



Alberta Health Services

2024-25 Business Plan

Prepared September 2024



About Alberta Health Services

AHS is Canada's first and largest integrated, province-wide health authority that delivers health services to more than 4.5 million Albertans as well as occasionally to some residents of other provinces and territories (Source: Interactive Health Data Application).

Governance and Accountability

AHS is one of three entities under the Government of Alberta's Ministry of Health. The Ministry establishes the strategic direction; sets policies, legislation, and standards; and allocates health funding for AHS to plan and deliver health services to Albertans. AHS works in partnership with other service providers and agencies across the province to ensure smooth and effective transitions of care.

In 2024-25, AHS will receive \$16.4 billion of funding from Alberta Health and \$1.2 billion of funding from Mental Health and Addiction – representing the largest allocation of the entities within these two Ministries. These funds, as well as other revenue sources, allow for the delivery of a broad range of healthcare services on behalf of the Government of Alberta, in accordance with legislation and the mandate and roles developed jointly by AHS, the Minister of Health, and the Minister of Mental Health and Addiction.

As part of the Government's refocusing of the healthcare system, AHS will become a service provider and will report to the Acute Care provincial health agency which will oversee the delivery of hospital care, urgent care, cancer care, clinical operations, surgeries, and emergency medical services to all Albertans.

As the provincial healthcare system is in a period of transition, it is anticipated that system-wide planning, beyond 2024/25, will be led by the Departments of Health and Mental Health and Addiction, with the sector-based provincial health agencies leading planning within their respective sectors. AHS will work with Alberta Health and Alberta Mental Health and Addiction to support its transition from regional health authority to service provider.

The requirement to prepare and submit to the Minister a proposal for a health plan and annual budget is set out in Sections 9(1) and 9.1(1) respectively of the *Provincial Health Agencies Act*. A business plan is required under Section 10 of the *Sustainable Fiscal Planning and Reporting Act*.

Based on the Government of Alberta's budget and fiscal plan, and the funding targets received by the Minister of Health, the 2024-25 budget was approved by the AHS Board on March 28, 2024.

Who We Are

AHS delivers health services to more than 4.5 million Albertans as well as transitional care to residents of other provinces and territories.

- AHS has more than 111,100 direct employees (excluding Covenant Health and other contracted health service providers) and more than 13,100 staff working in AHS' wholly owned subsidiaries, such as Carewest, CapitalCare Group and Alberta Precision Laboratories.
- AHS is supported by more than 11,100 independently practicing physicians, approximately 8,850 of whom are members of the AHS medical staff. AHS is also supported by nearly 160 midwives on the AHS midwifery staff who provide care both in the community and in our facilities.
- AHS has 9,100 volunteers who have contributed more than 558,000 volunteer hours in 2022-23 to help keep Albertans safe and healthy.
- AHS programs and services are offered at more than 900 facilities throughout the province including hospitals, homes including type A (former long-term care), type B (formerly designated supportive living), type C (formerly community palliative and hospice), contracted care sites, cancer centres, mental health and addiction facilities, and community ambulatory care centres.
- AHS has 106 acute care hospitals, five stand-alone psychiatric facilities, 8,605 acute care beds, 29,124 continuing care beds/spaces including 261 community palliative and hospice beds/spaces, and 3,176 mental health and addiction beds/spaces.

As part of the refocus initiative, the AHS workforce, programs, services as well as beds and spaces will be managed by one of the four new provincial health agencies.

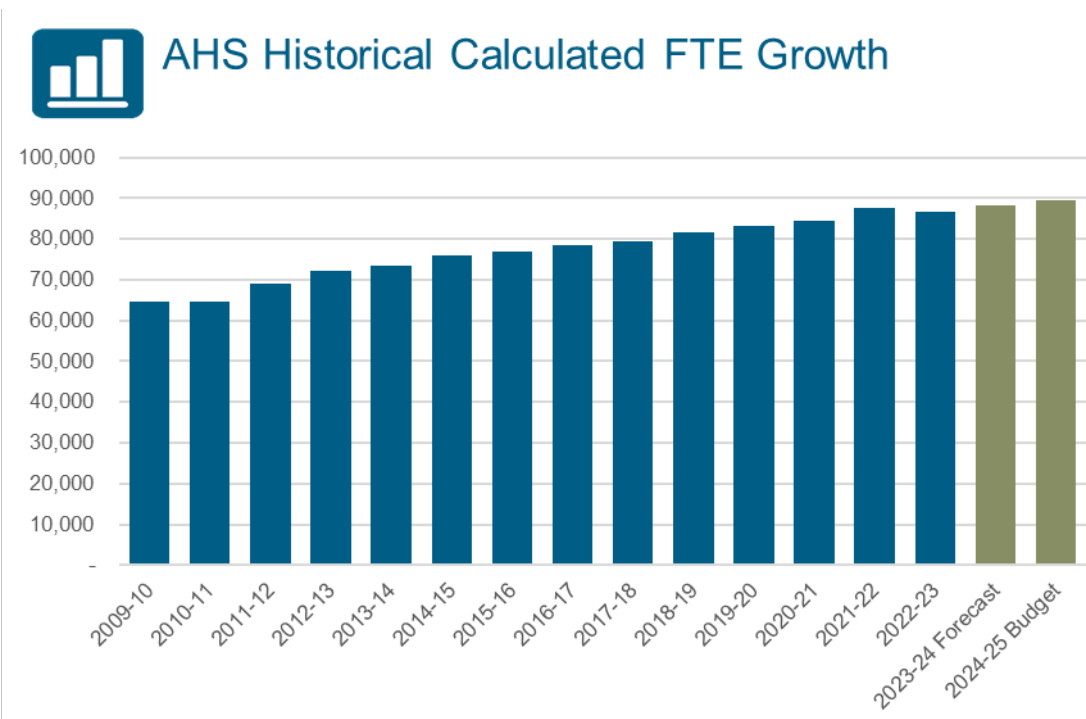
Calculated Full-Time Equivalents

Calculated Full-Time Equivalents (FTEs) measure the total workload required to address the demands placed on the AHS system compared to the workload of a full-time employee. FTE is the total number of paid hours (including regular hours, overtime, relief, and paid time off), divided by the annual hours of a full-time employee (2,022.75). An increase in calculated FTEs indicates that more hours and people are required to provide services.

