Legislative Assembly of Alberta

The 30th Legislature
First Session

Standing Committee
on
Families and Communities

Ministry of Health
Consideration of Main Estimates

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The 30th Legislature
First Session

Standing Committee on Families and Communities

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Standing Committee on Families and Communities

Participants

Ministry of Health
  Hon. Tyler Shandro, Minister
  Hon. Jason Luan, Associate Minister of Mental Health and Addictions
Mr. Deol: Mr. Carson’s MLA Manning has resigned, so there is a vacancy in the Standing Committee for Mental Health. If you could provide the association with a short list of candidates, we can take action to fill the seat.

Mr. Van Rooy: Thank you, Mr. Chair. To my far left is Assistant Deputy Minister John Cabr al; the Associate Minister of Mental Health and Addictions, Jason Luan; Assistant Deputy Minister Aaron Neumeyer; and Deputy Minister Lorna Rosen. I am Tyler Shandro, Minister of Health.

Mr. Sherlock: Thank you, Mr. Chair. To my far left is Assistant Deputy Minister John Cabr al; the Associate Minister of Mental Health and Addictions, Jason Luan; Assistant Deputy Minister Aaron Neumeyer; and Deputy Minister Lorna Rosen. I am Tyler Shandro, Minister of Health.

Mr. Neudorf: Nathan Neudorf, MLA, Lethbridge-East.

Mr. Yao: Tany Yao, Fort McMurray-Wood Buffalo.

Ms Glasgo: Michaela Glasgo, MLA, Brooks-Medicine Hat.

Mr. Amery: Good morning. Mickey Amery, Calgary-Cross.

Mr. Walker: Good morning. Jordan Walker, Sherwood Park.

Mr. Guthrie: Peter Guthrie, Airdrie-Cochrane.

Mr. Long: Martin Long, West Yellowhead.

Mr. Shandro: Thank you, Mr. Chair. To my far left is Assistant Deputy Minister John Cabr al; the Associate Minister of Mental Health and Addictions, Jason Luan; Assistant Deputy Minister Aaron Neumeyer; and Deputy Minister Lorna Rosen. I am Tyler Shandro, Minister of Health.

Mr. Shepherd: David Shepherd, MLA, Edmonton-City Centre.

Ms Sweet: Good morning. Heather Sweet, MLA for Edmonton-Manning.

Mr. Deol: Good morning. Jasvir Deol, MLA for Edmonton-Meadows.

The Acting Chair: Fantastic. All right.

You know, as this is estimates, we have members, of course, that are substituting for others. We do have some official substitutions here. I’d like to officially note for the record that Ms Sweet is here for Ms Pancholi; Mr. Deol is here for Mr. Carson; Mr. Dang, who I think will be arriving shortly, is substituting officially for Ms Sigurdson; and Mr. Smith, who will be arriving shortly as well, is officially substituting for Mr. Nixon.

Please note that the microphones are operated by Hansard, and the committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. Please set your cellphones and other devices to silent for the duration of the meeting.

We’ll continue now with the process for you and the speaking order and time. Hon. members, the standing orders set out the process for consideration of the main estimates. Standing Order 59.01(6) establishes the speaking rotation while the speaking time limits are set out in Standing Order 59.02(1). In brief, the minister or member of the Executive Council acting on the minister’s behalf will have 10 minutes to address the committee. At the conclusion of his comments we begin a 60-minute speaking block for the Official Opposition, followed by a 20-minute speaking block for the government caucus.

The rotation of speaking time will then alternate between the Official Opposition and the government caucus, with individual speaking times being set to five minutes, which if combined with the minister’s time, makes it a 10-minute block. Discussion should flow through the chair at all times regardless of whether or not the speaking time is combined. Members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister’s time. If members have any questions regarding speaking times or the rotation, please feel free to send a note or e-mail to either the chair or the committee clerk.

A total of six hours has been scheduled to consider estimates of the Minister of Health. The committee will continue its consideration of the ministry’s estimates at 3:30 this afternoon. With the concurrence of the committee I will call a five-minute break near the midpoint of this meeting; however, the three-hour clock will continue to run. Does anyone oppose having the break? Seeing none, we will have that break.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery may not approach the table. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to the six hours, the ministry’s estimates are deemed to have been considered for the time allotted in the schedule and the committee will adjourn. Points of order will be dealt with as they arise, and the three-hour clock will continue to run; however, the timer for the speaking block will be paused.

Any written material provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

The vote on the estimates and any amendments will occur in the Committee of Supply on November 19, 2019. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for the committee members and staff.

I now invite the Minister of Health to begin with his opening remarks. You have 10 minutes, Minister. Thank you very much.

Mr. Shandro: Well, thank you, Mr. Chair. Good morning to you. Good morning, colleagues. I’m pleased to be here to present the Health estimates for 2019-20. With me, as I said previously, is the Hon. Jason Luan, the Associate Minister of Mental Health and Addictions. Mr. Luan and I are joined by several department officials. I’ve already introduced those who are at the table. If needed to supplement any of our answers, we also have with us in the gallery a number of others from the ministry.

The 2019 Health budget reflects the government’s commitment to maintain or increase health spending and to provide a universally accessible, publicly funded health system. It puts patients at the centre of Alberta’s health system by increasing access so that all Albertans, regardless of where they live, can get high-quality health care in the most efficient way possible.

Health spending is the largest budget expenditure at about 43 per cent of total operating costs. Spending grew an average of 5 per cent per year from 2008-09 to 2018-19. To best meet Albertans’ health needs and ensure sustainability of the health system, we must address this spending. As the report from the Blue Ribbon Panel on
Alberta’s Finances pointed out, despite the amount of money that we spend on health, Alberta’s outcomes are no better and in some cases worse than other large provinces. Our government is committed to getting spending under control so that we can meet Albertans’ health needs and ensure sustainability of the health system for future generations.

The Ministry of Health’s total expense is $22.1 billion in 2019-20, an increase of $190 million, or 9 per cent. Looking specifically at operations, our budget is $20.6 billion, an increase of $201 million, or 1 per cent. Our budget includes funding over four years to fulfill our government’s specific commitments related to health care. For example: $100 million for the mental health and addiction strategy, which will support 4,000 more publicly funded addiction and mental health treatment spaces, as announced by the Premier in September, with future initiatives to be informed by the recommendations of the newly appointed Mental Health and Addiction Advisory Council; $40 million for the opioid response strategy to increase access to opioid treatment and recovery services, among other initiatives; $20 million for palliative care to better support Albertans, their caregivers, and their families in accessing timely end-of-life care; $6 million for a new sexual assault hotline, which will provide 24-hour support monitored by a sexual assault nurse-examiner; and last, $4 million for the Health Quality Council of Alberta to increase health quality outcomes for patients.

A detailed plan to address surgical wait times is still in development and will be included in Budget 2020.

The top three areas of spending in our budget are Alberta Health Services, physicians, and drugs. AHS’s consolidated budget to deliver front-line health care in Alberta is $15.4 billion in 2019-2020, an increase of $125 million, or .8 per cent, from the previous year. Among other initiatives, this funding will provide for the costs of over 700 new continuing care spaces, 400 new courses of care for midwives, the implementation costs of connect care, and $26.1 million for the direct health service delivery costs in the leap day in February 2020. The AHS review will be complete by the end of December, and any potential savings identified to reduce costs and improve health system performance will be reinvested in front-line services.

The second largest component of the ministry’s spending goes towards physicians. The MacKinnon panel highlights that physician compensation has grown by nearly 300 per cent since 2002, and the average fee-for-service billings in Alberta are significantly higher than other provinces. This year there is $5.3 billion in net operating expense budgeted for physician compensation and development, which is consistent with spending last year.

However, in order to hold the line and curtail growth, we must make some changes. We have just begun negotiations with the Alberta Medical Association to amend the current agreement and address the fiscal challenges that lie before us. Because of negotiations I can’t say too much today about this portion of our budget, but it does reflect a $10 million reduction to the physician on-call program that has been approved through the Physician Compensation Committee.

9:10

Bill 21, Ensuring Fiscal Sustainability Act, is currently moving through the legislative process. It will get physicians where they are needed most in the province by matching new physician supply with demand. The bill also includes provisions for changes to the master agreement with the Alberta Medical Association.

Now, the third largest area of the Health budget goes towards drugs and supplemental health benefits, with $1.7 billion in net operating expense being allocated this year. Through the Pan-Canadian Pharmaceutical Alliance and generic drug pricing agreements, much work has already been done to reduce drug costs, both here in Alberta and across the country, but we are taking further actions to reduce the growth rate in drug costs, including expanding the biosimilars initiative and maximum allowable cost pricing rules. These changes will limit drug benefit coverage to lower cost initiatives which are clinically appropriate.

Changes will also be made to the seniors’ drug benefits plan to eliminate coverage for nonsenior spouses and dependents. We will be exploring income testing for seniors’ drugs since we have major concerns about the program’s sustainability as annual costs are potentially rising by 8 per cent or more.

Turning to the capital plan, this budget invests $3.5 billion over four years for Health capital projects and programs, including over $500 million for capital maintenance and renewal of existing facilities. We are continuing to support projects such as the Calgary cancer centre. Maybe I can head off some questions here. While some numbers have changed to reflect construction scheduling, we remain committed to this project, and I’m happy to report that it’s on time and on budget, Mr. Chair. The Norwood long-term care facility in Edmonton and the Grande Prairie hospital are two other significant projects which are continuing as planned. There is also planning money for the Red Deer hospital and the proposed brain centre at the University of Alberta hospital.

The budget includes $184 million over four years for continuing care, $134 million of which will go to a new program where we will be reviving successful components of what used to be known as the affordable supportive living initiative and prioritizing the creation of continuing care spaces in areas with the greatest need and for populations who are underserved, including indigenous communities. More details on that program will come later this year.

The proposed child and adolescent mental health building at the Royal Alexandra hospital in Edmonton is being deferred while Associate Minister Luan and his newly formed Mental Health and Addiction Advisory Council review plans and come back to us with their advice on how best to deliver these services.

The four-year budget for the new Edmonton hospital has been adjusted with the opening delayed to 2030, which is more consistent with the expected growth and demand for acute-care beds in the region.

Turning quickly to our Ministry of Health 2019-23 business plan, we have laid out a path to achieve better health care outcomes for Albertans and to build a health system based on sound fiscal stewardship, clear accountabilities, efficient service delivery, and value for investment. Our business plan includes 10 performance metrics from the MacKinnon panel. It includes objectives such as improving surgery wait times and timely transitions for patients coming out of hospital into appropriate community settings; bringing down Alberta’s health spending to national norms by ’22-23; creating new continuing care spaces where they’re needed most; expanding access to a continuum of mental health and addiction services; and developing and implementing opioid response strategies which support increased access to opioid treatment and recovery.

Now, as I conclude, Mr. Chair and colleagues, I want to emphasize that this budget reflects thoughtful and careful decisions which have been made to help reduce rising costs while maintaining front-line services. Controlling costs will help us live within our means while providing efficient, quality services to all Albertans.

I’m proud of this budget. I’m proud that this budget will allow us to focus our commitments while being both innovative and efficient.
to ensure that the money spent on health services every year will best serve Albertans’ needs.

Thank you, Mr. Chair, and I’m pleased to take the questions from the committee.

The Acting Chair: Thank you very much, Minister.

Our deputy chair has now arrived. If I could just ask him to introduce himself for the official record.

Mr. Dang: Thank you. Good morning, Thomas Dang, MLA for Edmonton-South. My apologies. I didn’t want to become a user of the health care system this morning.

The Acting Chair: All good. Thank you very much for being here.

Now, for the hour that follows, members of the Official Opposition and the minister may speak. The timer will be set for 20-minute intervals so that members are aware of the time. As mentioned, members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister’s time. Discussion should flow through the chair at all times regardless of whether or not speaking time is combined.

Is it Member Shepherd that we’re beginning with? Sir, a back and forth with the minister?

Mr. Shepherd: Yes, if the minister is agreeable to that.

Mr. Shandro: If that’s what the member wishes, Mr. Chair, I’m agreeable to that.

The Acting Chair: Thank you very much.

Mr. Shandro: Thank you, Mr. Chair, and, through you, thank you to the minister for that summary of your vision and, I guess, your focus of this budget and business plan for the Ministry of Health and indeed the whole of the health care system in Alberta. I particularly appreciate it given that I did notice in the business plan that it doesn’t seem to include that portion, that seems to have been common in previous years but didn’t seem to be there this year. It is helpful in this context to get some of that context and overview and some more of the specifics beyond what was in the fiscal plan.

I think we both agree that our purpose here today is to dig into the specifics of how you intend to accomplish some of this work and that broader vision that you’ve laid out. I’d perhaps like to take that lead and get down to business.

It’s my hope in our dialogue that we can just be direct, sort of get down to some of the facts here. I apologize in advance for any times that I might interrupt. It’s not my intent to be rude, but I think we both agree that we’ve got a lot of material to cover. You’ve certainly got a broad spectrum of items within your ministry. If I do have the information that I’m looking for or if I feel like it’s not forthcoming, I might just choose to move on or try to clarify my ask.

With that, let’s dig into things. I’d like to start on line 2.2 in your estimates, community care. You show an amount there of $687 million, but on page 85 of the fiscal plan I do note that there is only an allocation of $682 million. I was wondering if you could provide some clarity on that difference.

Mr. Shandro: Sorry. That’s on page 118, line 2.2?

Mr. Shepherd: Yes, 2.2 of the budget, page 118.

Mr. Shandro: Community care?

Mr. Shepherd: Yeah. We have $687 million. Page 85 of the fiscal plan indicates $682 million.

Mr. Shandro: Would you mean home care, Member, at 2.3?

Mr. Shepherd: I apologize. Yes. My apologies.

Mr. Shandro: Sorry. Could you repeat the question, then?

Mr. Shepherd: Just looking at 2.3 of the estimates, they’re showing $687 million, and then page 85 was showing an amount of – I apologize. That seems to be a mistake on my part. My apologies.

