

**MINISTRY OF HEALTH SERVICES
INFORMATION BRIEFING NOTE**

Cliff # 812880

PREPARED FOR: Honourable Kevin Falcon, Minister of Health Services
- **FOR INFORMATION**

TITLE: Providence Health Care Overview

PURPOSE: Background information for a meeting between Minister Falcon and Mr. Kip Woodward, Chairman of Providence Health Care Scheduled for November 30 2009 at PVO.

BACKGROUND:

Providence Health Care (PHC) is a faith-based organization located in Vancouver, operating two acute care hospitals (St. Paul's Hospital and Mount Saint Joseph Hospital), and six continuing care facilities (Holy Family Hospital, Youville Residence, Marion Hospice and the St. Vincent's sites, Brock Fahrni, Langara and Honoria Conway at Heather (assisted living)).

Since 1998, PHC has been operating under a signed affiliation agreement with, and receiving funding through Vancouver Coastal Health Authority (VCHA). In the past year, PHC has sought a realignment of its relationship with the current health authority structure. PHC wished to have a direct relation with the Ministry, rather than through VCHA.

There has been a high level agreement that PHC will operate a wider range of health services in the geographic area of Vancouver North (essentially Vancouver City Centre and the Downtown Eastside health service delivery areas) under agreement with VCHA. Operational details are being finalised.

Mr. Kip Woodward, the Chair of the Board of PHC met with the Minister September 8th 2009 and, following, has proposed a number of business development and revenue generating opportunities for PHC. It is expected that these suggestions will be the focus of the meeting.

DISCUSSION:

The current Lower Mainland Consolidation work includes PHC as a partner in the planning process and as a lead in a number of projects (Biomedical Engineering and Information Management). This recognition of PHC expertise adds to PHC voice without oversetting the existing relationship between PHC and VCHA.

Mr. Woodward's incoming letters of September 10 and October 2 (respectively Appendices A and B), offer seventeen ideas generally categorized as revenue generation, new business lines, and new markets for existing business lines. Some examples include:

- Market rates for non-resident, non-Canadian patients.
- High profile addiction treatment centre modeled on the Betty Ford Centre.
- Services to non-MSP populations such as federal employees.
- Leasing excess MRI time to private insurers.

The ideas encompass both clinical and non-clinical areas.

Evaluating the merit of each concept requires analysis which has not yet been undertaken. A number may align with the analysis underway on medical tourism.

As potential next steps, the list could be reviewed by a team consisting of ministry, PHC and VCHA staff to eliminate those ideas that might contravene current policy, and to select a small number of short and longer term initiatives for further action. The selection process should be mindful of work underway as part of the Business Initiatives Shared Services process. That process includes Fraser Health and Provincial Health Services Authorities as well as PHC and VCHA, and revenue generation in non-clinical areas.

Some of the ideas put forward by the Board Chair for PHC may have potential to generate revenue and should be followed up. However, any subsequent work should be carried in the context of the current relationship between PHC and VCHA, and other revenue generation initiatives currently underway. As part of this process, there would need to be a clear understanding of how any potential new revenues would be allocated.

FINANCIAL IMPLICATIONS

The ideas for revenue generation are not sufficiently developed to contain any estimate of revenues to be generated.

CONCLUSION

The Board Chair for PHC has proposed a number of ideas for revenue generation and business development. It is not possible to determine which ideas have merit without further work; potential next steps are given above. Any decision must consider provincial needs, priorities and health service delivery policy.

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