Federal Healthcare Partnership

2010–2013 Business Plan

Federal Healthcare Partnership Secretariat

66, Slater Street
Suite 600
Ottawa ON K1A 0P4

Cat. No. V32-93/2010E-PDF
ISBN 978-1-100-13478-9

Message from the Chair of the Executive Committee

I am pleased to present to Treasury Board of Canada Secretariat the Federal Healthcare Partnership (FHP) Business Plan for 2010-2013. The FHP Executive Committee is proud of the FHP accomplishments and looks forward to continued progress.

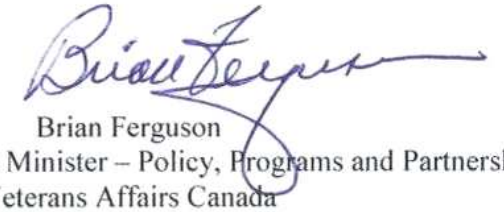
With over 15 years of existence, the FHP has become a leader in horizontal coordination and negotiations in health products and services aimed at economies of scale.

The FHP is a learning organization and as such, is continually looking at ways to improve and ensure value-added contributions. One of the ways we do that is to survey our partner organizations. One such assessment was conducted in 2008 and found that:

> *"In summary the stated objectives of the FHP are relevant, the Secretariat, with its member organizations, is successful in meeting its objectives, the governance structure is appropriate for the current work of the Partnership, and the FHP is viewed as providing a considerable value-added contribution to its members, Federal healthcare clients and to Canadian taxpayers.*
>
> *The FHP is a fine example of horizontal management in the Federal sector, and may serve as a useful model for other departments and agencies which share a common purpose."* [1]

I am grateful to the Partners for their invaluable collaboration in FHP activities. Through their involvement and their contributions the Government of Canada has benefitted from over $156 million in reported net savings since 1998.

I also want to thank the FHP Secretariat staff for their dedication, professionalism and sustained hard work in facilitating the advancement of FHP areas of involvement.



Brian Ferguson
Senior Assistant Deputy Minister – Policy, Programs and Partnerships
Veterans Affairs Canada

1 « A Strategic Assessment of the Federal Healthcare Partnership », (Robert Mercer, ADM, 2008)

EXECUTIVE SUMMARY

The Federal Healthcare Partnership (FHP or Partnership) includes seven member organizations. Collectively, they carry out cost-saving strategies in keeping with the Government of Canada's priorities and the Treasury Board of Canada's focus on strategic planning, interoperability and cross-jurisdictional integration. The seven Partners that comprise the FHP expend over $2.7 billion (FHP, 2009) annually on healthcare products and services for more than one million clients[2]. The FHP is a major element of Canada's healthcare system and provides value to the Canadian taxpayer. Since 1998, the FHP has reported net savings of more than $156 million.

Major federal sector challenges identified for this planning cycle include escalating healthcare costs, health human resources shortages, pressures to adapt to new technologies and changing populations. To address these critical issues, this 2010-13 Business Plan includes a strategy for success which promotes strategic collaboration and coordination on initiatives designed to meet the main goals of the FHP: ***to achieve cost savings and economies of scale while enhancing healthcare programs*** and ***to identify and address healthcare issues of common concern***.

Expected results are both quantitative and qualitative. They are delivered through a series of planned and measurable activities in areas of involvement that include audiology, dental care, health human resources, health information management, home and continuing care, mental health, pharmacy and vision care. Projected net savings for 2010/2011 to 2012/2013 are expected to reach $22.8 million. Furthermore, the work in the areas of Electronic Health Records and Health Human Resources is likely to generate additional savings.

Finally, to ensure the continuing relevance of the Partnership, the FHP Secretariat strives to be responsive to emerging health priorities and changing demands of the Partnership. Partners are increasingly looking to the FHP Secretariat to provide expertise in areas such as information technology, pharmacy, negotiation and analytical capacity. Special skill sets and technical expertise are therefore critical components in meeting the challenges ahead.

2 Unlike the other Partners (see **Table 1** on page 3), Public Health Agency of Canada's (PHAC) programs are not typically directed exclusively at specific groups of Canadians. Their clientele includes all residents of Canada. PHAC's client and expenditure numbers, therefore, are not comparable to those of the other Partners and accordingly, are not included in the $2.7 billion figure.

Table of Contents

LIST OF TABLES AND FIGURES

1 INTRODUCTION

1.1 *Who we are*

1.1.1 The Federal Healthcare Partnership

The Federal Healthcare Partnership (FHP or Partnership) is a voluntary alliance of seven federal government organizations, each with responsibilities for ensuring delivery of healthcare programs to benefit eligible clients or Canadians in general (see **Table 1**). The Partners' healthcare programs variously involve provision of care, benefits, services, goods, information and surveillance. While there are differences in the programs, FHP organizations agree that there are opportunities to exchange information, realize economies of scale and share best practices.

1.1.2 Charter

The Charter is FHP's defining document and is intended to guide the collaborative work of the Partners. The following section includes information taken from the Charter.

1.1.2.1 FHP Mandate

Authority

The FHP was established in 1994 following a request from the Secretary of the Treasury Board for Veterans Affairs Canada (VAC) to work with other federal government organizations to examine opportunities to achieve efficiencies in the delivery of federal healthcare programs.

The collaborative work of the Partnership currently continues according to the collective will and direction of the Assistant Deputy Heads of Partner organizations, who together make up the FHP Executive Committee.

Mission

The Mission of the FHP is to enable Partners to achieve more efficient, effective healthcare programs through collaboration and coordination.

Goals

The FHP has two main goals:

1) To achieve cost savings and economies of scale while enhancing healthcare programs

Through the FHP, Partners strive to enhance the quality of their healthcare programs, while achieving cost-savings and economies of scale that would not otherwise be available to individual organizations acting alone.

2) To identify and address healthcare issues of common concern

The FHP offers a forum within which Partners may identify and address federal and pan-Canadian healthcare issues of common concern. This forum allows Partners to gain a greater appreciation of the healthcare issues and challenges facing the federal sector, harmonize plans, share lessons and capabilities, and collaborate on the development of strategic approaches.

1.1.2.2 Governance

The FHP's governance structure includes an Executive Committee with Assistant Deputy Minister (ADM)-level representation from the Partner organizations and a Management Committee with Director General-level representation. A Secretariat manages the daily business, administrative and operational activities on behalf of the Partnership.

The FHP Secretariat, under the stewardship of VAC, is headed by an Executive Director, who reports to VAC's Senior Assistant Deputy Minister of Policy, Programs and Partnerships.

1.1.3 Stakeholders

1.1.3.1 Key Stakeholders and Beneficiaries

FHP's key stakeholders are the seven permanent member organizations of the Partnership. Given their responsibilities for ensuring delivery of healthcare programs to benefit eligible clients and Canadians, the Partners are a significant presence in Canada's health system. In 2008/2009, the Partners served more than one million federal clients (beneficiaries) under the terms of their respective healthcare programs (see **Table 1**).

1.1.3.2 Other Federal Government Organizations

Several federal government organizations not listed in **Table 1**, including Human Resources Skills Development Canada (HRSDC), Indian and Northern Affairs Canada (INAC), Privy Council Office (PCO), Public Works and Government Services Canada (PWGSC), Transport Canada (TC) and Treasury Board of Canada Secretariat (TBS), participate on an *ad hoc* basis in FHP activities or on files of specific interest to them.

1.1.3.3 External Stakeholders

External stakeholders include professional and manufacturing associations. FHP Partners negotiate with external stakeholders to contain or limit costs associated with healthcare goods and services provided to clients of federal healthcare programs by third party professionals. Provincial associations of pharmacists and optometrists and the Canadian Audiology Equipment Association (CAEA) are examples of external stakeholders.

1.2 *About This Plan*

The purpose of this plan is to communicate the key priorities, business activities and strategies of the FHP, for the period April 1, 2010 through March 31, 2013.

This three-year *Business Plan* is the principal business document of the FHP. Other related documents and information are available via the FHP web site at: www.fhp-pfss.gc.ca.

