

November 17, 2009

Update on Administrative Savings Initiatives

EDMONTON – Alberta Health Services today released an update on administrative cost-savings initiatives identified and developed since a single provincial health system was formally created on April 1st this year.

The cost-savings focus on administrative, non-clinical and vacancy management initiatives. They do not involve frontline clinical staff, beds, or clinical programs. The attached Backgrounder provides a summary.

Without a reduction in current spending, Alberta Health Services (AHS) projects a year-end deficit of \$1.3B. AHS plans to reduce this by \$250M in 2009/2010, in order to align, over the next two to three years, annual spending and increases in government funding.

To date, \$227.1M has been identified, primarily in facilities management, procurement and administration, including Finance, Human Resources, Corporate Services and IT. This will achieve annualized non-clinical savings of \$659.5M. (Annualized savings are projected over a full year, because most savings are realized part-way through the budget year).

AHS has made a commitment to avoid layoffs wherever possible. About \$66M will be saved by finding ways to streamline the way we work, and not filling about 660 current vacancies. The potential for about 550 additional positions has also been identified through an on-going voluntary exit program. There were about 90,000 employees when 12 former health organizations were consolidated last April.

Alberta Health Services is the provincial health authority responsible for planning and delivering health supports and services for more than 3.5 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.

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