Let’s move on. On page 85 of the fiscal plan, looking at acute care, I do see that we have a reduction this year of about $54 million, looking at a reduction of another $38 million next year, and then looking to hold that amount flat against inflation and population growth in the years going forward. I was wondering if you could give me some clarity on how you were hoping to achieve those savings.

Mr. Shandro: Well, thank you. Some examples of the savings that we’ll be able to realize in this budget related to this line item, acute care – and I’ll just be referring still to page 118 and line 2.4. For example, there is a 1 per cent decrease in the LAPP employer contributions for this year as well as savings related to increasing the supply of long-term care beds in the system.

Mr. Shepherd: Will those be current beds or beds that you’re anticipating to add to the system through your expanded ASLI program?

Mr. Shandro: These are beds that will be coming online in this year, and that will help us be able to realize some savings.

As well, I think that, just generally, AHS’s OBP program, the operational best practices program, has already been identifying savings initiatives, as they do every year since it’s been going for the last few years, as well as the enhanced vacancy management program.

Mr. Shepherd: Okay. Are there specific operational best practices that AHS has brought forward in this area?

Mr. Shandro: I don’t have that myself to be able to list, but I do know that the OBP program is at the 16 largest acute-care sites in the province right now. I understand that AHS is continuing to – what they do is that they look at each of these 16 sites, and they benchmark various measures throughout the year, throughout the quarters, by month, even by hour, trying to find where one of these 16 sites is not measuring up to the others and trying to bring them up, trying to take something that other sites may be doing a little bit more efficiently and be able to apply those best practices to one of the other sites.

Mr. Shepherd: Okay. I understand. Thank you, Minister.

Just to clarify here, you’re anticipating, then, savings in acute care by the introduction of some new long-term care beds and spaces. I think we recognize, indeed, that we save money in acute care when we have people that access supports elsewhere. What is your intent, then, for those acute-care beds? Is it your intent that those beds would no longer be hosting folks? Are those beds that are going to be closed? Any particular facilities that would reduce their capacity? Otherwise, I don’t see where we realize savings if there are other people occupying the same beds that have been vacated by those moving to continuing care.
Mr. Shandro: I guess that what I’d say generally, Member Shepherd, is that we have a waiting list of quite a few people waiting for long-term care. When we have more of those beds coming online, for those people to be able to transition to a long-term care bed, which is going to be less expensive for those folks, to be able to get the care that they need and that bed, we’re expecting those savings to be actualized through that.

Mr. Shepherd: This calculation, then, of the amount that you’re anticipating to save here this year and in the coming years is based on the difference between what you’re paying for the people currently occupying those acute-care beds and what the cost will be for those in those continuing beds?

Mr. Shandro: Partially, as well as finding efficiencies throughout the system and us also expecting by the end of the year being able to get the report from EY for the AHS review as well as trying to be able to take what we might learn from that report and being more efficient in how AHS performs and provides its services.

Mr. Shepherd: So a part of those savings, then, is from as yet undefined efficiencies?

Mr. Shandro: Well, efficiencies that we are expecting to be identified in the EY report.

Mr. Shepherd: Okay. Making some assumptions there, but fair enough. Thank you. I appreciate the clarity on that.

I take it, then, from what you’re saying that you do not have any intent at this point to be reducing capacity in the acute-care facilities in our major centres or in rural areas.

Mr. Shandro: In this budget we’re expecting for us to make sure that for the 18 per cent of our acute-care beds, that are right now occupied by someone who is really in need of either a long-term care bed or continuing care bed, we make sure those people are in the most appropriate care and not in acute-care beds, not being inappropriately placed in the system, and make sure that we’re going to continue to push AHS to be more efficient in the way that they provide care to Albertans.

Mr. Shepherd: So at this point you won’t commit that those operational best practices or the efficiencies that you’re not able to specifically define at this time will not include the closure of acute-care beds.

Mr. Shandro: I can also say, as I was passed this note just to remind me, that another example is that right now, when EMS are called, all the people, when they need care, are being taken to an acute-care site. It’s being able to make sure that EMS isn’t just delivering people to emergency rooms but also trying to find opportunities for them to be delivered in the community as well. For example, they could go to a primary care provider, or they could go to a continuing care facility as well or just to make sure that people are getting better support in the home. These are a number of initiatives as well for us to make sure that what we’re spending in our acute care is the most efficient for Albertans.

Mr. Shepherd: Okay. You bring up EMS and ambulance services, so perhaps we’ll move on to there since we don’t seem to be getting any more specifics on some of those elements within acute care. Line 2.5 in your estimates . . .

Mr. Shandro: Sorry. Which line?

Mr. Shepherd: Line 2.5 in your estimates, page 118, continuing in section 2 under Alberta Health Services. Line 2.5 shows ambulance services at $465 million for your estimates this year. In the operating expenses on page 85 of the fiscal plan under ambulance services for this year we have $465 million as well. Excellent. Are there any amounts in there that are included in terms of user fees?

Mr. Shandro: A user fee for an ambulance?

Mr. Shepherd: It’s not anticipated that there’s going to be anything included along those lines?

Mr. Shandro: No.

Mr. Shepherd: Okay. Thank you.

Looking at ambulance services in your fiscal plan, it’s showing about an $11 million reduction this year, with a slight reduction over the next two years and then a small bump in 2022-23. What specific actions are you planning to take to achieve those savings?

Mr. Shandro: We’re at line 2.5? I see an increase.

Mr. Shepherd: Yeah, line 2.5 in your fiscal plan. We show about an $11 million reduction over last year and then a reduction again for the next two and then a slight bump the year after that.

Mr. Shandro: Okay. Right.

Mr. Shepherd: I’m just asking: where are you thinking you would be realizing those savings. What is your intent in that regard?

Mr. Shandro: One, as I mentioned before, is the reduced LAPP employer contributions for this year as well as reduced fuel costs, mostly related to the repeal of the carbon tax in this province and AHS not having to spend as much on fuel for their ambulances.

Mr. Shepherd: Okay. Thank you. I appreciate that clarity.

I apologize. Just to return to where I began, there is a difference here between the $495 million in the fiscal plan versus the $465 million which is listed on line 2.5 in your estimates on page 118. Can you clarify where that difference of $30 million comes from?

Mr. Shandro: First of all, I’ll say that the $465 million that you see is the grant that we provide to them for ambulance services.

Mr. Shepherd: Yes. Of course, there’s a consolidated amount.

Mr. Shandro: That’s correct.

They have other sources of revenue for their ambulance services.

Mr. Shepherd: Do you know at all what those other sources might be?

9:30

Mr. Shandro: Generally, the other sources of revenue include premiums, fees, and licences, but those amounts are not increasing in this budget.

Mr. Shepherd: Okay.

Mr. Shandro: But there’s a portion of the premiums, fees, and licences which they attribute to the ambulance services line in the budget.

Mr. Shepherd: And those fees and premiums are paid by those local municipalities?
Mr. Shandro: Yeah. There’s a combination. It could be paid by insurance companies. It could be paid by Blue Cross. It could be paid by an Albertan. There’s a combination.

Mr. Shepherd: Paid by an Albertan. So there are some user fees in the system?

Mr. Shandro: There could be. There’s no increase. Is that what your question was?

Mr. Shepherd: Just clarifying where – so there are some costs. Okay. But to be clear, there is no increase in any costs on this front.

Mr. Shandro: No. Albertans won’t be asked that.

Mr. Shepherd: Okay. Thank you. I appreciate that clarity. Are there any plans to explore, I guess, any extended contracting outside of the current services for any areas around Alberta with, I guess, any other providers for EMS services, say, with companies such as Medavie or others who provide private ambulance services through their nonprofit?

Mr. Shandro: Well, thank you. I would point out that right now in the system we already have both AHS and contracted services currently in the system. Is that what the question was?

Mr. Shepherd: Well, yes. We know you’ve indicated that in some other areas like, say, laboratory services, laundry services, and other areas you have intention to expand outside contracting for those. I’m just asking if within EMS and ambulance services that’s a consideration as well.

Mr. Shandro: For ALS, like, advanced life services, EMS care? Is that what the question is?

Mr. Shepherd: Yes, for ambulance services.

Mr. Shandro: We have currently in the system – you’re just asking whether we’re expanding it from the current providers?

Mr. Shepherd: Yes, exactly.

Mr. Shandro: No. There are no planned changes.

Mr. Shepherd: Excellent. Thank you, Minister.

To move on, then, to line 2.6, diagnostic and therapeutic services, on page 118 in the estimates, we have $2.3 billion, just about $2.4 billion, set aside there and then within your financial statements in the fiscal plan, $2.45 billion. Again, would that be a similar thing – licences, fees, licence premiums, that sort of thing – that makes up that difference?

Mr. Shandro: The difference between those two numbers is that – if you’re referring to page 92 in the statement of operations, that line is not just diagnostic and therapeutic services. It includes other patient services as well, and a big part of that is Canadian Blood Services.

Mr. Shepherd: Thank you, Minister. Within this we’ve got a few different elements. We’ve got our diagnostic imaging, we’ve got our laboratory services, a few different things. I just want to get a sense. How much of this is to, I guess, sort of maintain just the existing status quo for the system, or are there any amounts that are intended to address some of the needs within the system? Well, maybe we should drill down into a bit more detail on that. In your fiscal plan you note, I guess, your detailed plan for addressing surgical wait times. We’re going to be seeing that come forward in Budget 2020.

Let’s talk just maybe directly about diagnostic imaging. I think we all recognize that there has been a lot of talk recently about increasing wait times to access imaging needs and for urgent cases. Certainly, as you’ve noted in some of our discussions on this previously in the House, that was something that was a challenge under our government, continues to be under yours. In Budget 2018-19 we provided an additional $19 million for diagnostic services to help address some of that backlog. From what I’ve heard from some of the front-line workers and people in the system, they did make some significant progress in addressing that backlog as a result. In your supplementary supply this year you elected not to continue with that increase, so we have been seeing a number of news stories and indeed I’ve heard from a number of patients and practitioners who’ve corroborated that we are seeing some increases in wait times again. We see an increase here in this line of about $10 million overall for diagnostic and therapeutic services. Are there any amounts included in here specifically targeted to address these backlogs in diagnostic imaging?

The Acting Chair: Okay. Thank you. The first 20 minutes has expired. Mr. Shepherd, do you wish to continue back and forth with the minister?

Mr. Shepherd: Yes, please.

The Acting Chair: We’ll wait for the minister’s response to the question you asked. Thank you very much.

Mr. Shandro: Well, I guess I could advise Member Shepherd that if you look at our MRIs and our CTs from 2018-19, for example, for MRIs we did in this province 204,744. We’ve actually had an increase of 3.2 per cent for this year by the end of September. CT scans as well. Last year we did 441,938, and we’ve seen an increase so far this year of 4.2 per cent in CT scans being done in the province. I don’t know if that answers the member’s question.

Mr. Shepherd: It’s certainly helpful to hear those numbers, Minister, but my direct question was: is any of this $10 million amount that you’re increasing here for this line item intended specifically for diagnostic services?

Mr. Shandro: Well, actually, the increases are related to a few things. One is the fact that we have a leap year this year. That’s actually a part of the reason for the increase. We also have an increase for prior-year FTEs. Contract inflation as well is another reason for the increase. We have some union step increases, and those amounts are just partially offset by the LAPP employer contributions.

Mr. Shepherd: Largely, then, this additional $10 million is just to cover for the leap year and a few other items there, so there aren’t any actual amounts to increase services. We’re looking at status quo.

Mr. Shandro: I can advise, first, that the ’18-19 budget actually did not include the amount that is mentioned, Member Shepherd, and that actually those FTE increases now are included in this line item. That’s partially due to the increase for that line item. The budget from the previous year did not include that 19 – I can’t remember the exact amount you mentioned, but that amount is not included in this budget. For those FTE increases now this budget does include those folks.
**Mr. Shepherd:** Well, the notes I have indicate that in the diagnostic therapeutic services, line 2.6 for last year, $2.4 billion did have a $19 million, or .8 per cent, increase for the AHS budget, a portion of which was intended to go towards diagnostic services, others for surgery, cancer treatments, continuing care capacity, and opioid treatment. But we’ll set that aside. Just to clarify on this point, then, you did give us some numbers there indicating that there’s been some improvement. Certainly, I think we have been hearing clearly from the public and indeed from practitioners that they feel there is a concern with the increasing backlog. Indeed, it was someone I believe from your ministry or from AHS that directly came out and said that there was one-time surge funding that was put in place in the budget last year to improve diagnostic imaging services. You chose not to increase that in the supplementary supply this year, and what I’m hearing from you now is that you are not putting in any additional funds to address backlog now.

9:40

**Mr. Shandro:** Well, I can advise that we are putting money in this budget for those FTEs, that increase in FTEs.

**Mr. Shepherd:** There were additional full-time employees hired to provide additional diagnostics?

**Mr. Shandro:** We’re including those now in this budget where they were not included before.

**Mr. Shepherd:** Okay. Thank you, Minister. I appreciate that clarification. This, of course, is going to be part of your work. If you want to improve surgical wait times, it’s going to involve having to, I guess, make improvements at several points in the system. Certainly, better allocating how people are being moved into surgery streams and put on those lists indicates that it’s going to be part of a more efficient system for diagnostic imaging to assess which individuals should be on those lists. You will be addressing the surgical wait times with a more specific plan in Budget 2020. Would we expect to see more detail on your plans then to address diagnostic imaging concerns with that as well?

**Mr. Shandro:** Yeah.

**Mr. Shepherd:** Excellent. Thank you. Well, let’s move on then to talk about lab services, which are included as part of this now. Now, I think we’re both well aware – both of us have been out in the field; we’ve talked with folks at the facilities – and in particular know the needs in terms of equipment and infrastructure for laboratory services, particularly here in Edmonton and for facilities that are serving northern Alberta at locations like the U of A hospital. Within this amount here are there any amounts within line 2.6, diagnostic and therapeutic services, to address those outstanding needs?

