provided in integrated community health services centres
Ontario, 2026



Note Only includes OHIP insured services offered
Source Ontario Ministry of Health, Integrated Community Health Services Centres locations, updated April 13, 2026

bone mineral DXA (bone density test) (11 per cent), mammography (eight per cent), and nuclear medicine (eight per cent) (Figure 1).

There are two private hospitals licensed under the *Private Hospitals Act* that perform surgeries: Don Mills Surgical Unit and Shouldice Hospital. Don Mills Surgical Unit, part of the Clearpoint Health Network chain (operating as the Surgical Solutions Network), performs publicly insured and private-pay scheduled procedures, including orthopedic, eye, plastic, ears/nose/throat (ENT), and general surgeries.¹³ Shouldice Hernia Hospital exclusively performs hernia repairs.¹⁴

Table 1 / Volume of outsourced surgeries as share of total provincial surgeries

Ontario, 2024-25

Facility type	Number of day surgeries	% total
Total for-profit facilities	42,855	3%
ICHSCs	36,653	3%
Private hospitals	6,202	0%
Public hospitals	1,393,719	97%
Total	1,436,574	

Note Public hospital surgeries include scheduled, unscheduled, day, and inpatient surgeries.

Source Author's calculations from FOI requests OH26-006 and GRMH-2026-00021

Outsourced surgeries increased faster in for-profit facilities than in public hospitals

The majority of publicly funded surgeries are performed in public hospitals. In 2024-25, three per cent of total provincial day surgeries (also called outpatient surgeries) were outsourced to for-profit facilities, both ICHSCs and private hospitals (Table 1).

Although surgeries outsourced to ICHSCs remain a relatively small share of total day surgeries performed in the province, the volume of publicly funded surgical procedures and medical imaging performed in ICHSCs has increased at a significant rate from 2017-18 to 2024-25. The number of surgeries performed in ICHSCs increased from 16,873 in 2017-18 to 36,653 in 2024-25—an increase of 117 per cent (Table 2).

At the same time, the number of day surgeries performed in public hospitals increased from 1,263,098 in 2017-18 to 1,393,719 in 2024-25—an increase of only 10 per cent (Table 3). Between 2017-18 and 2024-25, the volume of surgeries performed in ICHSCs increased by an average annual rate of 12.9 per cent compared to 2.2 per cent in public hospitals (Tables 2 and 3). In other words, the number of surgeries performed in for-profit facilities is increasing faster relative to those performed in public hospitals.

Table 2 / Volumes of publicly funded procedures in integrated community health services centres

Thousands, Ontario, 2017-18 to 2024-25

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change 2017-25	Average annual change 2017-25
Surgical procedures										
Ophthalmology	13.9	14.1	13.2	12.5	14.9	19.1	28.3	32.3	131%	
Plastic surgery	2.9	3.3	2.7	3.0	3.4	4.6	5.3	4.4	50%	
Total surgical procedures	16.9	17.4	15.9	15.5	18.3	23.7	33.5	36.7	117%	
% annual change		3.0%	-8.0%	-3.0%	18.0%	29.0%	41.0%	9.0%		12.9%
Medical imaging										
Diagnostic radiology	4,299.1	4,387.5	4,265.1	2,881.3	3,898.0	4,443.6	4,758.6	5,175.6	20%	
Diagnostic ultrasound	5,404.9	5,622.5	5,565.7	4,701.2	5,689.7	6,105.5	6,635.1	7,061.5	31%	
Nuclear medicine	462.4	509.2	554.3	488.7	583.4	682.8	756.6	810.8	75%	
Pulmonary function studies	220.8	221.6	223.7	133.2	210.8	259.8	293.1	315.1	43%	
Sleep studies	139.5	143.3	141.5	80.8	109.3	127.2	144.4	149.1	7%	
CT (hours)	15.9	16.6	20.8	27.5	28.9	33.1	36.5	12.9	*	
MRI (hours)	40.0	43.6	47.3	46.4	60.9	91.3	95.9	117.8	195%	
Total MRI & CT (hours)	55.9	60.3	68.1	73.9	89.8	124.4	132.4	130.7	134%	
% annual change		8.0%	13.0%	9.0%	21.0%	39.0%	6.0%	-1.0%		13.5%

* The Ministry of Health changed the categories for CT and MRI between 2023-24 and 2024-25. Please interpret time-series with caution.
Source Author's calculations from FOI releases: Ministry of Health A-2024-00272 and GRMH-2026-00021; Ontario Health OH26-006

Volume of outsourced medical imaging increasing rapidly

Computed tomography (CT) and magnetic resonance imaging (MRI) service hours in ICHSCs increased from 55,933 in 2017-18 to 130,707 in 2024-25—an increase of 134 per cent (Table 2). CT and MRI are among the medical imaging modalities that have been a major focus of recent medical imaging privatization.¹⁵

