Building a Better System:
NLMA Consultation on
Safe and Sustainable
Health Care

A Discussion Guide

Newfoundland & Labrador
Medical Association

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Introduction

The Government of Newfoundland and Labrador (Government) has embarked on a “Government Renewal Initiative” to address what it calls an unprecedented fiscal situation facing the province. In January 2016, Government announced it will be taking a multi-year approach to find solutions to this situation. According to Government’s website, this approach aims to:

- Identify a combination of measures to increase revenues and reduce expenditures
- Eliminate waste and identify opportunities to do things better and more efficiently
- Assess the role of government in providing public services
- Establish multi-year fiscal targets.

As a key stakeholder in the province’s health system, the Newfoundland and Labrador Medical Association (NLMA), representing the province’s medical community and, in turn, the patients we serve, believes it incumbent on us to take on the challenge of assisting Government in its quest for solutions. The stakes are high not only for our health care system but for the future of the province and all its citizens. The NLMA has a strong and credible voice, and the opportunity to be heard is now.

Purpose

We have developed this discussion paper to aid NLMA members in understanding the challenges and considering some of the solutions before us. The paper is designed to raise issues and pose questions to help identify options for physicians to consider.

NLMA members will be invited to participate both online and in a series of regional town halls to be held across the province between February 29 and March 3, 2016. The results of these discussions will be captured and brought forth to inform a provincial conference in St. John’s on March 19, after which the NLMA will present a formal brief to Government.

The Fiscal Situation

Within two weeks of taking office in December 2015, Finance Minister Cathy Bennett released a mid-year financial statement indicating that this year’s provincial budget deficit stood at just over $1.9 billion and that the next four years would see annual deficits in this same range. The result is that the province’s net public debt would rise from $12.4 billion this year to $23.0 billion by 2020-21. On a per capita basis, the current debt is approximately $23,500 per capita and could rise to $43,700 in just five years.

Government has concluded that the fiscal situation is untenable. It has mounted its renewal initiative to identify a combination of measures to eliminate the province’s deficit and move forward with a sustainable budgetary framework for the province over the next three years.
As part of this exercise, Government has launched its own series of roundtable discussions with a supporting discussion document. In it, Government has presented the following chart:

![Pie chart showing expenditures by sector.]

Source: Government of NL website

At the same time, per capita spending on health care in Newfoundland and Labrador is higher than the national average as well as for all other provinces, and the gap is widening.

![Bar chart showing provincial health expenditure.]

Source: Government of NL website
When we look at the distribution of spending within the health care system it is evident that the two areas where spending is notably higher than the national average are hospitals and other institutions such as long-term care facilities.

![Per Capita Provincial Government Health Care Expenditures in NL and Canada by Category $2015(F)](image)

**Source:** NLMA

What are we to conclude from the available data on spending in our health care system? The general conclusion is that the current level of spending is not sustainable, and may not be necessary, for Newfoundland and Labrador to have a first-class health system. We are spending more per capita than all other provinces. In fact, according to recent OECD data, Canada as a whole is spending more per capita than the United Kingdom, France, Australia and New Zealand — and their systems and health outcomes are some of the best in the world. We can, and need, to spend smarter by ensuring we have the right provider, providing the right service at the right time and location across this province.

In starting to curtail spending to balance its budget, Government has directed each provincial department and agency to identify ways to save 30% of their budgets over the next three years starting with a possible 10% cut in the upcoming 2016-17 budget. By way of illustration, the Department of Health and Community Services will need to identify savings up to $900 million over three years. This demonstrates the seriousness of the fiscal challenge facing Government, and the lengths it may have to go to turn around the province’s finances.
Where to reduce spending, where to change and where to invest?

Before we begin to address the question, any approach to proposing changes in health care delivery as part of Government’s overall renewal initiative has to be based on demographic and relevant socio-economic factors. A high quality and efficient health care system for the future cannot be built solely on the structure of the past. The population has changed dramatically: it is aging and concentrating in urban areas. The health status of the population is among the worst in Canada due in part to the prevalence of chronic diseases. On the positive side, overall personal incomes have improved, literacy has improved, and the transportation system has improved over the past two decades. Finally, there has been a revolution in access to and use of information technology and communications to deliver everyday services.

We have to continually remind ourselves that the purpose of the health care system is to deliver excellent health care, not to sustain employment and communities. While it is a reality that the health system is often the major employer in many communities, to guide health care investment decisions solely on this factor is to divert attention and precious resources away from high quality, efficient health service delivery. While the location of health services can be helpful in complementing an economic development strategy, health services alone cannot be the driver of a regional economic development strategy. Government’s renewal initiative must seize the opportunity to redesign the structure of the province’s health system to align with these realities.

