

Medical Clinic Ownership Models in Canada


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RPAP



Notes to remember...

- All office-based physicians can qualify for the business cost program subsidy, regardless of their clinic model
 - All physicians can qualify for the rural remote northern program of additional payments, regardless of their clinic model
 - A medical clinic is a physician's business, and therefore decisions are made based on how it will impact their business success, profits and expenses.
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Current Options

- Physician/health professional private practice ownership/lease
 - Municipal or 3rd party public ownership
 - AHS ownership
 - Co-operative ownership
 - Corporate or franchise ownership, typically in “one stop shopping” facility
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Physician Private Practice

A physician or group of physicians is responsible for clinical facility space.

Characteristics

- Traditional and most common clinic model
- Can be operated by sole practitioner or group practice
- Group practice model currently most common, and attractive to newcomers
- Physicians can own or lease the facility

Costs & Benefits

- Physicians have full autonomy over their practice and facility
 - No liability to 3rd parties
 - Start-up costs are high, and can be challenging if new clinic space is required
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Municipal / 3rd Party Public Ownership

A medical clinic facility that is owned by a municipal government or 3rd party public.

Characteristics

- Facility may be rented to or offered at no cost to physicians for use as a clinic
- Owner may or may not charge for utilities and maintenance
- Used in rural communities as a recruitment tool

Costs & Benefits

- Can become a liability or burden for municipality/3rd party
 - Can offer an attractive incentive for physicians in recruitment
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AHS Ownership

A clinic that operates in a facility owned by Alberta Health Services.

Characteristics

- Undertaken in cases where a pre-existing clinic would otherwise be closed and medical service would be discontinued in the community if AHS does not purchase the clinic.

Costs & Benefits

- Physician may be seen as not financially invested in community, and more likely to cater to short term residency/practice
 - Role of 3rd party reduces physicians business autonomy
 - Reduces costs to physicians, can be a recruitment tool for a rural community
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Cooperative Ownership

A clinic that is owned by an incorporated co-operative.

Characteristics

- Can be a worker or multi-stakeholder co-op
- Tend to offer services of physicians and other health professionals in (1) location
- Offer same health services to members and non-members, but members participate in operations or governance and receive additional benefits
- Currently co-op clinics operate in BC, Quebec, MB, and SK
- Physicians are paid on salary rather than fee-for-service model

Costs and Benefits

- Democratic model, more responsive to local needs and
 - Focused on preventative and holistic care teams
 - May be challenge to recruit doctor w/alternative compensation model
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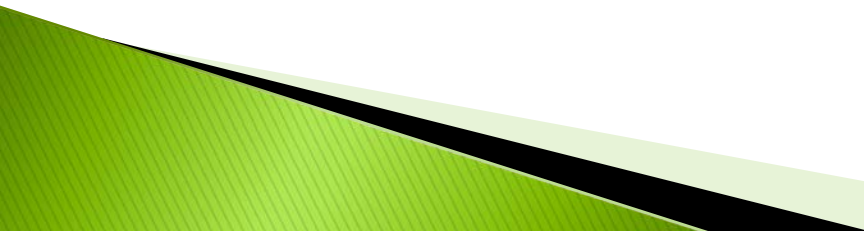
Corporate or franchise ownership

Clinics that are located within a pharmacy or store owned facility. e.g. Rexall, Superstore.

Characteristics

- Tend to be located in larger urban centers
- Tend to be a group practice
- Operate on walk-in and/or appointment basis
- Referred to as “one stop shopping” model, within retail space
- Focus on acute care

Costs and Benefits

- Lack continuity of care inherent in model
 - Some physicians prefer acute care, and walk-in model
 - Overhead cost and business management required is minimized
 - Potential conflict of interest if a pharmacy firm is involved
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Other 3rd party ownership

Clinic owned and/or operated by a non-profit or other organization.
e.g. health foundation.

Characteristics

- Tend to be a non-profit health foundation
- Organization may own multiple health facilities (seniors housing, clinic)

Cost and Benefits

- Reduces costs and responsibilities of physicians, and can be a recruitment tool



Rural Remote Northern Table