Table 1: FHP Partners and their Healthcare Programs (2008/2009)

FHP Partner (Key Stakeholders)	# Eligible Clients	Total Health Expenditure ($ million)	Program Description and Beneficiaries
Citizenship and Immigration Canada (CIC)	117 873	66	CIC's Interim Federal Health Program provides temporary healthcare services for refugees, refugee claimants, and those detained under the *Immigration and Refugee Protection Act* who are not eligible for provincial health insurance and have no means to obtain health services.
Correctional Service of Canada (CSC)	22 000[3]	183	CSC is responsible for providing federal inmates with essential health care, including non-essential mental health care that will contribute to the inmate's rehabilitation and successful reintegration into the community in accordance with professionally accepted standards.[4] CSC also provides limited health services in the community for eligible offenders.
Department of National Defence (DND)	86 000	585.6	The Canadian Forces Health Services is the designated healthcare provider for Canada's military personnel, delivering medical and dental services at military installations across Canada and overseas.
Health Canada (HC)	799 200	934.6	HC's involvement in FHP is principally through the First Nations and Inuit Health Branch's Non-Insured Health Benefits (NIHB) Program. The NIHB Program provides a limited range of medically necessary supplemental health benefits to eligible First Nations and Inuit clients when no other provincial, territorial or private coverage is available. Benefits include prescription drugs, dental care, vision care, medical supplies and equipment, short-term crisis intervention mental health counselling and medical transportation to medical appointments. In addition, other Health Canada Branches/Programs are involved in FHP's work related to health human resources and other strategic health priorities.
Public Health Agency of Canada (PHAC)	All residents of Canada[5]	-	PHAC is the federal government's main agency responsible for public health in Canada. Its primary goal is to strengthen Canada's capacity to protect and improve the health of Canadians and to help reduce pressures on the healthcare system. To do this, PHAC is working to build an effective public health system that enables Canadians to achieve better health and well-being in their daily lives by promoting good health, helping prevent and control chronic diseases and injury, and protecting Canadians from infectious diseases and other threats to their health. PHAC is also committed to reducing health disparities between the most advantaged and disadvantaged Canadians.
Royal Canadian Mounted Police (RCMP)	18 568 (active) 5 108 (retired & civilian)	59.4 5.16	RCMP is responsible for ensuring the provision of healthcare benefits for regular members, eligible civilian members (i.e., civilian members injured during the course of their duties), and eligible retired members (i.e., retired members in receipt of a disability pension where the disability is work-related).
Veterans Affairs Canada (VAC)	131 796	900.3	VAC provides healthcare benefits to eligible Veterans and other clients. VAC aims to optimize client wellbeing through programs and services that support care, treatment, independence and re-establishment. These include: • Treatment Benefits Program – includes medical, surgical and dental exams, treatment, surgical and prosthetic devices and aids, prescription drugs and medical travel; • Long Term Care Program – provides eligible Veterans with access to quality long term care services; • New Veterans Charter – provides a suite of programs and services to support the successful re-integration of modern military Veterans and their families into civilian life; and • Veterans Independence Program – supports eligible clients to remain in their homes and provides intermediate care in community facilities.
Totals	**1 180 545**	**2 734**	

(Sources: FHP Annual Report 2008-2009 and FHP Charter (2010))

3 On any given day, CSC is responsible for approximately 13,500 federally incarcerated offenders and 9,000 offenders in the community. However, during a fiscal year, including all admissions and releases, CSC manages approximately 20,000 incarcerated offenders and 17,000 supervised offenders in the community.

4 *Corrections and Conditional Release Act* (1992, c. 20), s.86

5 Unlike the other Partners, PHAC's programs are not typically directed exclusively at circumscribed groups of Canadians; rather, PHAC's client base generally is all residents of Canada.

2 MEETING THE CHALLENGES

Pressure to manage healthcare spending

The FHP Executive Committee, during the consultation process for this business planning exercise, identified continually increasing healthcare spending as one of their major concerns.

Healthcare spending in Canada in 2009 was approx $183.1 billion, an increase of $9.5 billion, or 5.5%, since 2008, according to a Canadian Institute for Health Information (CIHI) report. This represents an increase of $241 per Canadian, bringing total health expenditure per capita to an estimated $5,452 for last year.

"The combination of a slowdown in the economy and a continued increase in healthcare spending resulted in a jump in the proportion of healthcare expenditure from 10.8% of Canada's gross domestic product (GDP) in 2008 to an estimated 11.9% in 2009" (CIHI, 2009).

According to CIHI's report, in 2009, spending on drugs (including both prescribed and non-prescribed medications) is expected to make up the second-largest proportion of health dollars, accounting for an estimated 16.4% ($30.0 billion) of the total. This share nearly doubled over the past 30 years and has remained stable since 2007 (16.5% in 2007 and estimated 16.4% in 2008). Management of these escalating costs poses a challenge to all Partners.

Pressure to adapt to new technologies

First Ministers' agreements on healthcare dating back to 2000, numerous federal government reports and successive federal budgets have identified the need for Canada to have a pan-Canadian electronic health record (EHR) system. The 2010 Speech from the Throne recently confirmed previous commitments and announced the launch of "a Digital Economy Strategy to drive the adoption of new technology across the economy" (Governor General, 2010).

FHP organizations provide healthcare benefits and services and use provincial and territorial health services. Therefore, they need to both provide information to, and obtain information from, the pan-Canadian EHR so that complete health information is available to authorized care providers when and where required to improve quality, access and productivity in healthcare service. In some cases, they need to share information with other Partners (e.g., DND - VAC).

While the capabilities required from an electronic health system or health information management system vary with each Partner (some require a full EHR such as the CF, while PHAC is more interested in electronic health surveillance systems that can track disease outbreaks or potential pandemics) all Partners acknowledge the need for health information systems that can be interoperable with each other, and with provinces and territories. The challenge is to find ways to ensure the highest degree of collaboration between Partners and to identify a source of funding.

Health human resources shortages

Vacancy rates in Health Services classifications (SH) across federal organizations (ranging from 27% for nurses and up to 90% for physicians[6]) have a significant impact on the ability of FHP Partner organizations to deliver programs. Furthermore, mitigating strategies, including third party contracts, are resulting in significant financial burden for implicated departments. As the federal government enters a new period of fiscal restraint, the need to address barriers to recruitment and retention of licensed healthcare providers and convert third party contracts into indeterminate positions becomes more pressing. In addition, working collaboratively as a community of organizations on horizontal and collective activities, as demonstrated by other functional communities, will result in economies of scale and significant savings.

6 These percentages were derived from the September 2008 Position and Classification Information System (PCIS) data report provided by Treasury Board of Canada Secretariat.

Pressure to work horizontally

In 1994, as a result of the Shared Management agenda, the partnership was created to maximize economies of scale through collaborative efforts. The results of these efforts, which are significant savings for Partners, continue to be demonstrated in FHP Annual Reports.

As health expenditures continue to rise, Partners seek to pursue work collaboratively in areas in which cost savings and value for money can be obtained and best practices shared.

In recent years, Partners have identified two significant areas of collaboration where potential economies of scale could be realized: **electronic health record** and **health human resources**.

The continuing challenge for Partners is to seek better and innovative ways to manage increasing healthcare spending, improve their healthcare programs efficiencies, learn best practices and meet client healthcare needs.

3 FHP Strategy for Success

3.1 *Strategic Outcome*

Through its strategic outcome: "***Strategic collaboration and coordination contribute to efficient, effective federal healthcare programs"***, FHP contributes to the Government of Canada's performance objective: "Healthy Canadians" and to the Management Accountability Framework Area of Management 4 defined as "*Leadership of and contribution to government priority horizontal initiatives"*.

3.2 *Expected Results*

The Partnership was originally established out of growing concerns for healthcare cost containment. The initial purpose remains valid today and our mission continues to be to enhance the quality of healthcare services for clients and persons serviced under the terms of the Partners' healthcare programs. Of note is that all Partners do not deliver healthcare services directly. For instance, PHAC's mandate is to protect and improve the health of all Canadians and to help reduce pressures on the healthcare system.

However, Partners share two common goals: to achieve cost savings and economies of scale while enhancing healthcare programs and to identify and address healthcare issues of common concern. These expected results will guide the activities of the FHP and the Secretariat that supports it over the coming three-year business period (2010/2011 to 2012/2013).

