

Health

BUSINESS PLAN 2015–20

ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of March 5, 2015.

original signed by

Stephen Mandel, Minister

March 13, 2015

THE MINISTRY

The ministry consists of the Department of Health and the following arms-length entities: Alberta Health Services, the Health Quality Council of Alberta and Alberta Innovates – Health Solutions. Although arms-length entities have always been accountable to the minister and included in the government's consolidated financial statements, *Budget 2015* will be the first time they will be consolidated with the ministry for budget reporting purposes.

Alberta's health care system gives Albertans the supports they need to lead healthy lives. The ministry sets policy and direction to improve health outcomes for all Albertans, support the well-being and independence of Albertans, and achieve a high quality, appropriate, accountable and sustainable health system. Health outcomes are focused on improving the health status of Albertans over time.

A more detailed description of Health and its programs and initiatives can be found at www.health.alberta.ca.

LINK TO GOVERNMENT OF ALBERTA STRATEGIC DIRECTION

Programs and services delivered by the ministry were reviewed for relevance, effectiveness and efficiency in accordance with the Government of Alberta's *Results-Based Budgeting Act*.

The desired outcomes and priority initiatives identified in the business plan are aligned with the strategic direction of the Government of Alberta and ministry mandates.

STRATEGIC CONTEXT

Health care is a highly valued element of Alberta life and Albertans tend to see the publicly funded health care system as a key part of their identity and support health care as a top budget priority. While Alberta's health care system faces many pressing short-term issues and priorities, it is important to look beyond immediate concerns to build the system the public expects. In response to these expectations, Alberta's health care system will have to evolve.

Alberta's health care system is large and complex, comprising a host of settings, providers and services that promote, restore and maintain the health of Albertans. To be ready for the future, Alberta's health care system requires a fundamental change in scope, focus and approach. First, the system needs to broaden its scope from being a system based on episodic health care to a system based on keeping people healthy. Second, we need to shift away from a model based on hospital delivered care, towards a model revolving around care delivered in the community. Finally, we need to move away from a provider centred approach towards a more patient focused approach to care. Patients and users need to become the focal point around which care revolves, with independent providers coordinating their efforts to better meet patients' needs.

Alberta is an average performer in Canada with respect to population health, ranking in the middle of the pack on life expectancy and avoidable deaths. There is considerable scope for improvement in infant mortality and low birth

weight (an important predictor of newborn health), but there are also areas where Alberta can serve as an example, such as mortality due to lung, colorectal and breast cancer. Within Alberta there are important socio-demographic differences, with people from lower socioeconomic circumstances, including many First Nation peoples, living shorter lives and in poorer health.

Injuries, addictions and mental health conditions are significant issues that deeply affect Albertans' quality of life. Alberta has one of the highest injury rates in Canada, while mental health conditions affect about one out of five Albertans. Both weigh heavily on health care resources, with some estimates pinning the cost of injuries to \$2.9 billion annually.

Albertans do not have the best health, nor does the health care system always deliver the best care across Canada. Government health care spending has continued to rise since 1975 (with the exception of a short period from 1992 to 1995). Major investments in health care since 1996 have resulted in the second highest health care spending per capita across Canada as of 2013. Alberta's 2014 age-gender adjusted per capita provincial government health spending is the highest in the country – 34 per cent higher than the national average.

Government spending on health care has outpaced both economic growth and government revenue growth. As a result, health care has consumed an ever-growing share of the provincial budget, from 32 per cent in 1996 to 45 per cent in 2014. This has raised concerns about not only the future affordability of health care, but also the government's ability to fund other important public services. Government must continue its efforts to derive greater value for money in the delivery of health care to Albertans.

Labour compensation represents a large portion of input costs for health care, and earnings of health care professionals, particularly those of physicians, have generally grown faster than wages in other sectors. Other important cost drivers include technological changes such as new drugs (including cancer therapy and specialized high cost drugs) and supplementary benefits, which have generally improved care but have also increased costs. Finally, cost increases reflect higher utilization rates of health services by the population, resulting from rising chronic conditions, treatment decisions by physicians and hospitals and the use of new medical technology.

Lifestyles and an aging population are significant risk factors in causing and exacerbating most chronic diseases. In 2008, about half of all Canadian seniors reported having one or two chronic conditions, and nearly one-quarter reported having three or more. The rise of co-morbidity has implications for Alberta's health care system. This, alongside a growing capacity to treat, has meant that disease is something that people increasingly now live with rather than die from.

The challenge for Alberta will be to reduce spending growth without compromising access and quality of care, while at the same time developing a patient-focused, efficient, effective and sustainable healthcare delivery system.

