



Health Care Reform – Introducing Competition into Surgical Facilities

Issue

Health care expenditures account for over 35 per cent of the provincial budget, the largest budgetary item. The Minister's Advisory Committee on Health (MACH) was formed in September 2009 to consult with stakeholders on legislative changes that would improve Alberta's health care system. Committee recommendations are expected in early 2010.

Surgeries (e.g. hip and knee replacement) have particularly lengthy wait times that could be reduced through the introduction of competition. This could also result in cost savings.

Calgary Chamber of Commerce Position

Achieving health care cost savings helps the government achieve greater tax competitiveness, a key priority of Calgary's business community. In addition, a high quality health care system with minimal wait times is an advantage to attract and retain talented workers.

The Calgary Chamber of Commerce has long advocated for legislative change to the Health Care Protection Act (HCPA), which in combination with other legislation, governs the provision of certain surgeries by public, private and non-profit entities.

HCPA amendment will result in at least two clear benefits: [1] establishing clear and efficient lines of accountability between public, private, and both profit and non-profit health care providers and their contracting agents, and [2] removing barriers to accessing health care.

The current ministerial approval process under the HCPA, with its red tape and often nebulous criteria, carries a significant administrative burden that is unrelated to patient safety and quality care and requires significant resources that could otherwise be directed at increasing facility capacity and expanding access to care.

An amended legislative framework can facilitate competition in a number of ways: (1) by ensuring that contracts are structured in the same fashion as commercial contracts, with duties and obligations distributed more evenly between the two parties; (2) by facilitating different funding methodologies including patient focused funding; and (3) by decreasing Ministerial authority over Non-Hospital Surgical Facilities (NHSF) to avoid the duplication of oversight, and associated red tape, when service providers contract with Alberta Health Services (AHS).

In principle, there should be a level playing field for all providers of health services. The whole system including NHSFs should benefit from the economies of scale generated by AHS. If and when the AHS is able to negotiate joint / equal procurement agreements (e.g. bulk drug purchases) with non-AHS providers, the entire system will benefit through reduced costs.

5 MINUTE POLICY BRIEFS



Policy Recommendations

The Chamber recommends the Government of Alberta:

- 1) Amend the *Health Care Protection Act* to decrease Ministerial authority over surgical facilities.
 - a) In doing so, prioritize patient safety by ensuring that Alberta Health Services and the College of Physicians and Surgeons of Alberta collaborate on creating a streamlined regulatory environment.
- 2) Make certain that any legislative change facilitates competition in the surgical facilities market.
- 3) Ensure, where possible, that any legislative change helps create a level playing field for all health care providers by cooperating in the distribution of resources through joint / equal procurement agreements (e.g. bulk drug purchases) with non-AHS providers.