**Mr. Shandro:** Well, the government is working with Alberta Health Services, lab service providers, and other stakeholders to determine priorities for investment to ensure reliable, sustainable lab services for years to come. This includes investment into the Edmonton laboratory system.

**Mr. Shepherd:** Yeah. But at this point you’re not able to give any specific numbers? You haven’t had any discussions with AHS about specific investments that they’re prioritizing at this time?

**Mr. Shandro:** This is a question about 2.6 or . . .
the priority needs and for us to be able to work with them, I guess, in filling those needs.

**Mr. Shepherd:** I suppose. Thank you, then, Minister.

I do find it a bit troubling given that we do know what the dire need is and indeed from your statements in the Legislature and other places, I think. It’s not a question that we disagree on the need here. I think we both recognize that this needs to be addressed and that this is indeed crucial and outstanding. But it’s unfortunate that up until this point your government has been able to provide very little clarity to the people of Alberta and indeed to the people who work within the system about your intentions or where your investments are going to be. We continue to see outstanding issues. I find it troubling that at this point you’re unable to point to any specifics about how you intend to address it.

**Mr. Shandro:** Well, I’m happy to answer that. I think part of the issue in northern Alberta started in 2014. It started with an RFP that was proceeding. The proponent that was chosen was an Australian company. That Australian company was the successful proponent partly because they were proposing to make significant increases in the investment in laboratory infrastructure in northern Alberta. Now, there was a vendor appeal process. That vendor appeal was disposed in a way that suggested that there were issues throughout the RFP, but it recommended that negotiations continue with that Australian company. The previous government then was successful in May 2015 and very quickly terminated that RFP with that provider. Now, it took some time for our previous government to work – from the time that they cancelled, which, in my mind, was a cancellation of investment, a significant investment in laboratory infrastructure in northern Alberta, it took a couple of years, unfortunately, to get to 2017, when they engaged Dr. Penny Ballem to be able to provide a report through the Health Quality Council of Alberta . . .

**Mr. Shepherd:** Respectfully, Minister, I’m well aware of the history of this process, and I think the average Albertan is as well.

**Mr. Shandro:** . . . to be able to give some guidance on what is needed for infrastructure investment. Unfortunately, it took such a long time for our previous government to get to that point. Now we’re six months into our mandate, and we are committed to northern Albertans and folks in Edmonton to make sure that that investment does come. We do see that need. Unfortunately, it didn’t happen in the previous four years, and, you know, that’s a problem for us.

**Mr. Shepherd:** Minister, respectfully, we can sit here and we can debate the philosophies of our previous government and yours. I don’t think that’s necessary at this point. What I’m asking for is a clarification at this point, I guess, within this budget and business plan on whether there are any dollars that are being committed to moving your vision and your intent for your government forward.

**Mr. Shandro:** The answer is yes.

**Mr. Shepherd:** At this time it seems that you aren’t able to provide any specific clarity on that.

**Mr. Shandro:** Well, to the extent that the specifics are that there is the one program that I mentioned. There are other programs as well for capital investment, and we’re happy to make sure that we’re going to continue to work with the two lab providers in northern Alberta to understand what their critical needs are.

**Mr. Shepherd:** It seems clear, Minister, from your statements in the House, both to your own members and to myself, that your intent is to move into a deeper relationship with DynaLife by some combination of public . . .

9:50

**Mr. Shandro:** I would disagree with that.

**Mr. Shepherd:** Minister, I would say that you have repeatedly indicated in the House that your intent is to work with the existing services and the existing partners. There are many different combinations under which that could take place, so I’m not saying that it’s going to be one thing or another. Certainly, decisions recently such as changing the name of Alberta Public Labs to Alberta Precision Labs seems to indicate, to me, that you are not planning to move forward with the vision that our government had had.

I’m just asking: within this budget, particularly line 2.6 or if there’s any other line where it would be contained, are there any amounts that are being dedicated to the work to achieve that transition and that change in direction that you see for your government, whatever that might be?

**Mr. Shandro:** This budget does not include an amount of $50 million of taxpayer money to . . .

**Mr. Shepherd:** Minister, I’m just asking a simple question about your intent. I don’t need a partisan response.

**Mr. Shandro:** No. That is the answer. We do not have an amount in this budget for us to buy out DynaLife and nationalize.

**Mr. Shepherd:** You’ve made it quite clear that that’s not your intent, Minister, but you have yet to make clear what your intent is or what dollars you might be committing towards it, and that is what I’m asking you today. Do you, within this budget, have any dollars dedicated towards your intent, your vision, your direction to move forward with laboratory services in Edmonton, or is that not a consideration within this budget?

**Mr. Shandro:** Oh, I thought that the question was whether we had amounts in this budget to proceed with the previous government’s . . .

**Mr. Shepherd:** No. I’m quite clear that you don’t intend to move forward with the plan that our government had.

**Mr. Shandro:** Yes, we do have amounts in this budget for us to continue to proceed with what our vision is going to be, and we’re going to, before the end of the fiscal year, be able to make announcements on what we’re going to be able to do. The agreement with DynaLife, I think, terminates in ‘22, and I think that there’s a need to not wait until ‘22 or ‘21 to be able to make decisions. I don’t think it’s going to be by the end of this calendar year, but in 2020 we will be proceeding with next steps for us to – I don’t know how to say it – whatever the future is going to look like with private providers and laboratory services in northern Alberta.

**Mr. Shepherd:** Thank you, Minister. I appreciate that clarification, but you can’t identify any specific amounts that are dedicated towards managing that transition at this time?

**Mr. Shandro:** Well, I don’t know if I’d characterize it as a transition.
Mr. Shepherd: Would that be within your ministry operating budget, then, within your staff, or would that be within dollars dedicated to AHS in terms of them being able to help manage that transition?

Mr. Shandro: I don’t know if I understand the transition that’s being referred to.

Mr. Shepherd: Well, I assume there is planning going on. I appreciate the clarification that you intend to announce some direction before the end of this year and before the end of the fiscal. I’m just clarifying, then, if there are, within this budget, any dollars that have specifically been dedicated to that planning process, either for yourselves or in conjunction with AHS.

Mr. Shandro: If you’re asking if there’s an increase, the answer is no.

Mr. Shepherd: Okay. Fair enough. Let’s move on, then, Minister. Thank you for your clarification on that front.

Line 2.9, information technology. I’d like to first of all say congratulations to everyone at AHS for the successful launch of connect care this past weekend. I know that’s an initiative that spans the work of more than one government, and I appreciate the work you’ve done to sort of continue to manage that transition.

Line 2.9, information technology. We have $444 million. In the fiscal plan we have a slightly larger amount, I believe $491 million. I just want to clarify where those additional dollars are coming from and going to.

Mr. Shandro: First of all, thank you for your comments about the staff at AHS, who have worked so hard around the clock for the last 48 or more hours to be able to implement this first wave, that started this weekend. You’re right. It was the work of many governments, dating back to even before 2014. It’s been a lot of work to get to that point, and congratulations to all those who were involved in that implementation.

Regarding the question, though, 2.1 is the line. I don’t know if the number you mentioned is the same number that I see.

Mr. Shepherd: Okay. Pardon me. Let me just pull up my chart here from the fiscal plan. In the fiscal plan it shows that you have $491 million set aside at line 2.9 for information technology. Within 2.9 in the estimates we have $484 million. So, I apologize. Yes, I had said $444 million, but I was reading from the previous year. You have $484 million this year. Just a question on the difference between those two: where are those additional dollars coming from and going to?

Mr. Shandro: If I understand correctly, you’re asking: if we look at 2.9 and then we compare it to the information technology line item in operating expenses . . .

The Acting Chair: Minister, thank you very much. The second block has concluded.

Member Shepherd, do you wish to continue?

Mr. Shepherd: Yes, please, if the minister would like to finish with his answer.

Mr. Shandro: Thank you. The question is: why is there a difference between those two numbers?

Mr. Shepherd: Yes. There’s about $7 million. I’m just asking where the difference comes in.

Mr. Shandro: The $484 million is our grant to AHS for information technology. The remainder that they spend on information technology is coming out of their budget. That’s the remainder that they spend on information technology.

Mr. Shepherd: Okay. Thank you.

Back in August, I recall, we saw that there were a number of IT contractors who had contracts that were left to lapse, I believe by Service Alberta, that led to some issues with some of the grants, scholarships, bursaries, and other things. Have there been any other similar issues or concerns with your ministry in terms of the information services?

Mr. Shandro: No.

Mr. Shepherd: Okay. Thank you. That’s good to clarify.

Obviously, the successful launch of connect care seems to indicate that it’s moving along well. How much of this $444 million is set aside, then, to support that work and to work towards expanding connect care to more facilities? We have the initial pilot project going now. How much of this is dedicated toward, I guess, seeing that through its first year? Are there any amounts in looking at expanding that to other facilities?

Mr. Shandro: I can advise that the combined operating and capital spending on connect care for this year is $325 million.

Mr. Shepherd: Right. And you aren’t able to provide any further detail on that other than the overall number?

Mr. Shandro: No. We do know that overall number for the combined capital operating expenditure for connect care for this year.

Mr. Shepherd: I do know that in the budget last year about $80 million, I believe, out of the $367 million that was committed over five years was intended for the purpose of expansion to other facilities. You can’t let me know whether that’s continuing or whether that’s been adjusted?

Mr. Shandro: It’s actually been accelerated, I suppose, from what I’m supposed.

Mr. Shepherd: Okay. So there’s a larger amount of that $444 million that is in fact dedicated to expanding that?

Mr. Shandro: Yes.

Mr. Shepherd: Okay. Your staff seems to have more information on that. Did they want to add any details?

Mr. Shandro: Okay. It was related to the fact that we had accelerated the timeline from 10 years to six years. That’s why the amounts that we’re spending this year are actually more, because we’re accelerating the implementation of connect care.

Mr. Shepherd: Okay. So you’re dedicating more dollars in order to accelerate this process to six years from 10 years. So in six years you anticipate that the connect care system should be available for all AHS facilities?

Mr. Shandro: Yeah. There are nine waves in total, so, yes, by three years, in 2022, connect care is going to be implemented throughout AHS’s facilities.

Mr. Shepherd: Okay. Excellent.
As part of the implementation, it was, I guess, expected initially that additional costs were going to be covered by savings that are generated by the use of the technology. Is that still your anticipation going forward, that there will be further savings as the technology comes into use?

Mr. Shandro: Yes.

Mr. Shepherd: Now, I’ve been hearing some concerns from front-line staff about ensuring that there is appropriate allocation for training and education of staff. Certainly, from what I was seeing online, there was some robust process in place for this initial wave in the first few days here, but I have heard concerns from some front-line staff in some other facilities about ensuring that there’s adequate education and training to make sure that staff are up to speed on the new system. Can you clarify at all within this $444 million what amounts are specifically set aside for training and education of staff?

Mr. Shandro: Perhaps while we’re digging into that question, maybe move on to another question that we can answer in the meantime.

Mr. Shepherd: Sure. That would be fine.

Looking forward, I guess, we have your sort of plan, then, within six years to see it rolled out to all facilities. What, if any, plans – are there any dollars dedicated to working towards this end? – are there for bringing some of the physicians, primary care networks, and others into this? Let’s, I think, acknowledge that there are some challenges within the system of communication and sharing of health care information. What plans are there to help fold in other external partners with the connect care system?

Mr. Shandro: Well, if you are a primary care physician, you’re using an electronic medical record. Whether it’s, you know, Med Access or Wolf or something like that, what we want to do is make sure that we’re working with our primary care physicians and with the EMRs to the extent that we may have to make some mandatory requirements on what EMRs can provide to the primary care physicians and make sure that there is . . .

Mr. Shepherd: I’m sorry, Minister. EMR?

Mr. Shandro: Oh. Sorry. Electronic medical record.

Mr. Shepherd: Okay.

Mr. Shandro: The electronic medical records that a primary care physician will use to make sure that there is an easy porting of information to connect care are one of the things that we need to work on in the coming years and working with those EMRs, the ones that are most popular for primary care physicians, and working with our primary care physicians as well to make sure that they’re using those EMRs that are going to have easy porting of information or syncing of information with connect care.

Mr. Shepherd: When you speak of mandatory, are you talking about at some point bringing in some requirement for what systems physicians and PCNs would use?

Mr. Shandro: We might have to. We need to be aware that the EMRs that are used by our primary care physicians are going to have that ability. I would also note that we have started, over the summer as part of our campaign commitment, a review of information technology, mostly related to how Netcare, MyHealth records, and connect care all work together. We expect that there may be an answer that comes out of that review, that should be completed by the end of the year, on how those different pieces of information technology work together, how there’s overlap, how there’s duplication, and to make sure that what we proceed with in the coming years is something that’s going to be, I guess, where all these pieces are working well together.

Mr. Shepherd: Excellent. Well, thank you, Minister.

We’re still waiting on the other information, so I’ll move along. In your business plan you . . .

Mr. Shandro: Oh, actually, we do have that.

Mr. Shepherd: Oh. So you have that there. Thank you.

Mr. Shandro: Okay. We can advise that the training for the superusers – I don’t know if you saw on social media that those are the folks wearing the yellow aprons. We do know, as an example, what we’re spending on training. We spend just on the superuser training alone $3 million in ’19-20.

Mr. Shepherd: Okay. In ’19-20. Are you anticipating those amounts to rise as you continue to move forward with that, then?

Mr. Shandro: We’re not anticipating it to rise.

Mr. Shepherd: No? Okay. Excellent. Thank you.

In your business plan you indicate that you’re setting aside about $4.6 million for the community information integration and the central patient attachment registry project, so a little bit down from last year. How much are you setting aside, then, to maintain Alberta Netcare, the provincial health information exchange, and the personal health records?

Mr. Shandro: Sorry. Which line is this?

Mr. Shepherd: This was in your business plan. You indicated that you’re setting aside $4.6 million for the community information integration and central patient attachment registry project. I’m just asking for clarification, then, if it’s perhaps contained with information technology, what amounts you’re also setting aside, then, for Alberta Netcare, the provincial health information exchange, and the personal health records.

