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| ***Province*** | ***Législature*** | ***Session*** | ***Type de discours*** | ***Date du discours*** | ***Locuteur*** | ***Fonction du locuteur*** | ***Parti politique*** |
| Alberta | 19e  | 3e  | Remarques préliminaires à l'étude des crédits | 19 mai 1981 | M. David John Russell | Ministre des Hôpitaux et de l'Assurance maladie | PC |

**Mr. Russell:** Thank you, Mr. Chairman, I do. As hon. members know, the main function of the Department of Hospitals and Medical Care is primarily as a funding transfer agency: on the one hand, by way of transfers, funding several hundred million dollars for health care for Albertans; on the other hand, providing by way of grants operating funds for all the hospitals involved in the system throughout Alberta.

I'm making the comments I'm going to make because I think the coming year will be one of major decision and direction-taking in so far as health care is concerned, not only for Alberta but probably for most of the provinces in Canada. We've been able to respond to the growing demand for services and to the rapidly escalating costs, both operating and capital, in a variety of ways in this province which I think have allowed us to maintain a good level of health care for our citizens. But not all provinces are that lucky. I refer to the very nominal increase we made in health care premiums and which is included in this budget. As hon. members know, the premiums pay for a very small portion of health care and nothing toward the cost of hospitalization. Those of you who've been reading the national media know that in the coming months the provinces are in for a tough time with the federal government insofar as financing is concerned. The established program financing Act is up for renewal early next year, and the early signals from Ottawa are that there'll be not only tougher criteria applied to the transfer of some of those funds but a net decrease in the total number of dollars supplied. If that is true, in a case like Alberta's, with a rapidly expanding population, an increasing number of services, and increased costs for each of those services, a reduced amount of funds from the federal government toward the cost of those services will be a very serious matter for us to deal with.

The other area in which I perceive there's perhaps liable to be some period of difficulty is with the establishment of satisfactory fee schedules for our professionals who provide services under the Act. No doubt members have read what's going on currently in the neighbouring province of British Columbia and the kinds of numbers and increases some of those people are looking at. In a way, that's tied in with the problems of extra billing and what it means or doesn't mean to our citizens. Frankly, I don't believe anybody in the province is being hurt by the fact that extra billing is still a permissible practice here in Alberta. The statistics available indicate that it is being done with reasonableness. The first report received from the assessment committee set up by the Legislature last fall is encouraging, both by way of the numbers of complaints they're dealing with, which total 33 to date, and the way those are being decided, roughly half and half in favor - if I can use that term - of the doctor or the patient.

Notwithstanding all those things, I've mentioned increasing costs and perhaps a gloomy forecast of where the revenues are coming from. We have expanded the services by way of adding physiotherapy to the schedule of benefits this year, and at the same time are transferring it from a hospital benefit into the health care insurance plan. Members are aware that some years ago a freeze was put on the number of recognized clinics outside the hospital system that could receive remuneration from the health plan for services by a chartered physiotherapist. Since that time the population in the province has approximately doubled, and pressure has been mounting to have those services expanded. So we're doing that. The system is expected to go into effect on the anniversary date of the medical care plan, which is July 1. Mr. Chairman, I think that touches the highlights of the things we might want to consider when we're talking about the health care insurance vote within the department budget.

When we get to hospitals, there are a number of factors with respect to operating costs, ongoing maintenance and provision of equipment, and the replacement and expansion of the existing system. I don't think I need to point out to anyone in this room what increasing hospital operating costs are doing to the budget. It's interesting to note that in our 10th year in office as a government - I recall that in 1971 the then Provincial Treasurer brought in a budget of $1 billion and something for the first time in history. That was a kind of landmark, that we'd finally cracked the $1 billion mark. Of course now just the budget for this one department is $1.3 billion. So I think increases in those kinds of figures, with our still relative small population, have to give rise to some concern for the members here.

