GOVERNMENT OF ALBERTA

Annual Report

Health

2022-2023

Alberta

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Note to Readers: Copies of the annual report are available on the Alberta Open Government Portal website www.alberta.ca

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each ministry.

On October 24, 2022, the government announced new ministry structures. As such, former responsibilities for mental health and addiction of the Ministry of Health were transferred to the ministry of Mental Health and Addiction. The 2022-23 Annual Report reflects the 2022-25 ministry business plans, the Government of Alberta Strategic Plan, as well as the ministry's activities and accomplishments during the 2022-23 fiscal year, which ended on March 31, 2023.

The Annual Report of the Government of Alberta contains Budget 2022 Key Results, the audited Consolidated Financial Statements and Performance Results, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Health contains the Minister's Accountability Statement, the ministry's Financial Information and Results Analysis, a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- the financial statements of entities making up the ministry including Alberta Health Services, and the Health Quality Council of Alberta, for which the minister is responsible; and

- other financial information as required by the *Financial Administration Act* and Fiscal *Planning and Transparency Act*, as separate reports, to the extent that the ministry has anything to report.

All Ministry Annual Reports should be considered along with the Government of Alberta Annual Report to provide a complete overview of government's commitment to openness, accountability and fiscal transparency.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2023, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at **June 5, 2023** with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

Honourable Adriana LaGrange
Minister of Health

Message from the Minister

As the new Health Minister, I am committed to improving the health outcomes of all Albertans by ensuring everyone has access to a strong and resilient health system that is available for them when and where they need it. The 2022-23 Alberta Health Annual Report highlights the significant work that has been undertaken to improve the health care system across the province over the last year. Government invested a record $25.2 billion in the Ministry of Health in fiscal 2022-23.

Last fall, government set in motion an ambitious plan to reduce wait times and make meaningful changes to the health care system. The Health Care Action Plan focuses on four urgent needs that will have the biggest impact on the quality of care for Albertans. We took actions to speed up Emergency Medical Services (EMS) response times and decrease emergency department and surgery wait times, while also empowering health care workers to deliver care.

Taking action to strengthen Alberta's primary health care system was another major priority during the past year. Part of this work involved launching the Modernizing Alberta's Primary Health Care System (MAPS) initiative to engage Alberta's primary health care leaders, along with national and global experts, to identify immediate and long-term improvements. Modernizing primary health care will help ease pressures on the province's hospitals and build a stronger health system overall. Our goal is to create a system where everyone has access to a family physician or primary health care provider, no matter where they live in the province.

Budget 2023 provided over $2 billion in 2023-24 to support primary health care – the highest level ever. That included $243 million in new funding over three years to strengthen the primary care system throughout the province, with $125 million allocated initially to implement recommendations from MAPS.

Alberta has the best front-line health care workers in the world. But we know we need more of them – doctors, nurses, paramedics and other health care professionals. We are taking action to address these staffing challenges, especially in rural areas, by investing $158 million in *Budget 2023* towards workforce planning to grow the number of health care professionals in Alberta.

Another important achievement over the past year was the new *Continuing Care Act* receiving royal assent. Once proclaimed, the new legislation will help transform the continuing care system to reflect the importance of resident and client quality of life, and a person-centred approach to care and services. Alberta will be the only jurisdiction in Canada with a streamlined legislative framework for the continuing care system.

To begin this transformation, *Budget 2023* includes $1 billion over three years to shift care to the community, enhance workforce capacity, increase choice and innovation, and improve the quality of care within the continuing care sector.

Working together is central to meeting the challenges of building a world-class health care system. I want to recognize the ongoing contributions of the dedicated staff at Alberta Health and on the front-lines at Alberta Health Services, along with our health care partners, who have demonstrated their tireless commitment to building a more resilient and sustainable health care system for all Albertans.

I am committed to ensuring Albertans have access to timely, high-quality care that is sustainable for future generations. There is much work to be done and I look forward to advancing the health care priorities of all Albertans in the weeks and months ahead.

[Original signed by]

Honourable Adriana LaGrange
Minister of Health

Management's Responsibility for Reporting

The Ministry of Health includes the Department of Health, Alberta Health Services, and Health Quality Council of Alberta. The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the accompanying ministry financial information and performance results for the ministry rests with the Minister of Health. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, which includes the financial information, performance results on all objectives and initiatives identified in the Ministry Business Plan, and performance results for all ministry-supported commitments that were included in the 2022-25 Government of Alberta Strategic Plan. The financial information and performance results, out of necessity, include amounts that are based on estimates and judgments. The financial information is prepared using the government's stated accounting policies, which are based on Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliable – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandable – the performance measure methodologies and results are presented clearly.
- Comparable – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Complete – outcomes, performance measures and related targets match those included in the ministry's *Budget 2022*.

As Deputy Minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money; provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Health the information needed to fulfill their responsibilities; and,
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

[Original signed by]

Andre Tremblay
Deputy Minister of Health
June 5, 2023

Results Analysis

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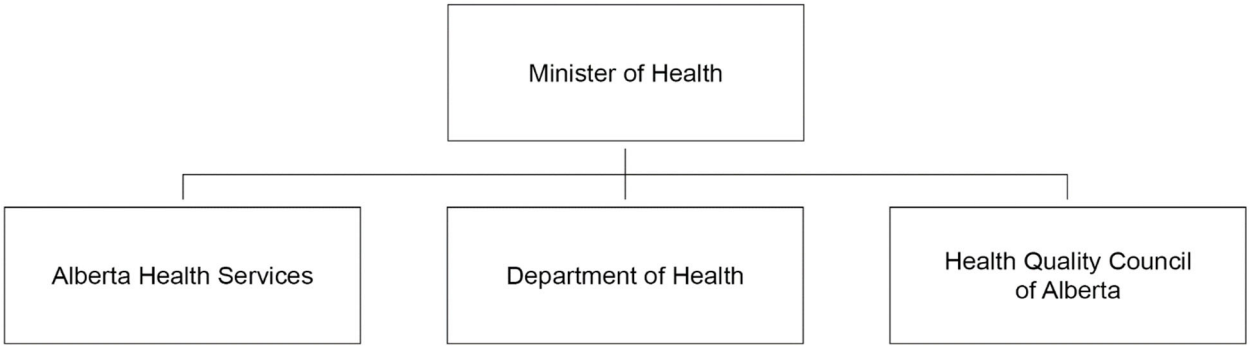
Ministry Overview

Organizational Structure

The Ministry of Health is building a more resilient and sustainable health care system that can support Albertans getting care when and where they need it, while responding to system-wide health challenges, improving health outcomes and maintaining fiscal responsibility. The ministry supports Albertans' health and well-being throughout their lives by protecting public health and promoting wellness; coordinating and delivering safe, person-centered, quality health services; planning capital infrastructure; supporting innovative information management and technologies; regulating health care; and, funding the health system.

The ministry consists of the Department of Health, Alberta Health Services, and the Health Quality Council of Alberta. The Minister of Health is supported by two parliamentary secretaries for emergency medical services (EMS) reform and rural health.

The Ministry of Health relies on collaboration with a range of health professionals; partners and organizations in the health and social sectors; academic and research institutions; First Nations, Metis Settlements, the Métis Nation of Alberta; and, other orders of government in delivering health services as well as maintaining and improving Alberta's health system.



The Department of Health establishes the Government of Alberta's strategic direction for health, including: advising government on health policy, legislation and standards, and public health concerns; monitoring and reporting health system performance; setting policies and priorities for the electronic/digital health environment; and, providing oversight and ensuring accountability across the health system.

Alberta Health Services (AHS) is the provincial health authority responsible for delivering a substantial portion of health care services across the province. Working with the Department of Health, other government departments and agencies, and external stakeholders, AHS is focusing on urgent reforms related to decreasing emergency department wait times, improving EMS response times, reducing wait times for surgeries, and empowering frontline workers to deliver health care.

The Health Quality Council of Alberta (HQCA) works with health system partners to promote and improve patient safety, person-centered care and health service quality across the province. The HQCA engages with Albertans and health system partners on a variety of topics and initiatives to inform health system improvements.

The Office of the Alberta Health Advocates reports to the Minister of Health to improve patient care and Alberta's health system. The advocates support Albertans in navigating the health system and accessing the appropriate resolution services to address health care concerns, including those specific to the *Alberta Health Act*, seniors, their families, and service providers.

During the reorganization of government ministries in 2022-23, responsibilities for mental health and addiction were transferred from the Department of Health to the newly created Ministry of Mental Health and Addiction.

Operational Overview

Department of Health

In 2022-23, the department's organizational structure was altered - a new Continuing Care Division was established to better align ministry strategic objectives and deliver on government's priorities.

With direction from the Minister, the Deputy Minister is responsible for the daily operations of the Department of Health, which is structured as follows:

Deputy Minister's Office – provides leadership to the health system to ensure quality health services, drive innovation, and continue to build and maintain collaborative relationships across government ministries, AHS, the HQCA, and partner organizations. The office provides policy coordination and issues management for the Minister, as well as leadership in priority setting, decision-making, and operations of the ministry. The office is also responsible for ministry correspondence services.

Continuing Care Division – develops the provincial strategic policy for all streams of continuing care (home care, supportive living and long-term care) and palliative and end-of-life care. The division works extensively with other government ministries, AHS and other relevant stakeholders (e.g., community organizations, researchers, etc.) to achieve its mandate. This mandate includes directing continuing care policy through the development of relevant strategies, legislation, standards, initiatives (grant funded and otherwise) and evaluation frameworks to identify performance expectations and governance structures for monitoring system performance. The division also administers the licensing and regulatory compliance monitoring program for the continuing care sector. Over 1,000 continuing care sites throughout Alberta are licensed, and the division safeguards the safety, security, and quality of life of residents and clients through regular inspections and by investigating complaints and reportable incidents. Inspection results are posted in the facility, provided to residents and their families, and published on the Alberta Health website.

Financial and Corporate Services Division – develops and manages the ministry's budget, and funds and monitors the financial activities of the department. It also provides financial advice and prepares annual financial statements, ensuring compliance with Government of Alberta financial legislation. The division oversees corporate planning and reporting; AHS accountability; governance of health sector public bodies; access to information requests under Alberta's *Freedom of Information and Protection of Privacy Act* (FOIP) and *Health Information Act*; and, capital planning, including health facilities planning, and coordination of infrastructure projects with the Ministry of Infrastructure and AHS. To enable the department to fulfill its mandate, the division coordinates the department's health system legislation reviews; input to the government's decision-making and legislative processes; red tape reduction reporting; grant approval process; and, provides general administrative and contracting-based corporate services. The division is also responsible for the recovery of the cost of health services from liable third parties where appropriate and manages registration, designation and bed survey processes and reporting. This division provides shared services to the Department of Mental Health and Addiction in areas related to finance and budget services, FOIP support, legislative planning, red tape reduction and agency governance support.

Health Information Systems Division – provides leadership and strategic direction for the development and implementation of policy, legislation and standards for the provincial eHealth environment, the *Health Information Act* and the department's information and technology requirements. The division is responsible for Alberta Netcare (electronic health record) and

MyHealth Records (personal health record), including health information policy and advice, stakeholder engagement, strategic planning and project and system delivery and operations.

Health Standards, Quality and Performance Division – provides leadership for monitoring, assessing, and improving health system performance, and health care research and innovation. The division is the primary source for Alberta's overall health system data standards and analytics, evaluating the health system's performance to support evidence-based policy decisions for all health sectors: primary health care, acute and emergency care, emergency medical services, continuing care, public health, and pharmaceuticals. It includes the ministry's core strategic economic team, developing and producing economic evaluations, predictive models, financial forecasts, and value for money analyses. The division is responsible for acute care policy and planning, including the Alberta Surgical Initiative and emergency health services licensing and compliance of emergency medical services. The division also ensures policy and planning decisions are based on clinical evidence, planning with other health care sectors is integrated, and that health care delivery and capital investment are aligned with government policy direction. To improve existing acute and ambulatory care services, the division drives improvements through clinical appropriateness initiatives in collaboration with health care delivery partners, the HQCA, and the College of Physicians and Surgeons of Alberta to ensure a safe and quality health system.

Health Workforce Planning and Accountability Division – develops and implements health workforce and system policies related to insured health care provider compensation; health professions self-regulation; primary and community health; chronic disease management; and, the administration and governance of Primary Care Networks to enable a health workforce that meets the needs of Albertans. The division collaborates with stakeholders, such as physicians; optometrists; podiatrists; podiatric surgeons; oral maxillofacial surgeons; nurses; health professions' regulatory colleges; and, health system leaders from academia and the community to support provision of quality health care services to Albertans. The mandate of the division is achieved through evidence-informed and value-oriented initiatives such as coverage for insured services; promotion of the patient medical home initiative through Primary Care Networks and their governance structure; performance monitoring and evaluation; and, collaboration with health professions' regulatory colleges to support patient safety. Together, these initiatives support the government's commitment to build a health care system that is sustainable and serves the needs of Albertans.

Pharmaceutical and Supplementary Benefits Division – oversees and provides governance to the Alberta Health Care Insurance Plan (AHCIP) and all government-sponsored supplementary health benefits programs (i.e., Coverage for Seniors, Non-Group Coverage, Assured Income for the Severely Handicapped, Income Support, Alberta Adult/Child Health Benefit programs, Ukrainian Evacuee Health Benefit, Alberta Aids to Daily Living, and Dental and Optical Assistance for Seniors programs) that provide Albertans with pharmaceutical, optical, dental and other medical supports (wheelchairs, prosthetics, oxygen, medical/surgical supplies, etc.). This includes the registration of Albertans in the AHCIP and benefit programs; claims processing and remuneration for physicians, allied health professionals, and Albertans who receive insured medical and hospital services outside of the province; and, the development and operation of programs that support Albertans requiring approved, medically necessary treatment for services not available in Alberta and Canada. The division is also responsible for Alberta's participation in the National Blood Program and advising the Minister in their role as a corporate member of Canadian Blood Services. The division provides leadership to national and provincial organizations to ensure accountable and appropriate delivery of blood, organ and tissue donation, dialysis and other provincial clinical services. This includes the registration of Albertans on the Alberta Organ and Tissue Donation Registry and working with AHS to improve system measures to increase donation and transplant rates. The division represents Alberta in matters of strategic importance at the federal level, such as national

pharmacare, national dental care, drug shortages and drugs for rare diseases, and manages federal and provincial processes and policies related to the review and listing of drugs on Alberta's drug formulary (Alberta Drug Benefit List) and emerging technologies such as cell and gene therapy. The division also provides leadership through the Interprovincial Health Insurance Coordinating Committee for the reciprocal billing of insured health services in Canada to increase access and reduce barriers.

Public Health Division – provides strategic direction and leadership on emerging public health risks; communicable diseases; immunization; Indigenous health policy; compliance monitoring; environmental public health; newborn screening; health promotion; and, emergency preparedness, response and recovery, through the assessment, development and implementation of provincial policies, regulations, strategies, and standards. The division carries out these functions to support innovation and engagement with Albertans and First Nations and Métis partners in wellness, health promotion, and injury and disease prevention. To support health system quality, the division collaborates with partners to perform compliance and monitoring activities and enforcement of the acts, regulations and standards administered by the division in the areas of physician billing, infection prevention and control oversight, and protection for persons in publicly funded care.

Office of the Chief Medical Officer of Health – monitors and reports on the health of Albertans and advising on actions to protect and promote the health of the public under authority of the *Public Health Act.* This includes legislated responsibilities related to disease surveillance, communicable disease outbreaks, infection prevention and control measures, health risk assessments, and states of public health emergencies. The Office of the Chief Medical Officer of Health provides strategic leadership, oversight, support and clinical expertise on issues of public health importance to Albertans. The Office works closely with diverse partners within and beyond the health system, including the department's Public Health Division and AHS Medical Officers of Health, to facilitate policies, processes and programs to prevent chronic diseases, control the spread of communicable diseases, support health surveillance, and strengthen the public health system in Alberta.

Communications (Communications and Public Engagement-Health) – through Communications and Public Engagement (CPE), CPE-Health provides Albertans and health system partners with information about ministry policies, programs, and initiatives. The CPE-Health team works with department staff to develop and implement communication plans and offers communications support, such as media relations, issues management, writing and editing services, product development, and online communications services. CPE-Health also works closely with AHS and other reporting entities to coordinate ministry communications.

Health Law – through Alberta Justice, a team of lawyers support all aspects of the department's activities, ranging from grant agreements, and contracting and procurement to developing and interpreting legislation and general legal advice to the ministry.

Human Resources – through the Public Service Commission, Human Resources is dedicated to supporting initiatives, delivering programs, and providing human resource expertise and services that attract, retain, and engage the department's workforce. The branch works in partnership with managers and employees to build and sustain workforce capacity to achieve business goals and create an environment where employees are respected, valued, engaged and resilient.

Key Highlights

The Ministry of Health's 2022-25 Business Plan outlines outcomes and key objectives aimed at achieving government's commitment to build a resilient and sustainable health care system that supports Albertans getting care when and where they need it, while responding to system-wide health challenges, improving health outcomes and maintaining fiscal responsibility.

This report describes the value created for Albertans for tax dollars spent and progress made in 2022-23 towards achieving the following outcomes:

- An effective, accessible and coordinated health care system built around the needs of individuals, families, caregivers and communities, and supported by competent, accountable health professionals and secure digital information systems.
- A modernized, safe, person-centred, high quality and resilient health system that provides the most effective care now and in the future for each tax dollar spent.
- The health and well-being of all Albertans is protected, supported and improved, and health inequities among population groups are reduced.

The following table represents the Ministry of Health's significant achievements for 2022-23, including progress toward commitments in the 2022-25 Government of Alberta Strategic Plan.

Health Care Action Plan (HCAP)	The Health Care Action Plan (HCAP) was released in November 2022 to ensure immediate improvements in key areas of health care and build a better health care system for Albertans. The HCAP has four goals: decreasing emergency department wait times; improving EMS response times; reducing wait times for surgeries; and, empowering frontline workers to deliver health care. An Official Administrator was appointed for Alberta Health Services (AHS) in November to provide leadership to address priorities identified in the HCAP. (Key Objective 1.1)
Decreasing emergency department (ED) wait times	Work continues on several initiatives aimed at improving access to emergency care and reducing wait times. The focus is aimed at improving patient flow through emergency rooms/acute inpatient wards and out to the community to increase patient safety and experience. (Key Objective 1.1)
Improving emergency medical services (EMS) response time	As part of HCAP, the Government of Alberta remains committed to reducing EMS response times. In 2022-23, a total of $590 million was spent on EMS. Further, 19 new ambulances are operating in Calgary and Edmonton, more ambulance coverage was added in Chestermere and Okotoks, and 457 new staff members were hired, including 341 paramedics. (Key Objective 1.1)
Reducing wait times for surgeries as part of the Alberta Surgical Initiative (ASI)	Through the ASI, work continued on prioritizing surgeries and allocating operating room time according to the greatest need; streamlining referrals from primary care to specialists; increasing surgeries at underutilized operating rooms, mainly in rural areas; and, providing less complex surgeries through chartered surgical facilities. (Key Objective 1.1)

Building health workforce capacity	Alberta's Health Workforce Strategy, released in March 2023, sets strategic actions to address workforce challenges for health care workers in Alberta. The Government of Alberta executed a four-year agreement with the Alberta Medical Association that includes over $250 million over four years on initiatives targeted at communities and physician specialties facing recruitment and retention issues. A $12.8 million grant was provided to post-secondary institutions to support Health Care Aide (HCA) students' bursaries and approximately 350 HCA students are approved to receive a bursary. (Key Objectives 1.1, and 2.1)
Modernizing Alberta's primary care system	Government launched the Modernizing Alberta's Primary Health Care System (MAPS) initiative in September 2022. The MAPS Strategic Advisory and Indigenous Panels provided the Minister of Health with early investment opportunities and final reports making recommendations for achieving a primary health care system that delivers the following outcomes: Access, Integration, Quality, Albertans as Partners, and Culturally Safe and Appropriate Care. (Key Objectives 1.1, 2.1, and 3.5)
Continuing care transformation	Government continues to reshape the continuing care system based on the recommendations from the Facility-Based Continuing Care review, the Palliative and End-of-Life Care engagement, and learnings from COVID-19. *The Continuing Care Act* came into force on May 31, 2022, and transformation will focus on enabling a shift to more care in the community, enhancing workforce capacity, increasing choice, and improving overall quality of care in the system. (Key Objective 1.2)
Innovation and modernizing digital health services	Government continues to provide Albertans with digital access to their health information, and provide more complete patient information to health care providers to enhance quality of care. In 2022-23, progress was made on several key innovation elements such as expansion of information available through the MyHealth Records portal, and linking community primary care information into Alberta's Electronic Health Record (Alberta Netcare) to support the patient and their care team. (Key Objective 1.3)
Prudent fiscal management	The ministry continues to work collaboratively with health system partners to manage the biggest cost drivers in the health system – namely hospital services, labour and physician compensation, and publicly funded drug benefit programs. The new Alberta Medical Association Agreement ratified in September 2022, supports Albertans' health care needs by making targeted investments to stabilize the health care system. (Key Objective 2.1)
Canada Health Transfer	In February 2023, Alberta renewed the Canada Health Transfer (CHT) agreement. Under the agreement, the Government of Canada will provide Alberta more than $24 billion over 10 years. In 2022-23, Alberta received $5.5 billion from the Government of Canada through the CHT; this included a one-time payment of $232 million to address the surgery backlog which resulted from the COVID-19 pandemic. (Key Objective 2.1)

COVID-19 response	In 2022-23, Alberta Health reported a total of $1.2 billion in expense on COVID-19. Alberta administered 1.4 million doses of COVID-19 vaccine to Albertans across the province. COVID-19 Rapid Antigen Tests were made available across the province to all Albertans free of charge. The Government of Alberta supported vulnerable populations and established the living with COVID-19 task group, a sub-committee of the Provincial Primary Care Network Committee to support the transition from a pandemic response to living with COVID-19. (Key Objective 3.1)
Protecting population and public health	In 2022-23, $646 million was spent to support population and public health initiatives to maintain and improve the health of Albertans. Alberta Health continues to protect Albertans through injury prevention; environmental public health and food safety; immunization; and, primary prevention, testing and treatment of chronic diseases such as diabetes and cancer, as well as communicable diseases such as shigellosis, mpox, sexually transmitted and blood borne illnesses and respiratory viruses such as influenza, COVID-19, and respiratory syncytial virus. (Key Objectives 3.2 and 3.4)
Alberta Ukrainian Evacuees Health Benefit Program	In 2022-23, Alberta Health established the Alberta Ukrainian Evacuees Health Benefit Program. The ministry established a health benefit program that provided Ukrainian evacuees with access to supplemental coverage for prescription and non-prescription drugs, nutritional products, diabetic supplies, and dental, optical and emergency ambulance services. (Key Objective 3.4)
Improving health care access for underserved populations	In 2022-23, through the Rural Health Professions Action Plan, an investment of $7 million was made to attract and retain rural physicians. The Government of Alberta remains committed to addressing the health needs of Indigenous peoples in Alberta. An Indigenous Primary Health Care Advisory Panel was established, as part of the MAPS initiative, to provide advice and recommendations on improvements to the primary health care system to ensure First Nation, Métis, and Inuit peoples have access to high-quality, culturally safe primary health care. (Key Objective 3.5)

Discussion and Analysis of Results

Actions that support the priorities of the Government of Alberta Strategic Plan

Key Priority One: Enhancing government services now and for the future

Objective One: Ensuring a resilient and modernized health care system that provides cost-effective, accessible and high quality health care for Albertans

- Improving and optimizing emergency medical services (EMS) across the province through actions identified by the Alberta EMS Provincial Advisory Committee, and the independent review of the integrated dispatch system.

  Detailed reporting found on page 25-27 (Key objective 1.1)

- Minimizing disruptions to patient care by adapting the health system to meet challenges, and investing $100 million per year to provide additional health care capacity on a permanent basis, including adding new Intensive Care Unit beds. This will ensure the health care system can respond to future system-wide health challenges, while improving health outcomes.

  Detailed reporting found on page 27 (Key Objective 1.1)

- Modernizing Alberta's continuing care system to include improved access to facility-based care in the community, home care, palliative and end-of-life care, and continuing care services for Albertans living with disabilities and chronic health conditions.

  Detailed reporting found on page 29-32 (Key Objective 1.2)

- Continuing to implement initiatives under the Alberta Surgical Initiative designed to improve wait times and patient experience for Albertans requiring surgery. This includes increasing the volume of surgeries completed in Chartered Surgical Facilities.

  Detailed reporting found on page 22-23 (Key Objective 1.1)

- Implementing an integrated and modern clinical information system to give health care providers more complete patient information, enhancing the quality of care provided to Albertans.

  Detailed reporting found on page 32-34 (Key Objective 1.3)

- Investing $193 million over three years for the redevelopment and expansion of the Red Deer Regional Hospital Centre, which will increase critical services and add capacity to one of the busiest hospitals in the province. This will include a new cardiac catheterization lab, three new operating rooms, and 200 new impatient beds when completed.

  Detailed reporting found on page 38 (Key Objective 2.1)

- Investing $332 million over two years to complete the Calgary Cancer Centre, creating 160 new inpatient cancer beds. When open in late 2023, the $1.4 billion Calgary Cancer Centre will be one of the largest and most modern health facilities of its kind in the world.

  Detailed reporting found on page 38 (Key Objective 2.1)

- Improving access to health services through the Rural Health Professions Action Plan and other programs to attract, recruit and retain physicians and other health care professionals in remote and rural communities.

  Detailed reporting found on page 51-52 (Key Objectives 3.5)

- Improving access for First Nations, Métis, and Inuit peoples to quality health services that support improved health outcomes.

  Detailed reporting found on page 49-52 (Key Objective 3.5)

Key Priority Three: Fiscal sustainability

Objective one: Providing value for each tax dollar spent

- Working with physicians and the Alberta Medical Association to manage spending growth and modernize physician funding models. This will improve quality of patient care and accountability for services rendered.

  Detailed reporting found on page 37 (Key Objective 2.1)

Red Tape Reduction

The Ministry of Health remains committed to regulatory approaches and program delivery that reduce unnecessary government oversight and emphasize outcomes, in order to improve access to government services, attract investment, support innovation and competitiveness, and grow Alberta businesses.

Streamlining processes and reducing regulatory requirements and unnecessary processes, where appropriate, helps save time, money and resources. Alberta Health Services (AHS) is working closely with Alberta Health to review the number of policies and forms used in the organization. As of March 31, 2023, AHS achieved a combined reduction of regulatory requirements (forms and policies) of 36.6 per cent, while the Ministry of Health, including AHS, achieved a net reduction of 36.1 per cent, surpassing the government's target of 33 per cent.

Red Tape Reduction initiatives in 2022-23 included:

- The *Continuing Care Act* (Act) received royal assent on May 31, 2022, and was proclaimed to come into force April 1, 2024, except for sections on administrative penalties, which will come into force on April 1, 2025. Multiple pieces of legislation will be consolidated under the Act, which establishes clear and consistent oversight and authority over the delivery of continuing care services and settings. (Key Objective 1.2)

- Continued to roll out Connect Care, which is key to reducing duplication of information gathered from AHS health practitioners and patients by reducing manual and paper-based systems and processes. (Key Objective 1.3)

- Provided Albertans with digital access to their health information via the MyHealth Records portal, which reduced the need for them to manually request that information separately from each health provider. Albertans registered on MyHealth Records has grown from 1.25 million users in March of 2022 to just under 1.5 million users at the end of March 2023. The shift from paper-based processes to digital processes also supports the expansion of virtual care options. (Key Objective 1.3)

- Amendments to the *Pharmacy and Drug Act* and the Pharmacy and Drug Regulation now permit the Alberta College of Pharmacy to establish and enforce standards of practice for multiple aspects of licensed pharmacies' operations, such as the handling of records and the storage of drugs reducing administration time. (Key Objective 2.2)

- The *Health Professions Act* was amended in 2023 to modernize Alberta's professional regulatory structure and make regulatory colleges more agile and adaptable to changing best practices. (Key Objective 2.2)

Additional details on the Ministry of Health’s red tape reduction initiatives are provided in Key Objective 2.2 of the report.

COVID-19/Recovery Plan

The Government of Alberta remains committed to supporting Albertans in optimizing their health as we transition from pandemic to an endemic state. Health's total COVID-19 expense was $1.2 billion in 2022-23. Pandemic response costs included supports for building long-term health system capacity; the continuing care system; personal protective equipment; testing; vaccine deployment; and, expenses in acute care and other areas of the health system.

COVID-19 initiatives in 2022-23 included:

- Several initiatives supported enhanced capacity to ensure a more resilient health system that can respond to future waves of COVID-19 or other public health emergencies.
- Established the COVID-19 Data Task Force, comprised of health professionals, to conduct a data review of the last several years of health information with a view to offering recommendations to the Government of Alberta on how to better manage a future pandemic.
- In 2022-23, 1.4 million COVID-19 vaccine doses were administered to Albertans, and 26 per cent of the population 12 years of age and older had received a booster dose.
- Made COVID-19 Rapid Antigen Tests available across the province to all Albertans free of charge through participating community pharmacies. Between March 2021 to March 31, 2023, Alberta distributed over 48.5 million rapid antigen tests to acute and continuing care sites, primary care clinics, businesses, K-12 schools, municipalities, First Nations and Métis communities, and the public.
- Worked with Zone Primary Care Network Committees to support availability of therapies, including oral antiviral, for treatment of COVID-19 in respective AHS geographical zones, and enhanced capacity for testing and swabbing for respiratory illnesses.
- Continued to facilitate booking COVID-19 and influenza vaccine appointments by Albertans through the Alberta Vaccine Booking System. In 2022-23, more than 575,000 appointments for COVID-19 and influenza immunizations were scheduled.

Additional details on the Ministry of Health's response to COVID-19 are provided in Key Objective 3.1 of the report.

Outcome One: An effective, accessible and coordinated health care system built around the needs of individuals, families, caregivers and communities, and supported by competent, accountable health professionals and secure digital information systems

Key Objectives

1.1 Increase health system capacity and reduce wait times, particularly for publicly funded surgical procedures and diagnostic MRI and CT scans, emergency medical services, and intensive care units.

As the province emerges from the pandemic, Alberta Health continues to prioritize health system capacity, including building surgical and Intensive Care Unit (ICU) capacity, as well as the health workforce. Several initiatives are underway to minimize disruptions to patient care and expand the capacity of Alberta's publicly funded health care system permanently. This also includes preparing to respond more effectively to any future health crises and reducing wait times across the health care system. A resilient, sustainable health system will allow the system to operate at full capacity for longer periods before needing to adjust health care resources. The policy has overall goals of improving access to scheduled health services, improving wait time measurement and reporting, and ensuring timely communication for patients.

In November 2022, Alberta released the Health Care Action Plan (HCAP). The HCAP identifies immediate government actions to build a better health care system for Albertans. In order to meet the growing demands of Alberta's health care system, an Official Administrator was appointed to Alberta Health Services (AHS) to provide leadership to address the four goals of the HCAP:

- decrease emergency department wait times;
- improve emergency medical services response times;
- reduce wait times for surgeries; and,
- empower frontline workers to deliver health care.

Since 2019, government has been committed to increasing surgical capacity to keep pace with demand and reduce the length of time Albertans are waiting for scheduled surgeries. Efforts are geared towards improving patient navigation of the health care system through enhanced care coordination and surgical pathways and resources; improving specialist advice and collaboration with family physicians before consultation; and, centralizing referrals for distribution to the most appropriate surgeon with a shorter wait list. Through the Alberta Surgical Initiative (ASI), Alberta Health continues to work with AHS to improve and standardize the entire surgical journey through:

- prioritizing surgeries and allocating operating room time according to the greatest need;
- streamlining referrals from primary care to specialists;
- increasing surgeries at underutilized operating rooms, mainly in rural areas; and,
- providing less complex surgeries through accredited chartered surgical facilities (CSFs) to provide publicly funded insured services and extend existing capacity in hospitals.

Through these dedicated efforts, the total number of surgeries completed in 2022-23 was 292,500, which is over 13,900 more surgeries than the year before. Further, approximately 22,100 cancer

surgeries were completed in 2022-23, which represents a 10 per cent increase compared to the pre-pandemic amount. Nearly 65 per cent of the cancer surgeries were completed within clinically recommended wait times. By the end of 2022-23, AHS had cleared all postponed surgeries due to COVID-19, and continues to work on reducing wait times. The main focus remains on those patients that are waiting the longest out of clinically recommended targets, and the most acute cases. As of March 31, 2023, AHS reduced the adult surgical waitlist by more than 7,000 patients, and the total number of cases on the adult surgical waitlist is 67,186 which is less than before the pandemic.

In 2022-23, there were 38 existing CSFs and three new CSF contracts were implemented to expand publicly funded surgical capacity in these facilities. CSFs are an extension of existing capacity in hospitals and used in many other Canadian health systems. Under the *Health Facilities Act*, CSFs providing publicly funded insured services must be accredited by the College of Physicians and Surgeons of Alberta, and have a signed service contract with AHS. In 2022-23, accredited CSFs in Alberta provided approximately 47,400 surgeries, which is equivalent to 16.2 per cent of publicly funded scheduled surgeries.

In Alberta and other provinces, wait times for three common surgical procedures (hip replacement, knee replacement and cataract surgeries) continue to be impacted by delays due to the COVID-19 pandemic and workforce shortages. The 2022-23 results for hip, knee and cataract surgical procedures showed a decline, meaning that fewer Albertans received these surgical procedures within national benchmark wait times when compared to 2021-22 results.

Performance Indicator 1.a
Percentage of surgical procedures that met national wait time benchmarks

Surgery (national benchmark)	Prior Years' Results				2022-23 Actual
	2018-19	2019-20	2020-21	2021-22	
Hip replacement[1] (benchmark 182 days)	68.5%	65.5%	51.6%	51.2%	42.9%
Knee replacement[2] (benchmark 182 days)	65.0%	61.5%	43.3%	39.7%	32.1%
Cataract surgery (benchmark 112 days)	48.2%	45.1%	*45.3%	64.7%	64.3%

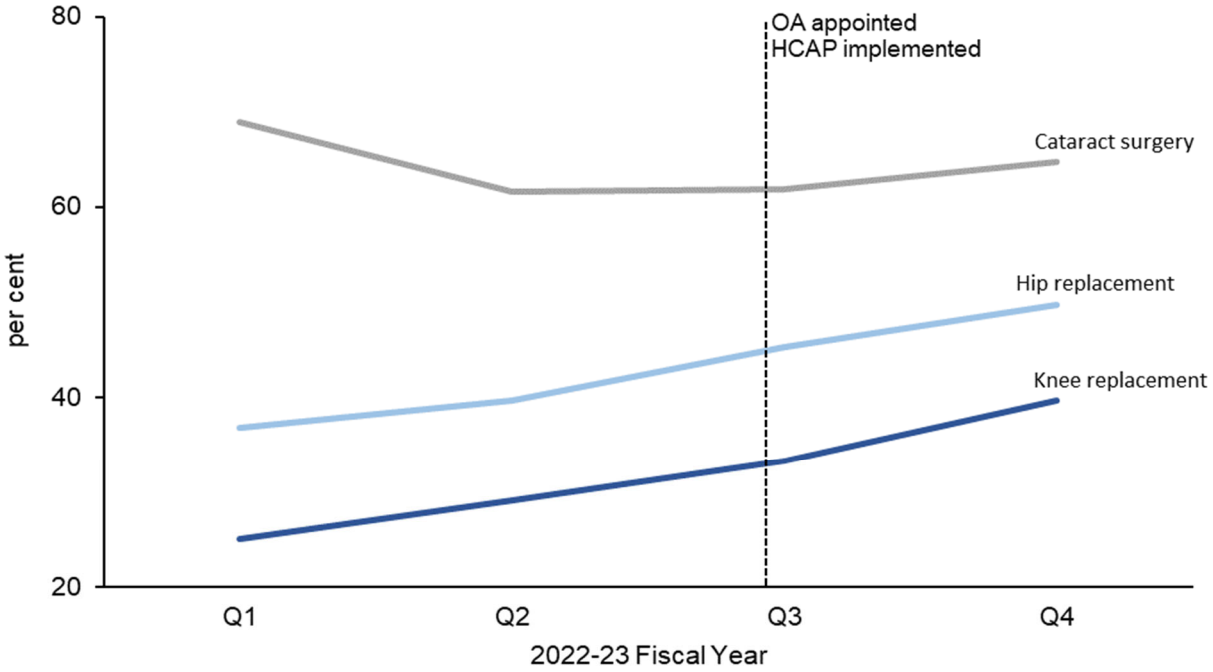
Source: Alberta Health Services
Notes: [1] Hip replacement data include totals, partials, resurfacings, primaries and revisions for scheduled/elective cases.
[2] Knee replacement data include totals, partials, unicondylars, primaries and revisions for scheduled/elective cases.