DESIRED OUTCOMES, PRIORITY INITIATIVES, AND PERFORMANCE MEASURES AND INDICATORS

Desired Outcome One: Strengthened health system leadership, accountability and performance

Priority Initiatives:

- 1.1 Establish a plan for a fiscally sustainable healthcare system that anticipates the shifting demographics of Alberta.
- 1.2 Implement a governance system for Alberta Health Services that allows for outcome based regional decision-making.
- 1.3 Further align strategic direction for key stakeholders including Alberta Health Services, Alberta Innovates - Health Solutions and academic health research institutions.
- 1.4 Increase Alberta's health system capacity for evidence-informed practice through data, clinical information systems, research, innovation, health technology assessment, and other structures as appropriate.
- 1.5 In partnership with Alberta Health Services and Agriculture and Rural Development, streamline and integrate the food safety inspection system.

- 1.6 Develop and implement an improved system to monitor, audit, and ensure compliance to quality of care and safety standards in health facilities.
- 1.7 Refine the Alberta Health/Alberta Health Services Performance Agreement.
- 1.8 Develop a health human resource strategy to better align supply, distribution and needs; optimize the scope of practice for the workforce; and build supportive funding and compensation models.
- 1.9 Work with the health profession regulatory colleges to begin the review of the *Health Professions Act* and identify revisions required to better enable the colleges to regulate their health professions and protect the public while improving accountability.

Performance Measure	Last Actual 2013-14	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
1.a Satisfaction with health care services received: <ul style="list-style-type: none"> • Percentage of Albertans satisfied or very satisfied with health care services personally received in Alberta within the past year 	66%	68%	70%	70%	72%	72%

Desired Outcome Two: Improved health and wellness of Albertans through prevention, protection and health promotion

Priority Initiatives:

- 2.1 Implement the maternal-infant health plan and the infant and preschool screening framework to support early childhood development in Alberta.
- 2.2 Improve and protect the health of Albertans through increasing immunization rates and decreasing the incidence of vaccine preventable diseases.
- 2.3 Align collective efforts and mobilize key partners to build community capacity in support of wellness.
- 2.4 Enhance prevention and management strategies addressing injury, chronic disease, cancer and HIV/Sexually Transmitted Infections and Blood Borne Pathogens, including patient self-management support.

Performance Measures	Last Actual (Year)	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
2.a Influenza immunization: percentage of Albertans who have received the recommended annual influenza immunization: <ul style="list-style-type: none"> • Seniors aged 65 and over • Children aged 6 to 23 months • Residents of long-term care facilities 	64%	75%	75%	75%	75%	75%
	34%	75%	75%	75%	75%	75%
	88%	95%	95%	95%	95%	95%
	(2013-14)					
2.b Childhood immunization rates (by age two): <ul style="list-style-type: none"> • Diphtheria, tetanus, pertussis, polio, Hib • Measles, mumps, rubella 	74%	97%	97%	97%	97%	97%
	85%	98%	98%	98%	98%	98%
	(2013)					
2.c Healthy Alberta Risk Trend Index (HARTI): <ul style="list-style-type: none"> • Average number of health risk factors per person aged 20 to 64 years¹ 	2.12	2.06	2.00	1.94	1.89	1.84
	(2013)					

Note:

- 1 This measure is calculated using six self-reported indicators of health behaviours known to be risk factors for health, including life stress, body mass index, fruit and vegetable consumption, physical activity, smoking status and frequency of binge drinking.

Performance Indicator	Actual (Year)	Actual (Year)	Actual (Year)	Actual (Year)	Actual (Year)
2.a Patient safety: • Percentage of Albertans reporting unexpected harm to self or an immediate family member while receiving health care in Alberta within the past year	9% (2009-10)	12% (2010-11)	11% (2011-12)	11% (2012-13)	11% (2013-14)
2.b Life expectancy at birth ¹	81.43 (2010)	81.59 (2011)	81.68 (2012)	81.71 (2013)	81.80 (2014)

Note:

- Adjusted population estimates are used for the denominators of the mortality rates used in the life expectancy calculations. The newly recalculated life expectancy figures will differ slightly from previously reported life expectancy figures released in the Health Business Plan 2014-17.

Desired Outcome Three: Enhanced access to effective, appropriate and high quality health care and support services

Priority Initiatives:

- Develop and implement strategies for a patient-focused, efficient, effective and sustainable healthcare delivery system.
- Advance care and services for individuals with addiction and mental health needs by implementing the Addiction and Mental Health Strategy.
- Enhance mental health services for children, particularly in the school system.
- Implement the actions arising out of the Rural Health Services Review.
- Develop a plan for broader community consultation on continuing care.
- Implement the continuing care capacity plan through the Affordable Supportive Living Initiative (ASLI) program.
- Implement the new continuing care standards and home care policy.
- Establish partnerships with the federal government and First Nations communities to improve integration of health services on reserves.
- Complete the review and amendment of the *Health Information Act* and continue to enhance and expand Alberta's electronic health records and personal health portal.
- Support effective and efficient emergency and ambulance services for all Albertans.
- Review and update government sponsored drug and health benefits programs.
- Develop and implement the Alberta Dementia Strategy and Action Plan for Alberta.
- Implement the goals of the Primary Health Care Strategy.
- Develop the organ and tissue donation agency and enhance the organ donation registry.
- Improve the oversight and management of capital planning and facility maintenance.
- Improve access and patient flow through the acute care system by improving the performance of emergency departments and adding continuing care spaces.
- Increase capacity in the continuing care system for patients with complex needs.

