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| Alberta | 20e | 3e | Remarques préliminaires à l'étude des crédits | 26 avril 1985 | M. David John Russell | Ministre des Hôpitaux et de l'Assurance maladie | PC |

**Mr. Russell:** Thank you, Mr. Chairman, There are a couple of things I would like to emphasize, First of all, I think we should look back and reflect upon the results of the moves this Legislature undertook during the past couple of years to try to do something about the rapidly increasing costs of health care and to see if something couldn't be done in that respect without diluting the quality of services. I'm really pleased with the way the hospital boards and trustees around the province have responded to that challenge and the way they finished their last fiscal year - the cost awareness that has been introduced to the system. Reports I get on an ongoing basis are that medical and support staff in hospitals throughout the country are now becoming more cost-conscious, certainly in the smaller hospitals where the workers on the wards have a real interest in what is going on in the economic management as well as the health care services part of their duties.

As members who have looked at the estimates will note, we got a very nice surprise last year with respect to the amount of funds the province had to put into the Health Care Insurance Commission by way of provincial revenues. What is not made up by health care premium revenues and transfers from the federal government is, of course, a vote which is presented to the Legislature. The forecast for that is substantially lower than the estimate asked for a year ago when the estimates were presented. So that has to be an encouraging move.

There are two reasons for that. Number one, more revenues than had been estimated were received from the federal government as a result of the kicking in of the tax formula. Secondly, there was a decline in the utilization rate combined with a slowdown in the population increase that had been apparent in previous years. Those factors all combined to give us a much smaller base than would have been there under other circumstances. Members will note that there is actually a decrease proposed in that vote, and that's the reason for it. It's a big-ticket item, almost half a billion dollars, so even holding the line or a decrease of I percent is something which is very much appreciated.

We believe the ongoing support for running institutions in the three levels - acute care, auxiliary care, and nursing home - is all there to cover what we know by way of increased labour costs and also an inflation adjustment to take care of price increases in nonlabour items. We believe the estimates we're presenting for consideration will cover those and that the hospital boards should have adequate funds to manage those institutions.

The vote for assistance toward the construction of capital works continues to be very high. I'm not sure whether it is the highest of any such vote in the country this year, but it's certainly right up there at the top. Our program of capital construction is continuing at a very high level. The investments we started to make, the commitments we made a few years ago, are of course now reaching the concluding stages, and many members are aware of new or improved facilities which have recently opened in their constituencies. Of course, there are always more new ones being announced and coming on stream. It's a very gratifying thing to have over $200 million in capital dollars committed to this year's estimates. If it's passed, it will certainly be a very significant contribution, not only to the improvement of our hospital system but also to the situation that exists with respect to the construction industry and the unemployment problems this year. This is another item of help, and there are several hundred man-years of labour involved in those votes that are put before you.

The bottom line on that, Mr. Chairman, is that a 2.4 percent increase over last year's estimates is being asked for, and we're looking at something like a $2.2 billion budget. That is so close to being a $1,000 per capita expenditure for every citizen in the province that that's a good and easy way for members of the Assembly to explain it to constituents and relate it to actual family numbers. So it's a big item. I don't need to repeat the concerns that all provincial governments have had with respect to managing this very critical and expensive social program. It is probably one of the best in the western world. I know that's been said many times, but I think it bears repeating.

I'm going to conclude and wait for questions, Mr. Chairman, by just very quickly going over a summary of figures to give members the opportunity to see what has happened over the past few years. I think they -can share in the credit for some of the moves that have been taken with respect to cost control. If I go back over the past five years, for example, and give the percentage increase of each year's budgets, here's how the figures go, starting from 1981 through 1985. This is total department expenditures, giving the gross percentage increases over the previous years. In 1981 it was 31 percent. It went to 37 percent, then down to 10 percent, down to 8 percent, and this year down to 2.4 percent.

It would be interesting to pick just a couple out of that. I'll take the same figures for the health care insurance plan over that five-year period: 32 percent, 51 percent, 4 percent, 24 percent, and this year minus 1.4 percent. The other one I'd like to bring to hon. member's attention is the vote for acute care hospitals. The figures for that five-year period are 34 percent, 27 percent, 10 percent, 6 percent, and 5 percent.

The reason I brought those figures to the attention of members, Mr. Chairman, is that I think it shows that the kinds of figures we are dealing with in those votes for the last one or two years are manageable figures for a provincial government. The figures we faced in the years previous to that were certainly unmanageable, some votes expanding by 25 or 30 percent a year. Of course, it's very difficult if you project that kind of increase into the future; it could cause grave worries. I guess what I'm trying to say in a few lines is that I think the members can take some satisfaction in looking at the budget this year, with its very reasonable request for very minor increases in a relative sense, and look back at the results of some of the moves that have been taken in order to achieve those results.