From 2017-18 to 2024-25, publicly funded *hours* for CT and MRI scans performed in ICHSCs increased by an average annual rate of 14 per cent (Table 2) compared to five per cent growth in the annual average rate of *scans* in public hospitals (Table 3).¹⁶ Only 38 per cent of public and

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Table 3 / Volumes of procedures in public hospitals

Millions, Ontario, 2017-18 to 2024-25

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change 2017-25	Average annual change 2017-25
Surgeries										
Total day surgeries	1.26	1.29	1.27	0.98	1.10	1.29	1.35	1.39	10.0%	
% annual change		2.0%	-2.0%	-23.0%	13.0%	17.0%	5.0%	3.0%		2.2%
Medical imaging										
CT (scans)	1.82	1.94	2.01	1.96	2.23	2.35	2.57	2.76	52.0%	
MRI (scans)	0.84	0.85	0.84	0.74	0.86	0.86	0.91	0.99	18.0%	
Total MRI & CT (scans)	2.65	2.79	2.85	2.70	3.09	3.22	3.49	3.75	41.0%	
% annual change		5.0%	2.0%	-5.0%	14.0%	4.0%	8.0%	8.0%		5.2%

Source Author’s calculations from FOI releases: Ministry of Health A-2024-00272 and GRMH-2026-00021; Ontario Health OH26-006

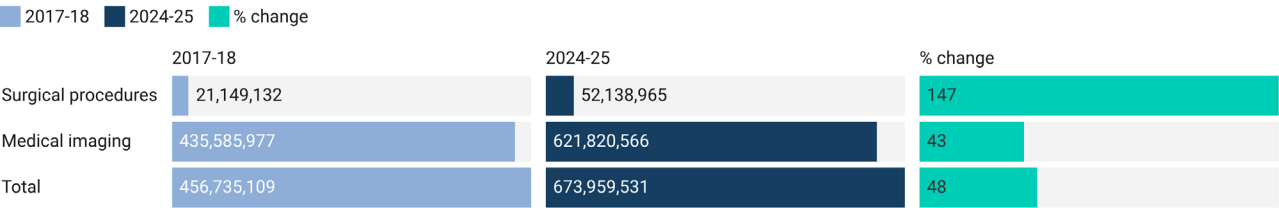
private Ontario MRI machines are running 24 hours a day, which suggests that there is considerable available public sector capacity that requires funding and staffing.¹⁷

For-profit surgical and medical imaging is big business—and growing

In 2024-25, for-profit surgical and medical imaging was a \$674 million industry in Ontario (out of a \$77.9 billion health budget), which increased from \$457 million in 2017-18—or by 48 per cent (Figure 2). For-profit surgical and medical imaging facilities received \$4.1 billion in cumulative funding from the Ontario government between 2017-18 and 2024-25 (Table 4).

As a share of the total public payments to for-profit facilities (ICHSCs and private hospitals), medical imaging facilities received the largest share, at 92 per cent (\$621.8 million) in 2024-25 (Figure 2). For-profit facilities performing surgeries received 7.7 per cent (\$52.1 million) of total public spending in 2024-25.

Figure 2 / Public payments to for-profit facilities by service type
Ontario, 2017-18 to 2024-25



Note Includes ICHSCs and private hospitals
Source Author's calculations from FOI releases: Ministry of Health A-2024-00272 and GRMH-2026-00021; Ontario Health OH26-006; and Ontario Public Accounts, various years

By dollar value, diagnostic ultrasound (\$295 million), diagnostic radiology (x-ray) (\$158 million), and nuclear medicine (\$77 million) received the largest amount of public funding among outsourced medical imaging services in 2024-25 (Table 4). Eye surgeries (\$31 million), mainly cataracts, and hernia repairs (performed at Shouldice, \$13 million) received the greatest public funding among outsourced surgical procedures in 2024-25 (Table 4). Across all these areas, there has been a considerable increase in public payments to for-profit facilities between 2017-18 and 2024-25.

