



Left to right: Steve Sousa, Karen Knelsen, Brian Barber, Jim Rhode, Twyla Meredith, Kyle Jeworski, Rennie Harper, Arnie Shaw and Grant Kook

New 3sHealth Board of Directors

3sHealth, an organization that provides province-wide shared services to support a high performing, sustainable, patient and family centred health system in Saskatchewan, was formed on April 17, 2012. The 3sHealth Board of Directors met for the first time on May 30, 2012. Appointed by 3sHealth's governing council, the board is comprised of representatives from the health sector and people from the community who bring needed skills to lead the organization.

"In my view, the creation of an efficient infrastructure of shared services to support direct patient care is an exciting role for 3sHealth," says Arnie Shaw. Mr. Shaw has 35 years of board experience including serving on the Saskatchewan Blue Cross and the Blue Cross Life of Canada boards. He is a Chartered Accountant and a Certified Management Accountant and owns a business in Saskatoon. "The first priority is to create efficiencies in the health system so that we can allocate more dollars for patient care. My personal goal is that eventually we can dedicate more resources to programs that will create a healthier population with less need for acute care services," Shaw states.

Since 3sHealth was created in April the new board has been receiving orientation, forming committees and determining its work for the next two years. Twyla Meredith, another new board member, believes the development of a three to five year Strategic Plan that ensures a balanced approach to achieve organizational goals is key. "While the primary focus will be to achieve significant administrative efficiencies, each opportunity should also consider the impact on patient care and the effective use of human resources," says Meredith, who is President and Chief Executive Officer of the Saskatchewan Gaming Corporation. Ms. Meredith holds an administration degree, is a Certified Management Accountant and has held a variety of financial and leadership roles in the public sector and Crown Corporations. She is a Fellow of the Society of Management Accountants of Canada and has served on the boards of several sports, community and volunteer organizations.

The nine member 3sHealth board will guide the organization to achieve its goal of providing efficient, customer-focused, quality, province-wide common services to the Saskatchewan health sector.

Seeking a solution for provincial laundry and linen services

3sHealth, in consultation with Saskatchewan health regions and other stakeholders, is working to provide a long-term sustainable solution to the province's aging and outdated laundry facilities. 3sHealth is exploring several options including rebuilding central laundries, consolidating them into fewer and larger sites, contracting linen services to a third party, or a combination of all these.



Members of the Laundry Transition Committee toured HLS Linen Services in Ottawa.

Currently there are five central laundry facilities in Saskatchewan processing in excess of 75% of the health system's linen. A sixth facility, in Saskatoon, was closed in November, 2011 due to safety issues. The laundry facility in Moose Jaw is slated for closure by the Ministry of Social Services within four years. The other facilities are in Weyburn, Regina, Yorkton, and Prince Albert.

The goal of the provincial laundry strategy is to create an efficient and sustainable laundry system that ensures the highest standards in quality and infection control for patients and safe working conditions for laundry workers.

3sHealth has taken the following steps to develop the strategy:

Development of the Business Case which examines the viability of maintaining publicly funded laundry and linen services.

Consultation meetings have been held with laundry managers, laundry workers, and unions. The feedback and direction received will influence the decision-making process.

Learning about best practices

In May, 2012 members of the Laundry Transition Committee toured HLS Linen Services in Ottawa, Ontario. HLS is recognized as one of the top linen service providers in North America. The team was able to observe the high volume equipment, and the efficiency processes needed, in a high quality laundry system.

Request for Strategic Partner (RFSP)

A Request for Strategic Partner (RFSP) was issued on June 27th to solicit proposals for a solution to provincial laundry and linen services. An information meeting for potential proponents was held on July 9th to provide additional information and answer questions. During the week of July 16th site tours of the laundry facilities were attended by representatives from four companies intending to submit proposals.

