



Canadian Blood Services
Société canadienne du sang

Canadian Blood Services: “Trust, transformation and a model for health care service delivery”

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Canadian Blood Services
To the Economic Club of Canada
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Check against delivery

Ladies and gentlemen, good afternoon.

I am delighted to be here today for at least two reasons.

First, as a national institution, Canadian Blood Services is accountable to, and at the service of all Canadians, yet many know little about us. Other than our tagline, "*It's in you to give*," we're probably the best kept secret in Canadian health care. I'd like to change that.

Second, there is an important debate going on about the future of health care in this country. Canadian Blood Services is a tremendous national asset. One that has great value to offer in the transformation of health care delivery to Canadians.

Some may consider this a bold statement. But I believe our pan-Canadian model can and should be leveraged to inform change in other areas of health care.

About Canadian Blood Services

So who or what is Canadian Blood Services? We're a national, not-for-profit organization of significant size and scope, responsible for managing the supply of blood and blood products across the country, outside of Quebec.

With an annual budget of about \$1 billion, we account for a measureable share of the total health care expenditures in Canada each year.

To get our job done, we rely on over 4,700 committed employees and 17,000 dedicated volunteers, and we operate out of 42 facilities across Canada, ranging from small collection sites to large multi-purpose manufacturing and testing laboratories

And, it all starts with the over 430,000 active blood donors, from whom we collect about 1 million units each year. We service every hospital from coast-to-coast. Over 600,000 Canadians a year depend on our services.

And to boot, we are a monopoly – there is no other blood service provider from whom these products can be acquired. Canadians truly depend on us.

But while our name is Canadian **Blood** Services, our lines of business go beyond blood.

We oversee One Match, the Canadian National Stem Cell and Marrow Registry. This service facilitates matches between patients with blood diseases, such as leukemia and lymphoma, requiring stem cell therapies and their potential donors.

The demand for stem cell transplants is growing at a staggering rate – in fact, it has tripled over the past five years. At this moment we are actively searching for a stem cell match for almost 1,000 Canadian patients.

A novel and important source of stem cells for clinical transplant therapy comes from umbilical cord blood. These stem cells offer improved outcomes for patients and are a readily available source since the umbilical cord is typically discarded as medical waste following delivery.

But here's the problem.

Canada is the only G8 and one of the few G20 countries without a national public cord blood bank.

We hope to change that very soon.

Through an important fundraising campaign called "*For All Canadians*," we are in the process of establishing a national public umbilical cord blood bank.

We are seeking to raise \$12.5 million in community support over the next three years to get this stem cell bank up and running, which will then be supported and maintained through funding from our provincial and territorial funders.

This urgently needed pan-Canadian program will leave a lasting legacy by helping to close the gap in access to health care for those patients waiting for a stem cell transplant.

With the support of Canadians we can make this happen and give those in need a fighting chance at life.

In addition, we also manage a drug formulary program, in which we purchase and contract manufacture close to \$500 million worth of biological drugs.

We have an active research and development program, one of the largest and most productive of its kind worldwide.

And most recently we have been asked to take on a national leadership role in organ and tissue donation and transplantation. I'll come back to this in a few minutes.

So, as you can see we're a large, diverse and important part of the health care system in Canada. And yes, *it is in you to give!*

Context

Let me provide a little history or background. Canadian Blood Services is a successor organization to what was previously managed by the Canadian Red Cross Society and the Canadian Blood Agency.

We were created in 1998 in response to the Krever Commission of Inquiry into the tainted blood tragedy. It may just be a vague memory now, but as a reminder:

- 2,000 people were infected with HIV;
- A staggering 30,000 were infected with Hepatitis C; and
- \$2.7 billion was paid in compensation.

It led to the total collapse of confidence in the national blood system, unimaginable devastation to thousands of Canadian families and remains the largest public health crisis in Canada's history.

In the wake of the inquiry, Canadian Blood Services was created and given the mandate to rebuild a national system to ensure a safe, secure, accessible and affordable supply of blood and related products, and a system Canadians could once again trust.

Transforming a broken system

In the early days of Canadian Blood Services, our number one priority was stabilizing and fixing a system that was badly broken. Ensuring safety and quality was virtually all that mattered. Patients had to receive safe blood products when and where they needed them.

A system that had been the object of outrage and devastation, over time, was turned into a pan-Canadian institution that earned the trust of the public, donors, recipients and health care professionals.

As of June of this year, eight in ten Canadians said they trust Canadian Blood Services to act in the best interest of the public, and to do what's right for the blood system.

