Legislative Assembly of Alberta

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head: Committee of Supply

[Mr. Clegg in the Chair]

THE DEPUTY CHAIRMAN: I'd like to call the committee together. This is the first day of the committee meeting on supplementary supply estimates.

I would ask the Minister of Health to give a few opening remarks, please.

head: Supplementary Estimates 1996-97

MR. JONSON: Mr. Chairman, good evening. I'm pleased today to be able to speak to the supplementary estimates of the Department of Health, and in so doing, I'd like to comment overall on health spending and the quality of health services in our province.

As all members are aware, our government made a firm and clear decision several years ago to put an end to years of excess spending in Alberta, to put to an end years of annual deficits and ever increasing provincial debt. Mr. Chairman, we made a clear decision supported by the people of Alberta to get government spending under control and to ensure a debt free future for the next generation of Albertans. To accomplish this objective, we reduced spending in all areas of governmental responsibility. That reduced spending included a reduction of more than $4 billion being spent annually in support of our health system.

Mr. Chairman, we did not reduce spending in a haphazard manner. In conjunction with that spending reduction we embarked on a major restructuring of our key economic and social programs. We began a process that would focus government on what should be the core businesses of any government, and we began a process of restructuring and reform in our health system so that it could meet the changing health needs of Albertans, meet the changing expectations of society, and respond to the changing technologies, new drugs, and new medical practices that were emerging. We changed the way our health system was administered, and we began to reform the way health services are delivered so that our health system would be able to continue to be one of the very best available.

Yes, Mr. Chairman, there were spending reductions, but most of the changes that were made to the health system were changes that would have been required without spending reductions. They were changes that were necessary to give our health system the capacity to respond to the changing needs of society as we move into the next century. Throughout the process of restructuring and reform the bottom line of this government has been to ensure that quality health care and quality health services continue to be available and accessible to all Albertans when they need them.

Now, Mr. Chairman, we have completed many of the major components of our health restructuring. Health spending reductions have been completed, and indeed total health spending this year will have been increased – increased – by close to 3 percent over the 1995-96 figures. On June 24 I was pleased to announce a major reinvestment in our health system with the injection of an additional $235 million for the regional health authorities over the next two years. That is split with the increase of $105 million in 1997-98, and then of course it goes up by about $25 million after that. This additional funding will allow regional health authorities to further enhance their frontline health services and ensure that all Albertans continue to have access to the quality care that they value so highly.

An important point to make about that additional funding for health is that it would not have been possible – would not have been possible, Mr. Chairman – without our focused effort to eliminate our provincial deficit and pay down our debt. The additional resources that we are now able to direct to our health system are a direct result of our efforts to reduce the cost of administration in government and a direct result of reduced interest payments as we pay down our accumulated debt.

At the same time, we have taken steps to ensure resources are distributed fairly and equitably throughout our health system. To that end I also announced on June 24 that we would be putting in place for next year a new population-based funding formula for regional health authorities. This population-based funding formula will take into consideration the unique health needs of each region and address the key cost factors affecting health services, including total population, age and socioeconomic status of the population, and perhaps most important, Mr. Chairman, the number of residents from outside a region's boundaries that are accessing health care within the region.

Mr. Chairman, the end result of this new funding mechanism is that every regional health authority will receive a fair and equitable share of provincial health resources. The additional funding being provided next year will be distributed according to this new model, and as a result of our reinvestment in new resources, every health authority will receive an increase over this year's funding level.

So, Mr. Chairman, where are we in terms of our restructuring and reform of our health system? Does the system still provide quality care and quality services to Albertans in times of need? The answer overall is yes. A clear indication of that confirmation of that quality came out in the recent Alberta Health survey of Albertans regarding their opinions on our health system. That survey, conducted just this spring, showed that of Albertans who had used our health system in the past year, 86 percent rated the quality of services received as excellent or good. As well, 79 percent of Albertans overall rated the quality of health services in their local community as excellent or good, and more than 75 percent rated the availability of services in their local community to be excellent or good. These results are similar to results obtained in the same survey last year and indicate that Albertans have continued to receive quality care throughout the process of restructuring and reform.

At the same time we do recognize that there is still room for improvement. Our health system, as good as it is, does not work perfectly. There are some pressure points, and there are some problems within specific parts of the system. But that has always been a key foundation of our restructuring process and a key commitment that we as government have made to Albertans. It is a commitment to continually monitor the health system and to make adjustments and changes where they are required. Mr. Chairman, it is a commitment to continually work with the regional health authorities, with health care providers, and with Albertans to identify problem areas and move quickly to deal with those areas.