Next Steps

- The RFSP closed on August 29, 2012. The proposals are being evaluated by a team of representatives from across the province.
- 3sHealth will continue to examine the costs and benefits of a publicly delivered service model.
- Using Lean methodology, a week-long 3P (production preparation process) event will be held in October that focuses on efficient practices for distributing linen throughout the province.
- The decision on a recommended solution is expected to be made later in the fall.

Savings in Supply Chain

The cumulative savings target for shared services over five years, beginning in 2010, is \$100 million. As a result of significant savings in group purchasing in the first two years of the health sector shared services initiative, we are on target forecasting \$30.8 million in cumulative savings to date.

The largest percentage of the cumulative savings to date are as a result of moving purchasing contracts to a provincial level or a national group purchasing organization. As part of larger volume purchasing contracts, the Saskatchewan health regions and Saskatchewan Cancer Agency (SCA) have saved millions of dollars. Most group buying contracts are in place for multiple years which means savings accumulate over several years.

The provincial group purchasing program has been dedicated to achieving the best quality product at the best price for several years. A portion of the current work involves administering the transfer of contracts with suppliers, as they come up for renewal, to provincial buys, or to the national group purchasing agent, HealthPRO.



The Provincial Materials Management Group at their strategic planning session in June, 2012.

The Provincial Materials Management Committee, which consists of health region representatives and staff from 3sHealth, held a strategic planning session on June 14th and 15th at the 3sHealth offices to determine a plan for advancing the work into the future. "It was good to see consensus and support from Materials Management staff in all the Regions," says Rick Lowe, Regional Manager Materials Management for the Cypress Health Region. "We have agreed upon a basic concept and potential supply chain model. Now we need to develop a detailed strategy as to how to achieve it. As this is groundbreaking for supply chain in Saskatchewan we must proceed with caution. We have to maximize savings, provide a smooth transition, and be careful not to jeopardize supply to our customers. It's no small task and will take some time to achieve."

Integrating Lean methodology to streamline the supply chain process within the health regions will be applied through a future 3P (production preparation process) event.

This year's target is to achieve 65% of the goods and services purchased by the health regions and SCA through provincial contracts by March 31, 2013. To reach a target of 80% by 2015, categories of goods that represent significant dollars, such as food or pacemakers and Internal Cardiac Devices, will be transitioned to provincial contracts over the next two years.

Additionally, Saskatchewan led work with Alberta and Manitoba to develop a tri-provincial contract for oncology drugs. \$4.2 million in annual savings were achieved for the three provinces, with \$1.3 million for Saskatchewan alone. Saskatchewan also participated with BC, Manitoba and other provincial organizations in a competitive process for peritoneal dialysis, achieving savings of approximately \$400,000 per year for this province.

The following table shows projected savings in procurement and other initiatives in 2012-13:

Procurement	
Oncology	\$1.3m
Medical/Surgical Supplies	\$1.1m
Skin and Wound Care	\$1.0m
Peritoneal Dialysis	\$400k
Needles and Syringes	\$300k
Telecommunications	\$100k
Miscellaneous (office supplies, etc)	\$300k
HealthPRO (2011/12 rebates)	\$700k
Hips & Knees	\$417k
Pharmacy PH12	\$129k
Gateway Online	
Paperless Earning Statements	\$200k
Insurance	
Liability	\$475k
Total	\$6.4m