In 2021-22, an increased number of temporary and casual employees were hired to support contact tracing, Health Link, assessment and vaccination centres, and patient care due to the COVID-19 pandemic.

In 2024-25, AHS and its subsidiaries will budget for 89,580¹ calculated FTEs, an increase of 1.9 per cent over the 2023-24 budget, including an additional 2,020 FTEs related to the community lab transition. This excludes increases related to Covenant Health and other contracted providers.

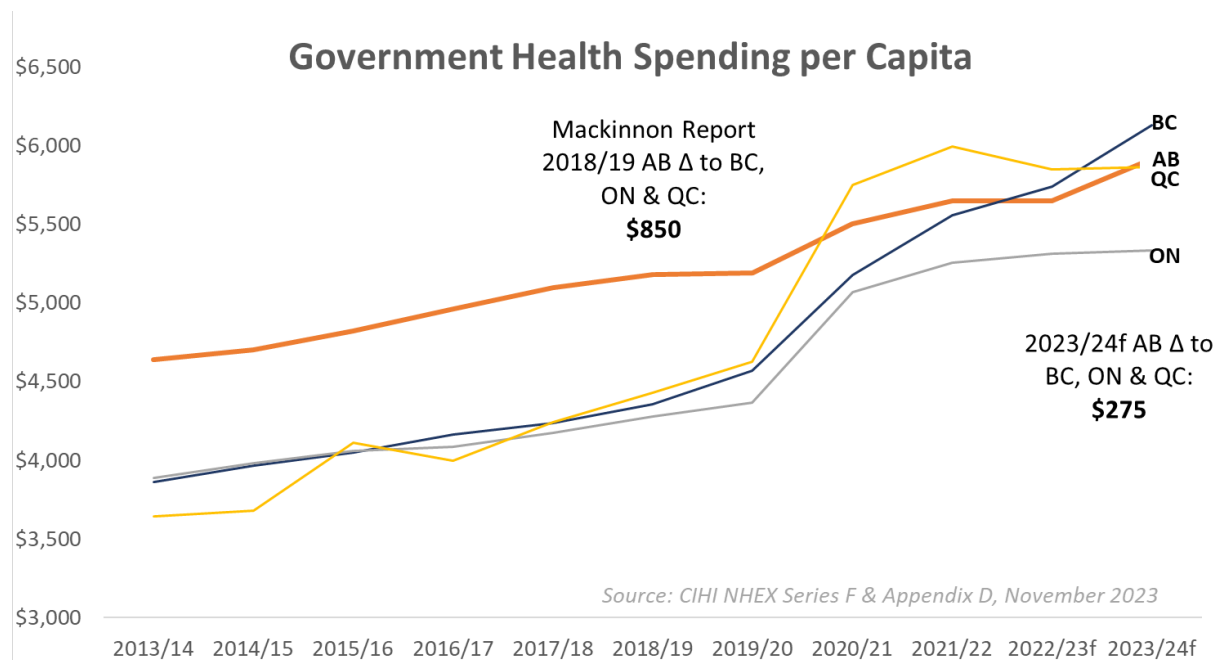
As part of the Government’s refocus, approximately 130 positions have transferred to Alberta Health. Positions were identified based on the function of the role and the operational work that is moving to Alberta Health. Due to timing, the impact of these transfers and any future transfers are not reflected in AHS’ 2024-25 FTE budget.



¹ FTEs have been estimated and do not include the potential impacts of the healthcare refocus which may include positions transferring to Alberta Health.

Expense Growth

Alberta's population continues to grow and is expected to be over five million by 2027 and over seven million by 2051. Alberta's population is also aging and living longer, and on average, Albertans use more healthcare per person compared to previous generations. Alberta is a vast province with many people living in rural and remote areas. To support the health needs of the population, expenses will increase across all areas of the healthcare system.



Financial Performance

Using the Canadian Institute for Health Information (CIHI) National Health Expenditure Report (NHEX), it is possible to benchmark Alberta's provincial government spending against other provinces. While Alberta once had one of the highest provincial cost per capita spend in Canada, this is no longer the case. CIHI is now forecasting Alberta to have the sixth highest expenses in 2023-24, with the per capita spend being lower than that of British Columbia. Since 2017, the cost per capita between Alberta and comparator provinces (British Columbia, Ontario, and Quebec) as reported in the Mackinnon Pannel Report has reduced significantly. In 2019/20, Alberta's per capita gap was \$826 and for 2023-24 it is expected by CIHI to be \$275. [Source: NHEX 2023 series f].

Wages and Inflation

As a public sector organization, AHS works with government to continue to find ways to manage costs while providing safe, quality care for Albertans. AHS' largest financial commitment (52 per cent of the total budget) is workforce compensation. This does not include employees who work for contract providers.

AHS' salaries and benefits expenses will increase in 2024-25. This is mainly due to increased wages related to collective agreements for the 92 per cent of AHS' workforce that is unionized. All of AHS' collective agreements expired on March 31, 2024 and bargaining with the United Nurses of Alberta (UNA), Health Sciences Association of Alberta (HSAA), Alberta Union of Provincial Employees (AUPE) General Support Services and AUPE Auxiliary Nursing, and Alberta Union of Nurse Practitioners (AUNP) occur during 2024-25. AHS strives to compensate its employees in a fair, competitive, and fiscally responsible manner to ensure it can continue to attract well-qualified clinical and support healthcare staff across all parts of the organization.

AHS' salaries and benefits expense will increase \$527 million due to increasing wages and demand for health care services resulting in the utilization of overtime and agency nursing staff. The cost of benefits is also going up due to increased utilization and inflation in health and dental plans, increases in the Local Authorities Pension Plan (LAPP) expenses, and the implementation of the second Canada Pension Plan (CPP) enhancement which begins in 2024.

