Undoing the Canadian Health Care System: The Privatization of Medical Laboratories in Ontario

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ABSTRACT

This paper focuses on one company, MDS, the largest provider of medical laboratory services in Canada. It has also been a leader in the move to privatize laboratory services in Ontario. In a free trade environment, with the weakening of the Canada Health Act ensuring universality in services, these efforts promise to succeed. We will see how privatization in this area comes together with "new" management techniques, described in a discourse of empowerment and democracy although it leads to quite the opposite.

RÉSUMÉ

Cet exposé est axé sur une compagnie, MDS, la plus grande fournisseuse de laboratoires médicaux au Canada. Elle a aussi été l'une des premières compagnies à privatiser les services de laboratoires en Ontario. Dans un environnement de libre-échange, et l'affaiblissement de la Loi canadienne sur la santé qui assure l'universalité des services, ces efforts promettent de réussir. Nous verrons comment la privatisation dans ce milieu va de pair avec les "nouvelles" techniques de gestion, qui sont décrites dans un traité sur le plein pouvoir et la démocratie bien qu'il ne mène tout à fait qu'au contraire.

Business waits impatiently to take advantage of the new opportunities for profit opening up in the health care sector in Canada, "one of the largest unopened oysters in the Canadian economy."[1] Michael Greenberg, a neurosurgeon and president of ISG (Informatics Search Group) technologies, a medical equipment and software company based in Mississauga and one of a number of private health companies connected to MDS Health Ventures describes the importance of cost effectiveness in health care. "No one can sell something new in health care now just because it does the job better", said Greenberg. "It has to have economic benefits too."[2] Economic benefits, by definition, exist only in the private, 'for profit' sector, so new medicines, new techniques are not valued for their effectiveness in treating what ails us, but in how they contribute to a company's bottom line. Although these "truths" are presented as gender neutral, a look at how the status of women has deteriorated internationally since the implementation of neo liberal politics of structural adjustment globally indicates that it is women, in their capacity as both paid health care workers and unpaid health care providers, who shoulder a disproportionate share of the costs of deteriorating public support for health.[3] This erosion of social rights, now reduced to the claims of "special interest groups" has accelerated in Ontario in recent years.

MDS is a prime player in the health service industry which has been the fastest growing sector of the Canadian economy accounting for almost 10 percent of the gross domestic product. Most of this growth has been in the private sector, in the biomedical, biotechnology and medical devices industries. In 1993, 28% of the health care spending was in the private sector. This has been aided by what industry and government refer to as a "partnership" with government. That means public money invested in private companies for "discovery funds", biotechnology and biomedical production facilities.[4]

MDS Health Group Ltd. began in 1969 in Toronto as MDS Laboratories, founded by former IBM executives. It operates Canada's largest network of clinical laboratories and physician services. For the first twenty years of its history, the company focused on its laboratory operations, where the outpatient testing they did was compensated by OHIP. In 1989 the company began to diversify.

The main business of the company is the provision of technology-based products, information and analytical services for health care and associated markets. In addition, MDS Health Group holdings

include a range of companies producing high technology tools, paramedical insurance services, nursing home equipment, industrial and environmental testing. They also manage seven hospital laboratories in Canada and four in the United State and are now introducing "Autolab", one of the world's first fully automated medical laboratories. MDS Health Ventures, a division of MDS, was created in 1988. By 1994, they had investments in more than 30 companies and revenue of more than $200 million.[5] As a venture capitalist, the company has an excellent success rate, celebrated by Canadian Business magazine as, "The Start'up Star who Bats 900"[6] A new division, Global Pharmaceutical Services, was launched in August 1995, to do research development in the lucrative $250 billion (US $) pharmaceutical market.

The reshaping of Canada in accordance with neoclassical economic ideology was aided by the FTA or the (Free Trade Agreement) and then NAFTA, (North American Free Trade Agreement) which were hotly debated in Canada in the late 1980s.[7] NAFTA, the deal between Canada, the United States and Mexico is based on the idea that all aspects of North American society conform to free market principles, as defined by the corporate community. Under NAFTA, by 1998, all levels of government are required to treat all enterprises equally, whether they are a hospital or a multinational corporation. This includes bidding on diagnostic medical laboratory work, the focus for this paper. There are exceptions allowed in what are called "non-conforming provisions" meaning community, social and professional services "established or maintained for a public purpose." These provisions relating to the public sector are of particular concern to women, as this is the area where women have made major advances in getting decently paid, unionized jobs.

