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| ***Province*** | ***Législature*** | ***Session*** | ***Type de discours*** | ***Date du discours*** | ***Locuteur*** | ***Fonction du locuteur*** | ***Parti politique*** |
| Alberta | 21e | 3e | Remarques préliminaires à l'étude des crédits | 25 avril 1988 | M. Marvin Moore | Ministre des Hôpitaux et de l'Assurance maladie | PC |

**Mr. M. Moore:** Thanks very much, Mr. Chairman. Members of the committee, the 1988/89 budget of the Department of Hospitals and Medical Care is a budget which reflects the very careful planning and health care policy development which has been going on over the time I've had the responsibility and the pleasure of serving as Minister of Hospitals and Medical Care. Today I want to reflect on those past two years, the progress we have made in various areas of the department, and also some insight in conclusion, of course, into the current budget and plans for the next fiscal year. Before doing that, however, I would like to take a moment to acknowledge some of the very fine work that's been carried out by a number of people.

First of all, a vote of thanks, Mr. Chairman, to the senior staff of my department, in fact all the staff of the Department of Hospitals and Medical Care, who've worked very hard over the course of the last year not only in developing the budget before you now but in making certain we were able to meet the targets that were put forward by this Assembly a year ago in our 1987-88 budget.

I would also like to mention four members of the Assembly who have worked very hard on behalf of all Albertans with respect to health care matters. They are, first of all, the hon. Member for Cypress-Redcliff, Mr. Chairman, who is the chairman of the Health Facilities Review Committee and, together with some very astute people from throughout the province, has done an excellent job carrying out the operations of the Health Facilities Review Committee. I'd like to acknowledge the work done by the hon. Member for Drumheller and the hon. Member for Ponoka-Rimbey, who together have been acting in an advisory capacity to the Minister of Hospitals and Medical Care, developing a new policy with respect to ambulance services in Alberta, a report I expect we will be able to release within the next few weeks, certainly before the end of May. In addition to that, I'd like to acknowledge the work done by the hon. Member for Calgary-Glenmore on the report, which you have all seen by now, entitled A New Vision for Long Term Care -- Meeting the Need, and the work done by members of the long-term care committee which was chaired by the Member for Calgary-Glenmore over the course of the last year.

Finally, Mr. Chairman, I'd like to acknowledge the very able assistance provided by members of my office staff. My two assistants Alan Meech and Gladys Gammmon have worked above and beyond the call of duty, as have my secretary Cheryl and Krystyna and Laverne in my office as well. The policy advice and assistance given to me by Susan Green, whom many of you know, has been outstanding.

Before I move into my remarks, I'd like to thank as well members of the Assembly -- who oftentimes have a lot of concerns with respect to health care matters, the Alberta health care insurance plan problems, and so on -- for their patience and understanding in ensuring that we do get timely and accurate information to their constituents with regard to whatever concerns they might have.

I'd like to begin my remarks, Mr. Chairman, by talking about the overall subject of health care costs and what we have been able to do and what we see in the future in terms of the health care insurance plan budget, the hospitals budget, budgets for nursing homes, auxiliary hospitals, and other parts of our 1988-89 budget. Let's go back to where we were in April of 1986. We had just come through a period of time where health care costs overall had risen at the rate of 15 percent a year for each of the five years preceding 1986. I recall having made projections to you at that time indicating that if health care costs continued to rise at that rate over the course of the period of time between now and the year 2000 and everything else rose at the rate of inflation, by the year 2000 we would be spending two-thirds of the total provincial budget on health care as opposed to the one-third it is now. Well, this year, Mr. Chairman, the health care budget in total, as is indicated by the Provincial Treasurer, is more than $3.3 billion out of $10.7 billion or almost one-third of the total expenditures of the government of Alberta, some $4,000 for every family in our province.

That projection of two years ago about where we would be by the year 2000 was a pretty sobering thought to many of us, and I'm happy to be able to stand here today some two years later and say there's been a remarkable turnaround in terms of the escalation in health care costs. That turnaround has resulted in the 1987-88 budget for the year just completed that had us beginning with a zero increase in fact ending up the year, if members would care to consult the budget speech and the documents provided, with a $30 million decrease from the previous fiscal year. And how was that done? Well, let's just have a look at where we were at two years ago.