The chart below shows quarterly trends for the three common surgical procedures completed within national benchmarks in 2022-23. There were improvements in the number of cases completed for hip and knee replacements over the course of 2022-23, showing increases of 13 per cent and 15 per cent (respectively), and demonstrating significant improvements with the appointment of the Official Administrator and the implementation of the HCAP in November 2022. While the quarterly results for cataract surgery declined in the second quarter, the number has stabilized in the third quarter since the implementation of HCAP and is beginning an upward trend

* The *Percentage of Scheduled Cataract Surgeries Performed Within CIHI Benchmark* (2020-21) was revised from 44.5% to 45.3% by Alberta Health Services in 2021-22 to reflect additional data received after publication.

in the fourth quarter, although it is slightly below the first quarter result. Since 2019-20, there has been a 20 per cent improvement in cases completed within national benchmarks for cataract surgeries, ranking Alberta as a top performer nationally.

Quarterly trend for percentage of hip replacement, knee replacement, and cataract surgeries meeting national benchmarks



Source: Alberta Health Services

As part of ASI, Alberta Health has worked with AHS to implement additional measures aimed at improving access and wait times for surgery. Work is ongoing to increase the use of Rapid Access Clinics to reduce wait times for the assessment of orthopedic issues, reducing unnecessary consultations and decreasing wait times for consultations. The Facilitated Access to Specialized Treatment (FAST) program accelerates implementation of central intake for orthopedic and urology surgery to allow patients to see the first available surgeon. Work has begun on the implementation of the Electronic Referral System (ERS), which will expedite referrals for Albertans requiring assessment by surgical specialists. In addition, consultants have been contracted to enhance surgical capacity by improving inpatient surgeries scheduling, monitoring operating room capacity, and reducing patient flow variation. With the added capacity of additional CSFs offering surgeries and implementation of FAST and ERS, Albertans will experience a streamlined surgical journey from referral to consultation to surgery. More Albertans will get their surgery within the clinically recommended wait time targets, thereby reducing the amount of time they must live with pain and other inconveniences.

Reducing wait times for medically necessary diagnostic tests is also a top priority for government. Each year, Alberta spends about $1 billion on diagnostic imaging, which includes ultrasounds, X-rays, mammography, MRI and CT scans. About 46 per cent of the $1 billion is allocated to AHS, while 54 per cent is allocated to community diagnostic imaging providers. Approximately one-third

of all CT and MRI scans are emergency scans and are completed within clinically appropriate timelines (under 24 hours). In 2022-23, a total of 520,504 CT scans and 231,030 MRI scans were completed across the province. The wait time for both types of scans increased due to a sharp increase in demand and staffing issues.

Alberta Health and AHS continue to implement the Diagnostic Imaging Action Plan developed in 2019 to facilitate timely access to CT and MRI scans. As part of the plan, there is a significant focus on triaging patients to ensure that those who need urgent scans can get one as soon as possible. In addition, the Clinical Decision Support (CDS) within Connect Care aims to improve appropriateness of referrals and triage decisions. AHS has reached a five-year agreement with radiologist groups in Edmonton and Calgary to reduce wait times, and signed a memorandum of understanding with the remaining three largest radiology providers in Alberta North, Central, and South Zones. In total, 83 per cent of provincial radiologists have signed agreements with AHS.

As part of the HCAP, the Government of Alberta is working with AHS to improve emergency medical services (EMS) response times. Improved ambulance times means that Albertans are receiving the urgent care they need from highly skilled paramedics more quickly. The Alberta Emergency Medical Services Provincial Advisory Committee (AEPAC) was established and tasked with providing immediate and long-term recommendations that will better support staff and ensure a strengthened and sustainable EMS system for Albertans needing services now and into the future. AEPAC focused on the issues facing EMS, such as system pressures that may cause service gaps, staffing issues, and hours of work. This included issues related to ground ambulance, air ambulance, and dispatch. Furthermore, Alberta conducted an independent review of EMS dispatch (the Dispatch Review) to inform improvements that can be made to dispatch services overall. The Dispatch Review and full report from AEPAC were submitted to the Minister of Health in the fall of 2022 and released to the public in January 2023. The Government of Alberta accepted the final AEPAC report and Dispatch Review recommendations in full. The recommendations were focused on accountability, capacity, efficiencies, operations, performance, and workforce support. Adjustments are being made to improve EMS response times and get paramedics out of hospital waiting rooms and back into their communities. Implementation of recommendations on a priority basis has supported ongoing reduction in EMS response times and red alerts, and improvements in community coverage. In 2022-23, Alberta Health initiated several actions to address these recommendations and strengthen the EMS system across the province. Examples of projects include:

- Implemented measures to improve the central dispatch system to better deal with low-acuity calls and prioritize emergent/urgent 911 calls for EMS and made workforce-scheduling changes as part of the Fatigue Management Strategy.
- Initiated pilot projects using an integrated Fire-EMS model to maximize the use of paramedics and increase ambulance capacity to the health care system. Examples of the projects included: using inbound EMS resources only when they are clinically required; staffing spare ambulances to support the EMS system during times of stress; and, expanding single member advanced care paramedic response units that provide immediate advanced life support care in anticipation of, or in the absence of, an available ambulance.
- Introduced new provincial guidelines, including a 45-minute EMS emergency department (ED) wait time target for 911, to get ambulances back on the road more quickly. The new provincial guidelines enable fast-tracking ambulance transfers at EDs by moving less urgent patients to hospital waiting areas.
- Put procedures in place to contract appropriately trained resources for non-emergency transfers between facilities in Calgary and Edmonton, freeing up paramedics. Instead of using highly trained paramedics for non-medical patient transfers to patients' homes from a

facility or acute care, alternative resources are now arranged by hospitals, also freeing up paramedics.

- Granted an exemption to the minimum staffing requirements defined in the Ground Ambulance Regulation, significantly expanding the instances where an emergency medical responder can meet the staffing requirements for all classes of ambulance, to alleviate staffing challenges across the province.
- Empowered paramedics to assess a patient's condition at the scene to decide if they need ambulance transport to the hospital.

In 2022-23, a total of $590 million was spent on EMS. Capacity increases were laid out in the AHS' EMS 10-Point Plan and recommendations by AEPAC, including increases in paramedic workforce and adding ambulances to the system. As of March 31, 2023, there are 8,417 regulated members in the province registered with the Alberta College of Paramedics, including 1,383 emergency medical responders, 4,050 primary care paramedics, and 2,984 advanced care paramedics. AHS added 19 new ambulances in Calgary and Edmonton and more ambulance coverage in Chestermere and Okotoks, and hired 457 new staff members, including 341 paramedics.

Increased capacity helps reduce EMS response times and red alerts and improves working conditions for frontline practitioners and community coverage, especially for life-threatening conditions. Measures to address staffing issues include AHS' Fatigue Management Strategy, a recruitment campaign aimed at other provinces and Australia, development of a Provincial Service Plan, and interim AEPAC recommendations brought forward in June 2022, granting an exemption to expand use of emergency medical responders and pilot projects to give greater autonomy to ambulance operators using an integrated fire-EMS model.

In addition, keeping paramedics out of hospital waiting rooms and in communities has contributed to decreased EMS response times and red alerts, improved community coverage, and quicker access to EMS. The HCAP 90-day Report released in February 2023 (https://www.albertahealthservices.ca/assets/about/aop/ahs-aop-90-report.pdf) shows an early reduction in response times and red alerts, and greater focus on urgent/emergent 911 calls through low-acuity diversion measures and non-clinical patient transport programs across Alberta, particularly in Calgary and Edmonton. Comparing November 2022 to March 2023, EMS response time for the most urgent calls in metro and urban areas was reduced from 21.8 minutes to 15 minutes. Improving access to EMS enables timely patient care and entry into the health care system.

	EMS Response Time for the Most Urgent Calls (minutes) [1]	
	November 2022	**March 2023**
Metro/urban communities	21.8	15.0
Communities over 3,000 residents	21.5	16.4
Rural communities with under 3000 residents	36.0	33.3
Remote communities	63.9	61.7

Source: Alberta Health Services as of March 31, 2023.
Notes: [1] Measures 90th percentile, meaning these are the response items for 90 per cent of activity.

The government also launched the EMS/811 Shared Response program to ensure patients receive the level of care they need and reduce unnecessary ambulance responses. Calls that have been assessed as not experiencing a medical emergency that requires an ambulance are transferred to Health Link 811, where registered nurses provide further triage, assessment and care. Since the launch in January 2023, more than 2000 911-callers with non-urgent conditions were transferred and helped by Health Link 811, keeping more ambulances available for emergency calls.

In October 2022, government appointed a Parliamentary Secretary of EMS Reform to work with health partners to set priorities for service improvement based on AEPAC and Dispatch Review report recommendations. Remaining AEPAC and Dispatch Review recommendations have been incorporated into the AHS Operations Plan and are being prioritized and monitored by the EMS Reform Parliamentary Secretary.

There are almost two million visits to Alberta EDs every year. Alberta Health together with AHS is working to improve patient flow within the health system, in particular to reduce ED wait times. AHS is committed to improving the experience of patients and families from the time they seek emergency care until the time the patient is discharged or admitted. There are 780 more staff in EDs today than in December 2018. AHS is working diligently on several initiatives to improve access to emergency care including improving access to continuing care living options, expanding hospital capacity, and implementing initiatives in hospitals to streamline patient treatment and discharge. In 2022-23, alternate level of care days were reduced by enhancing social work supports in acute care to address barriers for discharge. This included adding a fast-track area at the Alberta Children's Hospital in Calgary, and deploying additional units of EMS mobile Integrated Health Units in Calgary and Edmonton to provide care for unscheduled needs within the community (i.e., IV antibiotics, rehydration, and transfusions at home).

In January 2023, the Bridge Healing Transitional Accommodation Program was launched in Edmonton to support transitioning of patients experiencing homelessness as they are discharged from emergency departments. The initiative aims to reduce hospital readmission rates for Albertans experiencing homelessness by providing wrap-around health and social services. This program provides 36 beds to support this vulnerable population.

Over the next three years, $305 million will be provided for additional health care capacity on a permanent basis under the HCAP. This includes approximately $268.6 million in operating funds and $36.4 million for capital projects to increase ICU capacity on a permanent basis. Approximately $61 million was spent in 2022-23 to create 50 permanent new fully equipped and staffed adult ICU beds across the province, which brings the number of ICU beds up to 223 from 173 before the pandemic.

The pandemic has shown that more permanent capacity and staff are needed, particularly in rural and remote areas. The ministry continues to address ICU staffing shortages across health care facilities in Alberta. As vacancies are filled, ICU beds are reopened. Temporary bed closures are implemented only as a last resort, and patients continue to receive safe, high-quality care. AHS filled 392 positions, as of the end of fiscal year 2022-23, to support the new beds. These positions included nurses, allied health professionals, pharmacists, and clinical support service positions for diagnostic imaging and service workers. The latest data available at the end of fiscal year 2022-23 indicated that the provincial ICU baseline occupancy rate was 82 per cent, a 29 per cent improvement from being at over capacity (115 per cent) in 2021-22. Increasing ICU capacity ensures that Albertans receive care when they need it most. However, unplanned temporary service disruptions, including bed reductions, are not unusual in any health system, as services and beds are managed based on patient need, staffing levels, acuity of patient health, and other factors. Government works to ensure patients continue to receive safe, high-quality care. Occasionally,

however, temporary bed closures are implemented as a last resort. Government is committed to ensuring that any Albertan who needs acute care will receive it.

Workforce challenges remain a significant barrier to improving wait times for surgery given the high demand for anesthesiologists in Canada and international jurisdictions. Alberta Health is reviewing and developing options to support continued implementation of the Anesthesia Care Team Model in AHS and CSFs. The implementation of the Anesthesia Care Team Model aims to use anesthesiologists more resourcefully for some ophthalmology and orthopedic surgeries by employing a multidisciplinary team that works under supervision of the anesthesiologist to support anesthesia services in the operating room. Recruitment efforts are underway through AHS to attract more anesthesiologists to Alberta, including in rural areas.

In March 2023, government released MAPS Strategy, which sets out a framework for supporting the province's current health care workers and building the future workforce that can support Albertans getting the health care they need when and where they need it. Alberta has various initiatives underway to attract and retain nurses and increase system capacity. Alberta Health worked with the College of Registered Nurses of Alberta to streamline registration processes for Internationally Educated Nurses (IEN) and developed a grant agreement with the Alberta Association of Nurses for nurse navigators to support IENs going through the assessment, education, and registration processes.

Announced in September 2022, the Modernizing Alberta's Primary Health Care System (MAPS) initiative formed three panels to provide advice to the Minister on ways to improve the primary health care system, thereby improving the overall efficiency of the health care system. On February 21, 2023, the Minister announced an investment into primary health care of $243 million over three years; of this, $125 million is allocated for MAPS recommendations. In addition, the Minister accepted, in principle, early opportunities for investment that could be implemented to enhance Albertans' access to primary health care immediately. On March 31, 2023, the MAPS Strategic Advisory Panel and Indigenous Primary Health Care Advisory Panel submitted parallel final reports to the Minister, outlining transformative strategic roadmaps for the next 10 years of primary health care in Alberta. These reports address both Indigenous access to primary health care and advice on improving primary health care for all Albertans. The intent of the MAPS initiative will be to re-orient the health system around primary health care, thereby improving patient outcomes and reducing costs and decreasing pressures on the acute care system in the long-term.

Partnerships and collaboration between primary care providers and specialists will improve patient wait times and health outcomes. The ASI Care Pathways and Specialty Advice, which includes the Provincial Pathways Unit and provincially aligned non-urgent telephone advice service programs, support consistency and quality to ensure continuity of care across the patient journey. The Provincial Primary Care Network provided these projects with conditional endorsement to begin transition to operational shared service programs. Primary Care Networks (PCNs) are also working with other stakeholders on the ASI to improve primary care and specialist linkages and patient navigation of the health care system by building and leveraging PCN specialist linkage programs. Some initiatives include Strong Partnerships and Transitions of Care for the Central Zone; Patient's Medical Home, including referral navigators; Specialist LINK Tool for the Calgary Zone; Connect MD for the Edmonton and North Zones; FAST General Surgery for the Edmonton Zone; and, Specialist Integration Task Group for the Calgary Zone.

1.2 Modernize Alberta's continuing care system, based on Alberta's facility-based continuing care and palliative and end-of-life care reviews, to improve continuing care services for Albertans living with disabilities and chronic conditions (including people living with dementia).

Government continues to be committed to addressing gaps in the continuing care system, and meeting the needs of Albertans by implementing transformative changes within the system. Alberta Health worked with partners to develop a new legislative framework for the continuing care system. The *Continuing Care Act* (Act), which received Royal Assent on May 31, 2022, will increase clarity regarding services, address gaps and inconsistencies across services and settings, enable improved service delivery for Albertans, and support health system accountability and sustainability. Multiple pieces of legislation will be consolidated into the Act, which establishes clear and consistent oversight and authority over the delivery of continuing care services and settings. The new legislation was proclaimed to be in effect April 1, 2024, except for sections regarding administrative penalties, which will be proclaimed on April 1, 2025. Implementation of the legislative framework will better support Albertans transitioning between care types and settings, including home and community care, supportive living accommodations, and continuing care homes.

The continuing care system in Alberta provides a range of services for health, personal care, and housing to ensure the safety, independence, and quality of life for people in Alberta, regardless of age, based on their evaluated need for continuing care assistance. Publicly funded care options include home and community care; continuing care homes, which includes Designated Supportive Living and Long-Term Care; and, Palliative and End-of-Life Care services (PEOLC). In addition, Albertans have the option to access housing support in supportive living settings, such as lodges, group homes, and seniors' complexes.

In 2022-23, 871 new continuing care beds/spaces were created at AHS-operated or contracted facilities to meet Albertans' needs. The government continues to be committed to expanding the number of available continuing care spaces throughout the province and enhancing the continuing care system to effectively meet the needs of Albertans by incorporating recommendations from the Facility-Based Continuing Care (FBCC) Review Final Report, which was released on May 31, 2021.

Alberta Health has acted on several recommendations from the FBCC review, including the introduction of self-managed care as a way to provide greater choice regarding locations, types and providers of services. Further, Alberta Health has enhanced client choice by supporting more continuing care clients in the community rather than at FBCC sites.

Alberta Health worked with Alberta Blue Cross and AHS to successfully implement the Client-Directed Home Care Invoicing model. This model was implemented in the Edmonton Zone in April 2022, and in the Calgary Zone in the fall of 2022. Expansion to rural areas of the province will move forward over the course of 2023 to provide Albertans with increased choice and flexibility in selecting their home care service provider and the ability to better direct how their care is provided.

In June 2022, Alberta Health worked with AHS to initiate a Request for Expression of Interest and Qualification (RFEOIQ) procurement process to explore opportunities to optimize the provision of home care services in Alberta, as well as identify innovative service delivery solutions to support specialized needs and populations. Albertans will begin to see the outcomes and impacts of the RFEOIQ process during fiscal year 2023-24, as the successful proposals are implemented.

Another recommendation from the FBCC report was to streamline inspections. Transition of continuing care facility audits from AHS to Alberta Health began in March 2022. A coordinated monitoring approach has reduced duplications of both reviews and site visits. In 2022-23, over 1,100 inspections were completed on accommodation and care in continuing care facilities across the province. Alberta Health also followed up on over 940 reportable incidents of resident safety or care concerns and conducted 103 complaint investigations. These activities continue to provide assurance that residents and clients are receiving safe and quality care and services.

Budget 2022 allocated $204 million in capital grant funding over three years to expand capacity for continuing care. The inaugural Indigenous Stream was launched in 2021 to support continuing care facilities on and off reserves/settlements. As of June 2022, seven projects were approved for $67 million to develop 147 continuing care spaces. The inaugural Modernization Stream was launched on September 20, 2022, and concluded on January 6, 2023. This stream focused on refurbishing and/or replacing existing aging continuing care infrastructure at non-AHS owned facilities.

The Government of Alberta continues to prioritize quality PEOLC by investing $20 million in over 30 projects since 2019. Progress to date on projects commenced in 2020 include:

- Covenant Health continued to work to increase general awareness of PEOLC, increase uptake of advance care planning and develop standardized, competency-based education to support the provision of high-quality PEOLC.
- In October 2022, Covenant Health's Palliative Institute launched the Compassionate Alberta website, (compassionatealberta.ca) which is a resource aimed at increasing awareness around palliative care and to help Albertans have open and honest conversations about death.
- Between April 2022 and March 2023, the Alberta Hospice Palliative Care Association successfully launched two programs that addresses the needs of caregivers and those with a life-limiting illness (the Living Every Season Program) as well as grief and bereavement needs for Albertans (the You're Not Alone Grief Connection Program).

In November 2021, Alberta Health released the PEOLC call for grant proposals. The grant program focused on projects that address the four PEOLC priority areas identified in the *Advancing Palliative and End-of-Life Care in Alberta Report*. As a result of this grant call, a total of 25 new PEOLC grants were initiated in April 2022, totaling $11.3 million. The funding and project breakdown is as follows:

- Nearly $4.2 million for eight projects to expand community supports and services.
- More than $4.1 million for 10 projects to improve health-care provider and caregiver education and training.
- More than $1.9 million to support four projects that advance earlier access to palliative and end-of-life care.
- More than $1.1 million for three projects for research and innovation.

In June 2022, the Pilgrims Hospice Society completed a one-year, grant-funded project that supported care navigation services, which provided Albertans with information on residential support programming and provided staff training on hospice care. Pilgrims Hospice Society also received $2.5 million in October 2022 to support residential hospice care at the Roozen Family Hospice Centre in Edmonton. This demonstration project will provide important information on the standalone hospice model used at the centre, including usage data and service quality, to identify longer-term options for funding and expanding residential hospice services in Alberta.

Government continued to invest in supporting the nearly one million Albertans who are caregivers for family and friends. This included approximately $2 million in grant funding since 2022 to Caregivers Alberta to enhance their programs and services; to Norquest College for the Skills Training for caregivers with a focus on rural areas; to the University of Alberta to reduce caregiver distress and support family and friend caregivers to maintain their health and well-being; and, to the Alzheimer Society of Alberta and the Northwest Territories to focus on delivering community-based programming for persons living with dementia and their caregivers.

In 2022-23, the Government of Alberta continued to support innovations in dementia care through the Community-based Innovations for Dementia Care initiative, which supported 15 community-level projects, and through multiple projects delivered by the Alzheimer Society of Alberta and the Northwest Territories:

- The Alberta Employers Dementia Awareness Project identified the needs of employers to develop best practices to create inclusive workplaces. This included piloting and launch of the Dementia Alberta website (https://www.dementiaalberta.ca) to ensure dementia in the workplace awareness materials are available to Alberta employers. The project also helps to ensure that employers have access to materials describing the importance of brain health and dementia risk reductions, and that employers have access to sample guidance, facts, tips and scenarios applicable to Alberta employers and employees.
- The expansion of the First Link® early intervention program by enhancing outreach to and in rural communities. During the project, 113 rural communities received outreach and 91 small cities, specialized municipalities, municipal districts, towns, villages or summer villages received outreach services.
- The Community Dementia Ambassador Project, which created a program delivered by volunteers (Ambassadors) who live in or are familiar with the cultural and social values of Alberta communities. This project identified 22 Ambassadors from 16 communities, including Cardston, St. Paul and Peace River. Ambassadors reached more than 1,325 Albertans.

To support the continuing care sector and its staffing needs, the government is exploring ways to increase the number of students enrolled in Health Care Aide (HCA) programs at various post-secondary institutions. Government is funding an additional 1,090 seats in HCA programs over three years, and invested $12.8 million to provide bursaries for HCA students to assist with education costs and encourage them to become HCAs. The HCA bursary program, administered by NorQuest College, went live July 1, 2022, and included three streams of funding: the Financial Incentive program, the HCA Tuition Bursary program, and the Workplace Tutor program.

Under the Financial Incentive program, students who were enrolled in a licensed HCA program between January 1 and June 30, 2022, are eligible for up to $4,000 if they agree to work a minimum of 1,000 hours with an identified continuing care operator within one year of starting employment. Eligible HCA students may receive up to $9,000 through the HCA Tuition Bursary program. The Workplace Tutor program provides funding for identified continuing care operators to educate and train HCAs at their workplace. Demand for the bursaries is steady with over 600 students applying for the regular bursary and approximately 350 HCA students approved to receive the bursary. These bursaries will remove barriers for students, and pay for schooling and other expenses while they are completing their program.

From July 2022 to March 31, 2023, government provided $20.6 million to continuing care operators to partially offset inflationary increases to accommodation charges for continuing care residents. This support made accommodation charges more affordable for residents and shielded them from the full cost of living pressures associated with higher-than-average inflation.

The government provided $1 million to improve access to non-medical supports in the community. This included initiatives with United Way Calgary and the Edmonton Seniors Coordinating Council to provide more community supports and navigation assistance for clients seeking this help, expanding caregiver supports. In 2022-23, the percentage of medical patients with an unplanned hospital readmission within 30 days of discharge from hospital was 12.8 per cent. This was one per cent lower compared to last year (2021-22). A lower percentage means fewer patients have been readmitted to hospital within one month of discharge. A high rate of readmissions increases costs and may mean the health system is not performing as well as it could be. Although readmission may involve many factors, lower readmission rates show that Albertans are supported by discharge planning and continuity of services after discharge. Rates may also be impacted by the nature of the population served by a hospital facility, such as elderly patients or patients with complex health needs, or by the accessibility of post-discharge health care services in the community. Coordination of care is also improving with increased access to virtual care services and supports as well as recent enhancements to health information systems that enable electronic notification of primary care doctors when their patient is admitted or discharged from hospital.

1.3 Use digital technology to enable new models of care and reduce manual and paper-based processes.

Government continues to enhance the digital health environment to provide Albertans with digital access to their health information and give health care providers more complete digital patient information at the point of care to enhance quality of care for Albertans. Collecting health system data helps support evidence-informed decisions to address changing circumstances and to keep Albertans informed.

The digital modernization of the health care system involves several key elements. The MyHealth Records (MHR) portal allows Albertans to access their health information. In 2022-23, over $7.9 million was spent on MHR. Alberta Netcare, the province's Electronic Health Record, is available to health care professionals in the community and AHS. In addition, Connect Care, an integrated system with Alberta Netcare, serves as a common platform for clinical information and stores all medical records, prescriptions, and care history collected from AHS facilities, including doctor's notes.

Giving Albertans digital access to their health information via the MHR portal reduces the need for them to manually request that information separately from each health provider. Albertans registered on MHR has grown from 1.25 million users in March of 2022 to just under 1.5 million users at the end of March 2023. MHR portal capabilities have been expanded with the addition of immediate release diagnostic imaging reports including CT and MRI scans. The Apple MHR App is now integrated with Apple Health Kit, allowing Albertans to connect health information from their Apple Health App account to MHR.

These information technology components facilitate the shift from paper-based processes to digital processes and support the expansion of virtual care options. In 2022-23, new services to support electronic referral as part of the ASI were planned and developed. A data feed is being tested, paving the way for future referral notifications in MHR and in the Electronic Medical Records (EMR) systems of referring providers. Other improvements also included continuity of care services:

- Patient data from the Central Patient Attachment Registry is now integrated with Alberta Netcare, enabling health care providers across Alberta to access information on the patient’s medical home, and who their primary provider is.

- Design work on Alberta's version of the International Patient Summary is nearing completion and development work will begin shortly with EMR vendors. A patient summary is a collection of clinical and contextual information about a patient's health details. The Alberta version of the national standard is being coordinated with Ontario and Canada Health Infoway (a not-for profit funded by the Government of Canada) and includes necessary minimum amount of information to inform patient treatment at point of care. Alberta is hoping to have at least one EMR vendor conformed to Alberta's Patient Summary in 2023, with additional vendors onboarded in 2024.
- The Community Information Integration (CII) project improves Albertans' access to primary care and community health information by collecting patient data from physician offices and other community-based clinics and making it available to other health care providers through Alberta Netcare. Over $6.5 million was spent on CII in 2022-23. In January 2023, there were 1,764 providers live on CII, taken from 430 clinics across 40 PCNs, and nearly 1.2 million Albertans in the Central Patient Attachment Registry database. More than seven million patient encounters and over 500,000 consult reports have been submitted to Netcare as of March 31, 2023.

As the province emerges from the pandemic, the expectations of Albertans have shifted and there is a greater reliance on accessing on-demand virtual government services. In alignment with the Government of Alberta Digital Strategy and Alberta Health's eHealth Strategy, developed in 2021-22, Alberta Health will modernize digital service delivery, increase productivity, save tax dollars, and improve user experience by better integrating technologies into the delivery of government services.

In 2022-23, $5.7 million was spent through the Health Canada Bilateral Agreement for Pan-Canadian Virtual Care to address secure messaging, secure video-conferencing technology, remote patient monitoring technologies, patient access to COVID-19 and other lab results, and back-end supports for integration of new platforms. This investment supported Alberta Health's ongoing initiatives foundational to expanding the virtual health care system. Alberta Health has identified four strategic priorities for virtual care delivery in the province, which are reflected in Alberta's Virtual Care Action Plan:

- establishment of an eHealth Strategy that includes a strategy for virtual care;
- expansion of the MyHealth Records patient portal capabilities, including expansion of lab results and addition of diagnostic imaging results;
- development of secure messaging services for Alberta, including advanced services for two-way integration between community EMRs and Alberta Netcare; and,
- development of a privacy and security framework for virtual care.

Access to the MHR portal is free at https://myhealth.alberta.ca/myhealthrecords. Currently, Albertans can view parts of their Netcare record, including their medications dispensed through community pharmacies, lab results and immunization history through MHR. In 2022-23, discussions and approval processes for MHR and Alberta Netcare were underway for implementation. This enables Albertans to be active participants in their own health management.

The ministry continues to make progress on a phased roll out of Connect Care within all AHS facilities to support digital modernization of the health system. In 2022-23, five of the nine planned launches for this multi-year project had been completed. Connect Care provides a single source of information in AHS to support team-based, integrated care with a focus on the patient and the efficient and effective provision of services. In 2022-23, over $260 million was spent on Connect

Care. The total cost of Connect Care when completed is expected to be $1.45 billion. Although progress was slowed by the pandemic, work continues on the remaining four launches of deployment. All launches are expected to be completed by fall 2024 and approximately 145,400 users are expected with full roll out of the program.

The application of modern technologies will support the delivery of innovative care models that empower patients, families and their health care teams to improve quality of care. In 2022-23, eight digital health projects were funded at the Universities of Alberta and Calgary for a total investment of $9.6 million from AHS and Alberta Innovates. These academic-clinical collaborations will help AHS identify and advance solutions that improve health care quality, health outcomes, and overall value for Albertans. Projects include the integration of prevention into Connect Care to improve the health of Albertans; digital tools such as clinical decision support and remote monitoring for people with kidney issues to reduce acute care use; tele monitoring to reduce adverse events for hospitalized patients; and, an integrated digital health approach to diabetes with First Nations in Alberta.

Digital technology is also being leveraged to modernize critical capabilities to administer the Alberta Health Care Insurance Plan (AHCIP) and support core business, such as claims processing and payment to health care providers. To better meet the needs of Albertans and care providers, work continued on future models of care and emerging digital technology to replace and redesign mainframe systems to increase functionality and reduce maintenance costs. In 2022-23, over $6.5 million was spent on this initiative and the work towards the replacement and redesign of nine applications used to administer the AHCIP is ongoing.

1.4 Ensure processes for resolving patient concerns are effective, streamlined, and consistent across the province.

It is important that Albertans are aware of what resources are available to help them resolve patient concerns, and how their valuable feedback can help improve the quality and safety of health services. The Office of the Alberta Health Advocates empowers Albertans to advocate for their health needs; resolves their concerns and refers individuals to programs and services to address their complaints; educates Albertans about the province's Health Charter; and, provides health self-advocacy skills and health literacy education to promote early resolution of issues and remove barriers and gaps in care. In February 2023, government appointed a new Health and Mental Health Advocate to be a strong voice for Albertans when it comes to their health care and to ensure the health system operates effectively for all Albertans.

From April 1, 2022, to March 31, 2023, there were 2,589 Albertans served by the Office of the Alberta Health Advocates. More specifically, there were 1,565 under the Health Advocate's jurisdiction, 742 under the Mental Health Advocate's jurisdiction, and 175 files that were under both jurisdictions. The Office of the Alberta Health Advocates hears the patient perspective on care experiences and provides feedback to entities in the health system through effective partnership and collaboration to encourage system improvement/change and effective legislative development.

The ministry is committed to ensuring the patient complaints process is fair, responsive, and accessible and has processes in place to review and respond to feedback from patients and families. Recommendations to improve the current processes for resolving patient concerns and complaints have been developed, informed by consultation and research led by the Health Quality Council of Alberta. These recommendations were approved by government in the summer of 2022; Alberta

Health is working on their implementation which is to expand the role and mandate of the Health Advocate; centralize intake, triage, navigation and standardize follow up with Albertans for all patient complaints; and, require mandatory information exchange between stakeholders to support improved public reporting for health care complaints. Once the recommendations are fully implemented, Albertans will have a simplified process to raise concerns and complaints about health care, and the Health Advocate will help them find the appropriate body to review and investigate the complaints. The Health Advocate will help improve accountability by monitoring the status of the resolution processes for completion and closure. Concerns and complaints will continue to be reviewed and investigated by AHS, health professions and other bodies created under statute to hear concerns.

Alberta Health continues working with First Nations and Métis health leaders to better understand their experiences with the current complaints management systems in Alberta, involve them in identifying ways to build Indigenous patient trust in the health care they receive, and to ensure their concerns are addressed appropriately. The outcome of this work will improve the current complaints management system by removing existing red tape and making the system easier to navigate for patients and families.

Outcome Two: A modernized, safe, person-centred, high quality and resilient health system that provides the most effective care now and in the future for each tax dollar spent

Key Objectives

2.1 Continue to implement strategies to bring Alberta's health spending and health outcomes more in line with comparator provinces and national norms, including implementation of AHS review recommendations and working with the Alberta Medical Association to reach a fiscally sustainable agreement.

Albertans want and deserve a health care system that meets their needs, while also understanding the system needs to be sustainable. Government's focus on ensuring value for money spent on health care supports this vision through actions and initiatives that make the most of taxpayer dollars. Budget 2022 invested $22.5 billion in Health's operating budget to keep Albertans safe and healthy.

In 2022-23, Alberta received $5.8 billion in Government of Canada transfers, of which $5.5 billion was the Canada Health Transfer (CHT). The CHT included a $232 million one-time funding to address surgery backlog resulting from the COVID-19 pandemic. In February 2023, Alberta reached an agreement with the Government of Canada to invest more than $24 billion in Alberta's health care system over the next 10 years through the CHT. This funding aims to respond to the immediate needs of Albertans under the Health Care Action Plan, as well as improve access to family health services, including in rural and remote areas and in underserved communities; foster a resilient and supported health workforce; improve mental health care and addictions services; and, allow Albertans access to their own electronic health information.

The ministry continues to closely monitor provincial per capita spending on health care to quantify progress on government's broader commitment to get the most value for each dollar and improve access, and make the health system work better for Albertans, while managing cost growth in health care. The Government of Alberta continues to collaborate with health system partners to manage the biggest cost drivers in the health system – namely hospital services, labour and physician compensation, and publicly funded drug benefit programs. In 2022-23, the Government of Alberta spent $4.3 billion on hospital services (i.e., acute care), $6.0 billion on physician compensation and development, and $2.5 billion on drugs and supplemental health benefits.

The pandemic caused per capita health care spending for all provinces to increase significantly. The national average increased from $4,835 in 2019-20 to $5,628 in 2021-22. The Alberta provincial per capita spending on health care in 2021-22 is estimated to be $5,384, on par with the Canadian average. Improving efficiency and ensuring more value for tax dollars will improve health outcomes and support fiscal sustainability of the health system. The Alberta Health Services (AHS) Performance Review identified opportunities for AHS to reduce costs and improve health outcomes by using resources more efficiently. The ministry will continue to pursue opportunities to align spending with British Columbia, Ontario and Quebec by implementing efficiencies and reducing drug costs through the work of the pan-Canadian Pharmaceutical Alliance.

	Excludes COVID-19 expenditure	Includes COVID-19 expenditure
	Spending per capita 2019-20[1]	Spending per capita 2021-22
Alberta	$5,172	$5,384
British Columbia	$4,741	$5,517
Ontario	$4,526	$5,392
Quebec	$4,789	$5,906
Canada	$4,835	$5,628

Source: Government Finance Statistics (Canadian Classification of Functions of Government (CCOFOG) by consolidated provincial/territorial and local government component) data on health, Statistics Canada. Population estimates, quarterly, Statistics Canada.
Notes: [1]There is a two-year lag in actual results.

AHS continues to find ways to improve the health system and access to services to Albertans. Actions implemented as a result of the 2019 AHS Performance Review have had substantial impacts on the health care system and savings have been used to improve front-line care and system sustainability (https://open.alberta.ca/publications/alberta-health-services-performance-review-summary-report). Implementation of the AHS Review initiatives was concurrent with a global pandemic, labour negotiations and development of a new agreement between the government and the Alberta Medical Association (AMA).

Operating expenditures (excluding COVID-19 costs) increased by 6.1 per cent in 2022-23 when compared to 2021-22. Alberta's population growth and aging population has resulted in increased demand for healthcare services. The overall increase also reflected implementation of the new agreement with the AMA and recent settlements with various health labour unions. Despite these cost pressures, health spending growth is lower than the combined population growth and inflation increase.

Performance Measure 2.a
Sustainable operating spending growth (operating spending relative to Alberta population growth plus CPI[1])

	Prior Years' Results			2022-23	2022-23
	2019-20	2020-21	2021-22	Target	Actual
Operating Spending Growth	2.0%	-2.8%	4.6%	2.4%	6.1%
Population Growth (POP)	1.6%	0.8%	1.0%	1.5%	3.0%
Consumer Price Index[1] (CPI)	1.8%	0.9%	4.3%	2.9%	6.0%
POP + CPI	3.4%	1.7%	5.3%	4.4%	9.0%

Source: Ministry Consolidated Statement of Revenue and Expenses as presented in the Financial Information section of the Ministry of Health Annual Report. POP and CPI data from Statistics Canada.
Notes: [1]Consumer Price Index (CPI) is a measure of inflation.

