How to Start an Alternative and Complementary Healthcare Business in Ontario

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1. BASICS TO GETTING STARTED

Starting a business can be a rewarding undertaking, but it comes with its challenges. Before starting a business in Ontario, it is wise to do your research. There are several issues to consider such as regulations, financing, and taxation, managing your business, advertising and much more.

• Business Start-Up Info-Guide
• Financing for Starting a Business Info-Guide
• Taxation Info-Guide
• Employment Regulations Info-Guide
• Business Regulations Info-Guide

2. INDUSTRY OVERVIEW

Alternative health care is a growing industry in Canada. The most recent National Population Health Survey by Statistics Canada (1998/99) found that 3.8 million Canadians aged 18 and over had consulted an alternative health care provider at least once during the previous 12 months. Alternative health care providers for the study included, for example massage therapists, homeopaths, herbalists and acupuncturists. This represented a 2% increase in consultations from the previous study of 1994/95.

The Fraser Institute published a report on the use of complementary/alternative medicine by Canadians and found that during the 1997 calendar year, Canadians spent approximately $1.8 billion on visits to complementary and/or alternative health care providers and an additional $2 billion on herbs, vitamins, diet programs, and books.

A definition frequently referenced in research comes from the National Center for Complementary and Alternative Medicine (NCCAM) in the United States. They define alternative medicine as a group of diverse medical and health care systems, practices, and products that are not presently considered to be part of conventional medicine.
Alternative health care is often referred to as complementary and alternative health care. The terms "alternative" and "complementary" refer to using the same therapy in different ways. That is, alternative refers to using a particular therapy instead of conventional treatment; and complementary is used along with conventional medicine. Other terminology used can include:

- alternative and integrative medicine;
- alternative therapies;
- complementary care;
- complementary and alternative medicines; and
- alternative medicine.

### Types of Operation

There are many different kinds of alternative therapies, and several ways to operate these kinds of businesses.

The following are examples of such practices:

**Acupuncture** is an ancient Chinese art based on the theory that Qi energy flows along meridians in the body, and can be stimulated by inserting fine needles at specific points. Acupuncture is used to treat a wide variety of disorders.

**Aromatherapy** involves the use of essential oils (extracts or essences) from flowers, herbs, and trees to promote health and well-being.

**Chiropractic** is a system that focuses on the relationship between bodily structure (primarily that of the spine) and function, and how that relationship affects the preservation and restoration of health. Chiropractors use manipulative therapy as an integral treatment tool.

**Natural Health Products** are defined as vitamins and minerals, herbal remedies, homeopathic medicines, traditional medicines such as traditional Chinese medicines, probiotics, and other products like amino acids and essential fatty acids. Natural health products are available for self care and self selection, and do not require a prescription to be sold. In Canada, natural health products, also referred to as complementary medicines or traditional remedies, are subject to the Natural Health Products Regulations.

**Homeopathic medicine** is a system based on the belief that "like cures like" meaning that small, highly diluted quantities of medicinal substances are given to cure symptoms, when the same substances given at higher or more concentrated doses would actually cause those symptoms.

**Massage or massotherapy** is the manipulation of muscle and connective tissue to enhance function of those tissues and promote relaxation and well-being.

**Naturopathic medicine** is an alternative medical system in which practitioners work with natural healing forces within the body, with a goal of helping the body heal and attain better health. Practices may include dietary modifications, massage, exercise, acupuncture, minor surgery, and various other interventions.

**Reflexology** is a type of deep foot or hand massage designed to relax the whole body through the reflex response. The thumbs are used extensively to break up crystalline deposits that have formed at the nerve endings, particularly on the bottom of the feet.

**Reiki** is a Japanese word representing Universal Life Energy. Reiki is based on the belief that when spiritual energy is channelled through a reiki practitioner, the patient's spirit is healed, which in turn heals the physical body.
Therapeutic Touch is derived from an ancient technique called "laying-on of hands". It is based on the premise that it is the healing force of the therapist that affects the patient's recovery; healing is promoted when the body's energies are in balance; and, by passing their hands over the patient, healers can identify energy imbalances.

Yoga has been shown to alleviate stress and, at the physical level, has been seen to be useful in the treatment of those who suffer conditions that affect or are affected by posture, such as backache and arthritis.

**Planning Your Business**

**What is a Business Plan?**

A business plan is a recognized management tool used by successful and/or prospective businesses of all sizes to document: business objectives and to propose how these objectives will be attained within a specific period of time. It is a written document: which describes who you are, what you plan to achieve, where your business will be located, when you expect to get under way, and how you will overcome the risks involved and provide the returns anticipated.

