

RATIONALE FOR APPROVAL

Minister's Message

To help our public health system respond to Albertans' needs, the Alberta government encourages health authorities to look at ways to improve the delivery of services to Albertans.

The Calgary Health Region developed a proposal with the Health Resource Centre to provide uncomplicated primary total hip and knee replacement surgical services, including pre- and post-operative stays. These are insured services under the *Canada Health Act*.

Alberta Health and Wellness assessed the proposal against the requirements under Alberta's *Health Care Protection Act (HCPA)*. The Auditor General previously reviewed the process for assessing proposals under the *Health Care Protection Act*. Albertans can be confident the review was thorough and accountable in protecting the public health system.

A team of policy experts fully analyzed the proposal to ensure it met all legislated and regulatory requirements. I evaluated the information again, focusing on the impact on the public health system, government's ability to comply with provincial and federal legislation, and how the facility serves the public interest and provides a benefit to Albertans.

I am pleased to present my rationale for approving this proposal.

Proposal Summary

The Calgary Health Region proposes to contract from Health Resource Centre-Calgary (HRC) a minimum 625 and a maximum of 1250 total hip and knee replacement procedures for each of the following two years. In year one, 250 procedures are expected to be performed before the end of December 2004. Depending on the number of procedures, the contract will cost between \$5.1 million and \$10 million a year.

The number of procedures may vary per year, depending on patient volumes. The two-year contract is intended to reduce wait times for hip and knee replacements immediately and over the next two years.

Assessment Summary

Alberta Health and Wellness conducted its due diligence in reviewing the process against established *Ministry Criteria for HCPA Agreements*. In 2000, an independent, out-of-province third party reviewed the criteria and found them appropriate. The same year, Alberta's Auditor General reviewed the assessment process and found it satisfactory.

In addition, the information was sent to four regional health authorities: Chinook, Palliser, David Thompson and Capital for their comments. All agreed it would have no negative impact on how they provide orthopaedic surgeries in their regions.

I conducted my own review of the proposal and the department's assessment in making my decision for approval.

Compliance

I am satisfied this proposal meets the requirements and regulations under the *Health Care Protection Act*, that it provides a public benefit, that it shows no adverse impact on our public health system, and that it is consistent with the *Canada Health Act*.

The College of Physicians and Surgeons of Alberta has accredited HRC as an extended-stay non-hospital surgical facility to provide uncomplicated primary total hip and knee arthroplasty (replacement) surgical services.

I am satisfied the proposal will have no negative impact on the region's public health care workforce and the HRC has a sufficient number of qualified and appropriately trained staff to manage the proposed volume of work.

Under the proposal, all surgeons will maintain their commitments to Calgary Health Region hospitals. They must be part of the region's medical staff and hold privileges in the category of "Specialty Clinics and Ambulatory Treatment Facilities." As such, they are subject to the region's *Medical Staff Bylaws* and are accountable to the appropriate regional department head and division chief for their professional and ethical conduct. Provisions are in place to monitor physicians' compliance with the *Medical Profession Act*.

Under the proposed agreement, HRC has made a commitment to comply with the Calgary Health Region's conflict-of-interest and medical staff bylaws, as well as all applicable laws and professional requirements.

Public Benefit

I am satisfied the proposal will improve access to insured uncomplicated primary total hip and knee arthroplasty procedures.

The Calgary Health Region performed 2000 primary total hip and knee replacement surgeries in 2003/04, a 17 per cent increase in two years. However, the number of people waiting for the procedure in the region increased by 72 per cent over the same time period. The health region's current surgical capacity is insufficient to meet the growing need.

Through this proposal, the Calgary region seeks to increase its capacity by 31 to 62 per cent over each of the next two years. The region expects to begin immediately to eliminate the backlog of patients waiting for hip and knee replacements. Potentially, up to 250 patients could have their surgeries before the end of 2004.

I am satisfied this benefit outweighs any additional cost of contracting the procedures. The proposal will provide patients with better access to hip and knee replacement surgery, limiting the time people wait in pain and returning them to active living as soon as possible.

Evaluation

The *Health Care Protection Act* requires regions to publish performance expectations for contracted services. The Calgary Health region will provide waitlist times, system performance of total hip and knee procedures, patient satisfaction, the number of procedures performed by type, the average length of stay, pre- and post- operative measures of disability and pain, and measures of provider and physician satisfaction.

In addition, the Calgary Health Region monitors and reports on performance related measures and expectations for all its health services, including those delivered under contract. Quality improvement is addressed continuously and collaboratively in compliance with safety, accreditation and other professional standards, and with regulatory processes.

Cost Summary

The price per procedure is related to the timing and quantity of procedures performed, a higher volume means a lower price per procedure. The contracted price per procedure ranges from a high of \$8227 (for the first 500 surgeries before December 31, 2004) to a low of \$7701 when the volume reaches 800 surgeries. The Calgary Health Region estimates the cost of providing the surgeries in hospital at \$7900.

Total cost of the contract is \$5.1 million to \$10 million for each of two years, depending on the number of procedures performed.