Meet the powerful – but tiny – deputy minister behind B.C.’s massive health care changes.

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One day last spring, during one of her few days off work as the B.C. government’s deputy health minister, Dr. Penny Ballem climbed a tree outside her Whistler cabin to prune a few branches. It wasn’t the most successful bit of yard work – she fell and suffered a compound fracture to her arm. She was in obvious need of emergency health care, but the timing could not have been more ironic. In the weeks leading up to the accident, she had been spearheading the government’s intense financial negotiations with B.C.’s physicians, and the relationship was becoming frayed to say the least. Both sides had exchanged public accusations of betrayal, and now here was Ballem, heading straight towards the emergency room to see a physician.

“I remember thinking, maybe I shouldn’t tell them who I am, because I was worried I wouldn’t get any anaesthetic!” she says now, laughing. It’s a joke of course, but it’s also an indication of just how serious things can get when major changes to the health care system are being pushed through. And there is no question Ballem has ruffled more than a few feathers in her role as overseer of the biggest changes to B.C.’s health care system in more than a decade, if not since Medicare was born. Even now, the B.C. Medical Association (BCMA) – the physicians’ professional body – is wary of someone it has apparently clashed with so bitterly in the past. Ballem is the most powerful person in B.C.’s health care system, and the BCMA knows it must deal with her again, whether it likes it or not.

To illustrate that point, consider this: a request by BCBusiness for an interview with a BCMA official seemed to go over well at first with its communications branch. But a few days later the BMCA issued this statement: “The BCMA has decided it would not be in its best interest to offer any comment on Dr. Ballem at this time.” An organization that routinely tangles with pretty well anything that stands in its way – the government, the public – had shown a rare example of quiet retreat (a retreat made more bizarre by the fact that its new president, Dr. Lynn Doyle, was a medical school classmate of Ballem’s).

There is no doubt that Ballem has pricked the medical establishment on more than one front. Doctors have fought her; nurses have fought her; health care authorities blanch at some of her demands. She is, after all, in charge of ensuring the health care system – which consumes $10 billion and change a year – does not eat up more than a few pennies a year more for the next three years. It’s arguably the toughest job in government. It means huge, outside-the-envelope type changes have to occur to ensure that budget target is met. Critics say that means longer waiting lists, bed shortages and deteriorating health care. Proponents say it has to be done if our cherished health care system is to survive, and that means some hospitals have to close or be “re-defined” and specialists have to be prodded into relocating from small towns to larger ones. It’s a complete re-thinking of how the system works – especially for rural areas – and it’s a tough sell. Short-term pain for long-term gain, say the proponents, although there are plenty of those who say there will be no gain. In any case, Dr. Penny Ballem is in charge of carrying it all out.

And therein lies a tale of irony and contrast. For critics of the B.C. Liberal government’s health care reforms – and there are many – it would be convenient if the person in charge of that reform package fit a certain mold. After all, those same critics have painted the Liberals as being hell-bent on carrying out an ideological
 crusade in health care, one that will blow up the public system and allow a private system to take over. American-style health care, here we come. The Liberals have been accused of being an anti-Medicare, anti-woman, anti-gay, even anti-abortion government. So it would seem logical – again, holding to that view – that the person in charge of health care reforms was, perhaps, some sort of right-wing, religious, American male.

And that’s why Ballem’s appointment as deputy health minister seems – at first glance – so odd. Why? Because, Ballem is: a strongly feminist, fervently pro-choice, gay woman who has worked in the U.S. health care system and wants very little to do with it, thank you very much. That’s not a typo: feminist, pro-choice, gay and against American-style health care. And she’s in charge of B.C.’s health care system.

So what in the hell is she doing here?

I believe first, and foremost, in an accessible public health care system,” Ballem flatly states, sitting in her downtown Victoria office. It’s on the fifth floor of the health ministry building (a building that seems to contain as many of the problems as the solutions to B.C.’s health care woes) and the view is unspectacular. A few photos of her daughter dot the wall, along with a couple of charts and maps of the province, which serve as a reminder of the great distances health care services have to travel. Not fancy and no frills. Her office mirrors Ballem’s approach to her job: medical care comes first and there is no room or time for many extras.

One of five kids born to a Montreal engineer and his wife, Ballem’s lot as one of the ‘middle’ kids taught her some lessons she still finds useful today. “You learn to keep a low profile and you end up learning certain things from the big kids and certain things from the little kids,” she says. “You take advantage of that.”

