



NEWFOUNDLAND
AND LABRADOR

**HEALTH
BOARDS
ASSOCIATION**

**THE NEWFOUNDLAND AND LABRADOR
HEALTH BOARDS ASSOCIATION:**

**BENEFITS AND EFFICIENCIES
FOR MEMBERS**

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1 Introduction

In Newfoundland and Labrador, all those involved in the health system are aware that the provincial health system faces special challenges for the delivery of health services to the population. As recently noted in the Government discussion document for the Health Forums, the provincial population is small, just over half a million, about the size of a mid-sized Canadian city. The geography is large, about the size of the United Kingdom, a country with a population of approximately 60 million. Half the province's population is centred on the Avalon Peninsula, and the other half is scattered sparsely around the rest of the province. By 2026, almost a quarter of the provincial population is projected to be over the age of 65. To meet the challenge of providing health services in these circumstances, the health system is regionalized, so that services can be delivered in a manner that suits the particular circumstances in each region. Tertiary care services are organized on a province-wide basis, as are cancer treatment and research programs and services. The Department of Health and Community Services is responsible for provincial health policy, programs and standards for the health system.

2 The Health Boards Network

The provincial health system is based on recognizing and respecting the uniqueness, interdependence and diversity of regions within the overall framework of the health system. To achieve maximum benefits from this decentralized framework, it is necessary to have positive communication among members and various partners, including Government, and develop policies and procedures that ensure and enhance consultation, collegiality, communication and consistency.

The same framework and philosophy underlie the restructuring and integration of social programs with the health system in this Province in 1998. This significant initiative was undertaken by Government with the stated aims of :

- greater community involvement in program development and delivery;
- a more holistic approach to working with children, youth and families;

- an integrated approach to active human resource development;
- greater involvement of clients in identifying their service needs and matching services to those needs;
- a coordinated, single entry access to services for clients;
- a team-based, multi-disciplinary service approach;
- effective coordination of services by linking related services;
- ensuring the best use of available human and fiscal resources.

In summary, the health delivery system in this province is composed of many parts, which together make the whole health system.

In practical terms, in this interconnected system decisions of an individual Health Board or group of Health Boards affect not only that Board but other Boards within the region and across the province, particularly those Boards with a provincial mandate. For example, representatives of the Health Care Corporation of St. John's (HCCSJ), which has the tertiary care mandate for Newfoundland and Labrador, have often pointed out that decisions made in any other Health Board in the province affect their operations. Residents everywhere in the province receive their tertiary care services from HCCSJ, so decisions made by other Health Boards, such as when patients need tertiary care, have a direct impact on service demand by HCCSJ. After acute care services are completed or no longer needed at the tertiary care centre, patients must have appropriate services in their own region of residence in order to leave the acute care facility in St. John's. If appropriate services are not available, a scarce acute care bed in HCCSJ remains occupied. Working in reverse, decisions made by HCCSJ in turn affect the other Health Boards by, for example, increasing the demand on such services as home care. The integrated health system in the province depends on the complex interaction and partnerships between each component in the system. Province-wide programs need to reflect this reality, as does, for example, the draft funding model developed by the Newfoundland and Labrador Health Boards Association for discussion by the Department of Health and Community Services (DOHCS) which includes a mobility

factor to recognize, track and account for the population movement for health services from one region to another.

3 Benefits of NLHBA Membership

The current decentralized structure of the provincial health system relies both on the regional autonomy of the Health Boards and the co-ordination of all the separate parts into the whole health system. This section discusses some of the ways that a provincial association like the NLHBA adds value to our health system.

3.1 Co-ordination

From its roots in 1962 as a coalition of hospital boards in the province when the health system was operated by the Department of Health, the evolving role of the Newfoundland and Labrador Health Boards Association (NLHBA) has become a crucial element in co-ordinating and articulating Health Boards' common concerns and issues in today's decentralized, complex, multi-faceted health system. The NLHBA provides a regular forum for the volunteer trustees and senior management to consult with each other and discuss their concerns. The Chair of each Health Board sits on the NLHBA Board of Directors, which meets bi-monthly on governance issues for the health system. The NLHBA facilitates monthly meetings for CEOs to meet on operational issues, share expertise and information and make recommendations to the NLHBA Board. Senior Health Boards staff in Medical Services, Human Resources, Education, Finance, Purchasing, Communications, Pastoral/Spiritual Care also attend regular meetings facilitated by the NLHBA which feed into Directors and CEOs meetings for system-wide input.