Table 4 / Public payments to for-profit facilities by service type

Millions of dollars, Ontario, 2017-18 to 2024-25

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change 2017-25	Average annual change 2017-25
Integrated community health services centres (ICHSCs)										
Ophthalmology	\$11.00	\$11.32	\$10.68	\$11.15	\$12.81	\$16.14	\$23.86	\$31.38	185.0%	
Plastic surgery	\$1.88	\$2.47	\$1.47	\$2.23	\$2.24	\$3.35	\$4.41	\$5.88	212.0%	
Diagnostic radiology (x-ray)	\$118.98	\$121.11	\$118.10	\$81.27	\$112.71	\$129.96	\$139.41	\$158.01	33.0%	
Diagnostic ultrasound	\$209.97	\$216.93	\$214.17	\$188.94	\$225.86	\$245.69	\$264.74	\$295.43	41.0%	
Nuclear medicine	\$41.39	\$45.22	\$48.31	\$43.93	\$52.82	\$61.71	\$68.15	\$76.61	85.0%	
Pulmonary function studies	\$3.29	\$3.26	\$3.33	\$2.08	\$3.31	\$4.11	\$4.55	\$5.11	56.0%	
Sleep studies	\$50.92	\$52.26	\$51.74	\$30.60	\$41.41	\$49.22	\$55.89	\$60.92	20.0%	
CT	\$2.61	\$3.36	\$3.05	\$4.75	\$4.76	\$5.88	\$7.49	\$4.66	78.0%	
MRI	\$8.42	\$8.56	\$9.03	\$11.90	\$17.77	\$18.74	\$18.34	\$21.07	150.0%	
Total ICHSCs	\$448.47	\$464.48	\$459.88	\$376.84	\$473.68	\$534.82	\$586.84	\$659.08	47.0%	
% annual change		3.6%	-1.0%	-18.1%	25.7%	12.9%	9.7%	12.3%		6.5%
Private hospitals										
Don Mills Surgical Unit (multi-surgical)	\$1.32	\$1.32	\$1.32	\$3.32	\$4.98	\$5.27	\$3.50	\$1.58	20.0%	
Shouldice Hospital (hernia repair)	\$6.95	\$6.95	\$6.95	\$7.94	\$8.27	\$12.20	\$11.19	\$13.30	91.0%	
Total private hospitals	\$8.26	\$8.26	\$8.26	\$11.26	\$13.25	\$17.47	\$14.69	\$14.88	80.0%	
% annual change		0.0%	0.0%	36.3%	17.6%	31.9%	-15.9%	1.3%		10.2%
Integrated community health services centres (ICHSCs) and private hospitals										
Total	\$456.74	\$472.74	\$468.14	\$388.10	\$486.93	\$552.29	\$601.53	\$673.96	48.0%	
% annual change		3.5%	-1.0%	-17.1%	25.5%	13.4%	8.9%	12.0%		6.5%

Note Don Mills Surgical Unit (Clearpoint Health Network) and Shouldice Hospital are the only contracted private hospitals that perform publicly funded surgeries. Payments to ICHSCs and private hospitals only constitute the facility fee and do not include OHIP payments (professional fees) to physicians. ICHSCs were previously called independent health facilities (IHF).

Source Author's calculations from FOI releases: Ministry of Health A-2024-00272 and GRMH-2026-00021; Ontario Health OH26-006; and, Ontario Public Accounts, various years

Table 5 / Public payments to for-profit facilities for surgical procedures and medical imaging

Millions of dollars, Ontario, 2017-18 to 2024-25

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change 2017-25	Average annual change 2017-25
Surgical procedures										
Public payments	\$21.15	\$22.06	\$20.41	\$24.63	\$28.29	\$36.97	\$42.97	\$52.14	147.0%	
% annual change		4.3%	-7.5%	20.7%	14.8%	30.7%	16.2%	21.4%		14.4%
% of total	4.6%	4.7%	4.4%	6.3%	5.8%	6.7%	7.1%	7.7%		
Medical imaging										
Public payments	\$435.59	\$450.69	\$447.73	\$363.46	\$458.64	\$515.32	\$558.56	\$621.82	43.0%	
% annual change		3.5%	-0.7%	-18.8%	26.2%	12.4%	8.4%	11.3%		6.0%
% of total	95.4%	95.3%	95.6%	93.7%	94.2%	93.3%	92.9%	92.3%		
Surgical procedures and medical imaging										
Total public payments	\$456.74	\$472.74	\$468.14	\$388.10	\$486.93	\$552.29	\$601.53	\$673.96	48.0%	

Note Don Mills Surgical Unit (Clearpoint Health Network) and Shouldice Hospital are the only contracted private hospitals that perform publicly funded surgeries. Payments to ICHSCs and private hospitals only constitute the facility fee and do not include OHIP payments (professional fees) to physicians.

