
NEWS RELEASE

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Ministry of Health Services

B.C. SIGNS HEALTH PURCHASING AGREEMENT WITH ALBERTA

VICTORIA – British Columbia and Alberta have completed a joint agreement that is expected to reduce costs for health-care system supplies and services, announced Health Services Minister Kevin Falcon.

“More than ever before, it is critical that we maximize every health-care dollar that we spend,” said Health Services Minister Kevin Falcon. “The joint purchasing agreement between British Columbia and Alberta will increase our combined purchasing power and save more money for the health authorities to invest back into direct patient care.”

The agreement will have the BC Health Authority Shared Services Organization and Alberta Health Services jointly award supply contracts by way of a common group purchasing organization (GPO) contract with HealthPRO, who will establish bulk purchases on a wide range of health-care supplies.

A GPO is an independent entity owned by its members that aggregates purchasing volumes and develops large national supply contracts for its member organizations. Larger contracts translate into more savings and dividends for the GPO members.

“This agreement confirms our commitment to reducing costs and finding more efficient ways to buy health care supplies and services,” said Alberta Health and Wellness Minister Ron Liepert. “This deal is the result of our recent discussions with B.C. and the other Western provinces on ways to realize savings on common drug and health care system purchases.”

“This partnership demonstrates the ability of health services within Alberta and BC to translate cooperation at a strategic level into real operational savings,” said Lynda Cranston, B.C. Health Authority Shared Services Organization board chair and president and CEO of BC’s Provincial Health Services Authority.

The agreement will consolidate purchases for the two provinces’ health care systems that serve approximately eight million residents, including 4.4 million people in B.C. It is anticipated the combined volumes will range from \$750 million to \$1 billion depending on which products each province wishes to contract through HealthPRO.

With potential expenditures reaching \$1 billion, the Alberta – B.C. purchasing agreement is viewed as one of the most significant developments within the Canadian health care supply chain, creating greater industry leverage for Western Canada.

HealthPRO is a Canadian corporation owned by and responsible to its shareholders – health facilities across the country. By amalgamating their volumes with a single national GPO, Alberta and BC have significantly increased the size and influence of the HealthPRO contracts which will drive improved pricing to the benefit of all their members.

British Columbia's SSO has signed two contracts for cardiac supplies and home oxygen services that will save \$57.5 million over the next five years. These savings represent 38 per cent of the more than \$150 million savings that the SSO first identified in December 2008.

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