HALIFAX CHAMBER OF COMMERCE
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Position Paper
PHSOR Report (Provincial Health Services Operational Review)
February 7, 2008

Background

IN 2005, the NS Department of Health, along with the nine district health authorities and the IWK, put out a Request for Proposals for a Public Health System Organizational Report. The winning consultancy, Corpus Sanchez of Vancouver, completed the total overview of the NS health care system in December 2007.

As the report itself states, this newest report is just the one of a number of health care studies the province has undertaken over the last number of years.
However, this report aims to create wholesale change of the health system. As the report states, "Nothing short of transformation of the entire health care system is required to achieve sustainability and to keep the population as healthy as possible." Reflecting a statement that the Chamber has made repeatedly in various position papers, the report begins by saying that the status quo is not sustainable. In fact, the starting point for the health care review was the fact that according to the original Request for Proposals, the province was presently spending 47.9% of its GNP on health care and the action needed to be taken to bring these expenses in line**.**

The report was released in late December 2007. All of its recommendations were accepted by the Premier and by the Department of Health on January 17, 2008. Additionally, the Capital District Health Authority formally supported the recommendations on Jan. 17, 2008.

In short, the present government and officials of the largest DHA in the province are backing the report and its findings.

Overview

An examination of the 386-page report immediately leads to the conclusion that the consultants, the DHAs, the DOH and the IWK worked diligently over two years and examined the many health-related issues very thoroughly. Included in this report are very detailed lists of activities for each district health authorities to take to streamline operations.

At the core of the document are 103 recommendations for changes to the health care system. As the overview states, the intention of the document is transformation -- not piecemeal change. For this reason, these recommendations are exhaustive. They cover

areas from laboratory services to an integrated model of care to health human resources management to information management and technology. No area seems to have been overlooked in its thorough analysis.

Analysis

STRENGTHS OF REPORT

Comprehensive nature that aligns with some Chamber goals

All areas of the health care system seem to be covered. Included among these are areas of concern to the Chamber and its members: instituting an integrated model of service, health human resource management and others. (Issues Briefing Note, Provincial Affairs Committee, June 2007).

In effect, the PHSOR document can be seen as the integrated, long term plan for the health care system addressing human and capital resources issues and integrated information systems -- the one that the June 2007 Pre-Budget submission, the 2006 HealthMonitor Scorecard and other chamber documents called for.

Many recommendations deal with Chamber priorities

Health human resources management, provincial health human resource management and information management/information technology are the subjects of numerous recommendations in the report.

An apparent fiscal responsibility and business model orientation

Though discussions of cost reductions are few in the whole document, the report makes many recommendations appealing to those who would hope to reduce costs, eliminate duplication and streamline activities in the health care system.

These recommendations include:

a) Establishment of both a Province-wide Utilization Management and Decision Support Task Force.
b) An immediate strategy to replace the two laboratories on University Avenue with one viable, stand-along laboratory service, thus eliminating duplication
c) Creation of a standard organization for Health Human Resources, who reports directly the CEO of each DHA
d) A provincial health human resources strategy
e) A call to define an appropriate framework for quality and safety oversight
f) Development of a population needs-based operational funding formula
g) Development of performance agreement
h) Updating of efficiency analyses

And, perhaps most importantly for the chamber,

i) an exploration of private public partnerships to meet escalating capital needs in the future.

Clear statement that maintaining the status quo is not an option

The report states that nothing short of total system change is acceptable. In its 103 recommendations, it goes a great way to being as comprehensive as possible in covering as many health care system issues as possible.

Attention to rural health issues

In its Jan. 31, 2007 Provincial Pre-Budget Submission, the Chamber proposes the need for an examination of rural versus urban health issues. The report recommends a Rural Health Task Force designed to "define a baseline set of services that should be available as close to home as possible."

WEAKNESSES OF REPORT

Few concrete timelines

The document's stated intent is to implement all 103 recommendations within three years. This is an ambitious goal, indeed. However, defined and concrete timelines seem missing from the document. The report generally sets out two kinds of actions: a) actions to take place within the first three months and b) those to take place from three to 36 months. There are no concrete action items and/or checklists by which to accomplish such goals.

The sheer number of recommendations

To change the Nova Scotia health care system is an extremely lofty goal. To institute 103 changes within three years within three years is a very optimistic outcome.