1) To Achieve Cost Savings and Economies of Scale while Enhancing Healthcare Programs

Since 1995, Treasury Board Secretariat of Canada (TBS) requires the FHP to submit annual reports against FHP's three-year business plans. In return, TBS authorizes the release of Other Health Purchases Services (OHPS) funds to support the FHP Secretariat.

The quantitative benefits presented in **Table 2** were projected based on potential "savings"[7] resulting from specific activities identified by Partners in the cost estimating process. These benefits are calculated through an analysis of the impact by comparison of pricing grids and consideration of changing trends. The FHP is further able to calculate savings based on experience gained during past business planning periods.

7 "Savings" in this document refers to "soft dollar savings", including expenditure avoidance, reductions in expenditures or costs and economies of scale.

The following assumptions formed the basis for the estimated savings associated with FHP activities expected to take place between 2010 and 2013:

- Activities for each area of involvement formed the basis for estimates;
- Standing Offer Agreements/Master Standing Offer Agreements are in place for identified activities;
- Savings will vary according to the date of implementation of each completed activity; and
- Projected program savings may also be derived from activities that are currently under way in some departments; however, it is reasonable to assume the referenced projected savings are partially attributable to the Partner's collaborative efforts to optimize identified opportunities. As HC has, and continues to be, very aggressive in the promotion of generic drug use, their savings were not included as they cannot be fully attributed to the collaborative work of the Partnership.

Table 2: Projected Savings

Activities	2010/2011 ($)	2011/2012 ($)	2012/2013 ($)	Total ($)
Audiology	4,017,876	4,098,233	4,180,198	12,296,307
Health Information Management	1,600,000	1,600,000	1,600,000	4,800,000
Pharmacy	4,387,714	5,282,431	5,015,340	14,685,485
Vision Care	373,439	380,908	388,526	1,142,874
Estimated Savings (Gross)	10,379,030	11,361,572	11,184,064	32,924,666

While most outcomes can be measured, there are significant benefits to working collaboratively, which are not captured in **Table 2**. For instance, in 2009, the Office of Health Human Resources (OHHR) has attended job fairs on behalf of Partners to promote recruiting in the federal sector. In addition, the OHHR has facilitated a public service collective staffing process for nursing positions and is working on classification for nurse practitioners. This work will benefit all Partners and result in savings in the short and long term. These savings will be captured in future plans, once a calculation methodology is approved.

Other examples of Partners' collaboration benefits include effective cost avoidance as a result of the work of the Federal Pharmacy and Therapeutic Committee; CSC's savings achieved through their use of Health Canada's distribution centre for bulk purchasing; and horizontal collaboration as demonstrated by RCMP, VAC and DND using the same claim processing system.

The Business Case (IBM, 2009) prepared by the FHP for participation in the pan-Canadian Electronic Health Record (EHR) completed in 2009, has also described potential savings of $22M per year over an eight year period. This represents $180 million in cost avoidance that could be realized through collaboration during the implementation stage. Furthermore, once implemented, member organizations could experience a 5-10% annual savings resulting in a savings of $130 million to $260 million annually. The specific areas of potential savings include the accessibility, quality and productivity improvement to FHP health programs from the adoption of the components of the interoperable EHR. These savings are not included in the projected savings on **Table 2** because the business case remains to be approved at the Deputy Head level.

The FHP return on investment value has been positive since its beginning and returns have been favourable. The FHP Secretariat is a leader in horizontal collaboration initiatives and steadily continues to provide investment value for Canadian taxpayers. Net savings since 1998 have been estimated at over $156 million. "In 2008/09, the collaborative activities of the Partners resulted in net savings of approximately $7.84 million being realized on behalf of the Crown" (FHP, 2009).

2) To Identify and Address Healthcare Issues of Common Concern

In addition to the quantitative benefits, and of equal importance, are the qualitative benefits of FHP participation, including:

- Increased capacity-, information- and knowledge-sharing related to delivery of healthcare programs;
- Greater harmonization in the delivery of healthcare programs across Partners;
- Enhanced awareness of emergent health policy issues;

- Enhanced decision-making;
- Greater bargaining power in joint negotiations;
- Increased ability to shape healthcare policy and program delivery in Canada;
- Greater collaboration and coordination and less duplication of effort on healthcare issues of common interest or concern; and
- Greater understanding of each others' healthcare programs and the issues and challenges faced within each.

3.3 *Monitoring*

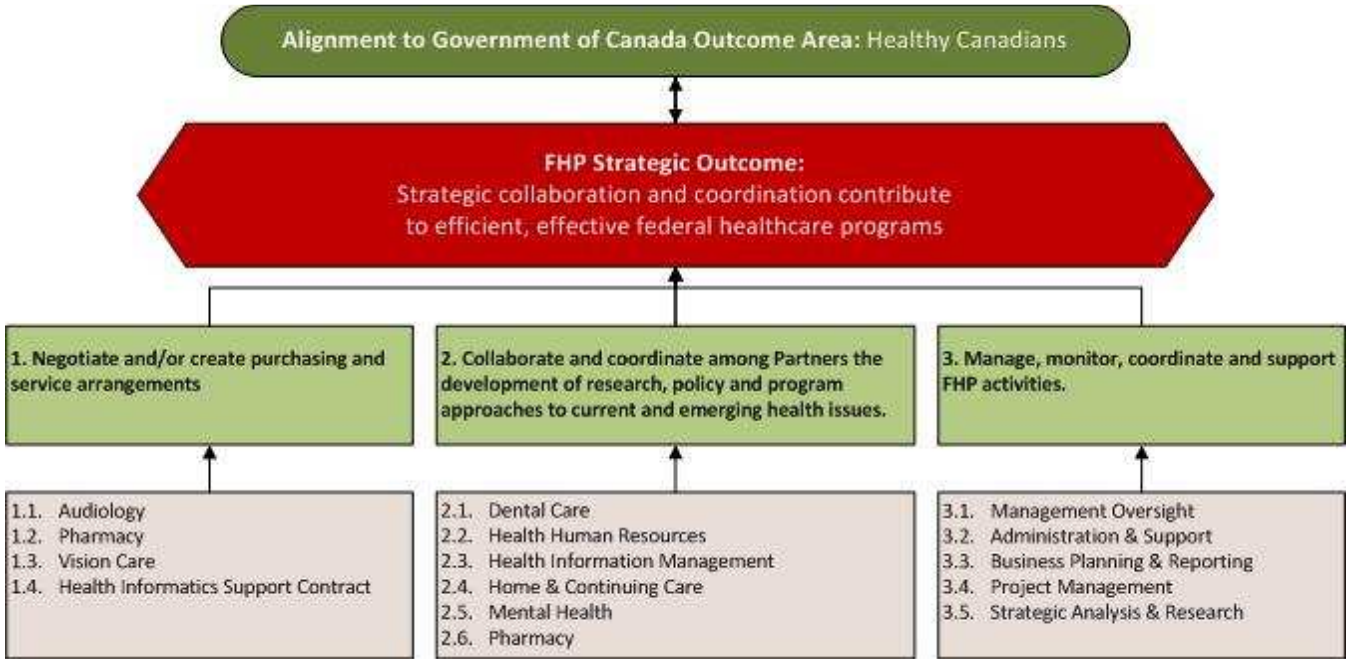
The progress of the FHP 2010-2013 Business Plan will be monitored in accordance with the FHP Performance Measurement Framework (PMF), which will be developed to facilitate setting performance targets, and monitoring, measuring and reporting on performance. This information will be presented in FHP Annual Reports.

3.4 *FHP Activity Framework*

The FHP Activity Framework presented in **Figure 1** has been designed to easily reference all regular activities conducted within the Partnership. The Activity Framework links FHP activities and areas of involvement, through FHP's Strategic Outcome, to Government of Canada Strategic Outcomes, creating a natural fit for the FHP PMF to be developed.

Involvement in FHP activities constitutes an opportunity for Partner organizations to contribute to Government's Management Accountability Framework requirements via the Partnership.

Figure 1: FHP Activity Framework



4 FHP Plans and Actions

4.1 *Identified Priorities*

FHP priorities identified by the Executive Committee for the planning period are as follows:

1. To achieve cost savings and economies of scale while enhancing healthcare programs;
2. Pursue work on Health Information Management initiatives such as Electronic Health Record; and
3. Collaborate on Health Human Resources solutions for the future of federal healthcare programs and services.

