Objective 8: Support financial sustainability through cost-saving initiatives and reduced expenditures.

Working as the regional health authority responsible for delivering services across the province, AHS is in a unique position to support the sustainability of healthcare service delivery. AHS remains committed to providing high-quality services, while maintaining strong fiscal stewardship of public resources.

PERFORMANCE RESULTS SUMMARY

Provincial
2021-22
Target: 3.9%

Annual Rate of Change in Operational Expenditures

This measure monitors the year-over-year change in operational expenditures (excluding COVID-19 expenses) which are expenses incurred during regular, day-to-day operation such as salaries, benefits, medical supplies and utilities. The **lower the percentage the better**, as it demonstrates lower expenditure growth over time. This measure is reported at the end of each fiscal year. Data will be available as of March 31, 2022.

Provincial
Q2YTD 2021-22
Trend: ↑

Cost of a Standard Hospital Stay

This measure monitors the cost-efficiency within hospitals by comparing a hospital's total acute inpatient care expenses to the number of acute inpatient cases, adjusting for differences in the type and acuity of inpatients treated. The **lower the value the better**, as it indicates that the cost of treating the average acute inpatient is relatively low. As of Q2YTD, the cost of a standard hospital stay ($8,972) improved by three per cent compared to the same period last year ($9,293).

Provincial
Q2YTD 2021-22
Trend: →

Acute Length of Stay Compared to Expected Length of Stay (ALOS:ELOS)

This measure monitors the number of acute days that a patient stays in an inpatient hospital compared to the length of stay that is expected based on factors such as patient age, diagnoses, and interventions. A **ratio of 1.0 represents a patient stay equal to the expected length of stay**. A ratio less than one indicates the acute stay was shorter than expected, and vice versa. As of Q2YTD, the ALOS:ELOS ratio (0.99) remained stable compared to the same period last year (0.98).

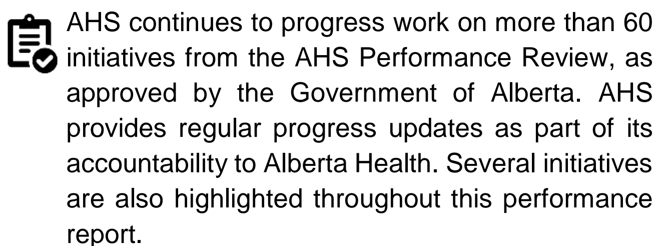
Provincial
Q1YTD 2021-22
Trend: ↑

30-day Overall Unplanned Readmissions

This measure monitors the percentage of patients that are unexpectedly readmitted to hospital within 30 days of discharge following medical, surgical, pediatric or obstetric care. The **lower the percentage the better**, as it demonstrates appropriate discharge planning and continuity of services. As of Q1YTD, the percentage of unplanned readmissions (9.1%) improved by four per cent compared to the same period last year (9.5%).

ACTIONS AND ACHIEVEMENTS

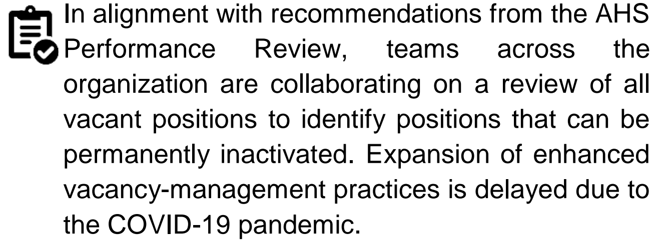
AHS strives to manage within its operating budget, excluding COVID-19 spending, by implementing savings initiatives.



AHS continues to progress work on more than 60 initiatives from the AHS Performance Review, as approved by the Government of Alberta. AHS provides regular progress updates as part of its accountability to Alberta Health. Several initiatives are also highlighted throughout this performance report.

- AHS is actively reviewing and terminating unneeded contracts and leases that have resulted from the implementation of remote staff work during the COVID-19 pandemic. In August 2021, AHS announced a hybrid strategy for long-term remote work based on best practice research and expert advice. Details regarding implementation and timelines continue to be developed.

Some of the ways AHS manages expenses is by limiting discretionary spending, managing vacant positions and achieving other efficiencies.