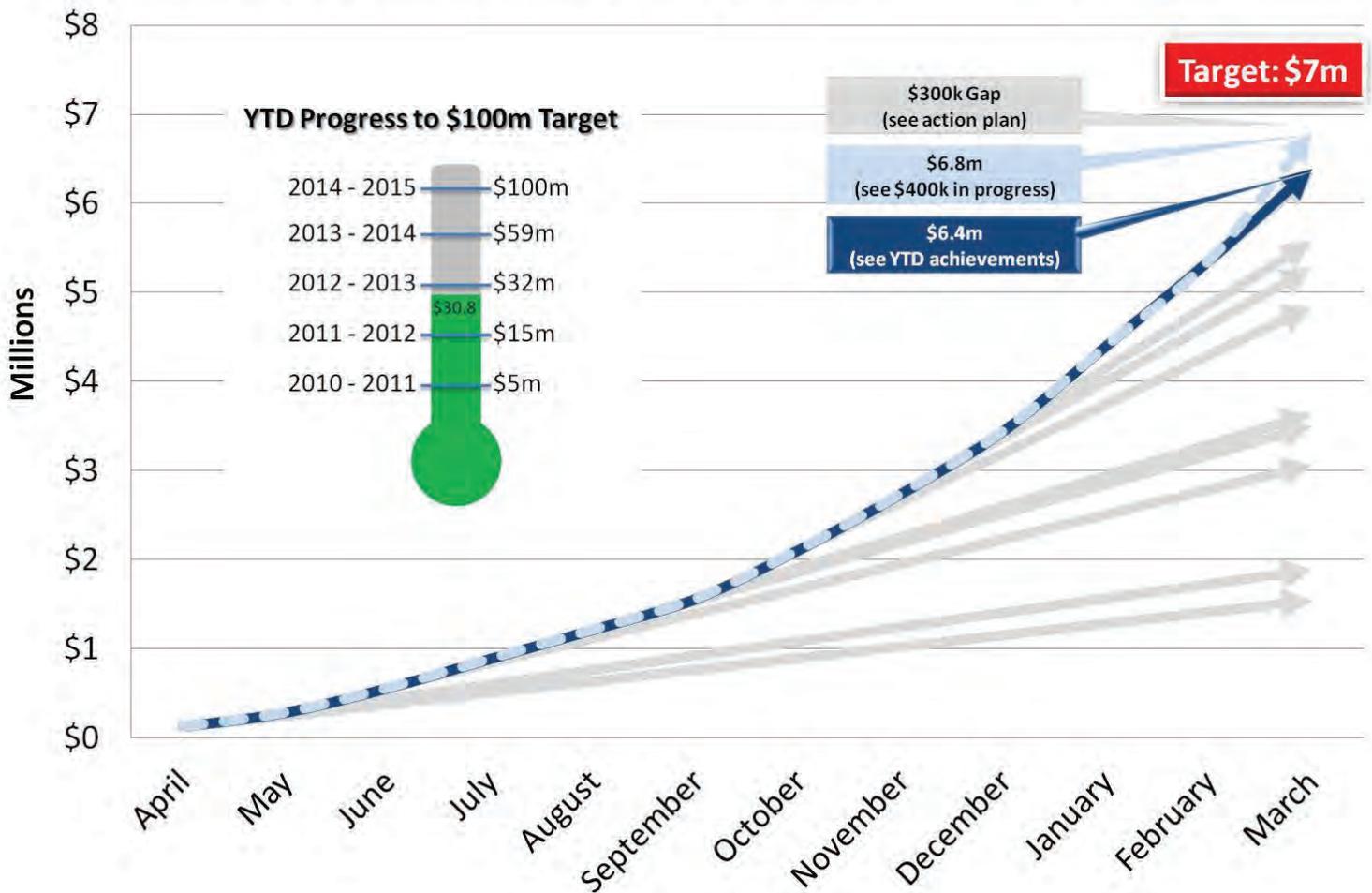
\$7 million savings target

The health system established a target of \$7 million in savings through shared services initiatives for 2012 – 2013. Less than halfway through the fiscal year, projected savings are at \$6.4 million with an additional \$400,000 in progress. With the action plan in place for the balance of the savings, it is expected that savings this year will exceed the \$7 million target.

The largest percentage of savings achieved to date have been as a result of group purchasing with other provinces or a national buying group. See the article “Savings in Supply Chain”.

