

## Province's health system realizes \$110 million in cost savings

3sHealth (Health Shared Services Saskatchewan), in partnership with the health regions and Saskatchewan Cancer Agency (SCA), has surpassed its five-year target to identify \$100 million in cost savings for Saskatchewan's healthcare system. Together with the system, 3sHealth can report a total savings of \$110 million as of February 2015.

The \$110 million in cumulative savings is largely the result of joint contracting – a collaborative process headed by 3sHealth in partnership with the health regions and SCA. This process 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](#) issued by the province on March 24, 2015, the 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.

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

“By participating in joint 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, applauds 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.

“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 bulk of the cost savings were realized through:

- Joint contracts for drugs: over \$44 million
- Joint contracts for medical surgical supplies: over \$33 million
- Dividends and rebates from joint contracts: over \$9 million
- Linen capital cost avoidance: over \$11 million

The Saskatchewan healthcare system has progressed towards standardizing products across the province, allowing us to enter into joint contracts with reduced costs. As a result of joint contracts, the system has received dividends and rebates savings from vendors through bulk purchasing.

Joint 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 capital cost avoidance savings of over \$11 million are the result of the Saskatoon laundry plant closing for safety reasons and the decision not to rebuild it. That amount is part of a larger savings total of \$97 million over 10 years. The new provincial linen service will be fully implemented by December 2015.

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

3sHealth provides province-wide shared services to support Saskatchewan's healthcare system. Working together with its partners, 3sHealth finds innovative solutions to complex problems to help create a sustainable system for future generations. The shared services 3sHealth provides include payroll processing and employee benefits administration for over 42,000 healthcare system employees, as well as joint contracting for goods and services.