Today we were able to table the utilization report, which has been a long time in coming. There are some interesting figures in there. Members may want to refer to it. I'm only going to use one figure from there that shows that the per-person daily operating cost for hospitals has increased by a factor of 182 in the last decade, but in the same period the consumer price index has gone up by only 87 points. That gives you some idea of the accelerating nature of the ongoing operating costs in hospitals.

I'm pleased that the Hospitals vote this year contains a special equipment vote of $25.5 million, which I believe is a fairly substantial number of dollars to include in one year for the replacement and provision of equipment in our hospitals.

I think the extended-care portion of the hospital system - that is, the auxiliary and nursing home sectors - has to be some reason for concern for members of the Alberta Legislature. We're now approaching the stage where we have one of the highest proportions of beds per capita for the elderly of any province in Canada. The occupancy rates in all of them are running beyond 95 per cent on any given day. I said in the House on another occasion that there must be a limit to what rate we can continue to institutionalize elderly Albertans as they're perceived to have some kind of health care problems. So the challenge is there for' all of us. That is one of the reasons we established the nursing home review panel, not just to look at the system as it is now and compare it with what other jurisdictions are doing, but perhaps also to take a look ahead. I suppose we're all part of the problem. Statistically, by the year 2000 a number of members presently here are going to require some kind of extended care in one or more of those institutions. There are going to be proportionately more older people and fewer younger working people to carry the financial load. So I think it behaves all of us to rise to that challenge and see if we can't find ways of responding to those health care problems other than simply using bricks and mortar.

Insofar as the capital vote of the department is concerned, Mr. Chairman, again it's very substantial. I think members in this Assembly are aware of the massive program that is under way. Last year we made a capital commitment of $1.3 billion. That same program is now worth $1.6 billion simply because of inflation, not because of any changes that have been made. I think the problem of inflation is a spectre that haunts any minister who is responsible for substantial capital works, whether in Transportation, Housing and Public Works, or Environment. Just the rate of inflation in these large capital projects that go over a period of four or five years is very awesome indeed when it's compounded on a cash flow basis. There are a number of areas in the province where, notwithstanding everybody's best effort from the local hospital board through consultants and staff persons, it's obvious we're going to have some really tough challenges trying to accommodate the inflation factor and the competition now under way for experienced contractors and personnel.

I want to end on that note because we in the department, particularly in the capital works division, are finding there is a great competition for any kind of trained people. The private sector consultants have looked at that committed budget of ours, and expecting another phase to be announced later this year, many of them are stab wishing practices in the province and are looking for experienced personnel. Many hospital boards too are finding that the strain of maintaining an existing hospital and planning and constructing a new one at the same time is creating challenges for their staffs, and they are looking for people. The bottom line is that anybody with any training - and they tend to be in the Department of Hospitals and Medical Care - is receiving any number of attractive offers. Frankly we're having quite a problem retaining experienced people. So there is a very high staff turn-over rate in that part of the department.

I'll just end on a positive note. We've received the last tenders on the little 10-bed hospitals which were invented to serve the small communities around the province that did have existing hospitals. Happily they've all come in just slightly under budget. They've all been recommended for approval to local contractors, except in one instance. We've had some very competitive, very tight, good bidding, and some good estimated construction times. So those will be starting within the next few days in six communities around the province.

The second part of that program, the larger prototypical hospitals that are meant to go ahead in segments of 25 beds or more are well under way by way of design. We expect that the working drawings will be finished by the end of the year so those projects, and there are several, can be tendered in various parts of the province in the first quarter of 1982. We're encouraged by the progress being made there, and very pleased with the way the prices came in on the smaller 10-bed hospitals.

That's an overview of what I see as the current high lights of activity in the department, the coming major programs and challenges. The budget presented here for consideration by the members attempts to provide adequate funding to respond to those programs and challenges, Mr. Chairman. I'd now be pleased to hear the comments of the members.