Protecting and improving the quality of health care in Alberta also requires capital investments. In 2022-23, a total of $841 million was invested in health-related capital projects across the province, including technology and information systems maintenance and renewal of existing facilities.

Alberta continues to expand and modernize hospitals and other facilities to protect quality health care and grow system capacity. Investments in health system infrastructure is fundamental to improving efficiency in the health care system, reducing wait-times, providing additional surgical capacity, and to generally improve patient outcomes. *Budget 2022* invested $193 million over three years for the redevelopment and expansion of the Red Deer Regional Hospital Centre to increase critical services and add capacity to one of the busiest hospitals in the province. The Red Deer Regional Hospital Centre redevelopment project functional program was completed in late April. The functional program develops and validates the scope of services and projected workload, staffing, and space to meet current and emerging acute health care needs of all residents of the Red Deer Regional Hospital's catchment area. The functional program also addresses capacity and quality of space to improve patient and staff safety, support quality of care, manage utilization efficiently and sustainably, and ensure timely access to care. When completed this project will expand inpatient capacity from 370 beds to 570 beds and add three surgical suites, plus space to add three more suites when required in the future. There will be a new cardiac catheterization laboratory, a new medical device reprocessing space, expanded ambulatory care capacity, and expansion of many other clinical programs throughout the hospital.

In 2022-23, over $133 million was allocated over three years for Alberta Surgical Initiative capital projects at AHS-owned facilities. This includes the renovation of the Medicine Hat Regional Hospital, the Edson Health Centre, and the Royal Alexandra Hospital in Edmonton. Construction also progressed on the University of Alberta Hospital in Edmonton, which will include a post-anesthetic recovery unit and medical device reprocessing area when completed, and the Rocky Mountain House Health Centre, which is undergoing renovations for a new procedure room and the development of a new medical device reprocessing area. Design was completed for redevelopment at the Chinook Regional Hospital that will modernize and increase surgical procedure capacity. Other work also included designing 11 operating suites at the Calgary Foothills Medical Centre.

As part of *Budget 2022*, $2.2 billion was allocated over three years to move forward with a number of capital projects, for example:

- The University of Alberta Hospital Brain Centre received $50 million over three years for a Neurosciences Intensive Care Unit. The design development report is nearing completion.
- Provincial Pharmacy Central Drug Production and Distribution Centre ($49 million over three years). The design development report is complete.
- The Norwood Tower at the Gene Zwozdesky Centre ($142 million over two years) received an occupancy permit in March 2023 and was turned over to AHS for operational commissioning.

In 2022-23, $116 million was spent to complete the Calgary Cancer Centre. The Calgary Cancer Centre Construction is complete and AHS is preparing the hospital to open in 2024. The hospital will have 160 new inpatient cancer beds, 100 patient exam rooms, 100 chemotherapy chairs, increased space for clinical trials, 12 radiation vaults, outpatient cancer clinics, and designated areas for clinical and operational support services and research laboratories. The completed project will increase cancer care capacity in Calgary by consolidating and expanding existing services to support integrated and comprehensive cancer care.

On October 6, 2022, the government executed a four-year agreement with the AMA to address common interests such as quality of care, health care system sustainability, and stability of physician practices. Implementation of the AMA Agreement is underway and includes over $250 million in new spending over four years on initiatives targeted at communities and physician specialties facing recruitment and retention issues. The agreement included concrete solutions and the financial resources to support Albertans' health care needs by promoting system stability through competitive compensation and providing targeted funding to address pressures that require immediate and longer-term stabilization. The agreement also allows physicians to provide greater input into longer-term approaches on improving patient care and physician compensation reform initiatives. Physicians received a one per cent lump sum COVID-19 recognition payment in 2022-23. Alberta physicians were at the forefront of the pandemic and the one-time payment for eligible practicing physicians is in recognition of that work during the 2021-22 fiscal year. The lump sum payment is approximately $45 million and was provided to the AMA in December 2022 to distribute to their members. Physicians will receive an average one per cent rate increase to compensation for each of the next three years.

As part of implementation of the AMA Agreement, the Business Costs Program premium rate was increased by about 22 per cent. This increase will help physicians deal with inflation and keep practices open. The increase is estimated to cost $20 million annually, providing on average an extra $2,300 annually for each physician. This is in addition to about $80 million the government currently invests in the program each year.

Following the ratification of the AMA Agreement, a commitment for collaboration between Alberta Health and the AMA regarding primary health care, including one-time investments of $20 million in Primary Care Networks (PCNs) for two fiscal years, was established. The Provincial PCN Committee provided significant contributions to the work of the Modernizing Alberta's Primary Health Care System (MAPS) initiative to improve access and quality of primary and community health services. The MAPS initiative goal is to provide recommendations on ways to strengthen primary health care and achieve a primary health care-oriented health system. MAPS is engaging leaders and experts with hands-on experience in primary health care and health systems improvement to examine the current landscape and propose improvements. By March 31, 2023, a final report was delivered proposing a strategic direction for primary health care over the next 10 years, with a parallel report providing strategic directions to improve the delivery of primary health care for Indigenous peoples in Alberta.

The $20 million investment in primary health care provides significant relief across the primary health care system, particularly for PCNs that have experienced a decline in their per capita payments from declining numbers of patients. This funding provides stabilization while work is undertaken to review and improve the overall funding model for PCNs, which will consider recommendations from the MAPS initiative.

For many Albertans, prescription drugs have tremendous benefits in terms of improving quality of life, managing illnesses, and in some cases, precluding the need for more extensive treatments. Alberta continued to work with the pan-Canadian Pharmaceutical Alliance (pCPA) to reduce prescription drug costs and increase access to clinically effective and cost-effective drug treatment options, including cell and gene therapy. All new drugs and/or new indications for use undergo price negotiations between the pCPA and drug manufacturers. In 2022-23, rebates have increased to an estimated $327 million from $275 million in 2021-22. This is a successful trend that shows

the importance of the pCPA and Alberta's involvement as a member to push health jurisdictions for more value and budgetary protection.

In 2022-23, the province spent $2.5 billion on drugs and supplemental health benefits and continued to improve existing drug benefit programs and add innovative and effective therapies through the addition of 320 new products in 2022-23. Of the 320 products added, 48 were brand name drug products and 272 were generic products.

Alberta's Biosimilars Initiative will expand the use of biosimilars by replacing the use of biologic drugs with their biosimilar versions whenever possible. This means patients will continue receiving safe and effective treatment, but at a lower cost. In 2022-23, savings from this initiative increased to an estimated $65.7 million from $48.9 million in 2021-22.

2.2 Increase regulations and oversight to improve safety, while reducing red tape within the health system by restructuring and modernizing health legislation, streamlining processes, and reducing duplication.

As of March 31, 2023, the ministry, including AHS, achieved a 36.1 per cent reduction of its regulatory and administrative requirements, exceeding the government target of 33 per cent. AHS will continue to see reductions with the ongoing launches of Connect Care across the organization, continuing through 2024.

Connect Care supports digital modernization of more complete central access to patient information related to AHS services. It provides resources, including medication alerts; evidence-based order sets; test and treatment suggestions; and, care paths and best practice advisories, which result in fewer repeated tests and consistent information across the province wherever care is being provided at AHS facilities. This system also reduces the number of forms used by AHS and helps to eliminate data entry duplication. Connect Care also facilitates direct communication between patients and providers through a patient portal, MyAHS Connect, which helps patients better manage their health with online access to their health information, including reports and test results. It also allows for online interaction with their care team, an ability to review and manage appointments and after visit care summaries, and less repeating of their health histories or need to remember complex histories or medication lists. The ministry continues to monitor Alberta's health system to ensure standards are maintained and to improve safety and quality of health care.

As of March 31, 2023, amendments to the *Health Professions Act* have been proclaimed into force that modernize Alberta's professional regulatory structure. This included changes to 29 regulatory college regulations and one regulation that enhance professional regulation by health profession regulatory bodies and will make it easier for regulatory colleges to be more agile and adapt faster to changing best practices.

The PCN Nurse Practitioner (NP) Support Program was created to enable NPs to work to the full scope of their skills. In 2022-23, $7.6 million was provided and the program facilitated the incorporation of NPs working more than 57 full-time equivalent positions as of March 2023. The program increases access to primary health care, including after hours, weekends, and in rural and remote areas and underserved populations; supports chronic disease management; and, helps meet unmet demand for primary health care services. Challenges for the program include NP compensation, recruitment and retention, and the desire of NPs for an independent practice model.

Alberta Health is currently consulting with key stakeholders on a draft NP Compensation Model to address the challenges of the program.

Amendments to the *Pharmacy and Drug Act* and the Pharmacy and Drug Regulation came into effect June 1, 2022. These amendments allow the Alberta College of Pharmacy and pharmacies to better respond to changes in the provision of pharmacy services to Albertans and reduce significant government red tape faced by pharmacy operators.

To address the current challenges in continuing care legislation and help to initiate transformative change within continuing care, Alberta Health worked with partners to develop a new legislative framework for the continuing care system to increase clarity regarding services, address gaps and inconsistencies across settings, enable improved service delivery for Albertans, and support health system accountability and sustainability. On May 31, 2022, the *Continuing Care Act* (Act) received Royal Assent. The Act will come into force on April 1, 2024, after the development and approval of regulations and standards. The ministry is currently working with partners on the development of those regulations and standards. When proclaimed, the Act will regulate the full spectrum of continuing care services and settings in Alberta, including continuing care homes, supportive living accommodations, and home and community care. Consequential amendments to the Act are included in *The Red Tape Reduction Statutes Amendment Act*, 2023. These amendments ensure alignment of terminology in existing legislation with the Act while maintaining the policies and intent of the current legislation.

In May 2022, the Food Regulation under *the Public Health Act* was amended to eliminate the requirement for food establishments to request an approval from a public health inspector to allow dogs into outdoor eating areas. The amendment reduced red tape for operators and provided them greater flexibility in meeting the needs of their customers. The Food Regulation provides clear requirements to support the change so dogs can stay with their owners on outdoor patios, while maintaining a high degree of food safety.

2.3 Improve measuring, monitoring and reporting of health system performance to drive health care improvements.

Measuring performance is the clearest way to show investments in the health care system are leading to better outcomes for Albertans. Alberta Health worked with the Health Quality Council of Alberta (HQCA) to ensure alignment of their plans and priorities with government key priorities and achieve improvements through various initiatives. On July 26, 2022, Alberta Health executed a $23 million operating grant agreement with the HQCA over three years (April 1, 2022 to March 31, 2025) to keep the organization working with patients, families, and partners from across health care and academia to inspire improvement in patient safety, person-centred care, and health service quality. As an example, Alberta Health worked with the HQCA to develop a Primary Care Patient Experience survey to engage Albertans on their experiences within the health care system.

Work continued towards transitioning manual surveys to a digital, computer-adaptive testing methodologies format to use digital technology to enable new models of care and reduce manual and paper-based processes. Digital formats for surveys and reports across primary and continuing care increased Albertans' engagement within the health system and allowed more timely feedback to service providers about care concerns, including patients' opinions.

Alberta Health worked with HQCA to create primary health care panel reports to support planning, quality improvement, health system management for overall purpose of improving primary health care delivery. The panel reports provide family physicians with information on their patients' continuity, as well as valuable data on screening and vaccination rates, chronic conditions, pharmaceutical use, and emergency and hospital visits. Alberta Health worked with AHS and the HQCA to develop a value-based assessment tool for objectively assessing value from the Government of Alberta annual investment into health outcomes of Albertans and benchmark against other jurisdictions, particularly the comparator provinces of British Columbia, Ontario and Quebec.

Alberta Health also worked with the HQCA to complete priority work on identifying emergency medical services key performance indicators. Performance measures were developed and are under ministry review, with a shift in focus to reducing response times measured at the 90th percentile, rather than the 50th percentile. Releasing the results and performance information improves quality and patient safety and assures Albertans of the government's commitment to increase accountability and transparency in Alberta's health care system. The adoption of best practices and monitoring of performance measures help to improve health outcomes.

Work continued with the HQCA on developing the Patient Experience Awards and Quality Exchange to support excellence in care and sharing of best practices. This included continuing to develop resources and information to support and inform program planning, panel management, quality improvement and policy development in primary health care, as well as patient experience information for designated supportive living and continuing care. Information is published for Albertans in FOCUS, a dynamic online reporting tool which collects information about what patients experience in the provincial health care system, including: emergency departments, primary health care, long-term care, designated supportive living and home care.

Outcome Three: The health and well-being of all Albertans is protected, supported and improved, and health inequities among population groups are reduced

Key Objectives

3.1 Ensure a continued, effective response to the COVID-19 pandemic by optimizing access to treatments and vaccine, and reducing vaccine hesitancy.

The Government of Alberta remains committed to supporting Albertans as we shift to managing COVID-19 similar to how other endemic respiratory viruses are managed. Alberta's capacity to treat and clinically manage cases of COVID-19 continues to improve. Immunization, including receiving a booster dose of COVID-19 vaccine, is one of the best choices Albertans can make to protect themselves from severe illness due to COVID-19 infection. In 2022-23, $1.2 billion was spent on COVID-19 response to ensure the health care system had the resources required to address health care pressures resulting from the pandemic.

By the end of June 2022, all mandatory public health measures related to COVID-19 were lifted. This was due to increased immunization coverage, attenuation of severity of new circulating variants, and the ability to treat and clinically manage cases of COVID-19. This signaled the beginning of a shift in Alberta's handling of COVID-19 from an emergency pandemic response to an endemic state. Government supported this transition by working across multiple facets of health care (e.g., primary care, continuing care, workplace health and safety, public health, provincial laboratory, etc.) to align public health recommendations, such as testing and isolation, across all common respiratory viral illnesses.

The ministry continued to monitor the impacts and transmission of COVID-19 and other respiratory viruses in the community by working with partners on the implementation of ongoing and new COVID-19 immunization programs, including the introduction of bivalent booster vaccines, and implementing treatment protocols for COVID-19. Alberta Health and the Health Quality Council of Alberta established a COVID-19 Data Task Force, comprised of health professionals, to conduct a data review of the last several years of health information with a view to offering recommendations to the Government of Alberta on how to better manage a future pandemic. The purpose of the review is an opportunity to reflect on Alberta's pandemic response from a data quality and validity lens to identify opportunities for improvements to manage future pandemics.

To minimize the impact of COVID-19 and protect public health, COVID-19 Rapid Antigen Tests were made available across the province to all Albertans free of charge through participating community pharmacies. Initially, supply was limited and this distribution model enabled an equitable distribution of tests across the province. Between March 2021 to March 31, 2023, Alberta distributed 48.5 million rapid antigen tests to acute and continuing care sites, primary care clinics, businesses, K-12 schools, municipalities, First Nations and Métis communities, and the general public.

Government developed COVID-19 vaccine strategies to help reduce the spread, minimize severe outcomes and protect vulnerable Albertans. Work continued to support the review of ongoing evidence and recommendations for immunization against COVID-19, including guidance for immunization post-infection (or hybrid immunity), as well as for fall/spring booster programs. In 2022, Alberta continuously achieved key milestones on COVID-19 vaccine administration and roll out for different age groups and populations. In April 2022, 40 per cent of Albertans 12 and older had received their third vaccine dose. In June 2022, 35 per cent of Albertans aged five to 11 had received two doses of COVID-19 vaccine. On November 14, 2022, the Pfizer vaccine was made

available for individuals six months to four years of age, and on March 20, 2023, a second bivalent vaccine (spring booster) was made available for residents living in senior congregate living settings.

In 2022-23, 1.4 million COVID-19 vaccine doses were administered to Albertans and 26 per cent of the population 12 years of age and older had received a booster dose. While the federal government continued to cover the costs of the vaccines, Alberta Health spent $53 million in 2022-23 to distribute the vaccines to Albertans.

The Alberta Vaccine Booking System (AVBS), launched in summer of 2021, continues to provide Albertans with access to book both COVID-19 and influenza vaccine appointments at participating Alberta Health Services (AHS) or pharmacy locations by providing a centralized, province-wide online appointment booking platform. The centralization of all vaccine booking appointments, including from AHS, Public Health, and Community Pharmacy helps Alberta Health forecast vaccine demand and strategically distribute vaccine supply. Vaccine eligibility criteria and system functionality continue to be updated based on direction from provincial immunization programs. In 2022-23, more than 575,000 appointments for COVID-19 and influenza immunization were scheduled using the AVBS. Updates continue to be released to support dynamic vaccine eligibility changes and to continually improve the user experience. Previously, Albertans had to call multiple pharmacies and Health Link in an attempt to find available vaccine supply. The Health Link 811 call centre continues to support Albertans who do not or cannot use the AVBS.

To ensure a continued response to COVID-19, Alberta Health together with AHS extended the provision of free personal protective equipment (PPE) to primary care physicians, pediatricians, and their staff to support their operations and enhance safety to May 31, 2022. In 2022-23, inventory consumption expense associated with the COVID-19 response was $365 million; this includes PPE, testing supplies and $88.6 million for rapid test kits. In addition, the government worked with continuing care partners to protect residents of congregate care facilities and home care clients. A total of $286 million was provided in 2022-23 for additional staffing costs and cleaning supplies, PPE and screening of visitors to protect the health and safety of residents.

In 2022-23, AHS, in collaboration with the Zone PCN Committees, worked towards the administration of an oral antiviral COVID-19 treatment in respective AHS geographical zones, enhancing capacity for testing and swabbing for respiratory illnesses. In 2021-22, intravenous Sotrovimab was made available on an outpatient basis to Albertans at higher risk of severe illness or death, followed by availability of Paxlovid, the first COVID-19 treatment approved by Health Canada that can be taken orally at home. Efforts were made to recruit sentinels (primary care physicians/nurse volunteers) to increase the effectiveness of the TARRANT Viral Watch Program, which monitors respiratory infections circulating in the community.

3.2 Safeguard Albertans from communicable diseases that can cause severe illness, permanent disability, or death.

The ministry works to protect Albertans from a number of communicable diseases, such as influenza, measles, and sexually transmitted and blood borne infections. Over the past year, immunization programs for vaccine-preventable diseases continued to be a primary strategy in preventing disease, disease transmission and severe health outcomes. They are key to the health of a population and to decreasing the strain on the acute care system.

Through promoting initiatives that aim to increase childhood and adult immunization rates, Alberta continued to offer immunizations programs, including influenza vaccine, to Albertans six months of age and older, free of charge in collaboration with many partners. Alberta's 2022-23 influenza

season started earlier with a surge of influenza A cases in early October. The highest positivity for influenza A was 31.9 per cent in the week of November 20, 2022, and cases and outbreaks decreased significantly by the end of December 2022. Alberta had sufficient supply of influenza vaccines to immunize 38 per cent of the population. Alberta Health worked with AHS to ensure respiratory outbreak definitions and management guidelines were in place for high-risk settings, including continuing care and acute care facilities, to minimize severe health outcomes and protect the most vulnerable Albertans in these settings.

Despite the challenges of fatigued providers and a generally vaccine fatigued population, the overall influenza immunization rate is one per cent higher than in 2021-22. As of March 31, 2023, approximately 28 per cent of Albertans received an influenza vaccine. Budget 2022 included an increase of $14.3 million related to the approval of the high-dose influenza vaccine for Albertans 65 years of age or older. As of March 31, 2023, approximately 64 per cent of Albertans 65 years of age and older, and 75 per cent of Albertans 90 years of age and older received a high-dose influenza vaccine. The Alberta Outreach Program started the week of October 3, 2022, to immunize those at highest risk of severe outcomes from influenza. The 2022-23 Influenza Immunization Program for the general public began on October 17, 2022, and ended on March 31, 2023. Influenza vaccine was available at over 2,500 immunizing sites, including AHS clinics, Indigenous Services Canada clinics, community pharmacies, community medical clinics, and post-secondary institutions.

Immunization programs save millions of dollars, helping people of all ages live longer, healthier lives, and decreasing the burden on the health care system. The pandemic did result in some disruptions to the routine school immunization program and overall infant and preschool immunization rates have decreased. However, AHS has hired additional staff to support addressing the school immunization backlog and in-school catch-up programs, and immunization rates for school-aged children are nearing pre-pandemic coverage levels.

In 2022, by age two, 71 per cent of Albertans had received immunization with diphtheria, tetanus, pertussis, polio, Haemophilus influenzae type b (DTaP-IPV-Hib) vaccine and 82 per cent had received immunization with measles, mumps, rubella (MMR) vaccine. These immunization rates are both lower than the national target of 95 per cent for these vaccines. As a result of the COVID-19 response, childhood immunization rates dropped between 2021 and 2022. AHS has a catch-up program to increase childhood immunization rates to help reach the national target of 95 per cent. This includes actions such as reminder calls for booked appointments, monitoring wait times and adding appointments as needed, and following up using a recall process for children with delayed immunizations.

Work is underway with service providers to enhance testing, treatment and prevention strategies, including working with community-based organizations, to improve women's health, reduce barriers to sexually transmitted and blood borne infections (STBBI) testing and treatment, and increase access to prenatal syphilis screening. Over $8 million annually is provided to organizations to prevent STBBIs and provide wrap-around supports for people living with those infections, including $1.2 million specifically for syphilis outbreak response.

In September 2022, Alberta experienced a shigella outbreak in Edmonton, which ended in February 2023 after two weeks without new cases. However, the outbreak was re-opened in March 2023, when seven additional cases were reported and some patients hospitalized. As of March 31, 2023, 214 cases were reported since the outbreak initially started; no deaths were reported. In October 2022, the Shigella Task Force brought together cross-sector partners, including representatives from Alberta Health, AHS, shelters, inner-city agencies, the City of Edmonton, local family physicians, and Alberta Precision Labs to coordinate resources and discuss options for limiting spread.

Syphilis has made a drastic resurgence in Alberta since 2019, with rates being the highest in more than 70 years. Alberta Health has resumed a leadership role in the provincial syphilis response, after an interruption due to COVID-19, through work with frontline service providers to support testing, treatment, and prevention strategies. By increasing access to syphilis testing and treatment services in a variety of novel health settings, the Government of Alberta will help create awareness and normalize sexually transmitted infections testing and treatment for all Albertans.

The ministry is also leading and supporting a number of provincial outbreak responses and preparedness activities including:

- leading the human health response to highly pathogenic avian influenza, including supporting the update of public health disease management guidelines and communication pieces for government websites;
- supporting the coordinated provincial response to the international mpox (formally known as monkey pox) outbreak, including guidelines for contact management and guidance on pre and post-exposure vaccine use; and,
- working with AHS public health in preparation for response to international communicable disease outbreaks, including Ebola and Polio.

In early May 2022, cases of mpox began to occur in countries where mpox was not previously detected. Canada's first case was reported on May 19, 2022, and Alberta reported its first case on June 2, 2022. By July 2022, mpox was declared a public health emergency of international concern by the World Health Organization. Alberta Health worked in collaboration with public health partners to develop testing criteria, case definitions and public health management guidelines. The Alberta Mpox Public Health Notifiable Disease Guideline was published in June 2022. Alberta began offering post-exposure vaccine on June 7, 2022, and the targeted pre-exposure vaccine campaign began at the end of June. As of March 31, 2023, Alberta recorded 45 cases of mpox. Alberta has administered 2,183 first doses and 1,715 second doses of the vaccine.

3.3 Expand access to a range of in-person and virtual recovery-oriented addiction and mental health services.

Reporting responsibility for this objective has transferred to the Ministry of Mental Health and Addiction.

Performance Measure 3.a

Percentage of mental health and addiction-related emergency department visits with no mental health service in previous two years

Reporting responsibility for this performance measure has transferred to the Ministry of Mental Health and Addiction.

3.4 Prevent injuries and chronic diseases and conditions through health and wellness promotion, and environmental and individual initiatives.

In 2022-23, $646 million was expensed to support population and public health initiatives to maintain and improve the health of Albertans through services promoting and protecting health and preventing injury and disease.

Government provides leadership and support to protect the health and safety of Albertans and improve their health and well-being by setting public policy in a number of areas, such as maternal, infant and early child development; injury prevention; public health matters related to cannabis use; tobacco and vaping control; and, promotion of population wellness and health equity.

Government recognizes that Albertans living with diabetes want to access health programs and services that will more effectively support their needs. On July 21, 2022, the Minister announced the establishment of the Diabetes Working Group (DWG) to review Alberta's entire diabetes care pathway, identify gaps in care, and provide recommendations to improve diabetes prevention, diagnosis, treatment, and management. In addition, Alberta Health expanded the Insulin Pump Therapy Program to include newer pumps and supplies. Albertans enrolled in the pump program now have access to the newest technologies for management of diabetes. Improved access to the newer diabetes management technologies, and the work of the DWG will improve outcomes and quality of life for Albertans living with diabetes.

Nearly $7 million was provided to AHS for cancer prevention initiatives supporting comprehensive projects that are reducing the risk of cancer across the province. These projects address healthy lifestyles, smoking cessation, workplace wellness, and partnerships with Indigenous communities.

In 2022-23, the Cancer Prevention Screening and Innovation initiative worked with organizations such as Promoting Health, Chronic Disease Prevention and Oral Health, AHS Provincial Population and Public Health, the Alberta First Nations Information Governance Centre, the Métis Nation of Alberta, and the new AHS Indigenous Wellness Core to:

- adopt the Alberta Healthy Communities Approach to focus on scaling and spreading successful interventions provincewide;
- create a working partnership with the Human Papilloma Virus community innovation for sub-populations and the Provincial Population and Public Health Screening Programs and Communicable Disease Control divisions;
- improve the Healthier Together Workplace program and recognition strategy; and,
- strengthen work with Indigenous communities to facilitate community action to reduce modifiable factors, raise cancer awareness and improve cancer screening. A community support model was created, and tools were adapted to support the three initial Metis Settlements to create, implement and evaluate cancer prevention action plans.

Alberta Health currently funds several health promotion-based initiatives to improve individual and community health and well-being:

- Alberta Health continues to support the Injury Prevention Centre to provide unintentional injury prevention programs, research, and education. Through the Injury Prevention Centre, Albertans have access to programs and education that reduce the risk of injury and make communities safer. Injury prevention is a public health priority that directly reduces costs to the health care system. Injury bears an estimated financial cost of $7.1 billion annually in Alberta, $4.6 billion of which is direct health care costs.
- Physician prescription to Get Active supports individuals to become more active through physical activity. Prescriptions can be filled at participating recreation facilities for free visits, free one month facility passes and/or free fitness classes.
- The Communities ChooseWell program advances healthy eating and active living by supporting communities to create local conditions and environments that enable Albertans to eat well and be active. The program provides resources, education and support to

community groups as well as offering small grants for implementing local healthy eating and active living initiatives.

Alberta Health provides approximately $2 million in grants annually to five programs that support vulnerable mothers and their babies. From April 2022 to September 2022, programs provided intensive supports to 287 vulnerable women who were pregnant or of child-bearing age, and more vulnerable women were provided outreach supports to address gaps in support specific to the COVID-19 pandemic. Alberta Health and AHS also provided funding to support the University of Alberta's ENRICH Maskwacîs Kokums and Mosoms Elders Mentoring Program, which creates enhanced support networks for parents-to-be. In addition, elder support helps address a gap in service within the prenatal clinical setting by connecting parents to traditional knowledge and culture.

Budget 2021 provided a total of $6.75 million over three years, including $2.25 million in *Budget 2022*, to establish and operate the AHS Tobacco and Vaping Reduction Act Enforcement Team. As of March 31, 2023, over $2.4 million has been spent, and the team has conducted retail inspections, established a secret shopper program and a public complaint line, and created retailer resources (handbook and signage) that will improve compliance with the Act and regulation. The most current data (from the 2021-22 fiscal year) shows the enforcement team conducted 2,400 retail inspections and provided over 4,000 copies of the retailer handbook and signs to retailers.

In 2022-23, Alberta Health established the Alberta Ukrainian Evacuees Health Benefit Program. The total cost of the program was $9.5 million, including physician services. As of March 31, 2023, 24,000 Ukrainians have applied for health coverage in Alberta. In addition, the ministry established a health benefit program that provided Ukrainian evacuees with access to supplemental coverage for prescription and non-prescription drugs, nutritional products, diabetic supplies, and dental, optical and emergency ambulance services.

Work continues in partnership with the ministries of Agriculture and Irrigation and Environment and Protected Areas on a One Health approach to antimicrobial resistance (AMR) in the province. This work is critical to address the emerging threat of treatment-resistant microbes in human and animal populations and in the environment. An Antimicrobial Strategic Framework for Action and Implementation plan continues to be developed to help guide collective efforts to address the growing threat of AMR in Alberta. Stakeholders and partners were consulted and supported development of the framework. In 2022-23, the Office of One Health at the University of Calgary was contracted at a cost of $200,000 to support implementation of AMR priority areas for action. As part of the contract, an advisory group on stewardship was created to provide guidance on specific activities, measures, targets, and costs for implementation.

Alberta Health worked with AHS, Alberta Environment and Protected Areas, and the Alberta Lake Management Society to quickly set up a water quality (fecal contamination and cyanobacterial blooms) monitoring program for four sites on Lac Ste. Anne to support the 2022 papal visit and annual Lac Ste. Anne pilgrimage. Data from this monitoring program provided the basis for issuance of a cyanobacterial bloom public health advisory for Lac Ste. Anne shortly before the event. Alberta Health regularly assesses the evidence on water fluoridation to help support municipal councils to make evidence-informed decisions regarding community water fluoridation. The ministry worked on updating community water fluoridation position statement with new relevant research, including new local data from Calgary.

Alberta Health continues to provide transparent information about environmental public health data, while simultaneously providing risk communication materials to influence modifiable risk

factors within the Alberta population. Examples of public health data and information available through the Open Government Portal include:

- Routine chemistry and trace element data from domestic well water samples analyzed in 2016–17 and 2017–18 are available. Alberta Health funded routine chemistry and trace elements analysis of 4,842 samples of drinking water from private water wells and 307 samples from small, public, non-municipal drinking water systems. As well, data related to the study of two stormwater ponds in Lacombe, Alberta were released to the open government portal at https://open.alberta.ca/opendata/lacombe-stormwater-pond-dataset. This data includes the analysis of contaminants (e.g., mercury, polycyclic aromatic hydrocarbons, trace metals, pesticides and volatile organic compounds) in fish, sediments, and water.
- The Alberta Environmental Public Health Information Network, accessible at http://aephin.alberta.ca, supports awareness and provides opportunities for Albertans, academics, and cross-government partners to learn more about environmental hazards and public health in the province. In 2022-23, new visualizations were published for "Human Biomonitoring of Environmental Chemicals in Canada and the Prairies" and a "Search Interface for Environmental Site Assessment Repository", along with enhancements including the incorporation of new, yearly data on the recreational water bodies and the impacts of poor air quality and heat. In addition, Alberta Health developed the Extreme Heat website and notification protocol at https://www.alberta.ca/extreme-heat.aspx.
- Alberta Health continued to provide real-time information to Albertans about hazards and risks associated with recreational water quality at Alberta beaches and waterbodies. In 2022, over 2,300 samples were collected from 85 recreational sites to identify fecal contamination and 436 samples were collected from 50 lakes, reservoirs, and rivers to be assessed for cyanobacterial (blue green algal) blooms and microcystin toxin. This monitoring resulted in the issuing of 47 cyanobacterial bloom advisories and nine fecal contamination advisories to protect the health of Albertans and visitors to the province. Additionally, in May 2022, Alberta Health updated the Alberta Safe Beach Protocol available at https://open.alberta.ca/publications/9781460145395 to reflect new Health Canada Guidelines for cyanobacterial blooms in recreational water. In February 2023, Alberta Health released a position statement around use of stormwater ponds at https://open.alberta.ca/publications/stormwater-ponds-in-alberta-health-guidance-information-sheet.
- Alberta Health, as part of the Scientific Working Group on Contaminated Sites in Alberta, has published a Site-Specific Risk Assessment guidance document to clarify the specific requirements of conducting a site-specific risk assessment in Alberta, available at: https://open.alberta.ca/publications/supplemental-guidance-on-site-specific-risk-assessments-in-alberta. Alberta Health and the Alberta Centre for Toxicology at the University of Calgary have published the report and dataset of "Post-Horse River Wildfire Surface Water Quality Monitoring Using the Water Cytotoxicity Test" available at https://prism.ucalgary.ca/handle/1880/115412.

3.5 Improve access for underserved populations and for First Nations, Métis, and Inuit peoples to quality health services that support improved health outcomes.

The most current result available from Statistics Canada's Canadian Community Health Survey shows that in 2021, 87.3 per cent of Albertans had access to a regular health provider, an improvement from 85.3 per cent in 2020. Having a regular health care provider is important for early screening, prevention through health and wellness advice, diagnosis, and treatment of a

health issue, as well as ensuring good continuity of care and connections to other health and social services. The desired result is to increase the percentage of Albertans who have access to a regular health care provider. Increasing access to a regular health care provider is consistent with progress towards the following provincial primary health care goals:

- timely access to appropriate primary care services delivered by a regular health care provider or team;
- coordinated, seamless delivery of primary care services through a patient's 'medical home' and integration of primary care with other levels of the health care system;
- efficient delivery of high-quality, evidence-informed primary care services; and,
- involvement of Albertans as active partners in their own health and wellness.

Alberta's Primary Care Networks are involved in a variety of initiatives that support provincial and health zone primary care goals, including adopting a 'medical home' approach in their practices. This approach strengthens the connection between a patient and regular health care provider to improve access to care, chronic disease prevention and management, continuity of care, and innovations in primary health care including telemedicine and virtual care.

The Government of Alberta is committed to addressing the health needs of First Nations, Métis and Inuit peoples residing in Alberta, including working with First Nations and Métis leaders, the Government of Canada and other partners to streamline how Indigenous peoples access health services, and ensuring that health services are more culturally appropriate. There is a significant gap in equitable access to primary health care for Indigenous peoples. This is evidenced by noting that in Alberta, Indigenous peoples' life expectancy is 16.4 years below that of all other Albertans, falling below 64 years of age.

An Indigenous Primary Health Care Advisory Panel was established in the fall of 2022 under MAPS to provide advice to the Minister on how the existing primary health care system could be improved to ensure First Nation, Métis, and Inuit peoples have access to high-quality, culturally safe primary health care no matter where they live. As part of their work, the Indigenous Panel convened an Indigenous Youth Innovation Forum, Indigenous Primary Health Care Innovation Forum, and participated in the MAPS Forum and Community Care Innovation Forum. These forums, along with engagements with First Nations, the Metis Settlements General Council, the Métis Nation of Alberta, and others ensured that a broad range of perspectives informed the Indigenous Panel's work. As part of their deliberations, the Indigenous Panel submitted recommendations to the Minister in December 2022 for early opportunities for investment in enhancing Indigenous primary health care. These recommendations were approved in principle by the Minister as a first step to improving access to more culturally safe and integrated care.

In 2022-23, Alberta Health provided $8.8 million to the Indigenous Wellness Program Alternative Relationship Plan to support 24 full-time equivalent physician positions to provide care in over 20 Indigenous health care centres throughout Alberta, including the Alberta Indigenous Virtual Care Clinic. Alberta Health has a separate Alternative Relationship Plan arrangement with Siksika Nation, and provides up to $1.1 million to support three full-time equivalent physician positions to provide care in the community.

Alberta Health continues to engage Indigenous health care experts through the First Nations Health Advisory Panel and a Metis Settlements Health Advisory Panel. Panel members include Health Directors from across the province, as well as other associated stakeholders. The Panels inform

health priorities and strategies and assist in identifying issues or gaps in programs and services, as well as working to identify potential solutions and areas of future collaboration. Alberta Health also continued work on Alberta's Protocol Agreement Health Sub-Tables to collaborate on addressing the health gaps identified by the members of the Blackfoot Confederacy and the Stoney Nakoda Tsuut'ina Tribal Council. Alberta Health similarly worked with the Métis Nation of Alberta under their Framework Agreement with the Government of Alberta.

