



Office of the Deputy Minister

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MEMORANDUM TO: Chief Executive Officers:

Hospitals	Shared Service Organizations
Local Health Integration Networks	Group Purchasing Organizations
Community Care Access Centres	Life Sciences Ontario
Health Shared Services Ontario	Ontario Bioscience Innovation Organization
Ontario Hospital Association	MEDEC
Ontario Long Term Care Association	
Ontario Association of Non-Profit Homes and Services for Seniors	

FROM: **Dr. Bob Bell**
Deputy Minister
Ministry of Health and Long-Term Care

SUBJECT: The Ontario Healthcare Sector Supply Chain Strategy

Earlier today, Minister MacCharles and Minister Hoskins released “*Advancing Healthcare in Ontario: Optimizing the Healthcare Supply Chain – A New Model*” submitted by the Healthcare Sector Supply Chain Strategy Expert Panel (Expert Panel).

The Expert Panel’s report outlines a vision for a health care supply chain, positioned as a strategic business partner for health care delivery in Ontario. The Expert Panel mandate was:

1. To recommend a province-wide supply chain strategy for health care;
2. To analyze the strategic procurement structures now in place, (including Shared Service Organizations and Group Purchasing Organizations), to understand their current capabilities and opportunities; and
3. To recommend a model for health care providers’ to participate with associated costing and savings, along with an implementation plan.

The report charts an ambitious framework to advance supply chain management in health care to deliver quality, enable innovation, improve efficiency and shift to value-based procurement linked to care and outcomes. But to be successful, collaboration between health care service providers, supply chain management and the government must guide this initiative.

The Ministers' letter acknowledged that the government continues to support and advance initiatives such as the *Patients First Act, 2016* and the OntarioBuys program, that result in greater coordination of health care service delivery and development of partnerships that enable greater collaboration.

We want to continue to support the shift to value-based procurement, accelerating adoption of innovative new technologies and services to deliver the patient-centered care through greater collaboration.

We also recognize the many collaborations already underway, led by health care service providers, Shared Service Organizations, Group Purchasing Organizations, and the many vendors, manufacturers and distributors that support the health care system.

As the government reviews the Expert Panel's report and recommendations over the coming months, we want to engage sector partners in a dialogue that considers building and modernizing our supply chain model in health care, leveraging the investments and advances already made.

I have asked Justine Jackson, Assistant Deputy Minister and Chief Administrative Officer, to lead this engagement and consultation with our stakeholders on behalf of the government. Further information will be shared with you shortly.

The report is available at:

<http://www.health.gov.on.ca/en/pro/ministry/supplychain/>
<http://www.health.gov.on.ca/fr/pro/ministry/supplychain/>

Thank you for your ongoing commitment to advancing health care in Ontario. Any inquiries can be directed to healthcareSCM@ontario.ca.

c: Justine Jackson, Assistant Deputy Minister and Chief Administrative Officer,
Corporate Services Division, Ministry of Health and Long-Term Care

William Charnetski, Chief Health Innovation Strategist, Ministry of Health and Long-Term Care

Nancy Naylor, Associate Deputy Minister, Delivery and Implementation, Ministry of Health and Long-Term Care

Marian Macdonald, Assistant Deputy Minister, Supply Chain Ontario, Ministry of Government and Consumer Services