CONTRACTED INSURED SURGICAL SERVICES

MINISTRY ASSESSMENT CRITERIA

A health authority that wishes to enter into an agreement with an owner/operator of a surgical facility for the purpose of providing insured surgical services shall provide the Minister with the proposal accompanied by a copy of the proposed agreement for the Minister's approval. This document outlines the legislated criteria that the Ministry will use in assessing the proposals:

Legislated Requirements [Section 8(3) (a) to (g)] of *the Health Care Protection Act*	**Description**	**Assessment Criteria**
(A) that the provision of insured surgical services as contemplated under the proposed agreement would be consistent with the principles of the *Canada Health Act* (Canada),	A.1 **Public Administration:** Administration of the health care insurance plan must be carried out on a non-profit basis by a public authority.	A.1.1 Surgical facilities are contracted by publicly administered Health Authorities (HAs) to deliver specific insured services, which are part of the publicly funded, publicly administered system.
	A.2 **Comprehensiveness:** All medically necessary hospital services, physician services and surgical –dental services provided must be insured.	A.2.1 Medically necessary insured services are covered under the contract.
	A.3 **Universality:** All residents are entitled to public health insurance coverage.	A.3.1 All persons entitled to benefits under the Alberta Health Care Insurance Plan are eligible for medically necessary services provided by the facility.
	A.4 **Portability:** Coverage is maintained when an Alberta resident entitled to benefits under the Health Care Insurance Plan moves or travels within Canada or travels outside the country.	A.4.1 All patients, including those from outside Alberta, are treated in accordance with the *Canada Health Act* and existing inter-provincial reciprocal billing agreements.
	A.5 **Accessibility:** Residents must have reasonable access to medically necessary hospital, physician and surgical-dental services without financial or other barriers.	A.5.1 No person entitled to benefits under the Alberta Health Care Insurance Plan shall be denied insured medical services that are deemed to be necessary under the *Canada Health Act*. A.5.2 Equitable access based on medical need will apply, whether service is provided in a public or private setting.

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		A.5.3 Equity of access will be maintained or improved, considering: • Contract prohibits facility fees and patient charges for medically necessary physician services. • For inpatient services, there is evidence of appropriate inpatient accommodation available at standard rates. • The contract complies with The *Health Care Protection Act* and Regulations relating to sale of enhanced medical goods and services and non-medical goods and services. A.5.4 The contract prohibits the surgical facility owner/operator from providing preferential access to services to any person based on: 1. Payment of money or other valuable consideration. 2. Payment for Enhanced Medical or Non-medical Goods and Services. 3. Provision of uninsured surgical services. 4. Purchase of preferred inpatient accommodation. A.5.5 Contract prohibits the sale of non-medical goods and services as a condition for sale of enhanced medical goods and services.
(B) that there is a current need and that there will likely be an ongoing need in the geographical area to be served for the provision of insured surgical services as contemplated under the proposed agreement,	B.1 **Demonstrated Need:** The proposed agreement should be based upon a demonstrated need for the service during the term of the agreement.	B.1.1 The proposal identifies the current and anticipated service need during the term of the contract, through the use of historical and projected service volumes, demographic factors, technology changes, and other factors. B.1.2 The contract establishes limits on the volume of insured surgical services to be provided. B.1.3 The contract prohibits provision of the insured surgical services outside the contract when the limit on number of insured surgical services is reached.

Legislated Requirements [Section 8(3) (a) to (g) of *the Health Care Protection Act*	Description	Assessment Criteria
(C) that the provision of the insured surgical services as contemplated under the proposed agreement would not have an adverse impact on the publicly funded and publicly administered health system in Alberta,	**Several factors contribute to the HA's ongoing capacity to deliver health services and to safeguard investment, including:**	
	C.1 **Ownership and Transfer of Agreement: The proposal must disclose ownership information to enable assessment of any adverse impact on the publicly funded health system, including potential legal liability and conflict of interest.** All ownership information specified in Section 20 of the HCP Regulation must be provided to enable maintenance of public confidence concerning the level of disclosure.	C.1.1 Sufficient information is provided in the proposal to indicate who owns the facility and controls business decisions, as well as all other ownership information specified in Section 20 of the HCP Regulation. C.1.2 The contract identifies a process to monitor changes in ownership and business decision making. C.1.3 The contract identifies the requirement to request the approval of the Minister about proposed changes in ownership that would result in a change of control. C.1.4 Evidence that the background, reputation, financial strength, qualifications etc. of the owner and operator have been satisfactorily checked by the HA. C.1.5 Provision in the contract regarding transfer of contract to ensure that no contract is assigned/transferred without the consent of the Minister and notice to the HA, or a provision in the contract that prohibits transfer.
	C.2 **Minimizing Risk of Dependency:** The proposal must identify the risk of dependency that may result from the contractual relationship and outline mechanisms to ensure the continued ability to deliver service in public facilities.	C.2.1 The health authority has an acceptable plan for managing risks that can result from the facility being a sole or significant supplier of the surgical service to the health authority. At a minimum, the plan should address the following: • The extent to which the region will retain the internal ability to provide the service. • The nature of short and long-term alternatives, if any, to the contracted service agreement. • Existence of a contingency plan for delivery of services in the event of service disruption. (e.g., labour dispute) • Description of the process to handle termination of the contract, including a reasonable notice period.