At the beginning of 1986 we were facing rapidly escalating hospital and health care costs, declining provincial revenues because of the disastrous national energy program and other world energy pricing factors. We were, because of that again, looking at a much less than expected population growth. At the same time we were involved, because of earlier projections, in a major hospital construction program that had been planned for that growth, with two major hospitals, one in Edmonton and one in Calgary, the Peter Lougheed hospital and the Mill Woods Grey Nuns, having been planned for a population growth that simply didn't occur. We were being penalized at that time, Mr. Chairman, by the federal government under the Canada Health Act for allowing extra billing. We had a rapidly escalating seniors population which we needed to do better planning for, and we had medical doctors increasing in number in this province at the rate of 8 percent a year while our population increase that year was almost zero. So there was a need to lower our operating costs, reduce active treatment beds, increase long-term care beds and long-term care, to consolidate hospital programs right across the province, to end extra billing, and to find some ways to limit the growth of the health care insurance plan.

In addition to that, Mr. Chairman, we needed to create amongst our citizens an awareness of health care costs. That awareness, which I'm happy to say is in almost every family in our communities today, is so important to an understanding of where we're going in health care, and I'm so pleased there is an awareness today that didn't exist at all a couple of short years ago. So we developed a plan of action covering all areas: active treatment hospitals, long-term care, health care insurance, ambulance services, cost awareness, improved health care, wellness.

We looked first of all at active treatment hospitals, and I want to just describe the situation in Edmonton two years ago. We were faced with a partly completed hospital called the Mill Woods Grey Nuns hospital, which was going to be adding about 300 additional beds to our system. We had earlier made a decision that the Edmonton General hospital downtown should be converted to extended care beds, but for various reasons that had been turned around. So we went back to the drawing board, sat down with the Edmonton General hospital board and said, "What can we do?" Eventually we came up with a new plan that has seen us adding some 300 auxiliary beds, extended care beds, to the Edmonton General hospital downtown, which will open a year from now, and having the Grey Nuns take over the operation of the Mill Woods community hospital and open it -and it will be open on May 5 - as a full-service community hospital. That decision alone allows us to add some 300 auxiliary beds to the city of Edmonton's requirements, which are certainly there, and saves us millions of dollars in operating costs in active treatment beds, which might not have occurred otherwise.

At the same time we've been able to move with the Royal Alex hospital and planning for the future with a major emphasis on outpatient care and a reduction in the overall total number of active treatment beds that had previously been planned, and with a responsible decision, I believe, with respect to developing a Northern Alberta Children's hospital, which in the end result I believe will not only provide much more effective pediatric care for northern Alberta but should cost no more than the existing system of pediatric beds scattered throughout many hospitals.

In Calgary the situation is not unsimilar. We worked with the Calgary District Hospital Group -- very effective cooperation by that board -- in designing a program that would see their three hospitals, the Colonel Belcher, the Holy Cross, and the Rocky View, operating in such a manner as to reduce the duplication of programs, with things like pediatrics and obstetrics only being provided at one hospital instead of two, with a major move to provide new geriatric care and treatment facilities at the Colonel Belcher hospital, which will be a dramatic improvement not only for the veterans there but for other senior citizens in southern Alberta as well. We moved with the Calgary General hospital board to have them take over the Peter Lougheed hospital and operate the two hospitals as one hospital on two sites -- again, a substantial savings in operating costs because of the avoidance of duplication of programs.

In rural Alberta we've got hospital boards, who never before considered converting their existing active treatment beds into long-term care beds, looking very carefully at that. I will be opening this Friday at 3 o'clock in the afternoon the first rural hospital that's been converted from all active treatment beds into long-term care beds in the constituency of Little Bow at Carmangay. I'm so pleased we're able to have boards in this province -- and there are many of them in rural Alberta -- who are anxious to serve their senior citizens better by having additional long-term care beds and actually a reduction in active treatment beds.

I mentioned earlier the committee on long-term care and the report that's now before members. That's the most comprehensive and effective report I've ever seen on the long-term care system in this province. Even though we have one of the best systems in Canada, if not the best, there's still an additional need to improve our system. Before too many months go by, I hope to be back before the Legislature indicating that our government, perhaps with some changes, has accepted the policy directions that have been presented in that report: an emphasis on wellness for senior citizens, an emphasis on more non-institutional care, and an emphasis on making the seniors proud of their ability to make a better place for themselves in their community as opposed to just going into an institution.