Mr. Chairman, a good example of that is the commitment to cardiac and joint replacement surgery waiting lists. As a government we recognized last year that the waiting lists for cardiovascular and joint replacement surgeries were increasing. As our population in Alberta was beginning to age, there was an increasing need for these types of surgeries. Therefore in January of this year we announced an additional $9 million in funding for these two specific areas, and as a result of this increased funding,

waiting lists for joint replacements have decreased significantly in Edmonton and Calgary. The waiting list for cardiac surgery has begun to drop in Edmonton and is expected to decline in Calgary over the next couple of months as the impact of the additional resources is felt.

We identified a problem and moved quickly to address it. It is that same principle of addressing emerging problem areas quickly that has resulted in the supplementary estimates for the Department of Health that we are discussing today. Of the additional $20 million that is required for the current year, $14 million is related to the additional resources for the Capital health authority and $6 million for ground and air ambulance services. In the area of ambulance services, increases in utilization require additional resources if we are to continue to meet the ambulance needs of Albertans in a time of emergency. Since the rapid transportation of ill or injured individuals can sometimes mean the difference between life and death, it is essential that we maintain the quality of our emergency transportation systems. The additional $6 million will allow us to do so.

With respect to the $14 million of additional funding for the Capital health authority, this is the result of a comprehensive review of the unique circumstances and needs of this particular regional authority. Following the identification by the authority of a projected budget shortfall in 1996-97, the Capital Health Authority Review Committee, chaired by our colleague the MLA for Bow Valley, was established to determine how the authority could meet budget targets and at the same time maintain the quality of health services for Edmonton area residents.

Mr. Chairman, the review identified a number of cost savings that could be achieved over the longer term, but at the same time identified some unique needs and circumstances that were faced by the authority in the short term. Based on the recommendations of the review report, it was determined that the authority required an additional $14 million over the current year to help address some particular pressure points in the system and to help make the transition to the following year when the new population-based funding formula is in place.

It is anticipated that the new method for allocating funding along with the provincial reinvestment of resources in the health system will result in additional funding for the Capital authority next year and help them address the longer term delivery of quality health services in the region. In the meantime, Mr. Chairman, the additional $14 million this year will provide for the continued availability of quality services during this transition period.

8:10

In closing, Mr. Chairman, I would like to emphasize a few key points about our health system. The first is that our government is committed to maintaining one of the best systems in the world, ready and able to meet the health needs of Alberta. As well, we are committed to maintaining the principles of the Canada Health Act as the foundation of our quality health system here in the province. We are committed to the continuing process of health reform in the province, a process that will see an even more effective and efficient health system in the years to come. We are committed to ensuring that health resources are as much as possible directed to the frontline health services and not to administration, and that commitment is reflected in our present restructuring and downsizing of Alberta Health. Last, we are committed to monitoring the health system and the quality of services available to Albertans and to taking immediate and effective action when problems arise.

Mr. Chairman, throwing money at the health system as was sometimes done in the past is not the way to go. Often better management of resources is the answer to the problems that we face in health care. However, it should be clearly identified that particular situations within the health system require additional resources to solve. When that is the case, if that is the case and that is shown to be the case just as it was for cardiology and joint replacement surgery, then the government is certainly prepared to be responsible stewards of our provincial resources and responsible stewards of the provincial health system.

Thank you, Mr. Chairman.

THE DEPUTY CHAIRMAN: The Minister of Community Development is here, and the Chair was going to ask the Minister of Transportation and Utilities. What are the wishes of the House? To do Health and then go on? [interjections] Okay. Let's have the Minister of Transportation and Utilities, and then you can debate either one of them.

The hon. Minister of Transportation and Utilities.

MR. FISCHER: Thank you, Mr. Chairman. It is my pleasure to bring you some information on our supplementary estimates from Transportation and Utilities. I would like to begin by saying that in our estimates, as you've seen, there are two items. One of them is for the reinvestment program, and the other one is for the disaster services program. I'd like to deal with the reinvestment program first.

Just to give you a little bit of background on that, on June 24 we did announce our reinvestment program in the resource road improvement program, and that was to give us $13 million this year over and above the $3 million that was already slated for resource roads to make a total of $16 million. In the second and third years it is going to be $21 million each year.

Now, the funding will be on a partnership basis to complement the efforts of the local municipalities to improve and maintain local roadways impacted by heavy trucks. Meetings are now under way to determine which of the applications submitted by the municipalities will be approved for funding. I should say that the committee that does approve the priorities is comprised of people from Agriculture as well as Municipal Affairs and Transportation and Utilities.

The resource road program, as many of you know, is very, very important to the rural areas where we are developing resources, and we're tearing up roads. It's not always that the tax dollars get back into that community, and it is a big benefit for all of our province.