Alberta upholds the Jordan's Principle commitments by working with the Government of Canada and the First Nations Health Consortium, an Alberta-wide organization developed to improve access to health, social, and education services and supports to First Nations and Inuit children throughout the province, living both on and off reserve. To ensure compliance, Alberta Health established an Executive Leadership Group (including the ministries of Children's Services, Seniors, Community and Social Services, Alberta Education, Indigenous Relations, and Alberta Health) to implement Jordan's Principle in Alberta and to ensure that First Nations children have access to health, social, and educational resources when required, without denial or delay related to jurisdictional dispute over payment.

Alberta Health has also established a Technical Cross-Jurisdictional Working Group to address barriers impacting access to programs and services. The working group includes the First Nations Health Consortium, the First Nations Inuit Health Branch, and the Ministries of Children Services, Seniors, Community and Social Services, Education, and Indigenous Relations.

On October 24, 2022, government appointed a Parliamentary Secretary for Rural Health, to work with Alberta Health to address rural health challenges, such as access and health care professionals. Budget 2022 introduced a new Rural Capacity Investment Fund, as part of the provincial agreement that impacted more than 30,000 registered nurses and registered psychiatric nurses across the province. The fund supports recruitment and retention strategies in rural and remote areas of the province, including relocation assistance. Almost $4.4 million was spent in 2022-23 to assist nearly 200 employees who chose to relocate to rural Alberta and pay out retention payments to over 8,200 rural health professionals. The benefit to rural Albertans will be realized by improved staff retention rates and fewer vacancies.

The Government of Alberta recognizes the importance of rural health facilities and that these health centres provide an essential role for local residents. AHS and Alberta Health have established Zone Health Care Plans based on a framework that guides the development of comprehensive, zone-wide strategic health service plans, including services for Indigenous peoples. These long-range plans address the needs of rural communities with a continued focus on appropriate quality of care, patient safety, and access to services. Conditional approval was provided to seven proponents under the Continuing Care Capital Program–Indigenous Stream in June 2022. The Modernization Stream was launched in September 2022.

In 2022-23, the Government of Alberta provided approximately $7 million to the Rural Health Professions Action Plan to attract and retain rural physicians with the appropriate skills to meet the needs of rural Albertans. The program supported physician locums to maintain services when rural physicians need time away from their practice; offered continuing medical education; provided accommodations for 785 rural learners for rural placements so that they can train and choose to practice in rural communities; and, created welcoming environments though 50 attraction and retention committees so that rural communities can attract and retain health professionals.

In 2022, the Government of Alberta announced the Rural Education Supplement and Integrated Doctor Experience (RESIDE) program, which allocated $8 million over three years to provide incentives to new family physicians who agree to practice in rural and remote communities in

exchange for a multi-year service agreement. The program will help address challenges in patient access to health services in rural and remote areas. Since the start of the program, Alberta Health has approved several changes to the RESIDE program to better meet the needs of physicians and communities and help ensure the program successfully incentivizes more physicians to move to communities of need. As of March 31, 2023, seven physicians had signed return of service agreements in rural communities.

The Provincial Primary Care Network Committee provided the Minister with a recommendations report on supporting recruitment and retention of primary care physicians, nurse practitioners, and physician assistants in rural communities. In May 2022, the Minister accepted the seven recommendations that address broader systemic aspects of rural health service challenges, and this report will inform further work within Alberta Health.

In July 2022, government announced new funding of $45 million over three years to increase access to pediatric rehabilitation services and programs such as speech-language, as well as occupational and physical therapy for children and youth. A community pediatric services model was developed by AHS to address gaps with implementation of enhanced pediatric rehabilitation supports, including universal and targeted resources and programs and expanded eligibility for specified services. Service delivery is enhanced with clear intake, access and triage to services and strengthened teams to support care. Pediatric rehabilitation professionals work with families and alongside other health care professionals to help children and youth live well, build resiliency and take part in activities meaningful to them and their families. A multi-pronged workforce recruitment, retention, and optimization approach is enabling implementation despite the ongoing challenges with recruitment of health professionals across programs and jurisdictions.

Alberta Health Services Provincial Rural Palliative Care In-Home Funding Program provides special, funding that can be accessed by rural palliative clients and families when they require additional support beyond existing services at end-of-life to remain at home instead of being admitted to hospital. Between April 1, 2022 and March 31, 2023, a total of 143 clients were served by the program. Of the clients who have died while accessing the program, 80 per cent were able to pass away in the comfort of their own home.

Performance Measure and Indicator Methodology

Performance Indicator 1.a:
Percentage of surgical procedures that met national wait time benchmarks

Methodology
Ready-to-treat (RTT) wait time (in days) is calculated for each relevant record meeting specified inclusion/exclusion criteria. • Inclusion Criteria: All elective hip, knee replacement and cataract surgeries based on surgery procedure catalogue descriptions. All urgency levels. • Exclusion Criteria: persons who received emergency surgical care. Cases with an invalid RTT date. When cataract surgery is required for both of a patient's eyes, only the wait time for surgery on the first eye is included in the wait time calculations.
RTT Date = The date that the surgeon determines the patient is ready for the surgical intervention. The RTT Date excludes patient delays or voluntary waits. Treatment Date = The date the treatment (surgical procedure) took place. RTT Wait time = Treatment (surgical procedure) Date minus RTT Date National RTT wait time benchmarks: • Hip replacement national benchmark is 182 days • Knee replacement national benchmark is 182 days • Cataract surgery national benchmark (for first eye) is 112 days.
$\text{Percentage} = \frac{\text{\# of cases completed with a RTT wait time less than or equal to the national RTT wait time benchmark}}{\text{\# of completed cases with valid RTT dates}} \times 100$
Source
Local Operating Room (OR) Information Systems, AHS and OR Data Repository, Alberta health Services.

Performance Measure 2.a:
Sustainable operating spending growth (operating spending relative to Alberta population growth plus CPI)

Methodology
Calculation of percentage growth in ministry operating expenses when compared to operating expenses in the previous fiscal year. Operating expenses are defined as the Ministry of Health total expenses per published Statement of Revenue and Expenses less infrastructure support and COVID-19 pandemic expenses.
$\text{Percentage} = \frac{\text{total 2022/23 operating expenses} - \text{total 2021/22 operating expenses}}{\text{total 2021/22 operating expenses}} \times 100$
Source
Ministry Consolidated Statement of Revenue and Expenses as presented in the Financial Information section of the Ministry of Health Annual Report. Population growth and Consumer Price Index data from Statistics Canada.

Additional Performance Metrics not included in Health Business Plan 2022-25.

Performance Indicator: (Outcome 1, Key Objective 1.1)
Annual number of surgeries provided

Methodology

Data is provided by Alberta Health Services and obtained from local Operating Room (OR) Information Systems (and other sources) and combined in an OR data repository, from which Main OR cases are identified.

The total surgeries includes the number of surgeries performed in main OR and CSF sites only. It excludes procedures performed in the minor procedure rooms, endoscopy suites, emergency departments, labour & delivery, etc.

Some data validation is ongoing and as such, future reported numbers might vary. Current estimate is results adjustment will be less than 1% overall.

Source

Local Operating Room (OR) Information Systems, Alberta Health Services (AHS), and OR Data Repository, AHS.

Performance Indicator: (Outcome 1, Key Objective 1.1)
Percentage scheduled surgeries performed in chartered surgical facilities (CSFs)

Methodology

Main operating room activity is used as representative of “surgeries” in the province. Based on identified main operating cases, those which are non-emergency are identified and the percentage where the site of delivery was a CSF is reported.

- Numerator: Non-Emergency Main Operating Room cases completed in a CSF.
- Denominator: Non-Emergency Main Operating Room cases.

$$\text{Percentage} = \frac{\text{\# surgeries performed in chartered surgical facilities under contract with AHS}}{\text{total \# surgeries in chartered surgical facilities and hospitals from April 1 to Mar 31}} \times 100$$

Source

Alberta Health Services Main Operating Room (OR) information system sources as extracted to OR data repository as of March 31, 2022. Sites that do not have OR information systems were not included.

Performance Indicator: (Outcome 1, Key Objective 1.2)
Unplanned medical readmission from hospital within 30 days of discharge

Methodology

Numerator: Total number of medical patients with unplanned readmission to hospital within 30 days of discharge.

- Inclusion Criteria: Residents of Alberta covered by the Alberta Health Care Insurance Plan. Admission day of subsequent readmission is less than or equal to 30 days of initial discharge date from an acute care hospital.
- Exclusion Criteria: Transfers (admitted within 6 hours of discharge from another hospital, or 6-12 hours after transfer from or to an acute care facility); newborn, still birth, cadaver admissions; non-acute care admissions; pediatric (less than 20 years of age), surgery, obstetrics, palliative care, mental health admissions; hospital admissions for cancer therapy; non-urgent, planned admissions.

Denominator: Total number of medical patients discharged.

- Inclusion Criteria: Residents of Alberta covered by the Alberta Health Care Insurance Plan; discharge from an acute care hospital, within a reporting period.

Exclusion Criteria: Admissions where patients died in hospital; admissions from March 2 to March 31; transfers (admitted within 6 hours of discharge from another hospital, or 6-12 hours after transfer from or to an acute care facility); newborn, still birth, cadaver admissions; non-acute care admissions; pediatric (less than 20 years of age), surgery, obstetrics, palliative care, mental health admission.

$$\text{Hospital Readmission Percentage (unadjusted)} = \frac{\text{Number of hospital inpatient discharges where a patient was readmitted to hospital within 30 days of index discharge}}{\text{Number of hospital inpatients discharged}} \times 100$$

Risk Adjustment: Accounts for differences in patient characteristics that may vary over years. Based on the list of risk factors (e.g., age, sex, case mixing grouping, Charlson comorbidity score) published by the Canadian Institute for Health Information (CIHI), and the Alberta-built, provincial specific logistic regression model using data from the past five years to estimate the Alberta average and expected readmissions based on patients' risk profile. The risk-adjusted rate is calculated using the following formula:

$$\text{Risk-adjusted rate} = \frac{\text{observed cases}}{\text{expected cases}} \times \text{Alberta rate}$$

The methods used by Alberta and CIHI differ only in that Alberta applies the Alberta Rate instead of the Canada Rate. Using the Alberta rate allows for timely reporting and calculation of results for sub-populations. The limitation of this method is that the estimates produced in Alberta are not comparable with other provinces produced by CIHI. Interprovincial comparisons are still possible by using the CIHI estimates only.

Source

Alberta's Morbidity and Ambulatory Care Abstract Reporting System (MACAR).
Note: Data in MACAR is then provisioned to the ministry's Business Intelligence warehouse. It is also submitted to CIHI's Discharge Abstract Database (DAD) and National Ambulatory Care Reporting System (NACRS) datasets.

Performance Indicator: (Outcome 2, Key Objective 2.1)
Provincial per capita spending on health care

Methodology

Health expenditure data is extracted from Government Finance Statistics (Canadian Classification of Functions of Government (CCOFOG) by consolidated provincial/territorial and local government component on Health) available from Statistics Canada. The most recently released data (November 25, 2022) provides revised actuals for 2020-21 and preliminary estimates for 2021-22. 2020-21 was the first year of CCOFOG data to include COVID-19 expenditure estimates in the Health component.
The data is presented for consolidated governments. Provincial-territorial and local governments' data can be compared across provinces and territories because consolidation considers differences in administrative structure and government service delivery by removing the effects of internal public sector transactions within each jurisdiction. The CCOFOG is a detailed classification of the functions, or socioeconomic objectives, that general government units aim to achieve through various kinds of outlays. Therefore, by definition, Government Business Enterprises (GBE's) are excluded from this data.

$$\text{Per capita provincial government health expenditure} = \frac{\text{provincial government health expenditure}}{\text{population estimates}}$$

Source

Government Finance Statistics (Canadian Classification of Functions of Government (CCOFOG) by consolidated provincial/territorial and local government component) data on health, Statistics Canada.
Population estimates, quarterly, Statistics Canada.
https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1010000501

Performance Measure: (Outcome 3, Key Objective 3.2)
Children by age two immunized for diphtheria, tetanus, pertussis (whooping cough), polio, Haemophilus influenza type b) (DTaP-IPV-Hib) and for measles, mumps, rubella (MMR)

Methodology

Using data from the Alberta Health Care Insurance Plan population registries, children in Alberta are followed through time (i.e., from date of birth to study end date). Exclusions include individuals leaving Alberta, individuals who died, individuals who do not belong to the study period, First Nations individuals, and residents of Lloydminster.

Coverage rates are based on a birth cohort and reported at age two. Once established, the population-based birth cohort is linked to Imm/ARI using the Unique Lifetime Identifier to get immunization information.

Calculation: Childhood immunization coverage is calculated using a survival analysis (time-to-immunization) method based on the specified population-based birth cohort. The analysis measures the probability that the child will receive required vaccines by age two. The data is calculated for 2022 calendar year.

Source

Alberta Health Care Insurance Plan (AHCIP) Quarterly Population Registries; Immunization/Adverse Reactions to Immunization (Imm/ARI), Alberta Vital Statistics, Birth Files.

Performance Indicator: (Outcome 3, Key Objective 3.5)
Percentage of Albertans with regular access to a health care provider

Methodology

Statistics Canada's Canadian Community Health Survey (CCHS) is a cross-sectional survey that collects information related to health status, health care utilization, and health determinants for the Canadian Population (including regional and provincial levels).

- Inclusion Criteria: Population age 12 and older.
- Exclusion Criteria: Persons living on Indigenous reserves or settlements, full-time members of the Canadian Forces, institutionalized population (i.e., those who live in an institutional collective dwelling, such as a hospital, a nursing home or a prison; residents under care or custody, such as patients or inmates), and children aged 12-17 living in foster care.
- Population estimates are based on weighted survey responses to reflect the total population. The results of the survey are based on a 95% confidence interval.

$$\text{Percentage} = \frac{\text{\# survey respondents who reported having a regular health care provider}}{\text{\# of survey respondents}} \times 100$$

Source

Canadian Community Health Survey, Statistics Canada.
https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1310009616

Financial Information

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Reporting Entity and Method Consolidation

The consolidated ministry financial information is prepared in accordance with government's stated accounting policies, which are based on Canadian Public Sector Accounting Standards.

The reporting entity is the Ministry of Health for which the Minister of Health is accountable. The accounts of the Ministry of Health, which includes the Department of Health, Alberta Health Services (AHS), and Health Quality Council of Alberta (HQCA), are consolidated using the line-by-line method.

The audited financial statements of AHS and HQCA are included in the annual report. Accounts of entities that are consolidated by AHS are listed in note 2a (i) and (ii) of AHS consolidated financial statements.

Under the line-by-line method, accounting policies of the consolidated entities are adjusted to conform to those of the government and the results of each line item in their financial statements (revenue, expense, assets, and liabilities) are included in the government's results. Revenue and expense, capital, investing and financing transactions, and related asset and liability balances between the consolidated entities have been eliminated.

A list of the individual entities making up the ministry are shown on the "Management's Responsibility for Reporting" statement included in this annual report.

Ministry of Health

Ministry Financial Highlights

Statement of Revenues and Expenses (unaudited)

Year ended March 31, 2023

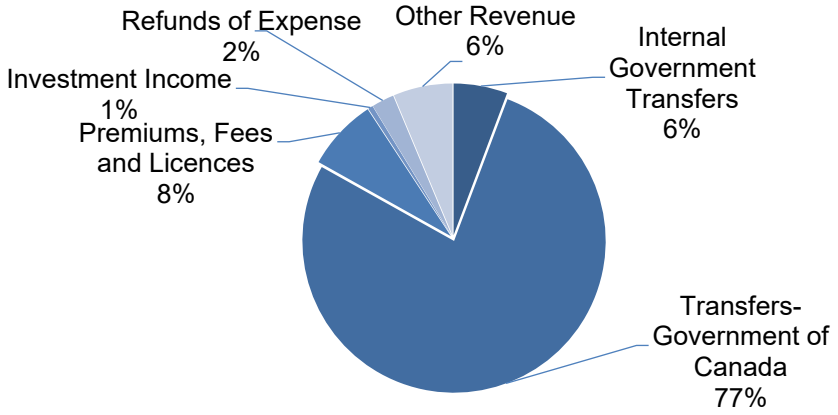
(in thousands)

	2023		2022	Change from	
	Budget	Actual	Actual	Budget	2022 Actual
Revenues	*(Restated)*		*(Restated)*		
Government Transfers					
Internal Government	$ 372,534	$ 433,814	$ 364,318	$ 61,280	$ 69,496
Government of Canada	5,514,777	5,844,404	6,326,863	329,627	(482,459)
Premiums, Fees and Licences	537,201	577,448	521,258	40,247	56,190
Investment Income	55,020	39,716	75,651	(15,304)	(35,935)
Refunds of Expense	152,105	181,660	157,808	29,555	23,852
Other Revenue	416,975	476,309	435,414	59,334	40,895
Ministry Total	7,048,612	7,553,351	7,881,312	504,739	(327,961)
Inter-Ministry Consolidation Adjustments	(404,178)	(470,245)	(399,718)	(66,067)	(70,527)
Adjusted Ministry Total	6,644,434	7,083,106	7,481,594	438,672	(398,488)
Expenses - Directly Incurred					
Ministry Support Services	61,502	61,560	56,306	58	5,254
Physician Compensation and Development	5,472,718	6,019,614	5,569,814	546,896	449,800
Acute Care	4,172,904	4,273,300	4,071,328	100,396	201,972
Diagnostic, Therapeutic, and Other Patient Services	2,618,714	2,601,729	2,563,279	(16,985)	38,450
Drugs and Supplemental Health Benefits	2,619,777	2,495,107	2,395,371	(124,670)	99,736
Community Care	1,725,400	1,684,057	1,597,660	(41,343)	86,397
Continuing Care	1,229,000	1,221,862	1,194,589	(7,138)	27,273
Home Care	755,100	715,119	682,395	(39,981)	32,724
Population and Public Health	645,798	645,608	628,865	(190)	16,743
Emergency Medical Services	602,600	590,058	533,999	(12,542)	56,059
Support Services	2,249,900	2,473,388	2,259,685	223,488	213,703
Information Technology	828,390	863,787	728,394	35,397	135,393
Administration	523,219	507,232	460,712	(15,987)	46,520
Research and Education	131,479	117,003	128,040	(14,476)	(11,037)
Infrastructure Support	51,435	11,311	3,998	(40,124)	7,313
Debt Servicing	14,000	16,959	17,903	2,959	(944)
Cancer Research and Prevention Investment	11,300	9,184	8,643	(2,116)	541
COVID-19 Pandemic Response	10,000	1,210,533	2,061,932	1,200,533	(851,399)
Ministry Total	23,723,236	25,517,411	24,962,913	1,794,175	554,498
Inter-Ministry Consolidation Adjustments	(239,419)	(293,385)	(368,966)	(53,966)	75,581
Adjusted Ministry Total	23,483,817	25,224,026	24,593,947	1,740,209	630,079
Adjusted Annual Deficit	$ (16,839,383)	$ (18,140,920)	$ (17,112,353)	$ (1,301,537)	$ (1,028,567)

Ministry of Health

Revenue and Expense Highlights

Consolidated Revenues (prior to inter-ministry consolidation adjustments)



Total revenue for the year was $7.6 billion, which was $505 million higher than budget mainly due to:

- Government of Canada transfers resulting from unbudgeted funding ($232 million) to address surgery backlog. Unbudgeted in-kind contribution of rapid test kits, personal protective equipment and other supplies to support the COVID-19 pandemic response further contributed to the increase;
- Premiums, Fees and Licenses as a result of higher volume of healthcare services billable to other Canadian jurisdictions and the Workers Compensation Board; and
- Other Revenue as a result of increased recoveries from external entities and prior year receipts from product listing agreements.

- This was partially offset by lower than expected Canada Health Transfer ($77 million) due to adjustment for prior years and an upward revision to the national population forecast which reduced Alberta's entitlement.

Actual revenue decreased by $328 million over prior year mainly due to:

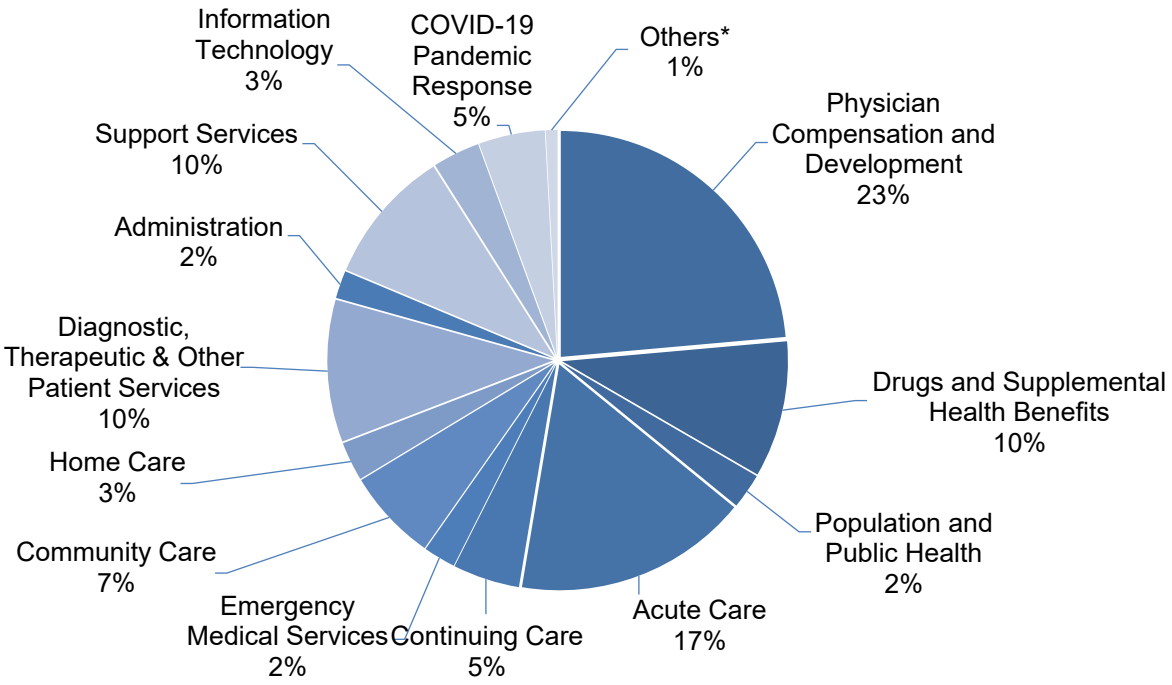
- Government of Canada transfers in prior year for one-time funding for programs including Helping Health Care Systems Recover ($465 million), Canada’s COVID-19 Immunization Plan ($116 million), Safe Long-term Care Fund ($115 million); and reduced in-kind contribution of rapid test kits and other supplies to support the COVID-19 pandemic response.

These decreases were partially offset by increases in Internal Government Transfers due to:

- Increased activities in various infrastructure projects;
- One-time Government of Canada transfers to address surgery backlog ($232 million) and Canada Health Transfer ($237 million); and
- Premiums, Fees and Licenses as a result of higher volume of healthcare services billable to other Canadian jurisdictions.

Ministry of Health

Consolidated Expenses (prior to inter ministry consolidation adjustments)



* includes Ministry Support, Research and Education, Debt Servicing, Infrastructure Support, and Cancer Research and Prevention Investment.

Total expense for the year was $25.5 billion, which was $1.8 billion higher than budget mainly due to:

- Physician Compensation and Development ($547 million) primarily as a result of the new Alberta Medical Association agreement and higher than anticipated fee-for-service claims;
- Support Services ($223 million) due to higher utility costs resulting from inflation and carbon tax, delays in outsourcing initiatives, increased costs in infrastructure maintenance projects, and unbudgeted costs for biomedical waste disposals at Swan Hills Treatment Centre;
- Acute Care ($100 million) due to increases in patient severity and complexity and volumes of procedures performed, contributing to higher compensation costs including increased use of overtime as a result of higher vacancy rates; and
- Over $1.2 billion in spending for the COVID-19 pandemic response. This was funded largely through a transfer from the contingency supply vote of the President of Treasury Board and Minister of Finance.

Partially offsetting the increases were lower than budgeted expenses in:

- Drugs and Supplemental Health Benefits ($125 million) due to higher than anticipated product listing agreement recoveries, lower utilization of high-cost drugs and newly approved drugs, and lower volume of outpatient cancer drugs provided to patients at no cost under the Outpatient Cancer Drug Benefit Program; and

- Continuing, Community and Home Care ($88 million) due to delayed continuing care capacity plan bed openings, delays in implementing home care initiatives including client directed care and recruitment of health care aides, and staff vacancies.

Actual expenses increased by $554 million from prior year mainly due to:

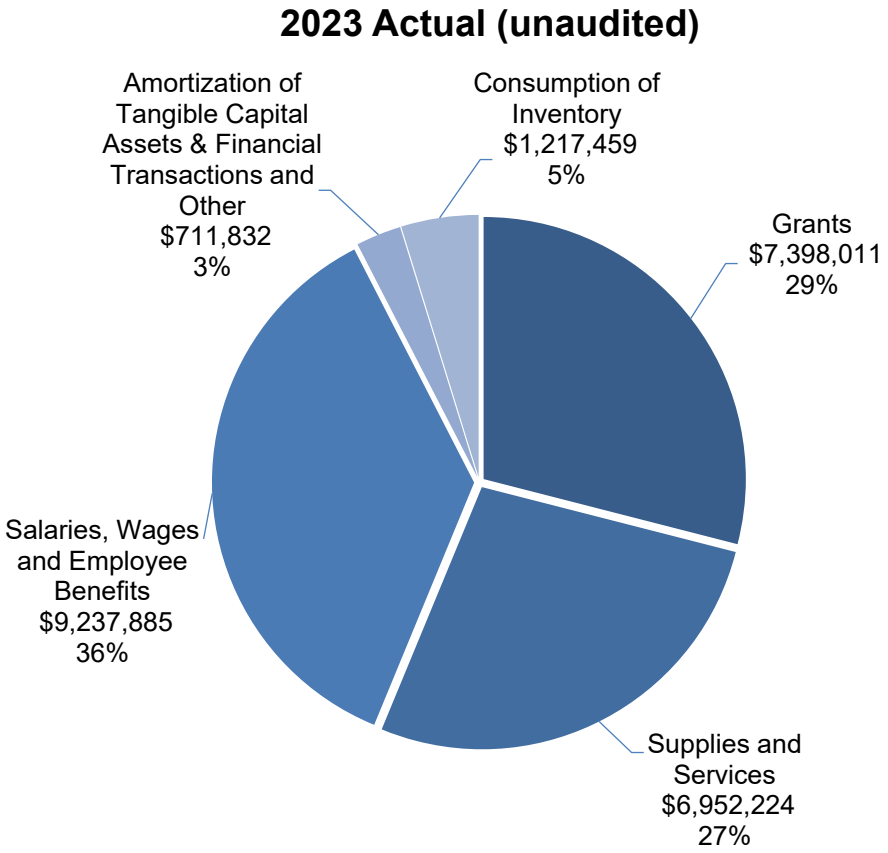
- Physician Compensation and Development resulting from the new Alberta Medical Association agreement and increased fee-for-service claims;
- Acute Care due to increased activities including emergency room visits, surgeries performed and intensive care capacity beds added to meet demand. Compensation costs as a result of union settlements and overtime further contributed to the increase;
- Drugs and Supplemental Health Benefits due to increase in Seniors Drug Benefits as a result of program enrolment growth, high uptake of pharmacy services as pharmacists fill some of the gaps in the primary care pathway, and increased utilization of rare disease and high cost cancer drugs;
- Continuing Care and Community Care due to opening of new long-term care and supportive living beds related to the Continuing Care Capacity Plan, inflationary increases to contracted care providers, and increased compensation costs;
- Support Services due to increased utility costs resulting from inflation and carbon tax, increased infrastructure maintenance and equipment project costs, and new costs for biomedical waste disposals at Swan Hills Treatment Centre;
- Information Technology due to ongoing implementation of Connect Care to support different levels of launches, and increased software maintenance, licensing and equipment costs; and
- Emergency Medical Services due to increased costs with implementing the emergency medical services initiatives including additional staff and ambulance equipment.

These increases were partially offset by reduced expenses related to COVID-19 pandemic response resulting from easing of the pandemic.

Ministry of Health

Expenses – Directly Incurred Detailed by Object (unaudited)

(in thousands)



- Ministry's expenses were primarily for grants, salaries, wages and employee benefits, and supplies and services, which combined accounted for 92 per cent of the total expense.
- Salaries, wages and employee benefits were $9.2 billion or 36 per cent of total expense, supporting delivery of health services across the province.
- Grants were $7.4 billion or 29 per cent of total expense, primarily for Physician Compensation and Development, and Drugs and Supplemental Health Benefit programs. Other grant expenses included restricted funding to support organizations and communities through various programs or initiatives, and funding for out-of-province health services.
- Supplies and services were $7.0 billion or 27 per cent of total expense, mainly attributed to contracts with voluntary and private health service providers, contract payments to physicians, various purchased services and home support contracts.
- Amortization of tangible capital assets ($515 million), consumption of inventory ($1.2 billion), and financial transactions and other expenses ($197 million) comprised the balance of ministry's total expense.

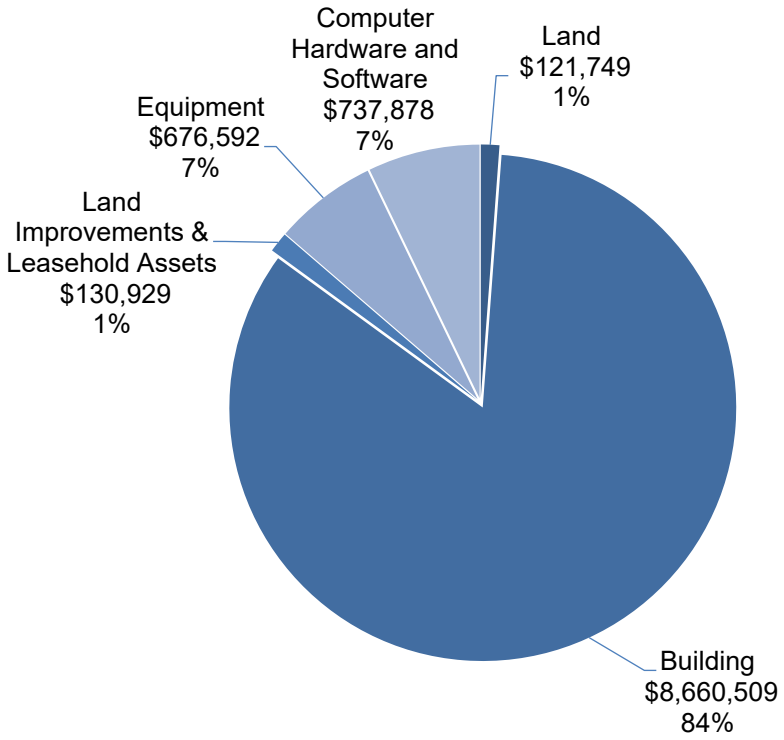
Ministry of Health

Supplemental Financial Information

Tangible Capital Assets (unaudited)

Year ended March 31, 2023

(in thousands)



- Total net book value of tangible capital assets was $10.3 billion.
- Buildings are the largest component and account for $8.7 billion or 84 per cent of the ministry's total tangible capital assets.
- The remainder of the ministry's tangible capital assets comprises of computer hardware and software, equipment, land, land improvements, and leasehold assets.
- Tangible capital assets of the Ministry are recognized at historical cost and are amortized, excluding land, on a straight-line basis over the estimated useful lives of the assets.
- Effective April 1, 2022, the Ministry adopted PS 3280 Asset Retirement Obligations on a modified retroactive basis, consistent with the transitional provisions in the Canadian Public Sector Accounting Standard. Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. $232 million (net of amortization) was included for asset retirement obligations for tangible capital assets in productive use.

Ministry of Health

Portfolio Investments (unaudited)

Year ended March 31, 2023
(in thousands)

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Interest bearing securities:				
Deposits and short-term securities	$ 490,715	$ 490,755	$ 656,212	$ 656,045
Bonds and mortgages	1,228,624	1,194,576	1,403,265	1,358,881
	1,719,339	1,685,331	2,059,477	2,014,926
Equities:				
Canadian equities	171,926	177,151	163,447	189,136
Global equities	228,896	273,522	294,912	354,516
	400,822	450,673	458,359	543,652
Real estate	40,371	48,690	40,371	45,027
Total Portfolio Investments	$ 2,160,532	$ 2,184,694	$ 2,558,207	$ 2,603,605

The following is a breakdown of portfolio investments:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Operating	$ 2,083,040	$ 2,107,202	$ 2,480,825	$ 2,526,223
Endowments	77,492	77,492	77,382	77,382
Total Portfolio Investments	$ 2,160,532	$ 2,184,694	$ 2,558,207	$ 2,603,605

Financial Statements of Other Reporting Entities

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Alberta Health Services

Financial Statements

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Management Responsibility for Financial Reporting

The accompanying consolidated financial statements for the year ended March 31, 2023 are the responsibility of management and have been reviewed and approved by senior management. The consolidated financial statements were prepared in accordance with Canadian Public Sector Accounting Standards and include certain disclosures required by the financial directives issued by Alberta Health, and of necessity include some amounts based on estimates and judgment.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public funds;
- safeguard the assets and properties of the "Province of Alberta" that are the responsibility of Alberta Health Services.

Alberta Health Services carries out its responsibility for the consolidated financial statements through the Official Administrator Advisory Committee (the Committee). The Committee meets with management and the Auditor General of Alberta to review financial matters, and recommends the consolidated financial statements to the Official Administrator for approval upon finalization of the audit. The Auditor General of Alberta has free access to the Committee.

The Auditor General of Alberta provides an independent audit of the consolidated financial statements. His examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and procedures which allow him to report on the fairness of the consolidated financial statements prepared by management.

[Original signed by]

Mauro Chies
President and Chief Executive Officer
Alberta Health Services

[Original signed by]

Colleen Purdy, FCPA, FCMA
Vice President Corporate Services and Chief Financial Officer
Alberta Health Services

June 1, 2023

Independent Auditor's Report

Auditor General OF ALBERTA

To the Official Administrator of Alberta Health Services

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of Alberta Health Services (the Group), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, remeasurement gains and losses, change in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and the results of its operations, its remeasurement gains and losses, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the consolidated financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

June 1, 2023
Edmonton, Alberta

Alberta Health Services

Consolidated Statement of Operations

Year ended March 31

(thousands of dollars)

	2023		2022
	Budget (Note 3)	Actual	Actual (Restated – Schedule 4)
Revenues:			
Alberta Health transfers			
Base operating	$ 13,446,516	$ 13,446,558	$ 13,097,557
One-time base operating	-	185,146	71,003
Other operating	1,663,027	2,467,695	2,779,853
Recognition of expended deferred capital revenue	111,500	104,165	95,636
Other government transfers (Note 4)	304,700	475,512	462,844
Fees and charges	491,200	536,774	478,313
Ancillary operations	114,000	103,324	91,369
Donations, fundraising, and non-government contributions (Note 5)	181,000	189,244	185,893
Investment and other income (Note 6)	185,525	240,285	236,292
TOTAL REVENUES	**16,497,468**	**17,748,703**	**17,498,760**
Expenses:			
Continuing care	1,239,000	1,381,494	1,357,126
Community care	1,792,400	1,888,404	1,803,896
Home care	765,100	740,152	709,715
Acute care	5,271,168	5,594,950	5,343,935
Emergency medical services	605,600	599,476	557,720
Diagnostic and therapeutic services	2,619,700	2,645,702	2,757,593
Population and public health	359,600	589,216	876,457
Research and education	354,900	341,797	351,106
Information technology	726,300	749,085	674,214
Support services (Note 7)	2,266,900	2,639,431	2,489,173
Administration (Note 8)	496,800	495,326	446,932
TOTAL EXPENSES (Schedules 1 and 3)	**16,497,468**	**17,665,033**	**17,367,867**
ANNUAL OPERATING SURPLUS	**-**	**83,670**	**130,893**
Accumulated surplus, beginning of year	1,037,157	1,037,157	906,264
Accumulated surplus, end of year (Note 21)	**$ 1,037,157**	**$ 1,120,827**	**$ 1,037,157**

The accompanying notes and schedules are part of these consolidated financial statements.