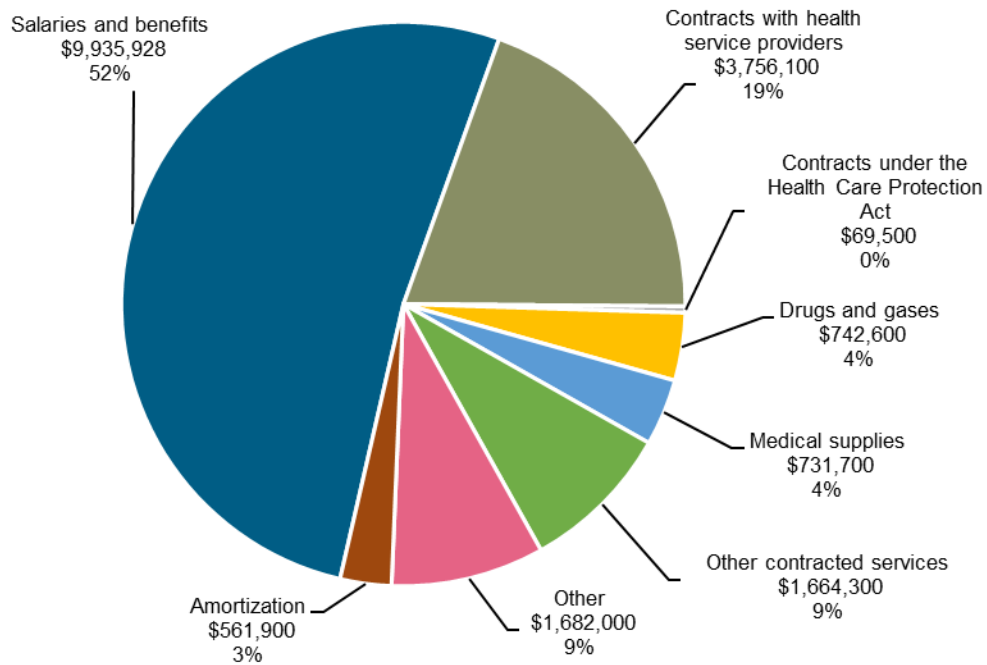
As wages increase for AHS employees, they also increase for those employed by contracted providers, including Covenant Health, continuing care, home care, mental health and addiction, Emergency Medical Services, housekeeping services, and protective services. Also, due to higher inflation rates, AHS is experiencing higher costs related to drugs, medical supplies, utilities, leases, insurance, and food. These increases are more closely linked to the Consumer Price Index and global inflation pressures.

Amortization expenses are also increasing as they represent the cost of assets spread out over their expected useful lives. As AHS replaces clinical equipment and invests in new equipment facilities to support projects such as Connect Care and the Continuing Care Capacity Plan, costs grow.

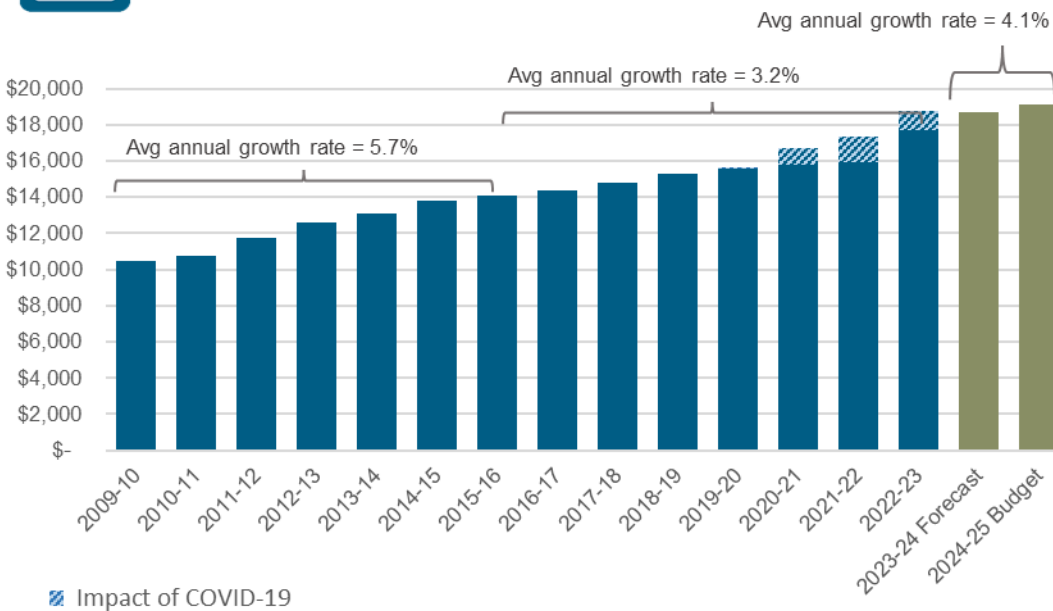
Between 2023-24 and 2024-25, AHS annual expenses will increase by 3.6 per cent. Wage, inflationary, and population growth increases are projected to be higher than the 3.6 per cent funding available. Program reviews and efficiencies are required in order to achieve a balanced budget.



AHS 2024-25 Expenses by Object



AHS Historical Expense Growth



Program Review and Efficiencies

It is important that AHS' financial resources are being utilized to provide patient-focused, quality health services that are accessible and sustainable for all Albertans. AHS is focused on managing spending in a prudent manner while ensuring efficient use of resources and ensuring Alberta's health care system is sustainable, both immediately and long-term.

To achieve a balanced budget for 2024-25, AHS will need to reduce spending across all functions. AHS will work hard to implement program reviews and service efficiencies without negatively impacting the delivery of quality care to patients. AHS' adaptability and focus on innovation will allow us to deliver the highest quality of care in a sustainable fiscal environment. AHS will work to effectively manage overtime, vacancies, and agency staff usage; limit discretionary spending; and implement program reviews.

AHS is also focused on reducing future costs (i.e. cost avoidance) through initiatives such as clinical appropriateness and reduction of clinical variation. As activity increases in future years, these initiatives will enable AHS to free up capacity to support system demands. The combination of hard savings and future cost avoidance are critical to achieving financial sustainability.