Mr. Shandro: Sorry. Which line is this?

Mr. Shepherd: This was in your business plan. You indicated that you’re setting aside about $4.6 million for the community information integration and central patient attachment registry project. I’m just asking for clarification, then, if it’s perhaps contained with information technology, what amounts you’re also setting aside, then, for Alberta Netcare, the provincial health information exchange, and the personal health records.

Mr. Shandro: We’re looking for that number.

Mr. Shepherd: Certainly. No problem at all.

Well, while your staff is looking at that, why don’t we move on. I guess one other question I might have here: as we are implementing connect care, then, and some of these other things, we’re looking to work these initiatives – I didn’t see anything specific within your business plan in terms of what your metrics and performance measures were going to be to track the success of this implementation and the effects of the program. Are there any particular metrics or performance measures that you’re going to be using within your department to track the impact of these new systems?

Mr. Shandro: I suppose the answer to that would be that once connect care is rolled out and, as well, once we have the EY review of connect care, Netcare, and MyHealth records, those measurements are going to be determined and defined in the future.

Mr. Shepherd: All right. Thank you, Minister.

Page 85 of your fiscal plan. You’ve marked just under $1.9 billion . . .
Mr. Shepherd: Can I interrupt, Member Shepherd?

Mr. Shandro: Oh, yes.

Mr. Shandro: The previous question was about Netcare and how much we spend on Netcare?

Mr. Shepherd: Sure.

Mr. Shandro: Okay. AHS operates Netcare on our behalf, and they receive a grant to maintain, operate, and enhance Netcare from the ministry. For 2019-2020, $10.2 million was provided to them as an operating grant, and approximately $4.05 million was provided as a capital grant for funding, allocated to them specifically for Netcare. Then additional funds are budgeted for Alberta Health operating systems tied to Netcare such as $1.6 million for registries and $2.75 million for the provincial drug information system.

Mr. Shepherd: Thank you, Minister.

Page 85 of your fiscal plan. We’ve got about $1.89 billion set aside for support services. In the estimates we have about $1.6 billion. So we’ve got a lot of different things that are included in this area, things like laundry services. You’ve intended to at this point – I believe that in question period the other day to one of your members you said that you were in fact preparing to send out an RFP in regard to some of those laundry services. Within your budgeting for this line item have you factored in any anticipated savings for that switch?

Mr. Shandro: No, not in this budget. If there are, it would come in the next budget.

Mr. Shepherd: Okay. Thank you.

Similarly, you’ve indicated and your government has come out quite clearly that you intend to stage wage rollbacks from employees in many of these areas: housekeeping, food services, warehouses, sterilization. Now, of course, many of these employees aren’t that highly paid to begin with. I’m just wondering: does this line item include any calculation of, I guess, the small amount of savings you might anticipate to realize there?

Mr. Shandro: I suppose what I can say about that is that Minister Toews has said publicly that there’s no budgeted amount for an increase in wages, but any further questions about, you know, wages, I suppose, should be directed to Minister Toews.

Mr. Shepherd: So within your calculations and your discussions with AHS you are not adjusting any of your amounts in anticipation of any changes in wage at this time?

Mr. Shandro: There are no changes.

Mr. Shepherd: Thank you, Minister.

Now, just continuing, of course, you’ve indicated that the 2020 budget is where we’ll see more of your direct plan to reduce wait times for surgeries, but I think we can anticipate that regardless of however you intend to approach that, reducing the wait times means more surgeries taking place. That, in turn, is going to require more capacity in this area, in support services. Surgeries can’t happen without people that are doing the reprocessing of devices, doing sterilization procedures, providing all the support services, including laundry and other things, which allow those surgeries to take place. In this budget are you including any amounts, any increases within support services in anticipation of a larger quantity of surgeries taking place?

Mr. Shandro: No, not in this budget.

Mr. Shepherd: Not in this budget. Is that something you’d be considering, then, for 2020?

Mr. Shandro: Yes.

10:10

Mr. Shepherd: All right. Let’s switch directions a little bit. Let’s move now over to the business plan. On page 90 of your business plan you set out an objective of increasing Albertans’ opportunity to choose care from a mix and distribution of professionals working to the full scope of their practice. You’re committing about $230 million to PCNs to support the delivery of team-based primary care. Just to begin, then, let’s just clarify terms. Minister, what, for you, would be your working definition of what would be considered a PCN?

Mr. Shandro: A primary care network?

Mr. Shepherd: Uh-huh.

Mr. Shandro: You’re asking what my definition of a primary care network is?

Mr. Shepherd: There’s the official definition, I guess, on the alberta.ca website:

Groups of doctors working together with teams of health [care] professionals . . . doctors, nurses, dietitians, and pharmacists, to meet the primary health care needs of people in their communities.

About 80% of . . . physicians are registered in a PCN.

So that’s basically what we’re working with here when we’re talking about a PCN?

Mr. Shandro: I don’t disagree with that. Yes.

Mr. Shepherd: Okay. We have, then, currently the primary health care strategy and evaluation framework, which I guess sort of regulates the use of PCNs in the community and how they operate. Are you considering any changes to that framework or that strategy at this time?

Mr. Shandro: No.

Mr. Shepherd: Okay. Now, I find it interesting with your new business plan that you prioritize the use of PCNs and indeed seem to indicate that they’re going to be an important part of your plan to create a more patient-centred health care system, but you’ve chosen to eliminate the performance metric tracking the actual percentage of Albertans that are enrolled in a PCN. Was there a reason for removing that metric, and do you have something else that you’re going to be putting in place to track how effective this investment of $238 million would be?

Mr. Shandro: Yeah. I mean, we definitely do keep track of the number of enrollees that we just didn’t include in the business plan. It is definitely a number that we are aware of, not even just by the day but by the hour.

Mr. Shepherd: Okay. So no particular reason, just not enough space?

Mr. Shandro: I suppose that as we were drafting it – I can’t really say why there are differences. I didn’t really spend too much of my time focusing on the previous government’s business plan, I suppose, as we drafted this business plan and why we might have
we chose because they were included by the MacKinnon panel.

Mr. Shepherd: So you’re taking your direction from the MacKinnon panel as opposed to the other way around?

Mr. Shandro: No. I don’t agree with that at all. I think it’s not us taking direction, but if there’s a metric that we included, it might have been informed by the metrics that they used in their panel report.

Mr. Shepherd: Fair enough. Well, thank you, Minister.

Again, under your business plan, under outcome 3 it’s focused on ensuring that “Albertans have increased access to health care professionals and the mix of professionals that best meets their needs.” It names a number of different kinds of professionals there, including, you know, physicians, nurses, pharmacists, paramedics, psychologists, dietitians. You’re talking about “the right number, mix and distribution of professionals, working to their full scope of practice, [to] align with health needs across the province.” Just curious: do you have any sort of metric measurement or benchmark to sort of determine by a particular area what that mix should be? Is there a particular standard mix that you think should be available in all communities, or is it strictly on a community-by-community basis?

Mr. Shandro: I don’t think we do. If you’re looking at all the health professions that are listed there in that paragraph – we have 30 of them, actually, in the province – we don’t have a matrix of a suggested ratio for any specific community for all 30 professions, no.

Mr. Shepherd: Okay. I’m looking for an appropriate question that might sort of fit the time here given that we have just under two minutes left before government members have the opportunity to step in.

Perhaps I’ll just take a moment, then, to quickly talk about the Alberta cancer prevention legacy fund. As you’re likely aware, Minister, that’s a $200 million fund that was created to support initiatives in cancer prevention, screening, education, and research in previous years, accounted for now through line 13 of the budget estimates for health cancer research and investment. Given that your government has introduced legislation which, in fact, will lead to the cancellation and the removal of that fund, I just want to clarify that the $25 million that you have, again, accorded for that line item will in fact still be going to all these same initiatives but directly from your ministry, then, as opposed to through the fund. Can you clarify that for me?

Mr. Shandro: Well, I can definitely confirm that the $25 million is still included in the budget at line 13. We are still going to continue to spend that money on various programs through the ministry and through AHS on cancer prevention. Whether it’s, you know, identically spent as in previous years, I can’t say.

Mr. Shepherd: Your ministry will be taking over the distribution of those funds as opposed to the fund itself, which was accepting . . .

The Acting Chair: Thank you very much, Member. We will conclude that portion here.

We’re going to move on to the government caucus side. Mr. Yao, we’ll start with you. The floor is yours, sir. Would you like to go back and forth with the minister?

Mr. Yao: Yeah.

The Acting Chair: Okay. Thank you very much.

Mr. Yao: Thank you very much. Minister Shandro, I just want to thank you for all of your hard work. You’ve inherited a very difficult file. It’s the biggest ministry. It takes – what? – almost 40 per cent of the budget, I believe, and it’s very complex. As well, your choice of Associate Minister Luan was an excellent choice, with his background in dealing with a very difficult file, addictions and mental health. Again, to you, I appreciate your visit up to my community to identify the issues that we have up there. We certainly heard about things about postfire traumas and whatnot, and I thank you for that. Again, gentlemen, thanks to you and your teams for all your hard work.

Mr. Shandro: Thank you.

Mr. Yao: We also have to acknowledge all the health care professionals in Alberta’s public service that you work with as we all adapt to a more accountable and efficient system in your endeavours to reduce things like wait times and whatnot.

Outcome 2 of the business plan on page 85 says that your ministry wants to achieve “a high-quality health system based on . . . fiscal stewardship, clear accountabilities, efficient service delivery, and value for investment.” Certainly, when I see your decisions on things like, say, the superlab, I think that’s an exceptional reflection of that mandate. If I had the opportunity to speak to the previous Health minister, I’d apologize to her, actually, because even though I was criticizing them for doubling the price of such a facility, from $290 million to $600 million, I did not realize, because they didn’t release the images, the beautiful design of the building that caused that duplication in price. I didn’t realize that the former minister was competing with the city of Edmonton for the most architecturally beautiful building. You know, they were trying to compete with the Edmonton public library. I just want to apologize for that, for calling that a big box, certainly a worthy investment of 300 million additional dollars.

Our government promised to maintain or increase health spending, and we promised to increase access by increasing surgery and other core services. The reductions shown in some of the core line items for health care such as acute care and diagnostic and therapeutic services: can this minister explain the surgical-like decisions that you had to perform when you were making these decisions?

Mr. Shandro: Sorry. Can you say the question again?

Mr. Yao: Can the minister explain why there are reductions when we’ve promised to increase service?

Mr. Shandro: Well, I guess I would say that there’s no reduction being made to acute-care services in Alberta in this budget. The $54 million decrease shown in Budget 2019 reflects savings and efficiencies. It’s not a reduction in services. More specifically, the decrease from ’18-’19 actuals relates to a per cent decrease in the LAPP, the local authorities pension plan, the employer contribution rate, and that resulted in savings of $49 million or $50 million for AHS. The projected savings from that 1 per cent decrease which relates to acute care is approximately $20 million, a continued focus on shifting acute care as well to the community, as I said before, the community, the home, and continuing care, in order to ease pressure on our hospitals. This will allow resources to be utilized in areas which will better support health care in the long term for Albertans.
Now, as I said before, further savings are also related to AHS and their savings initiatives such as the enhanced vacancy management initiative and, as I spoke about previously with Member Shepherd, the operational best practices. Because I’m talking about acute-care funding, I’d also mention two other areas as well. One is diagnostics, and the other would be ambulance services. For diagnostic and therapeutic and other services: there’s no reduction being made to the level of diagnostic services in Alberta. That $38 million that is reflected in the budget reflects savings and efficiencies within government and within the health system. More specifically, the decrease from ’18-’19 actuals is related to, again, that 1 per cent decrease in the LAPP contribution, and that would be about $10 million. We also have better product pricing for human tissue and blood services as well. You know, the remaining savings, again, as I said, are the enhanced vacancy management initiative and the OBP program.

For ambulance services, again, no reduction will be made to the level of ambulance services in Alberta. All Albertans deserve to have ambulances available when they need them wherever they choose to live. Our ambulance services funding includes ground ambulance, air ambulance, patient transport to the hospital and between hospitals as well as emergency medical services dispatch. That $11 million decrease shown in Budget 2019 reflects savings and efficiencies within government and within the health care system, the same types of programs mentioned before: OBP, enhanced vacancy management as well as, again, that 1 per cent reduction in the LAPP contribution for AHS.

Mr. Yao: Thank you so much for that, Minister Shandro. Health is approximately 43 per cent of the budget. Again, you have the largest ministry. When we look across our nation and talk about our results and whatnot, certainly it’s been identified that British Columbia, as a comparative model, for example, spends about 20 per cent less than we do per capita, yet they’re receiving around the same if not better results, and some of that’s spending. Can you elaborate on some of the systemic issues in our health care system that are leading to this expenditure growth that we have here in Alberta?

Mr. Shandro: Yeah. I characterized it in the three areas that I mentioned in my opening remarks: what we’re spending on physicians; spending with AHS, our hospitals; and as well our drugs and supplemental health benefits. Talking about our physicians, issues include our billing practices, our compensation models, higher physician activity. Growth in physician service expenditure has averaged about 7.6 per cent per year since about 10 years ago, 2009-2010. Most of Alberta’s physicians are paid on a fee-for-service model, and Alberta has the highest fee-for-service share of total clinical payments in Canada. Alberta has the second-highest number of physicians per 10,000 population as well, so our primary cost drivers there with physician spending are rate increases, the supply of physicians, and the service volumes. That’s one of the issues related to physician expenditure.

Related to AHS and what we’re spending on our hospitals, we have the second highest per capita if we’re talking about per capita provincial government spending on hospitals in Canada. Our main factors driving this expense growth are, you know, acute-care demand and other service pressures – mental health, continuing care, et cetera – driven by population growth and demographic shifts. As well, every four years we have a leap year, and it costs $40 million a day for AHS to keep their doors open, so just that one extra day in this budget year is a $40 million increase in expenditure, maybe even as high as $45 million, for us.

