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## News RELEASE

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### **PHSA invests more dollars in life support, vaccinations**

The Provincial Health Services Authority (PHSA) budget for the 2004/05 fiscal year includes targeted investments that will help save lives and improve the quality of life for British Columbians requiring essential health care.

The PHSA is targeting three important areas for funding increases in its \$1.2 billion operating budget that underline essential health care needs -- life support (renal dialysis and drugs, cancer therapies and drugs, cardiac services and transplant services), vaccinations and other public health measures, and a laser-administered drug that can prevent the leading cause of age-related blindness.

PHSA has received an increase in funding of \$20 million for life support from the Ministry of Health Services. Demand for many of these services is rising in proportion with changing demographics, the aging of BC's population, and the introduction of effective, though expensive, new drugs and therapies. With life support costs estimated to exceed funding in 2004/05 and projected to continue to increase, the PHSA and the Ministry of Health Services continue to discuss and plan options for managing the resultant cost pressures.

The introduction of new vaccination programs in 2003/04 is being expanded in the current year to further protect British Columbians. Last year, vaccines for the prevention of pneumococcus and meningitis were introduced. For 2004/05, annual funding for these programs has increased by \$6.8 million. In addition, \$800,000 has been provided for Adacel (a new three-in-one vaccine for tetanus, diphtheria and whooping cough) and \$1.5 million is being directed to VVHR (Varicella Vaccine High Risk -- for the prevention of chickenpox). Another \$2.6 million will be used to address West Nile Virus and other public health initiatives.

Funding for Visudyne, a drug used in photodynamic therapy to treat age-related macular degeneration, the leading cause of legal blindness in North American seniors, is increasing by \$1.8 million in 2004/05, for a total base funding of \$7.9 million. The increased funding is enabling PHSA to expand funding from centres in Vancouver and Victoria to all 13 retinal specialists in the province.

In addition to these three important areas of focus, \$5.9 million in one-time Federal Health Accord funding will enable the PHSA to address waitlist and access issues in a number of its agencies, \$6.8 million will address compensation of salaried and contract physicians at PHSA agencies, and \$2.6 million will be allocated to other initiatives.

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“Budgets in the health care field are not only about dollars and cents, they are also about the business of saving lives and enhancing the lives of those who need care,” says PHSA President and CEO Lynda Cranston. “This year’s budget shows that, despite significant cost pressures, we are continuing to focus more dollars on programs and services that directly benefit British Columbians around the province.”

The PHSA continues to ensure that funds are channelled into direct patient care by controlling administrative costs. Contracting out food and cleaning services at BC Children’s Hospital and BC Women’s Hospital & Health Centre and the Vancouver Centre of the BC Cancer Agency is saving \$17 million in the first three years of the contract. As well, by the end of 2004/05, the authority will have saved \$2.4 million through the consolidation of human resources and finance departments that were formerly spread among agencies now part of the PHSA.

The PHSA is also investing \$47.3 million in much-needed capital requirements, including new radiation therapy machines, diagnostic imaging equipment, laboratory equipment and laboratory and clinical information systems.

### ***PHSA meets longer-term financial goal***

In addition to expressing its commitment to a balanced budget in 2004/05, the PHSA also announced that it has met its goal of breaking even on operations over the most recent three-year budget cycle.

“Based on an overall budget of \$1.1 billion last year and despite the challenges of cost pressures like higher drug prices and inflation, we were able to stay on track with our goal of breaking even over the three-year period since the PHSA was created in 2001,” says Cranston. “Our focus is, and always will be, on ensuring the maximum amount of dollars go to direct patient care.

“Over the last three years, we have been responsible for nearly \$3 billion in spending and allocations and, over that time, we have been nearly spot-on in our financial projections.”

For the fiscal year ending March 31, 2004, the PHSA reported a deficit of \$10.2 million, slightly better than its original projection of \$10.3 million. The previous year’s surplus of \$14 million helped the authority meet its three-year break-even goal.

Funding for all health authorities is allocated by the provincial Ministry of Health Services.

“Since 2000/01, the health care budget in British Columbia has increased by \$2 billion and we will be increasing the budget by an additional \$1 billion by 2006/07 as changing demographics and cost pressures on the province’s health care needs continue to evolve,” says Colin Hansen, Minister of Health Services.

The PHSA plans, manages and evaluates selected specialty and province-wide health care services across BC, working with the five geographic health authorities to deliver province-wide solutions that improve the health of British Columbians.

A full copy of the PHSA Three-Year Operating Plan is located on its website at [www.phsa.ca](http://www.phsa.ca).