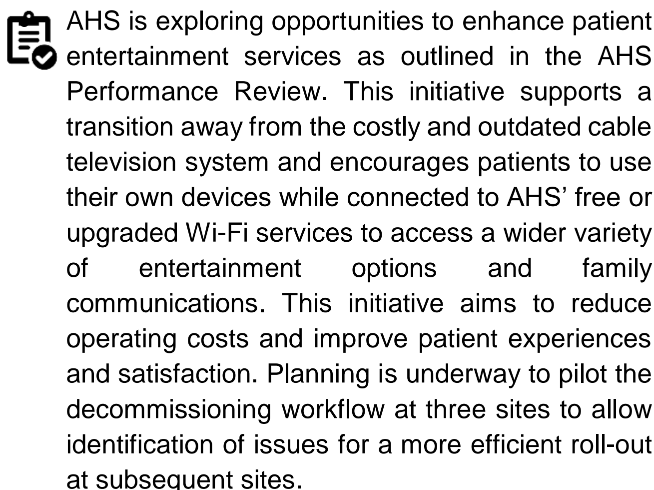


In alignment with recommendations from the AHS Performance Review, teams across the organization are collaborating on a review of all vacant positions to identify positions that can be permanently inactivated. Expansion of enhanced vacancy-management practices is delayed due to the COVID-19 pandemic.

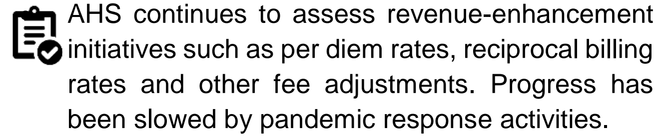
- AHS monitors discretionary expenses regularly across the organization. In the first half of 2021-22, an analysis of expenses was completed for fiscal years 2018-19 to 2020-21 comparing budget to actual figures. Overall, monthly results show positive results. The two areas with the most significant reductions are travel and education expenses.

AHS is exploring and pursuing revenue-generating initiatives to support organizational sustainability.

- In alignment with recommendations from the AHS Performance Review, opportunities to sell corporate advertising on both physical and digital properties are being explored. To date, zoning and bylaw assessments have been conducted for nine acute care sites with parkades across the province, with six sites showing potential for outdoor advertising. A digital advertising consultant has also been engaged to support the implementation of online ads on the AHS website.



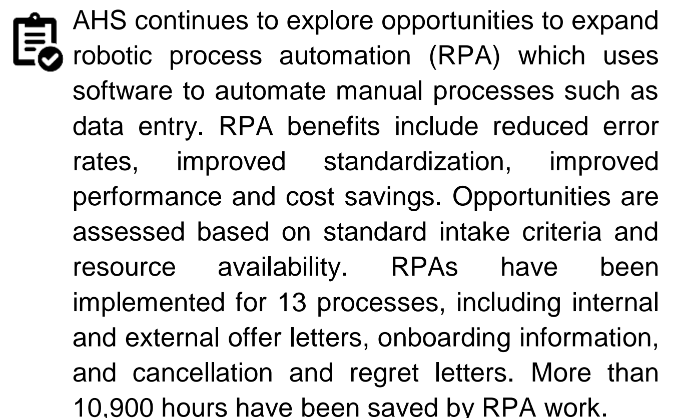
AHS is exploring opportunities to enhance patient entertainment services as outlined in the AHS Performance Review. This initiative supports a transition away from the costly and outdated cable television system and encourages patients to use their own devices while connected to AHS' free or upgraded Wi-Fi services to access a wider variety of entertainment options and family communications. This initiative aims to reduce operating costs and improve patient experiences and satisfaction. Planning is underway to pilot the decommissioning workflow at three sites to allow identification of issues for a more efficient roll-out at subsequent sites.



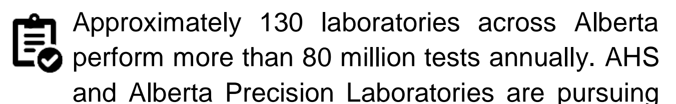
AHS continues to assess revenue-enhancement initiatives such as per diem rates, reciprocal billing rates and other fee adjustments. Progress has been slowed by pandemic response activities.

