

Health Plan *and* Business Plan 2013-2016

*Better Quality, Better Outcomes,
Better Value*

The Path Forward

- Alberta Health Services' Health Plan and Budget Plan 2013-2016 represents the beginning of significant transformation in the health system in Alberta.
- Our initiatives fall under seven key work streams:
 - Deliver innovative service models for high-needs populations.
 - Strengthen community and primary care delivery.
 - Advance adoption of evidence-based practices.
 - Implement new funding models and revenue initiatives.
 - Optimize service delivery and facilities.
 - Drive productivity improvements.
 - Contain costs.

Reasons for Transformation

- Alberta's health system must address several significant challenges to meet the needs of today and tomorrow.
 - Alberta's population continues to grow at a compound annual rate of 2.2 per cent, adding about 750,000 people in the past 10 years. Our emergency department visits increased 4.5 per cent in 2011-12.
 - By 2031, one in five Albertans will be a senior.
 - A substantial number of Albertans with complex and/or chronic conditions do not have ready access to community-based services they need to help them take an active role in their health.
 - Alberta has the second highest, age-adjusted spending per person in Canada but our health outcomes are not significantly better than the Canadian average and, in some areas, are worse.

Responding to Albertans

- AHS is engaged in an ongoing dialogue with Albertans.
- We hear from Albertans in many ways, including:
 - Through our 12 Health Advisory Councils and our Patient Family Advisory Group.
 - By meeting Albertans where they live and having face-to-face conversations at our Report to the Community events, town hall meetings, information sessions, and other gatherings.
- Albertans tell us they want AHS to:
 - Simplify the health system.
 - Focus on local leadership and local decision-making.
 - Spend health dollars on what matters most to Albertans.

Strategic Directions

- AHS and Alberta Health is taking a ‘triple aim’ approach to meet Albertans’ needs and to improve health care.
 - **Bringing appropriate care to your community.**
 - Build a strong, integrated community and primary health care foundation to deliver appropriate, accessible and seamless care.
 - **Partnering for better outcomes.**
 - Engage Albertans as partners in their own care.
 - Expand the use of best practices through partnerships with health providers, academic institutions, physicians and others.
 - **Achieving health system sustainability.**
 - Build a sustainable, patient-centred health system that is driven by outcomes and provides greater value for each health dollar.

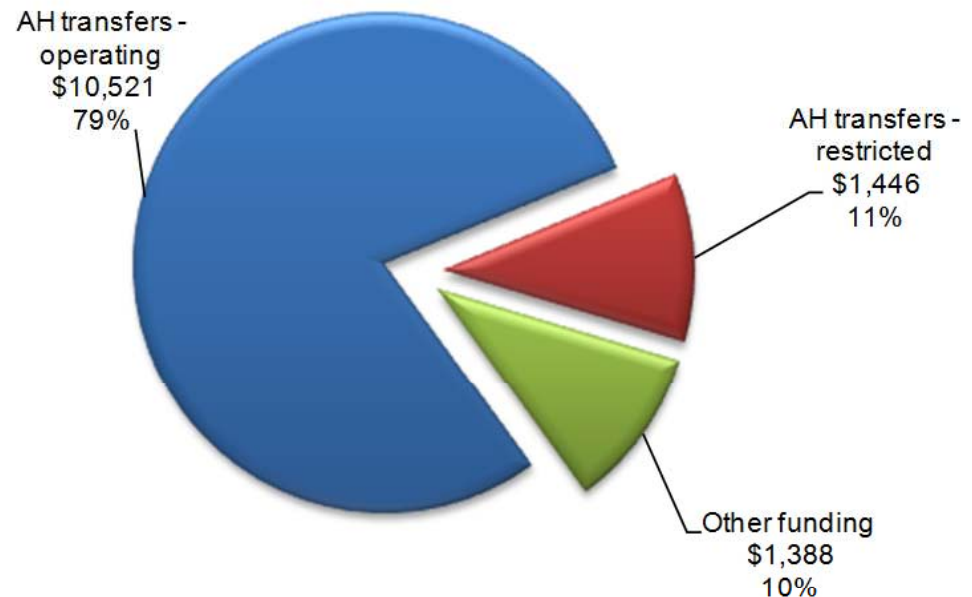
The BIG Picture

- In the months and years ahead, AHS will:
 - Spend new dollars on growth.
 - Increase spending in areas of increasing demand.
 - Identify cost-savings and put those savings where they will have greater impact on the health of all Albertans.
 - Optimize the efficiency of our workforce and facilities.

