Review of the Alberta Health Services
Organization and Structure, and Next Steps

Janet Davidson, O.C., BScN, MHSA, LLD (HON)
Official Administrator, Alberta Health Services

September 2013
Table of Contents
Letter to Minister Horne ................................................................................................................................. 3
Overview of Current Structure and Organization .......................................................................................... 5
Proposed Organizational Structure ............................................................................................................... 8
Next Steps ..................................................................................................................................................... 12
Additional considerations ............................................................................................................................ 14
Literature Consulted ..................................................................................................................................... 15
Letter to Minister Horne

Minister,

Upon my appointment as Official Administrator of Alberta Health Services (AHS), you requested that I look at the organization and structure of AHS. I have now completed my review and am prepared to provide my observations and a plan of action for AHS. My report is in three parts: overview of current structure and observations; proposed future structure; and next steps to implement the structure and some future considerations.

This report is a high level look at the organization and the next steps to be taken. The main focus of this report is on the President and CEO and his immediate executive team. It was not possible for me to complete a review of the entire organization in less than three months. The structure will evolve over time and will be a critical mandate for the CEO and his executive team to complete in the months ahead.

There are a number of key principles that guided my review:

1. The primary focus of AHS must be to provide high quality services to Albertans, and secondarily to provide educational opportunities for staff and students and to conduct and support health care research.

2. AHS must work collaboratively with key stakeholders (including patients) to support a continuously improving and high performing health system. Alignment is critical – all system partners must work together for the benefit of Albertans.

3. Beyond front line staff, up to and including the President and CEO, any additional layer or layers in the organizational structure need to be justified on the basis that they add value to the organizational objectives of providing high quality patient care, teaching, and research. The first priority always needs to be on giving people the knowledge, skills, tools, and techniques they need to do their jobs effectively, and not simply to add a supervisory level.
The main question guiding the discussion in this report was “how does this organization and structure further AHS in providing high quality service to Albertans, and secondarily in providing teaching and research opportunities to advance the future of health care in Alberta and beyond?”

The Report provides some comments on how to ensure there is effective and enhanced collaboration between AHS and the Ministry of Health\(^1\), and alignment of the two with the Government of Alberta’s health care agenda.

Progress has been made since the creation of AHS in 2008. This report is not intended to be a critique on the individuals involved in the changes that have occurred but rather, should serve as a roadmap for moving forward and building on the learnings from the recent past.

I trust that the attached report will meet the terms of the mandate you provided me on this item. I am available to discuss this further at a time that is convenient for you.

Sincerely,

Janet Davidson, O.C., BScN, MHSA, LLD (HON)
Official Administrator, Alberta Health Services

September 9, 2013

---

\(^1\) Ministry of Health refers to Alberta Health. The terms will be used interchangeably in the report.
Overview of Current Structure and Organization

During the review of the organization and structure, I spent considerable time reviewing the existing organizational chart (top level view is included at the conclusion of the document) and reviewing the job descriptions for specific roles in the current executive team. In addition, I have spoken to a number of individuals both inside and outside AHS to obtain their views and observations. I have also had the opportunity to review feedback from Albertans on their views about AHS in the correspondence received in my office. Finally, I reviewed some literature related to essential elements of successful organizations.

The current organizational design could be improved to more directly support a mandate of putting the emphasis on service to people. Health care is a people business and the organization’s priorities, structures, values, and processes need to reflect this. It is anecdotally reported that the structure is confusing to navigate for patients and the general public and it is not unknown for staff to not know who they report to or who they can go to for assistance and support. Community leaders have also expressed concerns that it is unclear who they should turn to inside the organization with local health delivery concerns.

At the executive level from a structural point of view, there is more emphasis on corporate functions and responsibilities as opposed to clinical functions. It is also not clear how the multiple layers of the organizational structure support a focus on patients and people (which includes staff, physicians, stakeholders, partners, and the communities AHS serves). Each layer of the organization should demonstrate added value to AHS’s mission and has to be a driving imperative for the organization if it expects to regain public confidence, and become an employer of choice. People should want to work in AHS, not simply be employed there because there is no other option.