- On April 1, 2021, AHS implemented new inpatient per diem fees for 2021-22 and shifted from national rates to Alberta-specific rates for outpatient fees. As of Q2YTD, 2022-23 inpatient rates for acute care and mental health facilities have been completed. A review of outpatient rates is currently underway.
- The Interprovincial Health Insurance Coordinating Committee began reviewing AHS' recommendations to exclude ancillary operations from per diem rate calculations, adjust the chemotherapy visit fee, and include mental health facilities in the interprovincial hospital reciprocal billing scope.
- AHS Finance is collaborating with program areas on revenue-enhancement initiatives, including those related to the inclusion of telehealth visits into the reciprocal billing scope, elimination of inpatient high-cost drug cost recovery shortfall, and food permit fee increase.

AHS is actively pursuing opportunities for asset optimization, automation, contracting and outsourcing in operational areas across the organization.

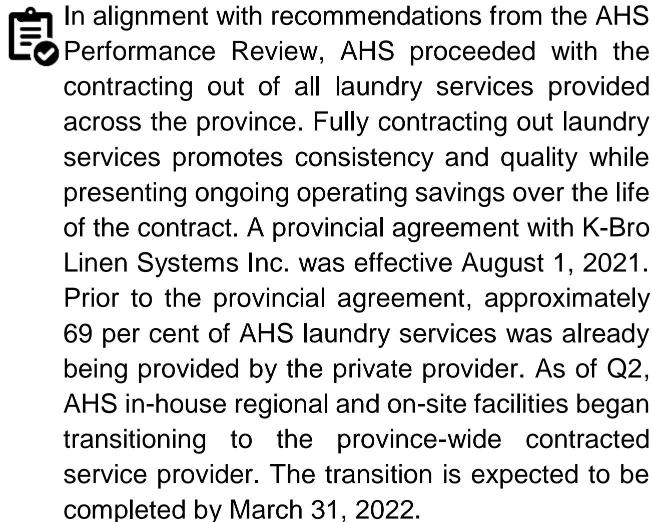


AHS continues to explore opportunities to expand robotic process automation (RPA) which uses software to automate manual processes such as data entry. RPA benefits include reduced error rates, improved standardization, improved performance and cost savings. Opportunities are assessed based on standard intake criteria and resource availability. RPAs have been implemented for 13 processes, including internal and external offer letters, onboarding information, and cancellation and regret letters. More than 10,900 hours have been saved by RPA work.

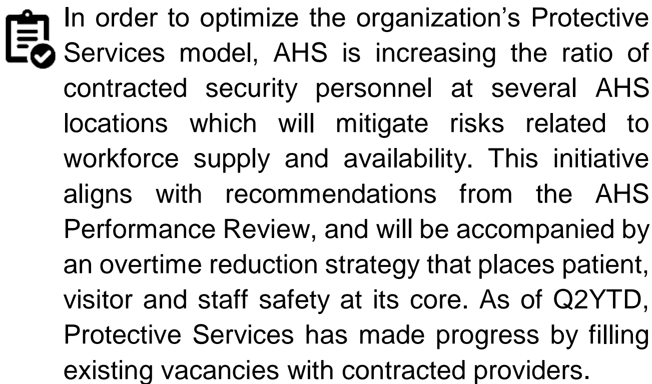


Approximately 130 laboratories across Alberta perform more than 80 million tests annually. AHS and Alberta Precision Laboratories are pursuing

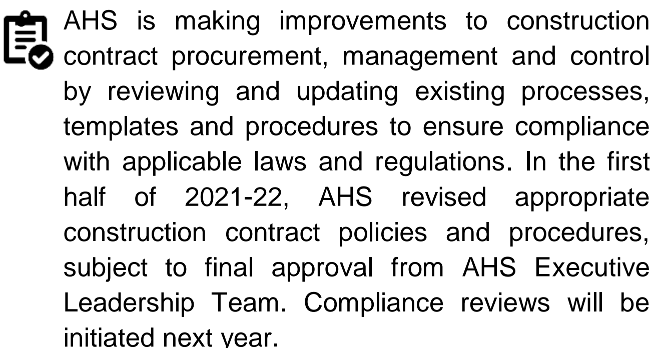
opportunities to contract out community laboratory services to a third-party provider to optimize services across the province. This model allows for consolidation of testing, where appropriate, to reduce redundancy and leverage benefits realized through economies of scale. In Q1 2021, AHS announced DynaLIFE Medical Labs as the preferred proponent. The current DynaLIFE agreement was extended to June 30, 2022 to allow for new contract finalization.