We also have issues related to workforce compensation. It accounts for about 70 per cent of AHS’s expenses. We do have the potential for a wage reopener as well.

The average length of a hospital stay in Alberta is comparatively long if we compare ourselves to other jurisdictions. That’s due in part to limited capacity in home and continuing care. As I mentioned previously this morning, 18 per cent of our acute-care beds are occupied by someone who’s probably better suited to getting their care in a continuing care facility.

When we look at drugs, that third area, the largest cost of drugs and dispensing and distribution fees in community pharmacies, the Alberta government sponsors 21, soon 22, programs which provide drug coverage administered by Alberta Blue Cross; those are the community plans, or AHS, and those are the specialty plans. These programs have diverse features or require a customized approach to meet the needs of Albertans. Alberta tends to cover a higher share of prescription drug costs when we compare ourselves to other jurisdictions, and there are key differences in how costs are shared, you know, such as copayments, deductibles, and premiums.

Mr. Yao: Thank you so much for that.

My third question regarding outcome 2 of the business plan is regarding the MacKinnon panel and how they informed the decisions that you made in putting together this budget. If I might expand on that, not only did you have the MacKinnon panel, perhaps, providing some influence, but you also had party policy, our election policy, which was developed by grassroots members and then refined by health care professionals, quite honestly, across the province. It was good to see that sort of development of some guiding principles, if you will, but we also recognize that you have to be pragmatic in your position as you will have access to a lot of inherent nuances and whatnot that help you to form your decisions. I was wondering if, again, you could just explain how the MacKinnon panel did inform decisions that you made in putting together this budget.

Mr. Shandro: Well, the panel report identified areas across government, including Health, where Alberta spends more than our comparable provinces. Those comparable provinces would be Ontario, B.C., and Quebec. For the Health budget, it includes initiatives which close the spending gap over the next four years in the areas that the MacKinnon panel highlighted for us, including, you know, physician compensation, which will be managed through negotiation and consultation with the Alberta Medical Association, and labour costs, which will be managed through collective bargaining processes.

I guess I would also say that the MacKinnon panel also highlighted the potential for more cost-effective delivery of surgeries through the use of nonhospital surgical facilities, as we call them in Alberta. The expansion of these NHSFs are an important part of the surgical wait times initiative, which we’ll be coming out with this year.

Mr. Yao: Thank you so much for that.

Let’s move on to some information that was provided by the Canadian Institute for Health Information. We fondly call them CIHI, and they provide a lot of great reporting that is nation-wide that helps us to measure against the other provinces, you know, a good repertoire of information. They reported the week of October 31 that Alberta’s health spending is forecasted to decline this year by about 1 per cent for the first time since 1995. I’m wondering if you’d be able to explain how that can be the case when our budget for Alberta Health is increasing by about 1 per cent, or $200 million.
Where does CIHI get their information from exactly, and were they accurate in this assessment?

10:30

Mr. Shandro: Well, the CIHI reports Alberta’s health spending per capita; that’s the difference. It’s a per capita forecast, and they’re forecasting a per capita decline of about 1 per cent, as you mentioned, for the first time since 1995. This figure is accurate. Even though Budget 2019 will see an increase of 1 per cent in gross spending, or $200 million, this will be lower than population growth. As the spending targets flatten and population grows, the per capita spending will be reducing. These are exactly the targets or trends that were identified by the MacKinnon panel recommendations, which recommended our per capita spending become more in line with the average per capita spending in Canada. So Budget 2019 shows targets for 2020-2021 and ‘21-22 and ‘22-23, which holds health care spending essentially flat. What this means is that as our population grows over this period, our per capita spending will reduce, getting us closer to the Canadian per capita average.

Mr. Yao: Thank you so much for that, sir.

If we could look to page 86 of the business plan, performance indicator 2(a) indicates that per capita spending on physicians for 2018-2019 is $1,178. Now, physicians: that’s a very complex issue unto itself. They’re very highly paid professionals, they do very complex work, and there’s even a lot of diversity within the ranks of physicians as to specialties and whatnot. That just adds other variables when you’re trying to make decisions on physicians.

Not only that, but we have issues of oversupply, mainly in the cities here, where we have an abundance of physicians, versus smaller northern communities like my own, where we have a hard time attracting said professionals. Even finding family physicians can be a difficult chore in a lot of small communities that aren’t named Edmonton or Calgary. What is this ministry doing to address these issues, and how does this budget enable access for a lot of these places that are struggling to find these professionals to help take care of their communities and Albertans who choose to live in areas where we might not have as immediate access to a lot of the professionals?

Mr. Shandro: Well, overall, government is going to be investing $238 million in ‘19-20 in primary care networks, our PCNs, to support the delivery of team-based primary care, which puts people and families and communities at the centre of all we do. Having a regular health care provider is important for early screening, it’s important for prevention, and it’s important for treatment of medical conditions as well as ensuring good continuity of care. PCNs are the most common model of team-based primary health care delivery in Alberta and include 80 per cent of Alberta’s family physicians. The Ministry of Health funds several recruitment and retention initiatives and programs to increase access to physicians in areas with the greatest need. This includes the rural health professions action plan as well as the rural remote northern program, the physician locum program, and several medical education programs to train medical students and resident physicians to practise in rural communities.

Alberta Health is also implementing, as we announced a few weeks ago, the nurse practitioner support program to bring new nurse practitioners into rural and remote PCNs and medical clinics. Government committed $3 million in 2019 to support 21 PCNs, to hire the equivalent of 30 full-time nurse practitioners. As of October 1, 2019, four nurse practitioners have been hired. More nurse practitioners will improve access to regular primary care providers, and the Provincial Primary Care Network Committee is developing recommendations for scale and spread of successful extended-hour primary care access models across the province.

Mr. Yao: Thank you so much for that. It is fantastic, I think, to see that this government is finding ways to embrace and empowering a lot of the other health professionals through these primary care networks and other means to ensure that Albertans get top-quality care. I think we certainly have to recognize the quality of our health professionals other than physicians and how they have evolved to very high standards that enable us to do so much of the diagnostic and other support, especially in areas where we can’t access those physicians.

Hopefully, you’ll be able to continue to work hard with, like, the rural health professionals action plan to attract those much-needed physicians and whatnot but also to embrace and empower all those other health professionals, including groups like paramedics, who, I strongly believe, having been in that role in a previous life, can certainly be empowered to provide a lot more in those rural areas.

The Acting Chair: All right. Thank you very much, Mr. Yao.

We are now going to go back to the Official Opposition. Time will be reduced to 10-minute intervals. At the conclusion of this block we will be taking our five-minute break. We’ll continue with the Official Opposition. Member Sweet, go ahead. Thank you.

Ms Sweet: Thank you, Mr. Chair, and thank you to the minister and the associate minister. If it’s okay, we could go back and forth.

Mr. Shandro: If it’s for me, I’m fine with that if that’s what you prefer.

Ms Sweet: Associate Minister, would you like to go back and forth?

Mr. Luan: That sounds good to me. Thank you.

Ms Sweet: Okay. I’d like to focus, if we could, on outcome 4 on page 88, please, of your business plan. When we look at outcome 4, the key indicator is: “preventing, stabilizing and supporting recovery from mental health issues or addiction will reduce the significant negative impact of these challenges on individuals, families, caregivers and communities.” To whomever would like to respond, Minister or Associate Minister, can you please give me the definition of recovery from your government’s perspective?

Mr. Shandro: Sure. I’ll let Associate Minister Luan answer that question.

Mr. Luan: Thank you very much, Minister, and thank you very much to the hon. member. Recovery is a broad sort of sense of people wanting to improve their health status from, as we all know, the struggles of mental illness or addiction towards a healthy, responsible life. We also refer to recovery as a journey. It’s a journey of moving from one state, that is being coloured with the struggle of mental illness or addictions, towards a better life, a life that is healthy, constructive, and what we call positive, responsive citizenship.

Ms Sweet: Okay. Under your definition of recovery do you believe that that is only abstinence based, or do you believe in a harm reduction model, from your government’s perspective?

Mr. Luan: Like I’ve mentioned many times, we fully support a recovery-oriented continuum of care that includes harm reduction as one approach of many. If I may say a little bit further on that,
there are four main categories: prevention, intervention, treatment, and recovery. Harm reduction, to me, is one strategy in our tool box that we, then, add to the full continuum.

Ms Sweet: Well, I appreciate that, Minister. Then my question would be: how come it’s not referenced in any of your business plans, fiscal management plans? Only recovery is discussed. Harm reduction and the other pillars of your four pillars aren’t mentioned.

Mr. Luan: You probably heard me announcing yesterday morning that we have appointed this new Mental Health and Addictions Advisory Council for our province. That marks the beginning of how we unfold this full vision, and we need to have engagement with Albertans to dialogue on that. We need to fine-tune it because that’s the vision Albertans will buy, and under that vision and the high-level thinking, what are the specific contents of all of those? Those are to be filled in the coming months and years.

We do have a tentative timeline. By June next year we hope that that plan will be a lot more spelled out and a way of engaging those council members and, through them, to reach out to many, many Albertans.

10:40

Ms Sweet: I appreciate that, Minister. You’re saying that the report won’t be done till June from the panel that you just recommended, and since you’ve brought it up, I’m more than happy to discuss the panel.

We also had the Opioid Emergency Response Commission that existed. The last report, actually, came out on July 5, 2018. You abolished yesterday as well, with the creation of your new panel, our other panel that existed around the opioid crisis response. I guess my question is: while you’re waiting over the next year for your new panel to do the review, will you be implementing the recommendations from the previous panels?

Mr. Luan: Let me clarify a couple of things. First, when you say that we abolished the previous panel, that’s incorrect. The previous panel was established by the previous government, which you were part of, and within that regulation this panel will end on November 30. My understanding is that the panel has made lots of recommendations, has done lots of work, and on behalf of Albertans we thank them for what they did. They had their last meeting, I believe, last Friday. They’re wrapping up anyway. So a correction on that one.

The second clarification is that that panel is so focused on an opioid crisis, just by the terms of reference, the name of it. It’s a specialized group only for that purpose.

Ms Sweet: So do you not believe there’s an opioid crisis in Alberta if you’re going to abolish it?

Mr. Luan: Let me finish, and then I’ll answer this question. I already mentioned to you that this new council we’re talking about is broader, and that one has a full continuum. The previous one was only for the opioid crisis. That work for the opioid crisis, by the way, is incorporated into this bigger council, and five members from the previous group have been appointed for the new one, this bigger one. So that’s a clarification.

Now, to answer your question about the current opioid crisis, absolutely we still have that. Every day approximately two Albertans die from that. That’s why this government wants to take a very sensible, targeted, committed, and compassionate approach to provide services that will support the full continuum. We want to make sure Albertans have many choices when they come to choose how their journey of recovery will be. That’s the reason we support this full continuum.

Ms Sweet: So are you committing, then, that the funding for all the existing supervised consumption sites will continue?

Mr. Luan: As you’re aware, we have a review going on right now.

Ms Sweet: Well, your review is complete.

Mr. Luan: Not yet. The review is still in its process. The findings for the supervised consumption sites review will be provided to the cabinet by the end of this year, and the findings from that will inform our government on what to do with those supervised consumption sites.

Ms Sweet: All their exemption requirements and their contracts expire, like, in the beginning of next year, so when will you be notifying the providers of the consumption sites if they’re going to be getting extended funding or not? Their contracts and their grants are up in March.

Mr. Luan: We’ve already made our intention known to all of them.

Ms Sweet: You just said that you’re not going to guarantee until you see the report from the supervised consumption panel about whether or not funding will be extended.

Mr. Luan: Yes. You’re right. What I’m saying is that they know we’re pending the findings of that review before a decision will be made. That’s public information. Everybody has had that advance notice since September.

Ms Sweet: So you’re not guaranteeing their funding for next year?

Mr. Luan: Like I said, the decisions by the cabinet will be depending on what findings will come up.

Ms Sweet: So as of today, because you don’t have the actual recommendations from your panel, you cannot guarantee their funding for next year?

Mr. Luan: Like I said, we’re waiting for the findings from the review before we will decide anything from that point. To me, that’s reasonable. We had advance notice way ahead, and fair game.

Ms Sweet: It’s not reasonable, Minister.

Do you know how many people access those sites every day? Can you give me the number?

Mr. Luan: Well, like I said, we will have those findings coming back. Those numbers are being reviewed.

Ms Sweet: No. You have stats. Every single one of those sites collects stats about people that are accessing those sites and referrals. If you can’t give it to me now, that’s fine. Maybe you can give it to me in writing so that we know how many people are accessing those sites and referrals.

Mr. Luan: If you can give me a second, I will ask our staff to give you the number we currently have, but I also remind you that this panel is reviewing all of those reports in terms of its validity.

Ms Sweet: I know. You’re questioning the validity of supervised consumption sites. I’m very aware of that. I’m concerned with that stance.
Mr. Amery: No. We’re only examining the data being reported, okay? That’s different than what you’re saying.

Ms Sweet: I don’t think it is.

Mr. Luan: You know, when I toured the province – let me tell you this – I went to different sites asking questions, asking them who is there, asking them how they collect the data, asking them how they report such things. Let me tell you that, depending on which site you visit, that information is different.

Ms Sweet: Minister, I kind of mimicked your tour this summer, so I’m very aware of the supports . . .

Mr. Shandro: We didn’t get a chance to finish that question, Mr. Chair.

Ms Sweet: It wasn’t a question.

Mr. Shandro: No. There was a question. He didn’t get a chance to finish his answer about the data that he saw that was being collected at the sites.

The Acting Chair: Thank you. Look, we have 30 seconds left. Member, do you want to ask another question?

Ms Sweet: Yeah. I would like to look at recommendation 10 of the Opioid Emergency Response Commission, which is specifically about the ARCH program operations. The recommendation was that the expanded ARCH programs would exist in Calgary and other sites. I’m just wondering if you’ll be taking actions on expanding the ARCH program.

