

July 15, 2009

Message from Minister Falcon

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Board Chairs

Health Authorities

Dear Board Chairs:

I want to share my thoughts with you on how we can work together to build on the many successes we've achieved together while managing the real pressures we face in delivering safe, high quality health care in BC.

We have a world class public health care system that we are committed to preserving for our children and grandchildren. When we look back on the past eight years, we have a lot to celebrate. Together we've created almost six thousand new beds and spaces for our seniors, invested over five billion dollars in capital improvements, doubled the number of medical student spaces, and added almost 20 percent more practicing nurses to the system. We have performed thousands more surgeries, increased the number of knee replacements by 118 percent, hip replacements by 58 percent and cataract surgeries by 42 percent to respond to the needs of BC patients. Last year alone, 475,000 surgeries were performed, over 44 thousand babies were delivered, and over 450,000 CT scans were administered to BC patients. All of this was driven by your vision, hard work and the commitment of physicians, nurses and other health care staff who care passionately about the patients they serve each and every day.

At the same time, you've learned to be more innovative and embraced new ways of delivering care to patients to make our health care dollars stretch farther and we helped to support those efforts through the \$100 million health innovation fund. As a result, on Vancouver Island alone, "lean design" principles have been embraced by front-line health care workers, allowing them to perform 20 percent more MRI scans with the same number of staff and the same amount of equipment. New patient streaming approaches have reduced door to doctor wait times by 50 percent at Nanaimo Regional General Hospital, Victoria General and Royal Jubilee. Pay for performance initiatives have improved the time for treatment and discharge in eight Lower Mainland acute care hospitals. In the late 1990's, the number of British Columbians needing kidney dialysis was growing at a rate of 16 percent each year. Through the Provincial Renal Agency's early identification and intervention program, we've cut that growth rate to about three per cent – saving the health care system \$3.2 million last year alone. These are just a few examples of your efforts to create more efficient and effective ways of caring for our patients. It is a record of success that we should be very proud of and our commitment to protect and sustain health care for our children and grandchildren remains unwavering.

When I was first elected to government, health care spending consumed 40 percent of our overall budget. Today that figure stands at 45 percent and could be as high as 85 percent in just over a

decade if we continue on the path we are on today. By 2011, total provincial spending on health care will rise to \$17.5 billion, an 87 percent increase since 2001. In fact, over the next three years, 90 percent of all new government spending will go to health care. At the same time, your budgets as health authorities will grow by 20 percent in the same time period.

Despite unprecedented investments, we know as our population ages and grows, the demands on our health care system continue to escalate. We identified those demands in our budget in February as follows: “Health authorities and hospital societies have identified annual spending pressures of approximately 3.5 percent of the provincial funding provided to health organizations. The Ministry of Health Services will continue to work with the health authorities to manage these spending pressures.” As you are well aware, those pressures amount to roughly \$360 million in 2009/10, representing 3.5 percent of the over \$11 billion dollars you will spend this year delivering high quality patient care. We expect a large portion of those savings will be found by cutting your administration and overhead costs and accelerating shared services activities such as joint purchasing and procurement. You will also face some tough choices in the year ahead to live within your means.

In recent days, I have talked to many of you about the challenges you face in meeting the expectations of patients and families who turn to you for care in some of the most vulnerable moments of their lives. We are confident you will manage your budgets in a way that is thoughtful and protects the priority patient services British Columbians rely on. That will undoubtedly mean being leaner, digging deeper and embracing more innovative ways of delivering care that ensures the best outcomes for patients. In these difficult economic times the 20 percent increase in your budgets over the next three years is a substantial investment that represents our strong commitment to protecting and preserving our health care system. In that context, it is my expectation health authorities will both live within their means and set our health care system on a path to a sustainable future. I encourage you to embrace that challenge and work with me and with our many health care partners to ensure our world-class health care system is there for future generations.

Sincerely,

Kevin Falcon

Minister

pc: Chief Executive Officers, Health Authorities

Mr. John Dyble, Deputy Minister, Ministry of Health Services

Hard copy to follow by mail