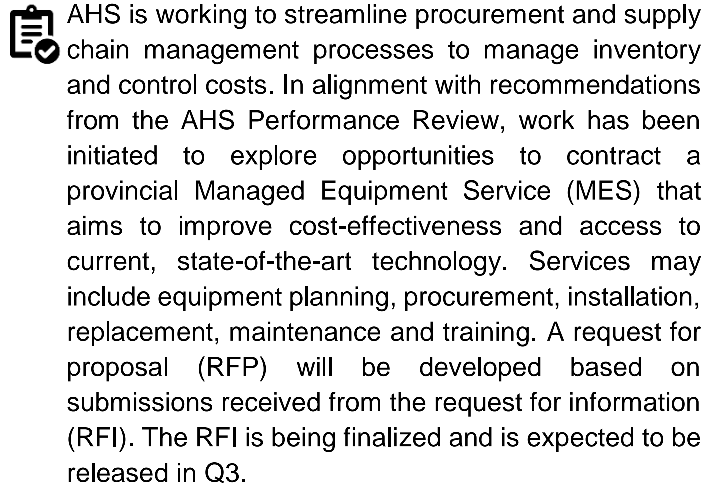
In alignment with recommendations from the AHS Performance Review, AHS proceeded with the contracting out of all laundry services provided across the province. Fully contracting out laundry services promotes consistency and quality while presenting ongoing operating savings over the life of the contract. A provincial agreement with K-Bro Linen Systems Inc. was effective August 1, 2021. Prior to the provincial agreement, approximately 69 per cent of AHS laundry services was already being provided by the private provider. As of Q2, AHS in-house regional and on-site facilities began transitioning to the province-wide contracted service provider. The transition is expected to be completed by March 31, 2022.



In order to optimize the organization's Protective Services model, AHS is increasing the ratio of contracted security personnel at several AHS locations which will mitigate risks related to workforce supply and availability. This initiative aligns with recommendations from the AHS Performance Review, and will be accompanied by an overtime reduction strategy that places patient, visitor and staff safety at its core. As of Q2YTD, Protective Services has made progress by filling existing vacancies with contracted providers.

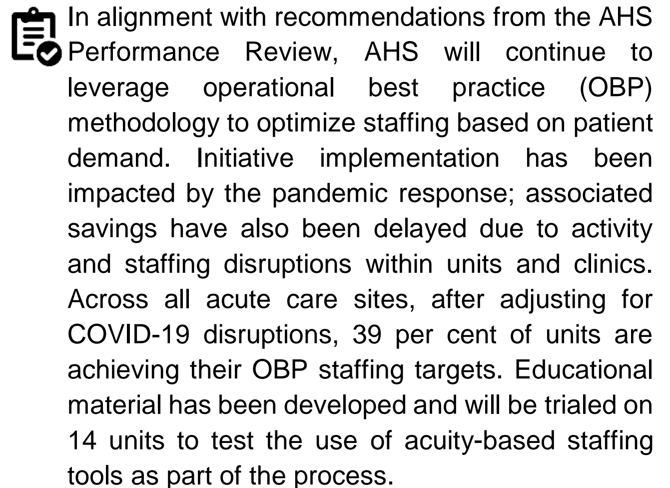


AHS is making improvements to construction contract procurement, management and control by reviewing and updating existing processes, templates and procedures to ensure compliance with applicable laws and regulations. In the first half of 2021-22, AHS revised appropriate construction contract policies and procedures, subject to final approval from AHS Executive Leadership Team. Compliance reviews will be initiated next year.



AHS is working to streamline procurement and supply chain management processes to manage inventory and control costs. In alignment with recommendations from the AHS Performance Review, work has been initiated to explore opportunities to contract a provincial Managed Equipment Service (MES) that aims to improve cost-effectiveness and access to current, state-of-the-art technology. Services may include equipment planning, procurement, installation, replacement, maintenance and training. A request for proposal (RFP) will be developed based on submissions received from the request for information (RFI). The RFI is being finalized and is expected to be released in Q3.