2013-14 Budget: Total Revenues

- \$13,355 million, an increase of 4.9 per cent, or \$626 million.

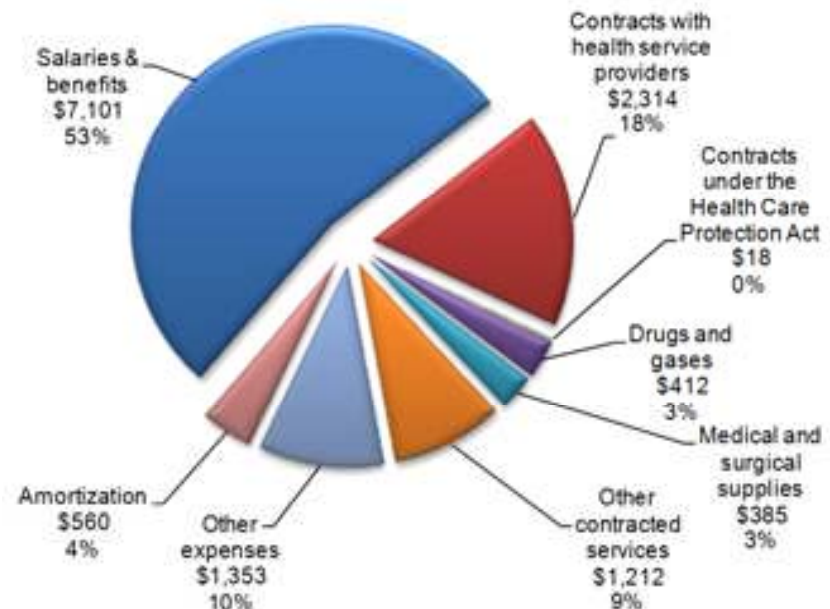
Revenue sources as a percentage of total revenue
(figures in millions of dollars)



2013-14 Budget: Total Expenses

- \$13,355 million, an increase of 4.9 per cent, or \$618 million.
- This represents an average daily spend of \$37 million to support the health system in Alberta.

Expense sources as a percentage of total revenue
(figures in millions of dollars)



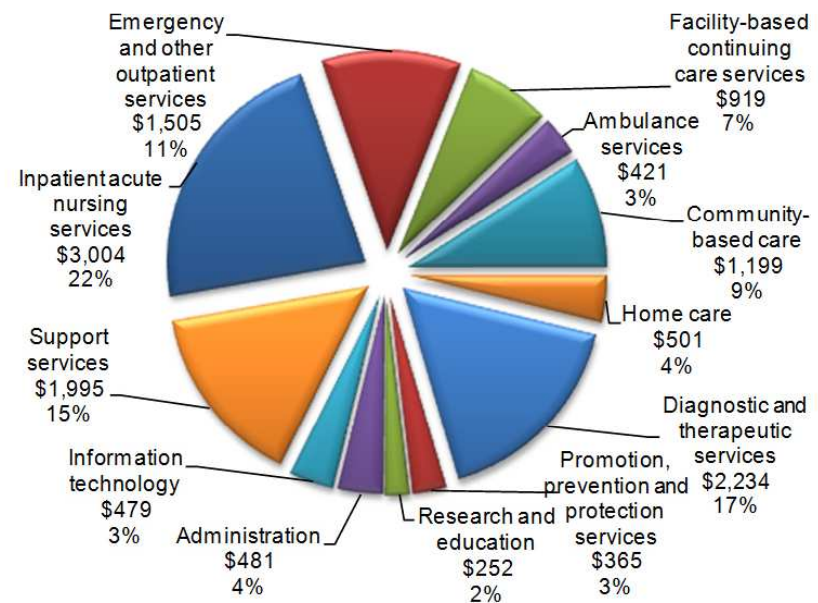
More Dollars for Priority Areas

- Emergency and outpatient care: 6.4 per cent increase
- Community-based care: 9.9 per cent increase *
- Inpatient acute nursing services: 4.6 per cent increase **

* includes supportive living, palliative and hospice care; community programs; primary care networks, and community mental health.