Given the legacy of the tainted blood catastrophe less than a decade and a half ago, this is a remarkable achievement.

How did we do it? By embarking on a massive transformation to create an effective, efficient, integrated and modern system that consistently meets patient needs.

We went from a broken system of decentralized, non-integrated, largely independent blood centres – 16 in all – to a fully integrated, nationally networked, streamlined and standardized system.

The story of our transformation is one of significant change, consolidation, automation and system-wide reform.

While time doesn't permit me to detail these changes, I would acknowledge that they have only been possible because of the support from our funding governments and are reflective of the incredible dedication and commitment of our employees.

We have worked hard to become the trusted stewards of the national blood system, and we will continually work to earn the right to serve.

Transformation benefits

Our pan-Canadian approach to transforming the blood system has a number of ongoing benefits.

First, it results in consistent quality and access to products and services. What you get in Charlottetown, you get in Moose Jaw.

Second, our sophisticated blood information management system and logistics infrastructure lets us move blood to where it's needed, regardless of where it's collected.

And third, by taking a national approach, we have negotiating leverage when we purchase life-saving blood-derived products and medical devices.

So, what's the result of all of these transformational efforts?

Today, there is virtually no wait time for blood or blood products. Our national system means products are equally accessible to all patients, right across the country. And those products are manufactured and tested to the highest levels of safety, meeting or exceeding international standards and benchmarks.

Governance

How we're governed is as much a part of our success in regaining trust, as the early transformational changes.

Our governance structure - laid out in Justice Krever's report - is multi-layered. It balances provincial ministerial responsibility and accountability for spending taxpayer dollars with the autonomy needed for Canadian Blood Services to do its job. To ensure a safe, secure and effective blood supply.

We're funded by the provincial and territorial governments. Their ministers of health appoint our Board of Directors, approve our corporate plans and provide annual budgets.

The federal government, through Health Canada, is responsible for regulating the blood system under Canada's Food & Drugs Act.

A cornerstone of Justice Krever's report is that we operate at arm's length from those who provide our funding.

This governance model protects both the governments and the integrity of the blood system. It allows us to make the decisions we need to make, when we need to make them, independent from the individual governments that fund us, and in the best interests of the national blood system.

There are even financial mechanisms built into our governance that permit rapid responses to emerging threats that are not constrained by annual budget cycles and government approvals.

This arm's length relationship and fiscal responsiveness are critical components of our governance model. It's a model that was, and still is, considered a bold move. The provincial, territorial and federal governments that implemented our model are to be commended for their foresight.

Openness and transparency

It is also a model firmly rooted in openness and transparency. This, to be sure, is a claim made by many organizations but that few truly deliver.

We have spent a great deal of effort in ensuring that our processes are transparent – it's not just about words, it's about practices. Openness is a core corporate value at Canadian Blood Services.

We have a particularly strong commitment to public participation involving all kinds of groups and individuals in major aspects of our decision-making.

This commitment to openness, our encouragement of public participation and stakeholder engagement, is the foundation for the trust that we have earned from Canadians.

In its [2006 report] "*Rebuilding Trust in a Canadian Institution*," the Conference Board of Canada stated: "Engaging the public and key stakeholders in decision-making...has been a lynch pin of the Canadian Blood Services strategy."

And cementing this commitment to governance excellence and transparency is our organization's accountability, not only to its funding governments, but to all Canadians.

Our performance is publicly reported for all to review; our principle of stewardship has us continually focused on earning the right to serve.

Pan-Canadian approaches: a recurring theme in Canadian Health Care

As a result of our successful transformation, and by virtue of our unique governance structure and funding, and our multi-provincial mandate, we have some capabilities and experience that, in our view, can be leveraged to help inform change elsewhere in the health care system.

More and more we're hearing about the need for pan-Canadian solutions. The essential question being: what can multiple governments do, across Canada, that no one province can do effectively, or sufficiently well, on its own? Where does it make sense to look at truly pan-Canadian solutions to what has traditionally been viewed as a provincial matter?

The federal Finance Minister's announcement late last year on the future for Canada Health Transfer funds, coupled with the increasing fiscal restraint at the provincial level, has led to efforts to find more collaborative, sustainable and innovative ways to getting more for our health care dollars.

One outcome is the Council of Federation's Premiers' Health Innovation Working Group established earlier this year. This group is looking at cross-jurisdictional collaboration and best practice sharing, with the objective of improving health care systems and delivering higher quality care at lower cost.