However, even those exceptions granted are reviewed periodically. If a provincial government at any particular time is not committed to maintaining a public, non profit service and it ceases to become an exception, than it is almost impossible for that programme or service, once privatized, to be brought back into the public sector. They must convince Ottawa to put their case through the review process established by NAFTA to demonstrate that such action serves a "public purpose" and they must be ready fully to compensate investors for lost markets. The reviews are held in secret, and the proceedings are not available to the public. As the Canada Health Act specifically excludes private, for profit administration of health insurance, private companies have a strong interest in penetrating Canada's health care sector, those Canadians committed to a public health care system view with concern the effect of the CHST (Canada Health and Social Transfer Act) in undermining the provisions of the Canada Health Act guaranteeing universal, non profit service delivery.

In 1995, the federal budget announced that federal transfers to both health and post secondary education would be merged with transfers for Social Assistance. In a few years, payments to Ontario will cease completely, leaving little financial leverage to enforce the provisions of the Canada Health Act. Free Trade opponents predicted that all public programs and services would face pressure to decline to the level of what is offered in the United States. Advocates of the deal, however, claimed that our social safety net was not on the table. But, once a part of the medical system is lost to private companies, NAFTA regulations make it unlikely that it can be reclaimed for the public sector.

MEDICAL LABORATORIES

Although less visible to the public than doctors and other front line health care workers, the provision of medical laboratory services is an intrinsic part of the public health care system. Laboratory testing deals with the detection, diagnosis, exclusion or monitoring of disease as well as disease prevention. Medical laboratory services were provided almost exclusively in the public sector by public health laboratories and hospital based laboratories funded through monies that were part of the hospital's overall global budget. Private laboratories who do outpatient testing developed in the 1970s and operate on a fee for service basis bill OHIP for each procedure done. Some hospital physicians have protested this disadvantaging of the hospital laboratories.[8] As a rule, the private

laboratories deal with more routine testing of outpatients leaving the more labour intensive, technically demanding work in the hospital sector. Because of the acute care services they provide, hospital laboratories must stay open 24 hours a day, seven days a week.

Thus, although the hospitals have the infrastructure and the capacity to do virtually all outpatient testing, as hospital budgets have become constrained, more and more laboratory work is diverted to private laboratories. The hospital saves money, but the cost to the public purse is increased, and the cost effectiveness of the hospital facilities reduced.

In 1995, there were 6,000 medical technologists represented by OPSEU (Ontario Provincial Service Employees Union) working in 217 hospital laboratories and Public Health Laboratories in Ontario. Approximately 80% of these technologists are women. For some years now, unionized laboratory technologists in Ontario and other provinces such as Saskatchewan and British Columbia have been quite concerned about the encroachment of the 'for profit sector', in particular, MDS, into laboratory testing. MDS began by taking over smaller independent laboratories doing outpatient testing, and by the 1980s, grew powerful enough take over work formerly done in the hospital sector.[9]

When the NDP took office in Ontario, they faced escalating costs of laboratory testing, which had tripled in the private sector during the 1980s. A number of conflict of interest situations were documented where medical doctors benefitted financially from directing business away from hospitals in which they worked, to the private clinic they held an interest in.[10] The NDP moved to contain rising costs of laboratory testing in outpatient care and announced a review of laboratory testing. However, neither exercise posed much of threat to the continued diversion of public health care funds into the private sector, as care was taken to ensure that private labs would not lose ground in their share of medical testing.[11] Quite the contrary, MDS's response to the limits set on fee for service billing was a drastic restructuring of their laboratory operations. When that was completed, they marketed their new streamlined management practices to hospitals in the public sector as management consultants. MDS now offers hospitals, and other public institutions not only high technology products, but also laboratory management, automation and information systems and "increased revenue streams from these new areas are anticipated."[12]

