

# Modernisation of the Public Service Health Care Plan (PSHCP) platform

**Published On:** 10 June 2014

**Organisation:** Treasury Board of Canada Secretariat

**Country:** Canada

**Level of government:** Central government

**Sector:** General public services

**Type:**

**Launched in:** 2006

**Overall development time:**

7 years and 10 months

**Link to the innovation's website**

**Like this innovation**

0 persons like this innovation

# Description

---

The innovative solution was the re-tendering of the Public Service Health Care Plan (PSHCP) Administrative Services Contract. This involved listing requirements in the Statement of Work that required the successful Contractor to deliver industry leading practices and innovative solutions to modernize the service delivery platform for the PSHCP. The central focus of the modernization was the introduction of a benefit card and the conversion from a paper based reimbursement model to an electronic pay direct model for prescription drugs and selected medical supplies. This resulted in a number of enhanced services which enabled TBS to more effectively manage the Plan.

---

## Why the innovation was developed

The modernization of programs is one of the priorities for the Government of Canada and specifically the modernization of benefit plans is a priority for TBS. The Public Service Health Care Plan is considered to be a standard for other Group Insurance Policy and Programs (GIPP) benefit plans. The objective of the innovation was to modernize and transform the largest employer-sponsored supplementary health benefit plan in Canada to align with industry best practices and provide a platform for more effective Plan management. The central focus of the modernization was the introduction of a benefit card and the conversion from a paper based reimbursement model to an electronic pay direct model for prescription drugs and selected medical supplies.

- 631,197 members as of December, 2011 (The total covered population was 1.4 million Canadians (members and dependants) in all regions of the country and abroad).
  - Plan Sponsor - Treasury Board of Canada Secretariat (TBS).
- 

## Existing similar practices

### Modernisation of health care plans

In public administration of my country  
Health Canada

Conversion from a paper based reimbursement model to an electronic pay direct model for prescription drugs and selected medical supplies.  
Enhancement of a service delivery platform to enable more effective Plan management.

---

# Results

---

## Efficiency

- Reduced expenditure growth rates relative to historical trends since the start of the modernization of the PSHCP.
  - Enhanced services for Plan Sponsor and Members (i.e. Reporting Services, Audit Services, Member Website, and Communication) at relatively lower administration costs.
- 

## Effectiveness

- Enhanced ability to access up-to-date and reliable Plan data to support more effective Plan management.
  - Enhanced ability to accurately measure the number of Plan Participants and Claimants.
- 

## Service quality

### Accessibility:

- Access to enhanced Standard Reports and Ad hoc Reporting.
- Enhanced Member Services and the ability to enrol their dependants online.
- Prescription drug and certain medical supply claims can be submitted electronically.

### Responsiveness:

- Real time claims adjudication and payment.
- Access to plan data through an enhanced reporting services module.
- Enhanced capacity for members to add and remove dependants to facilitate improved coordination of benefits .

### Reliability:

Additional service level agreements ensure that deliverables meet quality assurance standards.

### Other:

Due to the introduction of the benefit card, Plan members do not endure out-of-pocket expenses and instead only pay their portion of the deductible and co-pay for prescription drugs and medical supplies.

---

## User satisfaction

- Plan Members more satisfied with the convenience of being able to submit electronic prescription drug and medical supplies claims without having to pay the entire claim cost out-of-pocket. A member satisfaction survey was recently completed which reflected very positive levels of satisfaction with the Plan.
  - Senior management and employees at TBS more satisfied with access to enhanced Plan information and data.
- 

## Other improvements

Service quality has also increased for Treasury Board Secretariat employees who manage the Public Service Health Care Plan because the new initiatives that were implemented as part of the new contract resulted in enhanced access to timely information on plan utilization and expenditures. An example of this is online access to a variety of Standard Reports and an ad hoc reporting solution.

---

## Evaluation

There are a number of methods that have been used to evaluate the effectiveness of the innovation. These include:

- Member survey.
- Pharmacy providers survey.
- Compliance reports.
- Quality assurance metrics.
- Expenditure analyses.
- Variance reporting and trend analyses.

Through these methods, we have been able to validate that the innovation has reached its objectives at this stage of project implementation. Regular monitoring of key project deliverables and outcomes will continue throughout the operations phase.