I would like to mention that the estimate was requested to transfer $6 million from Municipal Affairs to Transportation and Utilities to help fund a portion of this increase, and we do thank Municipal Affairs for their generosity in helping us with this program. The other $7 million short term is coming from our capital investment vote, moved over to the operating vote to fund the balance. The other portion of that is our $10 million street assistance program. This program was scheduled to be completed this particular year, and we reactivated it and put $10 million a year into it for three years.

Now, the other vote we have is the Lesser Slave Lake disaster recovery program. As many of you know, there was heavy rainfall in mid-June, and this resulted in major, major residential damage as well as damage to roads throughout the areas of the Sucker Creek and Swan River Indian reserves as well as MD 16 of Greenview, MD 124 of Lesser Slave River, MD 125 of Big

Lakes, and MD 130 of Smoky River. Our government emergency operation centre was activated to support those municipalities and the First Nations groups that were affected. The communities responded in a highly professional manner, activating their municipal emergency plans and emergency operation plans, and carried out their emergency operations, which resulted in extensive evacuation of over 1,100 residents in that area. Reception centres were set up in High Prairie, Faust, Kinuso, and Grouard to accommodate them. It was gratifying to us that there was no loss of life as a result of this particular disaster.

The province's disaster recovery committee met on June 25, 1996, and reviewed the rainfall and reviewed the damages that had happened there. They responded by declaring it a disaster recovery area. This helped the financial needs of a number of the residents there and small business, the communities, and some of the farm people as well that were in that area.

I recently have approved a disaster recovery program also for flooding that occurred July 18 in the city of Spruce Grove. I want folks to understand that this $10 million is not part of that recovery program. We have not evaluated all the damages in this Spruce Grove-Stony Plain area, and it will be coming later.

I just want to say that our disaster recovery programs are intended to help people return to their normal life after a disaster. They do serve as a safety net by providing some financial help, but they do not include full compensation for losses. Payments are not made for insurable losses. That's a very important item that everyone should realize, that everything is not going to be paid for if it's insurable. Nonessential items such as recreational equipment or stereo equipment, cameras, jewelry, and second residences are not paid for.

Delivery of the Lesser Slave Lake area program for the most part is nearing completion. Over 550 applications have been reviewed, with payment or part payment made on more than 400. About 110 of the applicants are not eligible. We're winding up that program very pleased with the work that people have done in order to quickly accommodate the people who had the disaster up in that area.

We have a lot of personnel that we train and get ready for disasters in each of the areas, and our people did an excellent job in being there when they were needed when that disaster came along.

With that, I think everything is fairly cut and dried, and we'll let everyone look at the votes.

Thank you.

8:20

THE DEPUTY CHAIRMAN: Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Chairman. Well, it's a pleasure to be back here this evening talking about supplementary estimates in Committee of Supply. Several issues I'd like to broach. The first is that when you think of supplementary estimates, you believe, in fact, that these are items that were not budgeted for and, because of one exigency or another, there is then a requirement that additional funds be voted. Now, that's good news and bad news, because on the one hand I think the government has done a very good job in the area of setting out the business plans, setting out very clearly a timetable of expenditures, setting out performance indicators and outcome measures. One would have thought – in fact, one would have prayed – that you would see some strong correlation between performance measures, outcome measures, and the supplementary estimates, because it is in fact the pressure on the system which you'd expect to be manifested in terms of deterioration of certain outcome measures or performance measures that would lead, then, to a supplementary appropriation.

One would then expect that the justification for coming back to the Legislature would in fact be couched in terms of the business plans, outcome measures, and what has gone wrong in the system and in fact a much tighter integration between the business planning process and the supplementary budgeting process. As an observer of the process, I think that the budgeting process and the business plan process have gone sort of on parallel tracks, and they really haven't intersected to the extent that one would like to see in terms of budgeting. One would think then, as I said earlier, that the pressure point where in fact you'd see that intersection would be on the supplementary estimates, because that's where the appeal would be made that on the basis of these outcomes, this predicted performance, we're not getting what we need. It's either due to structural problems or underfunding or some reason, and it would be couched in terms of the indicators.

So my first question to the hon. minister then. In the context of the business plan, in the context of the types of performance measures that the minister feels are appropriate in assessing the health care system, I would like to see an argument for this supplementary appropriation.

The second question, and this is one that has really to an extent puzzled me. I looked at the performance measures put out by the Capital regional health authority, and by gosh, you'd look at those things and everything was hunky-dory; there were no problems if you looked at their performance measures or client satisfaction. Yet at the same time that we would see these reports coming out saying, well, you know, it's a system under stress but we're making do and our clients are very happy, on the other hand they're really crying the blues and saying that the system is really under serious duress.