The Ontario NDP government set up the Health Industries Advisory committee in June of 1993, "a partnership of industry, labour, health care researchers and providers, and consumers" to develop a closer link between the research community, industry, and educational institutions, as well as a better investment environment.[13] William Blundell, Chair of the Wellesley Hospital and past CEO of General Electric Canada chaired this committee. The group included Edward Rygiel, the president of MDS Health Ventures Inc.[14] This was followed by a $7.65 Ministry of Health grant, matched by the private sector, to provide public support for the profit health industries in Ontario.[15]

MDS - "QUALITY CHAMPIONS"[16]

In September 1993, Ernst & Young business consultants produced a report called *Quality Champions: Case Studies and Implication for Health Care in Canada*, for the Conference of Deputy Ministers of Health. They described how MDS laboratories managed to achieve "Efficiencies through employee participation". On August 27, 1995 the Clinical Laboratory Management Association(CLMA) awarded MDS Laboratory Services (Ontario) the 1995 Quality Management Award at their Annual Conference in Minneapolis, Minnesota for their submission "A Taste of Our Quality", the first time the award had been given to a company outside the United States.[17] Its mission statement is proudly displayed in its publicity as "Vision '96."

> As an **industry leader**, we provide **cost effective** laboratory services of **premier quality** in an environment which values our **people and partnerships** while focusing on our

> **customers** within a **profitable, innovative** organization positioned for the future.[18]

Thus, the vision statement consists of language which assumes a compatibility between the needs of workers in an organization, the provision of good services at a low price, and the goal of management to be profitable.[19] There are no contradictions in this framework, just sound management focusing on the customer.[20]

The management process, which MDS calls "Simplification" began in late 1989.[21] The first attempt ran into difficulties. "Despite our best efforts, Simplification was painful and met with resistance." MDS prided itself on its "value" of "caring". Employees understood this to mean that they were entitled to job security. But MDS meant something quite different, "that each individual would be treated with dignity and honesty in a caring environment", that is, employees would be provided with a "New Directions" program when they were fired. They then developed a new department called Organizational Effectiveness(OE), an internal consulting group on "change."[22] The challenge was to make employees feel that the decision to downsize was theirs.

In management lingo, laying off workers is called "Change" and is considered a good thing. "Communicating change" is the way that management involves staff in this process. Through employee forums such as Employee Assemblies and the Employee Council, the company involved its employees and used these vehicles to explain why change is required. This is to **"encourage a collaborative approach to problem-solving and reinforce the importance of teamwork** within the organization...It was seen as a real **opportunity to focus externally on the customer** (the patient and the physician client)." As is common in reengineering practices, a profitable company is equated with the provision of the best possible service to the "customer".[23]

By the end of the 1993, 200 laboratory jobs had been cut from the MDS Ontario Laboratory Services Division, and 200 more people reassigned to other areas. Many of the labs became specimen collection centres as the number of testing locations in Ontario was reduced from 52 to approximately 25. Much of the testing was moved to the reference testing centre at head office and to five regional testing centres. MDS provided some retraining, relocation, assistance with a job search for those who lost their jobs. For remaining employees they developed a counselling program designed to assuage the guilt or "survivor syndrome" of those that still had a job at MDS. As MDS discovered in "streamlining" their first exercise, team involvement was crucial to their success. Personnel for the team selection was key and as one team member described it, "a great success. The chosen members of the high volume team not only believe in this project but believe that their involvement is essential to its success." Supervisors now become "coaches" of the "team" acting as "facilitator, communicator and resource for information"[24] MDS's vision for the future is to continue the expansion beyond the six provinces in Canada where they already have labs to develop a National Laboratory Organization, which would be a "virtual organization." It sounds as if that involves even more downsizing. "The virtual organization is like just-in-time-inventory, except we are talking about just in time talent."