AHS has achieved savings a number of times including the most recent AHS Performance Review and continues to be focused on implementing initiatives in corporate functions including managing discretionary spending and innovative technologies such as automation in back-office functions and robotics process automation.

2024-25 Budget

In 2024-25, total revenues and expenses will be \$19,144 million, an increase of 3.6 per cent, over the prior year budget.

(\$ in thousands)	2023-24 Budget	2024-25 Budget	Change	% Change
Alberta Health transfers	16,906,949	16,358,552	(548,397)	-3.2%
Other government transfers	470,718	1,652,176	1,181,458	251.0%
Other revenue	1,092,800	1,133,300	40,500	3.7%
Total revenue	18,470,467	19,144,028	673,561	3.6%
Continuing care	1,373,300	1,425,800	52,500	3.8%
Community care	2,073,700	2,132,200	58,500	2.8%
Home care	902,800	930,200	27,400	3.0%
Acute care	5,788,067	6,081,528	293,461	5.1%
Emergency medical services	741,400	735,400	(6,000)	-0.8%
Diagnostic and therapeutic services	2,872,000	2,956,600	84,600	2.9%
Population and public health	500,200	420,900	(79,300)	-15.9%
Research and education	363,500	378,400	14,900	4.1%
Information technology	775,000	804,300	29,300	3.8%
Support services	2,539,200	2,713,800	174,600	6.9%
Administration	541,300	564,900	23,600	4.4%
Total expenses	18,470,467	19,144,028	673,561	3.6%
Annual surplus (deficit)	-	-	-	-

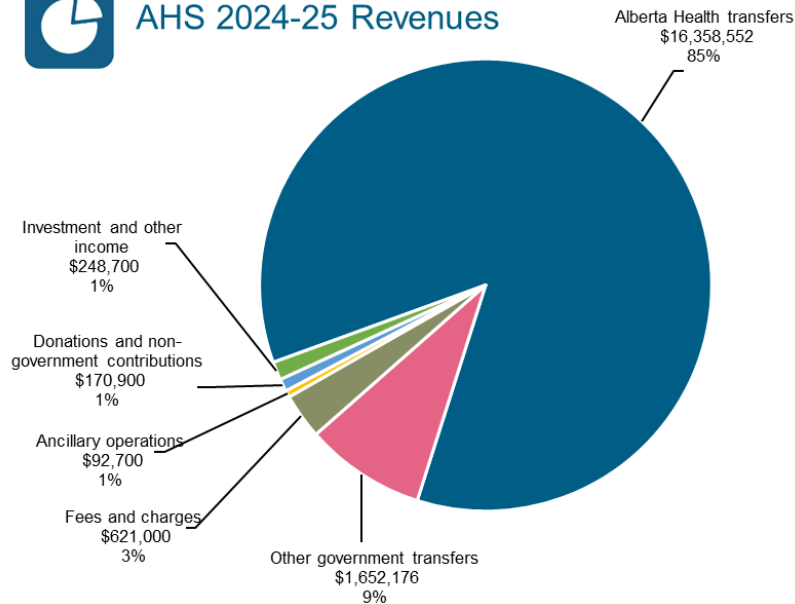
Revenues

Alberta Health funding accounts for 85 per cent of AHS' total budget. In 2024-25 AHS will also receive 6.5 per cent of its funding from the Ministry of Mental Health and Addiction. Other funding sources include other government transfers, fees and charges, ancillary operations, donations and non-government contributions, and investment and other income.

Wherever possible AHS is exploring opportunities to maximize revenues including advertising, commercialization of learning and other retail opportunities. AHS is also focused on fully recovering the costs of billable health services wherever applicable. This includes initiatives pertaining to inpatient per diem rates, outpatient fees, and interprovincial reciprocal billing agreements related to patients living in other provinces receiving healthcare in Alberta.



AHS 2024-25 Revenues



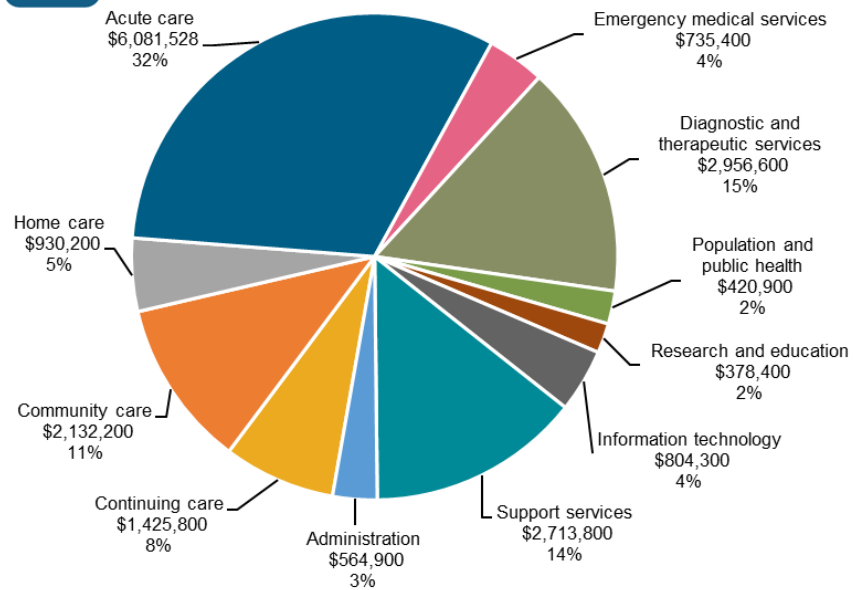
Expenses

Expenses by function represent AHS' major distinguishable activities and services. The overall distribution of expenses by function does not significantly change year-to-year.

A glossary of financial statement definitions can be found at the end of this Business Plan.



AHS 2024-25 Expenses by Function



Acute Care

Acute care is a component of healthcare where an individual receives active, but short-term treatment for a severe injury or episode of illness. This includes medical, surgical, intensive care, obstetrics, pediatrics, mental health, emergency, and clinic activities. These services are delivered in inpatient, outpatient, and chartered surgical facilities.