2012 – 2013 Health System Savings (by month, projected trajectory to target comparison)

-  In progress Projection
-  Current Projection
-  Past Projection



Lean Management System at 3sHealth

As a partner in the provincial strategy to transform the health system, 3sHealth is participating in and adopting Lean management systems and Lean certification training, along with the health regions, Saskatchewan Cancer Agency, Health Quality Council, and the Ministry of Health.

3sHealth is using a Visibility Room and regular “wall walks” by all staff at the organization to maintain focus on the priorities

for shared services. Evaluating progress and measuring results is a significant part of the discussions.

CEO Andrew Will and members of the Senior Leadership Team including Tony Weeks, Mark Anderson and Kendell Arndt, as well as the Director of Kaizen Operations, Jill Forrester, are involved in the Lean Certification program. Others within 3sHealth will be certified in future opportunities.



3sHealth’s colourful and graphic Visibility Room is an engaging way to report progress throughout the organization. Graphs, charts, and notes allow staff to view achievements, goals met and challenges within each strategic priority, and develop corrective action plans when required.

GHX e-commerce solution

Saskatchewan’s health regions and Saskatchewan Cancer Agency are implementing Global Healthcare Exchange (GHX), a software system to automate and streamline supply chain operations. The e-commerce solution will enable the organizations to manage group purchasing pricing, and implement a database of items purchased and an electronic purchase order/invoice system.

Benefits to users and the larger health system will be: reduced duplication of information, a central listing of items purchased under provincial contracts, central supply catalogues and supplier contracts, and reduced time processing and reconciling orders and invoices.

GHX implementation is in progress and a number of modules have been implemented across the regions. Some Regions have experienced a few issues relating to the change in process and 3sHealth is working with the Regions to identify the issues, and develop corrective action plans for each. 3sHealth has also recently appointed Jeff Barschel as the project manager for this project to help oversee the remainder of the implementation.

A new look at Liability Insurance provides an opportunity to save

Significant efficiencies will be achieved by coordinating the approach for liability insurance acquisition and claims management in the Saskatchewan health system. A recent actuarial analysis revealed that Regional Health Authorities and the Saskatchewan Cancer Agency can capture savings by increasing their deductible levels and reducing premiums based on the current risk tolerance for claims over the next year. In the short term, this shared approach will achieve a \$475,000 savings in 2012-2013. In the future, there are additional savings available as liability insurance and claims management are consolidated on a province-wide basis. 3sHealth will be working with its stakeholders to develop a plan that can realize significant savings in the long term.

Gateway online

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- Easy to navigate and to complete tasks.
- Update personal information and banking details.
- Track the status of changes and requests.

Gateway Online has been launched in ten health regions, Saskatchewan Cancer Agency (SCA), 3sHealth, Saskatchewan Association of Health Organizations (SAHO), and Saskatchewan Health Employee Pension Plan (SHEPP) between January and June, 2012. Since implementation, 66% of employees have initialized their Gateway Online account. In more than half of the implemented organizations, over 75% of employees have initialized their account.

Gateway Online is improving the employment experience of Saskatchewan health care employees. It provides employees with secure, fast, easy and green solutions to make life easier. Paperless pay statements were the first service launched, allowing employees to view their current pay statement, as well as historical statements back to January 2011. On June 22, the Personal Information service was introduced on Gateway Online giving employees the opportunity to view, add, and make changes to their personal information including name, address, contact phone numbers, emergency contact, direct deposit banking details, and more. Of the 7,000 changes to personal information that were made from June 22 to July 13, 3,500 or 50% were completed in Gateway Online, saving paper costs and data entry time.

Saskatoon and Regina Qu'Appelle are the final two health regions to be implementing Gateway Online in the next few months. Future services coming to the Gateway will allow employees to apply for job postings, submit requests for vacation and leaves of absence, and receive information from their employers about their position and salary. Employees will benefit from more timely transactions, greater accuracy in the information, and the ability to view or submit information wherever there is internet access when it is convenient to them.