Performance Measures	Last Actual 2013-14	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
3.a Access to primary care through primary care networks: • Percentage of Albertans enrolled in a primary care network	75%	76%	77%	78%	79%	80%
3.b Access to continuing care: • Percentage of clients placed in continuing care within 30 days of being assessed	69%	70%	70%	70%	70%	70%

Performance Indicator	Actual 2009-10	Actual 2010-11	Actual 2011-12	Actual 2012-13	Actual 2013-14
3.a Emergency department length of stay: <ul style="list-style-type: none"> • Percentage of patients treated and admitted to hospital within eight hours (all sites) 	49%	53%	55%	55%	52%

STATEMENT OF OPERATIONS

Consolidated Financial Statements Basis

(thousands of dollars)	Comparable					
	2014-15 Forecast	2015-16 Estimate	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
REVENUE						
Internal Government Transfers	385,750	377,740	364,740	355,500	355,500	355,500
Transfer from Alberta Cancer Prevention Legacy Fund	25,000	25,000	20,000	20,000	20,000	20,000
Transfer from Alberta Heritage Foundation for Medical Research Endowment Fund	91,386	71,280	76,280	76,280	76,280	53,030
Canada Health Transfer	3,618,182	3,978,446	4,242,222	4,460,378	4,693,964	4,943,579
Transfers from Government of Canada	13,709	11,310	11,487	11,304	11,304	11,304
Other Health Transfers	1,920	2,398	1,200	1,200	1,200	1,200
Investment Income	62,864	52,466	52,466	52,466	52,466	52,466
Supplementary Health Benefit Premiums	48,000	48,000	48,000	48,000	48,000	48,000
Other Premiums, Fees and Licences	447,001	475,001	475,001	475,001	475,001	475,001
Refunds of Expense	116,490	113,340	113,540	113,740	113,940	114,040
Other Revenue	546,188	497,360	491,394	490,295	489,881	489,881
Consolidation Adjustments	(502,136)	(474,020)	(461,020)	(451,780)	(451,780)	(428,530)
Total Revenue	4,854,354	5,178,321	5,435,310	5,652,384	5,885,756	6,135,471
EXPENSE						
Ministry Support Services	75,137	88,880	91,276	91,276	91,276	91,276
Physician Compensation and Development	4,463,068	4,582,474	4,582,863	4,582,863	4,622,513	4,670,423
Drugs and Supplemental Health Benefits	1,823,837	1,816,245	1,815,388	1,816,288	1,866,288	1,932,288
Community Programs and Healthy Living	466,416	466,917	470,012	471,612	496,612	521,612
Facility-Based Patient Services	5,165,000	5,046,000	5,031,000	5,011,000	5,088,000	5,161,000
Care Based Services	1,778,523	1,814,798	1,853,139	1,887,139	2,201,139	2,546,139
Diagnostic, Therapeutic and Other Patient Services	2,279,073	2,229,451	2,223,451	2,216,451	2,230,451	2,244,451
Administration and Support Services	2,436,413	2,312,087	2,289,247	2,275,247	2,280,247	2,287,247
Information Systems	603,114	595,557	588,268	583,268	583,268	583,268
Support Programs	152,828	151,381	147,063	147,063	147,063	147,063
Research and Education	232,763	211,433	189,437	174,022	174,022	169,022
2013 Alberta Flooding	17,000	-	-	-	-	-
Debt Servicing	16,000	16,000	16,000	16,000	16,000	16,000
Consolidation Adjustments	(465,258)	(463,140)	(454,463)	(448,971)	(449,751)	(445,531)
Total Expense	19,043,914	18,868,083	18,842,681	18,823,258	19,347,128	19,924,258
Net Operating Result	(14,189,560)	(13,689,762)	(13,407,371)	(13,170,874)	(13,461,372)	(13,788,787)
CAPITAL INVESTMENT BY PROGRAM						
Facility-Based Patient Services	49,000	33,000	31,000	33,000	33,000	33,000
Care Based Services	1,000	1,000	1,000	1,000	1,000	1,000
Diagnostic, Therapeutic and Other Patient Services	39,000	27,000	26,000	27,000	27,000	27,000
Administration and Support Services	375,822	253,000	240,000	252,000	252,000	252,000
Information Systems	194,428	143,424	134,411	140,390	140,389	140,388
Total	659,250	457,424	432,411	453,390	453,389	453,388