Examples of NLHBA co-ordination and partnership initiatives benefiting the health system are:

- Health Human Resources Planning: located in the NLHBA offices, this is a partnership between Human Resources Development Canada, the provincial Department of Health and Community Services and the NLHBA, and is

generating the human resources data that is essential for evidence-based decision making and forward planning in this area;

- Provincial Physician Recruitment Co-ordination: temporarily located in the NLHBA offices before moving to MUN Medical School, this is a key partnership among the NLHBA, MUN Medical School and DOHCS, and also the Newfoundland Medical Board and the Newfoundland and Labrador Medical Association. As requested by Health Boards, this program has a fresh approach and renewed mandate, which has been expanded to meet the needs of private clinics as well as Health Boards.

3.2 Advocacy and Information

The major role for the NLHBA is in advocacy and information, in promoting the perspective of Health Boards as major players in the health system, ensuring that their point of view is taken into account in health policy and facilitating partnerships and communications so that the best information and expertise is available to all Health Boards and Government. Individual Health Boards in turn promote to Government and the public the point of view of their own Board and their region. Health Boards have a unique perspective since they have the responsibility of the hands-on delivery of health services and programs and are faced with the practical consequences of policy decisions on a daily basis. The NLHBA has been proud to represent that unique perspective to Government on various issues, provincially and nationally.

3.2.1 Advocacy and Information Initiatives

Two recent advocacy and information initiatives illustrate the NLHBA approach:

- Lobbying for a strategic health plan: for the past few years the NLHBA has been advocating for a major recommendation to improve the health system, namely the development of a strategic plan for the health system to guide DOHCS in setting policy and the operations of Health Boards in their own regions or with their own mandate. Last year DOHCS agreed to start the strategic planning process and the plan is currently under development in consultation with Health Boards and other stakeholders in the health system.

- Sick Leave Usage: In its advocacy role, the NLHBA has been articulating the views of Health Boards on sick leave usage, has commissioned a private consultant's study on management of sick leave usage and has conducted a media information campaign.

As the unified voice of Health Boards with their practical, health-delivery experience, the NLHBA is taken seriously by Government, the media and the public as the spokesperson for the fourteen Health Boards and in addition has drawn public and Government attention away from individual Health Boards for less popular points of view, allowing Health Boards to get on with their work.

3.2.2 Advocacy Methods

In its advocacy work, the NLHBA has adopted a variety of methods to keep Health Boards, the public and Government informed and aware of health issues:

- Position papers are developed to ensure the views of Health Boards are regularly before Government in a formal manner.
- Discussion and information papers are prepared to keep all Health Boards informed on policy and practical issues.
- Regular media interviews ensure that Health Boards' perspective on the health system is aired.
- The regularly updated NLHBA website has links to Health Boards and acts as a central source of information for the health system inside and outside the province.
- As part of their liaison function, representatives of the NLHBA sit on virtually all Government committees with decision-making and advisory mandates in the health system, and report back to Health Boards with up-to-date and timely information.
- Legal opinions are sought on behalf of Health Boards on system-wide specific aspects of health services and programs

3.3 Core Programs and Services

The NLHBA, as a central agency in consultation with member Health Boards, offers programs and services to member Health Boards that use the collective size and

comprehensiveness of the health system to achieve efficiencies and cost-savings for each individual Health Board, and by extension, for the health system as a whole.

- A centrally-administered program or service relieves individual Health Boards of the necessity to resource that particular service to the extent that they would if the services were not provided centrally and facilitates the development of a central source of experience and expertise to benefit all Health Boards.
- By pooling and centralizing the resources required, for example, to address a human rights complaint, arbitration or purchasing issue, Health Boards can take advantage of large market savings benefiting the health system even though each Health Board represents only a portion of that market.
- Avoidance of destructive competition among Health Boards also represents a major advantage for the health system as a whole, since some Boards would be unable to bargain from a position of strength in isolation from other Health Boards. Larger Health Boards may be able to generate similar services and programs and achieve similar savings on their own. However, those savings would be at the expense of smaller Boards that do not command a market advantage, and would therefore have a detrimental effect on the overall provincial health system. In addition, extra personnel would have to be hired in each Health Board from scarce resources to generate and manage individually initiated programs and services.

Our aim with our core programs and services is to use the size of the health system in a manner that provides fiscal, training and service advantages for each region and Health Board, as well as for the health system as a whole.