**Why Do I Need One?**

A business plan will provide information of your proposed venture to lenders, investors, and suppliers to demonstrate how you plan to use their money, and to establish a basis for credibility of your project. This plan will serve as a guide to the various areas that you as a manager will be concerned with. As you work through this plan, adapt it to your own particular needs.

For further information:
see the document [Developing your business plan](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)

**Business Plans - Templates and Samples**

There are many organizations and business websites that provide free templates, writing guides and sample plans. You can also find companies that sell business plan software to assist you in preparing your plan.

For further information:
see the document: [Business Plans - Templates and Samples](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)

Some types of alternative health care are more commonly used than others in Canada. In their study, the Fraser Institute identified the following practices as most commonly used: chiropractic (36%), relaxation techniques (23%), massage (23%), prayer (21%), herbal therapies (17%), special diet (12%), folk remedies (12%), acupuncture (12%), yoga (10%), self-help group (8%), lifestyle diet (8%), and homeopathy (8%).

The Statistics Canada study examining patterns of use of alternative health care in Canada found that the use is higher among women, people with higher education and higher income, people experiencing chronic conditions or pain, and in Western Canadians (explained in part due to more flexible provincial health care plans). Further, it concluded that Canadians were visiting alternative health care providers not as an alternative to conventional medicine, but rather to complement it.

It is speculated that the demand for services within the alternative health care industry will continue to grow, fuelled in part by Canada's aging population and the increase in chronic illness. Some practitioners may specialize in one discipline while others may train to offer multiple therapies.

To complement their practice, some practitioners incorporate a retail aspect to their business and may, for example, sell natural health or cosmetic products.

For further information:
Depending on the discipline and qualifications of the practitioner, teaching alternative healthcare techniques to others could represent another viable business activity.

According to International Trade Canada, the high cost of pharmaceuticals for many developing nations creates exporting opportunities for Canadian firms that specialize in alternative and natural health practices. Whether delivering these therapies directly to patients or providing training to individuals within the foreign market, there exists the potential for new and profitable ventures.

### 3. REGULATIONS

#### Food and Drug Regulations

The Food and Drug Regulations specify requirements for standardized foods. In addition, the Regulations specify requirements for the production, labelling, marketing, distribution and processing of pharmaceutical drugs.

For further information:
visit the websites:
- [Food and Drug Regulations](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)
- [New Substances Program - Who Should and How To Notify](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)
- [Environmental Acts, Regulations and Agreements](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)
- [Guidelines for the Notification and Testing of New Substances](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)
- [Therapeutic and Cosmetic Products](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)
- [Cosmetics Ingredient Labelling](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)

#### Natural Health Product Regulations

The Natural Health Products Regulations include provisions on: definitions, product licensing, site licensing, good manufacturing practices, clinical trials, labelling and packaging requirements, and adverse reaction reporting. The definitions include the definition of a natural health product (including, for example, vitamins, minerals, herbal remedies and homeopathic medicines) and other terms (recommended conditions of use, adverse reaction, etc.) that are key to the functioning of the Regulations.

For further information:
visit the website: [Natural Health Products Regulations](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)

#### Medical Devices Regulations

The Medical Devices Bureau of the Therapeutic Products Directorate (TPD) of Health Canada is the national authority that monitors and evaluates the safety, effectiveness and quality of diagnostic and therapeutic medical devices in Canada.

For further information:
visit the website:
- [Medical Devices Regulations](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)
- [Class of Medical Devices](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)
- [Medical Devices](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)
- [MDALL - Licensed Medical Devices](http://www.cbo-eco.ca/...o_start_an_alternative_and_complementary_healthcare_business_in_ontario_1089652224388.cfm)

#### Music Licence

Performances of music in public, i.e. offices, stores, etc., require a licence. This licence is necessary whether the music is performed by live or recorded means.
Certification and Training

For information on certification and training, you should contact the appropriate association for details. A list of associations is provided below under the heading Associations.

Other Regulations

You can also get information on permits, licenses, and regulations by contacting your provincial government, local city hall, or rural municipal office. Contacts for local, provincial and federal governments can be found in the government listings of your telephone directory or on the Government of Canada website.

Regulated Health Professions Act

Many professions are regulated by an organization comprised of members of the particular profession. These professional organizations are largely self-governing within the boundaries of their statutory authority and have been granted the privilege of self-governance in order to protect and promote the public interest.

Food and Drugs Act

The Food and Drugs Act and Regulations set requirements for the production and sale of food and drug products. The Act governs the manufacturing, producing, marketing, labelling, importing and exporting of foods and drugs. The Act contains provisions for inspection and enforcement, and contravention of the Act can result in fines and imprisonment.