Salaries and benefits make up 55 per cent of acute care costs, contracted service providers make up 20 per cent, and drugs, supplies, other expenses, and amortization make up the remaining 25 per cent.

In 2024-25, AHS will spend \$6,082 million on acute care to support current and new activities described below, including an additional \$223 million for salaries, benefits, and contract inflation.

Acute Care Capacity and Emergency Department Flow

In 2022-23, AHS operated 106 hospitals, five stand-alone psychiatric facilities, and 8,605 acute care beds. AHS also saw 2,000,000 emergency department visits, 224,000 urgent care visits, and more than 46,000 births in 2022-23.

With the improvements the Government of Alberta is making in continuing care, mental health and primary care, AHS expects that the flow in, through, and flow out of the emergency departments will improve in the upcoming years. AHS will provide quality emergency care until the patient is discharged or admitted to an appropriate care setting. Appropriate use of acute and community care services is needed to increase efficiency throughout the continuum of care. The goal is to avoid patients waiting in emergency departments for hospital beds and hospitalized patients waiting for care beds delivered in a community-based setting.

Joint work is also underway with AHS, Ministries of Health, Seniors, Community and Social Services and Mental Health and Addictions to reduce the number of patients in acute care who no longer require acute care, otherwise known as Alternative Level of Care / ALC patients. This joint work includes but is not limited to addressing barriers to discharge e.g., finances and expanding community living options.

Alberta Surgical Initiative

In 2024-25, AHS will continue to focus on scheduled surgery wait time reductions and implementation of the Alberta Surgical Initiative. The Alberta Surgical Initiative has been developed to improve access, quality, and efficiency in surgery. AHS will spend an additional \$25 million in acute care to support increased surgical activity targeted at reducing wait times

and improving patient safety and quality. AHS will maintain 310,000 surgical procedures (same as 23/24) including 60,000 procedures done by contract surgical facilities.

Cancer Care

The Arthur JE Child Comprehensive Cancer Centre will be a centre of excellence in Alberta, consolidating the delivery of most cancer services within the Calgary Zone into this new facility. Full implementation of services will be phased over several years. AHS assumed ownership of the building in November 2022 and will be open to clinical services in 2024-25. As the incidence of cancer continues to increase, provincial planning for cancer prevention and treatment is required more than ever to positively impact the system and patient outcomes across Alberta.

AHS will spend \$65 million in 2024-25 as this world class facility opens in October 2024, including investments to increase day medicine beds, oncology inpatient capacity, systemic and radiation therapy treatment spaces, urgent assessment capacity, and ocular brachytherapy.

Emergency Medical Services

Emergency medical services include activities related to ground ambulance, air ambulance, inter-facility transfer of patients and central dispatch. AHS Emergency Medical Services also supports community paramedic programs as well as other programs that support the learning, development, quality, and safety of professionals.

Salaries and benefits make up 52 per cent of emergency medical services costs, contracted service providers make up 35 per cent, and drugs, supplies, other expenses, and amortization make up the remaining 13 per cent.

In 2024-25, AHS will spend \$735 million to support current and new activities described below, including an additional \$12 million for salaries, benefits, and contract inflation. The slight decrease from the prior year budget is mainly due to a reallocation of costs related to EMS initiatives that belong in other functions (i.e. support services and administration).

Emergency Medical Services Capacity

In 2024-25, AHS projects there will be 725,000 emergency medical services events – approximately the same number as the prior year.

A strategic priority for AHS is to improve emergency medical services response times for Albertans who need urgent healthcare. This will be informed by input from recent advisory reports. AHS continue to invest in key initiatives, including maintaining increased system capacity, managing event demand, and supporting the workforce.

Ambulances

AHS and contract providers have over 950 ambulances and other emergency vehicles on the road at any given time in Alberta. AHS must regularly replace its fleet to mitigate risks of decreased safety and reliability, and increased downtime and operating costs. New and replacement ambulances are included in AHS' capital budget, as well as capital grant funding from Alberta Health for ambulance purchases of \$15 million in 2024-25, an increase of \$10 million from the prior year.

Diagnostic and Therapeutic Services

Diagnostic and therapeutic services support and provide care for patients through clinical laboratories, diagnostic imaging, pharmacy, acute and therapeutic services such as physiotherapy, occupational therapy, respiratory therapy and speech language pathology.

Salaries and benefits make up 66 per cent of diagnostic and therapeutic services, contracted service providers make up 19 per cent, and drugs, supplies, other expenses and amortization make up the remaining 14 per cent.

In 2024-25, AHS will spend \$2,957 million to support the current and new activities described below. With this increase, AHS will complete an additional 11,000 MRI exams, 25,000 CT exams, 286,000 X-rays, and eight million laboratory tests. An additional \$124 million will be spent on salaries, benefits, and contract inflation.

Diagnostic Imaging

AHS continues to invest in the CT and MRI Action Plan to address growing demand, manage wait times, and manage rising costs. In 2024-25, AHS will invest an additional \$15 million to help support CT scans and MRI scans for Albertans.

Pharmacy Services

Pharmacy Services is a provincial program dedicated to optimizing health outcomes for patients through safe, effective, and sustainable medication management. In 2024-25, pharmacy services will continue the efforts made in the prior year to improve patient flow through the emergency departments. These resources have taken over certain care responsibilities which has freed up physician and nursing staff to focus on their areas of expertise. This approach helps facilitate staff to use their full scope of practice.

Construction for the Central Production Facility in Edmonton began in 2023 and is expected to be completed by 2025. This facility will centralize drug compounding and distribution for Northern Alberta, will enhance patient care and safety, and provide patients with improved

access to the medications they need. Pharmacy services will continue to add resources in 2024-25 to plan and prepare for this facility.

Community Laboratory Transition

During 2023-24, AHS, through Alberta Precision Laboratories, became the sole provider of community laboratory services in Alberta to improve service delivery to Albertans.

As a result of insourcing community laboratory services, the various costs that were previously recorded in as contracts with health service providers have been reclassified into the categories based on type of cost within AHS' 2024-25 budget (i.e. salaries & benefits, other contracted services, other, amortization) and some costs previously recorded in diagnostic and therapeutic services have been reclassified to the appropriate function (i.e. support services, administration).