Mr. Luan: Sorry. Let me clarify: what page and line number are you talking about?

Ms Sweet: Well, it’s not in your budget. It’s a recommendation.

The Acting Chair: Folks, we’re going to have to return to that thought later. Ladies and gentlemen, we’re going to take a five-minute break at this time, and then we will return with members of the government caucus. Thank you.

[The committee adjourned from 10:47 a.m. to 10:53 a.m.]

The Acting Chair: Okay. It looks like the ministers have returned, the Official Opposition I see present, the government members I do see present, so we shall begin.

We’ll continue on with the government members caucus. Mr. Amery, go ahead, sir. The floor is yours.

Mr. Amery: Thank you, Mr. Chair, and thank you to the ministers for being here today. I understand that the premise of Budget 2019 was intended to bring this government’s fiscal house in order, and I applaud both of you and your ministry officials for your hard work to accomplish that and, at the same time, committing to delivering a world-class health system.

Mr. Shandro: Thank you, sir.

Mr. Amery: That said, Minister, I have had the opportunity to carefully review your government estimates and your fiscal plan, for that matter, and in particular I have focused on some of the marked increases in the estimates with respect to drug and drug benefits and supplemental health benefits. For that, Minister, I want to point your attention to line 4 on page 118 of the estimates.

During my review of both your estimates and the fiscal plan, I’ve come to note that the ministry has discussed in some detail upcoming initiatives with respect to biosimilar and biologic drugs. In particular, there’s been some discussion about some of the new initiatives that you have been pondering which are intended to reduce costs going forward in the future.

Minister, I want to direct you again to the government estimates on page 118, line 4.1, program support, where you’ll see that funding is expected to increase from $45,473,000 in actual 2018-2019 funding to $47,964,000 in 2019-2020. In fact, all operating expenses under heading 4, namely Drugs and Supplemental Health Benefits, are expected to increase.

I’ve heard a lot of chatter about biosimilar drugs. In fact, in your fiscal plan, as I mentioned earlier, it describes a move towards new initiatives with respect to generic drugs intended to reduce costs going forward. Would the minister firstly clarify the difference, I think, between a biosimilar drug and a generic drug, if any difference does exist in your mind, and comment on what the 2019-2020 estimates propose in terms of coverage for them?

Mr. Shandro: Sure. Well, maybe just if there are any folks in the room that don’t know what a biologic is, a biologic would be a synthetic drug that’s taken from a micro-organism. It’s incredibly difficult to be able to develop and do all the research to be able to get to the point where a manufacturer can manufacture a successful biologic.

Biosimilar: I guess the analogy might be a generic, but it is different. The relationship between a biologic, the originator biologic, and the biosimilar is different enough that we have to be careful that we use different language for it. The biosimilar will be the same molecule, but it is going to have some differences. They are a less expensive alternative, the biosimilar, but equally effective as a treatment option. That’s why they are biosimilar and providing better value for Albertans.

Savings from our biosimilar initiative will help ensure that Alberta has a health care system which is focused on providing all patients with the high-quality health care that they deserve. Provinces such as Manitoba, B.C., Ontario as well as some of the Atlantic provinces have already implemented biosimilar initiatives.

There are different options that one could do to be able to implement a policy related to biosimilars. This includes only drug coverage for the biosimilar, where one is available, or requiring patients to try biosimilars and lower cost biologic drugs as first-line options or switching patients to equally effective biosimilars when one is available.

What we’re doing as a government is that we’ll be investigating what the options are and what other jurisdictions have done and be able to figure out an initiative that’s going to be in the best interests of Albertans.

Mr. Amery: Okay. Just on the second part of that question, based on line 4 and the subcategories that you’ll see, 4.1 through 4.12, I noticed, again, that there’s an increase in every single one of those subcategories, yet in your fiscal plan the initiatives that you are looking to explore would be expected to essentially reduce expenditures. I wanted to give you an opportunity to comment on why the 2019-2020 estimates all appear to be increasing while you are looking at initiatives intended to decrease spending in these particular areas.

11:00

Mr. Shandro: It’s growth pressures, quite frankly. It’s a changing demographic and more people coming to the province. We do have a population, in particular, a generation who are getting older, and
as they get older, they’re going to be using drugs more often. As well, the need for biologics is increasing. There are the growth pressures not just in more people coming to the province and then needing that coverage but also in the changes in our demographics in this province.

Mr. Amery: Okay. Thank you, Minister.

Now, you touched a little bit on this, but I wanted to see if you could expand a little bit more about it. As I mentioned earlier, on page 84 of your fiscal plan you describe initiatives currently under way to reduce the rate of growth of provincial drug costs. One of those initiatives that you describe in that fiscal plan is a pan-Canadian generic drug pricing agreement. I understand that you will be announcing new changes to coverage for both biosimilar and biologic drugs, but other provinces according to that plan have already launched initiatives around their coverage for biosimilar and biologic drugs. Can you provide an overview of the options that are available to us, some of those that you’ve already considered and some of those that you intend to consider going forward perhaps based on initiatives already introduced or contemplated by other provinces? Second to that, what issues need to be overcome before these cost-cutting initiatives are introduced in this province?

Mr. Shandro: Well, I guess there are three options that one could look at. There’s one, which would be similar to B.C. and Ontario, and that’s a first date of biosimilar listing policy. Based on the date, that’s where when a biosimilar is listed on a formulary, there will only be coverage of the biosimilar version of that drug, and coverage will no longer be provided for the higher priced originator. That’s similar to what’s happening in B.C. and Ontario.

There could be, you know, a tiered access to biologics and biosimilars. This is similar to what Manitoba did in August 2018. This policy would require a patient to try a biosimilar and lower cost biologics as a first-line option, and access would only be granted to the more expensive second-line biologic if the patient fails or is intolerant to the first-line drug.

I guess the last option might be a switching policy. This was implemented by B.C. in May of this year. When a biosimilar initiative is launched, all members of a government-sponsored drug plan which are currently using an originator biologic for which there is a biosimilar will be required to switch therapy to its lower cost biosimilar. Those are the options that other jurisdictions have done.

I don’t know if that answers the member’s question, though.

Mr. Amery: Well, it answered part of it.

I’m just wondering if you can describe what issues now we’re having with implementing some of those ideas in this province, whether there are any issues or barriers or challenges that we have to contemplate before those initiatives are introduced here.

Mr. Shandro: I think it’s mostly a matter of communicating to Albertans and being clear in our communications, you know, what the difference between a biosimilar and a biologic is and communicating to the physicians who are prescribing and the patient groups, more specifically, who are going to be affected by any type of initiative.

The Acting Chair: Thank you, Minister. I hesitate to interrupt.

We will now continue back with the Official Opposition. We’re going to continue with Member Sweet. Back and forth with the minister? Yes?

Ms Sweet: Yes, please, if they agree.
Mr. Luan: For the overall strategy.

Ms Sweet: No. Specific to the drug, please. It’s a life-saving medication. It helps people get off opiates.

Mr. Luan: Let me get that number for you for the Suboxone, that particular item.

Ms Sweet: Yeah.

Mr. Luan: If you’re aware of the previous MOERC recommendation from your government . . .

Ms Sweet: That I’m referencing? Yes.

Mr. Luan: That one has been implemented.

Ms Sweet: Awesome.

Mr. Luan: That number is the same.

Ms Sweet: That’s great. Okay. I know you’ve made the commitment around treatment beds, and I appreciate that. Could you please explain to me, given that there’s no capital spending in the budget, where those treatment beds will be? Are they going to be, then, working with a nonprofit, a private agency? How do you see the implementation of those beds?

Mr. Luan: Great question. I’d love to answer that question.

Ms Sweet: Oh, good.

Mr. Luan: The way we’re doing this is in partnership with our community service providers. In a time of fiscal restraint, in difficult times, we’re so pleased we’re able to find the community service providers. They have taken care of the capital needs in many cases. This is my criticism of your previous government: they had spaces being left empty, and at the same time we had Albertans waiting for access to treatment. Along with our announcement . . .

Ms Sweet: You’ll be looking to partnering with agencies?

Mr. Luan: Absolutely.

Ms Sweet: My question would be that for some of those agencies part of the struggle is that they’re an abstinence-based program, right? You have to have gone through detox, no longer be using, and some of them won’t even take Suboxone as being able to be used during treatment. Will that be changed? Will you be mandating that these programs that offer the different services allow people to continue to use their opiate replacement therapies? That creates barriers for access to treatment.

Mr. Luan: You know, one thing I find is that some of the advocates out there are trying to create this divide: it’s either abstinence or not. To me, that’s irrelevant. We’re here to help Albertans. We’re here to open doors to people who can access those services. Let me tell you this. For the . . .

Ms Sweet: If you’re funding those beds, will you be implementing policies, then, for those agencies that have an abstinence-based perspective? If you’re going to fund the beds, then they have to meet AHS standard, I would think, right? Like, will you have something around the regulation to — and if you haven’t gotten there yet, that’s fine. I’m here to help, so I’m just trying to make a recommendation that to limit access based on abstinence based is not going to support average Albertans that need access to treatment.

Mr. Luan: Let me re-emphasize what I said earlier. We focus on continuum of care. That includes many options. We’re not going to support an either/or kind of approach at all. So when you say, “Some are this, and some are that” and “Are you going to pick this way or that?” my answer is no.

Ms Sweet: You will have policies implemented, then, that any government funding that goes to those agencies will ensure that you have the continuum of care and that they’re not just abstinence based.

Mr. Luan: Wait. No. If you want my answer, I want to give it to you, or if you want to put something in my mouth, I’m going to say no. That’s not what we’re doing.

Ms Sweet: So you know you’re not going to have a policy?

Mr. Luan: What we are doing is that through this new Mental Health and Addiction Advisory Council we’re going to develop our full strategy . . .

Ms Sweet: Minister, that’s not going to be done for a year, so I need to know now . . .

Mr. Luan: Now is maintaining the status quo.

Ms Sweet: . . . if you’re going to be funding this money, because it’s in your budget for this fiscal year. Are you creating policies that when you’re using public dollars, it’s going to be accessible for all Albertans and not based on an ideology around abstinence based?

Mr. Luan: Okay. I thought we were here talking about Budget 2019.

Ms Sweet: You are. You’re funding beds.

Mr. Luan: Yes.

Ms Sweet: That’s what we’re talking about. Well, you’re using public dollars, so you have to back it up with policy and regulation. So when you do it, are you going to be ensuring that the public dollar is being used so all Albertans can access it and it isn’t based only on abstinence-based recovery? The majority of Albertans can’t access that.

Mr. Shandro: I think he’s answered that, Mr. Chair, and he said the positive.

Ms Sweet: Minister, please don’t interject in my time.

Mr. Luan: Our policy is this. Our policy . . .

Mr. Shandro: The questions are to me, actually. I’m allowing him to answer.

The Acting Chair: No, no, Minister.

Mr. Dang: Point of order.

The Acting Chair: Okay. Your point of order. Go ahead, sir.

Mr. Dang: Mr. Chair, the minister is not able to interrupt Member Sweet here like that. In fact, it is her time where she asks the ministry, and the two ministers at this point, questions. It is your job, Mr. Chair – and I saw that you did indeed intervene – because
under Standing Order 65(2) you are indeed required to maintain order in this meeting.

The Acting Chair: Thank you.

Does the government caucus want to respond? Go ahead.

Ms Glasgow: This is a matter of debate, Mr. Chair. As the previous member indicated, you’ve already interjected and controlled and brought order to the committee here, so I don’t really see why this is a point of order. I think it’s just a waste of time.

The Acting Chair: Okay. All right. Anybody else want to comment? Mr. Neudorf.

Mr. Neudorf: Thank you, Mr. Chair. I just want to point out that both ministers have budgetary interest in this file and that it’s appropriate for both the Health minister and the associate minister of mental health to respond to questions. That’s part of the entire process. They may not like the answer, but that is part of the process.

The Acting Chair: All right. I am prepared to rule. Look, this was starting to go off the rails a bit here. I want to keep everything focused, right? The member is correct. It is her time to ask questions. I do agree in a sense with Mr. Neudorf, as I have stated before in this particular situation, that an answer may not be liked by the member asking the question. I will, however, find that it is indeed a point of order. Minister, you cannot interject in this particular process. You do have a right to respond, and certainly we will have a process, but talking over each other and creating a little bit of discord within this particular committee is not going to be accepted. So we will return. Member, you have not lost any time here. The member may ask a question. The associate minister may respond, the minister may respond as well, and certainly an option is that if a minister is not able to answer a question and would like assistance from their staff, I see plenty of staff in this room that are able to assist. As long as we maintain order in this committee, then we will proceed accordingly. Okay. We will continue. All right.

Member, you may ask the question.

Ms Sweet: Thank you, Mr. Chair. I’d like to go back to the investment on the beds. Can the minister or associate minister tell me how many beds are mental health beds versus addiction treatment beds?

Mr. Luan: Just give me one second to find that answer. I think I saw that earlier.

Ms Sweet: Maybe while we’re looking for that number, I can move on to the child, adolescent mental health facility that was supposed to be built in Edmonton, which is now currently on hold. My understanding is that it was supposed to have 110 treatment beds in it. Out of the 110 treatment beds that will not be built, can you please inform the committee where you’re designating some of the treatment beds for youth and adolescents in the interim and how we’re going to have an expansion on the treatment beds, specifically to children and youth if possible?

Mr. Luan: I think that’s a capital one. I’ll give it to you.

Mr. Shandro: Oh. Yeah. That’s for me. That’s fine. First of all, to correct: it is not 110; it is actually 101 spaces that were planned to be included in that facility. I can’t remember the words that were used, but nothing has been cancelled. This is us being able to take an opportunity to defer this and make sure that it’s going to fit with the government’s priorities.

The Acting Chair: Minister, I hesitate to interrupt.

We’re going to continue again with the government caucus side.

Mr. Amery, we’ll continue with you again, sir. Go ahead.

