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| Alberta | 23e | 2e | Remarques préliminaires à l'étude des crédits | 24 mars 1994 | Mme Shirley McClellan | Ministre de la Santé | PC |

**Mrs. McClellan:** Thank you, Mr. Chairman, colleagues, staff, and guests. I'm pleased to be here to discuss the Department of Health's estimates.

I will introduce my staff. To my immediate left is Don Philippon, our deputy minister. Beside Don is Dave Kelly, assistant deputy minister of health care insurance. Then we have Dick Alvarez, assistant deputy minister of corporate services. We have Cecilie Lord, assistant deputy minister of health strategy and evaluation, and at the end Steve Petz, assistant deputy minister of public health. To my right is the man with the money, Aslam Bhatti, the senior financial officer of the department. Also with us tonight is my assistant, Maureen Osadchuk. I think most of you know Maureen. Oh, I've missed Bernie. How did I miss Bernie? Sorry, Bernie. That's because you didn't have a name tag. Bernie Doyle, assistant deputy minister of the mental health division, a very important part of our department. I'm also very pleased that the MLA for Calgary- Bow, the hon. Bonnie Laing, is a member of this committee, because she is also the chair of AADAC and will be able to respond to questions that may come up regarding that agency. Len Blumenthal is also here. He is the executive director, and he'll be here to assist Bonnie and myself with the questions on AADAC.

You received information on the budget when it was released, so I'm not going to go through all of the changes that were announced at that time, but I do want to make a few general comments. The overall fiscal plan provided by the Provincial Treasurer has given us all a framework and a discipline to work within. One of the major reasons for restructuring in Health and you see that evidenced in the 1994 budget is certainly the fiscal environment we find ourselves in. Even more importantly, even if we had abundant resources, we would still need to restructure the health system. I would just like to outline some of those reasons that are shown in our budget plan.

The changing health goals of the province, the new technologies that are emerging and have emerged, the new way of delivering services, and new knowledge that we have on effectiveness of care: all of these things have presented us with opportunities. It is incumbent upon us to develop a system that is focused on the future so that we can relate to those opportunities that are presented. I believe we have an opportunity in Alberta to create a model for Canada and indeed across the world.

One of the things that we want to talk about is what makes us healthy, and that's evidenced in the budget in the new way of delivering services. It is not the number of hospital beds or the number of services that are delivered. A deficit-free province will certainly allow us to have a healthier economy, and this will have a direct impact on the health of our population. Controlling the growth of health expenditures certainly could be one of the most important health initiatives that I undertake as Health minister. We have to change the way we do things. We've been preparing for change for some time, and I believe that change is upon us. We deliver services in very expensive ways. We also deliver services in inappropriate ways. I think that has robbed us of opportunities and will rob us of opportunities to reallocate resources to areas of greater need. We have to change the systems. We've been on a volume-based incentive system, and we shouldn't be surprised, having been based that way, that inappropriate utilization sometimes occurs.

We have not been as accountable as we might have been in the way that hospital and physician resources are used. We have tended to use hospitals and doctors to provide services that don't necessarily need doctors and hospitals to deliver them. We've built our system on treating illness, and we have not had a system with the primary focus on wellness or on promoting health. We've had a system focused around various provider groups. We need a system organized around the consumer.

We are facing challenges in our province, certainly, that are being faced in provinces across Canada and by countries around the world. We have the challenge of creating a health system that is accessible, that provides appropriate services and is cost- effective. We have an excellent system, unquestionably. We have faced issues such as universal coverage in Canada. We faced them together as provinces and in the federal government and have collectively said that if somebody needs health services, we're going to make sure they get them.

I believe we have the basic structures in place to build a managed system. We have common principles accepted by all Canadians. We've accepted I think across Canada that there are limits on our resources. For example, in Alberta we've been moving to end open-ended payment systems and to start to live within our budgets. I think our challenge now is managing our limited dollars, and that's what we're going to talk about in our budget tonight.

Moving to new government structures and to outcome focuses, I think we've agreed that we can no longer afford to fund services that do not provide demonstrable benefits to improving health.

Another key element in our budget is individual responsibility. We have to have programs based on need, not age or ability to pay. We need to give people the knowledge and the tools to lead healthier lives, and we need to get people involved in priority setting. People not only need to know more about how to be healthier; they need to know more about the cost of the health system and the impact the decisions they make have on the system. We can create a better system and, I think, a less expensive system.

One of the areas that we're going to talk about is departmental support services. In program 1 you will note a modest drop in expenditures. I would want to point out to members that my department is also undergoing a significant restructuring so that it will improve the way we provide services to Albertans, the way we communicate with the health community, and also the way that they can support the community decision-making that we believe must occur.

Since I assumed the ministerial responsibility for Health in December of 1992, our department has moved away from the stovepipe approach to management. It is now focusing on integrated management, with five divisions providing the support previously supplied by eight divisions. Under the leadership of our deputy I am confident that the men and women that work in Health will continue to meet the demands of their jobs in the coming years.

I'll just go through these briefly, Mr. Chairman, and then we'll go right back to the first vote. Under program 2, health care insurance, this program area covers physician payments, government-funded Blue Cross payments, and other practitioner expenses. As you can see, we are reducing net expenditures in this area by over $176 million. I think this clearly shows that physicians are fully involved in reducing expenditures in health. Certainly we are working with our physicians in Alberta to look at ways to reduce those expenditures by some 20 percent over the next three years. The AMA has been a full partner in this discussion, and I appreciate their supportive role. We've seen similar support from Alberta's physical therapists, chiropractors, optometrists, podiatrists, dentists, pharmacists, and others. These professional groups have recognized that we must take steps now to use our health dollars as wisely and effectively as we can.

In program 3, institutional and community health services, items in this vote have been reorganized for 1994-95 to reflect our new regional integrated approach to health system reorganization. Rather than identifying expenditures by sectors such as acute care, public health, and so on, our estimates show a total amount for three basic areas: Edmonton, Calgary, and regional and rural. This type of budgeting allows for community input into decision-making on areas we'll be able to put dollars into where they are needed the most. They will be able to build the continuum of care to ensure that health needs are met without the administrative barriers that the stovepipe approach occasionally put up.

As we move to program 4, mental health services, as this program shows, spending on mental health services is remaining fairly constant this year, but our health business plan does outline a community-based approach to mental health care. This approach is supported by the Canadian Mental Health Association and other mental health experts, and it's one I'm very committed to. We are currently reviewing our strategic plan developed for mental health following months of extensive consultation across Alberta. Over the course of the next few years we will see a renewed emphasis on community-based mental health services.

As we move to program 5, the last program, AADAC, I am very pleased with the vision outlined by AADAC. I am also very pleased that AADAC is with the Ministry of Health. I think it seems a natural fit. I would invite my colleague, the chairman for AADAC, to make any comments on that vote as an overview now, Mr. Chairman, if she wishes.

With that, I will close my remarks and look forward to members' questions. I will make the same commitment tonight as I have in the past. If there are questions that require a more full answer that we do not have time to attend to tonight, I will undertake to provide all of the members responses to those in a very timely fashion.