4.2 *Key Areas of Involvement and Actions*

The Partners will continue to collaborate in the following areas of involvement:

- Audiology
- Dental Care
- Health Human Resources
- Health Information Management
- Home and Continuing Care
- Mental Health
- Pharmacy
- Vision Care

As part of several of the above areas of involvement, FHP participates in federal/provincial/territorial working groups and committees in areas of interest to Partners' healthcare programs. In many instances, representation is achieved through the participation of FHP Secretariat staff, who in turn communicate relevant information to Partners. Federal/provincial/territorial participation provides the Partners with opportunities to improve their access to, and optimize their use of, expert resources and occasions to ensure that the federal jurisdiction, as a provider of healthcare benefits, goods and services, has a voice in the development of pan-Canadian healthcare policies and standards.

In addition to the above, the FHP will continue to involve itself in activities that provide support, oversight and management of partnership activities, such as:

- Management Oversight
- Administrative and Support
- Business Planning and Reporting
- Project Management
- Strategic Analysis and Research

The following section offers an overview of FHP's planned activities for the Business Plan period by areas of involvement. It provides the objectives of each activity, the associated forecasted activities and timeline and identifies involved partner organizations. It also demonstrates how each activity contributes to the strategic outcomes outlined in **Figure 1** titled FHP Activity Framework.

4.2.1 AUDIOLOGY

OBJECTIVES

The primary purposes of FHP's work in the audiology area are:

1) To develop opportunities for saving program dollars by leveraging the combined purchasing power of the Partners into a volume discount for the purchase of hearing products and services; and
2) To facilitate discussion and information-sharing on policy matters.

LINK TO FHP ACTIVITY FRAMEWORK

(1) Negotiate and/or create purchasing and service arrangements

(1.1) Audiology

ACTIVITIES

o Negotiate new MOU with the Canadian Audiology Equipment Association;	**2010/2011**
o Cost savings/avoidance methodology (including services and products); and	**2011/2012**
o Service fee grid review.	**2012/2013**

PARTNERS

DND, HC, RCMP and VAC

4.2.2 DENTAL CARE

The work of the FHP in the dental care area described below includes two working groups: the Federal Dental Care Advisory Committee (FDCAC) and the Dental Programs Committee (DPC). FHP Partners participate in the FDCAC as observers. The creation of the DPC was to provide an opportunity to discuss challenges and strategies to meet the specific needs of the partner organizations' dental program administration. DPC's objective is to optimize dental care for federal client populations within the constraints of departmental budgets.

LINK TO FHP ACTIVITY FRAMEWORK

(2) Collaborate and coordinate among Partners the development of research, policy and program approaches to current and emerging health issues

(2.1) Dental Care

4.2.2.1 Federal Dental Care Advisory Committee

OBJECTIVES

The FDCAC is an advisory body of dental health professionals who bring impartial and practical advice to Health Canada's Chief Dental Officer and FHP partner organizations. The approach is evidence-based and provides clients of federal dental programs with assurance that their dental health needs are being considered in a fair manner. This advice serves to facilitate decision-making within existing resource allocations and to foster communications with the practising dental health professionals.

ACTIVITIES

o FHP Secretariat participates in the FDCAC as an observer for the purpose of relaying potentially beneficial information to the Partners – information that could be used to initiate future joint activities.	**2010/2011 to 2010/2013**

PARTNERS (participate as observers)

CSC, DND, HC, RCMP and VAC

OTHER INVOLVED PARTIES

Assembly of First Nations, Association of Iroquois and Allied Indians, Inuit Tapiriit Kanatami and TBS

4.2.2.2 Dental Programs Committee

OBJECTIVES

The strategic objectives for establishing the DPC are to:

1) Help maximize benefits for Partner organizations through information-sharing concerning dental benefits;
2) Align policies, guidelines and criteria in the review of certain eligible dental services, where possible;
3) Improve dental program policies to ensure better oral health outcomes for clients;
4) Help minimize duplication of effort among FHP organizations; and
5) Optimize dental care for federal client populations within the constraints of departmental budgets.

ACTIVITIES

o Explore options to establish strategies for engaging dental professionals to service the client communities;	**2010/2011 to 2012/2013**
o Provide an information-sharing forum to departmental program managers; and	**2010/2011 to 2012/2013**
o Explore possible opportunities for program cost controls.	**2010/2011 to 2012/2013**

PARTNERS

CSC, DND, HC, RCMP and VAC

4.2.3 HEALTH HUMAN RESOURCES

The Office of Health Human Resources (OHHR) has been established to assist FHP Partners in addressing their respective and the community's challenges in recruiting and retaining licensed healthcare professionals. For example, Partner organizations have been experiencing vacancy rates of 27% for nurses, 60% for psychologists and 90% for physicians[8]. This functional community office has three primary objectives:

LINK TO FHP ACTIVITY FRAMEWORK

(2) Collaborate and coordinate among Partners the development of research, policy and program approaches to current and emerging health issues

(2.2) Health Human Resources

1) To initiate and coordinate collective recruitment and retention activities;
2) To provide leadership and assistance to FHP Partner organizations when addressing common issues and challenges in the area of HHR;
3) To serve as functional community hub where federal healthcare professionals can come together to:
   a. Network, share best practices and experiences; and
   b. Strengthen their community through training and collaboration.

4.2.3.1 FHP Health Human Resources Committee

OBJECTIVES

The OHHR receives direction from the FHP Health Human Resources Committee (HHRC). The scope of this committee is limited to HHR issues which affect the Partners and other implicated organizations. The HHRC serves as a forum to:

1) Facilitate inter-organization dialogue and information-sharing concerning management of the federal HHR to ensure delivery of health services to populations under federal jurisdiction;
2) Challenge their own thinking on issues related to management of HHR within the federal government and;
3) Formulate recommendations to the FHP Executive Committee concerning management of the HHR delivering health services to populations under federal jurisdiction.

ACTIVITIES

o Convene HHRC meetings on an as required basis; and	**2010/2011 to 2012/2013**
o Draft and disseminate quarterly reports highlighting the work that the OHHR has undertaken and the links to PS Renewal.	**2010/2011 to 2012/2013**

PARTNERS

CSC, DND, HC, PHAC, RCMP and VAC

OBSERVERS

HRSDC, Public Service Commission (PSC), TBS and TC

8 These percentages were derived from the September 2008 Position and Classification Information System (PCIS) data report provided by Treasury Board of Canada Secretariat.

4.2.3.2 Classification Working Group

OBJECTIVES

The Classification Working Group (CWG) is an *ad hoc* body developed by the authority of the HHRC in accordance with the *FHP Charter* (FHP, 2010). The objectives of this group are to:

1) Investigate issues related to the classification of Nurse Practitioner, Physician Assistant and Medical Officer/ Medical Specialist positions; and
2) Make recommendations to the HHRC and implement decisions made.

ACTIVITIES

o Convene CWG meetings on an as required basis;	**2010/2011 to 2012/2013**
o Undertake a Nursing Comparison Analysis for the purposes of preparing a Treasury Board Submission on Nursing Classification Reform; and	**2010/2011 & 2011/2012**
o Conduct analysis of the work carried out by medical officers (MOF) and medical specialists (MSP). Review recent classification reform in other occupational groups, e.g., lawyers. Develop work plan for MOF/MSP Reform.	**2011/2012 & 2012/2013**

PARTNERS

CSC, DND, HC, PHAC, RCMP and VAC

OBSERVERS

HRSDC, PSC, TBS and TC

4.2.3.3 Recruitment Working Group

OBJECTIVES

The Recruitment Working Group (RWG) is an *ad hoc* body developed by the authority of the HHRC in accordance with the *FHP Charter* (FHP, 2010). The purpose of the RWG is to investigate common issues related to the recruitment of healthcare professionals, make recommendations to the FHP-HHRC, and implement decisions made by HHRC, i.e., collaborate in collective recruitment activities.