I find it peculiar that the regional health authority could in fact itself have a dual track. On one hand, they would say that everything was A-okay, yet on the other hand they would then say, well, things aren't so hot. Squeaky wheel. I would hope the minister would be able to illuminate me as to how the regional health authority could in fact argue both sides of that argument, as they seem to do with their report on client satisfaction and performance measures. Again, if you're going to put out a document that says everything's A-okay, you'd expect that it would be.

So I have some concern, some confusion there on my part, and certainly I'd like to see the nature of the argument, what's what there. It's clear when you talk to a medical facility within the regional health authority that they do feel that it is a system under stress. It is a system that has managed to work thus far because of the overwhelming commitment of the professionals in the system to deliver the services. It's also clear that they feel there is burnout. There are now a lot of people voting with their feet, both within the nursing profession and among both the GPs and the specialists.

So I guess the second main question is: to the extent that this is a government that believes in budgeting based on performance measures and outcome measures – it asks the regional health authorities to assess their performance, to try and indicate where things are going well and to base their performance on outcomes – how are these integrated? In light of the $14 million that's being requested for the Capital regional health authority, how do you put that in the context, then, of the various business plans and the performance indicators that the regional health authority has?

Can in fact you draw us a map where you point at these various performance measures and say, "These indicate an additional need for funds," and "This is the nature of the problem"?

Now, in question period today the Premier quoted I guess the incoming president of the AMA, saying that it wasn't a systemwide crisis but there were regional hot spots, or words to that effect. I notice here in the supplementary estimates that in fact we're just dealing, then, with a regional allocation for the Capital regional health authority, but many of the issues that have been brought up in the context of the regional health authority also appear now to be gaining somewhat greater currency among some of the other regional health authorities. In WestView we hear of the problems of chronic underfunding. In Calgary we're certainly starting to hear concerns over the issue, both on the restructuring itself, in terms of the hospitals that are being closed, but also in terms of the level of funding. So I guess my plea to the hon. minister is to walk us through the business plan, walk us through the performance indicators, and tie the allocation here to outcome measures, because one would hope that we're not going down the realm of the squeaky wheel.

Really, there has to be some structure to the budgeting process, and one hopes that there's a lot of structure to the process of supplementary estimates. I know there has been the Lyle Oberg committee that looked at these issues and vetted the business plans and the budget of the regional health authority, but I've looked at the Oberg report and I've looked at some of the business plans of the regional health authority, and there's not the array of statistics there that I would like to have seen that would lead me to understand why the money's required, where it's required, and how that fits in with the business plan of the province.

I guess on a broader note as well, I know from the data that the number of acute care beds per thousand in the Capital regional health authority is less than the provincial target per thousand. It appears to be below the Canadian average. I would hope, then, that the hon. minister, in discussing some of these funding issues, would talk about indicators for Alberta, indicators for the regional health authority in the context of Canada as a whole and perhaps other benchmark provinces, either British Columbia or Ontario, in terms of indicators such as acute care beds per thousand, waiting lists and the like and that we could actually get the discussion of the supplementary estimates on an analytical basis, where we're looking at performance and outcomes and supplementary estimates.

With regards to – I guess just to interrupt for a second, my question would be to the Chairman. The minister of community affairs isn't here. Will we leave those until the hon. minister's here, or can I comment on those?

THE DEPUTY CHAIRMAN: I would suggest, hon. member, just put your question. I'm sure that on the second day of the estimates they would be very happy to answer the question, unless some other minister wants to answer the question. I would go ahead and ask the question.

8:30

DR. PERCY: With regards, then, to Community Development and the appropriation for Alberta seniors' benefits of $6 million, again, this is an issue of why and how the money is allocated.

For Community Development there is a business plan. There were a number of problems highlighted with the business plan by this side of the House and particularly by the Member for Edmonton-Gold Bar about the seniors' benefit program. Many of her predictions and her concerns appear to have been very legitimate, hence the additional appropriation that we're seeing here. My question to the hon. minister is: why did it take them so long to acknowledge that there were serious problems, since they were highlighted over a year ago?

The other question I would have is that we see the $6 million appropriation here, and I would draw the hon. minister's attention to what Ottawa has done with regards to changes in seniors' programs there. They've grandfathered them. They've given a planning horizon to seniors so that when a change is undertaken, people have a sufficient period of time to adjust. You know, seniors do not have additional sources of income. They cannot go into the labour market. They in fact have to live on what they've made in the past, and they have to live off either their pensions or interest income or run down their savings. So changes in the programs to seniors – their health care programs, their eligibility for subsidy, rent subsidies and the like – have a profound effect on the standard of living of seniors.