"NEW" MANAGEMENT STRATEGIES IN ACTION

An MDS driven "change process" at the Wellesley hospital in Toronto began in 1993. MDS was called in to consult on lab management and equipment, and the design and development of a process analysis. The terms of reference were to "initiate a change initiative to position the hospital for the future." The CEO of the hospital, William Blundell, was also the chair of the Health Industries Advisory Council under the NDP. Briefly, the MDS consultant recommended the hiring of an MDS "change agent" who recommended that equipment be purchased and the laboratory reorganized the MDS way. This involved the replacement of trained laboratory technologists with less skilled technicians. The outcome subsequently took another twist, as a hospital restructuring committee recommended in

1995 that fourteen hospitals in the Toronto areas be closed, including the Wellesley. The hospital which had just opened a state of the art birthing centre, and is the centre for AIDS treatment in the city is fighting the decision, but as a small inner city hospital serving the poor, its future is unclear.

The union president, Amani Oakley, soon realized MDS' structure for staff input had very little to do with a real union. Ms Oakley's observations were that MDS was setting up a structure that would split staff relations with union relations. Moreover, the private labs were known to be anti union.

There had been a few instances of private labs that were shut down to keep the union out--one in Hamilton and one in Mississauga. They attempted to organize them and rather than allowing the union in, they fired everyone. Private labs are rarely unionized.

The consultant issued a report and several months later, the hospital decided to hire a "change leader" as recommended in the MDS consultant's report and invited the union to select a group of technologists to interview candidates. However, this involvement was merely token as the hospital had already signed a two year contract with MDS. The decision left to the technologists was which of two MDS candidates would be selected.

Ruth Jaeger was hired and a LOT, or Laboratory Operations Team, was put together which included the union president, the directors, the lab managers and four staff representatives selected by the union. Shortly after that, without consulting the LOT team, they learned of the decision to buy two new machines for the biochemistry department. As Amani explained, the instruments (Kodak machines) are simple to run. However, that means that less qualified staff (technicians) are reviewing results and are not aware of what the impact of those results might be. Four benches (workstations) would be replaced with these two instruments. Thus the decision to buy these machines also involved a serious change in the workflow. Staff would be reduced, workstations amalgamated and the use of technologists minimized in an automated system.

Lab assistants would do the mechanical aspects of tests and the abnormal tests would be held back for technologists. Amani Oakley was convinced that these efficiencies would have their price in terms of patient care. A lab test is not something that one "passes" or "fails", but must be tied to the condition of the patient. Depending on the nature of the illness a specific test result could be considered normal, or an indication of something very serious.

Automating the system involves some delay in identifying and treating critically ill patients, as a technologist would not be seeing the test until the system identified it as abnormal. The LOT (Laboratory Organization Team) had concerns about the dangers. Formerly, the technologist would call the results to the patient's floor immediately then repeat the test to confirm that the results really were that low or that high. The hospital floor was immediately on alert that they were likely to have an emergency on their hands and could begin to prepare. The Laboratory Organization Team never got a chance to discuss these issues.

According to the union president, TQM has definitely taken over. When staff doesn't agree the MDS consultant goes ahead anyway as she has her own reasons. LOT (the Laboratory Operation Team) is more of a camouflage to the fact that decisions have already been made in many cases and this was a way to lead the staff along and say we have staff involvement.

After the union inadvertently caught wind of plans for huge staff layoffs, which they knew nothing about, they decided not to participate on the committees. The hospital administration then selected individuals who were told that participation in the LOT was not optional.

Technologists in other hospitals confirmed the importance of not automating the process so that a patient becomes nothing more than a bar code. Gloria works in a hospital in London, Ontario. She explains that in the hospital, lab work is part of an organic whole of health care for patient. Her skills are valued and she has the space to make a skilled, thoughtful, knowledgeable and integrative contribution toward patient care. This aspect of patient care is lost when the patient is reduced to a bar code. There is comparatively little job satisfaction for a private lab worker, where the work is deskilled

and routinized.[25]

Stefan Cwitkowski, a medical technologist at Women's College hospital expressed a similar view. As he described his work in a hospital that prides itself on its maternity services "I am part of how these babies get the proper care. We advise the doctors and keep the show going." Automating responses will eliminate contact with the doctors and the sense of the patient as a whole person. At Women's College hospital, haematology, blood bank and chemistry recently combined. They are now done in one location, with an intensification of labour and technicians to do the work. A chart which lists the reduction of staff by area, is titled "Laboratory Re-engineering project - opportunities for improvement." Improvement is defined as cost savings, and the chart specified that the bulk of the savings will come from eliminating Medical Laboratory Technologists jobs.[26] The plan is to use "patient focused care" to eliminate blood technicians and add their duties to the nurses responsibilities. His comment is that "Efficiency is not the main thing. We have patients, not customers. People don't choose to be sick. That is playing with the head."[27]