ACTIVITIES

o Prepare a report detailing strategies to address barriers to the recruitment of nurse practitioners, physician assistants and extended scope of practice nurses;	**2010/2011 & 2011/2012**
o Participate in 4-5 career fairs per year based on FHP priorities, marketing the career opportunities within the federal government for licensed health professionals;	**2010/2011 to 2012/2013**
o Conduct workforce analyses of public servants employed in SH occupations;	**2010/2011**
o Commission Labour Market studies comparing the compensation of the federal public servants to those employed by provinces and territories and/or private practitioners;	**2010/2011**
o Undertake 1-2 collective staffing activities per year;	**2010/2011 to 2012/2013**
o Coordinate career development programs that meet both the licensing requirements of the healthcare professional and supports career advancement;	**2011/2012**
o Convene RWG meetings on an as required basis; and	**2010/2011 to 2012/2013**
o Facilitate the establishment of community of practices for each SH occupational group.	**2010/2011 to 2012/2013**

PARTNERS

CSC, DND, HC, PHAC, RCMP and VAC

OBSERVERS

HRSDC, PSC, TBS and TC

4.2.3.4 Federal/Provincial/Territorial Representation

The Secretariat will continue to participate in the following pan-Canadian HHR activities to ensure that Partners' requirements are taken into consideration:

a) Advisory Committee on Health Delivery and Human Resources (ACHDHR) – Health Human Resources Partnership and Planning Sub-Committee

The mandate of this sub-committee is to provide the ACHDHR with strategic, evidence-based HHR advice and policy and planning support; including timely information about emerging HHR issues and work and priorities of key stakeholders.

b) ACHDHR – Public Health Human Resources Task Force

The task force works to advance the implementation of the Public HHR Planning Framework, entitled "Building the Public Health Workforce for the 21st Century; A Pan-Canadian Framework for Public Health Human Resources Planning" and to make recommendations to the Pan-Canadian Public Health Network Council with regards to Public HHR in the context of the Canadian Health System.

c) Collaborating Centre for Prison Medicine (CCPM) – Medical Education Working Committee

The working committee advises on design, implementation and evaluation of prison medical education electives for University of British Columbia undergraduate and postgraduate medical learners; problem solves ways around potential barriers to their successful implementation; and advises on dissemination of knowledge about these electives.

4.2.4 HEALTH INFORMATION MANAGEMENT

The primary purpose of the Partnership's work in Health Information Management (HIM) is to identify an "e-health" strategy for the Partners, with an objective of creating an FHP enterprise architecture plan[9] (EAP) for implementation by 2017. Once implemented, the FHP EAP will enable Partner organizations to be interoperable with the pan-Canadian network of electronic health record (EHR) systems that is being established by the provinces and territories with the support of Canada Health Infoway (Infoway).

LINK TO FHP ACTIVITY FRAMEWORK

(1) Negotiate and/or create purchasing and service arrangements

(1.4) Health Informatics Support Contract

(2) Collaborate and coordinate among Partners the development of research, policy and program approaches to current and emerging health issues

(2.3) Health Information Management

4.2.4.1 FHP-Health Information Management Working Group

OBJECTIVES

Interoperability with the pan-Canadian EHR network is viewed as critical to the Partners' ability to:

1) Keep pace with Canada's changing healthcare environment; and
2) Continue providing timely, quality care for their respective client populations.

ACTIVITIES

o Facilitate the participation of Partners in pan-Canadian EHR through the implementation of the FHP EAP; and	**2010/2011 to 2012/2013**
o Coordinate communities of practice related to privacy health information management and health surveillance.	**2010/2011 to 2012/2013**

PARTNERS

CSC, DND, HC, PHAC, RCMP and VAC

OBSERVERS

Privacy Commissioner (PC), PWGSC, TBS – Chief Information Officer Branch (TBS-CIOB) and TC

4.2.4.2 Health Informatics Services Support Contract

OBJECTIVES

The Health Informatics Services Support Contract enables Partner organizations to procure health informatics services on short notice and at a competitive price, by pooling requirements and realizing economies of scale. It is intended to facilitate interoperability within the pan-Canadian EHR, as defined in the FHP EAP.

ACTIVITIES

o Coordinate joint procurement of professional services	**2010/2011 to 2012/2013**

PARTNERS

CSC, DND, HC, PHAC, RCMP and VAC

OBSERVERS

PC, PWGSC, TBS-CIOB and TC

9 An *enterprise architecture plan* is a detailed description of the relationships between business and management processes, and information technology.

4.2.4.3 Federal/Provincial/Territorial Representation

To ensure that Partners' requirements are taken into consideration, the Secretariat will continue to participate in pan-Canadian health informatics activities such as the ones described below, as well as in numerous specialized working groups convened by Federal/Provincial/Territorial authorities, Canada Health Infoway (Infoway), Canadian Institute for Health Information (CIHI), and others as required.

Canada Health Infoway

Infoway is an independent, not-for-profit corporation established by the Government of Canada. Infoway accelerates the development and adoption of interoperable electronic health information systems through strategic investments in the provinces and territories. Infoway also coordinates the development of pan-Canadian health informatics standards.

The Secretariat will continue to represent the Partners on various Infoway working groups and coordinate their participation in activities, such as:

- **Infoway Standards Collaborative Strategic Committee:**

  The committee sets direction for the development of pan-Canadian health information standards. The FHP Chief Information Officer sits on the committee as Co-Chair.

- **Infoway Standards Collaborative Coordinating Committee**:

  The committee coordinates the activities of approximately ten standards working groups. It makes recommendations concerning health informatics standards, policies and functions performed by the Infoway's Standards Collaborative, which supports and sustains health information standards and fosters collaboration to accelerate the implementation of pan-Canadian standards-based solutions (Canada Health Infoway, 2010).

- **Infoway Chief Information Officers' Forum:**

  This forum meets quarterly. Its purpose is to build stronger relationships and facilitate collaboration between Infoway and all jurisdictions.

4.2.5 HOME AND CONTINUING CARE

OBJECTIVES

The purpose of the FHP Home and Continuing Care Working Group is to facilitate information-sharing and coordination of input to the development of federal policies on the home and continuing care needs of beneficiaries of federal programs.

LINK TO FHP ACTIVITY FRAMEWORK

(2) Collaborate and coordinate among Partners the development of research, policy and program approaches to current and emerging health issues

(2.4) Home & Continuing Care

ACTIVITIES

o Explore opportunities and identify possible impacts of the Continuing Care Research Project[10] findings on Partners and on the other involved parties;	**2010/2011**
o In preparation to the next First Ministers accord on health, explore and share common policy development requirements; and	**2010/2011 to 2012/2013**
o Share knowledge and information, and explore opportunities of common interest to Partners.	**2010/2011 to 2012/2013**

PARTNERS

CSC, DND, HC, PHAC, RCMP and VAC

OTHER INVOLVED PARTIES

HRSDC and INAC

10 The Continuing Care Research Project, a collaborative undertaking of VAC and the Government of Ontario, demonstrated the potential cost effectiveness and importance of providing home care services and identified the major role that informal caregivers, home support workers, and other non-professional care providers currently play in the provision of those services. The findings also offered evidence of the benefits of providing home care and home support services over the long term.

4.2.6 MENTAL HEALTH

OBJECTIVES

The purpose of the Mental Health Working Group is to:

1) Provide the Partners with a forum for interorganizational dialogue and information-sharing concerning mental health services, programs and policies; and
2) Identify opportunities for collaboration in the area of mental health.

LINK TO FHP ACTIVITY FRAMEWORK

(2) Collaborate and coordinate among Partners the development of research, policy and program approaches to current and emerging health issues

(2.5) Mental Health

ACTIVITIES

o Provide a forum for discussion and information sharing amongst Partners; and	**2010/2011 to 2012/2013**
o Continue to maintain and enhance linkages and discussions with stakeholders such as the Mental Health Commission.	**2010/2011 to 2012/2013**

PARTNERS

CSC, DND, HC, PHAC, RCMP and VAC

4.2.7 PHARMACY

LINK TO FHP ACTIVITY FRAMEWORK

(1) Negotiate and/or create purchasing and service arrangements

(1.2) Pharmacy

(2) Collaborate and coordinate among Partners the development of research, policy and program approaches to current and emerging health issues

(2.6) Pharmacy

Since 1985 drug expenditure has consumed an increasing share of Canada's healthcare dollar. From 1985 to 2006, total healthcare spending grew at an average annual rate of 6.6% compared to 9.4% for total drug expenditure. In 2008, spending on drugs reached $29.8 billion—not including drugs provided in hospitals. This represents 17.4% of total healthcare spending, is nearly two-thirds of what Canada spent on hospital care (including drugs provided in hospitals) and is 50% more than what was spent for physician services. It also represents three times what Canadians spent on drugs ten years ago. If these trends continue, drug costs will surpass hospital expenditures by 2017 (Canadian Institute for Health Information, 2009). Federal drug plans are responding to these trends.