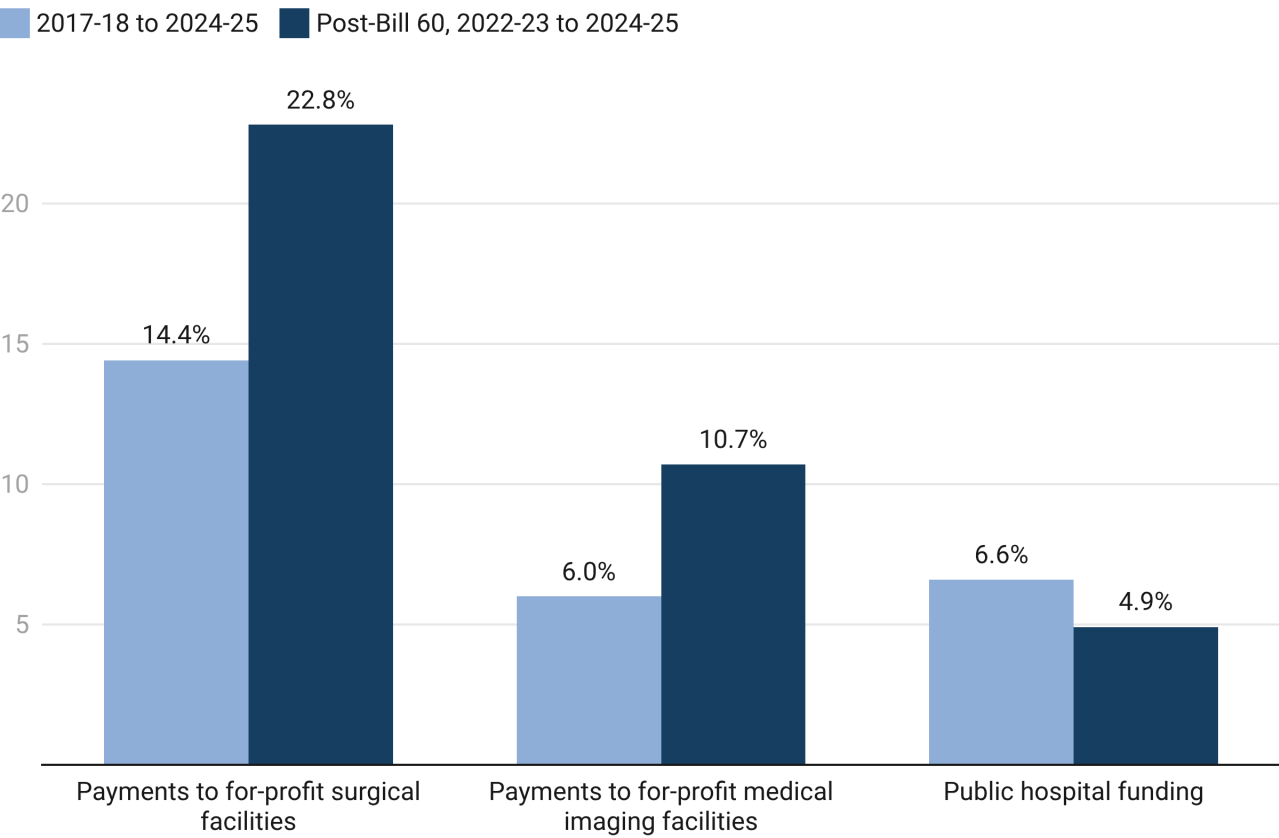
Source Author's calculations from FOI releases: Ministry of Health A-2024-00272 and GRMH-2026-00021; Ontario Health OH26-006; and, Ontario Public Accounts, various years

Public payments to for-profit facilities increasing faster than hospital funding

Public payments to for-profit facilities performing surgeries and medical imaging increased at faster average annual rates than public hospital funding. Between 2017-18 and 2024-25, payments to private surgical and medical imaging facilities increased at an average of 14.4 per cent and six per cent, respectively (Figure 3 and Table 6). Over this period, public hospital funding increased at an average rate of 6.6 per cent.

The Ontario government's policy direction favouring private, for-profit facilities is demonstrated when analyzing average annual funding growth in the three years following Bill 60. From 2022-23 to 2024-25, average annual payments to for-profit surgical and medical imaging facilities increased at a rate of 22.8 per cent and 10.7 per cent, respectively (Figure

Figure 3 / Average annual funding change in Ontario for-profit facilities and public hospitals



Source Author's calculations from FOI releases: Ministry of Health A-2024-00272 and GRMH-2026-00021; Ontario Health OH26-006; and, Ontario Public Accounts, various years

Table 6 / Ontario public hospital funding

Billions of dollars, 2017-18 to 2024-25

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Change 2017-25	Average annual change 2017-25
Operation of public hospitals	\$17.29	\$17.97	\$19.32	\$24.27	\$22.99	\$22.63	\$25.58	\$26.37	53%	
% annual change		4%	8%	26%	-5%	-2%	13%	3%		6.6%

Source Ontario Public Accounts, various years

Table 7 / Underreporting of public payments to ICHSCs in Ontario

Millions of dollars, 2017-18 to 2024-25

	Payments to ICHSCs reported in Public Accounts	Payments to ICHSCs disclosed by FOI	% Public Accounts underreport payments
2017-18	\$49.30	\$448.47	910%
2018-19	\$52.22	\$464.48	889%
2019-20	\$51.11	\$459.88	900%
2020-21	\$56.04	\$376.84	672%
2021-22	\$65.80	\$473.68	720%
2022-23	\$58.53	\$534.82	914%
2023-24	\$73.28	\$586.84	801%
2024-25	\$84.71	\$659.08	778%

Note ICHSCs are integrated community health services centres and were formerly called independent health facilities.
Source "Payments to independent health facilities reported in Public Accounts" are extracted from Public Accounts of Ontario, Ministry Statements and Schedules, Ministry of Health, Ontario Health Insurance Program, Details of Expenses and Assets by Items and Accounts Classification, various years; Ministry of Health FOI requests A-2022-00318, A-2023-00082, A-2024-00272, GRMH-2026-00021Get the dataCreated withDatawrapper

3). This was significantly higher than the annual average rate of growth in public hospital funding at 4.9 per cent over the post-Bill 60 period.