Mr. Amery: Thank you, Mr. Chair. I will continue with the same line of questioning that I had previously been cut off on. This question is directed at both the minister and the associate minister, and perhaps some of your officials may chime in as well because I’d like a complete answer to this question.

I want to turn you both to page 119, line 5.2 of your estimates, and in particular the addiction and mental health spending. In those estimates I note to both of you that the government seeks to increase spending for mental health and addiction services by almost $10 million, and I think the associate minister referenced that earlier today. The Premier announced that by the end of this government’s mandate we will have an additional 4,000 publicly funded treatment spaces. The question is: can either of you or both of you please elaborate on what services Albertans are going to be able to access within line 5 of your estimates this year and provide us with some idea of where your ministries are at with respect to implementing that promise in implementing those treatment centres going forward?

Mr. Luan: I’ll be happy to answer that question. Thank you, hon. member. Great question. The 4,000 spaces that the Premier announced early in that national Recovery Capital Conference is a big commitment for our new government, and it was seen by other jurisdictions across the country that we’re leading the pack in taking very substantial steps in doing that. What Albertans can expect is that with that increased capacity in the next four years, services such as residential addiction treatment, outpatient services, addiction and mental health supports, community-based addiction and mental health support, and mental health counselling: those are all pieces that are included in there. Also, in this year, in the current year, we’ll be making a significant effort to upgrade so-called social detox centres into medically supervised detox beds. In that way, the capacity and the degree to deal with the severity will be a lot more upgraded than it was before. Those are sort of the kinds of services Albertans can expect.

11:20

If I may also add, given the earlier conversation that we’re still facing an opioid crisis – we’re in a very difficult time. What we are going to do this year is that, pending the new council that is going to advise us with the new strategy and where we allocate the needed services, we want to address this on a crisis basis. We want to look at some of the current contracted treatment facilities that are empty; they have empty spots. We want to deal with the first group of allocations for beds in a crisis kind of response, maximize all those who currently have a contract with our government, meet the minimum standards, have a track record of doing great service. We’ll just maximize where they can be to fill up all the empty beds. Then it will give us enough time. So when the new council has the priorities, principles, and everything all signed off, we have a transparent, fair system. Everybody can bid for the rest of the opportunities to fill up the rest of the 4,000 spaces. That’s our commitment.

Like I said, we’re seen as leading in the nation. I’m very proud that our government is taking the step of doing that.

Mr. Amery: Thank you very much.

Mr. Chair, I’d like to give my remaining time to one of my other government members.

The Acting Chair: Thank you very much.

I noticed Mr. Neudorf has said that he’d like to go, so go ahead, please, sir.
Mr. Neudorf: Thank you very much, Chair. Minister, I would just like to go back to a comment that was made by the Member for Edmonton-Manning about stats taken at SCS centres. I know this is very much a concern in Lethbridge, that the stats being taken really only represent uses of the site and not pertinent demographic data as to age, sex, and so on. Could you comment and expand on that a little bit, please?

Mr. Luan: Thank you, and thank you, hon. member, for your leadership in raising this question and also helping me when I was touring Lethbridge at some of our consumption sites and meeting with all of our community and business stakeholders there, including some of the families that lost their kids through the opioid crisis. Thank you for your service.

You’ve raised a great question. You know, when I toured the sites across the province, I saw it right away. Depending on the capacity of the sites, the staff ratio, the level of service they provide varies, including the data, the data they select and the data they report. That’s one of the reasons that we established the supervised consumption sites review panel, doing a robust socioeconomic assessment of the services provided for the impact to the community. I’m very pleased that through the support of you and many of our colleagues throughout the province, those public consultations have done very well. Thousands – thousands – of Albertans have had the opportunity to give their voices to our government about this. The panel is still doing their work in consolidating data and doing analysis. I am fully anticipating that by the end of this year the fact-finding report will be produced for us and will serve as a reference for our government to make responsible decisions.

Let me tell you this from my visit: those numbers have a big variation. I don’t blame the staff because, you know, they’re operating in different sizes. They’re in the midst of a crisis. But how we take that number is a big question. I’m thinking that, at the end of the day, what we ought to do is provide compassionate responses to help Albertans to get well, to get out of that cycle of harm to yourself, harm to your family, the community, and get to a place where you respect yourself, you feel good about yourself, and you live in a healthy, responsible sort of manner as a positive, engaged citizen. That’s where our ultimate goal needs to be. When I toured the province talking to patients, talking to users, talking to staff, and sharing my thoughts on, “Are you interested if we put our government emphasis into this?” I got lots of positive support. I’m so excited and encouraged by that.

Let me, you know, sort of assure you that we take this issue as a new government seriously. We put a lot of money into it. According to our Premier he appointed me to a ministry solely dedicated to your mandate on this. I felt a sense of responsibility and also an opportunity to do something.

Hon. member, you’ve been championing in your Lethbridge area. You know it’s an emotional issue. You know lots of people get pulled into these difficulties. Many of them are caring, loving folks, but they don’t necessarily agree that we are doing the right thing, that the approach we’re taking is being effective. Those are great questions, and I think we owe them to Albertans. We owe them to all the people that expect us to get it right, to do something in the most sensible, effective, compassionate way. We’re looking forward to doing that.

Mr. Neudorf: Thank you, Minister.

I appreciate both of you taking the time over the summer, over the past few months, to visit and spend time in Lethbridge. That has been very significant for my constituency and directly relating to decisions made in this budget. The fact that you both spent time there and spoke to stakeholders directly was a huge impact and of importance for them. Often rural or suburban sites feel that their voice isn’t heard, so I do want to express my constituents’ thanks to both of you for spending time there this summer.

If I can go back to the business plan and outcome 4, on page 88, this again reviews supervised consumption services. This government is planning to continue …

The Acting Chair: Okay. Member, you’re going to have to hold that thought.

We’ll now return to the Official Opposition. Member Irwin, go ahead. Thank you very much.

Member Irwin: Thank you.

The Acting Chair: Back and forth with the minister?

Member Irwin: Yeah. That would be great.

The Acting Chair: Thank you very much. Go ahead.

Member Irwin: Thank you, Mr. Chair. Thank you for having me. I’d like to ask about out-of-province health care services, which is on page 119 of estimates, item 11.2. As you may know, this is the program area that funds trans and gender-diverse folks’ surgery. We know that timely access to trans-affirming care saves lives. Myself and many advocates from the queer and trans community have written you, Minister, about this. We’ve not heard anything. I’ve not heard anything, and many of them have confirmed that they’ve not either. I’d like to ask you, That line item: how much of that line item is directly connected to the GRS program?

Mr. Shandro: I guess we could get back to you with that number, then, Member Irwin.

Member Irwin: Okay. I’d appreciate that. Yeah, if we could get that in writing. I mean, we know that the wait times are absolutely terrible right now. You know, many folks are struggling as they wait, particularly young people, and the data supports this. As I said, access to this sort of care truly does save lives. I would like to have that in writing.

I’d also just like to know this. I’ve heard from folks, not just from the queer and trans community – I’ve heard from countless folks from the faith communities – who are concerned about the lack of supports for trans folk accessing health care. Can we expect that you will be responding to them and that you will be providing your support for this community?

Mr. Shandro: You’re asking about correspondence that we haven’t replied to?

Member Irwin: That’s right, connected to the GRS program, which is in line item 11.2.

Mr. Shandro: I’m not aware of any outstanding correspondence for us to reply to. If there is, of course, I commit to replying to folks who write to our office.

Member Irwin: Absolutely. It’s completely relevant to your business plan as well, which notes, you know: “collaborate with health system stakeholders to improve timely access to surgical procedures and timely transition.” Of course, the lack of timely access to surgical procedures is what’s impacting folks in this community the most. I wanted to take this opportunity to express my concerns on behalf of the trans community here.
11:30

Mr. Shandro: About outstanding correspondence, as I said . . .

Member Irwin: It’s not just about the correspondence, to be clear.
I mean, it’s about the timely access to surgical procedures. It’s
about folks who are struggling and who are waiting right now.

Mr. Shandro: Yeah. If there are any concerns that you or Albertans
have about access, I’m happy to understand what those concerns
are. I mean, please let us know. Even if it’s not in this room, if it’s
outside this room, please let me know. I’m happy to be able to
understand, yeah, what the concerns anybody would have with not
accessing timely health care services are.

Member Irwin: Great. Well, I look forward to that. I look forward
to the breakdown as well, and we can communicate about that
further.

Mr. Shandro: Thank you.

Member Irwin: Thank you. I cede my time.

The Acting Chair: Thank you very much.

Member Shepherd, are you going to begin?

Mr. Shepherd: Sure. I’ll step in here.

The Acting Chair: Okay. Thank you very much.

Mr. Shepherd: Just to clarify, then, Minister, you’re not personally
aware of the concerns that have been raised about access to the
surgeries for the gender reassignment surgery program. You’re not
aware of what that issue is, so that hasn’t been a topic of discussion
in how you’re allocating the funds within line 11.2 in this budget.

Mr. Shandro: Could you articulate the concern?

Mr. Shepherd: Basically, there have been concerns that have been
raised that wait times have been increasing for individuals that wish
to access top or bottom surgery as part of the GRS program as well
as about changes that have been made within the program that
require additional access now to a psychiatrist, which increases the
wait times.

Mr. Shandro: I think that’s incredibly incorrect. I think that the
previous government made a decision, that I think is correct, to add
funding for top surgery. It was the previous government’s decision
to make it according to the same requirements as bottom surgery.
We made zero changes to that policy as this government. We have
made no direction. We have made no changes to that policy. If
Albertans have a concern about access to any health care services,
I’m absolutely committed to understanding what those concerns are
and being able to give them answers to that.

Mr. Shepherd: Thank you, Minister. I appreciate that.

Let’s move on, then, to talk about some infrastructure questions.
Red Deer hospital has been the topic of conversation. Indeed, some
of your own colleagues in the House have raised this question
regarding the Red Deer hospital. Our government had made some
commitments towards some funding to address some outstanding
issues towards Red Deer hospital, including, I believe – about $59
million over five years was a commitment that we had made for
medical device reprocessing between the Red Deer hospital and the
Peter Lougheed hospital in Calgary. Do you know if that
commitment is continuing, or does your government have a
different direction you are choosing in addressing those needs?

Mr. Shandro: Well, first of all, I’ll break that down a little bit. For
the Red Deer hospital I know that the previous government
provided some funding for a clinical services plan to be developed
for the Red Deer hospital. That, the million dollars, actually wasn’t
used; it was actually paid for all internally. Through AHS there was
a clinical services plan, which was completed. That occurred in
July, the end of July of this year. Then the next step after that is for
a business case to be developed and to translate the CSP into a
business case so that those needs that are identified in a CSP, I
guess, and the capital planning and the capital funding for the Red
Deer hospital can proceed. We have funded that next phase, that
translation phase into a business case. That’s the answer for Red
Deer.

For the Peter Lougheed Centre I can say that the project at the Peter
Lougheed Centre is proceeding.

Mr. Shepherd: Is there a specific dollar commitment this year for
continuing to address the issue of medical device reprocessing?

Mr. Shandro: Okay. Specifically for MDR, or medical device
reprocessing, phase one, these are the projects included within the
MDR. This is for both the PLC and the Red Deer hospital. Yes. There
is $34 million over four years. That’s specifically for that program.

Mr. Shepherd: Thirty-four million over four years. Excellent.
Thank you, Minister.

As you said, there’s $3 million currently set aside in your capital
plan, then, for the planning for the Misericordia, the Royal
Alexandra, and the Red Deer hospitals. Then you were saying that
the $1 million that was committed last year was not in fact used. Is
that part of the $3 million, then, that is being committed?

Mr. Shandro: For the Red Deer hospital? Oh, yes, for business
planning. Yes. That is now going to be used – I mean, I’m trying to
avoid using the word “planning” because I think the word
“planning” being used at both stages has caused some confusion.
The CSP, the clinical services plan, planning and now the business
case planning stage are now being done.

Mr. Shepherd: Will it be on the basis of that business plan, then,
that you will be determining where this project falls in terms of
urgency or prioritization?

Mr. Shandro: Yes.

Mr. Shepherd: I guess the people of Red Deer should expect to see
some update on that in your Budget 2020?

Mr. Shandro: Yes. I would hope so.

Mr. Shepherd: Excellent. Thank you, Minister.

My colleague from Edmonton-Manning asked me to follow up
on a facility in her area. The Alberta Hospital has been providing
services for quite some time and is an important part of providing
mental health capacity within the Edmonton region. At this point,
is your government committed to continuing to fund and keep those
beds at the Alberta Hospital open?

Mr. Shandro: Yes. The answer is yes.

Mr. Shepherd: Okay. So there’s no intention to make any changes
in funding . . .

Mr. Shandro: No.

Mr. Shepherd: . . . or to which beds would be open. Excellent.
Thank you, Minister.
I just wanted to follow up, then, on the Grande Prairie hospital as well. My understanding is that it’s proceeding under budget. I have talked with some of the staff there about some concerns they’ve had about, once that facility is operational, the intent in terms of staffing to ensure that they have the kind of coverage that’s needed given that there are some changes in the layout of the hospital. They feel that if it goes with the current level of staffing, it may not be enough to cover the way the facility is being set up. I recognize that that’s a little ways down the road. I guess, basically, are things proceeding apace with the Grande Prairie hospital, and are you anticipating that there will be full funding for staffing when it opens?

Mr. Shandro: Yes.

Mr. Shepherd: Excellent. Thank you. Moving on, then. For the Edmonton hospital, then – we’ve discussed that a bit – there have been some changes in how that’s going to be approached, so you are indeed choosing to push that a little further down the road. Could you give some clarification, I guess, then, on: what is the funding that’s being made available for the next steps for the Edmonton hospital this year?

Mr. Shandro: The next four years: there’s a total of $238 million. There’ll be $8 million that’s included for this year, $40 million for the next two years after that, and then $150 million for year 4.

Mr. Shepherd: Right. You indicated earlier that you felt that this was more consistent with needs for acute-care beds in the region. I just want to clarify what you meant by that statement. Are you anticipating that there’s not, in fact, a need in the community already existing that needs to be met as soon as possible?