The objective of the Partners' work in the pharmacy area is to provide eligible members and clients with fair, equitable access to cost-effective pharmacy services that will contribute to optimal health outcomes. Although the Partners' drug benefit programs vary according to their unique mandates and population demographics, collaboration on strategies, policies and agreements helps to contain costs and reduce administrative effort. This collaboration is accomplished through participation in federal committees and involvement in Federal/Provincial/Territorial pharmacy initiatives.

4.2.7.1 Pharmacy (Joint Negotiations)

OBJECTIVES

The objective of pharmacy joint negotiations is to establish a single "best" rate for pharmacy services provided to eligible members and clients of federal drug benefit programs. Joint negotiations promote harmonization of pricing structures across federal programs and in some cases, have also led to harmonization of departmental policies related to the provision of drug benefits.

ACTIVITIES

o Negotiate agreements with various provincial pharmacy associations:	
• Prepare negotiations for Quebec and Saskatchewan;	**2010/2011 & 2012/2013**
• Explore possible negotiations for British Columbia;	**2010/2011**
• Explore possible negotiations for New Brunswick, Newfoundland, Prince Edward Island and Nova Scotia; and	**2011/2012**
• Explore possible negotiations for Alberta.	**2012/2013**
o Review gap analysis on a regular basis to ensure continued relevance;	**2010/2011 to 2012/2013**
o Review negotiations Standard Operating Procedures incorporating lessons learned.	**2010/2011 to 2012/2013**

PARTNERS

DND, HC, RCMP and VAC

4.2.7.2 Federal Pharmacy and Therapeutics Committee

OBJECTIVES

The Federal Pharmacy and Therapeutics Committee (FP&T) is an advisory body of health professionals, which was established by Health Canada to provide recommendations to the Partners concerning drug benefits and specific drug therapy issues and to provide for more consistency in formulary listing decisions across federal drug benefit programs.

ACTIVITIES

o Participating Partners submit items to the agenda and make listing decisions or policy changes based on recommendations received from the committee.	**2010/2011 to 2012/2013**

PARTNERS

CSC, DND, HC-NIHB, RCMP and VAC

4.2.7.3 Federal Drug Benefits Committee

OBJECTIVES

The purpose of the Federal Drug Benefits Committee (FDBC) is to examine on-going issues related to dispensing costs, pharmacy practice, and drug costs.

ACTIVITIES

o Recommend federal policies regarding self-monitoring of blood glucose;	**2010/2011 to 2012/2013**
o Examine feasibility of reducing drug costs by direct negotiation with manufacturers and wholesalers;	**2010/2011 to 2012/2013**
o Review policies related to new prescribers and make recommendations;	**2010/2011 to 2012/2013**
o Review and make recommendations on alternative dispensing systems;	**2010/2011 to 2012/2013**
o Continue working with other publicly funded drug plans (provinces) to reduce drug costs; and	**2010/2011 to 2012/2013**
o Respond to other drug plan related issues as situations arise.	**2010/2011 to 2012/2013**

PARTNERS

CSC, DND, HC, RCMP and VAC

4.2.7.4 Joint Committee on Audit

OBJECTIVES

The Joint Committee on Audit was established to provide Partners with a forum for sharing audit plans, significant audit findings, and best practices and lessons learned in pharmacy audits.

ACTIVITIES

o Convene two regular meetings per year;	**2010/2011 to 2012-2013**
o Identify and discuss issues related to pharmacy provider audits and propose solutions; and	**2010/2011 to 2012/2013**
o Identify opportunities to achieve savings and effect cost recoveries while not detracting from the quality or level of benefits or services provided to clients.	**2010/2011 to 2012/2013**

PARTNERS

DND, HC, RCMP and VAC

OTHER INVOLVED PARTIES

TBS

4.2.7.5 Federal/Provincial/Territorial Representation

The Secretariat will continue to participate in the following pan-Canadian pharmacy activities to ensure that Partners' requirements are taken into consideration:

a) Common Drug Review

Most new drugs have little or no incremental therapeutic value compared to older less expensive drugs. Over the past 10 years, the Canadian Patent Medicines Prices Review Board classified only 5% of all new drugs as providing substantial therapeutic improvement or as a breakthrough product. The remaining 95% offered little or no improvement over existing medications (Lexchin, 2006). Through extensive marketing campaigns drug manufacturers create a demand for new drugs by influencing prescribers and patients (University of British Columbia Therapeutics Initiative, 2006). In turn, this puts pressure on drug plans to add the new drugs to formularies. The Common Drug Review (CDR) was established by Federal/Provincial/ Territorial governments to provide an arms-length process to critically evaluate new drugs. The CDR determines whether the evidence supports adding the new drug to publicly funded drug plan formularies.

OBJECTIVES

The CDR, a program of the Canadian Agency for Drugs and Health Technology Assessment (CADTH), provides drug formulary listing recommendations to Canada's publicly-funded drug plans (except Quebec's) based on objective, rigorous reviews of clinical and cost effectiveness data.

ACTIVITIES

o To consider and action approximately 35 recommendations annually.	**2010/2011 to 2012/2013**

PARTNERS

CSC, DND, HC, RCMP and VAC

b) Canadian Optimal Medication Prescribing and Utilization Service

There is a growing body of evidence which suggests that prescribing is sub-optimal. Some drugs are prescribed more frequently than is appropriate. A Canadian component of an international study reported 26% of errors in family practice involved treatments, including medications, and almost 40% were felt by reporting physicians to have harmed patients. Seniors and those given opiates appear to be the groups most vulnerable to inappropriate prescribing (Health Council of Canada, 2007). The Canadian Optimal Medication prescribing and Utilization Service (COMPUS) was established as a pan-Canadian program to address issues of sub-optimal prescribing.

OBJECTIVES

The COMPUS program, also under CADTH, identifies and promotes evidence-based, clinical and cost effectiveness information on optimal drug prescribing and use—information intended as input to decision-making among healthcare providers and consumers.

ACTIVITIES

o Develop and implement policy and coverage based on recommendations regarding insulins and self monitoring of blood glucose (Recommendations released FY 2009/10);	**2010/2011 to 2012/2013**
o Develop and implement policy and coverage based on recommendations regarding oral diabetic agents; and	**2010/2011 to 2012/2013**
o Develop and implement policy and coverage based on further COMPUS recommendations.	**2010/2011 to 2012/2013**

PARTNERS

DND, HC-NIHB, RCMP and VAC

c) Pharmacy Directors Forum

OBJECTIVES

The forum was organized by provincial drug plan managers in 2007/08 and consists of senior representatives from publicly-funded drug plans. The purpose of the forum is to provide participating jurisdictions (federal, provincial and territorial) with opportunities to share information and collaborate on strategic initiatives and policy development related to pharmacy. A major focus of the forum is to facilitate collaboration to increase efficiencies in the provision of pharmaceutical benefits.

ACTIVITIES

o Participate in areas of interest and develop / amend policy as necessary. Current areas of focus – generic drug pricing, frequent dispensing / compliance packaging, narcotic misuse, methadone reimbursement, pharmacist reimbursement, pharmacist prescribing, and natural health products.	**2010/2011 to 2012/2013**

PARTNERS

CSC, DND, HC-NIHB, RCMP and VAC (HC-NIHB – direct representation, FHP Secretariat –represents other departments)

d) Vaccine Supply Working Group

OBJECTIVES

The Vaccine Supply Working Group (VSWG) is a Federal/Provincial/Territorial advisory group, which was formed as part of Canada's National Immunization Strategy. The mandate of the VSWG is to make recommendations concerning mechanisms for accessing a high quality and secure supply of vaccine for residents of Canada at the best international prices.