Continuing, Community and Home Care

Continuing and community care refers to the services provided to those who need continuing and community home services including type A (formerly long-term care), type B (formerly designated supportive living), type C (formerly palliative and hospice care), and other community programs. It also includes psychiatric care in facilities and community mental health programs. Home care refers to the services provided to those who need home nursing and home support.

Salaries and benefits make up 37 per cent of continuing, community and home care, contracted service providers make up 58 per cent, and drugs, supplies, other expenses, and amortization make up the remaining four per cent.

In 2024-25, AHS will spend \$2,957 million to support current and new activities described below, including opening an additional 60 type A continuing care home beds/spaces, 340 type B continuing care home beds/spaces, and 220 community mental health beds and other spaces. An additional \$135 million will be spent on salaries, benefits, and contract inflation.

Continuing and Community Care Capacity

In 2022-23, AHS operated 16,106 type A continuing care home beds/spaces, 12,837 type B continuing care home beds/spaces, and 1,095 community mental health beds.

AHS must increase the number of type A and type B continuing care home beds/spaces annually to ensure that the increasing number of Albertans requiring continuing care receive the care they need in the most appropriate setting. If there are not enough beds and spaces in continuing care settings, Albertans end up in hospital beds, creating pressure on the acute care system. In 2024-

25, AHS will spend an additional \$50 million across all functions (\$42 million in continuing and community care alone) to support new beds and spaces.

Continuing Care Transformation

A new Continuing Care Act was developed in 2023-24 and numerous recommendations are currently being implemented based on the Facility-Based Continuing Care Review, the Home Care Path Forward Strategy, and the Palliative Care Review. These transformational initiatives will allow more Albertans to receive palliative and end-of-life care at home, increase supports for caregivers, increase the hours of care for residents, and increase choice for patients. AHS will spend an additional \$58 million in continuing, community, and home Care in 2024-25 to continue to support this Continuing Care Transformation.

Home Care

In 2022-23, AHS supported 126,400 home care clients. Home care provides an alternative option to patients who might otherwise be in acute or continuing care facilities. AHS will maintain home care hours provided to support home care demand. By providing access to home care services and enabling more complex patients to stay at home, admission to facility-based services can be delayed or even avoided. In 2024-25, AHS will maintain spending on home care initiatives, including annualized funding for Home Care Health Care Aid & Licensed Practical Nurse wage alignment and Home Care in congregate living environments.

Community Mental Health and Addiction

AHS is committed to improving sustainability and integration of mental health and addiction in communities across the service continuum. AHS is working with the Ministry of Mental Health and Addiction to offer a range of community-based services, supports and treatments and implement initiatives that will increase capacity and access, and improve health and quality of life.

In 2024-25, AHS will receive a significant portion of funding directly from the Ministry of Mental Health and Addictions (offset by a reduction to Alberta Health transfers), including an additional \$15 million to support initiatives such as designing and implementing standardized mental health and addiction models of care, enhancing existing virtual mental health and addiction tools to facilitate implementation of a recovery-oriented system of care, and strengthening the integration and coordination of child and youth mental health and addiction services.

Announced on April 2, 2024, a new entity, Recovery Alberta, will be charged with delivering the mental health and addictions services currently being run by AHS. Operations are expected to move from AHS to the newly formed Recovery Alberta sometime in spring 2024 after legislation has passed.

Population and Public Health

Population and public health are the best defense against illness and injury. This includes health promotion, disease and injury prevention and health protection.

Salaries and benefits make up 76 per cent of population and public health, contracted service providers make up 11 per cent, and drugs, supplies, other expenses, and amortization make up the remaining 13 per cent.

In 2024-25, AHS will spend \$421 million to support current and new activities described below. The decrease in spending from 2023-24 is expected due to a reduction in drug costs, mainly related to children's medication purchase in the prior year as described below.

Public Health

Investment in health promotion, disease and injury prevention, and improving access to care for all Albertans can create a healthier population and decrease the amount we spend on treating illnesses.

AHS is working with communities, workplaces and schools to assist with the implementation of evidence-informed strategies to address local public health priorities. This includes evidence-informed interventions that support cancer screening, physical activity, healthy eating, mental health, tobacco reduction, alcohol reduction, and ultraviolet radiation protection.

AHS is committed to meeting the unique needs of specific populations and works to help address the social determinants of health so individuals, families, and communities can achieve their health goals. The AHS Indigenous Health Commitments: Roadmap to Wellness was approved in 2020 and outlines AHS' commitments to working with Indigenous peoples to help achieve health equity.

Children's Medication

In early 2023, Canada was experiencing supply challenges of children's analgesics (acetaminophen and ibuprofen). Domestic manufacturers were unable to keep up with demand. Supply through distributors was limited by imposed purchasing limits. It was in that context that prudent and proactive decisions were made with the objective of avoiding a complete shortfall in essential medications that would adversely impact patient care.

Due to increased utilization during the 2023-24 respiratory virus season and valuation adjustments of the current supply, AHS does not anticipate future expenses related to these drugs in 2024-25 and therefore the drugs budget has been reduced and a portion was reallocated to acute care.

Research and Education

AHS funds graduate medical education and formally organized health research. We collaborate with academic staff at the Faculty of Medicine and Dentistry at the University of Alberta and the Cumming School of Medicine at the University of Calgary to train the next generation of physicians. AHS also works closely with its university partners in supporting research activities that help create solutions to today's healthcare challenges.

Salaries and benefits make up 53 per cent of research and education, contracted service providers make up 38 per cent, and drugs, supplies, other expenses, and amortization make up the remaining 9 per cent.

In 2024-25, AHS will spend \$378 million to support current and new activities described below.

Physician Grants

AHS collaborates with the universities on many different research areas including cancer research, cardiac research, orthopedic research, and research related to infectious diseases and neurology.

AHS and its partners continue to support high-quality medical education, as well as research and innovation in the health system – for the benefit of all Albertans. An additional \$18 million will be spent in 2024-25 on physician related initiatives, as supported by increased grant funding from Alberta Health.

