Provincial Health Services Authority - BCTS/Transplant

2002/03 Budget Management Plan ($millions)

	Total
2001/02 Projected Expenditures	29.0
2001/02 Projected "Structural" Surplus/Deficit before restructuring and 1-time costs	(0.3)
1-time costs	-
Restructuring Costs Recognized in 2001/02	-
2001/02 Revised Projection	(0.30)

(note: Do not include MOHS's proposed funding to cover this years deficit)

	2002/03		2003/04		2004/05	
	$	FTE's	$	FTE's	$	FTE's
Projected Surplus / (Deficit) Prior to Management Reduction Strategies	(1.7)		(1.7)		(1.0)	
	-					
Management Reduction Strategies:	-					
	-					
Revenue Generation	-					
1. Additional funding from MoHS	0.2					
2. Life support - drugs	1.0					
3. Patient Charges	0.5					
4. Other	-					
General Efficiencies (non-clinical)	-					
1. Exec/Admin (CEO, direct reports, exec)	-					
2. Shared Services	-					
3. Outsourcing	-					
4. Business Systems	-					
5. Workplace Initiatives	-					
Best Practices (clinical)	-					
1. Alternatives to Care	-					
2. Clinical Efficiencies	-		1.7		1.0	
3. Environmental & Protection	-					
4. Bed Consolidations (no access reduction)	-					
	-					
	-					
Program Adjustments/Closures	-					
1. Bed Reductions						
2. Facility/bed conversions						
3. Facility Closures						
4. Program Consolidation	-					
5. Program Reduction	-					
6. Selected Programs	-					
7. Selected Sites	-					
	-					
Total Management Reduction Strategies	1.7	-	1.7	-	1.0	-
Strategies as a % of 2001/02 Expenditures	0.1		0.1		0.0	
Revised Projection Surplus (Deficit)	(0.0)		-		-	

PROVINCIAL HEALTH SERVICES AUTHORITY
Health Services Redesign Plan Summary

BC Transplant Society

Financial Projection: 2002/03, 2003/04 & 2004/05

1. MAJOR INITIATIVES/CHANGES PLANNED

Acute Care (Outpatient)

Revenue Generation

Community Drug Program

Third Party Insurance – The current policy of underwriting the cost of immunosuppressive medications for all patients will be changed to require patients who have third party medical insurance (i.e. Blue Cross) to utilize their private drug benefit program to pay the cost of their medications. *The budget management plan conservatively estimates that this change will apply to 200 patients, or approximately 10% of the transplant recipients followed.*

This change is modeled on the criteria used by the BC Provincial Renal Agency in underwriting patient medications. Further work must be completed to fully estimate the potential savings that may be available through this change. The BC Transplant Society will continue to fund the full cost of immunosuppression for patients who do not have private medical insurance.

Best Practices (Clinical)

Community Drug Program

Review of Protocols – The BC Transplant Society is currently completing a pharmacoeconomic review of its immunosuppressive drug formulary to ensure its protocols represent the most cost-effective use of the medications currently funded. It is anticipated that this review will present opportunities to change the current drug protocols that will result in alternative, cost-effective, combinations of drugs being used.

The anticipated changes are focused on discontinuing Cellcept (Mycophenolate Mofetil) after twelve months in patients receiving a first transplant. *It is anticipated that these changes will occur in 2003/04, affecting 372 patients, and a further 188 patients in 2004/05.* These changes are not anticipated to affect graft or patient survival rates.

Other potential changes to the immunosuppressive drug protocols are contemplated but have not been factored into the projection, as they are in a preliminary stage and cannot be readily quantified at this time.

2. RATIONALE USED TO DETERMINE EFFICIENCY MEASURES, UTILIZATION TARGETS AND SERVICE CHANGES

Not applicable.

3. IMPACT ON QUALITY OF CARE AND SERVICE WORKLOADS

None.

4. FINANCIAL IMPLICATIONS

Third Party Insurance – The move to have patients third party medical insurance where available is expected to provide savings of $1.0 million per year, based on 200 patients at an average savings of $5,000 per patient.

Review of Protocols – The change in drug protocols is expected to provide savings of $1.0 million in 2003/04 and a further $1.0 million in savings in 2004/05.

5. IMPACT ON HEALTH HUMAN RESOURCES

None.

6. ABILITY TO MEET ACCESS STANDARDS

There will be no impact on the patients' access to service.

7. IMPACT ON BCAS

None.

8. BARRIERS TO IMPLEMENTATION

None.

9. UNCERTAINTIES

None.

10. EXECUTIVE LEVEL SAVINGS

None included.