Alberta Health Services

Consolidated Statement of Financial Position

As at March 31

(thousands of dollars)

	2023 Actual	2022 Actual (Restated – Schedule 4)
Financial Assets:		
Cash and cash equivalents	$ 334,649	$ 200,691
Portfolio investments (Note 10)	2,184,694	2,603,605
Accounts receivable (Note 11)	750,083	594,429
	3,269,426	3,398,725
Liabilities:		
Accounts payable and accrued liabilities (Note 12)	1,773,424	1,951,855
Employee future benefits (Note 13)	787,643	777,878
Unexpended deferred operating revenue (Note 14)	572,628	529,707
Unexpended deferred capital revenue (Note 15)	177,901	149,516
Debt (Note 17)	434,088	454,993
Asset retirement obligations (Note 18)	583,172	544,416
	4,328,856	4,408,365
NET DEBT	**(1,059,430)**	**(1,009,640)**
Non-Financial Assets:		
Tangible capital assets (Note 19)	10,303,649	9,998,035
Inventories of supplies (Note 20)	307,725	513,019
Prepaid expenses, deposits, and other non-financial assets	231,254	176,570
	10,842,628	10,687,624
NET ASSETS BEFORE EXPENDED DEFERRED REVENUE	9,783,198	9,677,984
Expended deferred revenue (Note 16)	8,642,101	8,615,941
NET ASSETS	**1,141,097**	**1,062,043**
Net Assets is comprised of:		
Accumulated surplus (Note 21)	1,120,827	1,037,157
Accumulated remeasurement gains	20,270	24,886
	$ 1,141,097	**$ 1,062,043**

Contractual Obligations and Contingent Liabilities (Note 22)
Impact of COVID-19 Pandemic (Note 27)

The accompanying notes and schedules are part of these consolidated financial statements.

Approved by:

[Original signed by]

Dr. John Cowell
Official Administrator
Alberta Health Services

Alberta Health Services

Consolidated Statement of Change in Net Debt

Year ended March 31

(thousands of dollars)

	2023		2022
	Budget (Note 3)	Actual	Actual (Restated – Schedule 4)
Annual operating surplus	$ -	$ 83,670	$ 130,893
Effect of changes in tangible capital assets:			
Acquisition of tangible capital assets:			
Purchased	(498,000)	(497,852)	(463,646)
Leased	-	(19,031)	(15,646)
Constructed by Alberta Infrastructure on behalf of AHS	(660,000)	(262,429)	(425,337)
Contributed	-	(35)	(522)
Capitalized asset retirement costs	-	(41,164)	(9,811)
Amortization and loss on disposals/write-downs of tangible capital assets	499,000	514,897	476,786
Effect of other changes:			
Net increase in expended deferred capital revenue	554,200	246,496	452,077
Net (decrease) increase in expended deferred operating revenue	-	(220,336)	(90,473)
Net decrease (increase) in inventories of supplies	(20,000)	205,294	50,909
Net (increase) decrease in prepaid expenses, deposits and other non-financial assets	9,000	(54,684)	32,796
Net remeasurement (losses) gains for the year	49,900	(4,616)	(30,891)
(Increase) decrease in net debt for the year	**(65,900)**	(49,790)	**107,135**
Net debt, beginning of year	(1,009,640)	(1,009,640)	(1,116,775)
Net debt, end of year	**$ (1,075,540)**	**$ (1,059,430)**	**$ (1,009,640)**

The accompanying notes and schedules are part of these consolidated financial statements.

Alberta Health Services

Consolidated Statement of Remeasurement Gains and Losses

Year ended March 31

(thousands of dollars)

	2023 Actual	2022 Actual
Unrestricted unrealized gains (losses) attributable to:		
Derivatives	$ 2,572	$ (24)
Portfolio investments	(39,600)	(29,270)
Amounts reclassified to the Consolidated Statement of Operations:		
Derivatives	(1,710)	-
Portfolio investments	34,122	(1,597)
Net remeasurement losses for the year	**(4,616)**	**(30,891)**
Accumulated remeasurement gains, beginning of year	24,886	55,777
Accumulated remeasurement gains, end of year (Note 10)	**$ 20,270**	**$ 24,886**

The accompanying notes and schedules are part of these consolidated financial statements.

Alberta Health Services

Consolidated Statement of Cash Flows

Year ended March 31

(*thousands of dollars*)

	2023 Actual	2022 Actual (Restated – Schedule 4)
Operating transactions:		
Annual operating surplus	$ 83,670	$ 130,893
Non-cash items:		
Amortization and loss on disposals/write-downs of tangible capital assets	514,897	476,786
Revenue recognized for acquisition of land	(3,934)	(987)
Recognition of expended deferred capital revenue	(328,651)	(298,774)
Recognition of expended deferred operating revenue	(289,853)	(453,686)
Loss (gain) on disposal of portfolio investments	32,218	(36,100)
Change in employee future benefits	9,765	17,092
(Increase) decrease in:		
Accounts receivable related to operating transactions	(155,654)	70,986
Inventories of supplies	205,294	50,909
Prepaid expenses, deposits, and other non-financial assets	(54,684)	32,796
(Decrease) increase in:		
Accounts payable and accrued liabilities	(171,577)	35,567
Unexpended deferred operating revenue	59,541	(111,762)
Asset retirement obligations	(2,409)	-
Cash applied to operating transactions	(101,377)	(86,280)
Capital transactions:		
Purchased tangible capital assets	(497,852)	(463,646)
Cash applied to capital transactions	(497,852)	(463,646)
Investing transactions:		
Purchase of portfolio investments	(4,110,544)	(3,806,735)
Proceeds on disposals of portfolio investments	4,476,003	3,439,408
Cash provided by (applied to) investing transactions	365,459	(367,327)
Financing transactions:		
Restricted operating contributions received	69,517	363,213
Restricted capital contributions received	345,074	310,803
Unexpended deferred capital revenue returned	(73)	(419)
Proceeds from debt	11,500	26,000
Principal payments on debt	(32,405)	(26,666)
Payments on obligations under capital leases	(25,639)	(30,642)
Net repayment of life lease deposits	(246)	(1,493)
Cash provided by financing transactions	367,728	640,796
Increase (decrease) in cash and cash equivalents	**133,958**	**(276,457)**
Cash and cash equivalents, beginning of year	200,691	477,148
Cash and cash equivalents, end of year	**$ 334,649**	**$ 200,691**

The accompanying notes and schedules are part of these consolidated financial statements.

Alberta Health Services

Notes to the Consolidated Financial Statements

For Year ended March 31, 2023

(thousands of dollars)

Note 1 Authority, Purpose and Operations

Alberta Health Services (AHS) was established under the *Regional Health Authorities Act* (Alberta), effective April 1, 2009, as a result of the merger of 12 formerly separate health entities in Alberta.

Pursuant to Section 5 of the *Regional Health Authorities Act* (Alberta), AHS is responsible in Alberta to:

- promote and protect the health of the population and work toward the prevention of disease and injury;
- assess on an ongoing basis the health needs of the population;
- determine priorities in the provision of health services and allocate resources accordingly;
- ensure that reasonable access to quality health services is provided and;
- promote the provision of health services in a manner that is responsive to the needs of individuals and communities and supports the integration of services and facilities.

Additionally, AHS is accountable to the Minister of Health (the Minister) for the delivery and operation of the public health system.

The AHS consolidated financial statements include the assets, liabilities, revenues and expenses associated with its responsibilities.

Note 2 Significant Accounting Policies and Reporting Practices

(a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards. In addition, the consolidated financial statements include certain disclosures required by the financial directives issued by Alberta Health (AH).

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of the organizations controlled by AHS as noted below:

(i) Controlled Entities

AHS controls the following three wholly owned subsidiaries:

- Alberta Precision Laboratories Ltd. - provides medical diagnostic services throughout Alberta.
- CapitalCare Group Inc. - manages continuing care programs and facilities in the Edmonton area.
- Carewest - manages continuing care programs and facilities in the Calgary area.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 2 Significant Accounting Policies and Reporting Practices (continued)

AHS has majority representation on, or the right to appoint, the governance boards, indicating control of the following entities:

- Foundations and other organizations:

  The largest foundations controlled by AHS are the Alberta Cancer Foundation and the Calgary Health Foundation. AHS also controls 32 other foundations to facilitate fundraising for various initiatives including enhancements to healthcare delivery (including equipment), programs, renovations, and research and education.

- Provincial Health Authorities of Alberta Liability and Property Insurance Plan (LPIP)

  The LPIP's main purpose is to share the risks of general and professional liability to lessen the impact on any one subscriber. Effective April 1, 2020, the LPIP ceased providing new liability coverage and continues in operation for the limited purpose of winding up its affairs.

  The LPIP has a fiscal year end of December 31, 2022. Significant transactions occurring between this date and March 31, 2023 have been recorded in these consolidated financial statements.

All inter-entity accounts and transactions between these organizations and AHS are eliminated upon consolidation.

(ii) Government Partnerships

AHS proportionately consolidates its 50% ownership interests in 40 (2022 – 40) Primary Care Network (PCN) partnerships with physician groups, its 50% ownership interest in the Northern Alberta Clinical Trials Centre (NACTRC) partnership with the University of Alberta, and its 33.33% ownership interest in the Institute for Reconstructive Sciences in Medicine (iRSM) partnership with the University of Alberta and Covenant Health (Note 24).

AHS entered into local primary care initiative agreements to jointly manage and operate the delivery of primary care services to achieve the PCN plan objectives, and to contract and hold property interests required in the delivery of PCN services.

All inter-entity accounts and transactions between these organizations and AHS are eliminated upon consolidation.

(iii) Trusts under Administration

These consolidated financial statements do not include trusts administered on behalf of others (Note 25).

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(iv) Other

AHS is responsible for the delivery and operation of the public health system in Alberta (Note 1) and contracts with various voluntary and private health service providers to provide health services throughout Alberta. The largest of these service providers is Covenant Health, a denominational health care organization, providing a full spectrum of care including operating several hospitals and long-term care facilities. Covenant Health is an independent, separate legal entity with a separate Board of Directors and accordingly, these consolidated financial statements do not include their assets, liabilities or results of operations. However, the payments for contracts with health service providers such as Covenant Health are recorded as expenses in the Consolidated Statement of Operations.

In addition, AHS provides administrative services to certain foundations and contracted health care providers not included in these consolidated financial statements.

(b) Revenue Recognition

Revenue is recognized in the year in which the transactions or events that give rise to the revenue as described below occur. All revenue is recorded on an accrual basis, except when the accrual cannot be determined within a reasonable degree of certainty or when estimation is impracticable. Unallocated costs comprising of materials and services contributed by related parties in support of AHS' operations, are not recognized in these consolidated financial statements.

(i) Government Transfers

Transfers from AH, other Province of Alberta ministries and agencies, and other government entities are referred to as government transfers.

Government transfers and, if applicable, the associated externally restricted investment income are recorded as deferred revenue if the eligibility criteria for the use of the transfer, or the stipulations together with AHS' actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, AHS complies with the communicated use of the transfer.

All other government transfers, without stipulations for the use of the transfer, are recorded as revenue when the transfer is authorized and AHS meets the eligibility criteria.

Deferred revenue consists of unexpended deferred operating revenue, unexpended deferred capital revenue, expended deferred capital revenue and expended deferred operating revenue. The term deferred revenue in these consolidated financial statements refers to the components of deferred revenue as described.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(ii) Donations, Fundraising, and Non-Government Contributions

Donations, fundraising, and non-government contributions are received from individuals, corporations, registered charities, and other not-for-profit organizations. Donations, fundraising, and non-government contributions may be unrestricted or externally restricted for operating or capital purposes.

Unrestricted donations, fundraising, and non-government contributions are recorded as revenue in the year received or in the year the funds are committed to AHS if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations, fundraising, non-government contributions, and the associated externally restricted investment income are recorded as deferred revenue if the terms for their use, or the terms along with AHS' actions and communications as to their use create a liability. These resources are recognized as revenue as the terms are met and, when applicable, AHS complies with the communicated use.

In-kind contributions of services and materials from non-related parties are recorded at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist AHS, the value of their services is not recognized as revenue and expenses in the consolidated financial statements because fair value cannot be reasonably determined.

(iii) Transfers and Donations related to Land

Transfers and donations for the purchase of land are recorded as deferred revenue when received and as revenue when the land is purchased. In-kind donations of land from non-related entities are recorded as revenue at the fair value of the land. When AHS cannot determine the fair value, it records such donations at nominal value. In-kind donations of land from related entities are recorded as revenue at the net book value of the transferring entity.

(iv) Fees and Charges, Ancillary Operations, and Other Income

Fees and charges, ancillary operations, and other income are recognized in the year that goods are delivered or services are provided by AHS. Amounts received for which goods or services have not been provided by year end are recorded as deferred revenue.

(v) Investment Income

Investment income includes dividend income, interest income, and realized gains or losses on the sale of portfolio investments. Unrealized gains and losses on portfolio investments exclusive of restricted transfers or donations are recognized in the Consolidated Statement of Remeasurement Gains and Losses until the related portfolio investments are sold. When realized, these gains or losses are recognized in the Consolidated Statement of Operations. Investment income and unrealized gains and losses from restricted transfers or donations are deferred until recognized according to the provisions within the individual funding agreements.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(c) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Interest expense includes debt servicing costs.

Expenses include grants and transfers under shared cost agreements. Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

(d) Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial liabilities are contractual obligations to deliver cash or another financial asset to another entity or to exchange financial instruments with another entity under conditions that are potentially unfavourable to AHS.

All of AHS' financial assets and financial liabilities are initially recorded at their fair value. The following table identifies AHS' financial assets and financial liabilities and identifies how they are subsequently measured:

Financial Assets and Financial Liabilities	Subsequent Measurement and Recognition
Portfolio investments	Measured at fair value with unrealized changes in fair values recognized in the Consolidated Statement of Remeasurement Gains and Losses or deferred revenue until realized, at which time the cumulative changes in fair value are recognized in the Consolidated Statement of Operations.
Cash and cash equivalents, accounts receivable, payroll payable and related accrued liabilities, trade accounts payable and accrued liabilities, other liabilities and debt	Measured at cost or amortized cost.

AHS records equity investments quoted in an active market at fair value and may choose to record other financial assets under the fair value category if there is an investment strategy to evaluate the performance of a group of these financial assets on a fair value basis. AHS has elected to record all portfolio investments at fair value. The three levels of information that may be used to measure fair value are:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 2 Significant Accounting Policies and Reporting Practices (continued)

AHS measures and recognizes embedded derivatives separately from the host contract when the economic characteristics and risk of the embedded derivative are not closely related to those of the host contract, when it meets the definition of a derivative and when the entire contract is not measured at fair value.

Derivatives are recorded at fair value in the Consolidated Statement of Financial Position. Derivatives with a positive or negative fair value are recognized as increases or decreases to portfolio investments. Unrealized gains and losses from changes in the fair value of derivatives are recognized in the Consolidated Statement of Remeasurement Gains and Losses.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported as a realized loss on the Consolidated Statement of Operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

Contractual obligations are evaluated for the existence of embedded derivatives. An election can be made to either measure the entire contract at fair value or measure the value of the derivative component separately when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for AHS' normal course of business are not recognized as financial assets or liabilities. AHS does not have any embedded derivatives.

A financial liability or a part thereof is derecognized when it is extinguished.

Transaction costs associated with the acquisition and disposal of portfolio investments are expensed as incurred. Investment management fees are expensed as incurred. The purchase and disposition of portfolio investments are recognized on the trade date.

(e) Cash and Cash Equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents include amounts in interest bearing accounts and are subject to an insignificant risk of change in value. Cash and cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

(f) Inventories of Supplies

Purchased inventories of supplies are valued at lower of cost (defined as moving average cost) and replacement cost. Contributed inventories of supplies are recorded at fair value when such value can reasonably be determined.

(g) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the assets. Cost includes overhead directly attributable to construction and development as well as interest costs that are directly attributable to the acquisition or construction of the asset, and asset retirement cost. Costs incurred by Alberta Infrastructure (AI) to construct tangible capital assets on behalf of AHS are recorded by AHS as work in progress as AI incurs costs.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 2 Significant Accounting Policies and Reporting Practices (continued)

Contributed tangible capital assets from non-related entities are recognized at their fair value at the date of the contribution when fair value can be reasonably determined. When AHS cannot determine the fair value, it records such contributions at nominal value.

The costs less residual values of tangible capital assets, excluding land, are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Facilities and improvements	10-70 years
Equipment	3-20 years
Information systems	3-15 years
Building service equipment	5-40 years
Land improvements	5-40 years

Work in progress, which includes facility and improvement projects and development of information systems, is not amortized until after a project is substantially complete and the tangible capital assets are available for use.

Leases of tangible capital assets which transfer substantially all benefits and risks of ownership to AHS are accounted for as leased tangible capital assets and leasehold improvements and are amortized over the shorter of the term of the lease or their estimated useful lives. Obligations under capital leases are recorded at the present value of the minimum lease payments excluding executory costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of AHS' rate for incremental borrowing and the interest rate implicit in the lease.

Tangible capital assets are written down to their net recoverable amount when conditions indicate that they no longer contribute to AHS' ability to provide goods and services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Write-downs are recorded as part of amortization and loss on disposals / write-downs of tangible capital assets.

Intangibles and other assets inherited by right and that have not been purchased are not recognized in these consolidated financial statements. Similarly, works of art, historical treasures, and collections are not recognized as tangible capital assets.

(h) Employee Future Benefits

(i) Defined Benefit Pension Plans

Local Authorities Pension Plan (LAPP) and Management Employees Pension Plan (MEPP)

AHS participates in the LAPP and MEPP which are multi-employer registered defined benefit pension plans. AHS accounts for these plans on a defined contribution basis. Accordingly, the pension expense recorded for these plans in these consolidated financial statements is comprised of the employer contributions that AHS is required to pay for its employees during the fiscal year. LAPP and MEPP set the employer contribution rates on an annual basis based on actuarially pre-determined amounts that are expected to provide the plans' future benefits.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 2 Significant Accounting Policies and Reporting Practices (continued)

Supplemental Executive Retirement Plan (SERP)

The SERP covers certain employees and supplements the benefits under AHS' registered plans that are limited by the *Income Tax Act* (Canada). The SERP has been closed to new entrants since April 1, 2009. The SERP provides future pension benefits to participants based on years of service and earnings.

As required under the *Income Tax Act* (Canada), approximately half of the assets are held in a non-interest bearing Refundable Tax Account with the Canada Revenue Agency. The remaining assets of the SERP are invested in a combination of Canadian equities and Canadian fixed income securities.

(ii) Defined Contribution Pension Plans

Group Registered Retirement Savings Plans (GRRSPs)

AHS sponsors GRRSPs for certain employee groups. Under the GRRSPs, AHS matches a certain percentage of any contribution made by plan participants up to certain limits. AHS also sponsors a defined contribution pension plan for certain employee groups where the employee and employer each contribute specified percentages of pensionable earnings.

Supplemental Pension Plan (SPP)

Subsequent to April 1, 2009, staff that would have otherwise been eligible for SERP have been enrolled in a defined contribution SPP. The SPP supplements the benefits under AHS registered plans that are limited by the *Income Tax Act* (Canada). AHS contributes a percentage of an eligible employee's pensionable earnings, in excess of the limits of the *Income Tax Act* (Canada). The SPP provides participants with an account balance at retirement based on the contributions made to the plan and investment income earned on the contributions based on investment decisions made by the participant.

(iii) Other Benefit Plans

Accumulating Non-Vesting Sick Leave

Sick leave benefits accumulate with employees' service and are provided by AHS to certain employee groups of AHS, as defined by employment agreements, to cover illness related absences that are outside of short-term and long-term disability coverage. Benefit amounts are determined and accumulate with reference to employees' earnings at the time they are paid out. The cost of the accumulating non-vesting sick leave benefits is expensed as the benefits are earned.

AHS recognizes a liability and expense for accumulating non-vesting sick leave benefits using an actuarial cost method as the employees render services to earn the benefits. The liability and expense is determined using the projected benefit method pro-rated for service and management's best estimates of expected discount rate, inflation, rate of compensation increase, termination and retirement dates, and mortality. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 2 Significant Accounting Policies and Reporting Practices (continued)

AHS does not record a liability for sick leave benefits that do not accumulate beyond the current reporting year as these are renewed annually.

Other Benefits

AHS provides its employees with basic life, accidental death and dismemberment, short-term disability, long-term disability, extended health, dental, and vision benefits through benefits carriers. AHS fully accrues its obligations for employee non-pension future benefits.

(i) Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

(i) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
(ii) the past transaction or event giving rise to the liability has occurred;
(iii) it is expected that future economic benefits will be given up; and
(iv) a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed. Revisions in estimates are recognized as a change to both the liability and related tangible capital asset in the Consolidated Statement of Financial Position.

(j) Foreign Currency Translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items denominated in foreign currencies included in the fair value category reflect the exchange rates at the Consolidated Statement of Financial Position date. Unrealized foreign exchange gains and losses are recognized in the Consolidated Statement of Remeasurement Gains and Losses.

In the year of settlement, foreign exchange gains and losses are reclassified to the Consolidated Statement of Operations, and the cumulative amount of remeasurement gains and losses are reversed in the Consolidated Statement of Remeasurement Gains and Losses.

(k) Reserves

Certain amounts, as approved by the AHS Board, may be set aside in accumulated surplus for use by AHS for future purposes. Transfers to, or from, are recorded to the respective reserve account when approved. Reserves include Invested in Tangible Capital Assets and Internally Restricted Surplus for Insurance Equity Requirements and Foundations.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(l) Measurement Uncertainty

The consolidated financial statements, by their nature, contain estimates and are subject to measurement uncertainty. Measurement uncertainty exists when there is a difference between the recognized or disclosed amount and another reasonably possible amount. These estimates and assumptions are reviewed at least annually. Actual results could differ from the estimates determined by management in these consolidated financial statements, and these differences could require adjustment in subsequent reporting years.

The amount recorded for amortization of tangible capital assets is based on the estimated useful life of the related assets while the recognition of expended deferred capital revenue depends on when the terms for the use of the funding are met and, when applicable, AHS complies with its communicated use of the funding. The amounts recorded for accumulating non-vesting sick leave are based on various assumptions including the estimated service life of employees, drawdown rate of sick leave banks and rate of salary escalation. The establishment of the provision for unpaid claims relies on judgment and estimates including historical precedent and trends, prevailing legal, economic, social, and regulatory trends; and expectation as to future developments.

There is measurement uncertainty related to asset retirement obligations as it involves estimates in determining settlement amount and timing of settlement. Changes to any of these estimates and assumptions may result in change to the obligation.

(m) Changes in Accounting Policy

Effective April 1, 2022, AHS adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

On the effective date, AHS recognized the following to conform to the new standard;

(i) asset retirement obligations;
(ii) asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
(iii) accumulated amortization on the capitalized cost; and
(iv) adjustment to the opening balance of the accumulated surplus.

Amounts are measured using information and assumptions where applicable, that are current on the effective date of the standard. The amount recognized as an asset retirement cost is measured as of the date the asset retirement obligation was incurred. Accumulated amortization is measured for the period from the date the liability would have been recognized had the provisions of this standard been in effect to the date as of which this standard is first applied. Impacts on the prior year's financial statements as a result of the change in accounting policy are presented in Schedule 4.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(n) Future Accounting Changes

On April 1, 2023, AHS will adopt the following new accounting standards and guideline approved by the Public Sector Accounting Board:

- **PS 3400 – Revenue**
  PS 3400 provides guidance on how to account for and report revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions.

- **PSG-8 – Purchased Intangibles**
  PSG-8 provides guidance on the recognition, accounting, and classification of purchased intangible assets.

- **PS 3160 – Public Private Partnerships**
  PS 3160 provides guidance on how to account for public private partnerships between public and private sector entities, where the public sector entity procures infrastructure using a private sector partner.

AHS is currently assessing the impact of these standards and guideline on future consolidated financial statements

Note 3 Budget

The 2022-23 annual budget was approved by the AHS Board on March 17, 2022 for submission to the Minister who approved it on July 4, 2022. The budget excludes COVID-19 revenues and expenses and the impacts of asset retirement obligations.

Note 4 Other Government Transfers

	Budget	2023	2022 (Note 28)
Recognition of expended deferred capital revenue (Note 16 (a))	$ 191,600	$ 192,079	$ 170,119
Restricted operating (Note 14 (a))	82,900	218,460	175,590
Unrestricted operating	30,200	64,973	117,135
	$ 304,700	**$ 475,512**	**$ 462,844**

Other government transfers include $433,722 (2022 – $364,457) transferred from the Province of Alberta, $41,790 (2022 – $98,387) from government entities outside the Province of Alberta and exclude amounts from AH as these amounts are separately disclosed on the Consolidated Statement of Operations.

Note 5 Donations, Fundraising, and Non-Government Contributions

	Budget	2023	2022
Recognition of expended deferred capital revenue (Note 16 (a))	$ 36,000	$ 32,407	$ 33,020
Restricted operating (Note 14(a))	142,000	150,190	123,946
Unrestricted operating	3,000	6,537	27,213
Endowment contributions (Note 21)	-	110	1,714
	$ 181,000	**$ 189,244**	**$ 185,893**

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 6 Investment and Other Income

	Budget	2023	2022
Investment income	$ 55,000	$ 39,658	$ 75,643
Other income:			
AH	10,525	12,883	11,817
Other Province of Alberta Ministries (Note 23)	30,800	31,307	24,646
Other [(i)]	89,200	156,437	124,186
	$ 185,525	**$ 240,285**	**$ 236,292**

[(i)] Other mainly relates to recoveries for services provided to third parties.

Note 7 Support Services

	Budget	2023	2022 (Restated – Schedule 4)
Facilities operations	$ 889,100	$ 994,103	$ 895,991
Patient health records, food services, and transportation	405,800	492,530	446,921
Housekeeping, laundry, and linen	193,500	260,404	233,797
Materials management [(i)]	175,500	243,399	221,805
Support services expense of full-spectrum contracted health service providers	152,500	166,462	159,647
Ancillary operations	85,300	73,236	76,291
Fundraising expenses and grants awarded	46,900	51,705	44,296
Other [(i)]	318,300	357,592	410,425
	$ 2,266,900	**$ 2,639,431**	**$ 2,489,173**

[(i)] Materials management and other include valuation adjustments of $71,419 (2022 – $109,034) relating primarily to COVID-19 Inventory (Note 20).

Note 8 Administration

	Budget	2023	2022 (Restated – Schedule 4)
General administration	$ 224,300	$ 219,583	$ 192,610
Human resources	124,200	127,969	118,230
Finance	78,200	80,565	73,758
Communications	25,600	26,496	22,972
Administration expense of full-spectrum contracted health service providers	44,500	40,713	39,362
	$ 496,800	**$ 495,326**	**$ 446,932**

Note 9 Financial Risk Management

AHS is exposed to a variety of financial risks associated with its financial instruments. These financial risks include market risk, credit risk, and liquidity risk.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 9 Financial Risk Management (continued)

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is comprised of three types of risk: price risk, interest rate risk, and foreign currency risk.

In accordance with the AHS investment bylaw and policy, AHS manages market risk by maintaining a conservative and diversified portfolio, and engages Alberta Investment Management Corporation, a related party, to manage the portfolio. Compliance with the bylaw and policy is monitored and reported to the Official Administrator on a quarterly basis.

In order to earn financial returns at an acceptable level of market risk, the consolidated investment portfolio is governed by investment bylaws and policies with clearly established target asset mixes. The target assets range between 0% to 100% for cash and money market securities, 0% to 80% for fixed income securities and 0% to 70% for equity holdings.

Risk is reduced through asset class diversification, diversification within each asset class, and portfolio quality constraints governing the quality of portfolio holdings.

AHS assesses the sensitivity of its portfolio to market risk based on historical volatility of equity and fixed income markets. Volatility is determined using a ten-year average based on fixed income and equity market fluctuations and is applied to the total portfolio. Based on the volatility average of 3.79% (2022 – 3.60%) increase or decrease, with all other variables held constant, the portfolio could expect an increase or decrease in unrealized net gains and losses attributable to unexpended deferred operating revenue of $60,549 (2022 – $71,795).

(i) Price Risk

Price risk relates to the possibility that equity portfolio investments will change in fair value due to future fluctuations in market prices caused by factors specific to an individual equity investment or other factors affecting all equities traded in the market. AHS is exposed to price risk associated with the underlying equity portfolio investments held in pooled funds. If equity market indices (S&P/TSX, S&P1500 and MSCI ACWI and their sectors) declined by 10%, and all other variables are held constant, the potential loss in fair value to AHS would be approximately $49,936 or 2.27% of total portfolio investments (March 31, 2022 – $58,868 or 2.25%).

(ii) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in market interest rates. AHS manages the interest rate risk exposure of its fixed income securities by management of average duration and laddered maturity dates.

AHS is exposed to interest rate risk through its investments in fixed income securities with both fixed and floating interest rates. AHS has fixed interest rate loans for all debt, thereby mitigating interest rate risk from rate fluctuations over the term of the outstanding debt. The fair value of fixed rate debt fluctuates with changes in market interest rates but the related future cash flows will not change.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 9 Financial Risk Management (continued)

In general, investment returns for fixed income securities are sensitive to changes in the level of interest rates, with longer term interest bearing securities being more sensitive to interest rate changes than shorter term bonds and money market instruments.

A 1% change in market yield relating to fixed income securities would have increased or decreased fair value by approximately $62,550 (March 31, 2022 – $66,742).

Interest bearing securities have the following average maturity structure:

	2023	2022
Less than one year	27%	30%
1 – 5 years	52%	51%
6 – 10 years	8%	11%
Over 10 years	13%	8%

	Average Effective Market Yield	
Asset Class	2023	2022
Money market instruments	4.45%	0.89%
Fixed income securities	4.21%	2.62%

(iii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Cash and cash equivalents and portfolio investments denominated in foreign currencies are translated into Canadian dollars on a daily basis using the reporting date exchange rate. Both the realized gain/loss and remeasurement gain/loss comprise actual gains or losses on the underlying instrument as well as changes in foreign exchange rates at the time of the valuation. AHS is exposed to foreign exchange fluctuations on its cash denominated in foreign currencies. AHS is also exposed to changes in the valuation on its global equity funds attributable to fluctuations in foreign currency.

Foreign currency risk is managed by the investment policies which limit non-Canadian equities to a maximum of 10% to 45% of the total investment portfolio, depending on the policy. At March 31, 2023, investments in non-Canadian equities represented 12.5% (March 31, 2022 – 13.6%) of total portfolio investments.

Foreign exchange fluctuations on cash balances are mitigated by derivatives and holding minimal foreign currency cash balances. AHS holds US dollar forward contracts to manage currency fluctuations relating to its US dollar accounts payable requirements. As at March 31, 2023, AHS held derivatives in the form of forward contracts for future settlement of $18,000 (2022 – $24,000). The fair value of these forward contracts as at March 31, 2023 was $846 (2022 – ($16)) and is included in portfolio investments (Note 10).

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 9 Financial Risk Management (continued)

(b) Credit Risk

Credit risk is the risk of loss arising from the failure of a counterparty to fully honour its contractual obligations. The credit quality of financial assets is generally assessed by reference to external credit ratings. Credit risk can also lead to losses when issuers and debtors are downgraded by credit rating agencies. The investment policies restrict the types and proportions of eligible investments, thus mitigating AHS' exposure to credit risk.

Accounts receivable primarily consists of amounts receivable from AH, other Alberta government reporting entities, patients, other provinces and territories, and the federal government. AHS periodically reviews the collectability of its accounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts.

The carrying amounts of financial assets represent the maximum credit exposure.

Under the investment bylaw and policies governing the consolidated investment portfolio, money market securities are limited to a rating of R1 or equivalent or higher, and no more than 10% may be invested in any one issuer unless guaranteed by the Government of Canada or a Canadian province. Investments in corporate bonds are limited to BBB or equivalent rated bonds or higher and no more than 40% of the total investment portfolio. Not more than 20% of the investment portfolio may be BBB or equivalent rated bonds. AHS holds unrated mortgage fund investments which are classified as part of AHS' fixed income securities.

The following table summarizes AHS' investment in debt securities by counterparty credit rating at March 31.
The unrated securities consist of low volatility pooled mortgages that are not rated on an active market.

Credit Rating	2023	2022
AAA	51%	50%
AA	19%	23%
A	14%	17%
BBB	12%	7%
Unrated	4%	3%
	100%	**100%**

(c) Liquidity Risk

Liquidity risk is the risk that AHS will encounter difficulty under both normal and stressed conditions in meeting obligations associated with financial liabilities that are settled by delivery of cash and cash equivalents or another financial asset. Liquidity requirements of AHS are met through funding provided by AH, income generated from portfolio investments, and by investing in liquid assets, such as money market securities, fixed income securities and equities traded in an active market that are easily sold and converted to cash. Short-term borrowing to meet financial obligations would be available through established credit facilities, which have not been drawn upon, as described in Note 17(c).

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 9 Financial Risk Management (continued)

AHS issued debenture maturities are described in Note 17(d). The following are contractual maturities of the remaining financial liabilities as at March 31, 2023, based on expected undiscounted cash flows.

	Due in less than 1 year	Due in 1-5 years	Due after 5 years
Payroll payable and related accrued liabilities	$ 697,925	$ -	$ -
Trade payable and accrued liabilities	749,089	-	-
Other liabilities	6,615	13,227	6,952
	$ 1,453,629	**$ 13,227**	**$ 6,952**

Note 10 Portfolio Investments

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Cash held for investing purposes	**$ 122,940**	**$ 122,940**	**$ 126,002**	**$ 126,002**
Interest bearing securities:				
Money market securities	367,815	367,775	530,043	530,210
Fixed income securities	1,194,576	1,228,624	1,358,881	1,403,265
	1,562,391	**1,596,399**	**1,888,924**	**1,933,475**
Equities:				
Canadian equity investments and funds	177,151	171,926	189,136	163,447
Global equity investments and funds	273,522	228,896	354,516	294,912
	450,673	**400,822**	**543,652**	**458,359**
Real estate pooled funds	**48,690**	**40,371**	**45,027**	**40,371**
	$ 2,184,694	**$ 2,160,532**	**$ 2,603,605**	**$ 2,558,207**

	2023	2022
Items at fair value		
Portfolio investments designated to the fair value category	$ 2,121,012	$ 2,577,860
Portfolio investments in equity instruments that are quoted in an active market	62,836	25,761
Derivatives	846	(16)
	$ 2,184,694	**$ 2,603,605**

As at March 31, 2023, included in portfolio investments is $187,959 (2022 – $215,299) that is restricted for use as per the requirements in Sections 99 and 100 of the *Insurance Act* (Alberta). Endowment principal included in portfolio investments amounts to $77,492 (2022 – $77,382).

