Corporatization of Canada’s virtual health services part of broader privatization drive

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Under conditions of the ravaging of Canada’s public health care system—produced by decades of austerity and laid bare by the pandemic—a mad scramble among corporate giants is under way to seize control of potentially profitable parts. A prime example of this process is Telus, the Canadian-based telecommunications giant, which is seeking to dominate Canada’s emerging health tech sector.

In 2018, Telus Health, a recently-formed subsidiary of Telus Corp., partnered with Babylon, a UK-based virtual health care start-up, to create a downloadable app that lets patients meet with physicians in private video consultations, and check symptoms and access clinical records virtually. The app is currently available in four Canadian provinces: British Columbia, Alberta, Ontario and Saskatchewan.

Since the app was introduced, concerns have grown over patient safety. Alberta doctor Ruoh-Yeng Chang commented that Babylon sees the new app as the equivalent of a walk-in clinic, where patients are attended by staff who do not know a patient’s history. “This is an undermining of existing family practices and the relationship between family doctors and their patients,” she said.

Community pediatrician Dr. Natalie Forbes told the media, “Babylon is substandard private health care, funded by our government, putting money into the pockets of Telus.”

Toye Oyelese, a family doctor practicing in Kelowna, British Columbia, believes that Babylon will mean more patients will get worse care. “It’s going to be fast food, because that’s what corporations do,” he said.

A group of British Columbian family doctors released a statement stressing that although “the COVID-19 pandemic has accelerated the opportunity for family physicians to use telemedicine within their primary care practice ... it is best used within a longitudinal patient-physician relationship.”

But the aim of Telus is not to improve public health care by offering a complement to existing in-person health care services. Instead, it intends to liquidate them entirely and replace them with remote, impersonal for-profit health care call centers with as few doctors as possible. Its business model plans for many health inquiries to be dealt with through artificial intelligence “chatbots.” For example, in Rwanda, where the Babylon app was introduced in 2016, the company announced its aim was to “take the power of a doctor’s brain and put it on a mobile phone for medical advice and triage.”

Predictably, authoritative examinations of the app’s performance have led to stark warnings. An article published in November in the British medical journal *The Lancet* found that the Babylon app, currently contracted with the National Health Service (NHS) in the UK, did not offer convincing evidence that its symptoms checker performed better than doctors in any realistic situation. The article pointedly noted that it sometimes performs significantly worse.

Similar conclusions were drawn by a report published by Pennsylvania State University. It warned that existing symptoms-checker chatbot apps cannot provide a final diagnosis or analyze test results, let alone supervise proper physical examinations.

Without any regulatory mechanisms in place, medical professionals are also worried about the impact on patient privacy. In Alberta, the app was launched before a privacy review—which could take more than a year—was completed. Doctors have pointed out that Babylon’s terms and conditions include the sharing of patient information with “corporate partners and other entities.” It is worth noting in this regard that in 2014 Telus Health’s parent company, Telus, willingly handed over private details of thousands of its subscribers to federal government police agencies.

In addition to partnering with Babylon, Telus has recently acquired an array of virtual health services. These include electronic medical records software company Nightingale, web-based prescription technology ZRx Prescriber, B2B virtual medical consultations service Akira Health, and virtual care company EQ Care.

Telus Health has also developed a series of its own “virtual care initiatives,” including EMR Virtual Visits, technology that enables doctors to conduct video consultations with their patients, and Espri, a mobile app that provides mental health resources to front-line workers. Telus Health also owns a series of brick-and-mortar clinics that charge patients annual fees in the thousands of dollars while still billing provincial health plans.

In Saskatchewan, Telus Health has set up its Home Health Monitoring "solution" to digitally monitor the recovery of lung transplant patients, and plans to expand the use of HHM to include individuals with heart conditions and chronic obstructive pulmonary disease (COPD).

The HHM solution has been used in British Columbia since 2013 to remotely monitor thousands of patients living with chronic conditions such as diabetes, heart failure and respiratory diseases. Discussions with other provincial health authorities about using HHM in other provinces are underway.

Telus is shamelessly exploiting desperate patients who lack timely access to basic healthcare services, the need for social distancing restrictions during the COVID-19 pandemic, and rising chronic illness to significantly expand its presence in the health care sector. However, the fact that Telus is on its way to securing an effective monopoly over the primary e-health care "market" with substandard and dangerous virtual services whose main purpose is to turn a profit is not simply the result of corporate greed. The growth of private for-profit health care is bound up with the decades of social spending cuts, imposed by governments at all levels and all political stripes, from the nominally "left" New Democrats, to the Liberals, Parti Quebecois, and Conservatives. Long waiting lists for diagnostic tests and medical procedures have created a "demand" for alternatives.

Telus is not the first private company to profit from the dismantling of public health care. With the complicity of the political establishment, the development of new medical technologies, from diagnostics to pharmaceuticals, has been used to expand for-profit health care.

In British Columbia, 760,000 residents do not have a family doctor—about one in seven—a figure that nearly doubled between 2005 and 2013. In Alberta, the United Conservative Party government enacted Bill 30, legislation that facilitates the sell-off of sections of public health care, and is outsourcing up to 11,000 public health care jobs to the private sector.

Following decades of social spending cuts, the hard-right Doug Ford-led government of Ontario has slashed thousands of healthcare jobs and forced layoffs at public hospitals. Ford's privatization drive includes plans to open up COVID-19 testing sites in for-profit pharmacies such as Shoppers Drug Mart, where private companies are charging up to $400 per COVID-19 test.

The federal Trudeau government picked up from where the Tories under Stephen Harper left off by only "increasing" health transfers to the provinces by 3 percent annually. When population growth, population aging, and inflation are taken into account, this amounts to a major real-terms funding cut. Even during the pandemic, Trudeau has refused to commit to increase the transfers. This deliberate starvation of the health care sector has created a situation where a staggering 4.8 million Canadians, well over 10 percent of the population, do not have access to a regular doctor.

In addition to denying broad sections of the population adequate health care, government policies have created the conditions for an orgy of self-enrichment among health care executives and shareholders. For Telus, the critical life-saving services they are monopolizing are seen as nothing but a huge business opportunity separating it from its competitors. As Telus Executive Vice-President François Gratton told the *Globe and Mail*, "We decided that a big differentiator for Telus would be the health-care sector...that health would be our 'content strategy,' if you will, as others were focusing on content, sports and entertainment."

The financial services firm Motley Fool advised investors, "Telus stock will continue to benefit from Telus Health. It is transforming healthcare into an increasingly efficient, digital experience. With a generous yield of 4.86 percent, this is the telecom stock to buy today."

To counter this image of profit gouging, Telus has sought to promote itself as a "good corporate citizen" by donating a miserly $150 million to fighting COVID-19, while its annual revenues were upwards of $14.4 billion. Long-time CEO Darren Entwhistle made a big hoopla about donating his second quarter salary, about $343,000. This is a fraction of his annual compensation package, which was almost $13 million in 2019.

In December, Telus was one of the companies identified in an investigation by the *Financial Post* that continued to pay out large sums in dividends to their shareholders while receiving government assistance in the form of the Canada Emergency Wage Subsidy. In the midst of the worsening second wave of the pandemic, the company announced it intends to increase its shareholder dividends by 7 percent.