Traditional Chinese Medicine Act

The College of Traditional Chinese Medicine Practitioners and Acupuncturists of Ontario (CTCMPAO) has recently been established under the Traditional Chinese Medicine Act to regulate the profession of traditional Chinese medicine and acupuncture in Ontario. Once the current transitional phase of consultation with stakeholders and the development of regulations, standards and policies is complete, any individual providing services in traditional Chinese medicine and acupuncture will need to register with the CTCMPAO in order to legally practise in Ontario.

Related legislation:

Drugless Practitioners Act
Naturopathy Act
Traditional Chinese Medicine Act

4. FINANCING

Canada Business Ontario has created documents, which provide an overview of some of the main financing options for individuals starting and operating a business in Ontario, including programs offered or supported by the government.

For further information:
see the documents:
Financing for Starting a Business Info-Guide
Financing for Established Businesses Info-Guide
Business Guides

5. MANAGING YOUR OPERATION

Dealing with Business Taxes

All businesses must be aware of the various taxes that may apply to their product or service. Depending on the type and location of products or services being offered, federal, provincial and/or municipal business taxes may apply.

For further information:
See the Taxation Info-Guide

Other Resources:
Ontario Ministry of Revenue: 1-866-668-8297
Small Business Tax Help (MOR)

Canada Revenue Agency: 1-800-959-5525
Canada Revenue Agency (CRA)

Insurance

Insurance needs for businesses vary greatly. It is best to choose an insurance agent or broker familiar with your size of business and, in particular, an agent familiar with your type of operation. If you don't have an insurance agent, consider asking other business owners in your area to recommend one.

The following list is included to remind you not to overlook the complex areas of business insurance. It is best, however, to discuss your specific requirements with your insurance agent.

Basic insurance:

- fire insurance (extended coverage on buildings and contents);
- liability insurance;
- burglary protection (theft coverage); and
- dishonesty insurance (covers thefts by employees).

For further information:
see the websites:
Insurance Bureau of Canada
Controlling Costs with Risk Management

Marketing/Advertising

Word-of-mouth advertising and good public relations are often the best ways of promoting your business. Depending on your market and its size, also consider flyers,
business cards, brochures, newspapers (especially for holiday promotions), radio, TV, the phone book and the Internet. Also bear in mind that a satisfied customer is good advertising. Referrals are also a valuable way of making customers aware of your products or services.

A website is also a good marketing tool. It should have details to describe the location (your address, telephone and fax numbers, and directions on how to get to your establishment), hours of operation, services offered, credentials and anything else you think may be of interest to potential customers. However, once you launch a website, you should update it on a regular basis.

Participating in community events is another way of advertising your business. You may also hold events that will promote your business. No matter how you choose to market your business, it is wise to track how your clients became aware of your establishment - this may help determine your future advertising strategies.

For further information:
see the documents:
Marketing and Sales
E-Business Info-Guide

The federal Competition Act governs misleading advertising and deceptive marketing practices for most businesses in Canada. The Act defines which marketing practices are illegal and the process of complaint investigation.

For further information:
visit the website: Competition Bureau

Market Research

Successful businesses have extensive knowledge about their customers and their competitors. Acquiring accurate and specific information about your customers and competitors is a critical first step in market investigation and development of a marketing plan.

In developing a marketing plan, your primary functions are to understand the needs and desires of your customer, select or develop a product or service that will meet customer needs, develop promotional material, and ensure that the product or service can be provided effectively at a profit.

For further information:
see the document: Market Research and Statistics

Selecting Professional Services

The use of professional services is essential to the success of a small business. Professionals can provide knowledge and expertise in the areas where you may have little. They can round out your management team to ensure your business is operating efficiently.

Professional services often used by entrepreneurs may include:

- lawyer;
- insurance broker;
- accountant; and
- banker.

Accounting/Bookkeeping

A good record keeping system should be simple to use, easy to understand, reliable, accurate, consistent and designed to provide information on a timely basis.
Note: All staff working with cash should be trained to recognize counterfeit currency.

**Setting-Up a Pay System**

Pay administration is a management tool that enables you to control personnel cost, increase employee morale, and reduce workforce turnover.

**Setting the Right Price**

Setting the right price can influence what consumers will buy, which in turn affects total revenue and profit. In the end, the right price for the product/service is the price that the consumer is willing to pay for it. Hence, correct pricing decisions are a key to successful management.

For further information:
see the document [What is marketing? > Price](#)

**Profit Watching**

Making a profit is the most important -- some might say the only objective of a business. Profit measures success. It can be defined simply: revenues - expenses = profit. So, to increase profits, you must raise revenues, lower expenses, or both. To make improvements, you must know what's really going on financially at all times.

For further information:
see the document [Benchmarking](#)

**Employing people**

What are the rules on working conditions in Ontario?