Mr. Chairman, I want to talk a little bit about the health care insurance plan. A year ago I said that we would have to face the challenge of reducing the overall cost of the health care insurance plan by some $60 million. There were many doubters about whether or not that could be done, because the increase in utilization of the plan had been going up by some 8 or 9 percent a year for the previous three or four years. While we removed a number of services from the plan that either were not medically required or were once in a lifetime or were on an annual or every two or three years' basis that we felt people could pay for, more importantly, I believe Albertans from one end of this province to the other recognized the need to contain expenditures and spent a lot of time thinking about their own health care and a lot of time thinking about how often they used the system. There was a remarkable reduction in one year in the utilization of the health care insurance plan. It went from an 8 percent increase down to about a 3 percent increase simply because people were thinking more about those costs.

I'm pleased to say today, Mr. Chairman, as the Provincial Treasurer's budget indicates, that the health care insurance plan for the fiscal year just ended will come in at about right on the budgeted amount, which was exactly the same as the previous fiscal year. Yes, we had some criticism for some changes we made in the health care insurance plan -- the removal of the provisions for tubal ligations, vasectomies, and IUD insertions. We listened, and I was pleased to announce three weeks ago that we had made a change and put those back into the plan, an announcement that simply could not have been made had the health care insurance plan still been escalating at its rate of previous years. Yes, overall there's been very good public response to our efforts to make sure that the health care insurance plan has avoided those very large increases of previous years.

Before going into the '88-89 budget, Mr. Chairman, I wanted to make some remarks in those areas, because I wanted all members to know how pleased I am with the co-operation we've had over the course of the last two years from hospital boards right across this province, from the professional groups, from doctors, nurses, registered nursing assistants, and other health care workers in the system. Their response to the need for constraint has been tremendous.

Now, let's have a look at the '88-89 budget. I'd first like to deal with the health care insurance plan. The total expenditure projected for the current fiscal year in the health care insurance plan is some $948.2 million. That's the total expenditure and not the net expenditure after the health care insurance income is received from premiums and from the federal government. That's a 7.4 percent increase from the previous fiscal year. When added to the zero growth last year, that's less than a 4 percent increase over a period of two years in the health care insurance plan, less than 4 percent each year, and that's down from the previous five years where the health care budget for this province, as I mentioned earlier, was increasing at the rate of 15 percent each year. The increases were as follows: in basic health services, which is the largest part of the plan, 6.9 percent. About 3.5 percent of that relates to the agreement between ourselves and the Alberta Medical Association for increased fees, new procedures, and other items involving that negotiated process. There's another approximately 3.5 percent that is a utilization increase and a population increase.

In Alberta Blue Cross -- and that's largely the services provided by the Department of Hospitals and Medical Care through the health care insurance plan to our seniors -- there's a 10 percent increase. Again, a large portion of that is made up by a population increase, because there is an increase of almost 3 percent in the numbers of senior citizens who will be coming into Blue Cross coverage under that program. The balance of the increased cost there is an increase in utilization costs that we need to more effectively deal with in years to come. Then there's a smaller amount, an increase of some 2.2 percent, in out-of-province hospital costs in the health care insurance plan.

So while we've done a pretty good job over the course of the last two years in containing the growth of the health care insurance plan, there is still much to be done to ensure that in future years the growth of the health care insurance plan does not exceed an original target that I talked about two years ago and again last year, of population increases plus inflation. In other words, I don't believe we can be in a position where our health care expenditures are growing at a rate faster than the rate of inflation plus our population increase.

Let's then look at the operation of active treatment hospitals, auxiliary hospitals, and nursing homes. The active treatment hospital budget, nursing home budget, and auxiliary hospital budget, as we announced in January, will be increased by 1.5 percent over last year's budget. In addition to that, of course, there will be a number of changes that relate to programs that have been improved along the way or new hospitals that are opening or the annualization of the costs of operating hospitals that were open part way through last year, only had partial budget last year, and require full funding this year. Those things, of course, will occur.

Then there's the question of what we do about the nurses' salary settlement of some 4 percent plus one increment for this year. I am pleased to advise that we have provided in our budget for an additional amount over and above the 1.5 percent, which will go to all hospitals, which will bring the nursing component of their budget from 1.5 percent up to 4 percent. That will leave the only shortfall in hospital budgets for nurses being the increment that will be provided to nurses who have over six years' experience, and I have asked hospital boards to advise me if they have any problems in finding funding within their budget to provide for that. The 1.5 percent on nurses' salaries plus the other 2.5 percent, for a total of 4 percent, will apply to all institutions; that is, active treatment hospitals, auxiliary hospitals, and nursing homes. We should remember as well that nursing homes received an increase last December in the per diem amount that's provided by the provincial government for their operations.