Public payments to for-profit facilities are not transparent

Payments to for-profit ICHSCs cannot be accurately and completely accounted for in Ontario’s Public Accounts. The Treasury Board Secretariat provides detailed annual expenditure reporting, including transfer payments to non-government service providers, which includes ICHSCs and private hospitals.

The Public Accounts significantly under-report public payments to ICHSCs. In 2024-25, the Public Accounts report \$84.7 million transferred to ICHSCs (facility fees only) while expenditure reporting obtained by FOI puts payments to ICHSCs at \$659 million (Table 7). The Public Accounts underreported payments to ICHSCs by 778 per cent in 2024-25.

The significant discrepancy is due to a misleading accounting practice whereby the Public Accounts only include payments to ICHSCs with a transfer payment agreement while excluding the majority of payments



to fee-for-service ICHSCs that do not have such agreements with the Ministry of Health. (Payments to private hospitals can be retrieved by name in the detailed schedule of payments but are not specifically identified as an expenditure category in the Public Accounts.)





Privatization more expensive than public hospital delivery

Across the country, outsourced surgeries and medical imaging have been consistently found to be more expensive than performing the same procedures in public hospitals.

- In B.C., a 2011 study found knee meniscectomy to be 375 per cent more expensive in a for-profit facility than in a public hospital, despite worse return-to-work outcomes for patients receiving privately performed surgery.¹⁸
- In Alberta, hip, knee, and shoulder procedures performed in for-profit facilities have been found to be 57 to 133 per cent more expensive than the same procedures performed in public hospitals.¹⁹
- In Ontario, cataract surgeries performed at Don Mills Surgical Unit were found to be more than twice as expensive as those performed in public hospitals, while privately delivered knee arthroscopies (meniscus repair) were two to three times more expensive than performing them in public hospitals.²⁰





- In Quebec, government data obtained under Freedom of Information revealed that Quebec paid up to 2.5 times more for procedures performed in for-profit clinics compared to those performed in public hospitals in 2019-20.²¹ In July 2026, *Le Devoir* revealed that analysis by Quebec's Ministry of Health found surgeries performed in for-profit facilities cost, on average, 35 per cent more than equivalent procedures performed in public hospitals.²²

Privatization associated with worse health outcomes and preventable death

Evidence from Canada and internationally shows that private, for-profit health-care delivery is associated with lower-quality care, worse health outcomes, and greater risk of preventable death.²³ Much of the research comes from the U.S. and England, where for-profit health care provision has a longer history. When health care facilities are profit-motivated, they must find ways to reduce costs and return profits to investors.

The primary strategy among for-profit hospitals, ambulatory care facilities, and long-term care homes in Canada and the U.S. is to maintain lower staffing levels and fewer highly skilled personnel per bed.²⁴ In turn, hospitals with fewer skilled personnel per hospital bed are associated with higher mortality rates.²⁵

Patient safety may be sacrificed in order to generate profits for investors. In a major paper for the *Canadian Medical Association Journal*, P.J. Devereaux and colleagues compared mortality rates for 26,000 for-profit and non-profit hospitals, serving 38 million patients in the U.S., and concluded that "private for-profit ownership of hospitals, in comparison with private not-for-profit ownership, results in a higher risk of death for patients."²⁶ The researchers raised concerns about the negative health outcomes if governments open the door to for-profit hospitals in Canada.

Currently, there is no public reporting of complications or serious incidents in for-profit facilities in Ontario (or anywhere in Canada), but international evidence is cause for serious concern. An estimated 82 for-profit hospitals in England were responsible for £250 million in extra costs to the public system over three years, as patients were transferred to public hospitals due to complications in private hospitals.²⁷

A growing body of research associates worse health outcomes and greater risk of preventable death when governments outsource (i.e., privatize) publicly funded health care to the for-profit sector. In a 2022 study by University of Oxford researchers published in the *Lancet Public Health* journal, researchers concluded that "private sector outsourcing [in England] corresponded with significantly increased rates of treatable





mortality.”²⁸ In a 2024 scientific review of 13 studies, the authors found that “aggregate increases in privatization frequently corresponded with worse health outcomes for patients” and concluded that “the scientific support for further privatization of health care services is weak.”²⁹





Outsourcing is a gateway to two-tier health care

Extra-billing is an unlawful practice whereby facilities or physicians bill patients privately for medically necessary procedures that are already publicly insured by the Ontario Health Insurance Plan (OHIP). The Ontario government claims that greater for-profit delivery of publicly funded procedures does not open the door for the unlawful extra-billing (also called two-tier health care),³⁰ which is contrary to Ontario legislation (*Commitment to the Future of Medicare Act* and *Integrated Community Health Services Centres Act*) and the *Canada Health Act*.

