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| Alberta | 28e | 1e | Remarques préliminaires à l'étude des crédits | 16 avril 2013 | M. Fred Horne | Ministre de la Santé | PC |

Well, thank you very much, Mr. Chair, and good evening, colleagues. I am pleased, as I said, to be here with associate ministers Rodney and VanderBurg, who look after Wellness and Seniors respectively. I will be asking, I am sure, at different points this evening for them to supplement some of the answers and contribute to our discussion.

Mr. Chair, the Health budget for 2013-14 is $17.1 billion, an increase of almost $500 million, or 3 per cent. The increase reflects that health care is a top priority for Albertans and for our government. Although we're investing an additional half a billion dollars into health care while other areas are seeing reductions and frozen budgets, the increase is substantially lower than in previous years.

Health spending has grown at a rate of 9 per cent annually over the last 10 years, and this year it makes up 45 per cent of government's entire operational spending.

This budget reflects our intent to address health system sustainability by doing things differently. We want to find innovative ways to spend smarter, to achieve better health outcomes for Albertans, and to deliver better value to taxpayers.

This year Alberta Health Services will receive $10.5 billion in base operating funding for the delivery of health services across the province, a $307 million, or 3 per cent, increase over last year. This is lower than the previous 4.5 per cent funding commitment, but we believe Alberta Health Services can use its health care resources more effectively while improving Albertans' access to health services. AHS will also receive $393 million for operating costs for the Kaye Edmonton clinic and the Calgary South Health Campus.

The AHS Board approved its proposed budget and health plan last week, and it has been sent to me for review and approval. The AHS budget proposes increased spending in the coming year on continuing care, primary health care, mental health, emergency and other outpatient services, as well as hospital-based care. These are all consistent with government priorities.

Also consistent with what we have done in government, AHS is targeting savings in administrative spending. AHS has implemented a three-year compensation freeze for all management, out-of-scope employees, and physician leaders. It's eliminating pay at risk for all executives, and the organization is starting a review of executive compensation and has implemented a hiring freeze on all administrative positions that are not mission critical.

AHS expects to reduce its administration costs, which are already the lowest in Canada, by 10 per cent over three years. The majority of our remaining budget will be allocated as follows: $3.4 billion for physician compensation and development programs as well as programs that support the addition of more physicians to our system; $1.1 billion for drugs and supplemental health benefits, which includes prescription drug assistance, ambulance services, cancer therapy drugs, and specialized high-cost drugs; $927 million for other health services, including those provided by oral surgeons, optometrists, and podiatrists, as well as home care and rehabilitation, vaccination programs, tissue and blood services, and health services in correctional facilities.

This $927 million includes a new responsibility for my ministry this year, Alberta Innovates: Health Solutions, which has a budget of $86 million. Moving this research program into our ministry from Enterprise and Advanced Education will better integrate leading-edge health research with health service delivery. Also included in the $927 million is $162 million for community programs and activities related to healthy living. Focusing on wellness is an important part of addressing health system sustainability in the long term.

Mr. Chair, I'd like to take a few moments now to look at our Budget 2013 priorities of protecting primary health care, Albertans most in need, the very young, and our senior citizens. Let's look first at primary health care. We're investing $262 million into improving access to primary health care. This includes primarily $50 million to develop and establish family care clinics throughout the province, $185 million to operate primary care networks - and please note that physician remuneration is outside this envelope - $20 million for addictions and mental health programs, and $4 million for other primary health care supports such as reducing appointment wait times and improving patient care management.

I've asked the Primary Care Alliance, a committee of the Alberta Medical Association made up of physicians, to take the lead in developing recommendations for how primary care networks should evolve in the future. This is part of our work on primary health care reform that will provide Albertans improved access to front-line health services.