11. IMPLEMENTATION STRATEGIES

Third Party Insurance

- March 31, 2002 – complete review of options available to distribute costs to third party insurers.
- April 30, 2002 – complete proposal and distribute to transplant clinicians (physicians, pharmacists, etc.) for feedback.
- May 31, 2002 – finalize proposal and distribute to transplant clinicians.
- June 1, 2002 – distribute letter to transplant recipients notifying them of the change. Include notice of change in external newsletter.
- July 1, 2002 – Implementation.

Review of Protocols

- March 31, 2002 – Receive pharmacoeconomic review report.
- April 1, 2002 to May 31, 2002 – meet with medical staff from the individual organ transplant programs to review the report as it relates to their areas.
- June 1, 2002 to September 30, 2002 – draft consensus guidelines for immunosuppressive drug use based on the scientific evidence summarized in the review.
- October 1, 2002 – distribute consensus guidelines to the transplant physicians for comment.
- November 15, 2002 – finalize consensus guidelines
- January 2003 – new guidelines approved by BCTS Medical Advisory Committee.
- February 2003 – approved guidelines distributed to the transplant clinicians.
- April 1, 2003 – implement new consensus guidelines.

BUDGET MANAGEMENT PLAN

BACKGROUND

The BC Transplant Society (BCTS) directs, delivers or contracts for all organ transplant services across BC.

The BCTS contract for inpatient and outpatient transplant services from three transplant centres and operates seven regional clinics throughout BC for outpatient care. The BC Transplant Society believes that the health-restoring benefits of organ transplant services should be available to those individuals who meet the suitability and eligibility criteria for transplantation in British Columbia.

CORE PROGRAMS

Ambulatory Services – The Ambulatory Services program is responsible for maintaining clinical standards and guidelines for the assessment and treatment of transplant patients. The Ambulatory Services program coordinates pre-transplant assessment of patients for the transplant program at Vancouver General Hospital and also administers regional outpatient clinics used to follow transplant recipients through performance contracts with the sponsoring hospitals.

Retrieval Services – The Retrieval Services program coordinates the retrieval and allocation of cadaveric organs to patients on the transplant waiting list. In addition, Retrieval Services attends living donor surgeries to perfuse the organ being retrieved for transplants. The Retrieval Services program is also responsible for professional education of hospital staff involved in the donor consent process, including training designated requestors under the Universal Referral & Training regulations.

Community Drug Program - The Community Drug program underwrites the cost of immunosuppressive medications for transplant recipients. The BC Transplant Society is responsible for establishing the drug protocols used in the treatment of transplant recipients. Transplant recipients must take remain on immunosuppressive medications for the rest of their lives. Due to this prevalence drugs remain the single largest, and fastest growing, component of the BCTS budget.

Perioperative Funding - The BC Transplant Society funds the perioperative cost of providing surgery to transplant recipients through performance contracts with the transplant centre hospitals (Vancouver General Hospital, St. Paul's Hospital, Children's & Women's Health Centre).

ASSUMPTIONS

Surplus/(Deficit)

The projection assumes a balanced budget in 2002/03 and 2003/04.

Ministry of Health Funding

The Ministry of Health Services will provide additional base funding totalling $1.1 million in 2002/03 for "life support" (immunosuppressive drugs) and for the cost of wage increases. Funding received from the Ministry of Health Services under the Alternate Payments Plan will remain constant.

Funding in 2003/04 will remain at the same level as 2002/03.

Transplant Volumes

The projection assumes the following transplant volumes:

	Renal	Extra-renal	Total
2001/02 (year-end projection)			
Cadaveric	63	65	128
Living donor	80	4	84
Total	143	69	212
2002/03			
Cadaveric	64	54	118
Living donor	124	5	129
Total	188	59	247
2003/04			
Cadaveric	64	54	118
Living donor	144	5	149
Total	208	59	267

The assumption assumes that there will be no increase in the perioperative fees paid to the transplant centres.

Community Drug Program

The projection assumes the following growth in prevalence of transplant recipients:

	Number of Patients	Percentage Growth
2001/02	1,931	
2002/03	2,058	6.6%
2003/04	2,205	7.1%

Ambulatory Services

The projection assumes that the funding provided to the transplant centre and regional hospitals will remain constant over the term of the projection.

Wage Increases

BCTS is a non-unionized employer. The increases included in the projection for union-equivalent staff maintain parity with wage rates included in the comparable collective agreements (BCNU & HEU). No compensation increases have been included for excluded staff.

Administrative Costs

The projection assumes that administrative costs will remain constant at approximately 7% of budgeted expenditures.