Alberta Health Services

Notes to the Consolidated Financial Statements

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Note 10 Portfolio Investments (continued)

The following are the total net remeasurement gains on portfolio investments:

	2023	2022
Accumulated remeasurement gains	$ 20,270	$ 24,886
Restricted unrealized net gains attributable to unexpended deferred operating revenue (Note 14(b))	3,892	20,512
	$ 24,162	**$ 45,398**

Fair Value Hierarchy

	2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ -	$ 122,940	$ -	$ 122,940
Interest bearing securities:				
Money market securities	-	367,815	-	367,815
Fixed income securities	-	1,143,251	51,325	1,194,576
Equities:				
Canadian equity investments and funds	62,836	114,315	-	177,151
Global equity investments and funds	-	273,522	-	273,522
Real estate pooled funds	-	-	48,690	48,690
	$ 62,836	**$ 2,021,843**	**$ 100,015**	**$ 2,184,694**
Percent of total	3%	93%	4%	100%

	2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ -	$ 126,002	$ -	$ 126,002
Interest bearing securities:				
Money market securities	-	530,043	-	530,043
Fixed income securities	-	1,307,828	51,053	1,358,881
Equities:				
Canadian equity investments and funds	25,761	163,375	-	189,136
Global equity funds	-	354,516	-	354,516
Real estate pooled funds	-	-	45,027	45,027
	$ 25,761	**$ 2,481,764**	**$ 96,080**	**$ 2,603,605**
Percent of total	1%	95%	4%	100%

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 10 Portfolio Investments (continued)

Reconciliation of Investments classified as level 3

	2023		
	Fixed income securities	Real estate pooled funds	Total
Beginning of year	$ 51,053	$ 45,027	$ 96,080
Purchases	2,266	-	2,266
Sales	(857)	-	(857)
(Loss) gain included in the Consolidated Statement of Remeasurement Gains and Losses	(1,999)	3,663	1,664
Transfers in	862	-	862
End of year	**$ 51,325**	**$ 48,690**	**$ 100,015**

	2022		
	Fixed income securities	Real estate pooled funds	Total
Beginning of year	$ 51,585	$ 40,623	$ 92,208
Purchases	1,192	29	1,221
Sales	-	-	-
Gain (loss) included in the Consolidated Statement of Remeasurement Gains and Losses	(1,663)	4,375	2,712
Transfers out	(61)	-	(61)
End of year	**$ 51,053**	**$ 45,027**	**$ 96,080**

Note 11 Accounts Receivable

	2023			2022
	Gross	Allowance for Doubtful Accounts	Net	Net
AH operating transfers receivable	$ 324,146	$ -	$ 324,146	$ 194,000
Other capital transfers receivable	108,535	-	108,535	96,127
Patient accounts receivable	134,813	48,229	86,584	74,495
Drugs rebates receivable	87,031	-	87,031	83,982
AH capital transfers receivable	10,922	-	10,922	21,400
Other operating transfers receivable	38,117	-	38,117	20,334
Other accounts receivable	104,310	9,562	94,748	104,091
	$ 807,874	**$ 57,791**	**$ 750,083**	**$ 594,429**

Accounts receivable are unsecured and non-interest bearing. At March 31, 2022, the total allowance for doubtful accounts was $51,767 of which $42,081 related to patient accounts receivable.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 12 Accounts Payable and Accrued Liabilities

	2023	2022
Payroll payable and related accrued liabilities	$ 697,925	$ 807,029
Trade accounts payable and accrued liabilities	749,089	756,193
Provision for unpaid claims[(a)]	164,312	191,618
Obligations under capital leases[(b)]	122,977	129,882
Other liabilities	39,121	67,133
	$ 1,773,424	**$ 1,951,855**

As at March 31, 2023, accounts payable and accrued liabilities includes payables related to the purchase of tangible capital assets of $237,507 (2022 – $250,754). Of these amounts, $9,779 (2022 – $10,025) comprise life lease deposits received from tenants of certain AHS' long term care facilities, amounts payable to AI of $nil (2022 – $23,550) related to a project funded by debt, and obligations under capital leases of $122,977 (2022 – $129,882).

(a) Provision for unpaid claims is an actuarial estimate of liability claims against AHS. It is influenced by factors such as historical trends involving claim payment patterns, loss payments, number of unpaid claims, claims severity and claim frequency patterns.

The provision has been estimated using the discounted value of claim liabilities using a discount rate of 3.80% (2022 – 3.00%) plus a provision for adverse deviation, based on actuarial estimates.

(b) Obligations under capital leases include site leases with the University of Calgary, vehicle and equipment leases, site leases for ambulance services and a community care service facility.

The obligations will be settled between 2024 and 2041 and have an implicit interest rate payable ranging from 2.53% to 5.07% (2022 – 2.53% to 5.07%).

AHS is committed to making payments for obligations under capital leases as follows:

Year ended March 31	Minimum Contract Payments
2024	$ 16,904
2025	16,120
2026	14,944
2027	13,003
2028	9,729
Thereafter	74,187
	144,887
Less: interest	(21,910)
	$ 122,977

Note 13 Employee Future Benefits

	2023	2022
Accrued vacation pay	$ 646,664	$ 640,004
Accumulating non-vesting sick leave[(a)]	140,592	135,445
SERP pension plans	387	2,429
	$ 787,643	**$ 777,878**

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 13 Employee Future Benefits (continued)

(a) Accumulating Non-Vesting Sick Leave

Sick leave benefits are paid by AHS; there are no employee contributions and no assets set aside to support the obligation.

	2023	2022
Funded status – deficit	$ 91,650	$ 145,281
Unamortized net actuarial gain (loss)	48,942	(9,836)
Accrued benefit liability	**$ 140,592**	**$ 135,445**

Key assumptions used in the determination of the accumulating non-vesting sick leave liability are:

	2023	2022
Estimated average remaining service life	10 years	13 years
Draw down rate of accumulated non-vesting sick leave bank	18.30%	18.30%
Discount rate – beginning of year	2.50%	1.77%
Discount rate – end of year	5.60%	2.50%
Rate of compensation increase per year	2022-23 1.60% 2023-24 2.25% 2024-25 2.00% Thereafter 2.75%	2021-22 1.25% 2022-23 1.25% Thereafter 2.75%

(b) Local Authorities Pension Plan (LAPP)

(i) AHS Participation in the LAPP

The majority of AHS employees participate in the LAPP. AHS' employees comprise approximately 47% (2022 - 47%) of the total membership in LAPP. AHS is not responsible for future funding of the plan deficit other than through contribution increases. As AHS is exposed to the risk of contribution rate increases, the following disclosure is provided to explain this risk.

The LAPP provides for a pension of 1.4% for each year of pensionable service based on the average salary of the highest five consecutive years up to the average Canada Pension Plan's Year's Maximum Pensionable Earnings (YMPE), over the same five consecutive year period and 2.0% on the excess, subject to the maximum pension benefit limit allowed under the *Income Tax Act* (Canada). The maximum pensionable service allowable under the plan is 35 years.

(ii) LAPP Surplus

The LAPP carried out an actuarial valuation as at December 31, 2021 and these results were then extrapolated to December 31, 2022.

	December 31, 2022	December 31, 2021
LAPP net assets available for benefits	$ 58,747,000	$ 61,715,000
LAPP pension obligation	46,076,000	49,792,629
LAPP surplus	**$ 12,671,000**	**$ 11,922,371**

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 13 Employee Future Benefits (continued)

The 2023 and 2022 LAPP contribution rates are as follows:

Calendar 2023		Calendar 2022	
Employer	**Employees**	**Employer**	**Employees**
8.45% of pensionable earnings up to the YMPE and 12.23% of the excess	7.45% of pensionable earnings up to the YMPE and 11.23% of the excess	8.45% of pensionable earnings up to the YMPE and 12.80% of the excess	7.45% of pensionable earnings up to the YMPE and 11.80% of the excess

(c) Pension Expense

	2023	2022
Local Authorities Pension Plan	$ 462,649	$ 555,331
Defined contribution pension plans and group RRSPs	39,651	42,545
Other pension plans	(253)	1,012
	$ 502,047	**$ 598,888**

Note 14 Unexpended Deferred Operating Revenue

(a) Changes in the unexpended deferred operating revenue balance are as follows:

	2023				2022
	AH	Other Government [(i)]	Donors and Non-Government	Total	Total
Balance, beginning of year	$ 203,407	$ 30,347	$ 295,953	$ 529,707	$ 641,469
Adjustment related to Ministry of Mental Health and Addiction[(ii)]	(70,048)	70,048	-	-	-
Balance, beginning of year (reclassified)	**$ 133,359**	**$ 100,395**	**$ 295,953**	**$ 529,707**	**$ 641,469**
Received or receivable during the year	2,295,676	137,599	163,087	2,596,362	2,969,275
Unexpended deferred operating revenue returned	(1,037)	(2,363)	(1,185)	(4,585)	(97,699)
Restricted investment income	549	402	1,512	2,463	36,329
Transferred from (to) unexpended deferred capital revenue [(iii)]	9,942	81,990	(8,497)	83,435	90,524
Transferred to expended deferred operating revenue	(69,517)	-	-	(69,517)	(363,213)
Recognized as revenue	(2,177,842)	(218,460)	(150,190)	(2,546,492)	(2,665,233)
Miscellaneous other revenue recognized	(548)	(3)	(1,574)	(2,125)	(33,873)
	190,582	**99,560**	**299,106**	**589,248**	**577,579**
Changes in unrealized net gains attributable to portfolio investments related to endowments and unexpended deferred operating revenue	(339)	(830)	(15,451)	(16,620)	(47,872)
Balance, end of year	**$ 190,243**	**$ 98,730**	**$ 283,655**	**$ 572,628**	**$ 529,707**

[(i)] The balance for other government includes $2,512 (2022 – $535) of unexpended deferred operating revenue received from government entities outside the Province of Alberta. The remaining balance in other government all relates to the Province of Alberta (Note 23).

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 14 Unexpended Deferred Operating Revenue (continued)

(ii) On November 14, 2022, the Premier of Alberta announced the new Ministry of Mental Health and Addiction. A reclassification has been made to the consolidated financial statements for the year ended March 31, 2022 to reclassify the related mental health & addiction amount from Alberta Health transfers to other government transfers to conform with 2023 presentation.

(iii) The transfer is mainly comprised of restricted capital funding that was used for approved expenditures that did not meet the definition of a tangible capital asset.

(b) The unexpended deferred operating revenue balance at the end of the year is externally restricted for the following purposes:

	2023				2022
	AH	Other Government	Donors and Non-Government	Total	Total
Research and education	$ 4,732	$ 2,494	$ 194,499	$ 201,725	$ 203,806
Cancer prevention, screening and treatment	71,224	-	3,582	74,806	32,423
Support services	1,081	4,213	63,628	68,922	66,959
Addiction and mental health	-	46,926	1,791	48,717	50,115
Physician revenue and alternate relationship plans	46,050	341	-	46,391	28,771
Primary Care Networks	23,150	-	-	23,150	20,299
Diagnostic and therapeutic services	20,415	613	1,563	22,591	16,222
Promotion, prevention and community	5,102	16,064	697	21,863	18,254
Long term care partnerships	-	19,508	-	19,508	19,109
COVID-19 pandemic response and support	6,163	6,717	51	12,931	30,535
Inpatient acute nursing services	8,603	-	2,880	11,483	4,022
Others individually less than $10,000	3,243	1,034	12,372	16,649	18,680
	189,763	**97,910**	**281,063**	**568,736**	**509,195**
Unrealized net gain attributable to portfolio investments related to endowments and unexpended deferred operating revenue (Note 10)	480	820	2,592	3,892	20,512
	$ 190,243	**$ 98,730**	**$ 283,655**	**$ 572,628**	**$ 529,707**

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 15 Unexpended Deferred Capital Revenue

(a) Changes in the unexpended deferred capital revenue balance are as follows:

	2023				2022
	AH	Other Government[(i)]	Donors and Non-Government	Total	Total
Balance, beginning of year	$ 52,128	$ 3,734	$ 93,654	$ 149,516	$ 165,111
Adjustment related to Ministry of Mental Health and Addiction[(ii)]	(801)	801	-	-	-
Balance, beginning of year (reclassified)	**$ 51,327**	**$ 4,535**	**$ 93,654**	**$ 149,516**	**$ 165,111**
Received or receivable during the year	98,436	282,052	49,182	429,670	401,327
Used for the acquisition of land	(22)	-	(3,912)	(3,934)	(987)
Unexpended deferred capital revenue returned	-	(31)	(42)	(73)	(419)
Transferred to expended deferred capital revenue	(68,783)	(195,032)	(48,868)	(312,683)	(324,992)
Transferred to (from) unexpended deferred operating revenue[(iii)]	(9,942)	(81,990)	8,497	(83,435)	(90,524)
Revenue recognized on settlement of asset retirement obligations (Note 18)	(43)	(1,092)	(25)	(1,160)	-
Balance, end of year	**$ 70,973**	**$ 8,442**	**$ 98,486**	**$ 177,901**	**$ 149,516**

[(i)] The balance for other government all relates to the Province of Alberta (Note 23).
[(ii)] On November 14, 2022, the Premier of Alberta announced the new Ministry of Mental Health and Addiction. A reclassification has been made to the consolidated financial statements for the year ended March 31, 2022 to reclassify the related mental health & addiction amount from Alberta Health transfers to other government transfers to conform with 2023 presentation.
[(iii)] The transfer is mainly comprised of restricted capital funding of approved expenditures that did not meet the definition of a tangible capital asset.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 15 Unexpended Deferred Capital Revenue (continued)

(b) The unexpended deferred capital revenue balance at the end of the year is externally restricted for the following purposes:

	2023	2022 [(i)]
AH		
COVID-19 related projects and equipment	$ 5,061	$ 2,086
Continuing Care Beds	12,714	18,844
Information systems	5,505	2,946
Medical Equipment Replacement Upgrade Program	2,367	-
Diagnostic equipment	3,612	9,560
Alberta Surgical Initiative Capital Program	15,560	-
Rural Health Facilities Revitalization Program	22,119	17,697
Other equipment	4,035	194
Total AH	**70,973**	**51,327**
Other government		
Facilities and improvements	2,489	3,734
COVID-19 related projects and equipment	392	390
Equipment	5,561	411
Total other government	**8,442**	**4,535**
Donors and non-government		
Equipment	88,792	81,336
Facilities and improvements	9,694	12,282
COVID-19 related projects and equipment	-	36
Total donors and non-government	**98,486**	**93,654**
	$ 177,901	**$ 149,516**

[(i)] On November 14, 2022, the Premier of Alberta announced the new Ministry of Mental Health and Addiction. The following adjustments have been made related to the Ministry of Mental Health and Addiction: AH COVID-19 related projects and equipment reclassified from $2,476 to $2,086, AH Other Equipment reclassified from $605 to $194, Other Government COVID-19 related projects and equipment reclassified from $nil to $390, and Other Government Equipment reclassified from $nil to $411.

Note 16 Expended Deferred Revenue

	2023	2022
Expended deferred capital revenue[(a)]	$ 8,525,465	$ 8,278,969
Expended deferred operating revenue[(b)]	116,636	336,972
	$ 8,642,101	**$ 8,615,941**

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 16 Expended Deferred Revenue (continued)

(a) Expended deferred capital revenue

Changes in the expended deferred capital revenue balance are as follows:

	2023				2022
	AH	Other Government[(i)]	Donors and Non-Government	Total	Total
Balance, beginning of year	$ 632,388	$ 7,435,085	$ 211,496	$ 8,278,969	$ 7,826,892
Adjustment related to Ministry of Mental Health and Addiction[(ii)]	(5,138)	5,138	-	-	-
Balance, beginning of year (reclassified)	**$ 627,250**	**$ 7,440,223**	**$ 211,496**	**$ 8,278,969**	**$ 7,826,892**
Transferred from unexpended deferred capital revenue	68,783	195,032	48,868	312,683	324,992
Constructed tangible capital assets on behalf of AHS	-	262,429	-	262,429	425,337
Contributed tangible capital assets	-	-	35	35	522
Recognized as revenue	(104,165)	(192,079)	(32,407)	(328,651)	(298,774)
Balance, end of year	**$ 591,868**	**$ 7,705,605**	**$ 227,992**	**$ 8,525,465**	**$ 8,278,969**

(i) The entire balance in other government all relates to the Province of Alberta (Note 23).

(ii) On November 14, 2022, the Premier of Alberta announced the new Ministry of Mental Health and Addiction. A reclassification has been made to the consolidated financial statements for the year ended March 31, 2022 to reclassify the related mental health & addiction amounts from Alberta Health transfers to other government transfers to conform with 2023 presentation.

(b) Expended deferred operating revenue

Changes in the expended deferred operating revenue balance are as follows:

	2023	2022
	Total	Total
Balance, beginning of year	$ 336,972	$ 427,445
Transferred from unexpended deferred operating revenue	69,517	363,213
Recognized as unrestricted revenue	-	(39,530)
Recognized as restricted revenue	(289,853)	(414,156)
Balance, end of year	**$ 116,636**	**$ 336,972**

The balance of expended deferred operating revenue pertains to unused COVID-19 supplies purchased with AH funding.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 17 Debt

	2023	2022
Debentures [a]:		
Parkade loan #1	$ 13,446	$ 16,925
Parkade loan #2	14,677	17,567
Parkade loan #3	22,372	25,507
Parkade loan #4	98,549	107,687
Parkade loan #5	24,473	26,528
Parkade loan #6	18,411	19,504
Parkade loan #7	41,037	43,240
Parkade loan #8	151,400	153,334
Energy savings initiative loan	16,817	18,701
EMS support vehicle loan[b]	32,906	37,500
	434,088	466,493
Loan proceeds to be received[b]	-	(11,500)
	$ 434,088	**$ 454,993**

(a) Alberta Treasury Board and Finance (TBF) is responsible for the administration of the Province's lending program.

AHS issued debentures to TBF, a related party, to finance the construction of parkades. AHS has pledged revenue derived directly or indirectly from the operations of all parking facilities being constructed, renovated, owned, and operated by AHS as security for these debentures.

AHS issued a debenture to TBF relating to an energy savings initiative. AHS has pledged the mortgage on the Royal Alexandra Hospital Lands and Alberta Hospital Lands as security for this debenture.

AHS is in compliance with all performance requirements relating to its debentures as at March 31, 2023.

(b) AHS issued a debenture to TBF relating to EMS support vehicles. AHS has pledged the vehicles as security for this debenture. In the 2022-23 fiscal year, AHS received the remaining $11,500 in loan proceeds from TBF.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 17 Debt (continued)

The maturity dates and interest rates for the outstanding debentures are as follows:

	Maturity Date	Fixed Interest Rate
Parkade loan #1	September 2026	4.4025%
Parkade loan #2	September 2027	4.3870%
Parkade loan #3	March 2029	4.9150%
Parkade loan #4	September 2031	4.9250%
Parkade loan #5	June 2032	4.2280%
Parkade loan #6	December 2035	3.6090%
Parkade loan #7	March 2038	2.6400%
Parkade loan #8	December 2059	3.6010%
Energy savings initiative loan	December 2030	2.4160%
EMS support vehicle loan	September 2026	1.1500%

(c) As at March 31, 2023, AHS has access to a $220,000 (2022 – $220,000) revolving demand facility with a Canadian chartered bank which may be used for operating purposes. Draws on the facility bear interest at the bank's prime rate less 0.50% per annum. As at March 31, 2023, AHS has $nil (2022 – $nil) draws against this facility.

AHS also has access to a $33,000 (2022 – $33,000) revolving demand letter of credit facility which may be used to secure AHS' obligations to third parties. At March 31, 2023, AHS has $3,353 (2022 – $3,626) in a letter of credit outstanding against this facility. AHS is in compliance with the terms of the agreement relating to the letter of credit as at March 31, 2023.

(d) AHS is committed to making principal and interest payments with respect to its outstanding debt as follows:

Year Ended March 31	Principal	Interest	Total
2024	$ 38,275	$ 15,876	$ 54,151
2025	39,633	14,519	54,152
2026	41,047	13,104	54,151
2027	35,618	11,630	47,248
2028	28,214	10,316	38,530
Thereafter	251,301	109,987	361,288
	$ 434,088	**$ 175,432**	**$ 609,520**

During the year, the total interest related to debt was $16,960 (2022 – $17,903), comprised of capitalized interest of $3,631 (2022 – $5,553) (Note 19a) and interest expense of $13,329 (2022 – $12,350). Accrued interest at March 31, 2023 amounted to $2,767 (2022 – $2,893).

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 18 Asset Retirement Obligations

	2023	2022 (Restated – Schedule 4)
Asset retirement obligations, beginning of year	$ 544,416	$ -
Adjustment related to changes in accounting policy (Note 2(m))	-	534,527
Balance, beginning of year (Restated)	**$ 544,416**	**$ 534,527**
Liability incurred	1,144	-
Liability settled	(2,780)	-
Revision in estimates	40,392	9,889
Asset retirement obligations, end of year	**$ 583,172**	**$ 544,416**

AHS has asset retirement obligations to remove hazardous asbestos fibre containing materials from its buildings. Regulations require AHS to handle and dispose of the asbestos in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although timing of the asbestos removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for AHS to remove the asbestos when asset retirement activities occur.

The estimate of the liability is based primarily on asbestos abatement rates calculated using the current costs incurred as part of AHS renovation and demolition projects. Third party engineering reports, building schematics, and professional judgments were used in determining the square meters containing asbestos.

The timing of settlement of asset retirement obligations is currently unknown. For the year ended March 31, 2023, a recovery of $1,160 (2022 - $nil) was recognized (Note 15(a)).

Note 19 Tangible Capital Assets

Cost	2022 (Restated – Schedule 4)	Additions[a]	Transfers	Disposals/write-downs	2023
Facilities and improvements	$ 11,129,930	$ 41,164	$ 1,564,511	$ (17,954)	$ 12,717,651
Work in progress	1,934,048	557,785	(1,822,697)	(4,042)	665,094
Equipment	2,823,434	208,700	(2,107)	(55,517)	2,974,510
Information systems	2,106,767	10,124	165,939	(14,126)	2,268,704
Building service equipment	978,574	-	47,300	-	1,025,874
Land[b]	117,804	3,966	-	(21)	121,749
Leased facilities and improvements	262,878	-	55,496	(631)	317,743
Land improvements	116,010	-	(8,442)	-	107,568
	$ 19,469,445	**$ 821,739**	**$ -**	**$ (92,291)**	**$ 20,198,893**

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 19 Tangible Capital Assets (continued)

Accumulated Amortization	2022 (Restated – Schedule 4)	Amortization Expense	Effect of Transfers	Disposals/write-downs	2023
Facilities and improvements	$ 4,866,614	$ 142,844	$ -	$ (15,168)	$ 4,994,290
Work in progress	-	-	-	-	-
Equipment	2,190,700	160,272	-	(52,809)	2,298,163
Information systems	1,556,079	140,274	-	(14,110)	1,682,243
Building service equipment	574,139	51,966	-	-	626,105
Land[(b)]	-	-	-	-	-
Leased facilities and improvements	205,500	9,123	-	(307)	214,316
Land improvements	78,378	1,749	-	-	80,127
	$ 9,471,410	**$ 506,228**	**$ -**	**$ (82,394)**	**$ 9,895,244**

Cost	2021	Changes in Accounting Policy (Note 2(m))	Additions	Transfers	Disposals/write-downs	2022 Restated
Facilities and improvements	$ 10,517,852	$ 536,774	$ 106	$ 86,342	$ (11,144)	$ 11,129,930
Work in progress	1,492,842	-	672,654	(229,305)	(2,143)	1,934,048
Equipment	2,724,823	-	195,508	1,160	(98,057)	2,823,434
Information systems	2,014,793	-	35,708	71,953	(15,687)	2,106,767
Building service equipment	918,156	3,360	188	57,664	(794)	978,574
Land[(b)]	116,840	-	987	-	(23)	117,804
Leased facilities and improvements	256,700	-	-	6,178	-	262,878
Land improvements	110,023	-	-	6,008	(21)	116,010
	$ 18,152,029	**$ 540,134**	**$ 905,151**	**$ -**	**$ (127,869)**	**$ 19,469,445**

Accumulated Amortization	2021	Changes in Accounting Policy (Note 2(m))	Amortization Expense	Effect of Transfers	Disposals/write-downs	2022 Restated
Facilities and improvements	$ 4,420,368	$ 323,673	$ 133,408	$ -	$ (10,835)	$ 4,866,614
Work in progress	-	-	-	-	-	-
Equipment	2,131,296	-	155,655	-	(96,251)	2,190,700
Information systems	1,449,602	-	121,835	-	(15,358)	1,556,079
Building service equipment	524,346	2,054	48,446	-	(707)	574,139
Land[(b)]	-	-	-	-	-	-
Leased facilities and improvements	196,225	-	9,275	-	-	205,500
Land improvements	74,929	-	3,470	-	(21)	78,378
	$ 8,796,766	**$ 325,727**	**$ 472,089**	**$ -**	**$ (123,172)**	**$ 9,471,410**

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 19 Tangible Capital Assets (continued)

	Net Book Value	
	2023	2022 (Restated – Schedule 4)
Facilities and improvements	$ 7,723,361	$ 6,263,316
Work in progress	665,094	1,934,048
Equipment	676,347	632,734
Information systems	586,461	550,688
Building service equipment	399,769	404,435
Land[(b)]	121,749	117,804
Leased facilities and improvements	103,427	57,378
Land improvements	27,441	37,632
	$ 10,303,649	**$ 9,998,035**

(a) Additions

Additions include tangible capital assets constructed by AI on behalf of AHS of $262,429 (2022 – $425,337) and $35 contributed from other sources (2022 – $522). During the year, AHS capitalized interest of $3,631 (2022 – $5,553) (Note 17(d)) within work in progress. Capital lease additions amounted to $19,031 (2022 – $15,646).

(b) Leased Land

Land at the following sites have been leased to AHS at nominal values:

Site	Leased from	Lease Expiry
Laneway adjacent to Queen Elizabeth II Hospital	Town of Grande Prairie	December 2023
Evansburg Community Health Centre	Yellowhead County	April 2031
Bethany Care Centre	Red Deer College	April 2034
Myrnam Land	Eagle Hill Foundation	May 2038
Helipad Land at Two Hills	Stella Stefiuk	August 2041
McConnell Place North	City of Edmonton	September 2044
Northeast Community Health Centre	City of Edmonton	February 2047
Jasper Healthcare Centre	Parks Canada	March 2049
Foothills Medical Centre Parkade	University of Calgary	July 2054
Alberta Children's Hospital	University of Calgary	December 2103
Kaye Edmonton Clinic (Parcel H)	The University of Alberta	February 2109

(c) Leased Tangible Capital Assets

Tangible capital assets acquired through capital leases includes vehicle leases, equipment, information systems and facilities with a cost of $487,324 (2022 – $397,498) and accumulated amortization of $269,475 (2022 – $240,358).

(d) Asset Retirement Costs

Included in tangible capital assets are $581,299 (2022 - $540,134) of asset retirement costs and $348,944 of related accumulated amortization (2022 - $337,329).

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 20 Inventories of Supplies

	2023	2022
Pharmaceuticals	$ 114,334	$ 93,018
Medical and surgical supplies	42,864	49,450
Personal protective equipment	116,156	246,440
COVID-19 laboratory testing supplies	1,288	13,048
COVID-19 rapid test kits	15,343	93,826
Other	17,740	17,237
	$ 307,725	**$ 513,019**

The easing of health restrictions has reduced the demand for masks and rapid test kits while the resolution of global shortages for personal protective equipment (PPEs) has reduced its costs. As a result, a valuation adjustment of $71,419 (2022 – $109,034) has been recorded to write down the cost of PPEs to its current replacement cost and to provide for inventories that no longer meet clinical standards and requirements (Note 7).

AHS holds and distributes COVID-19 rapid test kits, provided at no cost by the Federal Government, on behalf of AH. These inventories are excluded from these consolidated financial statements. AHS is holding $223,542 (2022 – $117,429) on behalf of AH as at March 31, 2023.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 21 Accumulated Surplus

Accumulated surplus is comprised of the following:

	2023					2022
	Unrestricted Surplus	Invested in Tangible Capital Assets [a]	Endowments[b]	Internally Restricted Surplus for Insurance Equity Requirements and Foundations[c]	Total	Total (Restated – Schedule 4)
Balance, beginning of year	$ 235,623	$ 602,562	$ 77,382	$ 121,590	$ 1,037,157	$ 1,236,273
Adjustment related to changes in accounting policy (Note 2(m))	-	-	-	-	-	(330,009)
Balance, beginning of year (Restated)	**$ 235,623**	**$ 602,562**	**$ 77,382**	**$ 121,590**	**$ 1,037,157**	**$ 906,264**
Annual operating surplus	83,670	-	-	-	83,670	130,893
Net investment in tangible capital assets	(55,811)	55,811	-	-	-	-
Transfer of insurance equity requirements and foundations surpluses	(10,087)	-	-	10,087	-	-
Transfer of net deficits related to asset retirement obligations	9,206	(9,206)	-	-	-	-
Transfer of endowment contributions (note 5)	(110)	-	110	-	-	-
Balance, end of year	**$ 262,491**	**$ 649,167**	**$ 77,492**	**$ 131,677**	**$ 1,120,827**	**$ 1,037,157**

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 21 Accumulated Surplus (continued)

(a) Invested in Tangible Capital Assets

Invested In tangible capital assets represents the portion of accumulated surpluses that has been invested in the acquisition or construction of AHS' assets. The balance is offset by asset retirement costs recognized in accumulated surplus net of related liability settlements.

Reconciliation of invested in tangible capital assets:

	2023	2022 (Restated)
Tangible capital assets (Note 19)	$ 10,303,6	$ 9,998,035
Net Book Value of Asset Retirement Costs capitalized (Note 19(d))	(232,355)	(202,805)
Less funded by:		
Expended deferred capital revenue (Note 16(a))	(8,525,46	(8,278,969)
Debt (Note 17)	(434,088)	(454,993)
Unexpended debt	20,999	22,812
Obligations under capital leases (Note 12(b))	(122,977)	(129,882)
Life lease deposits (Note 12)	(9,779)	(10,025)
	$ 999,984	**$ 944,173**
Asset retirement costs recognized net of related liability settlements	(350,817)	(341,611)
	$ 649,167	**$ 602,562**

(b) Endowments

Endowments represent the portion of accumulated surplus that is restricted and must be maintained in perpetuity. Transfers of endowment contributions from unrestricted surplus include $110 (2022 – $1,714) of contributions received in the year (Note 5).

(c) Internally Restricted Surplus for Insurance Equity Requirements and Foundations

Insurance equity requirements comprise surpluses of $39,359 (2022 – $33,239) related to equity of the LPIP mainly relating to legislative requirements per the Insurance Act. Foundations comprise surpluses amounting to $92,318 (2022 – $88,351) related to donations received by AHS' Controlled Foundations without external restrictions attached.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 22 Contractual Obligations and Contingent Liabilities

(a) Contractual Obligations

Contractual obligations are AHS' obligations to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The estimated aggregate amount payable for the unexpired terms of these contractual obligations are as follows:

Year ended March 31	Services[(i)]	Other[(ii)]	Operating Lease Payments	Capital Projects	Total
2024	$ 3,696,209	$ 487,358	$ 59,888	$ 231,950	$ 4,475,405
2025	1,943,504	281,145	51,792	33,747	2,310,188
2026	1,660,454	163,460	40,364	2,870	1,867,148
2027	1,234,301	94,610	36,397	-	1,365,308
2028	1,105,678	59,340	30,248	-	1,195,266
Thereafter	10,481,598	40,354	94,146	-	10,616,098
March 31, 2023	**$ 20,121,744**	**$ 1,126,26**	**$ 312,835**	**$ 268,567**	**$ 21,829,413**
March 31, 2022	$ 15,791,980	$ 1,102,31	$ 299,788	$ 259,965	$ 17,454,051

(i) Service obligations mainly relate to contracts with third parties for the provision of long-term care services, home care services, and community laboratory services (Note 22 (b)).

(ii) Other obligations mainly relate to contracts with third parties for maintenance, information technology services, software, equipment, and procurement of medical supplies and food.

(b) Outsourcing of Community Laboratory Services

On May 30, 2022, AHS and a third party service provider finalized and executed a Services Agreement and Ancillary Agreements (the Agreements) that resulted in the transition of community laboratory services from AHS to the third party service provider, commencing December 5, 2022. As part of the Agreements, a portion of the workforce was transitioned to the third-party service provider. The Agreements extend over an initial term of 14 years and four months with an estimated commitment of $4.8 billion. This transfer of service does not change AHS' mandate to provide laboratory services within Alberta. AHS plans to continue with the delivery of acute care hospital laboratory, urgent care laboratory, and public health laboratory services and specialty complex and esoteric testing services.

(c) Contingent Liabilities

(i) Legal Claims

AHS is subject to legal claims during its normal course of business. AHS recognizes a liability when the assessment of a claim indicates that a future event is likely to confirm that a liability has been incurred at the date of the financial statements and the amount of the contingent loss can be reasonably estimated.

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. As at March 31, 2023, accruals have been recorded as part of the provision for unpaid claims and other liabilities (Note 12). Included in this accrual are claims in which AHS has been jointly named with the Minister. The accrual provided for these claims under the provision for unpaid claims represents AHS' portion of the liability.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 22 Contractual Obligations and Contingent Liabilities (continued)

AHS has been named in 292 legal claims (2022 – 283 claims) related to conditions in existence at March 31, 2023 where the likelihood of the occurrence of a future event confirming a contingent loss is not determinable. Of these, 256 claims have $777,051 in specified amounts and 36 have no specified amounts (2022 – 247 claims with $759,551 of specified claims and 36 claims with no specified amounts). The resolution of indeterminable claims may result in a liability, if any, that is different than the claimed amount.

(ii) Collective Agreements

AHS currently has 7 (2022 – 18) collective agreements that have expired and are currently under negotiation as at March 31, 2023. Given that negotiations are ongoing, no additional disclosures have been made.

Note 23 Related Parties

Transactions with related parties are included within these consolidated financial statements, unless otherwise stated.

The Minister appoints the Official Administrator and previously, members of the AHS Board. The viability of AHS' operations depends on transfers from AH. Transactions between AHS and AH are reported and disclosed in the Consolidated Statement of Operations, the Consolidated Statement of Financial Position, and the Notes to the Consolidated Financial Statements, and are therefore excluded from the tables below.

Related parties also include key management personnel of AHS. AHS has defined key management personnel to include those disclosed in Schedules 2A and 2B of these consolidated financial statements, except management reporting to CEO direct reports. Related party transactions with key management personnel primarily consist of compensation related payments and are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length.

AHS is a related party with respect to those entities consolidated or included on a modified equity basis in the consolidated financial statements of the Province of Alberta. Entities consolidated or included on a modified equity basis have been grouped with their respective ministry and transactions between AHS and the other ministries are recorded at their exchange amount as follows:

	Revenues[a]		Expenses	
	2023	2022 (Restated[b])	2023	2022
Alberta Advanced Education[c]	$ 59,994	$ 54,214	$ 181,312	$ 191,646
Alberta Infrastructure[d]	289,460	235,899	17,310	314
Alberta Mental Health and Addiction[e]	90,695	79,957	-	-
Other ministries	29,113	23,791	33,112	76,418
Total for the year	**$ 469,262**	**$ 393,861**	**$ 231,734**	**$ 268,378**

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 23 Related Parties (continued)

	Receivable from		Payable to	
	2023	2022 (Restated[b])	2023	2022 (Restated[b])
Alberta Advanced Education[c]	$ 7,597	$ 4,983	$ 45,006	$ 38,066
Alberta Infrastructure[d]	67,236	62,504	1,000	23,550
Alberta Mental Health and Addiction[e]	22,641	21,899	-	205
Other ministries[f]	3,635	8,078	437,593	458,768
Balance, end of year	**$ 101,109**	**$ 97,464**	**$ 483,599**	**$ 520,589**

(a) Revenues with Province of Alberta ministries include other government transfers of $433,722 (2022 – $364,457), (Note 4), other income of $31,307 (2022 – $24,646) (Note 6), and fees and charges of $4,233 (2022 – $4,758).

(b) On November 14, 2022, the Premier of Alberta announced the new Ministry of Mental Health and Addiction. A reclassification has been made to the consolidated financial statements for the year ended March 31, 2022 to reclassify the related mental health & addiction amount from Alberta Health transfers to other government transfers to conform with 2023 presentation.

(c) Most of AHS' transactions with Alberta Advanced Education relate to initiatives with the University of Alberta and the University of Calgary. These initiatives include teaching, research, and program delivery. A number of physicians are employed by either AHS or the universities but perform services for both. Due to proximity of locations, some initiatives result in sharing physical space and support services. The transactions reported are a result of funding provided from one to the other and recoveries of shared costs.

(d) The transactions with AI relate to the construction of tangible capital assets on behalf of AHS. These transactions include operating transfers of $99,542 (2022 – $66,983) and recognition of expended deferred capital revenue of $189,918 (2022 – $168,916) relating to tangible capital assets with stipulations or external restrictions to utilize over their remaining useful lives. Not included in the table above but included in total amounts disclosed in Note 19(a) is tangible capital assets constructed by AI on behalf of AHS of $262,429 (2022 – $425,337).

(e) The transactions with Alberta Mental Health and Addiction relate to initiatives to support Albertans experiencing addiction and mental health challenges.

(f) The payable transactions with other ministries include the debt payable to TBF (Note 17 (a)).

At March 31, 2023, AHS has recorded deferred revenue from other ministries within the Province of Alberta, excluding AH, of $96,218 (2022 – $99,860) related to unexpended deferred operating revenue (Note 14), $8,442 (2022 – $4,535) related to unexpended deferred capital revenue (Note 15) and $7,705,605 (2022 – $7,440,223) related to expended deferred capital revenue (Note 16(a)).

Contingent liabilities in which AHS has been jointly named with other government entities within the Province of Alberta are disclosed in Note 22.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 24 Government Partnerships

AHS has proportionately consolidated 50% of the results of the PCNs and NACTRC and 33.33% of the results in iRSM. The following is 100% of the financial position and results of operations for AHS' government partnerships.

