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| ***Province*** | ***Législature*** | ***Session*** | ***Type de discours*** | ***Date du discours*** | ***Locuteur*** | ***Fonction du locuteur*** | ***Parti politique*** |
| Alberta | 27e  | 4e   | Remarques préliminaires à l'étude des crédits  | 13 avril 2011 | M. Gene Zwozdesky | Ministre de la Santé et du Bien-être | PC |

**Mr. Zwozdesky:** Thank you very much, Mr. Chairman, and good afternoon, everyone. I want to just quickly introduce some of my staff who are here: my deputy minister, Jay Ramotar; Assistant Deputy Minister David Breakwell; Assistant Deputy Minister Susan Williams; Assistant Deputy Minister Martin Chamberlain; Assistant Deputy Minister Margaret King; and the executive director of financial planning, Charlene Wong.

Mr. Chair, time is limited. I’ll cut straight to the chase by starting off with our Ministry of Health and Wellness business plan goals. There are four goals, as people probably know, in this particular order: effective health system accountability, strengthened public health and healthy living, appropriate health workforce utilization, and excellence in health care.

There are several priority initiatives under each of these four goals, and I will highlight only nine of them at this time as follows: to lead the health capital planning process; to implement service delivery enhancements and activities in Alberta’s five-year health action plan; to implement the next steps of the Putting People First report, including the advancement of the Alberta Health Act, a public engagement framework, a health charter for Alberta, and a health advocate; to implement a wellness framework for Albertans; to strengthen the primary health care system; to improve access to clinical care and treatment through strategies such as managing wait times, achieved through efficient and effective use of an available workforce, clinical facilities, and new and existing technologies; to provide appropriate access to services across the continuum of care by increasing the co-ordination of health and social support systems; to reduce continuing care wait times by implementing the continuing care strategy and expanding home-care options and community capacity for supportive living; and to develop and implement Alberta’s provincial plan for cancer care.

There are, of course, numerous other initiatives and strategies that round out our plan. Nonetheless, each goal is also accompanied by associated performance measures. In total we have 50 of those performance measures that were released last year.

Moving on to Budget 2011, clearly, Mr. Chairman, stability is probably one of the most important messages delivered by Alberta Health and Wellness through our new budget. There are no cuts to programs in this budget. In fact, it’s a budget that reaffirms our commitment to predictable, long-term funding for Alberta Health Services. Budget 2011 also marks the second year of a five-year funding commitment that provides Alberta Health Services with 6 per cent base operating increases in each of the first three years and 4.5 per cent increases in each of years 4 and 5, an unprecedented commitment by any provincial government in Canada to date. It’s the first of its kind, and we’re very proud of it.

The stable 6 per cent funding increase, which amounts to $545 million for Alberta Health Services, provides necessary monies to continue implementing our five-year health action plan to improve Albertans’ access to the health system and to provide shorter wait times and safe quality care.

In terms of operating expenses for Alberta Health Services it’s important to note that the 2011-12 Health and Wellness budget is $14.9 billion, an increase of $646 million to our overall operating budget. That Health and Wellness budget, as you know, is split amongst the department and, of course, Alberta Health Services. Alberta Health Services itself is getting a 6 per cent increase, but when you combine the two with the department, the net increase for the two combined is 4.6 per cent to our overall operating budget.

It’s important to note, Mr. Chairman, that that does not include funding that was provided on a one-time basis in 2010-11 for Alberta Health Services’ deficit elimination plan.

Our budget is made up of $14.8 billion in operating expenses and $134 million for vaccine utilization, amortization, and capital grants such as equipment. These capital grants are primarily for diagnostic and related medical equipment that’s necessary as well as health information systems.

Operating expenses are made up of four major components: $9.6 billion for Alberta Health Services for base operating costs, $3.3 billion for physician compensation and development costs, $1 billion for drugs and other health benefits for Albertans, and $800 million for other health services. So let’s take a quick look at Alberta Health Services’ budget.

As I mentioned, this budget reflects a 6 per cent increase in the second year of the five-year health action plan. AHS will be receiving an additional $545 million as promised, for a total of $9.6 billion in their base operating funding. While Alberta Health Services is responsible for allocating funding to specific areas, I would like to give you a sense of how that funding is anticipated to be used.

For example, $3.7 billion of the base operating grant is expected to be spent by Alberta Health Services on acute-care services in hospitals across the province; $2.3 billion is expected to be spent by Alberta Health Services on support services for things like building operations, maintenance, administration, security, communications, housekeeping, food services, and information technology; $1.7 billion is expected to be spent by Alberta Health Services on diagnostic and therapeutic services; and $1.1 billion is expected to be spent by Alberta Health Services on facility-based and home-based continuing care services. Finally, $912 million is expected to be spent by Alberta Health Services on community and population health services for programs to improve and maintain Albertans’ health and for disease and injury prevention.

The funding for Alberta Health Services this year does not include a provision for accumulated deficit elimination as it did last year, and I must stress that yet again. In fact, Mr. Chair, Alberta Health Services will be announcing its detailed budget in the coming weeks, presumably after we’ve hopefully endorsed the budget here today and then the global Alberta government budget in a few weeks.

A couple of comments about operating expenses related to physicians. The second-largest part of our expenses is $3.3 billion. In fact, that is allocated toward physician compensation and development. That represents about 22.4 per cent of our department budget, not Alberta Health Services but our department, which is where this compensation comes from. It’s 22.4 per cent. No funding increase for physician compensation was allocated in this year’s budget because of ongoing negotiations with physicians. I’m pleased that the agreement in principle reflects the reality of that circumstance and of our financial situation at the moment. I know that the agreement in principle is in place now, Mr. Chair, and that Alberta Health and Wellness along with Alberta Health Services and, of course, the Alberta Medical Association are working very diligently towards finalizing the agreement in principle and having that all tidied away by June 30 if not sooner. We will review funding needs when a final agreement is reached because there are a number of related issues there that pertain to programs and benefits.

Within the $3.3 billion for physician compensation and development are several increases that are outside of the trilateral master agreement between government, Alberta Health Services, and the AMA. For example, there are increases of about $5 million for the academic alternate relationship plans that provide compensation for physicians who are in a teaching role. There is also an increase of $11 million for medical resident allowances to provide compensation for medical students who are doing their residencies, and a $4 million increase for clinical training and assessment support specifically for postgraduate medical education offices. Those offices co-ordinate over 20 departments of medicine, Mr. Chair, over 50 residency programs at the U of A and at the U of C, and a total of about 1,620 medical residents in Alberta. The increase will go toward the expansion needs of residency programs to accommodate an increasing number of Alberta medical graduates.

The third-largest area of our expense is $1 billion allocated toward drugs and supplemental health benefits for Albertans. There is an increase here of about $84 million, or 8.8 per cent, for drugs and supplemental health benefits for Albertans this year alone. The increase is primarily due to volume growth in prescription drugs for seniors. That’s about $46 million. Higher prices and patient utilization of nongroup drug benefits is about $16 million for Albertans who are not part of a group drug plan. Volume growth and price for outpatient cancer therapy drugs administered on an outpatient basis is about $9 million. Volume growth and price for outpatient specialized high-cost drugs is an increase of about $7 million.

With respect to other health services there is about $800 million allocated for other health services. I’ll just break down some of that in the couple of minutes I have left. Fifty-eight million dollars is budgeted for my ministry support services. This goes toward the operations of my office.

[Fin du temps accordé pour les remarques préliminaires]