To guide discussions on the main questions of where to reduce spending, where to change and where to invest in the province’s health system, a set of core principles has been crafted. These eight principles are presented as follows:

- Newfoundlanders and Labradorians should expect to receive care comparable with national and international standards
- All care must be appropriate and based on best practices
- All proposals and resulting decisions to change current services must be evidence-based
- Implementation and ongoing management of change has to be transparent, professional, independent of political considerations, and communicated clearly to all stakeholders, especially the general public
- When Government decisions deviate from the evidence, any overriding economic, social or political considerations must be clearly identified and communicated by Government
- At the same time, our province needs to maintain a competent and high-performing clinical workforce to deliver the health system we want
- The health system needs to leverage technology to ensure care is provided in a more efficient and effective manner
- Today’s and tomorrow’s health care system must be continually improved with the impact on patient outcomes and experience continually monitored and evaluated.
In order to systematically consider the broad range of options that could be considered as part of this renewal exercise we have condensed them under the following broad themes:

1. Appropriateness of care and utilization of resources
2. Clinical standards and clinical efficiency
3. Role delineation of facilities
4. System coordination and administrative efficiency
5. Utilization of technology
6. Change management and improved accountability

### Theme 1: Appropriateness of care and utilization of services

The Canadian Medical Association (CMA) defines appropriateness of care as having the right provider, providing the right services to the right patient, in the right place, at the right time resulting in optimal quality care. Often patients do not receive optimal quality care, and the result is inefficient and, at times, ineffective service provided by the health system. Sub-optimal care is also associated with over-utilization of resources (e.g., extra visits to family physicians and other specialists; inappropriate ER visits, diagnostic tests and prescriptions; and unnecessary acute care and long-term care admissions). Physicians have a significant role in determining health care costs through their decisions (e.g., ordering of tests and investigations; prescribing) as well as in their practice management (e.g., the types of services they offer and the efficiency of their practices).

To support physicians, *Choosing Wisely Canada* (CWC) was launched by the CMA in 2014 in partnership with various Canadian medical specialty societies. The campaign is designed to help physicians and patients engage in conversations about unnecessary tests, treatments and procedures in order to make smart and effective choices about getting the right care while limiting exposure to risks. The physician community is leading this effort because as a profession, physicians have a responsibility to deliver the best possible care that is based on evidence. To date, 29 Canadian medical specialty societies have released CWC lists containing more than 150 recommendations. The campaign also supports the equally important role of patient education and the need to dispel the false notion that "more care is better care".

A world-class primary health care system is at the core of ensuring the province can meet the health needs of its citizens and provide more appropriate care. There have been numerous attempts at getting the system right but we are still some time away. Under a more effective primary health care system, we can better ensure the CMA goal is realized.

For its part, the NLMA has been advocating and promoting new ways to implement primary health care in the province. Under the recent *Memorandum of Agreement* with Government there is a new primary health care program with an annual allocation of $4.5 million. This program will support comprehensive family practice in the province, improve the efficiency of family practices, and establish new regional Family Practice Networks of physicians across the province. These networks will participate on Collaborative Services Committees with regional health authorities to identify and solve problems facing medicine in each region.
Funding is also in place for implementing physician-based Electronic Medical Records which will be integrated with the province’s Electronic Health Record system, connecting physicians to patient and provider information, lab results, medical imaging reports, medication profiles and MCP billing. But more needs to be done.

**Question:**

- What specific changes in the following areas have to be made to reduce expenditures and achieve more optimal quality care for all patients served in this province?
  - Family practice design and operations
  - Referrals to specialists
  - Tests, investigations and diagnostic services utilization
  - Prescriptions and drug utilization
  - Scopes of practice and use of multi-disciplinary teams
  - Coordination of patient services
  - End of life care

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**Theme 2: Clinical standards and clinical efficiency**

Our physicians are challenged to keep abreast of continually emerging clinical research and constantly evolving clinical standards. When designed and used properly, clinical practice guidelines (CPGs), which are evidenced-based recommendations that physicians use to make appropriate clinical decisions, can and should be an important contributor to our health care system. While there are significant numbers of CPGs in place, their use is not as widespread as is possible. Consequently, there is a need to have a better understanding of their purpose and role in improving patient outcomes and overall health performance in the province.

Without widespread use of clinical standards or CPGs it makes it difficult to measure performance of clinicians or the services they provide. The result may be inappropriate care, duplication and inefficiency, all leading to extra costs in the system without a concurrent increase in patient outcomes.

Some examples of current clinical inefficiencies are the impacts resulting from missed appointments, long waits from family physician referral to specialists visits, cancelled surgeries, over- or under- diagnosis, medically-discharged patients waiting for more appropriate care arrangements, and inappropriate care in the first instance.