AHS is implementing strategies to improve efficiencies related to clinical utilization and appropriateness. The goal is to improve patient care while driving better value for Albertans' healthcare dollars. AHS is focused on developing a standardized process to plan for services across the province with supporting staffing models that match patient care needs.



In alignment with recommendations from the AHS Performance Review, AHS will continue to leverage operational best practice (OBP) methodology to optimize staffing based on patient demand. Initiative implementation has been impacted by the pandemic response; associated savings have also been delayed due to activity and staffing disruptions within units and clinics. Across all acute care sites, after adjusting for COVID-19 disruptions, 39 per cent of units are achieving their OBP staffing targets. Educational material has been developed and will be trialed on 14 units to test the use of acuity-based staffing tools as part of the process.

- Chimeric antigen receptor (CAR) T-cell therapy is an innovative treatment that uses a patient's own immune system to battle cancer cells. The Alberta Cellular Therapy program began accepting patients in 2020-21 for the treatment of lymphoma and leukemia. Fourteen patients have received treatment through the program since opening in March 2021; five of these patients received T-cells manufactured locally in Alberta.

Clinical Support Services staff perform administrative and clerical tasks, manage health information, conduct laboratory tests and ensure care environments are clean and safe. One way AHS supports enhanced integration and expansion of care in the community is by making improvements within clinical support services that embed audit and feedback quality improvement strategies.

- In collaboration with the Health Quality Council of Alberta (HQCA), Physician Learning Program, and Alberta Precision Laboratories, AHS is working on improving value-based laboratory testing orders. The initiative aims to reduce clinical variation and unwarranted laboratory testing in the community by allowing physicians to view and interact with their lab-utilization data in an online learning environment. Change management is supported through peer-to-peer reflection and dialogue using the physician audit and feedback process. An awareness campaign is in development.

- Audit and feedback for quality improvement is expected to be part of change management for several other clinical appropriateness initiatives, including blood conservation, lab testing overuse in hospitals and venting wisely.

AHS continues to work with Alberta Health to reduce inefficiencies within the healthcare delivery system.

A sustainability management program provides a systematic approach to evaluate, manage and improve environmental sustainability by optimizing energy resource use in facilities. In alignment with recommendations from the AHS Performance Review, improvements are being made to existing environmental sustainability measures, including the use of a utilities management plan that could reduce energy, water and electricity usage. Capital renewal funding has been targeted to energy reduction projects throughout AHS.

- AHS is a learning organization – an organization skilled at helping our people create, acquire and transfer knowledge – to raise the standard of care delivered to all Albertans. The development of an AHS-wide learning model is underway. For example, an enhanced new employee orientation is being finalized and is expected to launch early next year.

- AHS is working closely with Alberta Health to review the number of policies and forms used in the organization. As of April 1, 2021, AHS had achieved a reduction of 33 per cent in policies with continued reductions achieved in Q1 and Q2 2021-22. Through this review and the Connect Care rollout, AHS expects to decommission 20 per cent of forms by fiscal year-end, with more than 450 forms decommissioned to date.

AHS is working towards reduced lengths of stay at the 16 largest adult acute care sites by developing and implementing various quality improvement initiatives.

- AHS continues to investigate, design and implement strategies to improve wait times and access, decrease length of stay, and increase appropriateness and quality of care across the continuum of care. For example, care pathways for medicine (heart failure, COPD and cirrhosis) and surgery (e.g., Enhanced Recovery After Surgery and the National Surgical Quality Improvement Program) have been implemented across the 14 highest-volume adult acute care sites.

- Collaborative care is a healthcare approach in which interprofessional healthcare teams work together, in partnership with patients and families, to achieve optimal health outcomes.
  - The CoACT Program has been identified as a foundational strategy to address length of stay and improve patient flow throughout the healthcare delivery system. CoACT supports implementation and optimization of collaborative care efforts in multiple care settings, including continuing care, mental health and addiction, women's health and emergency. Collaborative care is being implemented on 229 units at 46 sites across the province, including the 12 largest AHS adult acute care sites.

