
NEWS RELEASE

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Ministry of Health Services

ADDITIONAL \$31.61M SAVINGS FOR B.C. HEALTH SYSTEM

VICTORIA – Four new contracts to provide health authorities with cardiac, renal dialysis, and operating room supplies will save the province’s health system \$31.6 million, announced Health Services Minister Kevin Falcon.

“These savings are significant and demonstrate that there is more we can do to get the most out of each health-care dollar” said Falcon. “We are in the midst of one of the most difficult economic periods in a generation and although we are increasing health spending by almost 20 per cent over the next three years, there are still demands for more, requiring us to spend smarter – not just larger.”

The four contracts will save \$31.6 million over the next five years, and are in addition to the \$57.5 million in savings announced earlier this year. The total, \$89.1 million, represents almost 60 per cent of the projected \$150 million in savings that was first identified in December 2008.

The \$31.6-million savings include: \$7.8 million for renal dialysis supplies; \$13.8 million for operating room supplies, such as surgical drapes and gowns; and \$10 million for cardiac supplies. The cardiac supplies savings are in addition to the previously announced \$45 million for heart pacemakers and defibrillators, bringing provincial savings for cardiac supplies to \$55 million over the next five years.

The renal dialysis contracts cover supplies such as dialyzers, solutions used in renal dialysis machines and special clinical supplies for acute care hospital facilities. They also cover renal supplies for community renal clinics and home dialysis services. These supplies are vital to the health of renal patients receiving care through chronic kidney disease clinics or in-hospital, community unit or home-based hemodialysis programs.

The savings are being achieved through the procurement processes of the Province’s B.C. Health Authority Shared Services Organization (SSO).

“The BC Provincial Renal Agency was pleased to provide the expertise of our physicians, nurses and other clinicians to SSO as part of the procurement process for renal supplies,” said Dr. Adeera Levin, provincial executive director of the BC Provincial Renal Agency, an agency of the Provincial Health Services Authority. “Clinicians have an important role to play in assisting SSO to achieve a balance between optimal pricing and ensuring that patients will receive a high quality product.”

An important part of the clinical evaluation process for awarding contracts through the SSO is consulting with physicians, nursing, clinical and administrative staff on clinical efficacy, product quality, patient outcomes as well as patient and caregiver safety.

“The savings of almost \$90 million are further proof that health authority collaboration has the potential to yield larger than expected returns,” said Lynda Cranston, chair of the SSO board and president and CEO of the PHSA. “These returns are being reinvested into direct patient care, where we know they are needed. In the coming months SSO will continue to work towards that initial five-year goal of \$150 million, and it is well within our grasp.”

The SSO assumed accountability for supply chain services for all six health authorities in February 2009. It combines the buying power of the province’s six health authorities by amalgamating several purchasing processes into contracts with larger volumes of standardized products. Key to its business approach is increased process efficiency, standardization, capital avoidance and combining the buying power of its members.

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