However, evidence shows that for-profit facilities and surgical chains are entrenching U.S.-style for-profit health care in Canada through unlawful extra-billing and patient user fees. Previous research documented B.C. and Alberta for-profit facilities engaged in unlawful extra-billing despite holding contracts to deliver publicly funded procedures.³¹

Between 2015 and 2020, the Calgary-based Surgical Centres Inc. chain (acquired by the Clearpoint Health Network in 2022) received the second-largest amount of public funds among all for-profit providers for surgical outsourcing in B.C. In Alberta, Alberta Health Services (AHS) held a contract with Surgical Centres Inc. valued at \$155 million between 2012 to 2021.³² Surgical Centres Inc. engaged in unlawful extra-billing in B.C. during the same time it held outsourcing contracts with AHS and

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B.C. health authorities. In B.C., three Surgical Centres Inc. facilities were audited by the provincial government, with extra-billing estimated at \$2.1 million between 2015-16 and 2020-21.³³

In 2024, the Ontario Health Coalition published cases of unlawful extra-billing and patient user fees for publicly insured services covered by OHIP.³⁴ The coalition found that of the 231 patients surveyed in the province, 120 patients were unlawfully charged by for-profit clinics. Most of the cases involved eye procedures.

Analysis of data obtained by FOI shows that extra-billing and user fees in for-profit facilities remains a systemic problem in Ontario. Patients can make complaints to the Ministry of Health if patients believe they have been unlawfully charged. The Ontario Ministry of Health does not publicly report complaints or validated contraventions; therefore, data were obtained by FOI request. Analysis of the FOI results shows the following:

- From 2017 to 2025, there have been 715 validated contraventions for unlawful extra-billing or patient user fees. (These are referred to as “closed complaints” in Table 8.)
- Since 2017, a significant share of complaints have been investigated and found to have involved unlawful extra-billing or patient charges, ranging from 35 per cent to 47 per cent (Table 8).
- Nearly one-third (46 out of 147) of extra-billing contraventions from 2023 to 2025—the years following the implementation of Bill 60—were related to cataracts and other eye procedures. Outsourcing ophthalmologic procedures to for-profit facilities has been a focus of the Ontario government’s expansion of for-profit delivery. As the provincial government uses public funds to grow this for-profit industry, unlawful extra-billing and patient charges remains a serious problem.

The Ontario Ministry of Health maintains a complaint-driven enforcement regime for unlawful extra-billing. This approach likely results in a conservative estimate of the amount of unlawful extra-billing in the province as officials are not proactively auditing facilities for illegal and fraudulent billing practices.

As of December 2025, the Ontario Ministry of Health only had 2.5 full-time equivalent (FTEs) personnel that support investigations related to extra-billing and unlawful facility fees under the *Commitment to the Future of Medicare Act* and the *Integrated Community Health Services Centre Act*.³⁵

However, these are not dedicated FTEs as they support other program areas within the ministry. It is not surprising, then, that the provincial



Table 8 / Percentage of closed extra-billing and user fee complaints with contraventions found

Ontario, 2017-25

	Contravention not found	Contravention found	Total closed complaints
2017	58%	42%	88
2018	58%	42%	132
2019	57%	43%	76
2020	58%	42%	97
2021	64%	36%	94
2022	65%	35%	43
2023	56%	44%	77
2024	53%	47%	77
2025	55%	45%	31
Total			715

Note There were two open (unresolved) complaints from 2023, eight from 2024, and 48 from 2025.

Source Author's calculations from Ministry of Health FOI request A-2023-00075 and GRMH-2025-00323

government does not have the capacity for a proactive enforcement regime, with random and unannounced spot audits and investigations, for the province’s 918 ICHSCs and two private hospitals.

The Ontario government is building a large for-profit health care industry through substantial public funding. As the market grows and this corporate lobby becomes more powerful, the prospect of a full-blown two-tier health care system becomes a greater risk. In Alberta, the provincial government has, similarly, built a for-profit health care industry through significant public funding, claiming that patients would never be required to pay privately for health care.

Even though the current Alberta government was not elected on a platform of U.S.-style health care, in September 2026, Alberta brought into force two-tier legislation allowing doctors to work concurrently in the public and private-pay systems (Bill 11) and sanctioning patient fees for diagnostic testing (Bill 29)—medically necessary services already covered under the public plan. The private insurance lobby has had direct involvement in Alberta’s two-tier legislation, from which it stands to financially benefit.³⁶ A legal analysis found that Alberta’s two-tier legislation contravenes the *Canada Health Act*.³⁷ Even without two-tier legislation, Ontario is following a similar path where this for-profit industry charges unlawful patient fees as it becomes more powerful.