THE DOWNLOADING OF RESPONSIBILITY

The College of Medical Laboratory Technologists was first established in 1992, and became law in 1993. Union technologists did not welcome this development as they felt that the setting up of such a regulatory body was an attempt by the hospital to download responsibility from the institution to individuals.[28] Under the new college system technologists become "professionals".[29] This means that laboratory technologists must now become supervisors and they are held legally liable for the work of the laboratory technicians. Formerly, most of the laboratory staff were technologists, responsible only for the quality of their own work. The institution, the hospital would have legal liability if anything went wrong in the lab. This coincides with the replacing of the more skilled technologists with lower paid technicians.

Becoming certified as a medical technologist requires a two to three year course course of study which involves learning the physiological reasons for tests and the rationale for why a test is done, what's important, and what's critical as well as the skills of performing a test. The technician or lab assistant takes a one year course community college course which focuses on the how to of working with an instrument.

As Amani Oakley describes it:

> They are taking skilled work and saying, "lets break it down to its component parts to free us up for more skilled work." We laugh. We may have more time to do more skilled work but it will be spent on the unemployment line.

HEALTH FOR PROFIT[30]

The exercise at Wellesley hospital was geared to the use of less skilled personnel, an overall reduction in staff and automation. It was also viewed by OPSEU as an attack on the union. Running the labs will not only be less costly, there will be fewer staff to argue with as "computers don't picket."

There are two very different perspectives on this situation. One position, familiar to Ontarians, fed alarm about the debt daily and used by the hospital administrators, is that we must concerned about the legacy we leave to our children even if that means working to eliminate your own job. One young woman expressed the flaw in this reasoning when she asked the MDS consultant at a town hall meeting at Wellesley Hospital, "don't you think there is something wrong with putting us on committees that would theoretically eliminate our own jobs?" This woman, like other medical technologists, knows the importance of her work and feels that the primary concern of a health care system should be the quality of the care provided to patients, not a narrow calculation of the bottom line.

The dominant view expressed by the chief economist of the Bank of Nova Scotia is to celebrate the creation of "enormous opportunities for the private sector."[31] These "opportunities" were considered good news by all the political parties. Indeed the New Democratic government in power in Ontario acted in accordance with this logic. They

looked to "new" management strategies to solve the problem of growing health care laboratory costs rather than limiting the power of model private companies such as MDS. The way the NDP conducted its review of Laboratory Services reflected this approach.

ONTARIO LABORATORY SERVICES REVIEW

From 1992-94, the Ontario government (MOH) engaged in a review of the lab services system, when public hearing were held. Although cost effective delivery, and rationalization of services was declared to be high on the government's agenda, it is noteworthy that the privatization question was not raised. The questions of funding and the structure of lab services in the province were untouched.[32]

The report focused rather on describing existing laboratory services and considering how the "non-system" of "isolated entities in competition" can become more coordinated and how the various "service providers" can cooperate. Having defined the challenge as trying to see the various components of the lab services as a whole, it is noteworthy that the consideration of the efficiency of the system in its entirety was evaded. The current structure allows the routinized, simple testing where profits are potentially high, to remain with private sector companies. The more labour intensive work remains in the hospitals who are now deemed not "cost effective." In Canada in another context, this would be similar to privatizing travel between Toronto and Montreal, while leaving the Toronto - Kirkland Lake route for the public purse. If providing universal services at minimal cost was the goal, than returning simple, routine testing to hospital laboratories could help to subsidize the more complex and expensive procedures.