The Employment Standards Branch of the Ontario Ministry of Labour is responsible for the administration and enforcement of the Employment Standards Act, which provides for minimum terms and conditions of employment in most industries.

For further information:
please call 416-326-7160 or 1-800-531-5551
see the documents:
[Employment Regulations Info-Guide](#)
[Employment and Training Assistance Programs Info-Guide](#)

**Choosing Your Location**

Practitioners of alternative health care may be home-based, practice from an office or spa-like environment, or take their business directly to the client at their home or office (for example, chair massages in the workplace); or even a combination of these.

For further information:
see the documents:
[Home-Based Business](#)
[Store Location](#)
[Choosing and setting up a location](#)

**Furnishings and Equipment**

Before you open your business, you may need specialized equipment. The kind of service you are offering will determine the type of equipment you will require. For
assistance in this area, you may get the advice of a sales representative or consult trade publications and manufacturers' websites. List that equipment and its cost to you. An important factor to consider when choosing equipment is the after-sales service and repair and their affordability.

Used Equipment - Consider buying used equipment as a cost-saving measure. Sources of used equipment could be similar businesses that are closing or dealers in second-hand equipment. The drawback to this approach is that, often, there are no guarantees with the purchase.

Leasing Equipment - Another alternative is to lease equipment to help keep start-up costs down.

6. ASSOCIATIONS

Examples of associations include, but are not limited to:

- Board of Directors of Drugless Therapy - Naturopathy (BDDT-N)
- Canadian Chiropractic Association
- Canadian Federation of Aromatherapists
- Canadian Holistic Nurses Association
- Massage Therapy Alliance of Canada (MTAC)
- Canadian Association of Naturopathic Doctors (CAND)
- Canadian Reiki Association (CRA)
- Chinese Medicine and Acupuncture Association of Canada
- Homeopathic Medical Council of Canada (HMCC)
- Iridologists' Association of Canada
- National United Professional Association of Trained Homeopaths (NUPATH)
- Ontario Association of Naturopathic Doctors (OAND)
- Ontario Herbalists Association
- Ontario Homeopathic Association (OHA)
- Reflexology Association Canada

7. OTHER RESOURCES

Additional resources which may help alternative health care business owners include, but are not limited to:

**Related Publications**

Ontario public libraries provide a variety of business information and services. Reference materials, online information databases, CD-ROM and other format material as well as standard business information such as books, newspaper and journal articles and business directories are available to the general public, including small businesses, entrepreneurs, career-changers and job seekers. Workstations provide public Internet access to business information from websites and access to government electronic information and services of interest to business. Most information and services available at the public library are free of charge.

Some examples of relevant publications are:

- Health Care Co-operatives Start Up Guide - information on how to start a health care co-operative
- Perspectives on Complementary and Alternative Health Care - a collection of papers prepared for Health Canada.

For further information:
visit the websites:
Ontario Public Library Web Pages
Health Care Co-operatives Startup Guide
Statistics

Statistics Canada

The National Population Health Survey (NPHS) collects cross-sectional as well as longitudinal data. Demographic and economic information includes age, sex, education, ethnicity, household income and labour force status.

Please note that this is a fee-based service.

For further information:
visit the website: National Population Health Survey

Health Indicators - Contact with alternative health care providers

Health indicators is produced by Statistics Canada and the Canadian Institute for Health Information. It provides a set of indicators that measure the health of the Canadian population and the health care system. These indicators are designed to provide comparable information at the Canada, provincial/territorial and health region level, and are based on standard definitions and methods.

For further information:
visit the website: Health Indicators - Contact with alternative health care providers

Websites of Interest

- Public Health Agency of Canada (PHAC)
- Health Canada
- Health Canada's Therapeutic Products Directorate
- Health Canada's Natural Health Products Directorate
- Health Canada - MedEffet Canada
- Health and Wellness Trends for Canada and the World
- Canadian Interdisciplinary Network for Complementary and Alternative Medicine Research (IN-CAM)
- The CAM in UME project
- Canadian Family Physician (on-line magazine)
- Pediatric Complementary and Alternative Medicine Research and Education Network (PedCAM)
- Friends of Alternative and Complementary Therapies Society (FACT)
- CAMline
- PasseportSanté.net (in French only)
- Holistic Health Research Foundation of Canada
- Homeopathic Medical Association of Canada

RELATED READING

- Business Guides

NEED MORE INFORMATION?

Click: Canada Business
Call: The Business Info Line, a collaboration between ServiceOntario and Industry Canada, at 1-888-745-8888
Visit: Find a Community Partner Location near you

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Some of the organizations listed above are not subject to the federal Official Languages Act or the French Language Services Act of Ontario. Their services may not be available in both official languages.