Independent
Diagnostic Clinics
Association

November 15, 2022

Office of the Deputy Premier and Minister of Health
777 Bay Street, 5th Floor
Toronto ON
M7A 1N3

Dear Deputy Premier and Minister of Health Jones:

Submission by the Independent Diagnostic Clinics Association on behalf of the IHF sector

The Independent Diagnostic Clinics Association of Ontario ('IDCA') is making this submission on behalf of the province's independent health facilities ('IHF') sector.

The IDCA represents the interests of the approximately 1,000 community-based medical imaging and surgical IHF clinics in Ontario. IHFs perform approximately 50% of all medical and diagnostic imaging studies conducted in Ontario and IHF technical fees total more than $450,000,000 per annum. While many of the financial issues relating to IHFs are relevant to healthcare generally, there are several matters that uniquely or disproportionately affect IHFs.

Since the start of the Covid-19 pandemic, the Government has focused special attention on the needs of both our hospital and long-term care sectors. Special care has been given to ensure that these institutions and their staff are supported, thus enabling them to perform their important work. The equally important contributions of IHF providers, who perform almost 10,000,000 procedures a year and whose work is performed in accessible community clinics, have not been similarly recognized.

While we are grateful to Government for the creation of financial programs to address the devastating impact that the Covid-19 pandemic has had on the provision of healthcare in Ontario, IHFs have been excluded from participation in several of the most significant Government initiatives [for example, the DI Innovation Fund program, which was directed exclusively to hospitals]. The result is that many in the IHF sector believe that the Government does not appreciate the need to ensure the sustainability of this important segment of the public healthcare system.

Compounding the 'inequity' in the ability to access new funding programs is the state of diagnostic imaging ('DI') technical fee compensation. Technical fees represent the sole method by which IHFs are compensated for the services that they perform. Technical fees have essentially been frozen for more than 30 years. In 2009, there had been great optimism among IHFs when DI technical fees were removed from the physician payment pool and were no longer under the direct control of the OMA. Since that time, unfortunately, governance and management of technical fees has been 'orphaned', with the result that the long history of underfunding IHF technical fees has continued.

Without direct Government reimbursement, the IHF sector has had to independently fund many additional expense categories and compliance costs. These 'unfunded' categories would include: (i) robust infectious disease control measures, which essentially imposed institutional standards on IHFs; (ii) migration to digital environments [RIS/PACS], to permit participation in provincial repositories and sharing of results and images with other providers; (iii) material increases in commercial insurance paid by clinic owners which has resulted in more than doubling the cost of coverage in the past 5 years; and, (iv) most recently, extraordinary and unbudgeted increased staffing costs, as a result of the severe shortage of trained technologists.

Technical fees as the sole source of IHF funding is in contrast to hospitals which, in addition to global funding for their operations and activities, rely heavily on a multitude of additional revenue streams in the form of government grants, access to capital acquisition funding, programs to assist with HHR ['pandemic pay' premiums] and infectious disease control matters, solicitation of public funding by hospital foundations, among other sources. We understand that payments to Ontario's hospital sector grew by more than $5 billion over the past two years. In contrast, IHF compensation has essentially remained unchanged.

Moreover, certain capital funding by Government to IHFs, intended to assist the sector in purchasing medical equipment and enabling operators to migrate to a fully-digital environment, was discontinued eight years ago. The result is that many IHFs are unable to regularly replace their medical imaging equipment and no more than 20% of IHFs currently contribute their images to Ontario's digital repositories. [In contrast, we understand that Government spent more than $150,000,000 to ensure that every hospital in Ontario was PACS-enabled and integrated into the DI repositories.]

We understand that the Government is currently considering ways to ensure that all IHF imaging studies are integrated into the provincial image repositories. We wholeheartedly agree that unless the 50% of Ontario's imaging studies performed by IHFs are integrated, the goals and utility of the repository program are seriously compromised. In order to allow the IHF sector to participate in the repository program, it is essential that a capital grant program be [re-]introduced to fund the migration to a fully-digital environment, just as was done for the hospital sector.

For IHF operators, a new problem threatens the sustainability of the sector and the ability of IHFs to continue to play their important role in the public healthcare system. Over the past few years, many technologists who perform the imaging procedures conducted in IHFs have abandoned their careers or been lured away from the sector by providers from other jurisdictions and by Ontario's hospital sector. These other providers offer significant signing bonuses and relocation expense reimbursement, as well as higher salaries and pensions. Staffing costs are typically the largest expense item for IHF operators, generally representing between 40-60% of IHF technical fee compensation. Given the woefully inadequate technical fee reimbursement to IHFs, it has been very difficult for IHF providers to retain staff and to compete with this "poaching".

The IHF sector provides high quality, accessible diagnostic services to Ontarians. These services are provided at a cost to taxpayers which is significantly less than similar services provided in a hospital setting. IHF technical fees, virtually unchanged since the early 1990s, have funded ever-increasing capital, rent, IT infrastructure, infection disease control and other operating costs. This chronic underfunding has put the sustainability of the sector into question. Accordingly, The IDCA is requesting the following:

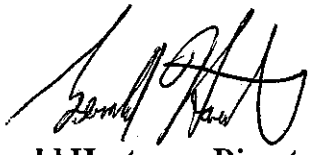
1. The IDCA is requesting that Government invest an additional $350 million a year in operational funding to help stabilize the IHF sector and offset current and anticipated staffing cost increases. We recommend that such additional funding be implemented by a permanent increase in the DI fee codes contained in the OHIP Schedule of benefits.

2. The IDCA additionally requests that Government reinstitute the Medical Equipment Fund grant program in place at various times between 2001-2014, under which IHFs received grants [typically 4-5% of previous year's OHIP billings] which could be used toward the purchase or maintenance of medical imaging equipment or IT infrastructure equipment.

We thank you for the opportunity of presenting this submission to you. Please feel free to contact Gerald Hartman, President of the IDCA, to discuss the foregoing.

Sincerely,

The Board of Directors of the Independent Diagnostic Clinics Association
by its representative:



Gerald Hartman, Director

c.c - Pauline Ryan, Director, Health Services Branch
Owen McMorris & Dr. Julia Alleyne, Independent Health Facilities Program