The Laboratory Service Review focused instead on another solution, one in the area of management practices. To achieve the goal of "excellence in management"[33] the human resources paper commissioned for the review entitled "A Quality Improvement Infrastructure for Laboratory Services in Ontario" became the first recommendation of the final task force report issued in March 1994. As pioneered by McDonald's in the production of hamburgers, and echoed in management literature such as the best selling Hammer and Champy, *Reengineering the Corporation*, quality is indistinguishable from profitability and synonymous with serving the customer better, defined as either the patient or the physician. Thus the problem of rising laboratory costs is not defined in a way that would challenge the expensive unregulated proliferation of private outpatient testing by private companies. Rather strategies for keeping costs down are limited to management techniques, to be accomplished by changing "attitudes and beliefs."[34] Relevant "stakeholders" do not include the people on the front lines--nurses, health care attendants, technologists. Their views are not seen as relevant in the reorganization of their jobs.[35]

The presentations to the Lab Services Review were informative in laying out the ideological differences between the public and private sector representatives. One presenter, Mr. Alan Jarvis, from a private laboratory company called Excel Bestview, bragged about their 370 employees, 81% of whom are women. He said , they are "loyal, overworked, underpaid and qualified." The model for his company is "compete or die". In response to the government ceiling on laboratory payments, he cited his company's response to reduced revenues. Excel Bestview has not given its employees raises since 1990, has increased their work week from 35-40 hours, amounting to a real pay cut of 12%, intensified the work (the date entry department has increased its volume by 300%), and for good measure, laid off 150 people. This is their proud response to an "efficiency driven competitive environment"

Dr. Martin Barkin, a director of Dynacare Inc., the second largest medical laboratory company in Canada after MDS, is also the former Deputy Minister of Health in Ontario, and the Secretary of the Premier's Council on Health. As Dr. Barkin explained in his presentation, the public sector consumes wealth, while the private sector generates wealth. He lauded the "recent recognition by government and ministry health that within the health

care sector there is an important industrial base for the creation of wealth and jobs." Dr. Barkin quoted the NDP Minister of Health, Ruth Grier, then the Minister of Health, on how "we need to get more economic leverage out of the money we spend on health care." Dr. Barkin went on to describe the Ontario Government Economic and Investment Strategy, public funding for a private sector consortium to support capital investment for health Industries through the development of a Health Industries Advisory Committee.

A minority report to the Laboratory Services Review submitted by OPSEU members of the advisory board noted:

> The committee did not meet its mandate on the contentious issue of funding. Without clear recommendations for restructuring of the funding of the system in the short term, we feel that the current funding inequities will persist, and will only deepen the crisis facing hospital and public laboratories.[36]

Why did the NDP begin by capping payments to the private laboratories, and then shrink away from scrutinizing a system that had contributed so heavily to rising medicare costs? I believe that the submission by Dr. Barkin, noted above, holds the answer. When one views the public sector as a drain on the economy, its institutions, parks, elaborate infrastructure are only valuable when sold to the private sector. Thus although laboratory testing can be done more efficiently in public laboratories, it can, in this way of thinking, never rival the private sector. Testing in the public sector costs money, while the same test, done for profit in the private sector makes money. This appeared to be the logic of the NDP government in power.

CONCLUSION

Privatized labs are at the lead in the dismantling of our publicly controlled health services. 'For profit' corporations claim almost half of the billion dollars that the Ontario government spends on labs each year, and will lobby hard to claim as much of the remaining amount as they can. The private sector offers lower labour costs which supposedly makes the private system "cheaper" than the public system. What we have seen is the convergence of a private system based on profit, with old attempts to not only enlist workers in their own exploitation, but to eliminate them altogether, packaged as "new" management expertise on "change". The issue never dealt with in the laboratory services review is privatization. Privatization carries greater costs to taxpayers and is much more difficult to regulate. Corporations engage in business for profit and the profits to be realized in health care are enormous. The profit comes from either doing the same services for a higher rate, or out of the pockets of lab technologists. The result is a degradation of the service and a deskilling of the worker. When services are performed in the public sector the resources stay there, when they are performed in the private sector the resources/money can go anywhere.

In the laboratory sector, it seems that the "middle" ground, a moderate approach which looks to "partnerships" with business for the provision of publicly funded services, compromises the government's ability to challenge how those services are provided. Furthermore, one must be wary of "new" management strategies that purport to bring democracy and worker involvement to a workplace. Carole Pateman, in *Participation and Democratic Theory*refers to the psychological illusion of pseudo participation.[37] In fact these practices systematically undermine the one vehicle workers can call on to protect their interest, unions. In the case of MDS, such involvement is nothing more than a smokescreen as management sets the agenda which is often opposed to workers' interests.

