

## Feature Healthcare Profiles

### Contracting for Surgery

... the Vancouver  
Coastal Approach



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# Contracting for Surgery: ... the Vancouver Coastal Approach

By Clay Adams

Later this year, some Vancouver-area patients may see themselves heading to places other than their local hospital for their publicly funded surgery.

Vancouver Coastal Health, the country's largest public health organization with a budget of more than \$2 billion, has taken the unprecedented – and in some eyes, controversial – step of seeking to contract out some of its publicly funded surgeries to private clinics.

“While contractual arrangements with private clinics for things such as ophthalmology are not new, this may be the first time such a concept has been explored for other surgeries,” VCH Chief Operating Officer for Richmond, Dr. Jeff Coleman, said.

The authority recently placed a formal Expression of Interest, or EOI, on the BC Government website for public tenders called BCBid ([www.bcbid.ca](http://www.bcbid.ca)). The 22-page document outlines the various procedures VCH believes have the potential to be provided in an external setting by outside clinics or specialists. In other words, private operators providing public procedures with public dollars.

expectation for service and access has never been higher and the changing demographics of our population continue to put pressure on those resources.”

The EOI for Provision of Specific Surgical Services initially focuses on Richmond Hospital, one of several acute care facilities across VCH that includes Vancouver General, Lions Gate in North Vancouver and Powell River General.



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There are several thousand people waiting for surgeries, some as long as a year or more. For hip and knee replacement alone, the wait list has quadrupled over the past four years. While factors such as physician and nursing job action pushed the numbers up, the reality is that

there is not enough operating room time to meet the need and no additional funds to open additional ORs at the hospital.

GROWING WAIT LISTS ARE A HUGE CONCERN FOR US, AS THEY ARE WITH ALL HEALTH ORGANIZATIONS. OUR HEALTH SYSTEM CLEARLY NEEDS TO LOOK AT NEW WAYS TO MEET THE CHANGING NEEDS OF OUR POPULATION AND THE REALITY OF OUR PUBLIC HEALTH SYSTEM.

It is an initiative that the health authority believes will help to address the growing wait list for surgical procedures. The provincial government is also supportive of the concept but has clearly said any such move must be done within the parameters of the Canada Health Act in mind.

“Growing wait lists are a huge concern for us, as they are with all health organizations,” Dr. Coleman said. “Our health system clearly needs to look at new ways to meet the changing needs of our population and the reality of our public health system.

“We are in a time when resources are tight. Yet public

Which raises the question – how can this work if there are no extra funds to pay the private clinics? According to Coleman, their business analysis shows that there is potential to do more procedures with fewer resources in an outside setting. This would then free up valuable OR space and dollars to do other procedures.

“We are targeting around 750 day surgery procedures,” Dr. Coleman said. “These are procedures that may be able to be done in a specialized setting more efficiently than we can do them in our own hospital simply because of technology and economies of scale.”

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It is no secret that private clinics can upgrade technology more rapidly than public hospitals that are subject to lengthy and bureaucratic government approval processes. They also specialize in specific procedures, which can mean faster OR turnaround and the speed that comes through specialization.



The reality is that there is not enough operating room time to meet the need

Among the various day surgery procedures potentially subject to contracting out are knee arthroscopies, breast biopsies, septoplasties and cataract extraction. Because the Canada Health Act prohibits surgeries in private clinics that require an overnight stay, VCH is limiting the EOI to day surgeries.

If successful, an estimated 5% of OR time (or around 16 hours a week) could be freed up to perform much-needed hip and knee replacements. The dollars saved by contracting out would be used to fund these extra procedures.

“It may not seem like a lot, but is more than we are doing now,” according to Dr. Coleman. “If we can make an impact with ophthalmology wait lists by using private clinics, why can’t we do the same with some other procedures?”

He is referring to an arrangement that existed for four years on Vancouver’s North Shore between Lions Gate Hospital and the nearby Northmount Eye Centre. In 1999 the hospital entered into a contract with Northmount to perform around 600 cataract procedures a year at their off-site clinic.

The move freed up 28 hours of OR time a week at Lions Gate, which meant an additional 60 surgeries for areas such as orthopedics, neuro, and general surgery could be performed in-house. The result was a reduction in the wait list of over 23% in the first year alone, with the ophthalmology wait list dropping over 30%. Lions Gate now has one of the fastest access times for surgery of all Vancouver-area hospitals.

BC’s Ministry of Health has been generally supportive of the VCH initiative, keeping in mind that it is only a non-binding Expression of Interest process so far. Provincial Health Services Minister Colin Hansen said the proposal fits well with government promises.

“We want to make sure we are getting the best value and we want to make sure we give patients in B.C. improved access to the care they need,” he said. Health authorities can explore more

contracting out of publicly funded surgeries, provided it is consistent with the Canada Health Act, Hansen said. That means no extra facility fees and not drawing necessary health care staff away from the public facility.

“Health authorities must make sure



VCH Chief Operating Officer for Richmond, Dr. Jeff Coleman

they monitor it. We won’t tolerate any violation of the Canada Health Act,” he added.

Even British Columbia Premier Gordon Campbell acknowledged that the VCH initiative does not breach the Canada Health Act. “All the care will be publicly funded,” he said. “We’re not going to undermine the public system. We’re actually going to reinforce and complement the publicly delivered health-care services in this province so patients get the care they need.”

According to Campbell, the real advantage is more cost-effective delivery of health-care services to patients, which will be funded publicly.

However, not everyone is enthusiastic about the idea. “The response from the medical community has been encouraging; the response from the public has been quiet; while the response from unions and special-interest groups has been predictable,” according to VCH Communications Director, Clay Adams.

“When new of the EOI first surfaced, the unions were deploring the move as the end of Medicare and the start of the sell off of BC’s public health system. It was a cry that was expected, yet did not resonate well with the public because we think health consumers recognize the need to do things differently if it means faster access and improved service.”

Adams cites several media editorials supporting the need to explore such opportunities, as long as it benefits patient care.

Maintaining high levels of quality care is what we do,” he said. “Frankly, it is insulting to everyone in our organization when accusations are made that we would take steps to reduce the level of care for our patients.

“By controlling the wait list and monitoring procedures performed in clinics with the same degree of scrutiny that we do in our own facilities, we will ensure that we remain within the confines of the Canada Health Act. We will also get people the surgery they need more quickly and in the most appropriate setting.”

VCH’s Expression of Interest closed in late August. Given the process for review and the next stage of issuing a Request for Proposal (RFP) to potential partners, the likelihood is that we will not see some day surgery procedures being performed in private clinics until later this year.

“It is likely to be closer to Christmas or early in the New Year before we have arrangements in place with possible partners,” Dr. Coleman said. “That may seem like a long time to get this into place, but for those patients who continue to wait for their surgery to be done it will not be a moment too soon.”



There are several thousand people waiting for surgeries, some as long as a year or more.

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**Susan Hale  
416-864-9667  
or email: [shale@longwoods.com](mailto:shale@longwoods.com)  
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