Evaluating Ontario's wait time performance

Since the provincial government has prioritized for-profit surgical and diagnostic delivery over the expansion of public sector capacity and improvement, wait times are generally increasing in Ontario. The Canadian Institute for Health Information (CIHI) tracks provincial wait times for priority procedures from data reported by the provinces.

Between 2017 and 2025, median wait times for eight of 12 priority procedures have increased in Ontario, including MRI scans, cataract surgeries, and all cancer surgeries:

- For MRI scans, median wait times increased from 35 days in 2017 to 47 days in 2025—or a 34 per cent increase (Table 9).
- For CT scans, median waits remained unchanged, at six days between 2017 and 2025 (Table 9).
- However, wait times for the 90th percentile of patients increased by 95 per cent for MRI and 231 per cent for CT scans, which raises concerns that patients beyond the 50th percentile are waiting increasingly long times (Table 9). In other words, it is not only median wait times that matter. The increasingly long waits for many patients beyond the middle of the wait-time distribution is a red flag for health system performance.

Table 9 / Ontario medical imaging wait times in days**2017-25**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	Change 2017-25
CT scan, median wait time	6	6	6	3	5	8	9	8	6	0%
CT scan, 90th percentile	35	39	50	63	41	71	98	113	116	231%
MRI scan, median wait time	35	35	35	26	29	33	38	46	47	34%
MRI scan, 90th percentile	96	96	114	173	111	151	153	179	187	95%

Source CIHI Wait Times for Priority Procedures in Canada, 2008-2025

Table 10 / Ontario median wait times for cancer surgeries in days**2017-25**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	Change 2017-25
Bladder cancer surgery	24	23	23	20	22	27	27	27	26	8%
Breast cancer surgery	15	16	16	15	16	19	20	21	20	33%
Colorectal cancer surgery	19	18	19	16	17	20	21	21	20	5%
Lung cancer surgery	16	19	19	18	20	22	21	20	20	25%
Prostate cancer surgery	34	37	40	41	41	48	50	36	40	18%

Source CIHI Wait Times for Priority Procedures in Canada, 2008-2025

- From 2017 to 2025, median wait times increased for all cancer surgeries tracked by CIHI, which include bladder (eight per cent), breast (33 per cent), colorectal (five per cent), lung (25 per cent), and prostate (18 per cent) (Table 10).

Ontario's wait time performance for non-cancer surgeries has been mixed:

- Median wait times for cataract surgeries, one of the key procedures subject to privatization, increased from 67 days in 2017 to 68 days in 2025—or by one per cent (Table 11).
- Despite the 185 per cent increase in public payments to ICHSCs for ophthalmologic procedures between 2017-18 and 2024-25, cataract surgery wait times did not improve. This trend challenges the Ontario

Table 11 / Ontario median wait times for non-cancer surgeries in days

2017-25

	2017	2018	2019	2020	2021	2022	2023	2024	2025	Change 2017-25
Coronary artery bypass graft	8	7	7	5	7	8	8	7	8	0%
Cataract surgery	67	65	63	152	88	87	74	71	68	1%
Hip fracture repair (hours)	23	24	24	24	25	27	26	25	24	1%
Hip replacement	82	77	77	141	104	108	91	83	76	-7%
Knee replacement	92	85	85	163	112	117	94	88	81	-12%

Source CIHI Wait Times for Priority Procedures in Canada, 2008-2025

government’s rationale that greater outsourcing of cataract surgeries would significantly reduce wait times.

- Hip fracture repair is another procedure where the median wait time increased while privatization increased—from 23 days in 2017 to 24 days in 2025 (by one per cent) (Table 11).

In other areas, there have been either improvements or no change during this period:

- The median wait for coronary artery bypass graft (CABG) surgery remains unchanged, at eight days from 2017 to 2025 (Table 11).
- Hip replacement median waits declined from 82 days in 2017 to 76 days in 2025—or by seven per cent (Table 11).
- Knee replacement median wait times decreased from 92 days in 2017 to 81 days in 2025 (by 12 per cent) (Table 11).

These improvements are unlikely to be the result of increased orthopedic surgery outsourcing since the expansion of orthopedic surgery outsourcing was only announced in December 2025.³⁸

Privatization associated with longer wait times

An international review of policy strategies to reduce wait times finds that outsourcing procedures is not an effective strategy.³⁹ In fact, the review



concludes that increasing public sector hospital capacity, rather than outsourcing, has the greatest potential to reduce waits in the long run.

These findings are consistent with the Canadian policy experience with publicly funded, for-profit delivery. After pouring \$154 million in public funding to for-profit facilities between 2019-20 and 2023-24, the Alberta Surgical Initiative only added 16,493 of the least-complex procedures to the province's surgical capacity—an eight per cent volume increase.⁴⁰ The initiative simply shifted surgical activity to for-profit facilities at the expense of public hospitals. Evaluation of Alberta's wait time performance since the expansion of outsourced procedures found that median wait times for nine of 11 priority procedures increased, including knee replacements and all cancer surgeries.