The cutting edge technological developments of MDS were assisted by public money, while publicly run labs were allowed to deteriorate for lack of funding. As we have seen, automation in this sector is not necessarily a benefit when it is used to replace technologists with less trained people. Both the technologists and patient care may suffer. Women have the most to lose. As they form the majority of paid laboratory

technologists working in the public sector, their jobs are at risk. As unpaid caregivers, they will shoulder the burden of a deteriorating public health care system.

APPENDIX

A Note About Methodology and Site Observations

The information in this research was gathered through interviews with laboratory technologists who are also union activists--OPSEU staff researchers generously allowed me access to their files. I also attended OPSEU meetings that dealt with restructuring in the hospitals. Thanks in particular to Wendy Curley, Stefan Cwitkowski, June Hollands, Barb Linds, Amani Oakley, Moya Beall, Chris Madill, Joe Healy and "Gloria". I toured two hospital laboratories, thanks to the generosity of Stefan Cwikowski and Amani Oakley. Comments on what I saw are very much influenced by the technical people I spoke with, as I lack technical training in this area. Karen Hadley toured St Joseph's with "Gloria." In addition, both Karen Hadley and myself attended the hearings in Toronto of the Ontario Laboratory Services Review. This information was supplemented by extensive library searches primarily done by Marg Watson.

The most noteworthy incident in this research involved an interview I arranged with Pat Everitt, Director of Hospital Services of MDS in December, 1995. A few days after this meeting and my tour of the impressive MDS superlab facility, I received a note from Ms Everitt with two forms enclosed. She asked that I sign a document which would give MDS control over anything I might write not only about MDS, but about the medical laboratory industry. It seemed that MDS assumed this kind of thought control was appropriate not only for its employees, but over anyone interested in the industry. I forwarded a copy of the letter to the Office of Research Administration of York University for their files and decided not to respond to this rather unusual request.

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ENDNOTES

1. Colleen Fuller "A Matter of Life and Death: NAFTA and Medicare", in *Canadian Forum*, Vol. LXXII, No. 823(October 1993) 19

2. Brenda Dalglish, "Health for Profit" *MacLean's*. November 7, 1994, pp 44-6. ISG Technologies develops, manufactures and markets medical imaging workstations. MDS is known and listed by its initials, which originally stood for Medical Diagnostic Services, as MDS got its start with laboratory testing.

3. Eva Friedlander(ed) *Look at the World Through Women's Eyes*: *Plenary speeches from the NGO Forum on Women, Beijing '95.* (New York: Women Ink, 1996)

4. Colleen Fuller, "A Matter of Life and Death: NAFTA and Medicare", *Canadian Forum* (October 1993) 14-19.

5. *Labyrinth*, September 1994.

6. John Southern "The start-up Star who bats .900: Its the fate of venture capitalists to back four losers for each winner. Health specialist Ed Rygiel's ration is an astounding nine successes out of 10--and counting." *Canadian Business*(Vol 66, no 3) 66-68

7. See for example, Maude Barlow and Bruce Campbell *Take Back the Nation 2: Meeting the Threat of NAFTA* (Toronto: Key Porter Books, 1991)

8. Dr. Raymond Bonin, Chief pathologist, Laurentian General Hospital, petition to the Ministry of Health on Laboratory Services in Hospitals. November 1995. In some areas, non profit Hospital-in-common Laboratories(HICL) serve as the resource. These hospital based laboratories receive fee-for-service for the work they do at a negotiated rate of 75% of the Schedule of Benefits for privately owned laboratories.