Now we see with this appropriation, one that I fully support, an effort to correct some of the damage that was imposed by the cuts that were implemented over the last two years. I would draw the minister's attention to a very simple notion, a very simple concept as employed by the government in Ottawa: grandfathering and providing an element of stability for the planning horizon of seniors. This is a group that cannot adjust to significant changes in their financial environment. They rely on governments to take into account that they have no sources of income other than those that are presently available, and cuts at their stage of life, then, impose significant hardships. If there's one thing that comes through this set of supplementary estimates in Community Development, it is that a costly mistake was imposed. It's to an extent being rectified, but it need not have happened. For seniors we must grandfather changes in these programs.

Again, I would have the same set of questions for the Minister of Community Development that I had for the hon. Minister of Health: link the appropriations specifically to the business plans, outcome measures, and performance measures. The whole purpose of business plans is to try and allocate funds to where they're needed. That's why we want to look at performance measures. That's why this side of the House has in fact supported the business plan process. Yet tonight we don't see any appeal to business plans, performance measures at all.

Again, the analogy I made is there are two separate tracks. There's the business plan process; there's the budgeting process. They haven't intersected. Where they ought to intersect is in fact on the supplementary estimates, because this is where the government in a sense acknowledges that their initial set of budget estimates are off the mark. If they're off the mark, you'd expect to see something in terms of performance measures and outcome measures that would tell them that was the case. I would just like to see a little tighter integration in terms of the nature of the arguments supporting these supplementary estimates by the hon. ministers.

With those comments, Mr. Chairman, I'll take my seat.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. I, too, would like to address the supplementary estimates this evening. There are two areas I'd like to touch on. One is the call for the spending of close to $5 million for ambulance services. I read the estimate and was touched by some comments by the new minister of public

works in question period last week. If I might quote from *Hansard*, the Member for Stony Plain, the new minister, said in question period on August 14:

> We have an unbelievably good air ambulance service being operated by the private sector throughout Alberta, covering all of the areas.

He went on further:

> The air ambulance service also, as I last checked, which was very, very recently, is operating very well. We haven't received any complaints.

He goes on to say: "There is no room to improve the air ambulance service, hon. member. It's as simple as that." If that's the case, why are we spending $5 million on the ambulance service in supplementary estimates? I thought maybe the new minister had resorted to his former political leanings and just wanted to have an airline operated by the government.

MR. HENRY: Pam Barrett is coming back. He's going to switch again.

DR. MASSEY: Oh, okay.

I think taxpayers in this province deserve an explanation when we have one cabinet minister saying that the service is excellent and the following week the government comes to the Legislature for approval for $5 million to improve that service. It doesn't seem to me to be consistent or defensible.

MR. WOLOSHYN: I can't believe you. You're so far out to lunch.

DR. MASSEY: You'll have your chance, Mr. Minister, to respond.

More importantly, for my constituents in Edmonton-Mill Woods, where health care has been a major concern, I'd like to move to the minister's comments. The minister answered the question I wanted to start with. He said that the changes, particularly to the Capital health authority, were based on the Capital Health Authority Review Committee report. He mentioned that was one that was conducted by his colleague. For people in Edmonton-Mill Woods and, I would think, for all Albertans, that should raise some questions.

If you look at that review – I brought along a copy of the review with me, Mr. Chairman – and if you look at the listing of the people that the review committee talked to, the people that they gathered information from, they made some good choices. They naturally spoke to the previous and the current Minister of Health. One would expect that to happen. They reviewed extensively the documentation on the operations in the region and reports. So they went for the material that was at hand, and they reviewed that. They went to the literature, and again one would applaud that. One would hope that they would try to look at previous research in the area and to gather what they could from that in terms of trying to solve the problem.

They interviewed the Capital health authority officials on selected topics. So, again, they went to the people that are responsible for running the system, and that's good. It's again something we would expect. They looked at what the Auditor General had to say about the Capital health authority and funding in the region. They even talked to a committee of selected physicians, which is rather new in terms of some of the health care reforms, actually talking to the people involved with it, and again a good move. They did a reality check, as they called it, with the CHA management and the chairman to discuss the implications of proposed changes, and again that's good.

What's missing from all of this is any input from the people who are affected. There's nothing here from citizens. What about those 17,000 people in Edmonton-Mill Woods who demonstrated in favour of their hospital facility? Where is their voice in this report? They're mute. Where are the citizens? The answer has to be: they aren't there. They're absent from that review. So to base supplementary estimates on the information that was gathered from that review seems to me to be missing a huge, huge piece of information.

I think if you look further at the report, there are some real shortcomings. I'm surprised that the new Minister of Health, given his previous experience, wasn't quick to point out some of those shortcomings.