Support Services

The health system runs 24 hours a day, 365 days a year and has ongoing costs required to support day-to-day operations. AHS support services include expenses related to building maintenance operations (including utilities), materials management, housekeeping, patient registration, health records, food services and emergency preparedness. Any increases or changes to healthcare services have an impact on support services.

Salaries and benefits make up 47 per cent of support services, contracted service providers make up 15 per cent, utilities and rent make up 12 per cent, and drugs, supplies, other expenses, and amortization make up the remaining 26 per cent.

In 2024-25, AHS will spend \$2,714 million to support these current and new activities described below, including an additional \$161 million for salaries, benefits, and contract inflation and an additional \$45 million will be spent on support services for initiatives impacting acute care, Emergency Medical Services, continuing, community and home care, and diagnostic and therapeutic.

Facility Maintenance and Upgrades

AHS owns and leases over 900 buildings across the province which is equal to about 5.2 million square meters of space that needs to be cleaned, heated, and maintained. This excludes additional spaces such as surface parking, pedways, heliports, and tunnels that also require ongoing maintenance.

Funding for various maintenance, renewal and upgrade projects comes from various sources including foundations and government grants including the Capital Maintenance and Renewal program. This funding supports numerous projects including roof repairs, electrical and mechanical upgrades, building service updates (such as boilers, chillers, and elevators), various security systems and several functional projects to meet the changing needs of patient experiences in AHS facilities.

Amortization expense has increased by \$34 million across all functions (\$31 million in support services alone) due to new facilities, including the Norwood and Bridgeland Continuing Care Centre, the Foothills Medical Centre (FMC) Power Plant and Arthur JE Child Comprehensive Cancer Centre, as well as the addition of new equipment, including those purchased for the Arthur JE Child Comprehensive Cancer Centre.

Information Technology

Information Technology (IT) touches almost every aspect of AHS. AHS' goal is to make sure information is available across the health system, so that healthcare providers can rely on the data to make meaningful decisions and patients can assume greater responsibility for their own care. Up-to-date, reliable information and timely, evidence-based decision support contribute to more consistent patient care, fewer delays and effective transitions between care providers.

AHS operates and maintains information technology assets worth approximately \$600 million in net book value, which are regularly refreshed and updated so that Albertans' health information is kept safe and secure.

Salaries and benefits make up 45 per cent of information technology, contracted service providers make up 16 per cent, and supplies, amortization and other make up the remaining 39 per cent.

In 2024-25, AHS will spend \$804 million to support current and new activities described below, including an additional \$37 million on salaries, benefits, contract inflation.

Connect Care

Connect Care is an electronic clinical information system, that will directly impact everyone who provides patient care within AHS. It will house all AHS and affiliate medical records, and all

information needed to support care wherever Connect Care is the record of care. Patients will also be able to access their health information through Connect Care's patient portal, MyAHS Connect. The project is expected to be completed in 2024-25 at a total cost of \$1.5 billion (operating and capital).

AHS is realizing the benefits of a single provincial clinical information system by having more consistent and improved access to information and improved workflows ultimately resulting in improved patient outcomes and clinical efficiency. Closing the gap between information technology and service delivery has become critical in delivering high performing and quality healthcare.

Transitioning to a single provincial clinical information system has introduced new requirements for clinical informatics support at an operational level including the need for ongoing training resources. In addition, the need for post-implementation evaluation, optimization, and customization has increased to support clinical best practices and meet quality, benefits realization, and accreditation requirements.

Once fully implemented, AHS' digital health budget will represent approximately 3.5 per cent of total expenses. This is lower than other comparable Health Care Information and Management Systems Society (HIMMS) Stage 6 organizations (Source: Gartner). In 2024-25, AHS will also spend \$80 million to support the new requirements of having a single provincial information system including the need for training resources, post-implementation evaluation, optimization, and customization that support clinical best practices.

AHS continues to implement the numerous benefits realization initiatives that are focused on realizing the expected quality, clinical, and financial benefits from the implementation of Connect Care including system decommissioning.

Administration

In addition to support and IT services, AHS has administration costs related to human resources, finance, communications, and general administration required to operate one of the largest organizations in the country, as well as a share of administration for contracted health service providers.

Salaries and benefits make up 70 per cent of administration, contracted service providers make up 11 per cent, and supplies, other expenses, and amortization, make up the remaining 19 per cent.

In 2024-25, AHS will spend \$565 million to support current and new activities described below, including an additional \$39 million on salaries, benefits, and contract inflation.

Administration Performance Indicator

The Canadian Institute for Health Information (CIHI) reports the corporate services expense ratio as a financial performance indicator based on administration expense as a percentage of total expenses. AHS' indicator in 2021-22 was 2.7 per cent compared to a national average of 4.3 per cent, making Alberta the lowest in the country. AHS continues to look for ways to ensure administrative systems and processes are as efficient and effective as possible, while spending in areas such as quality initiatives, and research and innovation.

Human Resources Capacity

AHS is focused on creating a positive recruitment brand and establishing ourselves as an employer of choice by leveraging competitive wages and benefits, offering meaningful career growth and promoting the advantages of living in Alberta.

AHS' workforce is critical for responding to unprecedented healthcare challenges in 2024-25 and beyond. AHS will proceed with several initiatives to foster a strong and resilient workforce aligned with organizational priorities. This includes continuing to collaborate with Alberta Health on revising and implementing the Health Workforce Strategy (2023 – 2026) that will invest in workforce forecasting models and integrated workforce planning to inform priorities for AHS' workforce.

Enhanced or new programs, processes and supports are planned in the areas of recruitment, optimization, and retention, as well as employee engagement, workplace health, safety, and wellness. AHS is expediting the process for Internationally Educated Nurses through interjurisdictional partnerships, rapid recruitment pathways and integration planning. AHS is spending an additional \$8 million in 2024-25 to support these initiatives.