9. See, for example, Beth Smillie, "Privatizing our Labs" *Briarpatch*, Vol XXII, no. 1 (February 1993) or *Medical Laboratory Services: A Delivery System, Public versus Private National Union of Provincial Government Employees* (Ottawa, October 1995)

10. Editorial, *Toronto Star*, August 6, 1994.

11. Andy Willis, "MDS will make a health recovery" *Financial Times of Canada* (August 3, 1992) 14

12. MDS Health Group Ltd. 1994 Annual Report, p 20.

13.This is a view widely criticized by those who see a more critical role for public education. See, for example, Maude Barlow and Heather Jane Robertson, *Class Warfare: the assault on Canada's Schools* (Toronto: Key Porter Books, 1994)., John Calvert with Larry Kuehn, *Pandora's Box: corporate Power, Free Trade and Canadian Education.*(Toronto: Our Schools Ourselves, 1993) or Jan Newson and Howard Buchbinder (Toronto: Garamond, 1988)

14.Report of the Health Industries Advisory committee to the Minister of Health *Healthy and Wealthy: A Growth prescription for Ontario's Industries* (March 1994. Ontario)

15.Leslie Papp, "NDP pays 47.65 million to aid health industries." *Toronto Star* (May 13, 1994) B2

16. Ernst & Young, *National Strategy on Quality and Effectiveness in Health Care*. "Quality Champions: Case Studies and Implications for Health Care in Canada. II. MDS Laboratories: Achieving efficiencies through employee participation.": prepared for the Conference for Deputy Ministers of Health. September 1993.

17. Brenda Dalglish, "Health for Profit: The private sector is aching to get into medicine." *Macleans* (Nov. 7, 1994) 44-6

18.Emphasis from the original statement, Vision '96. Press release from MDS announcing the "Clinical Laboratory Management Association (CLMA) 1995 Quality Management Award" n.d. 1995.

19.The figures, of course, don't bear out the claims at all. I attended the conference in Beijing China this past summer. The figures describing the plight of women and children in this world are nothing short of alarming. World Bank, Free market solutions are clearly causing terrible hardship.

20. MDS Health Group Ltd. *1994 Annual Report* (20)

21."CLMA Quality Management Award Essay", (Toronto: MDS, 1995) 6

22. This OE process was also used in Saskatchewan when MDS took over the laboratories in the cities of Saskatoon and Regina, in what they called a "joint venture."

23. See Michael Hammer and James Champy *Reengineering the Corporation* (New York: HarperCollins, 1993)

24. Ernst & Young, *Quality champions: Case Studies and Implications for Health Care in Canada.* Conference of Deputy Ministers of Health, 1993.

25. *Focus: A Publication of the College of Medical Laboratory Technologists of Ontario.* Vol 2, no 2 (June 1995) 1

26. Chart posted on wall in the Medical Laboratory of Women's College Hospital, Toronto in November 1995.

27. Interview with Stefan Cwitcowski, President of OPSEU local and medical technologist, Women's College Hospital, Toronto. November 1995.

28. It is clear that the common agenda is downsizing. In London, "Gloria" reports that they have become increasingly understaffed for several years now, so that work has intensified enormously. In Women's College Hospital, a reengineering chart issued by managements describes the changes. In haematology/ chemistry for example, 41 full time equivalents are to be cut to 20.6 FTEs. In microbiology, 22 FTEs are to be stripped to 15.6 "Laboratory re-engineering project - opportunities for improvement" Posted at Women's College Hospital, December 1995.

29. Interview with "Gloria", medical technologist at St Joseph's hospital in London Ontario. November 1993.

30.Title of article by Brenda Dalglish in *Maclean's* (November 7, 1994) 44-46

31.Brenda Dalglish "Health for Profit" *Mcleans* (November 7, 1994) 44-46

32. Laboratory Services Review, Final Report, March 1994., p 3

33. Lab Services Review, p 6

34. Jonathan Lomas and John Lavis, "A quality improvement infrastructure for laboratory services in Ontario's McMaster University, October 1993".

35. This was a constant criticism from the OCHU, the Ontario Council of Hospital Unions, organized by CUPE (the Canadian Union of Public Employees), as the government recommended deinstitutionalization of services to the "community" but did not allocate resources for community based health care. Ontario council of Hospital Unions/CUPE, *When Patients Don't Matter: How government cuts are undermining health care*. (Toronto: March 1995)

36. Mary Sue Smith and Clara Pires, Ontario Public Service Employees Union, "Minority Report on the Laboratory Services Review"

37. Oxford: Cambridge University Press, 1970.