The PHSOR has identified 11 out of the 103 recommendations as "key transformation initiatives." One of these includes recommendation #69 – introducing a centralized business office model. (Although the document does not generally deal with cost savings, it does state that a centralized business office model in itself could save the province $14 million.)

Little emphasis on Health Promotion and Protection

Chamber documents, especially those relating the Health Action Plan, have called for greater funding for, and emphasis on, chronic disease prevention, healthy living and evidence-based health promotion initiatives. The Chamber recommends this being done by boosting funding for the Department of Health Promotion and Protection from its present state. According to the 2006 HealthMonitor, only 1 per cent of the present global provincial funding for health is earmarked to the Department of Health Promotion and Protection.

Although recommendations 8 and 9 call for the Departments of Health and Health Promotion and Protection and the DHAs/ IWK to work together to confirm structures for public health (especially maternal health and immunization), there is no indication at all of any funding boost to the Department of Health Promotion and Protection, which is one of the Chamber's stated goals.

This is curious, given that the PHSOR reiterates many statistics from previous Chamber documents – ones that show that Nova Scotians suffer inordinately from cancer, heart

diseases, diabetes, depression and other chronic and/or preventable illnesses. (In fact, it draws many of the statistics referred to from the Chamber's 2006 HealthMonitor. It states that seniors over age 65 use far more of the existing health care services than any other age group.) While the PHSOR document discusses Nova Scotians' generally sorry state of health, it does not promote population health initiatives or funding to support it – except to make the following statement: "It is every Nova Scotian's responsibility to be as healthy as possible."

Little orientation towards workplace health

In many documents, the Chamber advises its own members to improve workplace wellness. In the PHSOR document, recommendation #74 urges a Province-wide initiative to improve OH&S by providing funding, equipment and training. It calls for a "change of culture across the health care system, to give greater prominence to health and safety in the workplace." Other than this recommendation, there is no call for general workplace wellness programs.

There was also no call for tax credits for the wellness initiatives the Chamber has promoted in past documents – i.e. tax credits for workplace wellness and reduced WCB premiums. In fairness, such tax credits were not within the scope of the PHSOR document. They are more properly in the purview of the Departments of Health Promotion and Protection, the Department of Health and the Department of Finance.

OPPORTUNITIES

The Chamber could assist revamping of system with a supporting document

By doing so, it could help create the political will to introduce some or all proposed changes.

The Chamber could endorse Key Transformation Initiatives in PHSOR document

The 11 Key Transformation Initiatives, by themselves, could go a great way to revamping the entire health care system. (see Appendix A attached)

The Chamber could offer assistance in implementing accountability frameworks concerning quality and safety oversight.

Since the Chamber has expertise, especially related to workplace wellness and the introduction of quality initiatives in the workplaces, this may be an area where it would be advisable to concentrate its efforts on behalf of its members.

Chamber could make open-ended offer of assistance to Minister of Health

To help create an environment that is open to health care change, the Chamber could, upon reflection, make an open-ended offer of support to Minister of Health. In doing so, the Chamber could determine whether there are any other areas of expertise in which it could assist the Department of Health's goal of wholesale system change. Advocacy on behalf of the PHSOR plan could be one action.

Explicitly support the Minister of Health in the promotion of private-public partnerships

In recommendation #99, the report recommends that the Department of Health "explore public-private partnerships as a means to meet its capital development requirements." The report describes some of the impending capital problems, with which the private system can assist.

In his response to this report, the Minister of Health seized upon this opportunity by stating that the department would consider private-public partnerships "when [they meet] the requirements of the Canada Health Act." The Chamber, either explicitly through a report or informally through meetings, could support these initiatives.

THREATS

Health care report fatigue

In the Jan. 19, 2008 Chronicle-Herald, columnist Jim Meek titled his entry on the PHSOR report this way: "Death by health care report." As he pointed out in this column, and the PHSOR report itself stated, there have been many health care reports in this province over the last two decades. And Meek said, in this column, that there has been little follow-up action or change despite the number of well-researched reports.

How 103 changes can be operationalized in three years

On the face of it, implementing this huge number of factors within three years is daunting. And the document remains largely silent on how to do this – and offers, in most cases, vague timelines. (One particular exception is that the Clinical Research Task Force, in recommendation #31, has been asked to deliver its findings by April 1, 2008.)