	2023	2022
Financial assets (portfolio investments, accounts receivable, other assets)	$ 67,995	$ 63,639
Liabilities (trade accounts payable, unexpended deferred operating revenue)	67,995	63,639
Accumulated surplus	**$ -**	**$ -**
Total revenues	$ 263,082	$ 260,700
Total expenses	263,082	260,700
Annual surplus	**$ -**	**$ -**

Note 25 Trusts under Administration

(a) Health Benefit Trust of Alberta (HBTA)

AHS is one of more than 30 participants in the HBTA and has a majority representation on the HBTA governance board. The HBTA is a formal health and welfare trust established under a Trust Agreement effective January 1, 2000. The HBTA provides health and other related employee benefits pursuant to the authorizing Trust Agreement.

The HBTA's balances as at March 31 are as follows:

	2023	2022
Financial assets	$ 125,630	$ 113,003
Liabilities	34,644	31,927
Net financial assets	90,986	81,076
Non-financial assets	5	4
Net assets	**$ 90,991**	**$ 81,080**

AHS has included in prepaid expenses $59,712 (2022 – $49,749) representing in substance a prepayment of future premiums to the HBTA. For the fiscal year ended March 31, 2023, AHS paid premiums of $552,232 (2022 – $494,645) which is approximately 98% (2022 – 98%) of the total premiums received by the HBTA.

(b) Other Trust Funds

AHS holds funds in trust for research and development, education, and other programs. These amounts are held and administered on behalf of others in accordance with the terms and conditions embodied in the relevant agreements with no unilateral power to appropriate the funds or to change the conditions set out in the trust indenture (or agreement) and therefore are not reported in these consolidated financial statements. As at March 31, 2023, the balance of funds held in trust by AHS for research and development is $100 (2022 – $100).

AHS holds funds in trust from continuing care residents for personal expenses. As at March 31, 2023, the balance of these funds is $1,855 (2022 – $1,832). These amounts are not included in the consolidated financial statements.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 25 Trusts under Administration (continued)

AHS and a third party trustee administer the SERP in accordance with a retirement compensation arrangement trust agreement. As at March 31, 2023, there are $26,547 in plan assets (2022 – $29,429). These amounts are not included in the consolidated financial statements.

Note 26 Segment Disclosure

The Consolidated Schedule of Segment Disclosures – *Schedule 3* is intended to enable users to better understand the reporting entity and identify the resources allocated to the major activities of AHS.

AHS' revenues, as reported on the Consolidated Statement of Operations, are most informatively presented by source and are not reasonably assignable to the reportable segments. For each reported segment, the expenses are directly or reasonably attributable to the segment.

The segments have been selected based on the presentation that is adopted for the financial reporting, planning and budget processes, and represent the major distinguishable activities of AHS.

Segments include:

(a) Continuing care

Continuing care is comprised of long-term care including chronic and psychiatric care in facilities operated by AHS and contracted providers.

(b) Community care

Community care includes supportive living, palliative and hospice care, and community programs including Primary Care Networks, Family Care Clinics, urgent care centres, community paramedic program and mental health. This segment excludes community-based dialysis, oncology, and surgical services.

(c) Home care

Home care is comprised of home nursing and support.

(d) Acute care

Acute care is comprised predominantly of patient care units such as medical, surgical, intensive care, palliative care, obstetrics, pediatrics, mental health, emergency, day/night care, clinics, day surgery, and contracted surgical services. This segment also includes operating and recovery rooms.

(e) Emergency medical services

Emergency medical services is comprised of ground ambulance, air ambulance, patient transport, and central dispatch. AHS also supports community paramedic programs, as well as other programs that support the learning, development, quality and safety of emergency medical services professionals.

(f) Diagnostic and therapeutic services

Diagnostic and therapeutic services support and provide care for patients through clinical lab (both in the community and acute settings), diagnostic imaging, pharmacy, acute and therapeutic services such as physiotherapy, occupational therapy, respiratory therapy, and speech language pathology.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 26 Segment Disclosure (continued)

(g) Population and public health

Population and public health is comprised primarily of health promotion, disease and injury prevention, and health protection. This segment also includes immunizations, traveler's health clinics, screening programs, and disease surveillance. This segment excludes activities associated with treatment of communicable diseases.

(h) Research and education

Research and education is comprised primarily of costs pertaining to formally organized health research and graduate medical education, primarily funded by donations, and third party contributions.

(i) Information technology

Information technology is comprised of costs pertaining to the provision of service and consultation in the design, development, implementation of technology services and systems.

(j) Support services

Support services is comprised of building maintenance operations (including utilities), materials management (including purchasing, central warehousing, distribution and sterilization), housekeeping, patient registration, health records, infection control, food services, and emergency preparedness.

(k) Administration

Administration is comprised of human resources, finance, communications and general administration, as well as a share of administration of certain contracted health service providers. General administration includes senior executives and many functions such as planning and development, quality assurance, patient safety, insurance, privacy, public relations, risk management, internal audit, and legal.

Note 27 Impact of COVID-19 Pandemic

Included within the consolidated statement of operations are incremental expenses of $1,097,744 (2022 - $1,621,619) associated with AHS' pandemic response and recovery activities. AHS has recorded $1,096,062 (2022 - $1,606,515) of revenue to partially offset these expenses. In addition, AHS has recognized $2,681 (2022 - $71,003) of revenue related to lost fees and charges.

Note 28 Corresponding Amounts

Certain other corresponding amounts have been reclassified to conform to 2023 presentation. See Schedule 4 for a detailed disclosure of the reclassifications.

Note 29 Subsequent Events

In early May, wildfires seriously affected many communities across the province. In response, AHS has evacuated some of its impacted facilities. Preparation for re-entry in some of the communities is underway including restoring AHS health care facilities for service. AHS continues to closely monitor the wildfires. Overall, as the response is on-going, the related financial impacts of the wildfires cannot be reliably estimated at this time.

Alberta Health Services

Notes to the Consolidated Financial Statements

(thousands of dollars)

Note 30 Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Official Administrator on June 1, 2023 and submitted to the Minister for approval.

Alberta Health Services

Schedule 1 - Consolidated Schedule of Expenses by Object

For the year ended March 31, 2023

(thousands of dollars)

	2023		2022
	Budget (Note 3)	Actual	Actual (Restated – Schedule 4)
Salaries and benefits	$ 8,707,260	$ 9,139,165	$ 9,136,225
Contracts with health service providers	3,181,900	3,328,374	3,210,555
Contracts under the Health Facilities Act	22,500	28,587	27,695
Drugs and gases	680,600	679,210	651,495
Medical supplies	593,700	828,438	747,809
Other contracted services	1,415,508	1,533,975	1,476,530
Other[a]	1,397,000	1,612,387	1,640,772
Amortization and loss on disposals/write-downs of tangible capital assets (Note 19)	499,000	514,897	476,786
	$ 16,497,468	**$ 17,665,033**	**$ 17,367,867**
(a) Significant amounts included in Other are:			
Equipment expense	278,200	272,979	253,690
Housekeeping, laundry and linen, staff wearing apparel, plant maintenance and biomedical engineering supplies[i][ii]	$ 85,100	$ 222,813	$ 378,838
Utilities	164,300	209,283	163,234
Building and ground expenses	122,700	164,886	134,362
Building rent	136,000	128,547	133,268
Food and dietary supplies	82,400	86,604	75,929
Minor equipment purchases	70,000	75,540	75,498
Office supplies	67,000	68,685	67,017
Fundraising and grants awarded	52,000	56,600	50,573
Insurance and liability claims	48,000	35,860	31,383
Travel	37,500	35,486	30,011
Telecommunications	37,400	30,936	32,520
Licenses, fees and memberships	30,600	27,390	28,310
Education	12,000	11,802	9,389
Other	173,800	184,976	176,750
	$ 1,397,000	**$ 1,612,387**	**$ 1,640,772**

[i] Includes PPE, such as procedural masks, N95s, gowns, face shields and goggles, as well as other COVID-19 supplies such as hand sanitizers, disinfecting wipes and other cleaning supplies.

[ii] The easing of health restrictions has reduced the demand for masks and rapid test kits while the resolution of global shortages for personal protective equipment (PPEs) has reduced its costs. As a result, a valuation adjustment of $71,419 (2022 – $109,034) has been recorded to write down the cost of PPEs to its current replacement cost and to provide for inventories that no longer meet clinical standards and requirements (Note 7).

Alberta Health Services

Schedule 2 – Schedules of Remuneration and Benefits

Schedule 2A – Official Administrator/Official Administrator Committees Remuneration

For the year ended March 31, 2023

(thousands of dollars)

	Term	2023 Committees	2023 Remuneration	2022 Remuneration
Official Administrator				
Dr. John Cowell	Since Nov 17, 2022	OAAC, CSC	$ 267	$ -
Official Administrator Committee Participants[f]				
Tara Lockyer	Since Nov 24, 2022	OAAC, CSC	4	-
Gregory Turnbull	Since Nov 24, 2022	OAAC, CSC	4	-
Gord Winkel	Since Nov 24, 2022	OAAC, CSC	4	-
Total Official Administrator/Official Administrator Committee			**$ 279**	**$ -**

Dr. John Cowell was appointed to the position of Official Administrator effective November 17, 2022 per Ministerial Order 319/2022.

Official administrator committees were established by the Official Administrator to aid in governing AHS and overseeing the management of AHS' business and affairs. Official administrator committee participants are eligible to receive honoraria for meetings attended.

Committee legend: OAAC = Official Administrator Advisory Committee, CSC = CEO Selection Committee

Alberta Health Services

Schedule 2B – Former Board Remuneration

For the year ended March 31, 2023

(thousands of dollars)

	Term	2023 Committees	2023 Remuneration	2022 Remuneration
Former Board Chairs[g]				
Gregory Turnbull	Dec 8, 2021 to Nov 17, 2022	AOC, ARC, CEC, CSC, FC, GC, HRC, QSC	$ 43	$ 22
David Weyant	Aug 20, 2019 to Dec 7, 2021	-	-	45
Former Board Members				
Dr. Sayeh Zielke (Vice Chair)	Sep 28, 2020 to Nov 17, 2022	ARC, CEC, CSC, FC, HRC, QSC (Chair)	31	49
Deborah Apps	Jan 19, 2021 to Oct 7, 2022	CEC, CSC, FC, HRC, QSC	18	32
David Carpenter	Nov 27, 2015 to Jun 1, 2021	-	-	8
Tony Dagnone	Jan 19, 2021 to Nov 17, 2022	CSC, FC, HRC, QSC	21	32
Sherri Fountain	Jan 19, 2021 to Nov 17, 2022	AOC, CSC, FC, GC (Chair), HRC	23	35
Hartley Harris	Aug 9, 2021 to Nov 17, 2022	AOC, CSC, FC, GC, HRC	21	20
Tara Lockyer	Aug 17, 2022 to Nov 17, 2022	CEC, FC, HRC	7	-
Stephen Mandel	Sep 25, 2019 to Sep 27, 2021	-	-	18
Jack Mintz	Jun 3, 2021 to Nov 17, 2022	ARC (Chair), FC, GC	17	26
Heidi Overguard	Sep 25, 2019 to Nov 17, 2022	AOC, CEC, CSC, FC, GC, HRC (Chair), QSC	23	36
Natalia Reiman	Jan 19, 2021 to Nov 17, 2022	ARC, CEC, FC, GC	18	33
Brian Vaasjo	Aug 20, 2019 to Nov 17, 2022	AOC (Chair), ARC, CSC, FC (Chair), GC	19	35
Glenda Yeates	Nov 27, 2015 to Jun 1, 2021	-	-	6
Vicki Yellow Old Woman	Sep 28, 2020 to Nov 17, 2022	ARC, CEC (Chair), FC, GC, HRC	19	36
Former Board Committee Participants[h,i]				
Dr. William Ghali	Oct 1, 2021 to Nov 17, 2022	QSC	1	2
Irv Kipnes	Apr 9, 2021 to Dec 3, 2021	-	-	3
Stephen Livergant	Apr 9, 2021 to Sep 15, 2022	AOC	-	2
Dr. Brian Postl	Jan 1, 2018 to Jul 2, 2021	-	-	1
Gord Winkel	Nov 27, 2015 to Nov 17, 2022	QSC	1	3
Total Former Board			**$ 262**	**$ 444**

Former Board members were remunerated with monthly honoraria. In addition, they received remuneration for attendance at Board and committee meetings.

Board committees were established by the former Board to assist in governing AHS and overseeing the management of AHS' business and affairs. Former Board committee participants were eligible to receive remuneration for meetings attended, and in addition former Board committee chairs also received a monthly honorarium.

Committee legend: AOC = Asset Optimization Committee, ARC = Audit and Risk Committee, CEC = Community Engagement Committee, CSC = CEO Selection Committee, FC = Finance Committee, GC = Governance Committee, HRC = Human Resources Committee, QSC = Quality and Safety Committee

Alberta Health Services

Schedule 2C – Executive Remuneration and Benefits

For the year ended March 31, 2023

(thousands of dollars)

For the Current Fiscal Year	2023						
	FTE [a]	Base Salary [b,k]	Other Cash Benefits [c]	Other Non-Cash Benefits [d]	Subtotal	Severance [e]	Total
Board/Official Administrator Direct Reports							
President and Chief Executive Officer[k,z]	0.99	$ 490	$ 13	$ 143	$ 646	$ -	$ 646
President and Chief Executive Officer[l,aa]	0.01	4	-	4	8	660	668
Chief Audit Executive[m,z]	1.00	291	1	45	337	-	337
Official Administrator Advisor/ Provisional Lead, Emergency Medical Services[n,bb]	0.37	139	-	57	196	-	196
CEO Direct Reports							
VP and Chief Operating Officer, Clinical Operations[z]	1.00	389	-	51	440	-	440
VP and Medical Director, Clinical Operations[z]	0.90	415	22	110	547	-	547
VP, Quality and Chief Medical Officer[o,z]	1.00	477	-	59	536	-	536
VP, People, Health Professions and Information Technology[p,z]	1.00	365	1	81	447	-	447
Interim VP, Cancer Care Alberta and Clinical Support Services[q,z]	0.98	255	3	63	321	-	321
VP, Cancer Care Alberta and Clinical Support Services[k,z]	0.01	4	-	1	5	-	5
Interim VP, Provincial Clinical Excellence[r,cc]	0.83	454	6	34	494	-	494
VP, Provincial Clinical Excellence[s]	0.08	24	5	5	34	-	34
VP and Medical Director, Cancer Care Alberta, Clinical Support Services and Provincial Clinical Excellence[t,u,dd]	0.62	288	20	29	337	-	337
Chief Program Officer, Addictions and Mental Health and Correctional Health Services[v,z]	0.79	242	-	57	299	-	299
VP, Community Engagement and Communications[z]	1.00	356	-	88	444	-	444
VP, Corporate Services and Chief Financial Officer[z]	1.00	412	3	78	493	-	493
General Counsel[w,z]	1.00	257	3	41	301	-	301
Total Executive	**12.58**	**$ 4,862**	**$ 77**	**$ 946**	**$ 5,885**	**$ 660**	**$ 6,545**
Management Reporting to CEO Direct Reports	**56.91**	**$ 13,828**	**$ 459**	**$ 1,608**	**$ 15,895**	**$ 457**	**$ 16,352**

Alberta Health Services

Schedule 2C – Executive Remuneration and Benefits (continued)

For the year ended March 31

(thousands of dollars)

	2022						
For the Prior Fiscal Year	FTE [a]	Base Salary [b,k]	Other Cash Benefits [c]	Other Non-Cash Benefits [d]	Subtotal	Severance [e]	Total
Board Direct Reports							
President and Chief Executive Officer	1.00	$ 574	$ -	$ 117	$ 691	$ -	$ 691
Chief Audit Executive	1.00	277	1	34	312	-	312
CEO Direct Reports							
VP and Chief Operating Officer, Clinical Operations	1.00	370	-	72	442	-	442
VP and Medical Director, Clinical Operations[x]	0.51	229	11	58	298	-	298
VP and Medical Director, Clinical Operations[y]	0.37	147	-	18	165	-	165
VP, Quality and Chief Medical Officer	1.00	464	-	48	512	-	512
VP, People, Health Professions and Information Technology	1.00	330	1	40	371	-	371
VP, Cancer Care Alberta and Clinical Support Services	1.00	330	-	66	396	-	396
VP, Provincial Clinical Excellence	1.00	289	13	48	350	-	350
VP and Medical Director, Cancer Care Alberta, Clinical Support Services and Provincial Clinical Excellence	1.00	450	32	46	528	-	528
VP, Community Engagement and Communications	1.00	330	-	79	409	-	409
VP, Corporate Services and Chief Financial Officer	1.00	400	1	88	489	-	489
General Counsel	1.00	255	4	65	324	-	324
Total Executive	**11.88**	**$ 4,445**	**$ 63**	**$ 779**	**$ 5,287**	**$ -**	**$ 5,287**
Management Reporting to CEO Direct Reports	**54.24**	**$ 13,023**	**$ 520**	**$ 2,011**	**$ 15,554**	**$ 221**	**$ 15,775**

Alberta Health Services

Schedule 2D – Executive Supplemental Pension Plan and Supplemental Executive Retirement Plan

Certain employees will receive retirement benefits that supplement the benefits limited under the registered plans for service. The Supplemental Pension Plan (SPP) is a defined contribution plan and the Supplemental Executive Retirement Plan (SERP) is a defined benefit plan. The amounts in this table represent the total SPP and SERP benefits earned by the individual during the fiscal year. The current period benefit costs for SPP and the other costs for SERP included in other non-cash benefits disclosed in Schedule 2C are prorated for the period of time the individual was in their position directly reporting to the Board or directly reporting to the President and Chief Executive Officer. Only individuals holding a position directly reporting to the Board/Official Administrator or President and Chief Executive Officer during the current fiscal year are disclosed.

	2023			2022			
	SPP	SERP					
	Current Period Benefit Costs[1]	Other Costs[2]	Total	Total	Account Balance[3] or Accrued Benefit Obligation March 31, 2022	Change During the Year[4]	Account Balance[3] or Accrued Benefit Obligation March 31, 2023
President and Chief Executive Officer/ VP, Cancer Care Alberta and Clinical Support Services	$ 36	$ -	$ 36	$ 17	$ 197	$ 20	$ 217
President and Chief Executive Officer	-	-	-	47	336	(336)	-
Chief Audit Executive	12	-	12	11	164	(5)	159
Official Administrator Advisor/ Provisional Lead, Emergency Medical Services[cc]	-	-	-	-	-	-	-
VP and Chief Operating Officer, Clinical Operations							
SERP	-	(42)	(42)	(20)	671	(111)	560
SPP	23	-	23	22	290	17	307
VP and Medical Director, Clinical Operations	29	-	29	25	134	18	152
VP, Quality and Chief Medical Officer	34	-	34	34	458	11	469
VP, People, Health Professions and Information Technology	21	-	21	17	266	(1)	265
Interim VP, Cancer Care Alberta and Clinical Support Services	8	-	8	2	44	4	48
Interim VP, Provincial Clinical Excellence[cc]	-	-	-	-	-	-	-
VP, Provincial Clinical Excellence	-	-	-	-	-	-	-
VP and Medical Director, Cancer Care Alberta, Clinical Support Services and Provincial Clinical Excellence[dd]	-	-	-	-	-	-	-
Chief Program Officer, Addictions and Mental Health and Correctional Health Services	13	-	13	13	221	(10)	211
VP, Community Engagement and Communications	20	-	20	17	215	5	220
VP, Corporate Services and Chief Financial Officer	26	-	26	26	46	28	74
General Counsel	8	-	8	8	94	(3)	91

(1) The SPP current period benefit costs are AHS contributions earned in the period.
(2) Other SERP costs include retirement benefits, interest expense on the obligations, and amortization of actuarial gains and losses, offset by the expected return on the plan's assets. AHS uses the straight line method to amortize actuarial gains and losses over the expected average remaining service life of the plan members.
(3) The account balance represents the total cumulative earned contributions to the SPP as well as cumulative investment gains or losses on the contributions.
(4) Changes in the accrued benefit obligation include current period benefit cost, interest accruing on the obligations and the amortization of any actuarial gains or losses in the period. Changes in the account balance include the current benefit costs and investment gains or losses related to the account.

Alberta Health Services

Footnotes to the Schedules of Remuneration and Benefits

For the year ended March 31, 2023

(thousands of dollars)

Definitions

a. For this schedule, full time equivalents (FTE) are determined by actual hours earned divided by 2,022.75 annual base hours.

b. Base salary is regular salary and includes all payments earned related to actual hours earned other than those reported as other cash benefits.

c. Other cash benefits include, as applicable, honoraria, acting pay, membership fees, and lump sum payments. Relocation expenses are excluded from compensation disclosure as they are considered to be recruiting costs to AHS and not part of compensation unless related to severance. Expense reimbursements are also excluded from compensation disclosure except where the expenses meet the definition of the other cash benefits listed above.

d. Other non-cash benefits include:
   - Employer's current period benefit costs and other costs of supplemental pension plan and supplemental executive retirement plans as defined in Schedule 2D
   - Employer's share of employee benefit contributions and payments made on behalf of employees including pension, health care, dental and vision coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, and long and short-term disability plans
   - Vacation accruals, and
   - Employer's share of the cost of additional benefits including sabbaticals or other special leave with pay.

e. Severance includes direct or indirect payments to individuals upon termination which are not included in other cash benefits or other non-cash benefits.

Official Administrator, Former Board and their respective committees

f. These individuals are participants of the Official Administrator committees, but are not AHS employees.

g. The former Board Chairs were Ex-Officio member on all former Board committees.

h. These individuals were participants of former Board committees, but are not former Board members or AHS employees.

i. Participation by these individuals on former Board committees ceased on November 17, 2022.

Executive

j. Base salary reported for executives are the actual payments earned during the year, and is therefore contingent on the number of AHS' work days in the year. For the year ended March 31, 2023, the number of work days at AHS was 261 (2022 – 261 work days).

k. The incumbent held the position of Vice President, Cancer Care Alberta and Clinical Support Services until April 4, 2022 at which time the incumbent was appointed to Interim President and Chief Executive Officer. The incumbent held the position of Interim President and Chief Executive Officer until March 20, 2023 at which time the incumbent was appointed to President and Chief Executive Officer. In addition, the incumbent received a vacation payout of $29 during the year for unused accrued vacation earned in prior periods; accrued vacation has been recorded in their compensation as a non-cash benefit in the period it was earned.

l. The incumbent was engaged in an employment agreement with AHS while on leave of absence from the University of Alberta. The incumbent held the position until April 4, 2022, at which time the incumbent left AHS. The incumbent received salary and other accrued entitlements to the date of departure, followed by a lump sum severance of $660. In addition, the incumbent received a vacation payout of $147 for unused accrued vacation at the time of departure; accrued vacation has been recorded in their compensation as a non-cash benefit in the period it was earned.

m. The incumbent received vacation payouts totaling $27 during the year for unused accrued vacation earned in prior periods; accrued vacation has been recorded in their compensation as a non-cash benefit in the period it was earned.

n. The incumbent was appointed to an advisory role to the Official Administrator effective November 17, 2022. Effective January 30, 2023, the incumbent took on the additional role and duties of Provisional Lead, Emergency Medical Services. The incumbent is on temporary secondment from the Government of Alberta, and AHS reimburses the Government of Alberta for the incumbent's base salary and benefits.

Alberta Health Services

Footnotes to the Schedules of Remuneration and Benefits (continued)

For the year ended March 31, 2023

(thousands of dollars)

o. The incumbent received a vacation payout of $37 during the year for unused accrued vacation earned in prior periods; accrued vacation has been recorded in their compensation as a non-cash benefit in the period it was earned.

p. The incumbent received vacation payouts totaling $21 during the year for unused accrued vacation earned in prior periods; accrued vacation has been recorded in their compensation as a non-cash benefit in the period it was earned.

q. The incumbent held the position of Senior Operating Officer, Pharmacy Services until April 7, 2022 at which time the incumbent was appointed to Interim Vice President, Cancer Care Alberta and Clinical Support Services and became a direct report to the President and Chief Executive Officer.

r. The incumbent held the position of Associate Chief Medical Officer, Strategic Clinical Networks until June 2, 2022 at which time the incumbent was appointed to Interim Vice President, Provincial Clinical Excellence and became a direct report to the President and Chief Executive Officer. The incumbent is a participant in the Alberta Academic Medicine and Health Services Program (South Sector), and their remuneration is as per the terms of that agreement. The incumbent's total remuneration is comprised of salary amounts from both AHS and the University of Calgary, and AHS reimburses the University for the incumbent's base salary and benefits.

s. The incumbent was on secondment from the University of Alberta until April 30, 2022, at which time the secondment agreement ended. The incumbent's total remuneration is comprised of salary amounts from both AHS and the University of Alberta, and AHS reimbursed the University for the incumbent's base salary and benefits. In lieu of enrollment into the AHS SPP, the incumbent will receive an annual lump sum supplemental payment equivalent to the amount the incumbent would have received as a member of the SPP and payable from AHS. The lump sum has been included in Other Cash Benefits.

t. The incumbent was appointed to the position of Interim Chief Medical Officer of Health for the Government of Alberta on a temporary basis effective November 14, 2022. During this temporary appointment, the incumbent is on leave from all duties at AHS and ceases to be a direct report to the President and Chief Executive Officer at AHS. During this tenure, the Government of Alberta will reimburse AHS for the incumbent's remuneration.

u. The incumbent is on secondment from the University of Alberta. The incumbent's total remuneration is comprised of salary amounts from both AHS and the University of Alberta, and AHS reimburses the University for the incumbent's base salary and benefits. In lieu of enrollment into the AHS SPP, the incumbent will receive an annual lump sum supplemental payment equivalent to the amount the incumbent would have received as a member of the SPP and payable from AHS. The lump sum has been included in Other Cash Benefits.

v. The incumbent held the position of Senior Program Officer, Enhancing Care in the Community until June 20, 2022 at which time the incumbent was appointed to Chief Program Officer, Addictions and Mental Health and Correctional Health Services and became a direct report to the President and Chief Operating Officer.

w. The incumbent received vacation payouts totaling $35 during the year for unused accrued vacation earned in prior periods; accrued vacation has been recorded in their compensation as a non-cash benefit in the period it was earned.

x. The incumbent held the position of Zone Medical Director, Calgary Zone until September 7, 2021 at which time the incumbent was appointed to Vice President and Medical Director, Clinical Operations and became a direct report to the President and Chief Executive Officer.

y. The incumbent held the position until August 13, 2021 at which time the incumbent left AHS.

Alberta Health Services

Footnotes to the Schedules of Remuneration and Benefits (continued)

For the year ended March 31, 2023

(thousands of dollars)

Termination Obligations

z. The incumbent's termination benefits have not been predetermined.

aa. Based on the provision of the applicable SPP, the following outlines the benefits received by the incumbent who terminated employment with AHS within the 2022-23 fiscal period. As a result of this termination, the incumbent is entitled to the benefits accrued to them up to the date of termination. For participants of SPP, the benefit includes the account balances as at March 31, 2022 and the current period benefit costs and investment gains or losses related to the account that were incurred during the current year.

Supplemental Plan	Supplemental Plan Commencement Date	Benefit (not in thousands)	Frequency	Payment Terms
SPP	June 3, 2016	$336,756	Once	June 2022

bb. There is no severance associated with the temporary position.

cc. There is no severance associated with the Alberta Academic Medicine and Health Services Program (South Sector).

dd. There is no severance associated with the secondment agreement. Upon termination of the secondment agreement, the incumbent would return to the incumbent's regular position at the University of Alberta.

Alberta Health Services

Schedule 3 - Consolidated Schedule of Segment Disclosures

For the year ended March 31

(thousands of dollars)

	2023								
	Salaries and benefits	Contracts with health service providers	Contracts under the Health Facilities Act	Drugs and gases	Medical supplies	Other contracted services	Other	Amortization and loss on disposals/ write-downs of tangible capital assets	Total
Continuing care	$ 328,893	$ 975,288	$ -	$ 7,711	$ 9,567	$ 35,968	$ 21,563	$ 2,504	$ 1,381,494
Community care	835,405	925,158	-	15,238	5,156	47,831	59,167	449	1,888,404
Home care	350,859	275,690	-	198	11,290	81,146	20,920	49	740,152
Acute care	3,169,349	427,606	28,587	617,230	427,485	657,759	197,273	69,661	5,594,950
Emergency medical services	325,073	207,542	-	2,855	5,570	3,032	42,150	13,254	599,476
Diagnostic and therapeutic services	1,617,433	288,896	-	24,932	229,445	325,160	105,588	54,248	2,645,702
Population and public health	393,365	21,732	-	6,898	90,858	17,126	58,913	324	589,216
Research and education	190,860	3,182	-	91	1,097	121,689	24,812	66	341,797
Information technology	350,583	1,644	-	-	(31)	43,605	214,845	138,439	749,085
Support services	1,208,134	166,678	-	4,037	47,215	156,836	828,509	228,022	2,639,431
Administration	369,211	34,958	-	20	786	43,823	38,647	7,881	495,326
Total	$ 9,139,165	$ 3,328,374	$ 28,587	$ 679,210	$ 828,438	$ 1,533,975	$ 1,612,387	$ 514,897	$ 17,665,033

Alberta Health Services

Schedule 3 - Consolidated Schedule of Segment Disclosures (continued)

For the year ended March 31

(thousands of dollars)

	2022								
	Salaries and benefits	Contracts with health service providers	Contracts under the Health Facilities Act	Drugs and gases	Medical supplies	Other contracted services	Other	Amortization and loss on disposals/ write-downs of tangible capital assets[a]	Total (Restated)
Continuing care	$ 331,304	$ 957,042	$ -	$ 7,482	$ 8,808	$ 21,345	$ 28,545	$ 2,600	$ 1,357,126
Community care	790,868	861,783	-	14,310	4,643	62,097	69,490	705	1,803,896
Home care	345,575	241,528	-	192	11,306	89,492	21,538	84	709,715
Acute care	3,106,056	434,549	27,695	593,905	374,673	562,321	181,195	63,541	5,343,935
Emergency medical services	322,248	169,603	-	2,600	5,469	2,505	39,074	16,221	557,720
Diagnostic and therapeutic services	1,638,491	322,681	-	26,366	256,530	338,966	119,709	54,850	2,757,593
Population and public health	587,502	25,323	-	5,068	73,958	65,299	119,027	280	876,457
Research and education	186,288	3,021	-	79	1,182	123,751	36,662	123	351,106
Information technology	315,783	18,244	-	-	37	32,215	187,367	120,568	674,214
Support services[a]	1,152,500	162,770	-	1,480	10,816	145,495	800,712	215,400	2,489,173
Administration	359,610	14,011	-	13	387	33,044	37,453	2,414	446,932
Total	$ 9,136,225	$ 3,210,555	$ 27,695	$ 651,495	$ 747,809	$ 1,476,530	$ 1,640,772	$ 476,786	$ 17,367,867

(a) Support services and Amortization and loss on disposals / write-downs of tangible capital assets are restated for the year ended March 31, 2022 to reflect the adoption of PS 3280 – Asset Retirement Obligations as discussed in Note 2(m).

Alberta Health Services

Schedule 4 - Consolidated Schedule of Adjustments

Reconciliation of the Prior Year Comparative for the Consolidated Statement of Operations FOR THE YEAR ENDED MARCH 31, 2022					
	2022 as Previously Presented	Changes in Accounting Policy (Note 2(m))	Ministry of Mental Health and Addiction Reclassification[a]	Other Reclassifications[b]	2022 Restated
Revenues:					
Alberta Health transfers					
Base operating	$ 13,097,557	$ -	$ -	$ -	$ 13,097,557
One-time base operating	71,003	-	-	-	71,003
Other operating	2,859,669	-	(79,816)	-	2,779,853
Recognition of expended deferred capital revenue	95,777	-	(141)	-	95,636
Other government transfers	382,887	-	79,957	-	462,844
Fees and charges	478,313	-	-	-	478,313
Ancillary operations	91,369	-	-	-	91,369
Donations, fundraising, and non-government contributions	185,893	-	-	-	185,893
Investment and other income	236,292	-	-	-	236,292
TOTAL REVENUES	**17,498,760**	**-**	**-**	**-**	**17,498,760**
Expenses:					
Continuing care	1,357,126	-	-	-	1,357,126
Community care	1,731,760	-	-	72,136	1,803,896
Home care	709,715	-	-	-	709,715
Acute care	5,423,320	-	-	(79,385)	5,343,935
Emergency medical services	557,720	-	-	-	557,720
Diagnostic and therapeutic services	2,757,593	-	-	-	2,757,593
Population and public health	876,457	-	-	-	876,457
Research and education	351,106	-	-	-	351,106
Information technology	677,737	-	-	(3,523)	674,214
Support services	2,447,719	11,602	-	29,852	2,489,173
Administration	466,012	-	-	(19,080)	446,932
TOTAL EXPENSES	**17,356,265**	**11,602**	**-**	**-**	**17,367,867**
ANNUAL OPERATING SURPLUS	**142,495**	**(11,602)**	**-**	**-**	**130,893**
Accumulated surplus, beginning of year	1,236,273	(330,009)	-	-	906,264
Accumulated surplus, end of year	**$ 1,378,768**	**$ (341,611)**	**$ -**	**$ -**	**$ 1,037,157**

(a) On November 14, 2022, the Premier of Alberta announced the new Ministry of Mental Health and Addiction. A reclassification has been made to the consolidated statement of operations for the year ended March 31, 2022 to reclassify the related mental health & addiction amount from Alberta Health transfers to other government transfers to conform with 2023 presentation.

(b) Shows the effect of all Management Information Systems (MIS) related reclassification adjustments to align with Canadian Institute for Health Information MIS standards.