There is no doubt that health care is complex and an organization the size of AHS (given geography, population served and number of employees) will be complex as well. That said those are not in and of themselves an acceptable rationale for an unnecessarily complex organizational structure. Furthermore, it is not always apparent how AHS works complementary to and in support of the Ministry of Health and other organizations included in
health care policy and service delivery. In the case of AHS and Alberta Health, it is critical that the two be inextricably linked to ensure there is a seamless transition from policy development to service delivery (i.e. everyone is “singing from the same song sheet”).

Provincial Governments are focusing the roles of Departments of Health to emphasize:

- Policy and priority setting;
- Legislation;
- Funding;
- Oversight and quality assurance; and
- Monitoring and evaluation.

At the same time, service delivery organizations (like RHAs) are expected to provide a comprehensive range of services that are:

- Client and patient focused;
- Evidence based;
- Directed towards prevention and promotion in addition to the full range of front line treatment services; and
- Efficiently delivered and of high quality (value for money).

AHS and AH would collectively benefit from the use of such a framework.

“Stakeholders” are a broad category that includes political representatives (both provincially and municipally), patients, service providers, Ministry of Health, research agencies, community groups, and academic institutions. A lot of lip service is paid to stakeholder engagement but the extent to which the engagement is meaningful is questionable. This is not unique to AHS. Many health care organizations in Canada and globally are re-thinking the patient/consumer focused role. For example, Saskatchewan has for a number of years been working on the development and implementation of its Patients First strategy. More recently the UK launched its People Powered Care initiative. In Europe, the talk now is about Patient Directed Care and viewing the patient as a source of value in the health system as opposed to simply a cost. AHS would be well served to look at some of these initiatives.

It has been my observation that some staff in the organization frequently spend more time than is likely necessary or productive on process and
crisis response including the preparation of briefing notes, background documents, media statements, etc. While these have value and are necessary to support decision making or communications, they appear to have put a focus on pushing items out the door as opposed to deliberate planning and strategic implementation. This is not unexpected given the intense pressure to respond to every concern that is raised. Again, decision making activity and communication planning have to be focused on people and the overall mandate of the organization. Process is important but not at the expense of meaningful action on specific outcomes.
Proposed Organizational Structure

Given my earlier comments regarding the role of government and the RHA, the proposed new organizational structure (see Figure 1 below) is developed around three principles:

1. **Primary focus is providing health care services to Albertans, and secondarily to support teaching and research.** The corporate functions of the organization should exist primarily to support these roles. Essentially, corporate and administrative functions exist to serve the line.

AHS plays a critical role in training future health care professionals and must leverage its partnerships with the Province's institutions of higher learning. These partnerships are also critical to supporting the health care research agenda in collaboration with other research organizations. AHS is the single largest health care delivery
organization in Canada and has a responsibility to contribute to the development of new knowledge impacting the future of health care.

2. **Working collaboratively with stakeholders and partners is essential to a continuously high performing health system.** This includes but is not limited to organizations such as the Ministry of Health, health profession Associations and Colleges, Alberta Innovates-Health Solutions and other research bodies, and academic institutions both provincially and nationally, as well as patient advocacy groups.

3. **Any additional layers in the organizational structure need to be justified on the basis that they are adding value to the organizational objectives of providing high quality patient care, and secondarily teaching and research (see figure 2).** Every position in the organization needs to be rigorously reviewed and justified on this basis and eliminated or modified as necessary. Additional organizational layers should be considered within the context of enabling decisions related to patient care to be made as close to the point of care as possible.

![Figure 2](image.png)
Key additional variables that were considered and need to be kept in mind moving forward:

- While the primary focus of the organization is service delivery, government expectations, delivery challenges and issues differ across the Province. There needs to be considerable latitude to organize the work in a way that reflects the needs and service demands at the local level.
- For management purposes, the province has been divided into two areas (north and south). Each area is centred around the major medical/academic centres and the other significant clinical infrastructures they house.
- Each of the two areas will be co-led by a VP and chief operating officer and medical director (co-management with a physician is critical to success).
- Front line staff and clinical management need to be supported in their day to day work. They need the tools, skills, and knowledge to be able to make decisions at the front line. To that end, staff from corporate function areas (i.e. Finance, HR, Engagement, IT) will be assigned to work in service delivery areas as a matrix reporting relationship between the COOs and the corporate support VPs.
- The Vice President for Provincial Programs will lead and coordinate programs and services that are Province wide in their scope. This individual will work closely with his/her colleagues in the north and south to ensure effective implementation.