Growing up in the Westmount area, Ballem found herself drawn to the sciences at an early age. But it helped that her father insisted his children had to follow a scientific path in academia, since he considered that to be a pragmatic option. “He was an engineer, and he wouldn’t pay school fees if we didn’t take science. It had to be something useful in his eyes,” she says. She went to McGill, and then to Western Ontario where she obtained a master’s in immunology. “I was completely taken by it,” she says. “It was an up and coming science with little understanding in the medical field. Transplantation was just starting. Hematology cuts across all medicine.”

She even found the test slides in the laboratory held some attraction. “All those purples and reds and blues!” she says almost wistfully, obviously missing the laboratory work that has been replaced by endless hours of insisting health authorities – and practitioners and consumers – perform things differently in a system that has evolved to become all things to all people.

Her work took her to the University of Washington Hospital in Seattle, where she received a two-year research fellowship. It was an intense learning experience, one that allowed her to be around some of the best and brightest in the immunology field, still in its infancy. “I was in a prestigious institution. It was an incredible opportunity and I thoroughly enjoyed it,” she says.

But the American experience also drove home the basic problem of U.S.-style health care and the corresponding strength of the Canadian system. She remembers one young man with a serious heart condition who quit his job in Denver and moved to Seattle because Denver’s altitude was bad for him. “He lost his health insurance. There was something really wrong here. The guy gave up his job, couldn’t get another one, and couldn’t access the system because he couldn’t afford it anymore. I told myself, ‘I just don’t want to work in a system like that.’ ”

Ballem first rose to prominence in B.C. as a hematologist for the Red Cross when the AIDS epidemic hit the public consciousness in the mid-1980s. She impressed the media as a cool, fact-based doctor who was passionate about the need to keep the blood system safe. At the time, confusion was rampant about the blood supply’s role in the whole AID Strategy, and Ballem advocated a conservative, safe approach. Later, she became a leading advocate of women’s health, particularly reproductive health, at Women’s and
Children’s Hospital in Vancouver. In a few years, she had emerged as a leading medical authority in two areas: a disease that had afflicted, for the most part, B.C.’s gay community; and reproductive health, which encompassed the thorny political issue of abortion.

Okay, let’s get this straight before we go any further: Penny Ballem has earned a stellar reputation in fighting a disease that affected primarily gay people, in ensuring women’s reproductive rights, and in turning her back on the American health care system.

Gordon Campbell first met Penny Ballem during the kerfuffle over the closure of Shaughnessy Hospital in the late 1980s. When he was looking for fresh blood for his soon-to-be provincial government, he thought of Ballem.

“She had the leadership and intellectual capabilities, and she understood the system,” Campbell says. “I asked to meet her for coffee before the election. We wanted to look for people capable of change.”

Campbell and Ballem met for coffee near Vancouver General Hospital back in the spring of 2001. It was fairly obvious the man she was meeting was going to be the next premier of the province. The NDP was mired in ‘casinogate’ – not to mention ‘fast-ferry-gate’ or any number of ‘gates’ you might want to choose – and was simply buying time before being given the boot by voters. Campbell wanted to know whether Ballem – who had worked for the health ministry under the NDP – was interested in taking on a larger role. She said it was important to make a couple of points clear to him.

“I told him I’m very committed to a public health care system that is very accessible for everyone,” Ballem says. “I told him I’d been to the United States and if he had plans to take us in that direction, then I wasn’t his person. He said ‘That’s my line, Penny.’ ”

Campbell has a similar recollection. “She made it very clear where she stood, and we talked about that. I told her I agreed with her. I said I want a public health care system too, but I just want a public health system that works. . . .” Since then, Ballem has evolved into one of the most powerful – if not the most powerful – deputy ministers in government, and she clearly has Campbell’s ear. “She understands the system,” Campbell says. “She’s been willing to take on substantial shibboleths. She has a great deal of influence on me. She’s the one who brings it all together.” Ballem is the only deputy minister who appears at news conferences and patiently walks journalists through some of the complex issues facing the health care system.

Ballem’s steely-eyed determination has marked her short term in the job; dealing with the BCMA was one example, and staring down just about every other special interest group – such as the Hospital Employees Union – is another. At first glance Ballem hardly seems the kind of person who could intimidate a bus boy, let alone a group of doctors or trade union activists. She is almost reed thin, more sparrow-like than the tough, intimidating leader of what amounts in many ways to a revolution in health care. But physical impressions can be misleading. If she is a sparrow, call her an attack-sparrow.

