

REPORT TO ALBERTANS
APPROVAL OF SERVICE AGREEMENTS BETWEEN ALBERTA HEALTH SERVICES AND NON-HOSPITAL SURGICAL FACILITIES UNDER THE HEALTH CARE PROTECTION ACT

Subject: Service Agreements for Insured Surgical Services under the *Health Care Protection Act*

Region: Alberta Health Services – Calgary and Edmonton

Insured Surgical Services: Dermatology - Edmonton
Otolaryngology (Ear/Nose/Throat - ENT) – Edmonton
Ophthalmology (Cataracts and Other Eye Surgeries) – Calgary and Edmonton
Oral Maxillofacial (Dental) - Edmonton
Plastic Surgery – Edmonton
Pregnancy Termination – Edmonton

Background:

The *Health Care Protection Act* (HCPA) came into effect September 2000. The purpose of the HCPA is to protect Alberta's publicly funded health care system while providing for the outsourcing of some insured surgical services to designated non-hospital surgical facilities. HCPA explicitly prohibits the operation of privately owned hospitals, queue jumping and extra billing for insured services.

Proposal Assessment Summary:

- Alberta Health Services (AHS) contracts with operators of non-hospital surgical facilities to provide insured surgical services.
- Proposals are reviewed in the context of whether there is a public benefit from the contract for the publicly funded health system.
- When the Minister approves agreements between AHS and the operator of a non-hospital surgical facility many factors are taken into consideration in determining public benefit.
- Factors include ensuring:
 - Maintenance or increase of public access to the services.
 - Quality of services provided in the non-hospital surgical facility is equal to or better than the same services performed in a hospital setting.
 - Flexibility in accommodating patients (provides increased choice of service providers for patients).
 - Efficient use of existing surgical capacity.
 - Consideration of cost effectiveness and other economic considerations.
- The funding method used by AHS is only based on the cost of services provided to publicly funded patients. In determining funding, a comparison is done between the cost within a hospital setting and within a non-hospital surgical facility. By providing specialized services,

many non-hospital surgical facilities are able to maintain significantly lower overhead costs than those of a hospital.

In the past, there have been instances where the cost of the surgical service has been higher than the same procedure in a hospital. In these cases, the public benefit of increasing surgical capacity and patient access, and reducing long wait lists may outweigh the increased cost.

- The proposals submitted by AHS:
 - meet legislated requirements;
 - help alleviate operating room capacity pressures;
 - result in increased access to services and reduced wait lists and wait times; and
 - provide increased choice of service provider for patients.
- AHS pays a “facility fee” to the operators of non-hospital surgical facilities. This fee covers such costs as office space, staff salaries and benefits, supplies, utilities, debt servicing and other overhead costs.
- The physicians who provide the insured surgical services are paid on a fee-for-service basis through the Alberta Health Care Insurance Plan. These fees are the same regardless of where services are performed.
- Non-hospital surgical facilities at which the insured surgical services will be provided are accredited by the College of Physicians and Surgeons of Alberta as required under the HCPA.

Jay G. Ramotar
Deputy Minister
Alberta Health and Wellness

A summary of the service agreements approved during the period March 31 to September 30, 2010 follows:

Operator	Designated Facility Name / Location	Service Agreement Term	Value per Year 2010-2011	Value per Year 2011-2012	Value per Year 2012-2013
DERMATOLOGY: 2 YEAR TERM					
Don Groot Professional Corporation	Groot Dermasurgery Centre – Edmonton	July 19, 2010 – July 18, 2012	\$129,270	\$129,270	N/A
OTOLARYNGOTOMY (ENT): 2 YEAR TERM					
Alberta Surgical Centre Inc.	Alberta Surgical Centre. – Edmonton	April 1, 2011 – March 31, 2012	\$154,360	\$158,991	N/A
OPHTHALMOLOGY: 1 YEAR TERM					
SAEC Surgical Ltd.	Southern Alberta Eye Center Surgical Ltd. – Calgary	April 1, 2010 – March 31, 2011	\$1,974,656	N/A	N/A
Surgical Centres Inc.	Surgical Centres Inc., Rockyview – Calgary	April 1, 2010 – March 31, 2011	\$4,216,981	N/A	N/A
David B.Climenhaga Professional Corporation	David B.Climenhaga Professional Corporation – Edmonton	April 1, 2010 – March 31, 2011	\$ 765,000	N/A	N/A
Royce L.C. Johnson Professional Corporation	Royce L.C. Johnson Professional Corporation – Edmonton	April 1, 2010 – March 31, 2011	\$ 195,951	N/A	N/A
TOTAL:			\$7,152,588	N/A	N/A