The Group's first report tabled in July is a promising step. Recognizing that each province and territory has its own health care system, the report concluded that "...ideas and innovative ways of delivery of health care services need to be shared more effectively."

We hope the work of the report encourages more discussion around the value of pan-Canadian collaboration. It's through such collaboration that we can achieve efficient and sustainable health care funding and delivery.

But it's not the first time we're hearing about the need for collaboration and cooperation among the provinces and territories to deliver better health care.

Over 10 years ago, both the Romanow report, *Building Values: The Future of Health Care in Canada*, and Senator Kirby's report, *The Health of Canadians*, outlined the need for more collaboration among the various levels of government.

The Romanow report called for the creation of the Health Council of Canada to facilitate collaborative leadership in health. It also called for the establishment of a national formulary for prescription drugs to provide consistency across the country and ensure cost containment.

Senator Kirby's report stated, quote, "...Canadians want the provinces, the territories and federal government to work collaboratively in partnership to facilitate health care renewal. Canadians are impatient...they want intergovernmental cooperation and positive results."

Case studies to be shared: OTDT and bulk purchasing

Canadian Blood Services' model has something to say about innovative, integrated, sustainable and cost-shared health care. We have unique organizational experiences and expertise to share, and I'll highlight two aspects of our model that underscore this opportunity.

The first aspect is that of "pan-Canadian service delivery," and is exemplified through our leadership role in organ and tissue donation and transplantation. (OTDT for short)

The second aspect is the concept of bulk purchasing of pharmaceuticals, of which our plasma derivative formulary is a successful example.

Let's look at the national strategy for OTDT in Canada.

Like much of health care delivery, the donation and transplantation programs today are jurisdictionally separate and provincially focused. While there is some sharing of organs for transplantation between provinces, the Canadian statistics tell a gloomy story.

Canada's numbers for organ donation have been flat for over a decade, hovering at rates of less than half that of top performing countries.

In Canada, we perform at about 15 donors per million population.

Countries like Spain and the US, both with federated state-based systems, have invested significantly in national integrated systems that have seen their donor numbers increase dramatically, close to or higher than 30 per million population.

Why do Canadians in some parts of the country wait more than twice or three times as long as people in other parts of the country for an organ transplant?

Why are some people living with blindness because they can't get a timely cornea transplant in their province when there is an excess of corneas available in other provinces?

Why must we rely on the United States for 80 per cent or more of the tissues we transplant in Canada?

It has been described to me by transplant physicians that if one is unlucky enough to go into end-stage organ failure requiring a transplant, it is important to choose one's postal code carefully.

This is not acceptable.

We cannot meet demand today, and demand is increasing. The current OTDT system is failing Canadians.

Despite the goodwill of potential donors, and the tremendous efforts of those who work in the field, the lack of a national, integrated system prevents significant progress.

We can and must do better.

As such, Canadian Blood Services was honoured and excited when governments asked us in 2008 to work collaboratively with all OTDT practitioners, programs and stakeholders across the country to develop a pan-Canadian strategy to improve performance in all jurisdictions.

Applying our expertise in stakeholder engagement and strategy formulation, and leveraging the notion of an integrated pan-Canadian system, we developed a blueprint for that strategy, culminating in a comprehensive report entitled "*Call to Action*."

Three years in the making, *Call to Action* is an exhaustive evaluation of the challenges and opportunities in the OTDT environment in this country. It establishes priorities for a new, integrated, inter-provincial system and presents sweeping, targeted recommendations that will deliver measurable and tangible benefits to Canadians.

Benefits such as: a 50 per cent increase in donations and transplantations resulting in 900 new organ transplants per year within five years; a \$1 billion savings (cost avoidance) in dialysis costs alone over a 10-year period; a significant drop in the number of people who will die while on transplant waitlists; and, a decrease in the variability of wait times among provinces. A 50 per cent increase in corneal availability, resulting in 1,100 incremental transplants per year.

It will save and improve hundreds, perhaps thousands of lives, and it saves the system dollars.

Time does not permit me to explore the detailed recommendations of *Call to Action* further. But let me highlight this: coming together, programs and experts from all jurisdictions have developed a realistic, cost-shared plan readily implementable in each health care jurisdiction, which will result in enhanced performance across Canada.

While it calls for inter-provincial collaboration and shared accountability, the plan builds upon existing provincial programs, and respects jurisdictional autonomy. It is pan-Canadian in focus, and is in keeping with the spirit of innovation the premiers called for in their Victoria meeting earlier this year.