ACTIVITIES

o Participate in the working group activities and make recommendations concerning mechanisms for accessing a high quality and secure supply of vaccines for residents of Canada at the best international prices.	**2010/2011 to 2012/2013**

PARTNERS

CSC, DND, HC, PHAC and FHP Secretariat

4.2.8 VISION CARE

OBJECTIVES

The purpose of FHP's work in the area of vision care is to:

1) Obtain the best price possible for vision care products and services by leveraging the combined purchasing power of the Partners through common fee strategies; and
2) Coordinate the implementation of common fee strategies.

LINK TO FHP ACTIVITY FRAMEWORK

(1) Negotiate and/or create purchasing and service arrangements

(1.3) Vision Care

ACTIVITIES

o Review Memorandum of Understanding with Atlantic Vision Associations; and	**2010/2011**
o Explore opportunities for agreements and/or common fee strategies in other provinces.	**2011/2012 & 2012/2013**

PARTNERS

HC, RCMP and VAC

4.2.9 ENABLING FHP ACTIVITIES

The FHP activities are supported by four main bodies: the Executive Committee, the Management Committee, the FHP Secretariat, and various working groups, committees and offices.

LINK TO FHP ACTIVITY FRAMEWORK

(3) Manage, monitor, coordinates and support FHP activities

(3.1) Management Oversight

(3.2) Administration & Support

(3.3) Business Planning & Reporting

(3.4) Project Management

(3.5) Strategic Analysis & Research

4.2.9.1 Management Oversight

OBJECTIVES

The primary objective of this activity is to oversee the fulfillment of FHP's mandate through the planning and implementation of the various FHP activities.

ACTIVITIES

o Hold two Executive Committee and four Management Committee meetings per year;	**2010/2011 to 2012-2013**
o Review, approve and distribute FHP working groups and committees Status Report and Terms of Reference;	**2010/2011 to 2012/2013**
o Oversee membership renewal; and	**2010/2011 to 2012/2013**
o Review Memorandum of Agreements for Partners' contributions to the FHP OHHR.	**2010/2011**

PARTNERS

FHP Secretariat in collaboration with Partners

OTHER PARTIES INVOLVED

PWGSC

4.2.9.2 Administration and Support

OBJECTIVES

This activity includes administrative aspects of the FHP in support of the attainment of its objectives.

ACTIVITIES

o Human Resources Management;	**2010/2011 to 2012/2013**
o Financial Management;	**2010/2011 to 2012/2013**
o Networking;	**2010/2011 to 2012/2013**
o Website, Information Sharing;	**2010/2011 to 2012/2013**
o Translation – Official Languages Act; and	**2010/2011 to 2012/2013**
o Information Management (Records keeping and storage).	**2010/2011 to 2012/2013**

PARTNERS

FHP Secretariat in collaboration with Partners

4.2.9.3 Business Planning and Reporting

OBJECTIVES

The FHP plans, monitors and reports its activities to communicate, validate and guide its collaborative work towards the achievement of its mandate.

ACTIVITIES

o Annual planning and reporting includes: ✓ Integrated Human Resources and Business Plan; ✓ Annual Report; ✓ Budget; ✓ VAC reporting requirements; and ✓ various FHP briefings;	**2010/2011 to 2012/2013**
o Three-year Business Plan (2013/2014-2015/2016);	**2012/2013**
o Develop and implement a Performance Measurement Framework;	**2010/2011**
o Develop a Communication Strategy for the FHP; and	**2010/2011**
o Review FHP Charter as needed.	**2010/2011 to 2012/2013**

PARTNERS

FHP Secretariat in collaboration with Partners

4.2.9.4 Project Management

OBJECTIVES

Project Management serves to advance the various FHP areas of involvement. This activity includes the creation, planning, management and coordination of working groups, committees and communities of practice.

ACTIVITIES

o Create and update FHP working groups and committees Status Reports, Terms of Reference, and Standard Operating Procedures (SOP);	**2010/2011 to 2012-2013**
o Prepare and implement negotiations strategies; and	**2010/2011 to 2012/2013**
o Plan and facilitate work of working groups and committees.	**2010/2011 to 2012/2013**

PARTNERS

FHP Secretariat in collaboration with Partners

4.2.9.5 Strategic Analysis and Research

OBJECTIVES

The FHP conducts research and analysis to identify emerging healthcare issues of common concern and provides strategic advice and guidance to Partner organizations accordingly.

ACTIVITIES

o Conduct research and analysis on emerging and existing healthcare issues and provide strategic advice and guidance to Partners.	**2010/2011 to 2012/2013**

PARTNERS

FHP Secretariat in collaboration with Partners

5 FINANCIAL INFORMATION

5.1 *FHP Resources and Funding*

Funding for the Partnership comes from the following sources:

1) The FHP Secretariat is funded through VAC. Based on FHP's three-year business plan, Treasury Board gives VAC authority to release funds to cover salary and operating expenditures for FHP Secretariat[11];
2) The Partners cover their own costs associated with FHP involvement; and
3) The Partners also contribute funding or in-kind support for particular FHP initiatives.

5.2 *Costs*

5.2.1 FHP Secretariat

Table 3 provides an overview of the Secretariat's estimated expenditures arising from partnership activities to be carried out by the Secretariat, including overhead and administrative support costs for the FHP Office of Health Human Resources.

Table 3: FHP Secretariat Estimated Expenditures (2010-2013)

Expenditures	Year 1 2010-2011	Year 2 2011-2012	Year 3 2012-2013	Total Costs
Salary	$ 1,522,000	$ 1,552,440	$ 1,583,489	**$4,657,929.00**
Operations and Maintenance (O&M)	$ 813,000	$ 829,260	$ 845,845	**$2,488,105.00**
Total FHP Secretariat Costs	**$2,335,000.00**	**$2,381,700.00**	**$2,429,334.00**	**$7,146,034.00**

5.2.2 FHP Partners

Tables 4 to 6 provide a breakdown of the estimated annual cost of involvement in FHP activities for each Partner organization, noting that many of these costs would be incurred by Partners irrespective of their involvement with the FHP, for example, by negotiating agreements individually.

The estimated costs were derived as follows:

- **Column 2 — Resource Cost Estimates**: Participation in the FHP requires a significant investment of Partners' human resources and time. Estimates of Partners' resource costs associated with FHP involvement were therefore calculated using a formula based on the number of person hours expected to be spent in meetings of FHP committees and working groups during each fiscal year.
- **Column 3 — Cost of FP&T**: This column includes the cost of the Federal Pharmaceuticals and Therapeutics Committee (FP&T), which includes: the salary for a Health Canada pharmacist who is responsible for managing the FP&T; and the travel expenses, honoraria, and other overhead costs associated with FP&T committee members attending meetings. Resource costs for Partners' participation in meetings of the FP&T are estimated in Column 2.
- **Column 4 — FHP Secretariat Costs**: This column includes the cost for FHP Secretariat staff salaries and operations and maintenance (O&M).
- **Column 5 — FHP OHHR Costs**: OHHR costs covered by the Partners are for OHHR staff salaries and O&M. The contributions indicated reflect the agreements outlined in the current Memorandum of Understanding (MOU) signed by participating Partners.

11 At the time of printing, the source of long term funding for 2011/2012 onwards remained to be clarified with Treasury Board and the Partners.