A number of initiatives in this budget will help to protect Albertans most in need. There are 20 per cent of Albertans who have no drug coverage of any kind. To ensure comprehensive drug and supplementary health benefits coverage for all Albertans, a pharmacare program will be implemented on January 1, 2014. Details are still being developed, but it will be an income-based program that is sensitive to those in greatest need and to the ability to pay. Lower income Albertans will not have to pay a deductible before becoming eligible for drug and supplementary health benefits coverage. Middle- and high-income Albertans will have to pay a deductible based on their income before becoming eligible. The pharmacare program will replace all govemment-sponsored drug and health benefits plans. Pharrnacare will save government $180 million by 2014-15 due to a consistent and equitable approach to access and streamlined administration.

Mr. Chair, the health of young Albertans will be improved through an early childhood development investment of $8 million. This will include implementing a new universal newborn hearing screening program, reducing rates of low birth weight infants, improving maternal mental health, and improving breastfeeding rates.

Another important priority, as I said, is to protect Alberta's seniors. In addition to prescription drug benefits, $405 million in direct services and supports will be provided by my department to eligible seniors in Alberta this year. The seniors' property tax deferral program will be implemented for all eligible seniors who own homes, including those most in need, so they can keep more money in their pockets by deferring taxes until they sell their homes. The voluntary program supports our aging-in-place policy by keeping seniors in their homes and active in their communities. Through this program seniors who own homes will be able to defer all or part of their property taxes on their primary residence through a low-interest home equity loan with the provincial government. The government will pay the property taxes, and the senior will repay the loan with interest when they sell their home or sooner if they choose. There is $3 million allocated for the loans in 2013-14.

Income testing for the current seniors' school property tax assistance program will take place in 2013 to ensure seniors most in need will continue receiving assistance before the program ends in 2014. With the establishment of the seniors' property tax deferral program the seniors' school property tax assistance program will be eliminated.

Now let's turn to the Alberta seniors' benefit program. We're spending $358 million in the program this year. Alberta seniors' benefit is the highest benefit of any province or territory in Canada, supporting about 152,000 low-income seniors. The program helps protect seniors most in need by supplementing federal programs for seniors with lower incomes. The program is increasing nearly $22 million, or 6.4 per cent, to a total of $358 million in 2013-14, a reflection of volume increases.

In order to harmonize the Alberta seniors' benefit with both provincial and federal income support programs, several changes are being made this year. Three income exemptions to the ASE program are being eliminated: workers' compensation benefits, alimony payments, and Canada pension plan disability payments. This aligns with the federal guaranteed income supplement program and the assured income for the severely handicapped program.

Also, seniors residing in Canada for fewer than 10 years will no longer be eligible for the Alberta seniors' benefit. This is consistent with the eligibility criteria for old age security.

We are reducing generic drug prices from 35 per cent to 18 per cent of brand name prices effective May 1. Drug prices are among the highest cost drivers in heath care, and we must do what we can to contain costs. The price reduction means Albertans will pay less on their out-of-pocket costs for generic drugs. Alberta's generic drug prices will be the lowest in Canada. Last week we announced more supports for pharmacies to help them expand their services and adjust to the lower generic drug prices.

The support programs have a total value of $40 million. The entire investment includes $5 million for a washout period as government continues to pay the original generic drug price for 30 days, which helps pharmacies dispense their inventory at the price they paid when they purchased the product; $24 million to extend a $1 per prescription allowance that was scheduled to end on March 31, 2013, of which about $12 million will come from government and the rest from employer and private insurance programs; $10.6 million to repurpose the remote pharmacy access grant over the next two years, changes that will make it easier for remote pharmacies to access the funding; and $500,000 for training and education to help more pharmacists provide front-line services.

On April 1 we introduced two new patient-focused services that pharmacies will be compensated for. These include providing patient assessments and trial prescriptions. This is in addition to seven other new services that pharmacies began providing in July 2012.

Government has provided over $80 million in transitional funding over the past few years to help pharmacies expand their services and adjust to lower generic drug pricing.