“She’s a tough, determined professional who is absolutely clear in what she wants,” says Tamara Vrooman, the number two civil servant in the health ministry. “She asks the right questions even if they’re tough ones. I wouldn’t say she’s hard-nosed, but she pushes folks to give her an answer that satisfies the concerns.”

Ballem’s daughter, Kate, is a Rhodes Scholar at Oxford. She says she was surprised her mother was chosen for the job “given the right-wing leanings of the government,” but says the Liberals made a great choice nonetheless. “I can tell you for sure she won’t take the easy way out,” she says. “She absolutely, totally, completely has the best interests of the people of British Columbia at heart. She certainly isn’t looking for fame or fortune in this job. I think she has already shown that she’s willing to make tough decisions that people might not like in the short term, but that will hopefully provide long-term solutions.”

At least once a month, Ballem convenes a meeting of the CEOs of the six health regions. There, they go over the fast-moving changes that are occurring in the system. Of course, during the days of 52 authorities, such a
meeting was impossible. “It’s a model that is unique in the country,” says Rick Roger, CEO of the Vancouver Island Health Authority. “It allows the system to respond much quicker to solve problems that emerge. Before, you’d get 54 people on a conference call. It was absolutely hopeless.”

Roger, who was originally recruited by the former NDP government, is an unabashed fan of Ballem’s. “I think she’s the best health deputy in the country right now,” he says. “She’s uniquely qualified for the job. She’s a medical practitioner, but she understands the need for change. She understands health care’s deep, dark secret, that the billions of dollars sunk into it during the 1990s didn’t buy anything at all.”

Roger, one of the more highly regarded health authority managers, says putting astronomical sums of tax dollars into health care didn’t solve many problems, and may have in fact created worse ones. “What we were seeing was too many dollars chasing far few,” he says. “We’d open a ward and then close it down because there wasn’t enough staff. Or, we’d see overtime go through the roof because we didn’t have staff flexibility to cover things off.”

Ballem is firmly committed to redirecting health care dollars into ‘clinical’ care. In other words: cut back on non-essential services (laundry, kitchen, custodial) and use the money saved for medical services. That view enrages the Hospital Employees Union (HEU), but Ballem – and other managers in the system – simply don’t buy the HEU’s counter-argument that highly-paid non-medical staff ensures high-quality health care.

Murray Ramsden, CEO of the Interior Health Authority, says Ballem’s experience in the clinical – the delivery – side of health care is her strength. “She might not have the strongest organizational skills, but she speaks the language and knows first-hand what she’s talking about,” he says. “She’s a strong believer in the Canada Health Act and its principles, I have no doubt about that.”

Ramsden, Roger and other health care managers insist B.C. is not headed towards a U.S. private system. But Ballem says her experience working in the States did teach her that certain parts of the U.S. system hold value. “Obviously, the inequities down there are a real problem. But one of the advantages of the American system is what it can teach us about driving forces to create the best care that responds to patients’ needs. They have a competitive model, and so you see them competing to provide the best care and attract the best talent. That competitiveness can provide quality management, which improves patient care.”

There is no doubt Ballem has enemies. Some of her clashes are clearly personal (the BCMA still privately seethes over her role in its contract negotiations), and when the government first announced the massive changes it was looking at last winter, the health ministry started leaking like a dying lifeboat. The Hospital Employees Union got its hands on a massive briefing package for Health Minister Colin Hansen (which contained some damaging material, although much of it had already been made public, either through other leaks or from the ministry itself) and the B.C. Nurses Union even got some stuff as well. But, in a rather brazen shot-across-the-bow, this BCTV-Global reporter was leaked a copy of every page of Ballem’s day book from January, 2002. A copy also went to Vancouver Sun columnist Vaughn Palmer. The two of us looked at it in detail and could not find anything particularly newsworthy. Lots of stuff about meeting this person when and where, but nothing particularly revealing. Still, it was a rather breathtaking glimpse into at least a part of the health ministry’s bureaucracy. The odd document is one thing, but someone’s date book? That’s a bit personal, no?

The health care unions, naturally, view Ballem with a mixture of wariness and scorn. She’s put them in a tough position: there is little doubt she commands enormous respect in the medical field, so outright condemnation of her is fraught with peril. If she were an obvious Liberal hack, it would be different. But this is Penny Ballem.