Table 4: Estimated Cost of FHP Involvement by Partner Organization – 2010/2011

1 FHP Organization	2 Resource Cost Estimate ($)	3 Cost of FP&T ($)	4 FHP Secretariat Costs ($)	5 FHP OHHR Costs ($)	6 Total Cost ($)
CIC	2,569			10,000	**12,569**
CSC	43,669			25,000	**68,669**
DND	92,475			153,707	**246,182**
HC	231,857	185,288		No signed MOU	**417,145**
PHAC	23,853			117,725	**141,578**
PWGSC	2,569			N/A	**2,569**
RCMP	110,280			10,000	**120,280**
TBS	8,807			N/A	**8,807**
VAC	111,796		2,335,000	No signed MOU	**2,446,796**
Total Costs	**627,874**	**185,288**	**2,335,000**	**316,432**	**3,464,594**

Table 5: Estimated Cost of FHP Involvement by Partner Organization – 2011/2012

1 FHP Organization	2 Resource Cost Estimate ($)	3 Cost of FP&T ($)	4 FHP Secretariat Costs ($)	5 FHP OHHR Costs ($)	6 Total Cost ($)
CIC	2,235			10,000	**12,235**
CSC	43,951			25,000	**68,951**
DND	66,299			155,263	**221,562**
HC	138,753	186,839		No signed MOU	**325,592**
PHAC	23,838			119,116	**142,954**
PWGSC	2,235			N/A	**2,235**
RCMP	83,951			10,000	**93,951**
TBS	8,939			N/A	**8,939**
VAC	72,631		2,381,700	No signed MOU	**2,454,331**
Total Costs	**442,833**	**186,839**	**2,381,700**	**319,378**	**3,330,751**

Table 6: Estimated Cost of FHP Involvement by Partner Organization – 2012/2013

1 FHP Organization	2 Resource Cost Estimates ($)	3 Cost of FP&T ($)	4 FHP Secretariat Costs ($)	5 FHP OHHR Costs ($)	6 Total Cost ($)
CIC	2,268			10,000	**12,268**
CSC	44,611			No signed MOU	**44,611**
DND	93,380			No signed MOU	**93,380**
HC	226,439	188,413		No signed MOU	**414,852**
PHAC	24,196			No signed MOU	**24,196**
PWGSC	2,268			N/A	**2,268**
RCMP	101,385			10,000	**111,385**
TBS	9,073			N/A	**9,073**
VAC	102,782		2,429,334	No signed MOU	**2,532,116**
Total Costs	**606,402**	**188,413**	**2,429,334**	**20,000**	**3,244,149**

In addition to the contributions to the Partnership described above, it is important to note that HC supports several initiatives that benefit all FHP members, including the following:

- HC covers the federal portion of the funding (30%) for the Common Drug Review (CDR), a joint federal-provincial initiative that provides Canada's publicly-funded drug plans with access to independent expert advice (Partnership involvement with the CDR is described in *Section 4.2.7* of this plan).
- HC covers the full cost of COMPUS—a collaborative, pan-Canadian service that operates in partnership with the federal, provincial, and territorial Ministries of Health to identify and promote optimal drug therapy (Partnership involvement with COMPUS is described in *Section 4.2.7* of this plan).
- HC provides full administrative and financial support for the Federal Dental Care Advisory Committee (FDCAC) on behalf of the Partnership (Partnership involvement with FDCAC is described in *Section 4.2.2* of this plan).

5.3 *Summary of FHP Estimated Costs and Savings*

Table 7 provides a summary of FHP estimated costs and savings. Sections 1, 2 and 3 break down Partners' resource costs per area of involvement, while the red (shaded) section provides other FHP costs reported from **Tables 4** to **6**. The last part of **Table 7** highlights the gross savings (derived from **Table 2**) and the calculated net savings.

Table 7: Summary of FHP Estimated Costs and Savings (2010-2013)

Activities	Year 1 2010-2011 ($)	Year 2 2011-2012 ($)	Year 3 2012-2013 ($)	Total Costs ($)
1. Negotiate and/or create purchasing and service arrangements				
1. 1 Audiology	23,454	9,393	11,933	**44,780**
1.2 Pharmacy	272,430	132,210	283,624	**688,265**
1.3 Vision Care	50,418	18,915	24,294	**93,627**
1.4 Health Informatics Services	*	*	*	*
2. Collaborate and coordinate among Partners the development of research, policy and program approaches to current emerging health issues				
2.1 Dental Care	49,684	50,429	51,186	**151,298**
2.2 Health Human Resources	52,476	53,263	54,062	**159,801**
2.3 Health Information Management	73,010	74,105	75,217	**222,332**
2.4 Home and Continuing Care	13,977	14,186	14,399	**42,562**
2.5 Mental Health	13,594	13,798	14,005	**41,396**
2.6 Pharmacy	56,480	57,328	58,188	**171,996**
3. Manage, monitor, coordinate and support FHP activities				
3.1 Management Oversight	22,353	19,206	19,495	**61,054**
3.2 Administration and Support	*	*	*	*
3.3 Business Planning and Reporting	*	*	*	*
3.4 Project Management	*	*	*	*
3.5 Strategic Analysis and Research	*	*	*	*
Total Partner Costs (participation)	627,874	442,833	606,402	1,677,110
Total FP&T Costs	185,288	186,839	188,413	560,540
Total FHP Secretariat Costs	2,335,000	2,381,700	2,429,334	7,146,034
Total OHHR Contributions	316,432	319,378	20,000	655,810
Total Investment Cost for FHP Activities	**3,464,594**	**3,330,751**	**3,244,149**	**9,383,684**
Estimated Savings	10,379,030	11,361,572	11,184,064	32,924,666
Total Net Savings (forecast)	**6,914,435**	**8,030,822**	**7,939,915**	**22,885,172**

* These costs are absorbed within the FHP Secretariat costs.

6 CONCLUSION

The reasons for creating the Partnership are as valid today as they were in 1994— healthcare and expenditure management remain important issues for Canada's federal, provincial and territorial governments, as well as for Canadians. Budget 2009 stated that "*The Federal Government remains committed to ensuring that spending is focused and disciplined*". This speaks to the FHP goal of "achieving cost savings and economies of scale while enhancing healthcare programs". Being focused and disciplined necessarily involve the other goal of the FHP. FHP offers a forum within which Partners may "identify and address healthcare issues of common concern". This forum allows Partners to gain a greater appreciation of healthcare issues and challenges facing the federal sector, harmonize plans, share lessons and capabilities, and collaborate on the development of strategic approaches.

Furthermore, horizontal management is strongly encouraged by the Government of Canada. This can be seen through both the "whole-of-government" approach and Treasury Board's Management Accountability Framework area of management 4, "Effectiveness of Organizational Contribution to Government-Wide Priorities - *Leadership of and contribution to government priority horizontal initiatives*", which stresses the importance of organizations' participation in horizontal work.

FHP's strategic activities for the upcoming three years will focus on critical health issues faced by Partners. The FHP is working toward ensuring that beneficiaries of federal healthcare programs are equally represented in the emerging pan-Canadian electronic health record system, and with the addition of the FHP Office of Health Human Resources, the FHP is positioning itself, using a horizontal approach, to initiate and coordinate recruitment and retention activities, and to facilitate collaboration and coordination among Partners when addressing federal health human resources issues and challenges of common concern.

Since its inception, the Partnership has proven its value and effectiveness. Quantitative and qualitative returns on Partners' investment have been extremely positive. The **total net savings** for this business planning cycle is estimated at **$22.8 million**. The continuing success of the Partnership is also illustrated by Partners looking to the FHP's strategic coordination when seeking solutions to emerging healthcare issues and to their priorities.

Achieving results for the FHP means acting together to generate savings, realize economies of scale, share knowledge, best practices and information, and influence healthcare policy in ways that might not otherwise be available to Partners acting on their own.

7 REFERENCES

Canada Health Infoway. (2010). Retrieved 03 11, 2010, from Canada Health Infoway: http://www.infoway-inforoute.ca/lang-en/standards-collaborative

Canadian Institute for Health Information. (2009). *National Health Expenditure Trends, 1975 to 2009.* Ottawa: CIHI.

Federal Healthcare Partnership. (2009). *FHP Annual Report 2008/2009.* Annual Report, Ottawa.

Federal Healthcare Partnership. (2010). FHP Charter. Ottawa, Ontario.

Governor General. (2010, March 3). Speech from the Throne: A stronger Canada. a stronger economy. now and for the future. Ottawa.

Health Council of Canada. (2007). *Safe and Sound: Optimizing Prescribing Behaviors - Summary of Main Themes and Insights (Report on a Policy Symposium).* Toronto: Health Council of Canada.

IBM. (2009, March 26). Health Care in the Government of Canada: A case for Federal Participation in the Interoperable Pan-Canadian EHR Transformation Business Case. Ottawa.

Lexchin, J. (2006). Do manufacturers of brand-name drugs engage in price competition? An analysis of introductory prices. *Canadian Medical Association Journal , 174* (8), 1121.

University of British Columbia Therapeutics Initiative. (2006, April-July). Increasing Drug Costs - Are we getting good value? *Therapeutics Letter* (59).