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	C.3 **Avoidance of Workforce Issues:** The health workforce available to the public must continue to have the ability and expertise to deliver medically necessary services in the overall health system.	C.3.1 The health authority's ability to meet its staffing needs considering the following: • The impact of staff moving from public facilities to contracted facilities. • Whether the proposal is expected to attract new providers to the region. • Whether surgeons and anaesthetists are members of regional medical staff of the health authority.
	C.4 **Other Factors**: Any other factors with the potential to adversely affect the publicly funded and publicly administered health system are identified.	C.4.1 The proposal discusses other factors such as: • Programs, if any, for continuing education of staff in surgical facilities. • Surgical facility involvement, if any, in health authority programs for teaching and research. • The contract requires the operator to obtain approval of the HA prior to introduction of new technology before such technology may be introduced at a contracted facility.
(D) that there is an expected public benefit in providing the insured surgical services as contemplated under the proposed agreement, considering factors such as:	The consideration of the following factors contribute to an overall assessment of public benefit.	
(i) access to such services,	D.1 **Access:** The contracted service must maintain or improve the timely provision of service within the region, including protection of equitable access to the service.	D.1.1 Evidence that volume of service and expected wait lists/ wait-times will be maintained or improved by creating capacity in the public system to provide other services. • Volume of service to be provided under contract • Expected waiting lists and waiting times • Rationale provided as to how the contract will maintain or improve timely access to the services in contract, or improve access to other services in the region, by freeing up capacity. D.1.2 The proposal describes a reasonable approach for managing access to the type of surgical services the facility will provide.

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(ii) quality of service	The standard of health services, covering dimensions of quality discussed below, available in a surgical facility, must be at least equal to those available in public facilities and must be in accordance with Generally Accepted Medical Practices. **The quality of health services can be assessed along several dimensions including the following:**	
	D.2 **Safety:** Processes must be in place to ensure the same standards of safety as present in public facilities (provision includes valid accreditation status with CPSA)	D.2.1 Contract requires compliance with regulations under the *Public Health Act*, (e.g., infection control) D.2.2 The agreement includes provisions to report to the HA and CPSA any critical incidents, such as mortality, major surgical complications, etc. D.2.3 Evidence that surgical facilities will be part of regional quality assurance and monitoring activities.
	D.3 **Appropriateness:** The right services provided at the right time in the right way in the most suitable setting.	D.3.1 Care guidelines (e.g., care maps, clinical practice guidelines) for services at a contracted surgical facility are consistent with those applicable in public facilities.

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	D.4 **Acceptability:** Patient and family satisfaction with service must be no less than satisfaction with services in public facilities.	D.4.1 A patient and family concerns resolution process within the contracted facility will be coordinated with the HA's internal concerns resolution process, where appropriate. D.4.2 Role and responsibility of HA and contracted facility relating to clinical and non-clinical patient and family concerns are specified. D.4.3 The proposed agreement includes a process for monitoring and reporting patient satisfaction with services provided. D.4.4 The HA will monitor reported patient concerns and satisfaction rates.
	D.5 **Effectiveness:** Surgical outcomes must be at least equal to those for similar services delivered in public settings.	D.5.1 The agreement includes provision for regular reporting to the HA on surgical outcomes related to the service delivered by the surgical facilities.
	D.6 **Continuity:** Clients of surgical facilities must be provided with the same level of co-ordinated, uninterrupted service across the continuum of care as clients receiving the same services in public facilities.	D.6.1 The agreement outlines responsibility for pre or post-surgical care. D.6.2 The proposal includes a plan for effective and coordinated delivery of pre or post-surgical care, taking into account: • Emergency transfer of patients to public facilities, if required. • Transmission of necessary diagnostic, treatment and care information to those responsible for ongoing care. • The ability of surgical facility to support or facilitate the continuum of care.

