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## AHS reacts to Budget 2015/16

EDMONTON – The Government of Alberta's Budget 2015/16 will result in a funding reduction of \$370 million which represents a 3.3 per cent reduction in grant funding Alberta Health Services (AHS) receives from the provincial government.

Additionally, AHS will manage a number of cost pressures within its budget. These include commitments under signed collective agreements, the cost of new continuing care beds, and something as simple as the fact that there is an extra day due to it being a leap year and an extra holiday due to how Easter falls in 2015/16.

Over the next couple of months, AHS will finalize its budget plan with the commitment that it will maintain its core health programs and services. In looking for opportunities, there are certain actions AHS will not take. For instance, AHS will not:

- Reduce the number of acute or continuing care beds.
- Reduce the number of surgeries.
- Reduce cancer treatment.
- Reduce home care services.
- Reduce access to emergency departments.

There may be changes in how and who delivers a particular service, but quantity and quality will not be reduced.

Some work has already started. As was announced on February 5, 2015, AHS has implemented several cost-containment measures, including a staff/hiring freeze for non-clinical employees; reducing or eliminating use of consultants and other purchasing reductions; and reductions to funds spent on education and travel. In addition, AHS is undertaking:

- A review of cell phone costs;
- Severance reduction;
- Wage freeze for management and out-of-scope employees;
- Zero per cent wage increases for in-scope employees in current and future collective bargaining;
- Sick leave management;
- Review of the management structure; and
- Operational benchmarking project to identify efficiencies in large acute care facilities, clinical support services, and corporate services.

More cost savings work needs to be done. The approach will be to improve efficiency, standardize the costs of procedures, use staff to their full scope of practice, right size management and reduce administration costs.

"Those are the kinds of benefits and opportunities we have in Alberta with a one-organization system," said Vickie Kaminski, AHS President and CEO. "I think the time is right to take advantage of that."

AHS is committed to providing safe and quality health care to Albertans and is committed to being good stewards of the taxpayer's dollar. According to the Canadian Institute for Health Information (CIHI), Alberta spends more on health care than every other province in the country except one – estimated to be \$4,699 per capita in 2014.

“Albertans need to have confidence that AHS is spending their tax dollars in the most effective and efficient way possible,” said Kaminski. “I am confident we have the capacity to bring our spending in line and to work towards a better health system where Albertans can see the true value of their health care dollar. That is our obligation to Albertans.”

Alberta Health Services is the provincial health authority responsible for planning and delivering health supports and services for more than four million adults and children living in Alberta. Its mission is to provide a patient-focused, quality health system that is accessible and sustainable for all Albertans.