Now, if I could go into just a bit more detail with respect to the increase in the budget for active care hospitals, it's up 6.7 percent, from $1.406 billion last year to about $1.5 billion this year. I indicated there's some 1.5 percent across the board plus 4 percent on nurses' salaries. That averages out to an increase of about 2.2 percent for each hospital, but the budget shows an increase of 6.7 percent. I'll just pick out a few areas that are major ones so you can understand where those additional dollars are going: $1.1 million additional will go into Air Ambulance; $700,000 additional will go into interocular lens purchases. That's for the purchase of the lens that is provided in cataract operations for the private-sector clinics which are now doing that work and doing it obviously cheaper than utilizing the hospital system. For biosynthetic growth hormones, $600,000. An experimental program there was providing the drug up until about a year ago, and now we're having to budget for it in the departmental budget. There's some $830,000 in the budget for AZT, a drug that is utilized for AIDS patients.

There is $22 million of additional funding in this budget for the opening of the Peter Lougheed hospital in Calgary. There is $13 million of additional money for the opening of the Grey Nuns Mill Woods hospital. That figure is smaller than it appears, because there's a transfer of a substantial portion of the existing Edmonton General budget over to the Mill Woods hospital. Then the Edmonton General, when it comes on stream a year from now as an auxiliary hospital, will have a budget, of course, attached to it. There's some $8 million for the opening of the Lethbridge hospital, which will only fund part of a year of the expansion there. There's $2.5 million for expansion of the operations of the Medicine Hat hospital, $1.7 million for the Calgary children's hospital, $3 million for the Leduc hospital. Mr. Chairman, there are smaller amounts at various other hospitals that either opened late last year and now need to be funded for a full year or were opening in the latter part of the current fiscal year. Those amounts, in total, are quite small as compared to the ones I've mentioned.

As members would know from the comments I've just made with regard to the Edmonton-Mill Woods hospital, the Peter Lougheed hospital, the Lethbridge hospital, this has been a most difficult fiscal year for us to hold the budget of the Department of Hospitals and Medical Care for active treatment hospitals at an inflationary level, because we're opening new facilities. I don't foresee the same kind of problem over the next three or four years, because while we are expanding some facilities, the number of new facilities that will open with additional new beds is certainly small compared to what occurred in the current year.

If I could then just move, before concluding, to auxiliary hospitals and nursing homes. In the auxiliary hospital and nursing home side, there's some $10.6 million in the budget for new construction and annualization of homes that operated for part of last year. Then there's another $14.8 million for new programming in auxiliary hospitals and nursing homes.

Mr. Chairman, I'd like to conclude, then, with some comments about our capital program. We have been involved in a very ambitious capital project in this province over the course of about the last 10 years. There is hardly a community which deserves a hospital or an auxiliary hospital project in this province that hasn't benefited in some way from this project. We currently have in the department some 63 ongoing projects that had been approved in previous years that are under some form of design or construction. This year we will approve 12 new projects for design and construction in future years, plus 17 private-sector nursing home upgrading projects, many of which will get started during the current fiscal year and some may even be completed.

Mr. Chairman, the record of achievement in rebuilding the hospital, auxiliary hospital, and nursing home system in this province is second to none anywhere in the world. There is no jurisdiction anywhere in the world that has a better hospital, auxiliary hospital, and nursing home system than we currently have. We're nearing the end of that very ambitious project, and when it is completed, we will be able to boast the most efficient and effective and the best capital facilities anywhere on earth.

I'm so pleased to be able to be part of a government team that recognizes there's more than two centres in Alberta. Everybody doesn't live in Edmonton and Calgary; they live in many dozens of communities throughout our province. For us to be able to move to provide health care facilities for them in the communities they live in is a commitment of this government that is not going to change.

Mr. Chairman, those are my opening comments that I think will give the members some food for thought with respect to the operations of the Department of Hospitals and Medical Care. I would be pleased to hear the comments of members, in whatever form they might be provided, that can be constructive in terms of our operations in the years ahead. If they do have some questions, I would be only too pleased to try to answer those as well.

Thank you very much.