3sHealth
Shared Services Saskatchewan

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In challenging financial times, how do we fund transformational change?

Imagine for a moment that you have a decades-old clunker of a fridge that has a squeaky fan, leaky cooling unit, and tendency to freeze produce. The fridge is a power hog and it could break down at any moment. It needs to be replaced.

After considering your options, you select a new model that is spacious, well laid out, and will meet all of your food storage needs for many years to come. The new fridge is energy efficient, so the savings in power will immediately begin to save you money, and its excellent temperature control and smart storage compartments will help minimize food waste, also helping your monthly bottom line.

Your problem is you haven't put any savings aside to buy the fridge, and you don't want to buy it on credit. You also don't want to put buying the fridge on hold because of the immediate food quality and cost benefits to you and your family. How will you finance your purchase?

This question is similar to the one that 3sHealth and its health system partners have been asking themselves throughout their transformational change journey. Many of the new healthcare initiatives have a large return on investment—both from a cost and quality point of view—but they require an initial supply of money to get started. In a challenging economic environment, the senior leadership teams have had to explore creative funding options that depart from traditional government funding or borrowing models.

That's where the health system's innovative, continuous-improvement-driven thinking comes in.

Together, the health system's governors and senior leaders developed the idea of a transformation fund. The idea behind the fund is simple enough: the system will put aside a portion of the savings from shared services initiatives for the next project. When that project comes to fruition, a portion of its savings will again be put aside and applied to the next initiative. In this way, the health system will be less dependent upon other sources of funding to move ahead with important transformational change.

"This fund creates an improvement engine," explains Kendell Arndt (pictured above), Vice-president of Strategic Information and Corporate Services at 3sHealth. "The first initiative improves quality and saves money, and the savings the system puts aside generates another initiative. This keeps the momentum going. Some of the savings help to reduce financial pressures for our care delivery organizations, and the rest of the money drives the next initiative.”

The concept, explains Arndt, is to be thoughtful and strategic as we make decisions in healthcare while continuing to generate momentum. By taking this approach, healthcare organizations continue to “think and act as one” in the service of Saskatchewan patients and their families.

“Regions are facing tough budgets and increasing pressures to deliver quality services to patients in the near future. Given that, they have still had the wisdom, foresight and initiative to think long-term. The temptation would be to say ‘No, I need every cent now’. But they haven’t. Instead, they have focused on creating a long-term strategy,” says Arndt.

By collaborating to ensure that the right funding foundation is in place to support innovation, the health system continues to strengthen shared services and drive improvements that will benefit patients and families for years to come.