

Appendix B



WOODCORP INVESTMENTS LTD.

October 2, 2009

The Honourable Kevin Falcon
Minister of Health Services
PO Box 9050, Stn Prov Gov't
Victoria, BC
V8W 9E2

MINISTER'S OFFICE HEALTH		
# 805629		
DRAFT <input checked="" type="checkbox"/>	OCT 26 2009	REPLY DIRECT <input type="checkbox"/>
REPLY <input type="checkbox"/>		FILE <input type="checkbox"/>
FYI <input type="checkbox"/>		
REMARKS		
<input type="checkbox"/> AA	<input type="checkbox"/> MA	<input type="checkbox"/> SA
<input type="checkbox"/> EA	<input type="checkbox"/> CCU	<input type="checkbox"/> DM

Dear Minister Falcon: *Kevin*

I write further to our recent conversation concerning innovation in health care service delivery, and in particular, the need for new approaches which will permit Providence Health Care to provide some services on a basis which generates revenue.

I cannot emphasize strongly enough my conviction that without opportunities for business development and revenue growth, the public health care system is not sustainable.

Allowing for real innovation and expansion of service delivery will address a number of critical deficiencies in the current system. For Providence, in particular, the issues are a lack of control over how and how much we are funded; and a system of funding which lacks transparency and seems increasingly and relentlessly consumed by the drive for expenditure reduction. The assumption that we can maintain a world class system of health care by focusing exclusively on cost containment is self-defeating. Sooner or later, we have to start talking about cost recovery.

There is much we can do without challenging either the letter or the spirit of the Canada Health Act. The current system deprives our managers of the incentive to innovate. Our front line workers are full of ideas, but given no encouragement to pursue them. Here are just some of the issues that need to be addressed:

- It's time to stop subsidizing non-Canadian patients. Our universities charge international students full freight tuition. The revenue helps keep tuition costs lower for residents. The same principle should apply to health care. Currently the Ministry of Health sets price guidelines which have no bearing on actual costs or market rates. Why not let Providence Health Care set rates for non-residents based on actual costs and what the market will bear?

Page 2...

WOODCORP INVESTMENTS LTD.
SUITE 2001 - 1177 WEST HASTINGS STREET, VANCOUVER, B.C. V6E 2K3
TEL: 604-682-7661 FAX: 604-687-2129
E-MAIL: woodcorp@shawcable.com

- It's also time to stop sending BC residents to the United States for care that could be provided here. The cost of 2-3 days in an ICU in a hospital in Washington would outfit another ICU here. Currently the system doesn't allow us access to the capital we need to invest to keep these patients. As a result, surgeons are forced to send patients out of country, at enormous expense to the public system. Meanwhile, perversely, our operating rooms are closed and our world-class specialists are under-utilized.
- Why not find ways to sell services to foreigners? U.S. citizens spend billions to go overseas, but none come here. We have spent millions training and obtaining some of the world's finest physicians. Let's use them. (For example, Providence could provide specialized services to international clients in its existing fields of special expertise such as cardio, HIV/AIDS, Mental Health, and eating disorders.) And with the resulting revenues, we can maintain the infrastructure and human resources we need to serve British Columbia patients in our public system.
- Allow Providence Health Care to bid for services from private clinics. The introduction of competition for health care service delivery is the single best tool for cost management, and yet we are prohibited from doing this currently.
- Allow Providence Health Care to use our assets to deliver services to and generate revenue from non-MSP groups such as federal employees, status Indians, RCMP, MP's, private insurers and Worksafe BC.

Other initiatives where we see the potential opportunity for business development and that together with the Ministry of Health should be further explored:

- Developing a Wellness Centre – a boutique service involving naturopathic; nutritionists; chiropractic; spiritual support; healthy living for seniors.
- Developing a system navigation service including plain language medical interpretation.
- Contracting rehabilitation services—Similar to the Calgary based model and its applicability for Holy Family Hospital for large scale rehab services to WorkSafe BC, US HMO's, military, first nations, RCMP etc.
- Providing health management consulting services to national and international clients in concert with other international consulting companies such as Deloitte, Accenture, McKinsey, etc.
- Serving chronic disease care or aging clients with new thinking for a target market of high end boutique services.

Page 3...

- Forming a distinct contract for services with First Nations.
- Developing a high profile addictions treatment centre modeled on the Betty Ford Centre.
- Providing elective for-profit surgery for services deemed to be not medically necessary e.g. varicose veins, breast reductions, dental implants, caesarean section by patient choice and septoplasty.
- Leasing out our excess MRI capacity to private insurers for contracted work.
- Partnering with Medisys for executive physicals using our cardiac expertise as a drawing card.
- Extra billing for outpatient work not contained in the current MSP fee guide, e.g., cardiac CT, virtual colonoscopy, cardiac MR.
- Using the expertise from the new Rapid Access Breast Clinic to develop a high-end optional preventative service that could include diagnostic mammography, breast ultra sound and breast MR.

The list can go on and on. The real point is this: Isn't it time we start using our brains and expertise more effectively? Other jurisdictions do this with great success. Think of Mayo and Cleveland, for example.

We have capacity, if given the opportunity, to create and manage revenue. The status quo chokes creativity and compromises the sustainability of our public system.

The province can become a national leader in innovation - both in service provided and funding reform.

I look forward to discussing these ideas more fully in the near future.

Yours sincerely,



C.C. (Kip) Woodward