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(iii) flexibility	D.7 **Flexibility:** The contracting option should lead to greater service flexibility for the health authority and/or greater flexibility in terms of client choice.	D.7.1 HA has identified the extent to which public benefits may be realized from freeing up its resources (e.g., O.R. time) to deliver other surgical services. D.7.2 HA has identified any benefits in terms of client choice or added convenience for clients.
(iv) the efficient use of existing capacity	D.8 **Efficiency:** Consideration of existing excess capacity.	D.8.1 Evidence that HA has considered existing internal capacity (including physical space, staffing resources, equipment, etc.) in the decision to contract out**.**
(v) cost effectiveness	D.9 **Cost Effectiveness:** Cost effectiveness analysis is a systematic method for comparing the costs of alternative means of achieving the same benefits. HA should demonstrate that the contract is a cost-effective alternative based on sound methodology and information that can be independently verified.	D.9.1 Option of contracting out when there is excess capacity in the public hospital**.** • The proposal estimates the net incremental cost of opening up the unused capacity. • The proposal estimates the full cost of contracting out. including the incremental cost of administering the contracts. • The proposal compares the net cost saving/additional cost of contracting out to opening excess capacity. D.9.2 Option of contracting out when there is no excess capacity in the public hospital. • The proposal estimates the net incremental cost of building, commissioning and operating a facility to provide the access that would be created through contracting. • The proposal estimates the full cost of contracting out including the incremental cost of administering the contracts. • The proposal compares the net cost savings/additional cost of contracting out to building a new facility.

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		D.9.3 Option of contracting out for part of the needed capacity and partly opening up existing unused capacity. • The proposal estimates the net incremental cost of building, commissioning and operating a facility to provide access that would be created through contracting. • The proposal estimates the full cost of contracting out including incremental cost of administering the contracts. • The proposal estimates the net incremental cost of opening up the unused capacity. • The proposal compares the net cost savings/additional cost of contracting out to building, commissioning and operating a new facility.
Other economic considerations	D.10 **Other Economic:** Agreements may be entered into for a variety of reasons relating to tangible and intangible benefits. Tangible and intangible benefits may justify the cost. The health authority would use a sound basis and reasonable assumptions in developing an economic rationale for the proposal.	D.10.1 The proposal identifies the basis and assumptions used to determine relevant costs of options D.10.2 The basis and assumptions used can be verified by an independent third party from data and information available.
	HA to identify all significant risks and processes to manage those risks.	D.10.3 HA has identified contingency plans in the event of non-performance by the contractor. D.10.4 Contract requires operator to maintain adequate insurance coverage. D.10.5 HA has identified risks relating to: • Financial strength of contractor; • Experience of Management; adequacy of public liability insurance.

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	Processes to assess continued benefit in the long run.	D.10.6 HA has processes to ensure that defined dollar and/or volume ceilings on agreements are not exceeded. D.10.7 The proposal promotes innovation in service delivery.
(E) that the health authority has an acceptable business plan in respect of the proposed agreement showing how the health authority will pay for the facility services to be provided, and	E.1 **Sustainability - Acceptable Business Plan:** HA would be able to sustain the option of contracting out within available resources. The arrangement with service providers will be included in the HA business plan.	E.1.1 The proposal estimates the impact of contracting on the HA's resources, including a clear statement of costs. E.1.2 The proposal discusses the options available to the health authority when resources are constrained.
(F) that the proposed agreement indicates performance expectations and related performance measures for the insured surgical services and facility services to be provided.	F.1 The proposed agreement includes performance expectations, performance measures, and processes for monitoring agreed to performance expectations.	F.1.1 The proposal identifies that HA will use relevant, appropriate and verifiable performance measurements (e.g., mortality rates, complication rates, satisfaction rates, wait times, volume of service, etc.) to monitor contractors' performance. F.1.2 Process to monitor results against agreed expectations has been defined.
(G) that the proposed agreement contains provisions showing how physicians compliance with the *Medical Profession Act* and by-laws as they relate to conflict of interest and other ethical issues in respect of the operation of the facility will be monitored.	G.1 The proposed agreement contains provisions to monitor physicians' compliance with the *Medical Profession Act* and related by-laws on conflict of interest and other ethical issues.	G.1.1 Evidence of provision to monitor physicians' compliance with the *Medical Profession Act* and related by-laws on conflict of interest and other ethical issues.