

For Immediate Release
Oct. 30, 2003

PHSA moving forward with health services design plans announced in 2002/03

In April 2002, PHSA announced a health services design and budget plan that focused on protecting patient care while managing cost pressures. Of \$16.5 million in savings targeted in the plan for the 2002/03 fiscal year, PHSA realized cost savings totaling \$12.6 million. In addition to realizing these savings, PHSA and its agencies made significant patient care advances in the 2002/03 fiscal year, including:

- Facilitating major provincial reform projects aimed at improving emergency and surgical services with the regional health authorities
- Working with other health authorities to establish new centres of excellence in thoracic (chest) surgery that are stabilizing medical staffing and ensuring British Columbians have access to these services
- Completing the world's first draft genetic sequence of the coronavirus implicated in SARS, and effectively managing SARS in BC
- Partnering with the Vancouver Coastal Health Authority to initiate BC's first islet cell transplant program
- Partnering with every regional health authority to either open more community dialysis centres or to expand dialysis services in hospitals or existing centres
- Significantly reducing the wait time for BC children requiring autism assessment, and collaborating with regional health authorities to provide this service across the province
- Collaborating with the BC Corrections Branch to implement a new Sex Offender Program that supports more individuals in more communities across BC
- Working together with the other health authorities to improve access to tertiary psychiatric services in regional communities across British Columbia as part of the Riverview Hospital Redevelopment Project.

In order to achieve required cost savings while enabling important patient care advances, the plan announced in April 2002 sought, first, to reduce administration and support costs, second, to enhance revenue opportunities, third, to implement best practices that maintain or enhance services by improving systems and, only as a last resort, to adjust patient programs.

Three-year health services design plans – at a glance					
GOALS:					
<ol style="list-style-type: none"> 1. Reduce administration and support 2. Increase revenue 3. Implement best practices 4. Program adjustments 					
	2001 – 02	2002 – 03	2003 – 04	2004 – 05	2005 - 06
TOTAL BUDGET	\$838 million	\$1.091 billion	\$1.128 billion <i>Additional Funds:</i> <i>Federal Accord</i> \$20 million – Life support \$8 million– Vaccinations <i>Provincial</i> \$4.2 m – Visudyne \$1.3 m – Cochlear implants \$2.3 m – Autism		
HEALTH DESIGN INITIATIVES	PHSA created Dec. 2001	Budgeted: \$16.4 million Actual: <u>\$12.6 million</u> - \$3.8 million	Budgeted: \$31 million Actual: In progress	Budgeted: \$15.6 million Actual: n/a	Budgeted: \$2.3 million
VARIANCE AT END OF YEAR	– \$2.3 million	+ \$14 million	– \$10.3 million (projected) Balanced over three years	Balanced	Still planning

Highlights of the initiatives in the four categories – including initiatives already implemented in the 2002/03 fiscal year and those to be implemented in the current fiscal year – are provided below.

i. Reduce Administration and Support Services

Highlights of 2002/03 Achievements

- Contracting out of cleaning services at a BC’s Children’s Hospital (Children’s) Ambulatory Care Building cut projected cleaning costs for the new building roughly in half.
Outcome: Resources redirected to protect patient care; savings of \$250,000.
- The BC Cancer Agency implemented a more efficient patient information management system.
Outcome: More efficient system, administrative savings of \$430,000.
- The BC Cancer Agency implemented efficiencies in administration and support services.
Outcome: Resources redirected from administration and support services to protect patient care; savings of \$1,712,000.

Highlights of 2003/04 Initiatives

- Food and housekeeping services have been contracted out at Children’s, BC Women’s Hospital & Health Centre (BC Women’s), Sunny Hill Health Centre for Children (Sunny Hill) and the Vancouver Centre of the BC Cancer Agency.
Outcome: Redirection of resources to protect patient care; annualized savings of \$5 million each in the first two years, and \$7 million in the third year.
- Additional outsourcing opportunities will be explored and pursued where there is a demonstrated ability to maintain quality standards while reducing costs.

- Corporate services (financial services, human resources and information services) are being consolidated across PHSA agencies.
Outcome: Resources redirected from administration to protect patient care; savings of \$1.5 million.
- A new parking strategy for the Oak Street site of BC Children’s Hospital and BC Women’s Hospital & Health Centre was implemented that increased both capacity and revenue.
Outcome: Increased parking spots; more short-term, convenient parking spaces for patients; faster payment options; \$1 million in increased revenue.

2. Increased Revenue

Highlights of 2002/03 Achievements

- Preferred accommodation programs were implemented at Children’s and BC Women’s.
Outcome: Access to enhanced services for patients; \$500,000 in increased revenue.
- Building on its academic mandate, PHSA negotiated numerous research and clinical trial contracts.
Outcome: Generated new knowledge that will be used to improve patient care; value of approximately \$5 million.

