
NEWS RELEASE

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Ministry of Health Services

HEALTH SYSTEM SAVES \$34M ON COMPUTING SERVICES

VICTORIA – British Columbia’s health-care system will save \$34 million over the next six years on computer software and related services with a new contract between Microsoft and the BC Health Authority Shared Services Organization (SSO), said Health Services Minister Kevin Falcon.

“Even though we are increasing the budget for health care by approximately 15 per cent over the next three years, we still have challenges in the system,” said Falcon. “To date, through the Shared Services Organization, we have been able to save \$115.5 million. By using this innovative purchasing model and leveraging our provincial buying power, we are able to put those savings directly back into the health-care system to go towards front-line patient care.”

The contract covers computer software and related services to support British Columbia’s six health authorities. The six-year term will run until 2016, and is replacing the previous contract, which was set to expire in 2012. In working with Microsoft, SSO has saved approximately \$34 million over six years.

The contract includes all Microsoft products that are currently used by health authorities, or any that are expected to be used in the next six years. The new pricing is also now able to be extended to affiliated not-for-profit health-care organizations that are funded either in whole or in part by one of the Province’s health authorities.

In addition, SSO will now be able to move unused software licences between health authorities. Under the previous contract, if a health authority needed additional services, they would have had to purchase a new licence, even if one was available from a different health authority.

“SSO is just one example of the ways in which the health authorities are collaborating to reduce administration and purchasing costs, saving the health-care system valuable funds,” said Lynda Cranston, chair of the SSO board and president and CEO of the Provincial Health Services Authority.

“Microsoft is proud to partner with British Columbia, through the SSO, to create a platform to deliver innovative health-care solutions for B.C. residents,” said Eric Gales, president, Microsoft Canada. “Sustainability, accessibility and quality of care are cornerstones of good health-care delivery, and this partnership will enable and support the Province in all three areas, while delivering significant costs savings for today and the future.”

The SSO Technology Services conducted appropriate due diligence, and determined that Microsoft was the only vendor able to provide the services needed in a cost-effective way. The proposed contract was reviewed and endorsed by the chief information officer for the Province of British Columbia.

Previously announced contracts negotiated by the SSO include providing home oxygen, cardiac, renal dialysis and operating room supplies to the health authorities. The total projected cumulative savings for SSO's first five years of operation (until March 2014) will be \$181 million, which surpasses the \$150 million in savings initially identified by the SSO.

The SSO assumed accountability for supply-chain services for all six health authorities in February 2009. It combines the buying power of the Province's health authorities by amalgamating several purchasing processes into contracts with larger volumes of standardized products. Key to its business approach are increased process efficiency, standardization, capital avoidance and combining the buying power of its members.

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