Political concerns

On Jan. 17, 2008, the Progressive Conservative Minister of Health endorsed all of the PHSOR recommendations. But the status of this report is unclear if the Progressive Conservative minority government falls and an election is called. Additionally, it is unknown whether this document would survive a change in government or ruling political parties.

Finally, it is too early to tell if there is adequate political will – in the District Health Authorities, in large health care organizations and unions, and with the general public – to undertake these changes. Any opposition could impede or stop adoption of any or all of the report's recommendations.

Recommendation to create more task forces

The document recommends the creation of at least seven more task forces. On the face of it, creating more task forces means additional consultation would have to occur. More consultation would slow down or prevent the chance of any changes being implemented within the three-year time frame.

Minister of Health wants further public consultations

In his response to the PHSOR report, the Minister of Health signaled a desire to "engage a wider range of health care providers, other health stakeholders and citizens in a discussion about the health of Nova Scotians." The PHSOR consultants have already talked with all the DHAs, the IWK, the Ministry of Health, the Department of Health Promotion and Protection and hundreds of Nova Scotians across the province to produce the PHSOR report. As with the creation of additional task forces, it is unclear why there is a need for further consultation – especially if one wants to introduce wholesale, "transformative" change within a short timeline.

Health care unions may oppose PHSOR report

In Jim Meek's column, he stated that there is already opposition to the report from health care unions. At this point, this claim cannot be substantiated.

SUGGESTED ACTIONS FOR CHAMBER

1) Examine all 103 recommendations to see how many can be endorsed.

2) Failing that, examine the 11 Key transformation Initiatives to see if the Chamber can back any or all of these initiatives.

3) A concrete offer of support, through a document or meeting between the Chamber President Valerie Payn and Minister D'Entremont.

CONCLUSION

Although Nova Scotians may suffer from health report fatigue, the Corpus Sanchez report is still a work that should be applauded, especially by the Chamber. It explicitly sets out something that the Chamber has been advocating for a long time: proposing a "single, integrated long term plan that speaks to the sustainability of the health care system and addresses human and capital resource requirements and integrated information systems."

In its recommendations, the report seeks wholesale change of the province's health care system to reduce costs, streamline operations and increase efficiency.

Although the goal of meeting 103 recommendations is lofty and may not be achievable, the Chamber should still applaud the fact that the provincial government is proposing transformational change. Such wholesale change of the health care system would result in lower health care costs, a more efficient system and, ultimately, a sustainable provincial health care system in the future.

Revised on Feb. 7, 2008

APPENDIX A

KEY TRANSFORMATION INITIATIVES
(From PHSOR Report, pgs. 69-71)

Please note: The document lists these items as key action initiatives, but not the only ones to be considered. Also, in the three to 36 month timeline for achievement, the recommendations listed below are priority items. However, this list provides a good idea about the scope of the total report. (These are only 11 out of the 103 recommendations.)

Also, these recommendations provide timelines but they now need to be revised, due to the fact that the report was submitted in Dec. 2007.

- **Confirm Priorities for Primary Health care Renewal (Recommendation 5):** The Vice Presidents of Community Services in each DHA met as a group in early May 2007 and are committed to pursuing a comprehensive strategy to implement priorities for Primary Health care Renewal. The formation of a *Primary Health care Task Force* is intended to provide concrete strategies to fast-track primary health initiatives.
- **Advance the Plan to Devolve Continuing Care to the DHAs (Recommendation 20):** Devolution of Continuing Care is, in the opinion of the PHSOR Team, long overdue. Expectations of the DHAs are that they will lead the delivery of services to meet the needs of the citizens of Nova Scotia, yet they only manage portions of the continuum. Improving flow across the continuum requires that DHAs have authority over Continuing Care. Devolution requires detailed planning to ensure that it is implemented smoothly so that patients do not experience any disruptions in service as a result of the change. The *Continuing Care Task Force* will lead planning efforts to support devolution.
- **Formulate a Rural Health Strategy (Recommendation 23):** Preventing the further erosion of services in rural Nova Scotia is an immediate priority for the CEO Council. A project charter for the Rural Health Task Force should be developed over the summer and presented to the CEO Council by September2007. Once this report is endorsed, membership for the *Rural Health Task Force* should be defined and a workplan should be created so that the initial planning work can be completed by the end of calendar 2007. The workplan should focus on defining a core set of services that should be developed and supported in rural communities; it should outline strategies to ensure appropriate access to other services.
- **Revitalize a Province-Wide Clinical Services Plan and Framework (Recommendation 25):** The need to revitalize the work initially developed by the Clinical Services Steering Committee is viewed by the PHSOR Team as a critical under-pinning for the future of the health care system in Nova Scotia. A *Clinical Services* task force to guide this work should be put in place as an immediate priority and the work should be completed no later than March 31st, 2008.
- **Develop an Emergency Health Services Strategy (Recommendation 41):** The system is undergoing significant stress in its small emergency departments and many communities are currently experiencing disruptions in service. Development of contingency plans for the immediate term as well as longer range plans for a sustainable emergency health system is required. This *Emergency Health Task Force* should work in parallel with the Rural Health Task Force and complete its work in the same timeframe.