Physicians need to be leaders in developing guidelines, standards and indicators, and ensuring they are used throughout our province. This may include the need for clear definitions and statements of purpose, the setting of priorities, ensuring consistency and reduction of duplication with other service providers, the need to address implementation, the need to ensure other strategies are aligned and do not impose perverse incentives, and the need to develop the required capacity to support this approach to better manage our health services.
Questions:

(i) Where are there gaps as well as opportunities in clinical practice in the province that could be addressed from better use or development of clinical practice guidelines?
(ii) Who or what organization should oversee their management and implementation?
(iii) What clinical inefficiencies exist that need to be addressed?

Theme 3: Role delineation of facilities

The province is well-covered by an array of hospitals, health care centres, long-term care homes, family physician offices, nursing clinics and other points of care spread out over a vast geography. Many of the sites are located in regions where the local population has declined. We also have many stand-alone family physician offices. Independent of Government’s fiscal situation, it is timely to address the appropriate location of many of our services, and better arrange them to meet current needs of the population. To help address these issues, the NLMA has considered a methodology used in a number of Australia states referred to as Role Delineation. For example, the State of Tasmania, which is similar in many respects to our province, has recently implemented this framework for its acute care facilities.

According to the Tasmanian government: “Role delineation is a process which determines the clinical capacity of a health facility to provide services of a defined clinical complexity. It is based on an assessment of the number, range and expertise of medical, nursing and other healthcare personnel in a given clinical discipline to provide a specialized service. It incorporates an assessment of the population size, likely demand for the service and the presence of other clinical disciplines within the facility that, together, influence the capacity of the facility to deliver high quality care in that discipline... A role delineation framework is designed to outline the minimum service requirements, staffing, support services and risk considerations for our public hospitals to ensure safe and appropriately supported clinical service delivery.”
Underlying Principles of the Tasmanian Role Delineation Framework

- The facility must be able to sustain a competent and high performing clinical workforce, infrastructure and support services required to provide care that is consistent with best practice.

- Appropriate minimum service volumes must be maintained to ensure the competence and professional practice of the multidisciplinary team can be sustained.

- Residents must be able to access services which are determined by the facility’s ability to deliver consistently safe, high quality care, rather than on considerations of proximity.

- Relying on small numbers of clinicians to be on call 24 hours a day, 365 days a year to maintain a service is neither safe nor sustainable. Workload needs to be sufficient to engage multiple clinicians across the range of necessary disciplines in the delivery of a quality sustainable service. Services with key person dependencies must be redesigned to ensure quality, safety and sustainability.

- Care must be continually improved. The impact on patient outcomes and experience must be continually monitored, reviewed and evaluated. Residents should expect to receive care comparable with national and international standards.

Source: Tasmanian State Government website (as amended)

What would be the implications of applying the Role Delineation framework to our province? Certain facilities would see their roles changed, certain services and professionals would have to be considered for clustering, new forms of multi-disciplinary collaboration would emerge, a high standard of medical transportation would need to be assured in all regions, and standards would have to be developed and monitored for all facilities and services to ensure the integrity of the changes going forward.

Questions:

(i) Should our province undertake a review of its facilities and services similar to the Australian Role Delineation Framework?

(ii) What are examples of the changes that should be made at the facility level to the location and delivery of the following services, given the principles noted above?

- Primary health care
- Emergency care
- Secondary care
- Tertiary care
- Out-of-province care
Theme 4: System coordination and administrative efficiency

Currently, we have a mix of organizations involved in the design, delivery and research of our health care services beginning with the Department of Health and Community Services, the four regional health authorities, the NL Centre for Health Information (NLCHI), the Faculty of Medicine and others. Some services are coordinated at the provincial level while others are managed on a regional or specific service level. Overall, system coordination is lacking. In a small province like ours there appear to be many potential opportunities to enhance service planning, achieve administrative and operational efficiencies and improve measurement of performance. Given the fiscal situation before us, it is timely to consider what additional coordination and efficiency measures would be beneficial.

Government is currently moving towards a Shared Services Agency to combine the financial, human resources, procurement and information technology functions of the four health authorities into a single entity. The new agency will be a support organization for the operation of the facilities and services of the regional health authorities.

While this initiative makes sense in many respects, the new agency would also absorb NLCHI which has the mandate for creating and maintaining the province’s Electronic Health Record (EHR), as well as providing health data and analytics for all stakeholders in the health system. Recently, the NLMA entered into an agreement with Government and NLCHI to establish the Electronic Medical Records (EMR) program for the province. The NLMA is concerned that the merger of NLCHI will dilute the focus on the EMR program at the very time when strong focus and continuity is required. EMRs are primarily established for the benefit of physicians (and their patients) in the community, and there is a fear that the new Shared Services Agency’s priorities will be centred around the needs of the regional health authorities.

