

Province's healthcare system realizes \$112 million in cost savings



A patient and a registered nurse engage in conversation during hemodialysis treatment with a new B. Braun Dialog+ machine.

Saskatchewan's healthcare system has surpassed a five-year target to identify \$100 million in cost savings. As of March 31, 2015, partnership initiatives involving the health regions, Saskatchewan Cancer Agency (SCA) and 3sHealth achieved a cumulative \$112.4 million in savings.

The \$112.4 million in cumulative savings is largely the result of provincial contracting, a process which has reduced the cost of medical surgical supplies, drugs, and services while improving or maintaining quality and safety for patients, families, and staff.

In a news release (www.saskatchewan.ca/government/news-and-media/2015/march/24/new-savings-in-healthcare) issued by the province on March 24, 2015, Health Minister Dustin Duncan commended the health regions, the Saskatchewan Cancer Agency, and 3sHealth for their collaboration to support a high-quality, sustainable healthcare system. At the time of the release, savings were calculated at \$110 million.

Brian Barber, chair of the 3sHealth Board of Directors, said the achievement is a result of strong leadership, commitment, and collaboration across the healthcare system.

"By participating in provincial contracts and other shared services projects, the health regions and Cancer Agency have reduced spending and made great strides towards creating a more sustainable healthcare system," he said. "Our number one priority is to improve quality of care and patient safety."

Richard Anderson, chair of Governing Council, applauded the partnership. Governing Council is a body composed of representatives from the Regional Health Authorities and the SCA that appoints directors to the 3sHealth Board and sets the mandate for the organization, including scope of services.

\$112 million in cost savings... (continued)

\$112 million in cost savings... (continued)

“Achieving this cost savings target is significant because it shows how the system is thinking and acting as one for the benefit of patients—focusing on quality and safety first, and cost second,” Anderson said.

The Saskatchewan healthcare system has begun standardizing products across the province, allowing us to enter into provincial contracts with reduced costs. Provincial contracting allows regions and the SCA to purchase services and products in bulk according to provincial contracts. The best product is identified through a process involving frontline staff, clinicians, and other experts across the system.

The \$100-million target was established in 2010 by the healthcare sector as part of the strategic planning process within the system.

sustainable
commitment
leadership
capital cost avoidance
quality of care
\$112 million
cost savings
collaboration
partnership



Bold, courageous leadership

Inspiration and a willingness to put innovation into practice to advance our vision

Healthcare system partners and 3sHealth collaborate to identify and provide effective province-wide shared services that improve quality, promote patient safety, and capture savings for the system. Together, we find innovative solutions to complex problems to help create a sustainable system for future generations.

This issue of Report Card focuses on the ways the Saskatchewan healthcare system is leveraging shared services to create better health, better care, better teams and better value for Saskatchewan patients and their families.



By the end of January 2015, external walls for the new K-Bro Linen Systems plant in Regina were completed, allowing for construction inside the building to continue throughout the winter.



Provincial linen service transition update

Health regions, the Saskatchewan Cancer Agency, and 3sHealth have been working to prepare for the transition to the new provincial linen service provided by K-Bro Linen Systems in the fall of 2015.

Over the past few months, health regions and agencies have been gathering information and finalizing their plans to ensure a seamless transition to the new service. The regions and cancer agency have been meeting with 3sHealth and K-Bro Linen Systems to regularly review the transition task list, plan education sessions on the service and product options offered by K-Bro, and identify areas where process improvements can be made as part of the transition.

Construction of the state-of-the-art linen processing plant in Regina is on track, and the facility is scheduled to open on September 14. The plant will feature an automated production flow system that ensures a high level of infection prevention and control as well as improved worker safety. The new plant is also designed to minimize environmental impact using batch tunnel washers that optimize water use. Energy consumption will be further reduced by utilizing natural lighting in the new plant as much as possible.

Two distribution centres will be established in the province – one is already operational and located in Saskatoon. The second, in Prince Albert, will be located in the southeast part of the city for convenient highway access in all directions. A site and build-to-suit leasing agreement have been secured, and the centre is set to open at the end of September.

An important component of transition planning is the development of training modules for use by the end users of the new linen service. Facility employees will learn new processes to ensure quality and inventory control. The use of new products will also be part of the learning curve.

The transition to the new provincial linen service will be complete by December 31, 2015. Once implemented, the new service will save the healthcare system \$97 million over the next 10 years.

Product standardization creates winning conditions

When the concept of a shared services organization became a reality in our province, cost savings was a key goal and deliverable. Health regions, the Saskatchewan Cancer Agency (SCA) and 3sHealth - over the past five years - have realized that goal, reporting cumulative savings of about \$112.4 million as of March 31, 2015. Savings, however, only tell one part of the shared services story.

Patients and staff are experiencing improved quality and safety through provincial contracting and product standardization. Provincial contracting means patients receive consistent quality of care wherever they seek treatment, and healthcare workers can move from one facility, health region or agency to another, requiring minimal product training through the transition. It is safer for everyone.

One example of this is through the implementation of standard hemodialysis machines, blood volume monitors, accessories and consumables (such as needle blood lines) which will be complete in the Regina Qu'Appelle Health Region, Saskatoon Health Region, and all the satellite locations by the fall.

“Once this work wraps up, we will have established a truly provincial program that will be the first of its kind in Canada,” said Shelley Stamm, clinical nurse manager in the Renal Unit at the Regina General Hospital. “It will allow for the movement of equipment from one location to another, and it will assist healthcare leaders with emergency preparedness and planning. Above all else, the whole approach to provincial contracting puts patients first.”

Since 2010, participation in provincial contracts has increased to 60 from 20 per cent. This increase is due to the collaborative efforts of the materials management teams across the healthcare system to put provincial contracts in place as existing contracts expire. This shared accomplishment has realized over \$98 million of the \$112.4 million cumulative cost savings for regions and taxpayers.

Provincial contracting uses an open and competitive process followed in compliance with the New West Partnership Trade Agreement and the National Agreement on Internal Trade. The process must be followed for all contracts above \$75,000 in value.

In Saskatchewan, the entire healthcare system engages in provincial contracting. Subcommittees involving participation from health regions, the SCA and 3sHealth are formed and participate in the contract evaluation process. Products are chosen based on selection criteria for service, quality, and cost. After a contract is awarded, the subcommittee works with the materials management teams from across the province, including the 3sHealth provincial contracting department, to create and implement a product conversion plan if the supplier or product has changed.