Over the summer months, the structure for the Task Forces should be confirmed, potential members identified, project charters formally defined and workplans developed.

Transformation also requires a rethinking of how certain processes are managed and supported. While there are a number of **redesign** opportunities associated with the PHSOR, the PHSOR Team has recommended two key areas due to the significant impact each will have on the overall health care system. These include:

- **Utilization Management/Decision Support (Recommendation #35):** UM/DS uses

available resources and tools to leverage and extend data/information infrastructure to support planning and decision-making. As part of PHSOR, analysis of conservable days suggests that the DHAs could reduce the current cost burden dramatically if they pursued focused efforts surrounding utilization management. Days saved could lead to overall savings for reinvestment outside of acute care, or could be re-directed to enable additional access to acute care in priority areas. While longer term data/information strategies will be required, the PHSOR Team believes that initial work should focus on high volume Case Mix Groups by bringing teams together to consider what opportunities exist to streamline lengths of stay. Teams could also be established to examine opportunities to address utilization issues in the area of laboratory services, diagnostic imaging and pharmacy services.

- **Integrated Model of Care (Recommendation #37):** With the Canadian health care system facing mounting challenges related to sustainability in the coming years, clarifying the roles of providers and supporting staff is essential to ensure that patient continue to receive quality nursing care by the most appropriate care provider. An Integrated Model of Care works towards identifying the best mix of staff that can, and should be part of the care team to deliver optimal care to the patient within the available resources. As part of PHSOR, the efficiency analysis identified more than $10Million in savings on medical, surgical and critical care units in the regional hospitals across the Province, but the majority of these savings can only be achieved if the existing Model of Care is redesigned. The current model of care leads to professional staff working below the level of their licensure, performing tasks that others could do. The Vice Presidents of Clinical met in early March and agreed that redefining the model of care should be an immediate priority for PHSOR implementation. This initiative should likely start with demonstration projects in two or three DHAs and a parallel initiative in home care. This work should be fast-tracked so that implementation can occur in the demonstration sites and rolled out to other DHAs as soon as possible. Over the summer months, pilot/demonstration sites should be confirmed, project charters should be developed, design teams identified and kick-off meetings scheduled for September.

PHSOR started as an efficiency review of the nine DHAs and the IWK, but it quickly became apparent that any real efficiencies would need to stem from system-wide changes. The PHSOR Team recommends four specific **feasibility studies**:

- **Laboratory Consolidation (Recommendation #48):** The Province previously had developed a Request for Proposal to consider a different model for laboratory services. The PHSOR Team recommends that this RFP be brought forward again and sent to market to consider a rationalization model for labs.
- **Medication Distribution (Recommendation #53):** The PHSOR Team recommends that a single medication distribution system be developed and the utilization of unit-dose be considered. A business case now needs to be developed to determine the appropriate model and approach for moving forward.
- **Diagnostic Imaging (Recommendation #57):** The PHSOR team recommends a comprehensive feasibility study on diagnostic imaging, covering an assessment of HHR challenges, allocation of modalities to be available at each site, and development of provincial standards for DI services surrounding quality and access, including wait times standards. The study should also investigate a capital inventory and replacement strategy.
- **Centralized Business Office (Recommendation #69):** The Province has decided to invest in a common IT platform for finance and HR, which provides the opportunity to consider a centralized business office model for the future. Savings could be significant as every 1% reduction in overall costs associated with administrative costs could lead to savings of $14Million. These funds could be redirected to a number of key growth priorities, including decision support services, HHR and direct patient care.