- One way AHS ensures patients receive safe and appropriate care is by reducing and preventing healthcare-associated infections. Infections led to

poorer outcomes, additional treatments and longer lengths of stay.

- To address high incidences of central line-associated bloodstream infections in critical care settings, AHS teams have initiated reviews of insertion and maintenance processes which require precise execution and stringent infection control practices to ensure the line remains sterile. (A central line is an intravenous catheter inserted into a major vein to give medications and/or collect blood that remains in place for extended periods of time.). Process improvements are tailored to the unique needs of the care unit and progress is monitored using standard quality metrics.

Alberta Health and AHS, in collaboration with the Alberta Medical Association, are working towards system changes that would harmonize physician clinical stipends to help ensure fair compensation for patient care. As of September 30, 2021, all clinical stipends have been reviewed and categorized into recommendations for discontinuation. Nine alternative compensation applications have been approved, with 13 more pending finalization. An additional 17 stipends will transition to an appropriate on-call program in Q3.

ACUTE LENGTH OF STAY COMPARED TO EXPECTED LENGTH OF STAY (ALOS:ELOS)

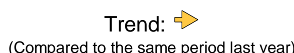
Measure Definition:
The ratio of the total number of acute days in acute care hospitals compared to the total acute length of stay that is expected based on factors such as patient age, diagnoses, and interventions.

Why It's Important:
To improve system-wide health services delivery, it is important to manage the length of time patients remain in hospital and improve discharge and transition from acute care to primary and community care to ensure the most efficient utilization of hospital beds.

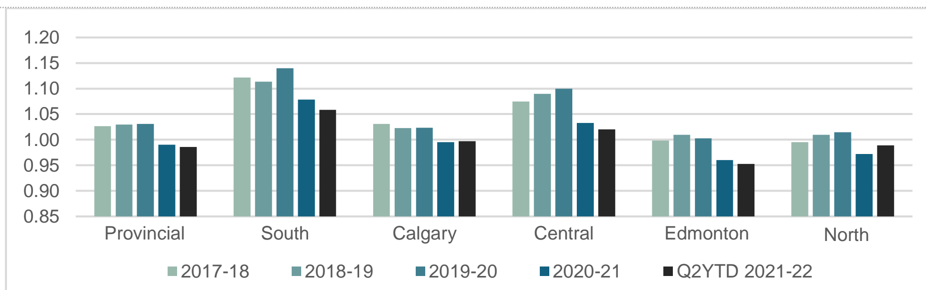
Performance Summary:

0.99

Provincial
Q2YTD 2021-22



(Compared to the same period last year)



Most Recent National Comparison (2020-21):
Using a similar definition, Alberta ranked 3rd among nine provinces for the lowest ALOS:ELOS ratio (AB = 0.99; Canada = 0.96; Best Performing Province = 0.91 (ON) (CIHI, 2020-21)[1]).

