

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

Purpose: This document is intended to inform Albertans of approved agreements between Alberta Health Services and the operators of non-hospital surgical facilities and the designation of non-hospital surgical facilities under the *Health Care Protection Act* during the period **April 1, 2011 to September 30, 2011**.

Region: Alberta Health Services (AHS) – Calgary and Edmonton

Insured Surgical Service: Ophthalmology – Calgary and 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 (NHSFs). HCPA explicitly prohibits the operation of privately owned hospitals, queue jumping and extra billing for insured services.

Proposal Assessment Summary:

- AHS enters into agreements with operators of NHSFs to provide insured surgical services to Albertans.
- Proposals from AHS are reviewed in the context of whether there is a public benefit from the agreement for the publicly funded health system.
- When the Minister approves agreements between AHS and the operator of an NHSF, many factors are taken into consideration.
- Factors include:
 - Maintenance or increase of public access to the services.
 - Quality of services provided in the NHSF 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 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 NHSFs are able to maintain significantly lower overhead costs than those of a hospital. Previously, there were instances where the cost of the surgical service was higher in an NHSF than the same procedure in a hospital. In these cases, the public benefit of increasing surgical capacity and patient access and reducing wait lists was considered to determine whether it outweighed 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 NHSFs. 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.
- The NHSFs providing insured surgical services are accredited by the College of Physicians and Surgeons of Alberta as required under the HCPA.

A summary of the agreements approved during the period April 1, 2011 to September 30, 2011 follows:

Operator	Designated facility Name/ Location	Service Agreement Term	Value /Year 2011-2012	As Amended September 2011 (increased volumes and funding)
OPHTHALMOLOGY SURGICAL SERVICES: 1 YEAR TERM				
Holy Cross Surgical Services (a partnership of Peter T. Huang Professional Corporation and Ian T. Huang Professional Corporation)	Holy Cross Surgical Services – Calgary	April 1, 2011 – March 31, 2012	\$437,686	\$517,959
I Care Services Ltd.	Gimbel Eye Centre – Calgary	April 1, 2011 – March 31, 2012	\$452,505	\$535,496
Rocky Mountain Surgery Centre Inc.	Rocky Mountain Surgery Centre – Calgary	April 1, 2011 – March 31, 2012	\$145,261	\$171,902
David B. Climenhaga Professional Corporation	David B. Climenhaga PC SurgSte. – Edmonton	April 1, 2011 – March 31, 2012	\$98,430	\$243,780
Eye Q Premium Laser Ltd.	Eye Q Premium Laser – Edmonton	April 1, 2011 – March 31, 2012	\$98,430	\$243,780
Alberta Surgical Centre Inc.	Alberta Surgical Centre – Edmonton	April 1, 2011 – March 31, 2012	\$98,430	\$243,780
Gimbel Eye Surgical Centre – Edmonton	Gimbel Eye Centre – Edmonton	April 1, 2011 – March 31, 2012	\$98,430	\$243,780
Family Vision Care Ltd.	VisionMed – Edmonton	April 1, 2011 – March 31, 2012	\$98,430	\$243,780
TOTAL			\$1,563,602	\$2,444,257

Operator	Designated facility Name/ Location	Service Agreement Term	Value /Year 2011-2012
OPHTHALMOLOGY SURGICAL SERVICES – CONTRACT EXTENSIONS (EXISTING 2010/2011 AGREEMENTS EXTENDED): 1 YEAR TERM			
SAEC Surgical Ltd.	Southern Alberta Eye Center Surgical Ltd. – Calgary	April 1, 2010 – March 31, 2012	\$2,433,162
Surgical Centres Inc.	Facility #1: Riverview Surgical Centre – Calgary Facility #2: Surgical Centres Inc. – Rockyview – Calgary	April 1, 2010 – March 31, 2012	\$5,352,922
David B. Climenhaga Professional Corporation	David B. Climenhaga PC SurgSte. – Edmonton	April 1, 2010 – March 31, 2012	\$552,500
Royce L.C. Johnson Professional Corporation	Royce L.C. Johnson PC – Edmonton	April 1, 2010 – March 31, 2012	\$255,000
TOTAL			\$8,593,584

Operator	Designated facility Name/ Location	Service Agreement Term	Value /Year 2011-2012	Value /Year 2012-2013	Value /Year 2013-2014
OPHTHALMOLOGY SURGICAL SERVICES: 2 YEAR TERM					
Royce L.C. Johnson Professional Corporation	Royce L.C. Johnson PC – Edmonton	April 1, 2012 - March 31, 2014	N/A	\$263,652	\$263,652
TOTAL				\$263,652	\$263,652

Operator	Designated facility Name/ Location	Service Agreement Term	Value /Year 2012-2013	Value /Year 2013-2014	Value /Year 2014-2015	Value /Year 2015-2016	Value /Year 2016-2017
OPHTHALMOLOGY SURGICAL SERVICES – 5 YEAR TERM							
Holy Cross Surgical Services (a partnership of Peter T. Huang Professional Corporation and Ian T. Huang Professional Corporation)	Holy Cross Surgical Services – Calgary	April 1, 2012 – March 31, 2017	Annual value shared in aggregate: AHS allocates volumes each fiscal year between the 5 operators.				
I Care Services Ltd.	Gimbel Eye Centre – Calgary	April 1, 2012 – March 31, 2017					
Rocky Mountain Surgery Centre Inc.	Rocky Mountain Surgery Centre – Calgary	April 1, 2012 – March 31, 2017					
SAEC Surgical Ltd.	Southern Alberta Eye Center Surgical Ltd. – Calgary	April 1, 2012 – March 31, 2017					
Surgical Centres Inc.	Facility #1: Riverview Surgical Centre – Calgary Facility #2: Surgical Centres Inc. – Rockyview – Calgary	April 1, 2012 – March 31, 2017					
TOTAL			\$12,774,790	\$12,774,790	\$12,774,790	\$12,774,790	\$12,774,790

*Marcia Nelson
 Deputy Minister
 Alberta Health and Wellness*