

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

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**Subject:** Service Agreement for Insured Otolaryngology Surgical Services under the *Health Care Protection Act* (HCPA)

**Region:** Capital Health Region

**Facility:** Alberta Surgical Centre Inc.

**Surgical Service:** Insured Otolaryngology (ear/nose/throat) Surgical Procedures

**Term:** April 1, 2007 to March 31, 2010

**Background:**

Capital Health has service agreements with non-hospital surgical facilities (NHSF) for the following surgical services: oral maxillofacial (dental), pregnancy termination, ophthalmology, plastic surgery, dermatology and otolaryngology (ear/nose/throat). These service agreements have been successful in increasing surgical access and capacity as well as reducing wait lists.

**Proposal:**

Capital Health has had a service agreement for otolaryngology surgical services since 2000. The service agreement allows the region to increase capacity for other procedures. Capital Health submitted a proposal requesting Ministerial approval to continue to enter into contract for these services.

- In 2005/2006, the facility performed 278 procedures.
- The term of the proposed agreement is April 1, 2007 through March 31, 2010.
- The following service fees and volumes are identified.

<b><u>Year</u></b>	<b><u>Volume</u></b>	<b><u>Average Service Fee</u></b>
2007/2008	312 procedures	\$504.88
2008/2009	327 procedures	\$520.23
2009/2010	344 procedures	\$535.87

The majority of procedures are myringotomies (ear tubes) and resection of nasal septum.

- The calculated average cost of a procedure performed in the region is \$676 per procedure – excluding physician fees. The proposed contracted price (2007/2008) is \$255 per procedure.

**Assessment Summary:**

In reviewing changes such as these, 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.

Capital Health's relationship with this facility has been successful to date. The service agreement benefits the public by providing an alternate surgical site to meet the needs of the region. It continues to provide the region with the ability to increase regional operating room capacity to meet the health needs of the population, increase accessibility and reduce wait lists.

The facility's request for a change in ownership and facility name has been approved as it continues to facilitate the performance of insured surgical procedures.

**Rationale**

The approach taken by Capital Health 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 Capital Health 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.

Capital Health's request to enter into a service agreement for otolaryngology surgical services has been approved.

*Paddy Meade  
Deputy Minister  
Alberta Health and Wellness*