Highlights of 2003/04 Initiatives

- Continue implementation of the preferred accommodation programs at Children’s and BC Women’s.
Outcome: Access to enhanced services for patients; \$200,000 in increased revenue.
- Increase retail sales at Children’s Hospital and BC Women’s.
Outcome: \$142,000 in increased revenue.
- Increase by five per cent the per diem (daily) rate charged uninsured patients at the Ministry of Health’s direction.
Outcome: \$300,000 in increased revenue.
- Increase recovery of MSP charges at Children’s based on expected increased volume in use of radiography, pharmacy and pathology services.
Outcome: \$830,000 in increased revenue.

3. Implement Best Practices

Highlights of 2002/03 Achievements

- As part of the Provincial Mental Health Plan, Riverview Hospital transferred patients and the funding to support the opening of 34 inpatient beds in community-based facilities in other health authorities. Best practices research shows people with mental illness respond better to treatment provided in smaller, more homelike settings, rather than large institutions. Once these new facilities were opened and the patients transferred, remaining services at Riverview were consolidated to improve efficiency and maintain quality care, resulting in the closure of approximately 50 beds. Note: when the Provincial Mental Health Plan is fully implemented in 2007, there will be approximately 916 specialized mental health beds in BC, an increase of more than 100 beds.
Outcome: Mental health patients receiving specialized services in modern facilities closer to their home communities; efficiencies at Riverview Hospital as beds are transferred; \$4 million transferred to regional health authorities.
- BC Women’s opened a new unit that provides care both for substance-using women and their substance-exposed newborns. The only program of its kind in Canada, the unit provides enhanced care for both women and their babies, and is part of a larger nursery consolidation at BC Women’s.

Outcome: Improved quality of care for substance-using women and substance-exposed babies; improved layout of nurseries provides better work environment for staff, patients and visitors and more efficient staffing; savings of \$570,000.

- As a result of the success of the Antepartum Home Care Program at BC Women's, which enables women with certain complications to be monitored at home until they are ready to deliver, four antepartum beds were closed.

Outcome: Women with high risk pregnancies safely monitored at home rather than admitted to hospital for lengthy periods; improved use of expensive hospital resources; savings of \$175,000.

- The Child and Adolescent Eating Disorders Program at Children's was consolidated on the Oak Street site of the hospital with the closure of Hudson House, an off-site residence. This enabled the program to serve more patients and still realize cost savings.

Outcome: Activity volumes increased from 2001/02 by 73 per cent for admissions and 38 per cent for inpatient days; resolution of staffing difficulties; savings of \$278,000.

- The model of care for the Cardiac Sciences Program at Children's was reviewed through a quality improvement project and the role of various care team members, and the staff mix ratios were adjusted with no change in service levels.

Outcome: Number and type of staff involved in-patient care team aligned with best practice standards; maintenance of service levels; savings of \$100,000.

- Closure of the adolescent care inpatient unit at Children's eliminated seven beds from the system. While this move reduced pediatric inpatient days by 10 per cent, the corresponding increase of four per cent in admissions verifies that more children are being admitted to hospital, but are staying in hospital for shorter periods.

Outcome: Maintenance of access through improved efficiencies; savings of \$600,000.

Highlights of 2003/04 Initiatives

- As part of the implementation of the Provincial Mental Health Plan, transfer a further 188 inpatient beds from Riverview Hospital to new specialized mental health facilities opening around the province.

Outcome: Mental health patients receive specialized services in modern facilities closer to their home communities; savings of \$3.6 million resulting from bed closures, and \$7.2 million resulting from corresponding reduction in support services at Riverview as new facilities open throughout the province.

- Combine four smaller inpatient units at Children's into two larger units, enabling more efficient staffing and services. Project to begin in 2003/04 and continue to 2004/05.

Outcome: Reduced reliance on nursing overtime; increased efficiency; savings of \$2 million.

- The ongoing success of the Antepartum Home Care Program at BC Women's, which enables women with certain pregnancy complications to be monitored at home until they're ready to deliver, has permitted the closure of four antepartum beds further to the closure of four beds in 2002/03.

Outcome: Women with high risk pregnancies safely monitored at home rather than admitted to hospital for lengthy periods; improved use of expensive hospital resources; annual savings of \$175,000.

- Renovate the delivery suite at BC Women's to improve the environment for patients, families and staff and, at the same time, centralize the nursing stations to permit more efficient staffing.

Outcome: More comfortable environment for patients, families and staff; reduced use of nursing overtime; savings of \$200,000.

- Streamline and standardize use of education activities at Children's, including reduction in number of employer-paid BCIT ICU nursing programs as a result of stabilization of nursing staffing.

Outcome: Because of success in recruitment and retention, ICU nursing has stabilized and resources are no longer required to augment training; savings of \$400,000.

4. Program Adjustments

As a last resort, PHSA agencies made some adjustments to patient programs in the 2002/03 fiscal year where it was judged that better value would be achieved through other priorities or where care could be provided through alternate programs.