Acute Length of Stay Compared to Expected Length of Stay (ALOS:ELOS) - Trend

Zone	Site Name	2017-18	2018-19	2019-20	2020-21	Q1YTD 2020-21	Q2YTD 2020-21	Q1YTD 2021-22	Q2YTD 2021-22	Improvement Trend
Provincial	**Provincial**	**1.03**	**1.03**	**1.03**	**0.99**	**0.97**	**0.98**	**0.98**	**0.99**	⇨
South Zone	**South Zone**	**1.12**	**1.11**	**1.14**	**1.08**	**1.04**	**1.06**	**1.05**	**1.06**	⇨
	Chinook Regional Hospital	1.13	1.12	1.14	1.06	1.02	1.04	1.03	1.06	⇨
	Medicine Hat Regional Hospital	1.13	1.12	1.15	1.11	1.08	1.10	1.07	1.05	⇧
	Other South Hospitals	1.07	1.08	1.14	1.08	0.99	1.03	1.11	1.09	⇩
Calgary Zone	**Calgary Zone**	**1.03**	**1.02**	**1.02**	**1.00**	**0.98**	**0.99**	**0.99**	**1.00**	⇨
	Alberta Children's Hospital	0.95	0.97	0.95	0.91	0.90	0.90	0.97	0.94	⇩
	Foothills Medical Centre	1.06	1.04	1.04	1.01	1.00	1.00	1.00	1.00	⇨
	Peter Lougheed Centre	1.04	1.06	1.05	1.01	0.98	1.00	0.98	0.99	⇨
	Rockyview General Hospital	1.01	1.00	1.00	0.99	0.95	0.97	1.03	1.02	⇩
	South Health Campus	0.98	0.98	0.99	0.97	0.96	0.97	0.96	0.99	⇨
	Other Calgary Hospitals	1.05	1.05	1.09	1.06	1.04	1.06	1.02	1.01	⇧
Central Zone	**Central Zone**	**1.07**	**1.09**	**1.10**	**1.03**	**1.01**	**1.02**	**1.01**	**1.02**	⇨
	Red Deer Regional Hospital Centre	1.07	1.11	1.10	1.02	1.00	1.00	1.00	1.03	⇨
	Other Central Hospitals	1.08	1.07	1.10	1.05	1.02	1.03	1.03	1.01	⇨
Edmonton Zone	**Edmonton Zone**	**1.00**	**1.01**	**1.00**	**0.96**	**0.94**	**0.95**	**0.95**	**0.95**	⇨
	Grey Nuns Community Hospital	1.01	1.02	0.99	0.95	0.92	0.94	0.94	0.93	⇨
	Misericordia Community Hospital	1.00	0.98	0.96	0.93	0.88	0.91	0.92	0.93	⇨
	Royal Alexandra Hospital	0.99	1.01	1.01	0.96	0.94	0.96	0.93	0.94	⇨
	Stollery Children's Hospital	1.04	1.02	1.01	1.01	1.08	1.01	0.96	0.98	⇨
	Sturgeon Community Hospital	0.95	0.98	1.01	0.99	0.97	0.96	0.99	1.00	⇩
	University of Alberta Hospital	0.98	1.01	1.00	0.94	0.93	0.94	0.95	0.96	⇨
	Other Edmonton Hospitals	1.10	1.13	1.09	1.09	1.10	1.06	1.01	0.99	⇧
North Zone	**North Zone**	**1.00**	**1.01**	**1.01**	**0.97**	**0.95**	**0.96**	**0.99**	**0.99**	⇩
	Northern Lights Regional Health Centre	1.01	1.02	1.00	0.98	0.91	0.93	0.97	0.97	⇩
	Queen Elizabeth II Hospital	1.03	1.04	1.06	0.98	1.00	1.01	1.01	1.03	⇨
	Other North Hospitals	0.98	0.99	1.00	0.97	0.93	0.94	0.99	0.97	⇨

Total Typical Discharges

Zone	2017-18	2018-19	2019-20	2020-21	Q1YTD 2020-21	Q2YTD 2020-21	Q1YTD 2021-22	Q2YTD 2021-22
Provincial	**334,942**	**334,579**	**333,173**	**296,894**	**69,967**	**148,717**	**81,644**	**159,532**
South Zone	24,644	24,116	23,850	21,620	4,996	10,701	5,881	11,554
Calgary Zone	124,075	123,976	124,424	112,584	25,777	55,825	30,988	59,959
Central Zone	34,801	33,597	32,485	29,509	6,687	14,447	8,125	15,509
Edmonton Zone	116,832	119,670	119,791	104,812	25,333	53,043	29,677	58,500
North Zone	34,590	33,220	32,623	28,369	7,174	14,701	6,973	14,010

Source: AHS Provincial Discharge Abstract Database (DAD), as of November 4, 2021
Notes:
1. *Parts of this material are based on data and information provided by the Canadian Institute for Health Information (CIHI). However, the analyses, conclusions, opinions and statements expressed herein are those of the author and not necessarily those of CIHI.*
- *Results are for typical cases only (ones that follow a usual course of treatment) and may change due to data updates in the source information system.*
- *Implementation of CIHI's 2021 Case Mix Groups (CMG) grouper resulted in some changes to the number of total typical discharges and ALOS:ELOS for historical fiscal years.*

Trend Legend: ⇧ Improvement ⇨ Stable (≤3% relative change compared to the same period last year) ⇩ Area requires additional focus