** includes medical, surgical and intensive care; obstetrics; pediatrics, and mental health.

Expenses by financial directive
(figures in millions of dollars)



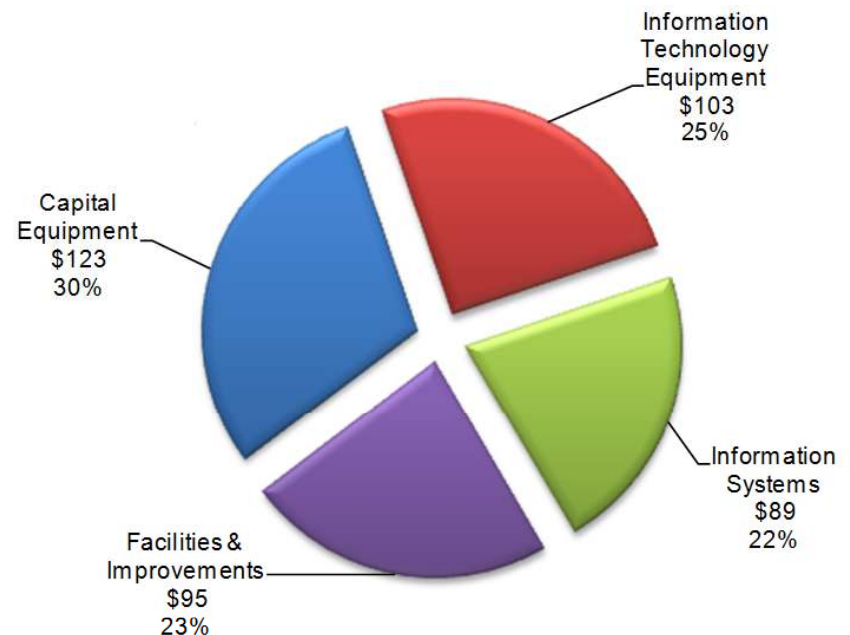
New Investments in 2013-14

- \$257 million for compensation and non-compensation requirements to continue current operations
- \$245 million to support strategic investments.
 - Strategic Clinical Networks
 - Additional NICU spaces at Alberta Children's Hospital
 - Opening of Red Deer Cancer Facility
 - Relocation of air ambulance services in Edmonton
- \$126 million to support South Health Campus and Kaye Edmonton Clinic.
- \$22 million to support primary care networks.

Capital Investments in 2013-14

- Capital budget for 2013-14 is \$410 million.
- Key investments include:
 - Facility enhancements and upgrades.
 - Equipment purchases and replacements in areas such as diagnostic imaging, cancer care and ambulances.
 - Information technology investments, including the provincial Clinical Information System.

Investments in capital assets
(figures in millions of dollars)



Cost Drivers

- Alberta's registered nurse and licensed practical nurse salaries are second highest in the country.
- Alberta has largest volume of physicians per person, and highest volume of physician services per person, in the country.
- Alberta has more acute care beds per adjusted capita than the national average.
- Alberta has more acute hospital stays than the national average.

Cost Drivers

- Alberta spends more per adjusted capita than the national average for hospitals and physicians.
- Alberta has more emergency department (ED) visits per adjusted capita than Ontario (the only other province reporting this data for all sites).
- Alberta has a higher proportion of ED cases in the lowest acuity levels — i.e. most ED visitors could get appropriate care in the community.

Containing Costs

- Expand primary care and community care options throughout the province. Patients will get appropriate care in the right place; demand on hospitals reduced.
 - About 3,000 new continuing care beds have been added since 2010, as AHS aims to add about 5,300 beds by 2015.
 - AHS is working with Alberta Health to increase the number of Family Care Clinics (FCCs) across the province. There are currently three FCCs in Alberta: in Edmonton, Calgary and Slave Lake. FCCs offer extended hours, and an opportunity to access a multi-disciplinary primary care health team that can take care of most everyday health needs.

Containing Costs

- Reduce administrative costs by \$10 million in 2013-14 and by \$35 million over three years.
- Limit hiring so absolute number of AHS staff does not increase in 2013-14.
- Reduce utilization of contracted services for non-clinical activities.
- Increase number of full-time staff to reduce high costs and unpredictability associated with overtime.

Cost Savings

- AHS will identify \$220 million in cost-savings and redirect those dollars where they will have a greater impact.
 - The number of surgical beds will be reduced at some facilities over the summer when elective surgical activity usually slows down.
 - Some acute care and transition beds occupied by individuals awaiting placement in continuing care may be closed when the individual is transferred into the community.
 - Some underused programs and services that don't fall under AHS priority areas may be scaled back or eliminated.

Conclusion

- The Health Plan and Business Plan 2013-2016 is based on what health care services Albertans have told us are important to them.
- The path ahead will have challenges but AHS will emerge better positioned to meet the health needs of Albertans today and in the years ahead.