Highlights of 2002/03 Achievements

- Resources for an Inter-Ministerial Program operated by the Forensic Psychiatric Services Commission that was difficult to evaluate were reallocated to measurable, core services of the Forensic Psychiatric Services Commission. Patients were transferred to outpatient programs within the Vancouver Coastal Health Authority.
Outcome: Clients provided services through alternate programs; resources focused on measurable, core services; savings of \$292,000.
- Funding for community-based regional mental health programs has been refocused from residential services to day treatment services. As a result, 10 Vancouver children aged six to nine years who were receiving care under the Hospital Community Child Day Program have moved into a community-based Children's Foundation program.
Outcome: Regional mental health services for children refocused on day treatment services; savings of \$100,000.
- Given the relatively small caseload (typically less than 10 cases/week) and the availability of services through other providers, BC Women's closed its gynecological day surgery program. This measure has been taken in the short term while BC Women's reviews, with other gynecological service providers, the overall need for gynecological services in the Lower Mainland.
Outcome: Access to services provided by other hospitals; savings of \$100,000 in 2003/04.

Highlights of 2003/04 Initiatives

- Children's is reallocating pediatric surgical resources to focus them on improving access for surgeries that can only be performed at Children's. It is doing this by redirecting resources for dental surgery that can be performed elsewhere in the community. Approximately 800 of the 1800 to 2000 children who receive dental surgery at Children's each year under general anesthetic are over three years of age and do not have other health problems that might complicate surgery or anesthesia. These 800 children will be redirected to existing clinics in the community that can provide general anesthesia for pediatric dental cases. As a result, resources at Children's currently dedicated to dental surgery will be freed to accommodate children waiting for other surgeries. Children age four and under, or who have some other medical problem, will continue to receive dental surgery at Children's while other children who can safely undergo this surgery outside of hospital will do so in community-based facilities. Minor impact on wait times for dental surgery is expected as the revised criteria for admission to Children's will reduce the number of children who require dental surgery in the operating room.
Outcome: Children's continues to provide dental surgery services for those children who medically need its specialized services; access for other pediatric surgery at Children's is improved; savings of \$88,000.

Future Challenges

PHSA continues to be committed to seeking improvements in efficiency and effectiveness that will enable it to protect and advance patient care services while managing significant cost pressures.

PHSA will continue to seek and implement strategies that will enable it to reduce the cost of administration and support services, including consolidating corporate services, and contracting out or sharing support services. PHSA will continue to seek new methods of increasing revenue that are consistent with the Canada

Health Act, and will continue to improve the systems of how it provides care and services through best practices.

A number of specific cost pressures identified in the 2003/04 health service design plan have already been resolved.

The Ministry of Health has advised PHSA that it is providing \$1.3 million to address waitlists for cochlear implants in 2003/04. The enhanced funding will enable PHSA to fund an additional 15 cochlear implants for adults in 2003/04 and a further four adult implants in 2004/05, and 24 additional pediatric implants in 2003/04.

The Ministry of Health has also advised PHSA that it will be providing \$4.2 million in funding to cover the anticipated growth in Visudyne treatments in 2003/04. Visudyne is used to treat some types of age-related macular degeneration, a common aging-related eye disease that can result in blindness.

PHSA has also received \$2.3 million in base funding in 2003/04 to assist in the implementation of the PHSA's autism assessment program (the BC Autism Assessment Network). Children's and Sunny Hill, agencies of the PHSA, took on responsibility for coordinating autism assessment and diagnosis of children under age six in 2002. The new funding will allow the PHSA to further develop the BC Autism Assessment Network, including new assessment services for children over six.

As a result of savings made in non-patient care areas across the authority, the PHSA is providing \$145,000 in additional funding to the BC Cancer Agency's Screening Mammography Program in 2003/04 to increase the number of women being screened, focusing in particular on women in rural and aboriginal communities and women who may face language barriers. The goal of the program is to encourage more women aged 50-69 to have screening mammograms as a means of early detection and better cancer control. The BC Cancer Agency is continuing to develop a strategy to respond to cost pressures associated with increasing the number of women who are screened, as well as keeping up with population increases, in 2004/05 and 2005/06.

PHSA is also committed to ensuring British Columbians have access to the expensive technologies and drugs – including renal dialysis and drugs, cancer therapies and drugs, and transplant services - that save and enhance lives. The BC Cancer Agency anticipates funding new drug therapies that improve survival and offer better symptom control for various types of cancer. The number of patients receiving cancer drugs continues to increase steadily, as a result of a growing and aging population, improvements in longevity and the reductions in toxicity related to treatment. With kidney disease increasing by approximately 10 per cent each year, costs associated with this area are also expected to increase significantly in the years to come. With the increase in federal funding, PHSA has covered the costs of renal dialysis and drugs, and cancer drugs in 2003/04 and in 2004/05.

It is important to note that the PHSA health service design and budget management plans reflect information and projections developed this spring and may have evolved significantly. For current, accurate information on any of the initiatives detailed in the plans, please contact PHSA Communications.

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For information: PHSA Communications, 604-871-5699.