Operator	Designated Facility Name / Location	Service Agreement Term	Value per Year 2010-2011	Value per Year 2011-2012	Value per Year 2012-2013
OPHTHALMOLOGY: SURGICAL BLITZ – CATARACTS: JUNE 30 – OCTOBER 22, 2010 CORNEAL TRANSPLANTS: JUNE 30, 2010 – MARCH 31, 2011					
Holy Cross Surgical Services – a partnership of Peter T. Huang professional Corporation and Ian T. Huang Professional Corporation (cataracts & corneal transplants)	Holy Cross Surgical Services – Calgary	June 30, 2010 – March 31, 2011	\$128,000	N/A	N/A
I Care Services Ltd. (cataracts)	The Gimbel Eye Centre – Calgary	June 30, 2010 – October 22, 2010	\$102,000	N/A	N/A
Rocky Mountain Surgery Centre Inc. (cataracts & corneal transplants)	Rocky Mountain Surgery Centre – Calgary	June 30, 2010 – March 31, 2011	\$128,000	N/A	N/A
SAEC Surgical Ltd. (cataracts)	Southern Alberta Eye Center Surgical Ltd – Calgary	June 30, 2010 – October 22, 2010	\$102,000	N/A	N/A
Surgical Centres Inc. (cataracts & corneal transplants)	Surgical Centres Inc. – Rockyview – Calgary Riverview Surgical Centre – Calgary	June 30, 2010 – March 31, 2011	\$128,000	N/A	N/A
Alberta Eye Institute Inc. (cataracts)	Alberta Eye Institute – Edmonton	June 30, 2010 – October 22, 2010	\$30,600	N/A	N/A
Alberta Surgical Centre Inc. (cataracts)	Alberta Surgical Centre – Edmonton	June 30, 2010 – October 22, 2010	\$30,600	N/A	N/A
Eye Q Premium Laser Ltd. (cataracts)	Eye Q Premium Laser – Edmonton	June 30, 2010 – October 22, 2010	\$30,600	N/A	N/A
Family Vision Care Ltd. (cataracts)	VisionMed - Edmonton	June 30, 2010 – October 22, 2010	\$30,600	N/A	N/A
Gimbel Eye Surgical Centre – Edmonton, Inc. (cataracts)	Gimbel Eye Centre – Edmonton	June 30, 2010 – October 22, 2010	\$30,600	N/A	N/A
TOTAL:			\$741,000	N/A	N/A
ORAL MAXILLOFACIAL (Dental): 3 YEAR TERM					
NOTE: Contracts expired March 31, 2010 – a one month extension was to all providers below was approved for all listed below – April 1, 2010 – April 30, 2010					
Darrell Andrew Paul Gotaas Professional Corporation	South Edmonton Oral Surgery – Edmonton	May 1, 2010 – April 30, 2013	Shared in aggregate between providers	Shared in aggregate between providers	Shared in aggregate between providers
E. Christopher Robinson Professional Corporation	Kingsway Oral Surgery - Edmonton	May 1, 2010 – April 30, 2013	Shared in aggregate between providers	Shared in aggregate between providers	Shared in aggregate between providers
E. Wayne Tunis Professional Corporation	South Edmonton Oral Surgery – Edmonton	May 1, 2010 – April 30, 2013	Shared in aggregate between providers	Shared in aggregate between providers	Shared in aggregate between providers
Jerald S. Pruner Professional Corporation	South Edmonton Oral Surgery – Edmonton	May 1, 2010 – April 30, 2013	Shared in aggregate between providers	Shared in aggregate between providers	Shared in aggregate between providers
Kevin E. Lung Professional Corporation	Kingsway Oral Surgery - Edmonton	May 1, 2010 – April 30, 2013	Shared in aggregate between providers	Shared in aggregate between providers	Shared in aggregate between providers

Operator	Designated Facility Name / Location	Service Agreement Term	Value per Year 2010-2011	Value per Year 2011-2012	Value per Year 2012-2013
Randall W. Kreutz Professional Corporation	Groat Oral & Maxillofacial Surgery - Edmonton	May 1, 2010 – April 30, 2013	Shared in aggregate between providers	Shared in aggregate between providers	Shared in aggregate between providers
Saranjeev S. Lalh Professional Corporation	Renew Oral & Facial Surgical Centre - Edmonton	May 1, 2010 – April 30, 2013	Shared in aggregate between providers	Shared in aggregate between providers	Shared in aggregate between providers
Terence K. Vankka Professional Corporation	Kingsway Oral Surgery - Edmonton	May 1, 2010 – April 30, 2013	Shared in aggregate between providers	Shared in aggregate between providers	Shared in aggregate between providers
Walter Dobrovolsky Professional Corporation	Kingsway Oral Surgery - Edmonton	May 1, 2010 – April 30, 2013	Shared in aggregate between providers	Shared in aggregate between providers	Shared in aggregate between providers
TOTAL: AMOUNTS TO BE SHARED IN AGGREGATE AMONGST PROVIDERS			\$967,798	\$1,026,062	\$1,078,690
PLASTIC SURGERY: 2 YEAR TERM					
Plastic & Cosmetic Laser Surgical Centre Ltd.	Plastic & Cosmetic Laser Surgical Centre - Edmonton	April 1, 2010 – March 31, 2012	\$119,952	\$123,551	N/A
Blair M. Mehling Professional Corporation	Edmonton Plastic Surgery	April 1, 2010 – March 31, 2012	\$176,510	\$181,805	N/A
TOTAL			\$296,462	\$305,356	N/A
PREGNANCY TERMINATION: 3 YEAR TERM					
Woman's Health Options Ltd.	Woman's Health Options, Edmonton	April 1, 2010 – March 31, 2013	\$2,717,534	\$2,897,548	\$3,022,438