I cannot emphasize enough the criticality and immediacy of this work.

Increasing awareness and the number of Canadians registering their intent to donate is one key element – and, for this, we can be grateful to a courageous young woman from Ottawa named Hélène Campbell.

By documenting her quest in the need for lungs on social media, Hélène has raised awareness and attracted the support of stars like Justin Bieber and Ellen DeGeneres, and more importantly, the publicity that goes along with it.

But the national system and integrated, shared accountability framework to support the Hélène Campbells of the world must first be in place - which is what we're working on with the OTDT community and the federal, provincial and territorial governments.

Bulk drug purchasing

Let me focus briefly now on the concept of bulk drug purchasing. Here again, we believe we have something to offer in the way of integrated, sustainable, cost-shared health care.

There has been much discussion over the last decade or more about a national pharmaceuticals strategy for Canada. It was identified as a priority in the outcome of the First Ministers Meeting on the Future of Health Care almost nine years ago.

The national pharmaceutical strategy is complex and multi-faceted, and one component thereof relates to a bulk purchasing approach for drugs.

Bulk tendering and national pricing, whether for generics or brand name drugs, has once again been raised by the Premiers' Health Innovation Working Group in their July 2012 report.

Canadian Blood Services today operates and manages a \$500 million drug formulary program on behalf of all the provinces and territories (excluding Quebec). We have sole responsibility for tendering and procuring over 35 biological drugs used to treat diseases such as hemophilia and immune disorders.

By leveraging the buying power of all provinces and territories combined, we are able to achieve two critical benefits for Canadians: best pricing and enhanced security of supply.

Last year, we negotiated new contracts for just one of these drugs - the blood clotting protein vital in treating hemophilia – at a savings of \$160 million over three years.

And about a decade ago, when there was a global shortage of this same drug, the nature of our pan-Canadian contracts, and the purchasing power we had, given the size of the contracts, positioned Canada highly favourably to weather the storm of the shortage. There was no negative impact on patient care in this country, something which was not true in the United States, the UK or Japan, to name a few.

The approach to bulk purchasing pharmaceuticals that is exemplified by the formulary of specialized drugs we manage for Canada is a viable model for other pooled tendering, procurement and distribution programs.

While there are indeed complexities of differing provincial drug programs and reimbursement schemes, I will contend that the concept of bulk purchasing of pharmaceuticals is neither impossible to achieve, nor entirely untested in this country.

In our humble view, the bulk purchasing program operated by Canadian Blood Services can be modeled and further innovated in a way that befits a pan-Canadian approach to sustainable health care delivery at lower cost.

A successful model to be leveraged and shared

So what does all this tell us?

That the notion of pan-Canadian solutions has been discussed, arguably for decades.

That there is an appetite, if born from necessity of circumstance, to pursue such approaches.

That they're not in contradiction with a multi-jurisdictional, federated health care system. In fact, they are very much consistent with the aims of the Premiers' Health Innovation Working Group.

Pan-Canadian solutions exist; more need to be applied.

There are others out there beyond the model I have spoken to – the Canadian Partnership Against Cancer is a vital, powerful and successful example as well. And outside of health care there are examples in such areas as climate change, inter-provincial trade and the Canadian economy.

As we wrote last year in our submission to the Standing Committee on Social Affairs, Science and Technology as part of the review of 2004 Health Accord: the model we operate promotes collaboration.

Provincial jurisdictions maintain their autonomy while agreeing on fundamental policies and programs. The model encourages co-operation and is firmly centred on patient outcomes.

Jeffrey Simpson wrote in his recently released book, *Chronic Condition*, that Canadian Blood Services, quote, "...has been a great success: timely supplies and safe supplies of blood for all parts of Canada, a hugely better system than 10 blood services could provide."

Our model succeeds because it allows the provinces and territories to accomplish more together than they can achieve on their own.

The governments and Canadian Blood Services have built a system and an approach that can be further developed and applied to other areas of health care, for the betterment of patient outcomes. It can and should be leveraged to help transform Canada's ailing system, and to make a difference in the lives of Canadians.

I hope you have learned a little more today about an organization that exists to serve you; may you never need us.

Our journey has taken us from a state of crisis and failure to one of being a trusted partner in the Canadian health care system. Through this partnership, we believe we have something meaningful and constructive to offer in the ongoing debate on national health care delivery.

Innovative, integrated, pan-Canadian approaches and solutions are not only desirable, they are truly possible.

Thank you