Alberta Health Services

Schedule 4 - Consolidated Schedule of Adjustments (continued)

Reconciliation of the Prior Year Comparative for the Consolidated Schedule of Expenses by Object FOR THE YEAR ENDED MARCH 31, 2022			
	2022 as Previously Presented	Changes in Accounting Policy (Note 2(m))	2022 Restated
Salaries and benefits	$ 9,136,225	$ -	$ 9,136,225
Contracts with health service providers	3,210,555	-	3,210,555
Contracts under the Health Facilities Act	27,695	-	27,695
Drugs and gases	651,495	-	651,495
Medical supplies	747,809	-	747,809
Other contracted services	1,476,530	-	1,476,530
Other[a]	1,640,772	-	1,640,772
Amortization and loss on disposals/write-downs of tangible capital assets	465,184	11,602	476,786
	$ 17,356,265	**$ 11,602**	**$ 17,367,867**
(a) Significant amounts included in Other are:			
Housekeeping, laundry and linen, staff wearing apparel, plant maintenance and biomedical engineering supplies	$ 378,838	$ -	$ 378,838
Equipment expense	253,690	-	253,690
Utilities	163,234	-	163,234
Building and ground expenses	134,362	-	134,362
Building rent	133,268	-	133,268
Food and dietary supplies	75,929	-	75,929
Minor equipment purchases	75,498	-	75,498
Office supplies	67,017	-	67,017
Fundraising and grants awarded	50,573	-	50,573
Telecommunications	32,520	-	32,520
Insurance and liability claims	31,383	-	31,383
Travel	30,011	-	30,011
Licenses, fees and memberships	28,310	-	28,310
Education	9,389	-	9,389
Other	176,750	-	176,750
	$ 1,640,772	**$ -**	**$ 1,640,772**

Alberta Health Services

Schedule 4 - Consolidated Schedule of Adjustments (continued)

Reconciliation of the Prior Year Comparative for the Consolidated Statement of Financial Position AS AT MARCH 31			
	2022 as Previously Presented	Changes in Accounting Policy (Note 2(m))	2022 Restated
Financial Assets:			
Cash and cash equivalents	$ 200,691	$ -	$ 200,691
Portfolio investments	2,603,605	-	2,603,605
Accounts receivable	594,429	-	594,429
	3,398,725	-	3,398,725
Liabilities:			
Accounts payable and accrued liabilities	1,951,855	-	1,951,855
Employee future benefits	777,878	-	777,878
Unexpended deferred operating revenue	529,707	-	529,707
Unexpended deferred capital revenue	149,516	-	149,516
Debt	454,993	-	454,993
Asset retirement obligations	-	544,416	544,416
	3,863,949	544,416	4,408,365
NET DEBT	**(465,224)**	**(544,416)**	**(1,009,640)**
Non-Financial Assets:			
Tangible capital assets [(a)]	9,795,230	202,805	9,998,035
Inventories of supplies	513,019	-	513,019
Prepaid expenses, deposits, and other non-financial assets	176,570	-	176,570
	10,484,819	202,805	10,687,624
NET ASSETS BEFORE EXPENDED DEFERRED REVENUE	10,019,595	(341,611)	9,677,984
Expended deferred revenue	8,615,941	-	8,615,941
NET ASSETS	**1,403,654**	**(341,611)**	**1,062,043**
Net Assets is comprised of:			
Accumulated surplus	1,378,768	(341,611)	1,037,157
Accumulated remeasurement gains	24,886		24,886
	$ 1,403,654	**$ (341,611)**	**$ 1,062,043**

(a) Breakdown of Tangible Capital Assets:

	Net Book Value		
	2022 as Previously Presented	Changes in Accounting Policy (Note 2(m))	2022 Restated
Facilities and improvements	$ 6,061,640	$ 201,676	$ 6,263,316
Work in progress	1,934,048	-	1,934,048
Equipment	632,734	-	632,734
Information systems	550,688	-	550,688
Building service equipment	403,306	1,129	404,435
Land[(b)]	117,804	-	117,804
Leased facilities and improvements	57,378	-	57,378
Land improvements	37,632	-	37,632
	$ 9,795,230	**$ 202,805**	**$ 9,998,035**

Alberta Health Services

Schedule 4 - Consolidated Schedule of Adjustments (continued)

Reconciliation of the Prior Year Comparative for the Consolidated Statement of Change in Net Debt YEAR ENDED MARCH 31	2022 as Previously Presented	Changes in Accounting Policy (Note 2(m))	2022 Restated
Annual operating surplus	$ 142,495	$ (11,602)	$ 130,893
Effect of changes in tangible capital assets:			
Acquisition of tangible capital assets:			
Purchased	(463,646)	-	(463,646)
Leased	(15,646)	-	(15,646)
Constructed by Alberta Infrastructure on behalf of AHS	(425,337)	-	(425,337)
Contributed	(522)	-	(522)
Capitalized asset retirement costs	-	(9,811)	(9,811)
Amortization and loss on disposals/write-downs of tangible capital assets	465,184	11,602	476,786
Effect of other changes:			
Net increase in expended deferred capital revenue	452,077	-	452,077
Net (decrease) increase in expended deferred operating revenue	(90,473)	-	(90,473)
Net (increase) decrease in inventories of supplies	50,909	-	50,909
Net (increase) decrease in prepaid expenses, deposits and other non-financial assets	32,796	-	32,796
Net remeasurement gains (losses) for the year	(30,891)	-	(30,891)
(Increase) decrease in net debt for the year	**116,946**	**(9,811)**	**107,135**
Net debt, beginning of year	(582,170)	(534,605)	(1,116,775)
Net debt, end of year	**$ (465,224)**	**$ (544,416)**	**$ (1,009,640)**

Alberta Health Services

Schedule 4 - Consolidated Schedule of Adjustments (continued)

Reconciliation of the Prior Year Comparative for the Consolidated Statement of Cash Flows YEAR ENDED MARCH 31	2022 as Previously Presented	Changes in Accounting Policy (Note 2(m))	2022 Restated
Operating transactions:			
Annual operating surplus	$ 142,495	$ (11,602)	$ 130,893
Non-cash items:			
Amortization and loss on disposals/write-downs of tangible capital assets	465,184	11,602	476,786
Revenue recognized for acquisition of land	(987)	-	(987)
Recognition of expended deferred capital revenue	(298,774)	-	(298,774)
Recognition of expended deferred operating revenue	(453,686)	-	(453,686)
Gain on disposal of portfolio investments	(36,100)	-	(36,100)
Change in employee future benefits	17,092	-	17,092
Decrease (increase) in:			
Accounts receivable related to operating transactions	70,986	-	70,986
Inventories of supplies	50,909	-	50,909
Prepaid expenses, deposits, and other non-financial assets	32,796	-	32,796
Increase (decrease) in:			
Accounts payable and accrued liabilities	35,567	-	35,567
Unexpended deferred operating revenue	(111,762)	-	(111,762)
Asset retirement obligations	-	-	-
Cash applied to operating transactions	(86,280)	-	(86,280)
Capital transactions:			
Purchased tangible capital assets	(463,646)		(463,646)
Cash applied to capital transactions	(463,646)		(463,646)
Investing transactions:			
Purchase of portfolio investments	(3,806,735)	-	(3,806,735)
Proceeds on disposals of portfolio investments	3,439,408	-	3,439,408
Cash applied to investing transactions	(367,327)	-	(367,327)
Financing transactions:			
Restricted operating contributions received	363,213	-	363,213
Restricted capital contributions received	310,803	-	310,803
Unexpended deferred capital revenue returned	(419)	-	(419)
Proceeds from debt	26,000	-	26,000
Principal payments on debt	(26,666)	-	(26,666)
Payments on obligations under capital leases	(30,642)	-	(30,642)
Net repayment of life lease deposits	(1,493)	-	(1,493)
Cash provided by financing transactions	640,796	-	640,796
Decrease in cash and cash equivalents	**(276,457)**	**-**	**(276,457)**
Cash and cash equivalents, beginning of year	477,148	-	477,148
Cash and cash equivalents, end of year	**$ 200,691**	**$ -**	**$ 200,691**

Health Quality Council of Alberta

Financial Statements

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Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of management and have been reviewed and approved by Senior Management. The financial statements were prepared in accordance with Canadian Public Sector Accounting Standards, and of necessity, include some amounts that are based on estimates and judgement.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system provides management with reasonable assurance that transactions are in accordance with governing legislation and are properly authorized, reliable financial records are maintained, and assets are adequately safeguarded.

The Health Quality Council of Alberta's Board of Directors carries out their responsibility for the financial statements through the Audit and Finance Committee. The Committee meets with management and the Auditor General of Alberta to review financial matters and recommends the financial statements to the Health Quality Council of Alberta Board of Directors for approval upon finalization of the audit. The Auditor General of Alberta has open and complete access to the Audit and Finance Committee.

The Auditor General of Alberta provides an independent audit of the financial statements. His examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and procedures, which allow him to report on the fairness of the financial statements prepared by management.

On behalf of the Health Quality Council of Alberta.

[Original signed by]

Chief Executive Officer
Charlene McBrien-Morrison
June 1, 2023

[Original signed by]

Director, Financial Services
Jessica Wing
June 1, 2023

Independent Auditor's Report

To the Board of Directors of the Health Quality Council of Alberta

Auditor General OF ALBERTA

Report on the Financial Statements

Opinion

I have audited the financial statements of the Health Quality Council of Alberta, which comprise the statement of financial position as at March 31, 2023, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Health Quality Council of Alberta as at March 31, 2023, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Health Quality Council of Alberta in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Health Quality Council of Alberta's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Health Quality Council of Alberta's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health Quality Council of Alberta's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Health Quality Council of Alberta's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Health Quality Council of Alberta to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

June 1, 2023
Edmonton, Alberta

Health Quality Council of Alberta

Statement of Operations

Year ended March 31

(thousands of dollars)

	2023		2022
	Budget	Actual	Actual
	(Note 4)		
Revenues			
Alberta Health transfers			
Base operating	$ 7,559	$ 7,559	$ 7,559
Restricted operating	-	92	21
Investment income	6	58	8
Other revenue	-	94	-
	7,565	7,803	7,588
Expenses (Schedule 1)			
Administration	1,753	1,834	1,714
Health system analytics	3,389	3,477	2,724
Health system improvement	2,023	1,724	1,386
Communications and engagement	1,451	1,619	1,269
Other assessment/study	-	94	-
	8,616	8,748	7,093
Annual operating (deficit) surplus	(1,051)	(945)	495
Accumulated operating surplus, beginning of year	1,933	2,896	2,401
Accumulated operating surplus, end of year	$ 882	$ 1,951	$ 2,896

The accompanying notes and schedules are part of these financial statements.

Health Quality Council of Alberta

Statement of Financial Position

As at March 31

(thousands of dollars)

	2023	2022
Financial Assets		
Cash	$ 2,600	$ 2,993
Accounts receivable (Note 6)	709	321
	3,309	3,314
Liabilities		
Accounts payable and other accrued liabilities	691	708
Unspent deferred contributions (Note 7)	1,387	279
Employee future benefits (Note 8)	35	27
Deferred lease inducements (Note 9)	-	37
	2,113	1,051
Net Financial Assets	1,196	2,263
Non-Financial Assets		
Tangible capital assets (Note 10)	657	507
Prepaid expenses	98	126
	755	633
Net Assets	1,951	2,896
Net Assets		
Accumulated operating surplus (Note 12)	$ 1,951	$ 2,896

Contractual obligations (Note 11)

The accompanying notes and schedules are part of these financial statements.

Health Quality Council of Alberta

Statement of Change in Net Financial Assets

Year ended March 31

(thousands of dollars)

	2023		2022
	Budget	**Actual**	**Actual**
Annual operating (deficit) surplus	$ (1,051)	$ (945)	$ 495
Acquisition of tangible capital assets (Note 10)	(53)	(572)	(53)
Amortization of tangible capital assets (Note 10)	373	389	315
Loss on disposal and write down of tangible capital assets (Note 10)	-	33	-
Decrease in prepaid expenses	-	28	14
(Decrease) / Increase in net financial assets in the year	(731)	(1,067)	771
Net financial assets, beginning of year	2,263	2,263	1,492
Net financial assets, end of year	$ 1,532	$ 1,196	$ 2,263

The accompanying notes and schedules are part of these financial statements.

Health Quality Council of Alberta

Statement of Cash Flows

Year ended March 31

(thousands of dollars)

	2023	2022
Operating Transactions		
Annual operating (deficit) surplus	$ (945)	$ 495
Non-cash items:		
Amortization of tangible capital assets (Note 10)	389	315
Loss on disposal and write down of tangible capital assets (Note 10)	33	-
Amortization of deferred lease inducements (Note 9)	(37)	(37)
Increase in employee future benefits (Note 8)	8	6
	(552)	779
Increase in accounts receivable (Note 6)	(388)	(303)
Decrease in prepaid expenses	28	14
(Decrease) Increase in accounts payable and other accrued liabilities	(17)	84
Increase in unspent deferred contributions (Note 7)	1,108	279
Cash provided by operating transactions	179	853
Capital Transactions		
Acquisition of tangible capital assets (Note 10)	(572)	(53)
Cash applied to capital transactions	(572)	(53)
(Decrease) Increase in cash	(393)	800
Cash at beginning of year	2,993	2,193
Cash at end of year	$ 2,600	$ 2,993

The accompanying notes and schedules are part of these financial statements.

Health Quality Council of Alberta

Notes to the Financial Statements

March 31, 2023

(thousands of dollars)

Note 1 AUTHORITY

The Health Quality Council of Alberta (HQCA) is a government not-for-profit organization formed under the *Health Quality Council of Alberta Act*.

Pursuant to the Act, the HQCA has a mandate to promote and improve patient safety, person-centered care and health service quality on a province-wide basis.

The HQCA is exempt from income taxes under the *Income Tax Act*.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS).

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses of the HQCA.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which services have not been provided by year end is recognized as unearned revenue.

Government transfers

Transfers from all governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recognized as deferred contribution if the eligibility criteria for use of the transfer, or the stipulations together with the HQCA's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the HQCA complies with its communicated use of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the HQCA meets the eligibility criteria (if any).

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Grants and transfers are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

Health Quality Council of Alberta

Notes to the Financial Statements

March 31, 2023

(thousands of dollars)

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONT'D)

(b) Basis of Financial Reporting (Cont'd)

Valuation of Financial Assets and Liabilities

The HQCA's financial assets and liabilities are generally measured as follows:

Financial Statement Component	Measurement
Cash	Cost
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and other accrued liabilities	Cost

The HQCA does not hold equities traded in an active market, nor engage in derivative contracts or foreign currency transactions. The HQCA is not exposed to remeasurement gains or losses and, consequently, a statement of remeasurement gains and losses is not presented.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are the HQCA's financial claims on external organizations and individuals at the year end.

Cash

Cash comprises cash on hand and demand deposits.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities represent present obligations of the HQCA to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Health Quality Council of Alberta

Notes to the Financial Statements

March 31, 2023

(thousands of dollars)

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONT'D)

(b) Basis of Financial Reporting (Cont'd)

Deferred Lease Inducements

Deferred lease inducements represent amounts received for leasehold improvements and the value of a rent-free period. Lease inducements are deferred and amortized on a straight-line basis over the term of the related lease and the amortization is recognized as a reduction of rent expense for the year.

Employee Future Benefits

The HQCA Board has approved a defined contribution Supplementary Executive Retirement Plan (SERP) for certain members of its executive staff. The SERP supplements the benefit under the HQCA registered plan that is limited by the *Income Tax Act* (Canada). The HQCA contributes a certain percentage of an eligible employee's pensionable earnings in excess of the limits of the *Income Tax Act* (Canada). This plan provides participants with an account balance at retirement based on the contributions made to the plan and investment income earned on the contributions based on investment decisions made by the participants.

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

(a) are normally employed to deliver government services;
(b) may be consumed in the normal course of operations; and
(c) are not for sale in the normal course of operations.

Non-financial assets are limited to tangible capital assets and prepaid expenses.

Tangible Capital Assets

Tangible capital assets are recognized at cost less amortization, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

The cost, less residual value, of the tangible capital assets, excluding work-in-progress, is amortized on a straight-line basis over their estimated useful lives as follows:

Computer hardware and software	5 years
Office equipment	10 years
Leasehold improvements	Over term of the lease

Health Quality Council of Alberta

Notes to the Financial Statements

March 31, 2023

(thousands of dollars)

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONT'D)

(b) Basis of Financial Reporting (Cont'd)

Tangible capital assets are written down when conditions indicate that they no longer contribute to the HQCA's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their book value. The net write-downs are accounted for as expenses in the Statement of Operations.

Prepaid Expenses

Prepaid expenses are recognized at cost and amortized based on the terms of the agreement.

Funds and Reserves

Certain amounts, as approved by the Board of Directors, are set aside in accumulated operating surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The amounts recognized for amortization of tangible capital assets are based on estimates of the useful life of the related assets. Actual results could differ from estimates.

Note 3 FUTURE CHANGES IN ACCOUNTING STANDARDS

On April 1, 2023, the HQCA will adopt the following new accounting standards approved by the Public Sector Accounting Board:

- PS 3400 Revenue
  This accounting standard provides guidance on how to account for and report on revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions.
- PS 3160 Public Private Partnerships
  This standard provides guidance on how to account for public private partnerships between public and private sector entities, where the public sector entity procures infrastructure using a private sector partner.

Management is currently assessing the impact of these standards on the financial statements.

Health Quality Council of Alberta

Notes to the Financial Statements

March 31, 2023

(thousands of dollars)

Note 4 BUDGET

The HQCA's 2022-2023 operating budget was approved by the Board of Directors on March 24, 2022 and submitted to the Ministry of Health.

Note 5 FINANCIAL RISK MANAGEMENT

The HQCA has the following financial instruments: cash, accounts receivable, accounts payable and other accrued liabilities.

The HQCA has exposure to the following risks from its use of financial instruments: interest rate risk, liquidity risk, price risk and credit risk.

(a) Interest rate risk

The HQCA is exposed to the interest rate associated with cash held in the bank. The interest rate risk is minimal.

(b) Liquidity risk

Liquidity risk is the risk that the HQCA will encounter difficulty in meeting obligations associated with financial liabilities. The HQCA enters into transactions to purchase goods and services on credit. Liquidity risk is measured by reviewing the HQCA's future net cash flows for the possibility of negative net cash flow. The HQCA manages the liquidity risk resulting from its accounts payable obligations by maintaining adequate cash resources.

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

(d) Credit risk

The HQCA is exposed to credit risk from potential non-payment of accounts receivable. During the fiscal year most of the HQCA's receivables are from provincial agencies; therefore the credit risk is minimized.

Health Quality Council of Alberta

Notes to the Financial Statements

March 31, 2023

(thousands of dollars)

Note 6 ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable	$ 109	$ 21
Restricted operating grant receivable	600	300
	$ 709	$ 321

Note 7 UNSPENT DEFERRED CONTRIBUTIONS

	2023	2022
Balance at beginning of the year	$ 279	$ -
Restricted operating grant received/ receivable	1,200	300
Amount recognized as restricted operating revenue	(92)	(21)
Balance at end of year	$ 1,387	$ 279

Note 8 EMPLOYEE FUTURE BENEFITS

The HQCA participates in the Local Authorities Pension Plan (LAPP), a multi-employer defined benefit pension plan.

The HQCA accounts for this multi-employer pension plan on a defined contribution basis. The HQCA is not responsible for future funding of the plan deficit other than through contribution increases. Pension expense recorded in the financial statements is equivalent to HQCA's annual contributions of $374 for the year ended March 31, 2023 (2022 - $365).

At December 31, 2022, the Local Authorities Pension Plan reported a surplus of $12,671,000 (2021 – surplus of $11,922,000).

The Supplementary Executive Retirement Plan (SERP) payable at year ended March 31, 2023 is $35 (2022 - $27). The current year contribution related to this plan is $8 (2022 - $6). No payment has been made to plan member at retirement in the current year.

Note 9 DEFERRED LEASE INDUCEMENTS

The HQCA received a lease inducement in the form of free rent relating to a lease renewal of the premises effective 2018. This amount will be amortized on a straight-line basis over the term of the related lease and the amortization is recognized as a reduction of rent expense.

Health Quality Council of Alberta

Notes to the Financial Statements

March 31, 2023

(thousands of dollars)

Note 9 DEFERRED LEASE INDUCEMENTS (CONT'D)

	2023	2022
Lease inducements - rent free periods	$ 209	$ 209
Less accumulated amortization	(209)	(172)
	$ -	$ 37

Note 10 TANGIBLE CAPITAL ASSETS

	2023				2022
	Office Equipment	Computer Hardware & Software	Leasehold improvements	Total	Total
Estimated useful life	10 years	5 years	Over term of the lease		
Historical Cost					
Beginning of year	$ 395	$ 970	$ 1,013	$ 2,378	$ 2,340
Additions	8	564	-	572	53
Disposals, including write-downs	-	(147)	-	(147)	(15)
	403	1,387	1,013	2,803	2,378
Accumulated Amortization					
Beginning of year	307	685	879	1,871	1,571
Amortization expense	29	226	134	389	315
Effect of disposals, including write-downs	-	(114)	-	(114)	(15)
	336	797	1,013	2,146	1,871

Health Quality Council of Alberta

Notes to the Financial Statements

March 31, 2023

(thousands of dollars)

Note 10 TANGIBLE CAPITAL ASSETS (CONT'D)

Net book value at March 31, 2023	$ 67	$ 590	$ -	$ 657
Net book value at March 31, 2022	$ 88	$ 285	$ 134	$ 507

Note 11 CONTRACTUAL OBLIGATIONS

Contractual obligations are obligations of the HQCA to others that will become liabilities in the future when the terms of those contracts or agreements are met.

Estimated payment requirements for each of the next three years and thereafter are as follows:

Year ended March 31	Operating Lease
2023 - 24	$ 295
2024 – 25	295
2025 – 26	307
2026 – 27	307
Thereafter	2,090
	$ 3,294

Health Quality Council of Alberta

Notes to the Financial Statements

March 31, 2023

(thousands of dollars)

Note 12 ACCUMULATED OPERATING SURPLUS

Accumulated operating surplus is comprised of the following:

	2023				2022
	Investment in Tangible Capital Assets[a]	**Internally Restricted Surplus[b]**	**Unrestricted Surplus (Deficit)**	**Total**	**Total**
Balance, April 1, 2022	$ 507	$ 2,389	$ -	$ 2,896	$ 2,401
Annual operating (deficit) surplus	-	-	(945)	(945)	495
Net investments in capital assets	150	-	(150)	-	-
Transfers, prior year restricted	-	(2,389)	2,389	-	-
Transfers, current year restricted	-	1,294	(1,294)	-	-
Balance, March 31, 2023	$ 657	$ 1,294	$ -	$ 1,951	$ 2,896

(a) Investment in tangible capital assets represents the net book value of internally funded tangible capital assets. These assets are restricted and are not available for any other purpose.

(b) The internally restricted surplus represents amounts set aside by the Board for future purposes. Those amounts are not available for other purposes without the approval of the Board. Internally restricted surplus based on the annual work plan is summarized as follows:

	2023	2022
Person-centeredness	$ 702	$ -
Continuing care	424	-
Primary health care	168	-
Engage	-	1,396
Assess	-	484
Improve	-	509
	$ 1,294	$ 2,389

Health Quality Council of Alberta

Notes to the Financial Statements

(thousands of dollars)

Note 13 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the HQCA Board of Directors on June 1, 2023.

Health Quality Council of Alberta

Schedule 1 – Expenses – Detailed by Object

Year ended March 31

(thousands of dollars)

	2023		2022
	Budget	Actual	Actual
Salaries and benefits	$ 4,580	$ 4,807	$ 4,120
Supplies, services and other	3,663	3,552	2,658
Amortization of tangible capital assets (Note 10)	373	389	315
	$ 8,616	$ 8,748	$ 7,093

Health Quality Council of Alberta

Schedule 2 – Salary and Benefits Disclosure

Year ended March 31

(thousands of dollars)

	2023				2022
	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	Total	Total
Board of Directors-Chair	$ -	$ 19	$ -	$ 19	$ 18
Board of Directors-Members	-	34	-	34	40
Chief Executive Officer [4]	249	6	21	276	117
Acting Chief Executive Officer [4]	-	-	-	-	133
	$ 249	$ 59	$ 21	$ 329	$ 308

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include honoraria for board members and vehicle allowance. There were no bonuses paid in 2023.

(3) Other non-cash benefits include: employer's portion of all employee benefits and contributions or payments made on behalf of employees, including pension, Supplementary Executive Retirement Plan, health care benefits, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, employee assistance program, Canadian Pension Plan, Employment Insurance and fair market value parking.

(4) The Acting Chief Executive Officer assumed the role of the Chief Executive Officer effective October 26, 2021.

Health Quality Council of Alberta

Schedule 3 – Related Party Transactions

Year ended March 31

(thousands of dollars)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the HQCA. The HQCA and its employees paid or collected certain taxes and fees set by regulation for premiums, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The HQCA had the following transactions with related parties recorded in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties.

	2023	2022
Revenues		
Grants	$ 7,651	$ 7,580
Other	94	-
	$ 7,745	$ 7,580
Expenses		
Other services	$ 117	$ 173
Amount due from related parties	$ 694	$ 300
Amount due to related parties	$ 33	$ 279

Other Financial Information

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Department of Health

Statement of Credit or Recovery (unaudited)

Year ended March 31, 2023

(in thousands)

	2023				
	Authorized Spending	Actual Revenue Recognized	Unearned Revenue	Total Amount Received / Receivable	(Shortfall) / Excess [1]
Expense Amounts					
Ministry Support Services					
Strategic Corporate Support [a]	$ 844	$ 844	$ -	$ 844	$ -
Support Programs					
Other Support Programs [b]	1,000	-	-	-	(1,000)
	$ 1,844	$ 844	$ -	$ 844	$ (1,000)

[a] The Department receives revenue from the Department of Mental Health and Addiction to recover the cost of providing shared corporate services.

[b] The Department receives revenue from Health Canada to enhance existing health services to persons with chronic Hepatitis C virus infection.

[1] Shortfall is deducted from current year's corresponding funding authority.

Department of Health

Lapse/Encumbrance (unaudited)

Year ended March 31, 2023

(in thousands)

Expense Vote by Program Operating Expense	Voted Estimate [1]	Supplementary Estimate [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Over Expended/ (Unexpended)
1 Ministry Support Services						
1.1 Minister's Office	$ 991	$ 183	$ -	$ 1,174	$ 1,291	$ 117
1.2 Associate Minister's Office	-	-	-	-	-	-
1.3 Deputy Minister's Office	1,387	-	-	1,387	1,207	(180)
1.4 Strategic Corporate Support	40,743	-	844	41,587	42,255	668
1.5 Policy Development and Strategic Support	15,358	-	-	15,358	14,674	(684)
1.6 Health Advocates' Office	1,929	-	-	1,929	1,368	(561)
	60,408	183	844	61,435	60,795	(640)
2 Alberta Health Services						
2.1 Continuing Care	1,220,000	12,697	-	1,232,697	1,232,697	-
2.2 Community Care	1,619,086	4,812	-	1,623,898	1,623,898	-
2.3 Home Care	740,000	4,726	-	744,726	744,726	-
2.4 Acute Care	3,840,000	97,180	-	3,937,180	3,937,180	-
2.5 Emergency Medical Services	530,000	1,045	-	531,045	531,045	-
2.6 Diagnostic and Therapeutic Services	2,414,875	6,576	-	2,421,451	2,421,451	-
2.7 Population and Public Health	344,000	20,275	-	364,275	364,275	-
2.8 Health Workforce Education and Research	100,000	-	-	100,000	100,000	-
2.9 Information Technology	450,555	5,441	-	455,996	455,996	-
2.10 Support Services	1,700,000	33,209	-	1,733,209	1,733,209	-
2.11 Administration	488,000	(3,496)	-	484,504	484,504	-
	13,446,516	182,465	-	13,628,981	13,628,981	-
3 Health System Capacity	100,000	(36,400)	-	63,600	58,600	(5,000)
4 Physician Compensation and Development						
4.1 Program Support	8,017	393	-	8,410	7,417	(993)
4.2 Physician Services	4,711,691	496,000	-	5,207,691	5,262,826	55,135
4.3 Physician Education and Recruitment	365,775	(5,000)	-	360,775	358,393	(2,382)
	5,085,483	491,393	-	5,576,876	5,628,636	51,760

Department of Health

Lapse/Encumbrance (unaudited)

Year ended March 31, 2023

(in thousands)

Expense Vote by Program Operating Expense	Voted Estimate [1]	Supplementary Estimate [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Over Expended/ (Unexpended)
5 Drugs and Supplemental Health Benefits						
5.1 Program Support	$ 55,299	$ -	$ -	$ 55,299	53,455	$ (1,844)
5.2 Outpatient Cancer Therapy Drugs	322,300	-	-	322,300	322,300	-
5.3 Outpatient Specialized High Cost Drugs	139,700	-	-	139,700	144,300	4,600
5.4 Seniors Drug Benefits	673,891	(8,000)	-	665,891	678,124	12,233
5.5 Seniors Dental, Optical and Supplemental Health Benefits	135,000	12,000	-	147,000	143,114	(3,886)
5.6 Non-Group Drug Benefits	225,000	(39,000)	-	186,000	198,912	12,912
5.7 Non-Group Supplemental Health Benefits	900	-	-	900	1,020	120
5.8 Assured Income for the Severely Handicapped Health Benefit	253,000	(7,000)	-	246,000	247,248	1,248
5.9 Child Health Benefit	37,000	(12,000)	-	25,000	24,132	(868)
5.10 Adult Health Benefit	232,000	(39,000)	-	193,000	180,252	(12,748)
5.11 Alberta Aids to Daily Living	192,000	(7,000)	-	185,000	183,896	(1,104)
5.12 Pharmaceutical Innovation and Management	129,600	-	-	129,600	137,917	8,317
	2,395,690	(100,000)	-	2,295,690	2,314,670	18,980
7 Primary Health Care						
7.1 Program Support	3,175	1,300	-	4,475	3,478	(997)
7.2 Primary Health Care	250,352	22,200	-	272,552	246,211	(26,341)
	253,527	23,500	-	277,027	249,689	(27,338)
8 Population and Public Health						
8.1 Program Support	14,844	-	-	14,844	12,996	(1,848)
8.2 Immunization Support	2,121	-	-	2,121	2,420	299
8.3 Community-Based Health Services	63,978	(5,557)	-	58,421	57,092	(1,329)
8.4 Research and Support Programs	15,498	(1,000)	-	14,498	13,516	(982)
8.5 Palliative Care	5,000	2,500	-	7,500	7,164	(336)
8.6 Children's Health Supports	15,000	-	-	15,000	15,000	-
	116,441	(4,057)	-	112,384	108,188	(4,196)
9 Allied Health Services	105,382	36,618	-	142,000	147,297	5,297

Department of Health

Lapse/Encumbrance (unaudited)

Year ended March 31, 2023

(in thousands)

Expense Vote by Program Operating Expense	Voted Estimate [1]	Supplementary Estimate [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Over Expended/ (Unexpended)
10 Human Tissue and Blood Services	$ 241,754	$ (4,000)	$ -	$ 237,754	$ 227,467	$ (10,287)
11 Support Programs						
11.1 Program Support	13,387	-	-	13,387	12,198	(1,189)
11.2 Health Quality Council of Alberta	7,559	-	-	7,559	7,559	-
11.3 Protection for Persons in Care	2,290	-	-	2,290	1,349	(941)
11.4 Monitoring, Investigations and Licensing	6,834	-	-	6,834	6,669	(165)
11.5 Health System Projects	1,908	-	-	1,908	89	(1,819)
	31,978	-	-	31,978	27,864	(4,114)
12 Out-of-Province Health Care Services						
12.1 Program Support	8,665	(1,500)	-	7,165	6,579	(586)
12.2 Out-of-Province Health Care Services	134,879	-	-	134,879	129,269	(5,610)
	143,544	(1,500)	-	142,044	135,848	(6,196)
13 Information Technology						
13.1 Program Support	6,960	-	-	6,960	7,516	556
13.2 Development and Operations	94,830	4,000	-	98,830	94,043	(4,787)
	101,790	4,000	-	105,790	101,559	(4,231)
14 Cancer Research and Prevention Investment	25,000	-	-	25,000	25,327	327
16 COVID-19 Pandemic Response	10,000	-	-	10,000	-	(10,000)
Capital Grants						
15 Infrastructure Support						
15.1 Continuing Care Beds	51,435	(38,963)	-	12,472	11,311	(1,161)
	51,435	(38,963)	-	12,472	11,311	(1,161)
Capital Payments to Related Parties						
3 Health System Capacity	-	2,425	-	2,425	2,425	-
8 Population and Public Health						
8.3 ¦Community-Based Health Services	-	557	-	557	557	-
15 Infrastructure Support						
15.2 External Information Systems Development	5,748	(3,000)	-	2,748	3,005	257
15.4 Medical Equipment Replacement and Upgrade Program	30,000	-	-	30,000	30,000	-
15.7 Alberta Surgical Initiative Capital Program	22,420	-	-	22,420	22,420	-
15.8 Rural Alberta Health Facilities Capital Program	15,000	-	-	15,000	15,000	-
	73,168	(18)	-	73,150	73,407	257
Total	$ 22,242,116	$ 553,221	$ 844	$ 22,796,181	$ 22,799,639	$ 3,458
Credit or Recovery (Shortfall)	-	-	(1,000)	(1,000)	-	1,000
	$ 22,242,116	$ 553,221	$ (156)	$ 22,795,181	$ 22,799,639	$ 4,458
Encumbrance						$ 4,458

Department of Health

Lapse/Encumbrance (unaudited)

Year ended March 31, 2023

(in thousands)

	Voted Estimate [1]	Supplementary Estimate [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Over Expended/ (Unexpended)
Capital Investment Vote by Program						
Department Capital Acquisitions						
13 Information Technology						
13 Development and Operations	$ 25,276	$ 2,249	$ -	$ 27,525	$ 10,816	$ (16,709)
Total	$ 25,276	$ 2,249	$ -	$ 27,525	$ 10,816	$ (16,709)
Lapse						$ (16,709)
Financial Transactions Vote by Program						
Inventory Acquisition						
5 Drugs and Supplemental Health Benefits						
5.3 Outpatient Specialized High Cost Drugs	$ 9,000	$ -	$ (2,000)	$ 7,000	$ 7,657	$ 657
8 Population and Public Health						
8.2 Immunization Support	75,976	-	(2,855)	73,121	72,420	(701)
Total	$ 84,976	$ -	$ (4,855)	$ 80,121	$ 80,077	$ (44)
Lapse						$ (44)
Contingency Voted by Program						
Operating Expense						
16 COVID-19 Pandemic Response	$ -	$ -	$ 1,062,096	$ 1,062,096	$ 907,123	$ (154,973)
Capital Payments to Related Parties						
16 COVID-19 Pandemic Response	-	-	27,200	27,200	23,697	(3,503)
Capital Investment						
16 COVID-19 Pandemic Response	-	-	7,500	7,500	-	(7,500)
Inventory Acquisition						
16 COVID-19 Pandemic Response	-	-	-	-	116	116
Total	$ -	$ -	$ 1,096,796	$ 1,096,796	$ 930,936	$ (165,860)
Lapse						$ (165,860)

[1] As per "Expense Vote by Program", "Capital Investment Vote by Program" and "Financial Transactions Vote by Program" pages 112 to 116 of 2022-2023 Government Estimates. Effective October 24, 2022, the responsibility for the administration of Associate Minister's Office; Addiction and Mental Health; portion of Monitoring, Investigations and Licensing; portion of Deputy Minister's Office, Strategic Corporate Services and Policy Development, and Strategic Support; portion of Community-Based Health Services; and portion of Children's Health Supports were transferred to the Minister of Mental Health and Addiction (Order in Council 362/2022 and 373/2022). The voted operating expense has been restated by ($179,015).

[2] Per the Supplementary Supply Estimates approved on March 16, 2023.

[3] Adjustments include encumbrances, capital carry over amounts, transfers between votes, credit or recovery increases approved by Treasury Board, and credit or recovery shortfalls. An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year. Adjustments also include supply vote transfers of $1,096,796 for "Contingency" as approved by the Lieutenant Governor in Council under the direction of the Minister of Finance (Order in Council 135/2023). The Contingency supply vote consists of a provisional funding authority transferable to any ministry. Upon approval by the Lieutenant Governor in Council, the President of Treasury Board and Minister of Finance may either spend or transfer all or a portion of this supply vote to another minister for public emergencies, disasters or unanticipated costs.

[4] Actuals exclude non-voted amounts such as amortization, inventory consumption, and valuation adjustments as no cash disbursement is required (non-cash amounts), or because the Legislative Assembly has already provided the funding authority pursuant to a statute other than an appropriation act.

Department of Health

Statement of Remissions, Compromises and Write-offs (unaudited)

Year ended March 31, 2023

(in thousands)

	2023	2022
Write-Offs		
Medical Claim Recoveries	$ 2,294	$ 3,721
Pharmaceuticals and Health Benefits	-	442
Other Receivables	3,346	11,644
Total Write-offs [1]	$ 5,640	$ 15,807

[1] There were no remissions or compromises during the year.

The above statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs made or approved during the fiscal year.

Payments Based on Agreements (unaudited)

The following has been prepared pursuant to Section 25(3) of the *Financial Administration Act*.

The Department entered into agreements, under the Alberta Health Care Insurance Plan, with other Provincial and Territorial Governments to provide health services on their behalf. The Department pays service providers for services rendered under the agreements and recovers the amount paid from the program sponsors. Service providers include Alberta Health Services and physicians. The Department merely acts as a conduit of funds, providing a service for another party and assumes no liability beyond that of completely discharging the role of being a conduit. Costs based on these agreements are incurred by the Department under authority in Section 25 of the *Financial Administration Act*. Accounts receivable includes $50,032 (2022 - $33,407) relating to payments based on agreements.

Amounts paid based on agreements with program sponsors are as follows:

	2023	2022
Other Provincial and Territorial Governments	$ 301,047	$ 252,194

Ministry of Health

Year ended March 31, 2023
(in thousands)

Trust Funds under Administration (unaudited)

Trust funds under administration are funds consisting of public money over which the Legislature has no power of appropriation. Because the Ministry has no equity in the funds and administers them for the purposes of various trusts, they are not included in the consolidated financial statements.

As at March 31, 2023, the balance reported for Health Benefit Trust of Alberta was $90,991 (2022 - $81,080) and other trust funds for research and development, education, and other programs was $1,955 (2022 - $1,932).

The Ministry and a third party trustee administer the Supplemental Executive Retirement Plan in accordance with a retirement compensation arrangement trust agreement. As at March 31, 2023, there are $26,547 in plan assets (2022 - $29,429).

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure Act

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* reads:

32(1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.

(2) The report under subsection (1) must include the following information:

(a) the number of disclosures received by the designated officer, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;

(b) the number of investigations commenced by the designated officer as a result of disclosures;

(c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.

(3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available.

There were no disclosures of wrongdoing filed with my office for your department between April 1, 2022 and March 31, 2023.

Note: Alberta Health Services and the Health Quality Council of Alberta are considered separate entities for the purposes of the Act, and therefore have individual reporting obligations.