8:40

For instance, it indicates that a little more than 35 percent of the region's patients come from outside the region, and that's understandable. Specialized services can only be supported in large urban centres, and that's one of the advantages of having large groups of people together. You can provide specialized services, and people from outside the region should be able to access those services. But it only tells part of the story. Again, the minister would know this from his experience in education. What happens is that people with long-term handicaps, people with long-term health problems move to the city. As they did in schools when they had children with long-term learning disabilities, long-term educational problems, they moved to the urban centres. So they become residents.

The suggestion in the report that now we're going to start to charge back other regions for servicing their patients I think is going to be just about as successful as the attempt was in education to charge other school boards for students that were serviced in the urban areas. Those parents just simply housed them with parents in the city, with aunts and uncles in the city, and claimed them to be residents. There was no one tm charge back to. I can't believe that that's what's appeared in this report as part of the solution to the problem.

I think of the area around the Grey Nuns, where I've been doing some door-knocking lately. Those people have moved there. A farmer from Lacombe moved there when he retired because his wife had a health problem. He makes no bones about it: we're here and we're next to the Grey Nuns because we want that service right here in our backyard. No one's going to charge the health authority in Lacombe for their health care.

I think if you look at the report on page 13, that's where this is indicated. "Services provided for out-of-region residents would be fully costed out on a provincially standardized basis and billed back." I can't believe that that decision's been made with that kind of information standing as it is.

A further comment is that the kind of ad hockery of the Capital health authority in budgeting has really, I think, distressed a lot of people. How many organizations as large as the Capital health authority go along with a two-month budget? On page 14 there's the admission that the authority doesn't have control over its own budget, that the Caritas group has control of part of the operation, that there are expenditures that the Capital health authority cannot deal with. That problem isn't solved. There's an observation about it, but it's left. One would think that a select committee such as this would address that problem. Certainly that's one of the problems with the health authority: they haven't got authority over their own affairs. There's no solution proposed here except to state what the problem is.

I look at the kind of input that my constituents have been involved in, and I go back to a 1994 report, the Caritas health care needs focus group results. That community has taken very seriously the job of trying to define what they think a community health centre should be and what the shape of it should be. Their focus groups involved groups of eight to 20 people. Of seniors there were 10 groups, of adolescents there were 10 groups, and of adults there were eight groups. So there were a good number up to March 3, 1994, and they indicated what they thought a community health centre should be and the kind of services that they wanted.

When you talked to seniors, when you talked to adolescents, when you talked to adult groups, all groups agreed on some aspects of a community health centre. They wanted it to be cost-effective, and as they defined cost-effective, they wanted low-cost medications, they wanted cheaper dental care, and they wanted to charge people such as smokers for service. They wanted some differentiation. They talked about drugs only if necessary and affordable. So they identified cost-effectiveness, but they also identified efficient service. They were unanimous in asking for efficient service and quality service, and they wanted the service there at the Grey Nuns. Nowhere did they call for an increase in the number of psychiatric beds at the facility. That wasn't mentioned by anyone as something that they wanted for their community health centre. Nowhere in these focus group reports did they ask for service to be downgraded at the Grey Nuns.

I guess what is abundantly clear is that there seems to be a definition imbedded in the Capital Health Authority Review Committee report of what a community health centre should be, and what the community thinks that centre should be is quite different, yet the report talks about having to serve the clients of the system, that they should be defining what they need. I don't see how those things fit, and again, it worries me that budget allocations are made on the basis of that committee's review.

I guess as you go through the health authority report, the one thing that does strike you, as I said at the beginning, is the lack of citizen input. That's been the feeling. You go from door to door in my community, and that is reiterated over and over again. There's almost the feeling of hopelessness. It doesn't matter what we say. It doesn't matter how often we rally, whatever we do. The system is not responding to us despite all the promises that we've been given that we are paramount in the kind of planning that the government is undergoing.

I guess the alarming thing about the estimates is: two months from now, where's the Capital health authority going to be? Are we going to be back here with more estimates? The problems that the committee has identified haven't been resolved, and I don't see that those estimates do anything to further them.

Thank you, Mr. Chairman.

THE DEPUTY CHAIRMAN: The hon. Minister of Public Works, Supply and Services. [interjections] Could we just quiet down. All sides of the House are equally guilty. I can't even hear, and I couldn't hear the hon. Member for Edmonton-Mill Woods. Let's just keep it down to a dull roar.

The hon. minister.

Point of Order
Clarification

MR. WOLOSHYN: Just for the record, Mr. Chairman. The hon. Member for Edmonton-Mill Woods, I'm glad to see, reads *Hansard* or else pays attention in the House. He made reference to my comments on the ambulance service. Had he been astute in his thinking, he would have figured something out. I was referring to the quality of the ambulance service, and I do say it's excellent. If he had read the supplementary estimates, it would have been pointed out to him that it's an increased usage thereof. The usage level wasn't anticipated quite that high, and we're going to continue to maintain a top-notch, excellent service. I appreciate him raising the issue.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Manning.