In Ontario, public payments to for-profit surgical facilities increased at an average annual rate of 14.4 per cent from 2017-18 to 2024-25 while median wait times for eight out of 12 priority procedures increased (2017 to 2025). If the expansion of for-profit surgical and medical imaging was effective at reducing wait times as the provincial government claims, there would be evidence of improved timely access to care.





Conclusion and recommendations

The Ontario government's policy direction favours for-profit—rather than public—delivery of surgeries and medical imaging. While this policy direction was underway before Bill 60, trend analysis shows that surgical and diagnostic privatization is becoming more deeply entrenched in Ontario's health care system in the wake of Bill 60.

The growth of this for-profit industry—benefitting from substantial public funding—comes as public hospitals face funding austerity. The Financial Accountability Office of Ontario (FAO) estimates that \$6.4 billion in new health care spending is required in 2026-27 just to maintain 2024-25 service levels.⁴¹ Budget 2026 only adds \$3.4 billion in additional spending, which leaves the health care system short by \$3 billion in this fiscal year.

Costs in the hospital sector have been increasing by about six per cent per year due to population growth, aging, and inflation, according to the Ontario Hospital Association. However, the Ontario budget plans for total health care funding to increase by 3.5 per cent in 2026-27 and 2.3 per cent in 2027-28.⁴² These increases are insufficient to address the health care needs of the population.

Despite the severe funding shortfalls facing Ontario's public hospitals and growing layoffs of frontline health care workers,⁴³ the same austerity does not apply to for-profit facilities. From 2022-23 to 2024-25, average annual payments to for-profit surgical and medical imaging facilities grew at a rate of 22.8 per cent and 10.7 per cent, respectively. This was significantly higher than the average annual growth rate in public hospital





funding, at 4.9 per cent over the three years following Bill 60. To make matters worse, the growth of surgical and diagnostic outsourcing leads to greater fragmentation of service delivery while costing the public more than equivalent service provision in public hospitals.

If the privatization of surgeries and diagnostic procedures was sound health care policy, then the evidence would support this direction. It does not. As the provincial government pursues this policy direction, median wait times for eight of 12 priority procedures have increased, including MRI scans, cataract surgeries, and all cancer surgeries.

The Ontario government is building a large for-profit health care industry through substantial public funding. As the market grows and this corporate lobby becomes more powerful—like in Alberta—the prospect of a full-blown U.S.-style health care system becomes a greater risk.

Instead, the provincial government should rethink its policy direction:

Stop privatizing surgeries and medical imaging

The research evidence and Canadian policy experience demonstrate that investment in public sector capacity—not private, for-profit delivery—has the greatest potential to sustain wait-time improvements over the long term. The majority of priority procedures had longer wait times in 2025 than 2017, despite multiple years of the provincial government pursuing this policy direction. Among procedures that have been the primary focus of privatization—cataract surgeries and MRI scans—median wait times have increased. The Ontario government should stop the privatization of core hospital services.

Immediately increase public hospital funding and service capacity

In 2026-27, the provincial government is projected to increase base and targeted hospital funding by four per cent—which falls short of the six per cent annual needed to account for population growth, aging, inflation, and system improvement—and to simply maintain service levels. Public hospitals are constrained in their ability to extend operating room and medical imaging hours into evenings and weekends when provincial





funding is not meeting hospital cost drivers—and hospitals are laying off frontline staff.

Predictable multi-year funding increases of at least six per cent annually are required to maintain services and increase public surgical and diagnostic volumes. Through multiple calls for applications, the Ministry of Health appears more focused on building the private business interests of for-profit providers rather than developing a clear plan to address underutilized public operating rooms and medical imaging services, including MRI. The Ontario government should begin by publicly disclosing unfunded and unstaffed hospital operating room and medical imaging hours during days, evenings, and weekends.

Commit to evidence-based public system improvement strategies

Rather than doubling down on privatization, the Ontario government would be wise to focus on policy strategies grounded in proven evidence and experience, both in Canada and

internationally. These strategies include properly funding hospitals, implementing centralized wait lists and single-entry models, physician payment reforms that enable team-based care, staffing existing public operating rooms that sit idle days, evenings, and weekends, and improving primary and community care access.⁴⁴

Although some of these public system improvement initiatives exist in certain parts of the province and among certain surgical specialties, the provincial government does not have a clear plan to scale up and spread public sector innovations provincewide. In fact, a recent simulation study found that if Ontario implemented both single-entry referral and team-based care, it would largely prevent patients from exceeding wait time targets for hip and knee joint replacement surgeries.⁴⁵ The provincial government needs to commit to public system innovations that can improve timely access to high-quality care.



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