We also need to consider opportunities to share and integrate clinical services across the province so that all residents are assured of equal access and quality of services. Greater system coordination will be required to achieve this goal.

Questions:

(i) What services should be coordinated at the provincial level?
(ii) Are there administrative efficiencies to be gained at individual sites or regionally?
(iii) Should the four regional health authorities be merged into a single provincial health authority?
(iv) Should the NL Centre for Health Information be maintained outside the new Shared Services Agency in order to maintain focus on the EHR, EMR and health analytics for all stakeholders?
**Theme 5: Utilization of technology**

Efficiency and effectiveness in the health system can be attained through the greater use of information, communications and medical technologies. The province is ten years behind in the adoption of EMRs at the physician practice level. The use of telehealth is expanding, but could be utilized much more than at present. Physicians need to be encouraged to use telephone, email and video-conferencing from their own offices, but are currently limited under the MCP billing system. E-prescribing, e-consults, e-referrals and other applications are available and need to be deployed as widely as possible. Remote patient monitoring can become a standard tool for connecting patients with their health care team.

New medical technologies are emerging that we should consider for adoption in our system, but the decision-making processes around them are often subjective, which could lead to costly and inappropriate investments as well as missed opportunities. While the opportunities abound in the area of technology, as a province we do not have an effective system-wide strategy to take advantage of them.

**Questions:**

(i) What specific opportunities exist to leverage existing and emerging information, communications and medical technologies to improve system effectiveness, patient experience and lead to lower costs?

(ii) Are there any outmoded technologies that we can divest?

**Theme 6: Change management and improved accountability**

There have been significant changes to our system over the past 20 years and more change is on the horizon. Have we learned from our past approaches, in terms of the decisions made and the way they were made? Through this current renewal initiative, if Government makes courageous and sensible decisions to improve the structure of the health system so it can deliver sustainable, high quality health care at a reduced cost, then how do we ensure that this system can be maintained and improved further in the future? How do we avoid a return to decision-making that generates inefficiency and poor use of resources? What kind of institutional changes would aid ongoing reforms of our health system?

The major investment decisions in health care are made by governments. Good decisions in the future must be based on excellent evidence and informed public debate. An institutional reform that some other governments have used is the establishment of a health quality council as a source of independent evidence for the government, the public and other stakeholders. Another approach found in some sectors of the economy is the use of a regulatory agency that allows or disallows new investments or services based on criteria that protect taxpayers and consumers. There may be other institutional solutions to ensure that gains made today are not eroded in future years.
One of the critical aspects of any reform agenda is providing the appropriate time and resources to support change. There is very little evidence across Canada that we do this well. Yet, most observers recognize that a system undergoing significant change needs support in preparing and sustaining any changes. At the same time, Government needs to consider the impact on the people who use and rely on our health services. They have to be included in any discussion on change management.

If the province wants to avoid the mistakes of the past and take advantage of the opportunities to make meaningful change in our health care system — and make it last, it has to do business differently. This is achievable if all parties work from a common reform agenda and have meaningful input to the decision-making process.

We will need to find new mechanisms to ensure greater accountability — by health care providers both to their patients and those who pay their salaries; by health authorities to their patients, their communities and the government which funds them; by the government to the public who underwrites the cost of the health system through their taxes; and, by residents for their own health status where lifestyle choices have an impact. Government’s role should be to insist that, for each sector of the health system it funds and for which it has overall responsibility, there are meaningful performance goals, measurable outcomes and meaningful public reporting systems in place. Only then can we determine if the changes are successful or if new approaches are required. This will be an ongoing process.

Questions:

(i) Do we need new institutions to preserve the gains made through the renewal initiative?
(ii) What resources and strategies are needed to facilitate the changes under consideration?
(iii) How do we improve accountability at all levels in the health system?
(iv) What is a continuing role for the NLMA in the process around health care reforms, and how can it be maintained?

Conclusion

The task before Government is daunting, to say the least. As members of the NLMA, we have an opportunity to influence the direction Government takes by engaging in the process. There are no guarantees that our ideas will be accepted — that’s just the way our democracy works. In putting forth our ideas, we intend them to be evidence-based, free from parochialism and based on a province-wide perspective. While our traditional advocacy is for the patient in front of us, this time we need to advocate on behalf of our patients collectively. This may lead us to different policy advice, but that’s OK. It is socially accountable and consistent with our commitment to professionalism. As citizens of this province, we also have a personal stake in the outcome.

We look forward to the discussion and your ideas.