MR. SEKULIC: Thank you, Mr. Chairman. I'm not sure if I'm following the point of order. I wasn't clear, and I'm sure that even if my colleague from Edmonton-Mill Woods were to refer to *Hansard*, he couldn't figure out what the hon. member said.

MR. WOLOSHYN: That's because you can't read, Peter.

MR. SEKULIC: A former teacher, you say, Mr. Chairman.

Debate Continued

MR. SEKULIC: Mr. Chairman, I rise this evening to speak in Committee of Supply to the 1996-1997 supplementary estimates of the general revenue fund. Without question, one of the greatest areas of concern in this province is health care, something that I personally think needs to be addressed in the most urgent of manners.

Mr. Chairman, in my constituency the community has been working for some 15-odd years and has taken a perspective to health care planning that involved health professionals, community representatives, even government representatives. I would call the process that they underwent one of the model processes by which in fact health care funding should be determined. The community advisory committee in northeast Edmonton has investigated the health care needs of the community over the past 15 years. Their consultation process has involved community members, as I've said, health professionals, and the provincial government.

8:50

The point here is that despite all of that planning, despite clearly demonstrating the need for a health facility, a health centre, in northeast Edmonton, by some bureaucratic nightmare their work isn't resulting in what it should, even by the statements that the government's made in the past three years: we have to demonstrate need before we allocate funding. Well, as I said earlier, there's no better process that has been undertaken than the one in northeast Edmonton to demonstrate the need for a facility, yet once again they've learned within the last month that the plans for their health facility are once again on hold. This must be a particularly difficult thing now for these community members who volunteered. In fact, some of them have been involved in the process for the past 15 years and perhaps even longer, for 20 years, in the determination of the need. They must be very disappointed when they hear that there's an allocation of over a hundred million dollars and that their health centre is not one that's going to receive the attention which they so clearly have demonstrated is required.

When I hear the minister speak about the implementation of a population-based funding model for 1996-1997, I just have one question. Before we undertook reforms in 1993 – and everybody agreed and I'd be one of those people to agree that reforms were

required – why wasn't the population funding formula thought of then? We have expertise in this province. In fact, we even sought expertise from out of this province when the deputy minister was brought in from Ontario to tell us – I'm not sure what she was going to tell us, but apparently even the government disagreed with her at some point and let her go. The population-based funding approach is not something new. It's not something that was discovered since 1993. It has been around for quite a few years.

So the only conclusion that I can reach from the government's actions – although I'll commend them now for pursuing this population-based funding formula – is that they didn't plan. They didn't in 1993 have a plan for health care for the province. They only had a fiscal plan, which they pursued with a significant vengeance, I would say, because of the consequences on the health care system.

The minister in his opening comments, justifying the expenditures, the supplementary estimates in Health, I think referred to survey rates and how these surveys reflected so positively on health care in Alberta. Well, Mr. Chairman, I would say that many of the people who have been through the health care system in the past three years, including myself – I had the misfortune of tearing an Achilles tendon and had to have it stitched back together. I can say that if I were to respond to a survey, I would speak very, very highly of the people that worked on me: the surgeons, the nurses, the staff that admitted me to the hospital. I can't say a single bad word about those individuals. My concern is the environment, the system within which they were working, which I as a patient wouldn't be as exposed to as that individual who works in that environment every day.

So the survey quite rightfully should reflect and will reflect on the calibre of professionals that we have in this province: top-notch. The statement coming from the survey would be that it doesn't reflect upon the government. It doesn't reflect upon the reforms undertaken by the government; it only reflects upon the professionals. The professionals, many of which I've spoken with, many of which I've consulted, are saying that they are burned out. They're working double shifts. We've laid off record numbers of nurses. That made good press when we were attacking the deficit, but the bottom line is that those that remained in the system are double shifting.

I heard from one nurse's father the other day, a gentleman who happens to referee soccer in my community. He said that his daughter is a nurse in intensive care and that she works 20-hour days. He said she comes home and she's as pale as a ghost. This is the father. Now, I'm assuming he's not misleading or misrepresenting his home situation. He said that he would be afraid to be a patient at about the 18th hour. Now, these aren't horror stories; these aren't scare tactics. This is what people are saying. The government has to at some point acknowledge that this is the reality, and if they look at the time sheets for some of these people, they'll see that those who remain employed in health care are probably earning more than they were one, two, or three years ago. You know, the reason is because they're working so many more hours. Well, I think that is a serious problem: having laid off a lot of professionals and now being overly reliant on those that remain to the point of running them into exhaustion and burning good people out.