And according to Ballem, what needs to be done is a complete overhaul of the system. It’s an agenda aimed at getting rid of comfortable but now unrealistic assumptions – all hospitals open all the time, specialists in all towns, to name a few – and redirected at consolidating resources in targeted areas. That means Kimberley loses its hospital and other towns find their ‘hospitals’ turned into something a bit different. It’s a
tough sell to the local communities, but it can also be a tough sell to the people whose job it is to oversee those changes: the local health authorities.

Ballem played a pivotal role in reducing the number of those health authorities to six regional bodies, down from 52, which the process-loving NDP had instituted. Just how small the new number should be was a divisive debate even within Liberal government circles; Ballem insisted on the lowest number and won a power struggle with another deputy health minister, John Tegenfeldt. He wanted 12 or 14 regions and engaged in a knockdown fight with Ballem. But he was a political neophyte and didn’t understand how things really worked in an internal government culture. Soon, he was out – comforted by a $200,000-plus severance – and was left scratching his head, wondering what had happened. Meanwhile, Ballem, as hard-nosed as ever, steamrolled along.

A smaller number of health authorities lets a centralized authority – Ballem et al. – keep a tighter reign on operations and decision-making. And that sets the stage to allow Ballem to carry out what could very well be the most far-reaching budgetary decision of the B.C. Liberal government – a freeze on health care spending over three years. In previous years health authorities could expect the provincial government to bail them out at the end of the fiscal year and pick up the deficits, whether the shortfall was $10 million or $100 million or $200 million. But those days, according to the government, are now over. There will be no shortfalls and no bailouts, and Ballem says that message is the key to change.

“You have to turn off the tap and make that very clear to everyone. There is no more money, period. The days of picking up the bills at the end of the year and of being able to push the system to the brink and have the government give in at the last moment are over, and when people realize that, they begin to embrace real change. I mean, real change!”

Ballem insists this financial squeeze necessitates cost-saving measures and efficiencies that wouldn’t take place otherwise. This view, of course, runs counter to Roy Romanow’s view of saving the health care system, which is to simply put billions of dollars more into the system. While few will argue with the point that the federal government should contribute more money to provincial health care systems, there is a real debate whether increased funding – without restructuring – will actually accomplish much good. Ballem thinks restructuring is absolutely vital to keeping the system alive.

“We simply can’t continue with the status quo. We were losing specialists from some areas of the province because there was not enough work for them. Why not consolidate services in the regions, so we can actually respond to the needs of the patients instead of having a piece-meal approach that is inconsistent?”

Whether the Liberal government has the political will to brave the onslaught of public opinion and see through the changes is another question, and one that no doubt worries Ballem. The Liberals blinked on the issue of turning Delta Hospital’s emergency ward into a nurse-only staffed unit overnight – simply because party polling showed there was a realistic chance local MLA Val Roddick could be recalled over the issue – and caved into local pressure, keeping the ward open with a fully staffed medical crew. From one view the backdown was a bad policy decision, but from another, it was smart politics. And politics will inevitably intrude into policy debates, which is not something Ballem’s revolution has a lot of time for. Will Kootenay MLAs successfully lobby to keep Kimberley Hospital open? Or will other regional MLAs band together to undo the tough decisions health authorities have made to consolidate services?

If they do, the B.C. Liberal government’s efforts at reforming the health care system will be halted in their tracks; the billion-dollar increases will keep being poured into the system for years to come, and the stories about the system falling apart will continue.

Ramsden and Roger say the real challenges to the system lie ahead over the next two to three years. This year was relatively easy, but the budget pressures really begin to build in 2003. And Ramsden says bringing fundamental reform to the health care system is like trying to change an oil tanker’s course. “You can turn the wheel and turn on a dime, but you still go many miles before you start to turn,” he says. “We’re finally
beginning to turn the wheel of the oil tanker. There will always be a segment that says we’ll never get there, but we’re just beginning. And you don’t want the person at the helm to walk away, and I hope she doesn’t.”

But if the government does blink and cave into public pressure, look for the woman heading up its reform package to simply walk away, fed up with the ever-present politics that dictate so much of B.C.’s health care policy. If B.C. holds the course, then Dr. Penny Ballem may very well emerge as the key figure in a revolution of the health care system – not someone who wrote highly-publicized reports like Roy Romanow or Sen. Michael Kirby, but someone who took the system by the neck and force-fed it change.