

## **HEALTH CARE PROTECTION ACT REPORT TO ALBERTANS**

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**Subject:** Initial Approval and Facility Designation for Surgical Service Agreement under the *Health Care Protection Act* (HCPA)

**Region:** Calgary Health Region

**Facility:** Colon Cancer Screening Centre (CCSC), Calgary

**Surgical Service:** Insured Out-Patient Endoscopy Surgical Procedures

**Term:** April 1, 2007 to March 31, 2017

**Background:**

The Calgary Health Region (CHR) has service agreements with non-hospital surgical facilities (NHSF) for the following surgical services: orthopedic, oral maxillofacial (dental), pregnancy termination, ophthalmology, and ear / nose/ throat (ENT). These service agreements have been successful in increasing surgical access and capacity as well as reducing wait lists. It is expected that an agreement for endoscopy procedures will also be successful.

**Proposal:**

CHR submitted a proposal requesting Ministerial approval to enter into a service agreement with CCSC for insured endoscopy surgical services of colonoscopy and gastroscopy, including removal of polyps and/or lesions. The CCSC will perform the same medically required procedures that are currently being performed in the region's acute care endoscopy sites and identified under service codes and related diagnostic codes in the Medical Schedule of Benefits under the Alberta Health Care Insurance Plan.

- The term of the proposed agreement is April 1, 2007 through March 31, 2017.
- The associated volume is:
  - 2007; up to 5,000 procedures
  - 2008; up to 10,000 procedures
  - 2009; up to 15,000 procedures
  - 2010; up to 20,000 procedures
- The expected average cost of an endoscopy procedure performed in a hospital in the CHR is \$310.11 per procedure – excluding physician fees. The comparable contracted price for CCSC to perform the procedures ranges from \$335 to \$289 per procedure depending on the volume performed.
- The maximum annual budget for service fees payable under this agreement shall be \$6,455,000. Costs are directly related to the number of procedures performed.

### **Assessment Summary:**

In reviewing proposals, Alberta Health and Wellness considers whether there is a negative impact on the publicly funded health care system and whether public interest is being served.

The CHR's relationship with non-hospital surgical facilities has been successful to date. The service agreement benefits the public by providing an alternate surgical site to meet the continued growth and demands for gastrointestinal procedures. It continues to provide the CHR with the ability to increase regional operating room capacity to meet the health needs of the population, increase accessibility and reduce wait lists within the region. It also assists the CHR to achieve their regional strategies identified in their 2007 Health Plan for improving access, diagnosis, treatment and follow-up for those with colon cancer.

### **Rationale:**

The approach taken by CHR benefits the public health care system. The service agreement provides the opportunity for a non-hospital surgical facility to “work” for the public sector. This is about using alternate approaches to increase surgical capacity to meet the public system's demands.

The funding method used by CHR is based only on the costs of services provided to publicly funded patients. Their service agreement demonstrates that publicly funded health care services can be delivered cost effectively in settings other than our hospitals. This type of arrangement strengthens the public health care system by providing an additional surgical site to meet the growing demands of Alberta's population.

The CHR's request to enter into a service agreement with CCSC has been approved. The following conditions are associated with this approval.

- A condition with respect to CCSC providing information to the Minister for verifying records and ensuring compliance with the *Health Care Protection Act*, the service agreement and their designation.
- CHR will obtain the Minister's consent before it agrees to any amendment to the agreement, including changes to price per procedure, type of procedure or a term extension.
- CHR is to perform a two year and a four year evaluation after the agreement anniversary date, and provide Alberta Health and Wellness with a report including the volume of procedures performed in the region and CCSC, cost effectiveness and efficiency.

*Paddy Meade*  
*Deputy Minister*  
*Alberta Health and Wellness*