3.3.1 Collective Bargaining and Labour Relations

There are system-wide benefits for Health Boards from the current NLHBA provincial collective bargaining program:

- since travel and other expenses are paid through the NLHBA, employees of Health Boards can participate and offer their expertise on negotiating committees without further expense to any individual Board;
- standardized benefits in provincial collective agreements are ensured for all Health Boards, avoiding any union attempts to play off one employer against

another to maximize benefit levels or maximize the union's interpretation of the collective agreement;

- necessary expertise and protocol arrangements with Treasury Board are developed centrally by NLHBA, so that individual Health Boards do not need to duplicate the purchase of collective bargaining expertise and negotiating of protocols in each Board;
- relationships with the unions and Treasury Board are established in the NLHBA and recognized by all parties;
- the collective bargaining process model was reviewed by NLHBA before the NAPE/CUPE negotiations beginning October, 2000, with extensive consultation with Health Boards. The new model offers continuing input and consideration of individual employer sector proposals;
- as specifically requested by our members, a Chief Negotiator was hired to conduct the NAPE HS negotiations at a cost to the NLHBA of approximately **\$60,000**;
- when a strike is pending, the NLHBA co-ordinates the provision of essential employees, keeping Health Boards up-to-date on the provincial status of essential employees negotiations on an employer by employer basis and assisting Boards to resolve essential employees issues. This ensures that an individual Board does not agree on a smaller number of essential employees, thereby putting all employers at risk;
- in connection with the collective bargaining program, NLHBA has assisted with other types of job action such as court injunctions, paying associated legal costs and co-ordinating information and resource distribution.

*See **Appendix A** (attached) for an example of legal costs associated with the most recent job action, the NAPE Lab and X-ray illegal strike in October, 2000. The court injunction primarily affected the Health Care Corporation of St. John's and a small number of employees with the Peninsulas Health Care Corporation;

- the bargaining unit structures have been reorganized for Health and Community Services/Integrated Boards, using considerable NLHBA time and resources.

*See **Appendix A** (attached) for some of the associated legal fees paid by the NLHBA from the period April 1, 2001 to December 6, 2001;

- interpretation sessions on the collective agreement are provided at NLHBA expense on request by Health Boards;
- educational seminars/workshops are provided at NLHBA expense to Health Boards on a regional basis.

***Appendix A** (attached) provides data on costs associated with the core collective bargaining program since April 1, 2001. Further costs are incurred with regard to the non-core arbitration grievance program.

3.3.2 Group Purchasing

The NLHBA Group Purchasing program is a province-wide high-volume contracting service with annual contracts unique to our members to a value of approximately \$36 – 38 million for commodity items and approximately \$2 – 3 million for member-required services:

- Products in the Commodity Items classification are; Medical and Surgical; Radiology; Laboratory; Pharmaceuticals; Dialysis; Linen; Laundry Chemicals; and Dietary. There are approximately 6500 line items in this program, with Health Boards purchasing upwards of 90 per cent of their pharmaceuticals and 55 per cent of other needs through this section of the NLHBA Group Purchasing program;
- Services in the Group Purchasing Program include: Biological Flow Hoods and Safety Cabinet Inspections; Courier Service; Car Rental; Corporate Travel; Biomedical Waste Transportation, Treatment and Disposal; and Bulk and Cylinder Oxygen Supply.

According to the health system supply industry in general, the NLHBA Group Purchasing program is considered one of the best in Canada as a result of the 100 per cent member commitment to the program with upwards of 95 per cent participation. It is often asked, “Why are you getting better pricing than some parts of mainland Canada?” The NLHBA believes that the dependable commitment-to-contract by its members generates ongoing savings for renewed contracts, such as the further savings

of 13 per cent negotiated by NLHBA on the most recent renewal of contracts for disposable latex gloves.

Savings to the health system as a result of the Group Purchasing Program are most readily calculated when a new product is added to the program. For example, a new contract recently awarded for Sterile Ophthalmic Packs and related supplies achieved a reduction in acquisition costs of \$124,300, plus a value-added, cost-free equipment replacement component representing savings of approximately \$375,000. The Health Care Corporation of St. John's alone realized savings of \$108,000 on acquisition costs, and \$65,000 in equipment replacement costs. The contract was signed for three years with an option to sign for another two years with a further 3% discount. Subsequent contract renewals will see these savings continue, and the Group Purchasing department will concentrate on maintaining its high volume contracting process in order to take advantage of competition in the market place, controlling acquisition cost increases and reducing price bases on change in volume.

Of the 6500 line items in the program, the Health Care Corporation of St. John's, representing approximately half the health system, participates in 5431, including 4266 pharmaceutical line items. A large Health Board that withdraws from the program might realize similar savings, but costs to the health system as a whole would increase, since the added competition and lack of 100 per cent participation in the program would affect the bottom line. Provincial costs would rise.

3.3.3 Pastoral/Spiritual Care

For over twenty years the NLHBA Board and member Health Boards lobbied Government for funds to establish Pastoral/Spiritual Care programs to meet identified needs in the health system. In 1996 Government offered matching funds as an option for Health Boards to establish a Provincial Co-ordinator for Pastoral/Spiritual Care programs, and in 2001 the members through the NLHBA Board voted to add it to the range of core services enjoyed by member Health Boards as part of their membership.