# Development

---

## Design

In 2006, an agreement was reached among Treasury Board Secretariat (TBS) and other key stakeholder organizations to initiate changes for the Public Service Health Care Plan. Specifically, this dealt with benefits, cost-management measures, the introduction of a pay direct drug card and changes to the governance framework. At that stage, the need to proceed with the modernization process was identified and accepted by all organizations. The TBS proceeded with the issuance of two requests for information (RFI) that sought feedback from the industry on best practices, innovative solutions to desired outcomes and responses to specific questions. Feedback was provided and meetings were held with the industry to obtain additional information on the products and services that were being proposed to form part of the contract. The information was gathered and analysed to help develop the ultimate requirements for the request for proposal (RFP).

Design time: 3 years

---

## Testing

Following the issuance of the request for proposal and the award of the contract to the winning bidder, the organizations engaged in a 14-month transition period that was intended to fully develop and implement the contractual requirements and encourage innovation on the delivery of the new products and services. These included having a pilot project for members enrolling their dependants, reporting services module testing, claims adjudication and payment delivery testing etc. Treasury Board Secretariat worked closely with the contractor on reviewing solutions to ensure that the contractual deliverables were satisfactory and met the needs of the organization.

Testing time: 8 months

---

## Implementation

### Tools used:

The innovative solution: the retendering of the Public Service Health Care Plan (PSHCP) Administrative Services Contract. (This involved listing requirements in the Statement of Work that required the successful Contractor to deliver industry leading practices and innovative solutions to modernize the service delivery platform). The innovative solution effectively aligned the PSHCP with industry best practices. This delivered enhanced products and services for the Plan membership, improved controls and cost-containment for the Plan Sponsor, improved access to Plan data and provided other efficiencies for stakeholders.

### Resources used:

- About 10 Consultants (with different levels of time commitment).
- Internal staffs (Approximately 20 full time employees) reallocated to the project with different time commitments for each individual.
- About 7-8 full time employees from the Federal Public Service Health Care Plan Administration Authority (FSPHCPAA) contributed to the modernization of the Public Service Health Care Plan.
- Rental of laptops and work space for the evaluation of bids.

Implementation time: 14 months

---

## Challenges and solutions

Due to tight timelines there were some delays in the implementation of certain deliverables. As a solution, there was a committee structure comprised of key stakeholder organizations, which was implemented to identify, manage and resolve outstanding issues.

---

## Partnerships

### An insurance company

Private sector

An insurance company was involved as the claims administrator and enabler of the service delivery platform.

---

### federal government department and the Treasury Board Secretariat

Other Public Sector

Another federal government department was involved as the contract authority, overseeing the implementation of the contract. Another branch from the same department manages the contracting process and related business processes by which the Treasury Board secures services. The Treasury Board Secretariat often sought feedback and assistance from the department throughout the different stages of the modernization.

---

## shared-governance corporation

Civil Society

A not-for-profit, shared-governance corporation responsible for monitoring the delivery of benefits by the contractor and determining whether the contractor complies with the Public Service Health Care Plan contract and service standards. The Treasury Board Secretariat and this organization worked jointly throughout the transition phase of the contract to ensure the effective delivery of products and services by the contractor.

---

# Lessons Learned

---

## Conditions for success

What went well

- Team members were very committed to the project and to the quality of the products
- Positive enrolment pilot concept allowed for critical issues to be identified and fixed, reinforcing the value of having a pilot
- The establishment of working groups that had required skills and abilities was critically important to the success of the project
- The establishment of an interdepartmental Steering Committee with representatives from key stakeholder groups to oversee the implementation of project deliverables was very successful

What could have been done better

- Better assessment of required resourcing levels and project timeframes to ensure that the necessary organizational capacity existed to complete the project on budget and on time.
- Roles and responsibilities were not always clear throughout the project. The need to have clearly defined roles was one of the lessons learned.
- Lack of quality assurance (QA) / quality control (QC) on the part of the contractor affected certain deliverables. The need to have a strong established and enforced QA process was another lesson learned.
- The need to better manage expectations in relation to achieving key milestones within transition timelines given certain restraints was another lesson learned.

---

Copyright OECD. All rights reserved.