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## Health and Community Services

July 20, 2017

# Minister Haggie Announces Implementation of a Shared Services Model for Supply Chain Management

The Provincial Government will implement a province-wide shared services model for supply chain management in the health care system.

Supply chain management is the sourcing and procurement of goods and services, such as medical or office supplies. Each of the four regional health authorities (RHAs) and the Newfoundland and Labrador Centre for Health Information (NLCHI) currently manage the sourcing and procurement of their own supplies through separate supply chain divisions. Each RHA and the NLCHI has different processes and systems in place, resulting in the unnecessary duplication of resources and additional costs to the health care system.

Central Health will lead and manage a province-wide service for supply chain. Implementation will be led by John Kattenbusch, Central Health's Vice-President of Finance and Infrastructure. A governance committee has been created with committee members including the five Chief Executive Officers from the RHAs and NLCHI and a senior official from the Department of Health and Community Services. The committee is responsible for overseeing implementation and performance monitoring of the new service model.

A single RHA delivering supply chain services will leverage existing capability, experience and capacity within the RHAs and NLCHI. Employees throughout the province will continue to work where they work now and management employees will begin to report into Central Health in the near future. Implementation is expected to take approximately five years. This model also positions Newfoundland and Labrador for further partnering with other provinces and territories on joint procurement initiatives like bulk purchasing.

The Way Forward: A vision for sustainability and growth in Newfoundland and Labrador made the pursuit of greater public sector efficiency and better service delivery a foremost priority for the Provincial Government. A shared services model for supply chain in the health care system is expected to result in annual savings of over \$13 million, once fully implemented.

### Quotes

"Across the country there is an increased focus to drive greater improvements in health delivery and outcomes. With the highest per capita spending and some of the poorest indicators, there is a compelling argument to change how we deliver this service in the province. Better management of procurement related activities will result in service improvement and lower costs for the province's health system."

Honourable John Haggie

Minister of Health and Community Services

“As health organizations, we continue to work together to find efficiencies and improvements in order to have a sustainable health system. With supply chain employees in all areas of the province, we will realize our vision of an integrated supply chain model that ensures the right products and services are available at the right place and the right time at the best price to support safe, efficient and effective health care. A shared services model for supply chain makes good business sense, and will support the delivery of quality health care services in our province.”

John Kattenbusch

Central Health Vice-President of Finance and Infrastructure

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2017 07 20

12:00 p.m.

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