
NEWS RELEASE

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Ministry of Health Services

HEALTH AUTHORITIES IDENTIFY POTENTIAL SAVINGS OF \$150M

VICTORIA – The province’s health authorities have identified significant savings through greater shared services that will further reduce costs and improve efficiencies in a number of non-clinical areas, announced Health Services Minister George Abbott.

“Today, more than ever, it is important that we maximize every health-care dollar as part of our commitment to maintaining sound fiscal and economic management of taxpayers’ dollars,” said Abbott. “Through the consolidation of health authority supply chain services we anticipate savings in excess of \$150 million over five years that can go to direct patient care.”

Earlier this year, the province’s six health authorities, through a new Shared Services Organization (SSO), examined the feasibility of providing greater shared services with the goal of maximizing available financial resources to direct patient care. The first business case anticipates savings of more than \$150 million over five years by moving to a business approach that combines the buying power of health authorities across the province.

“The savings can go to direct patient care such as the recruitment of doctors and nurses, additional surgeries and procedures and other service enhancements across the province,” added Abbott.

The non-clinical services confirmed to have savings are in the supply chain, which includes purchasing, warehousing and distribution across health authorities of supplies ranging from pacemakers to soap.

“Over the last few months, representatives of the health authority supply chain departments worked collaboratively to develop a business solution that provides optimal supply chain services within the health authorities while generating significant savings,” said Lynda Cranston, chair of the SSO board and president and CEO of the Provincial Health Services Authority. “In effect, the consolidation of supply chain services into an integrated SSO service shows that by working together we are able to achieve something we can’t achieve individually.”

The SSO expects to assume responsibility for providing supply chain services for the health authorities early in 2009.

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