Corporate and Support Functions
- Strategic directions for these portfolios are set corporately by the executive team and their major role is to support service delivery.

CFO/VP Administration
- Would have a critically important relationship with the Ministry of Health on funding mechanisms and models, and overall budget management.

VP People
- Would have a significant relationship with the Ministry of Health on manpower strategies, with training institutions, with unions and other

Footnote:

2 Boundaries to be defined and based on logical patient traffic/referral patterns.
key organizations/groups in the health manpower/labour relations arena.

VP Community Engagement, Public Relations, and Communications
- Would have a strong role in supporting local area communications and stakeholder engagement.
- This includes active and ongoing communication and engagement at the local level with key stakeholders – patients, residents, MLAs, locally elected officials, HACs, among others. This is critically important to ensure that people feel actively engaged in the system and understand what’s happening.

Chief Transformation Officer
- Would have a strong relationship with the Ministry of Health on information sharing and standards, IT coordination, performance reporting, linkage to Alberta Innovates Health Solutions, and other organizations.

Chief Clinical Officer and VP Academic Affairs
- Would have a strong relationship with provincial and other quality councils, with academic institutions and research bodies.
Next Steps

Leadership on the part of the Chief Executive Officer and executive team members is critical to the success of the new structure. It is important here to distinguish between leadership and management – the two are not the same. AHS has a multitude of managers. Leaders, as distinguished from managers or bosses, are people who inspire others to be the best they can be. Someone others look up to as role models. Leadership requires courage, vision, and likeability.

Structure is only a vehicle – a means to an end. It can certainly help support work to be done, and if an organization is structured well, it can enable superior performance. It must be flexible to adapt to the constantly changing world that is health care. It will be important to provide for ongoing review and adaptation when and if necessary. Any additional progress will be contingent on the ability of the executive to effectively implement this structure and drive out improvements to the other levels of the organization.

Once the amended executive structure is in place and all positions filled, every managerial/supervisory position in the current structure needs to be reviewed to ensure it is required. As mentioned previously, this process needs to start from the ground up. A top down approach will not work.

In addition to the budget and health plan, 4 key strategies will need to be finalized or reaffirmed to support the work of AHS going forward:

- IM/IT strategy
- People strategy
- Research strategy (developed in collaboration with the Ministry of Health and Alberta Innovates-Health Solutions)
- Patient centred care strategy

These strategies individually and collectively must support and advance the organization’s patient care, teaching and research mandates. They must also support the philosophy of empowering people to do their jobs effectively and efficiently.
Collaboration and cooperation with key stakeholders is critical moving forward. It is important that all parties understand their roles, responsibilities, and key deliverables to minimize and hopefully eliminate duplication and overlap, and ensure there are no gaps.
Additional considerations

- Area COOs will require knowledge of and experience with clinical operations. They will have to demonstrate superior communication skills and a bias towards action (these qualities will be expected in all members of the executive team).

- There needs to be a focus on value added activity and a bias towards action as the structural review takes place. This should support the implementation of a leaner management structure.

- The Executive Team needs to set as a priority for itself, fostering an environment where people are supported and encouraged to provide exemplary service to Albertans. Collectively they will be responsible for leading the organization into an exciting future.

- The Province of Alberta spends more per capita on healthcare than any other jurisdiction in the country and indeed, in most developed countries. In addition, the Province has invested in healthcare infrastructure on a level that most Provinces and indeed most countries, would envy. Despite this significant investment however, performance is not seen as particularly outstanding. In fact, many jurisdictions with significantly less spending are achieving significantly better outcomes in terms of wait times, patient satisfaction, and other quality measures. Alberta Health Services and Alberta Health need to work together to develop a set of robust performance measures and targets that will be used to guide service and quality improvement. The measures should be used by AHS to guide the development of service plans and be used by the Province to assess AHS performance. Results should be posted publicly.
Literature Consulted


Harvard Business Review 91, no. 7 (July-August 2013)

Harvard Business Review 91, no. 9 (September 2013)