The Provincial Co-ordinator provides consultation to the Health Boards in the province. Workshops and consultation with the 38 pastoral care committees in Newfoundland and Labrador are also included in the Pastoral/Spiritual Care program.

Promotion, administration and supervision of Clinical Pastoral Education (CPE) Programs to train Pastoral/Spiritual Care clinicians has proved to be an invaluable contribution to the health system, and consists of a period of 3.5 months for promoting, screening applicants for six chaplain intern positions, working with CPE advisory committees, program approval with the Canadian Association for Pastoral Practice and Education (CAPPE), and supervision of the 400 hour, 11 week program in Clinical Pastoral Education. The CPE programs sponsored by the NLHBA would have cost the Boards a total of **\$140,000** if they were not provided by the NLHBA. The estimate of \$20,000 for each program is based on the estimated cost of having a qualified instructor provide the program. The distribution and costs for participating Health Boards break down as follows:

HCCSJ:

- a) April 20th-July 4th, 1998 **\$20,000**
- b) April 29th-July 12th, 2002 **\$20,000**
- c) April 29th-July 12th, 2002 **\$20,000**

Additional tasks to the program included contracting with CAPPE Teaching Supervisor to travel from Toronto to supervise a second CPE program in St. John's, at either HCCSJ or the St. John's Nursing Home Board:

Western Health Care Corp.: May 11-July 24th, 1998 **\$20,000**

Additional tasks to the program included contracting with a CAPPE Teaching Supervisor to travel from Toronto to supervise the CPE program,

Peninsulas Health Care Corp.: May 3rd-July 16th, 1999 **\$20,000**

Additional tasks to the program included setting up the CPE advisory committee and moving of CAPPE Teaching Supervisor to Clarenville for three months,

Avalon Health Care Institutions Board: May 8th.-July 20th, 2000 **\$20,000**

Additional tasks to the program included setting up the CPE advisory committee and moving of CAPPE Teaching Supervisor to Carbonear for three months.

Central West Health Corp.: April 30th-July 13th, 2001 **\$20,000**

Additional tasks to the program included setting up and working with the CPE advisory committee and moving of CAPPE Teaching Supervisor to Grand Falls-Windsor for three months.

The Clinical Pastoral Education programs are also educating chaplains, community clergy, theological students, and pastoral care volunteers who work in the communities of Newfoundland and Labrador. The four Health and Community Services Boards in the province have benefited from the program, and program graduates have moved to parishes in areas serviced by the Grenfell Regional Health Services Board and Health Labrador Corporation, and to all areas of the province serviced by the Newfoundland Cancer Treatment and Research Foundation.

4 Conclusion

The role and activities of the NLHBA have evolved to meet the challenges of today's health system and the needs identified and requested from the Association by our members. The NLHBA acts as a central point of reference in our decentralized health system and voices Health Boards' perspectives and concerns to Government and the public. This role offers advantages in partnership and ongoing collaborative planning. Analysis of issues, collaboration and cooperation as essential common goals, influence exercised through the consultative process, and team-building are key elements in this role, advantages which cannot be obtained by individual member Health Boards acting on their own.

In addition to the programs and services offered through NLHBA membership which offer a co-operative advantage in sharing opinions and ideas, member Health Boards are also free to go to the marketplace for particular services that benefit their Board. Our primary focus is advocating on behalf of Health Boards for better health services through working in partnership with members and with government.

APPENDIX A

LEGAL AND CONSULTING FEES

COLLECTIVE BARGAINING

April 1, 2001 - December 6, 2001
(averaged to the nearest \$500)

NAPE LX Strike (Legal costs from Court) - April 25, 2001	\$200,000.00
NAPE LX (Declaration of C/A)	1,000.00
H&CSSJ (Consolidation of B/U)	2,000.00
H&CSSJ (GS Social Workers Arbitration Award)	2,500.00
H&CSSJ (Court - Paul Walsh)	5,000.00
H&CSSJ (Essential Employees)	10,000.00
H&CS Central (Consolidation of B/U)	2,500.00
H&CS Eastern (Consolidation of B/U)	1,000.00
H&CS Western (Consolidation of B/U)	5,000.00
Health Labrador (Consolidation of B/U)	1,000.00
Grenfell (Consolidation of B/U)	1,000.00
Pentecostal - Illegal Strike	3,000.00
HCCSJ (Human Rights)	21,000.00
MEDICAL SERVICES	
Legal and other Consulting Fees	20,000.00
TOTAL	\$275,000.00