Capital

In 2024-25, AHS will spend \$231 million in internally funded capital assets to support the maintenance and replacement of clinical equipment (such as infusion pumps, defibrillators, and heart/lung bypass machines) and ambulances, the maintenance of facilities and parkades, and the ongoing implementation of Connect Care.

AHS will also spend \$172 million (funded externally by Alberta Infrastructure) on facility maintenance and renewal and \$107 million (funded externally by Alberta Health) on tangible capital asset expenditures related to:

- The Medical Equipment Replacement and Upgrade Program (MERUP);
- The Alberta Surgical Initiative Capital Program;

- The Rural Alberta Health Facilities Capital Program;
- Electronic Health Records
- Hospital System Capacity – Expand ICU Capacity;
- The EMS Vehicles Capital Program; and,
- The National Association of Pharmacy Regulatory Authorities (NAPRA).

Looking Ahead

The Government is refocusing Alberta’s healthcare system with the goal to improve health outcomes for Albertans and empower healthcare workers to deliver quality care across the province.

As part of the refocus work in 2024-25, Alberta Health is creating four new provincial health agencies that will provide oversight and coordination of service delivery to improve health outcomes and access, provide seamless care between different healthcare providers, improve local decision-making, and prioritize the wellbeing and expertise of health care workers.

The four new provincial health agencies are described as follows:

- Recovery Alberta: Mental Health & Addiction Services (Summer 2024) will be responsible for the delivery of mental health, addiction, and correctional health services currently provided by AHS. It will focus on recovery-oriented care for Albertans, delivering services that span prevention, intervention, treatment, and recovery supports. It will work with other service delivery providers in the province to support every Albertan struggling with mental health and/or addiction challenges in their pursuit of recovery, ensuring access to a full continuum of treatment and recovery-oriented supports across Alberta.
- The Continuing Care provincial health agency (Fall 2024) will provide oversight and coordination of service delivery across the spectrum of continuing care, including continuing care homes and home and community care. It will focus on achieving equitable, consistent, and timely access to continuing care supports and services through a single, coordinated intake approach, increasing the number and geographic distribution of spaces to meet the needs of Albertans, and improving team-based cross-sector care by leveraging other health and social services.
- The Primary Care provincial health agency (Fall 2024) will coordinate primary health-care services and provide transparent provincial oversight. It will focus on ensuring all Albertans are attached to a family physician or a nurse practitioner, providing timely

access to high-quality primary care services and supporting an integrated team of health professionals to provide comprehensive primary care with appropriate access to patient health information.

- The Acute Care provincial health agency (Fall 2024) will oversee the delivery of acute care including care delivered in all hospitals, urgent care, chartered surgical facilities, emergency medical services (EMS), and cancer care. It will work directly with acute care service delivery providers including AHS, Covenant Health and chartered surgical facilities to reduce wait times for emergency departments, reduce wait times for surgeries, lower EMS response times and improve quality of acute care across the province.

Financial Sustainability

AHS has an opportunity to transform the delivery of healthcare while improving quality and enhancing patient care. To ensure quality of care for generations to come, AHS must focus on financial sustainability.

As a commitment, AHS will focus on improving capacity and patient flow through the acute care system. AHS will allow for increased choice for patients in continuing care to align with patient and family-centred care. AHS will also ensure preparedness for future communicable diseases. AHS is committed to listening to staff, addressing burnout, and reducing high volumes of turnover to build a workforce model that anticipates future demand.

AHS will increase the value that Albertans receive from each health dollar without compromising care.

AHS continues to compare healthcare delivery costs with those outside of Alberta and where AHS can do better, it is making changes, improving practices, and reducing costs without impacting quality.

To support system transformation and increase system sustainability, AHS encourages teams to deliver on innovative projects and implement additional savings strategies.

AHS will continue to increase the value of every dollar Albertans invest into healthcare through innovation and initiatives that support a more efficient healthcare system. But AHS can only succeed with the collaboration and engagement of stakeholders including Albertans, employees, physicians, other healthcare providers, and the Government of Alberta.

EXPENSE BY FUNCTION DEFINITIONS

Appendix A

These expense by function definitions are based on the national standards from the Canadian Institute for Health Information (CIHI) and are in accordance with the financial directives issued by Alberta Health.

Continuing Care

Comprised of type A continuing care homes (formerly long-term care), including chronic and psychiatric care in facilities operated by AHS and contracted providers.

Community Care

Includes type B continuing care homes (formerly supportive living), type C continuing care homes (formerly palliative and hospice care), and community programs, including Primary Care Networks, Family Care Clinics, urgent care centres and community mental health. This segment excludes community-based dialysis, oncology and surgical services.

Home Care

Comprised of home nursing and support.

Acute Care

Comprised predominantly of patient care units, such as medical, surgical, intensive care, obstetrics, pediatrics, mental health, emergency, day/night care, clinics, day surgery and contracted surgical services. This segment also includes operating and recovery rooms.

Emergency Medical Services

Comprised of ground ambulance, air ambulance, patient transport and central dispatch. AHS also supports community paramedic programs that support the learning and development, quality and safety of EMS professionals.

Diagnostic and Therapeutic Services

Comprised of clinical lab (both in the community and acute settings), diagnostic imaging, pharmacy, acute and therapeutic services, such as physiotherapy, occupational therapy, respiratory therapy and speech language pathology.

Population and Public Health

Comprised primarily of health promotion, disease and injury prevention, health protection, immunizations, traveler's health clinics, screening programs, and disease surveillance. This segment excludes activities associated with treatment of communicable diseases.

Research and Education

Comprised primarily of costs pertaining to formally organized research and graduate medical education, primarily funded by donations and third-party contributions.

Information Technology

Comprised of costs pertaining to the provision of service and consultation in the design, development, implementation of technology services and systems.

Support Services

Comprised of building maintenance operations (including utilities), materials management (including purchasing central warehousing, distribution and sterilization), housekeeping, patient registration, health records, food services and emergency preparedness.

Administration

Comprised of human resources, finance, communications and general administration, as well as a share of administration of certain contracted health service providers. General administration includes senior executives and many functions, such as planning and development, quality assurance, patient safety, insurance, privacy, public relations, risk management, internal audit and legal.