The Acting Chair: Thank you. I hesitate to interject.

We will hold that thought, and we will go back to the government caucus side. We concluded with Mr. Neudorf, and we will continue with Mr. Neudorf.

Mr. Neudorf: Yes. Thank you, Mr. Chair. Again, turning back to outcome 4 in the business plan, on page 88, continuing where we left off, this is the review of the supervised consumption services. This government is planning to continue spending almost $20 million a year on these services. That’s enough money to fund approximately 2,600 addiction treatment spaces annually. Why are we continuing to spend so much money on managing the problem when we could be using that money to support 2,600 Albertans a year in recovery? Could we just address that please?

Mr. Shandro: Sure. I’ll let the hon. Minister Luan answer that.

Mr. Luan: Thank you, Minister. Thank you, hon. member. That’s a very good question. I think that was the reason that we initiated that supervised consumption sites review, to really access the robust socioeconomic impact there. As you are aware, before the findings are being made available to us, our government made a commitment to maintain the current services as is. What you’re seeing in the budget is pretty much what it was before, which is carrying on until March 2020. But rest assured that when the findings come out, I will be so interested to see what facts will be laid out to us. I will present that to our cabinet, and we will make responsible decisions for that.

In the meantime we’re rolling out this new advisory council. They’re mandated to develop this strategy. You hear me talking about: our focus is going to be so much into balanced, compassionate, full-continuum care. You can expect that when we make our decisions, it will be also in the realm of that kind of overall direction, but we will be making sure that actual actions within that plan will reflect such that – at the end of the day, our government’s interest is helping people get well, helping them get rid of that destructive, dysfunctional life and be healthy and be constructive to the community and to society and be proud of themselves.

11:40

If I may take the opportunity to further outline, the reason we want to focus on recovery is because recovery is a resiliency-based model. Instead of fixing the problem, which is, you know, managing the problem, which was the previous government’s approach, we’re focusing on what can be changed, what can be done, what the future is going to be. When we do that, we don’t focus on their problem; we focus on what capital, what resiliency components you have. We help people maximize what their strengths are to the degree that they can get over the tipping point, and then they become healthy, constructive. They feel good about themselves. That’s where, let me tell you, I am so excited about it.

Relating to my own career – 28 years in social work, a graduate from U of C, a master’s degree in social work – let me tell you that when I graduated, I thought I had learned the whole thing, what will work: let’s change the world. Very unfortunate. Halfway through my career I realized, we realized as a profession that we were taught a problem-solving approach: you identify the problem, and you come up with some strategies, and you go fix it. Halfway through, we learned that for human beings, when you try to change behaviour, change the mind and thinking by focusing on the problem, it doesn’t help. Lots of times we made issues worse.

Instead, in the middle of my career comes this resiliency, strengths-based model. Instead of focusing on the problem, you look at: what are the strengths an individual and community and families carry? You look for ways to maximize that, to get people in a better place. That’s how I see our recovery-oriented continuum care going. In the addiction sort of field, that’s a resiliency-based model, the way I interpret it. Let me tell you that from my 28 years of service there are better days to come. I’m so passionate about it.

Mr. Neudorf: Thank you. Just a follow-up to that for yourself or the minister. Because this is such an issue and it is related to budget line items, can you provide a bit of a road map over the next four to six months, when some reports will be due back to you, of when you predict releasing that to the public, when we’ll be seeing these items come out in budget or line items? Similarly, obviously, we have a budget now; we expect one in the spring. That kind of time frame is very helpful, so can you share a little bit of that road map?

Mr. Luan: I’ll be happy to respond to that, Minister.

Mr. Shandro: Oh, yeah.

Mr. Luan: As you’re aware, the public consultation part for the review is concluded. The panel members are now doing the in-house data analysis. They need to have robust, scientific-based analysis of all the information they can get. Then they are geared towards reporting back to our ministry before the end of this year. I will take that fact-finding report to cabinet, present what we discovered. It’s up to the cabinet at that point – I would envision after January 2020 – to make a decision about it based on the facts.
Mr. Neudorf: Thank you. Just back to the estimates there, there is a reference made about maximum allowable cost pricing. If you could provide some clarity on what that is and what that means. Is this something common across Canada?

Mr. Shandro: Sure. Maximum allowable cost, or MAC, pricing policies are policies where there’s a limit on how much a government will pay for a specific drug product within a grouping of interchangeable drugs. A government, under a policy like this, will reimburse for the designated lowest cost drug or drugs in a category. If patients decide to continue using their current medication and it costs more than a designated lowest cost drug, then they can pay the difference.

This approach encourages cost-effective prescribing for common medical conditions without compromising patient care. This policy is applied to drug categories which have established generic competition and multiple companies manufacturing the generic drugs. Alberta currently applies MAC pricing policy to three drug categories. There could be select oral modified-release dosage forms of nonsteroidal anti-inflammatory drugs, or NSAIDs; select potassium chloride products; and as well proton pump inhibitors, or PPIs. MAC pricing for the NSAIDs and select potassium chloride products: that was implemented quite a while ago, back in 1996. MAC pricing for PPIs was implemented here in Alberta in 2016, with minimal resistance from stakeholders. B.C. as well has some provincial employee benefit plans which have introduced similar pricing policies.

The Acting Chair: Okay. Thank you very much, Minister.

We will now go on to the Official Opposition, and we had concluded with Member Shepherd. Go ahead, sir.

Mr. Shepherd: Thank you, Mr. Chair. Through you to the minister, if we could pick up where we left off there, I had just asked if you could explain your comments around this delay for the Edmonton hospital being more consistent with acute-care beds in the region. I know that when I speak with the Member for Edmonton-Mill Woods, she tells me about the increasing challenges in capacity issues at the Grey Nuns. We’ve continually heard the same about the Misericordia from our members there, and indeed I imagine you would hear the same from your colleague the Minister of Municipal Affairs. That being the case, can you give me some clarification on how delaying increasing the acute-care bed space in that area is more consistent with the needs of the region?

Mr. Shandro: I mean, the answer is that we need more spaces. We need more beds, absolutely, but over the next 10 years we’re going to see an increasing need for more restorative care or alternative levels of care. That could be continuing care, for example, and more community care as well, so folks being cared for in their communities, whether it’s through home care or through, you know, the types of care that the constituents you introduced me to in my office – those types of care. That’s where we’re going to need more spaces. We do have a need for beds, but part of it is because 18 per cent of the folks that are in an acute-care bed right now should be placed in some alternative level of care or restorative care.

That’s the problem that we’ve seen over the last four years. It increased from 14 per cent to 18 per cent, and that’s why we do need to work with the community and we need to work with, for example, nonprofit partners who provide continuing care. 

11:50

Mr. Shepherd: Respectfully, Minister, if I can summarize what I hear you saying . . .

Mr. Shandro: . . . what you’re saying is that you feel it’s needed to delay because we don’t know what the appropriate mix of beds and services would be at that facility based on what other community needs there might be, that we want to extend the time to give more time to determine the correct balance.

Mr. Shandro: Actually, we do know the mix. It’s actually AHS who’s identified for us that this hospital was not needed in such a quick time frame. It was their identification of this that was the reason why this was stretched out.

Mr. Shepherd: Okay. So AHS came to you and said: we would like to take more time on this project; please slow this down.

Mr. Shandro: I think they said that there is not the need for this in 2027. It was their recommendation to me that this is something that would be more appropriate for 2030.

Mr. Shepherd: All right. Thank you, Minister. I appreciate that clarification.

If we could move on now to the seniors’ drug benefits program, line 4.4 in your estimates. Now, I think there has been some robust discussion around this already. This has been highlighted in the media and indeed has been brought up in the House. At this point I know that your government, as I think everyone is aware, is choosing to remove all dependants and spouses from this program and to limit it only to the seniors themselves. You’ve justified this, then, as part of your savings. How much are you anticipating that you will actually save from this program? Is the reduction that we see here from $574,600,000 to $572,362,000 indicative of the amounts that you think will be reduced for that reason?

Mr. Shandro: I suppose the answer is that it’s a net number because we are going to continue to see growth, with more seniors coming onto the plan in Alberta.

Mr. Shepherd: Well, let’s put it this way, Minister: what is the anticipated amount of savings you expect by removing spouses and dependants from this program?

Mr. Shandro: Well, first of all, those spouses have the opportunity to be in, for example, a nongroup plan, right?
Mr. Shandro: Absolutely. I’m happy to discuss that in a moment. Right now I’m just asking for the number, Minister.

Mr. Shepherd: For the full year it would be $36.6 million.

Mr. Shandro: Yes, that’s right. For the full year it would be $36.6 million. Thank you, Minister.

Now, as you were, I believe, about to suggest, of course, those individuals can access other programs such as the nongroup drug benefits program through the governent of Alberta. They do have that option. I would note that on that line item, 4.6, nongroup drug benefits, you’re indeed making a significant cut of about $52 million.

Mr. Shandro: No, no, no.

Mr. Shepherd: Nongroup benefits, from $271,193,000 to $218,417,000: is that not the line item for that program?

Mr. Shandro: No, no, no. That is not a cut at all, is not a reduction. The reason why it’s a smaller number is because as we have more and more Albertans who are becoming seniors, we’re going to have more and more Albertans who are leaving nongroup and going to the seniors’ plan.

Mr. Shepherd: Okay. So you’re anticipating that that’s the transition from that. So that’s an estimated transition?

Mr. Shandro: That’s our estimation of what we’re going to be spending on nongroup in the next year.

Mr. Shepherd: Okay.

Mr. Shandro: And that’s part of the reason, because we’re going to expect more and more Albertans, who are right now on the nongroup plan, to move, as they become 65, on to the seniors’ drug plan.

Mr. Shepherd: Within that calculation, you’ve calculated how much you anticipated you would save. Did you also calculate how much you might have to add to that program for the individuals that will be transitioning off the seniors’ drug program on to the nongroup drug benefits?

Mr. Shandro: The answer is yes. Yes, we have included that estimation in the budget.

Mr. Shepherd: One of the other questions I would have, Minister. You know, we’ve certainly heard from many members in the House and indeed members from your own side of the House about concerns, at some points, I think, praising the government earlier this year for helping improve some of the transitions from AISH to seniors’ benefits. Recognizing that when these programs change, it can be difficult for people to know how to navigate – and indeed people can fall through the cracks – have you also, then, in this budget, in either of these line items, included amounts to help provide education, information, contact, or communication with individuals to help them make this transition?

Mr. Shandro: Yes, it is included in the amounts we budgeted.

Mr. Shepherd: So you’ve budgeted that. So your anticipation at this point is that with those provisions, nobody should be falling through the cracks, that we’re not going to see any additional costs in the health care system due to people being unable to access or afford their medication.

Mr. Shandro: We work hard to make sure that that’s the case.

Mr. Shepherd: Excellent. Thank you, Minister. I appreciate the clarity on those points.

I would note, though, that I do have some concerns with that change. We recognize that in many cases we have seniors who have dependent spouses, who themselves may not be employed, who may not have access to other drug programs – although, again, hopefully, they will manage the transition onto the nongroup drug benefits, that that won’t affect them adversely – or indeed grandparents who may be caring for their children or caring for their grandchildren, of course, who have been providing coverage for them. In my view, this does provide a bit of an additional administrative burden perhaps for them. If we’re simply moving them from one program to the other, it seems to me to be more shuffling of dollars in anticipated savings than that it’s worth the move. Those are my thoughts.

Moving on to another question, I wanted to talk a little bit about some of the work you’re doing, then, in terms of LPNs. I do recognize that you are working to increase the scope for LPNs within the province of Alberta as part of your plan to, I guess, improve community care. In general, as I said when you made that announcement, I think that’s a reasonable move, to have them work to their full professional capacity. That, of course, would lead to, I guess, a lower number of RN funded hours, with, hopefully, no impact on the residents’ quality of care. Have you done any calculations on that front as to what your anticipation is, then, for what the increased hours for LPNs and what the decreased number of RN funded hours might be and what the savings would be from that?

Mr. Shandro: Okay. The answer would be that by allowing the LPNs, as you said, to work at their full professional capacity, RNs will then just be able to focus on applying their expertise where they’re needed the most. This lower number of RN funded hours would have no impact at all on care. As a result, the mix of funded hours will change. The current funding model for long-term care provides for .64 paid RN hours per weighted resident day, and this can be reduced to as low as .3, with these hours being shifted to an LPN. But the modification of the funding model will generate . . .

The Acting Chair: Okay. Thank you, Minister.

We’ll now go back to the government caucus side for the remaining couple of minutes. Mr. Neudorf, go ahead.

Mr. Neudorf: Thank you, Mr. Chair. If we can go back to key objective 4.2 on page 88 of the business plan. Earlier this year the government announced funding for CMHA Calgary, with a grant for $3 million to support the Recovery College. I’m encouraged to hear that the government is funding this initiative. The Recovery College teaches people from all walks of life courses on recovery, where they learn skills such as setting boundaries and personal empowerment. How does the funding help those struggling with mental illness specifically? Either minister can speak to that, the funding or the recovery program.

Mr. Shandro: Sure. I’ll let Associate Minister Luan answer that one.

Mr. Luan: Thank you, Minister, and thank you, hon. member. This is one of the best practices, if I may use that term, that is in Alberta. Actually, before my time here as associate minister I was a social planner with the city of Calgary. At that time the Canadian Mental Health Association approached the city looking for a pilot to borrow this kind of concept from Britain to Alberta. I was a planner that was involved in this. Let me tell you that I was so pleased to
see that pilot within three years flourish in Alberta. What that program does . . .

The Acting Chair: Thank you, Minister. I hesitate to interrupt, but I must advise that the time allotted for this morning for this item of business has concluded.

I’d like to remind committee members that we are scheduled to meet this afternoon at 3:30 to continue our consideration of the estimates of the Ministry of Health.

Thank you, everyone. The meeting is adjourned.

[The committee adjourned at 12 p.m.]