Mr. Chairman, when the government undertook this direction for these reforms in health care, they said they were targeting abuse. Well, never at any point – and I've been in this Assembly for the last three years – did this government identify the abuser or to what degree that abuser was abusing the system. Was it a patient, a group of patients? Was it a health professional, a group of health professionals? Who was abusing the system? Why is it that this government has managed over the past three years to somehow abdicate this responsibility of describing the specifics as to who the abusers were, to what degree they were abusing, and what the government has done to resolve it?

Now, my colleague from Edmonton-Whitemud earlier referred to performance measurement, outcome measurement, because that would have given Albertans and the opposition an idea of which weaknesses have been corrected. How have we improved? Well, Mr. Chairman, I would say that three years later we're no further as Albertans or as the Official Opposition, no closer to recognizing because of the government's efforts who the abusers were, what they abused, and to what extent. We can't even say that we have corrected that abuse. So I think that's a significant problem.

Mr. Chairman, the hon. Minister of Health referred to pressure points. Now, whether we say crisis or pressure points, it's like taxes or user fees. I'm not going to get into this debate. The bottom line is that there are problems in health care. Call them what you will. Let's specifically address them. Let's specifically identify them and get the resources to them. There's no embarrassment in doing the right thing. These pressure points: as I said, we won't get into debating what they are, whether it's a crisis, whether it's chaos. The bottom line is, clearly, there are problems which need to be addressed. So I would have appreciated the admission coming earlier rather than later because I do believe in a preventative and a more proactive method of governing rather than a reactive method, which we find ourselves in. In fact, Mr. Chairman, when I think about the reforms, particularly in the area of health care, I have to wonder: did the solution become a larger problem than the original problem it was developed to address? I would say, yes, it has. The solution to the problems we were having in health care in fact led now, I think, to a larger number of problems.

There's a natural migration of professionals out of the province. Doctors have left the province and will always leave the province for a variety of reasons, but I think that in the past three years we've seen a migration of more and for more specific reasons. They feel that under the system that this government is developing, they can't address the needs of their patient. Now, I have to believe that to be the case. I have no reason to doubt the doctors. If the minister has information which would convince me otherwise, I am always open to listen to such information.

9:00

Mr. Chairman, two and a half years ago I know that my colleagues and myself stood up in this Assembly and asked the government for a plan. We said: "Yes, we're going to undertake massive reforms; yes, significant reforms to this system are required. Where's the plan?" The government has the resources. The former minister of social services had 5,000 staff under him. The Minister of Health has – I'm not sure as to the specific number because of the way the department's structured – perhaps 300, 400 staff. Is that a fair estimate? I'm not sure how many staff, but a significant number of staff in the Department of Health. [interjection] Two thousand? So you've had the resources to develop the kind of plan that the opposition was asking for, and we were asking for that plan not to put you in a difficult political position but rather to ensure that the course of health reforms in Alberta would be a betterment as opposed to a turn in the opposite direction.

Well, one year ago in response to those cries from the opposi-

tion and many professionals in the health communities, those cries for a plan, the Premier actually did come down with a plan. He said that he had a 90-day plan. Well, Mr. Chairman, I think that was last September. So that 90-day plan went by. In December of 1995 the 90-day plan had finished.

[Mr. Herard in the Chair]

Now, my question would be: what was wrong with that plan? Why didn't it resolve the health care problems that were starting not only to emerge even in a larger amount at that point but were continuing to grow and in the spring of '96 really started to roll and become significant? What went wrong with that 90-day plan? Or was there a 90-day plan at all? Or was that merely a media exercise to divert attention from the government's lack of a plan? Well, based on where we are today, I would say that in fact it was a media exercise, and that's really unfortunate.

MR. SAPERS: They had a communication problem there.

MR. SEKULIC: Yes. Even at that point and earlier this spring we heard that there weren't really problems in the health care but there were communication problems. Mr. Chairman, the government was so convincing that in fact the mayor of Edmonton came on side and said: well, no, there isn't a crisis in health; there are no health problems; everything's fine. Well, I clearly disagree with the mayor of Edmonton on that. I would say that perhaps he hasn't spoken to doctors, outside of the surgery which he had. He did no doubt get good treatment from the professionals, but it's unfortunate that he couldn't look at the broader perspective, at the system as opposed to those who delivered the service, because the government is responsible for the system, not to those who deliver it.

Mr. Chairman, I recently had a telephone call from one of my constituents who's quite involved in health care, particularly in mental health care, and he raised a question with me. There was a recent report done. I believe it's the Oberg report, which came out of some detailed work, fairly intensive work from an hon. member of this Assembly. The question is: the government has been pushing towards more localized regional decision-making, yet if there seems to be a problem, they parachute someone from their own group in to tell the community, "You really messed it up; you don't know what you're doing." Now, that was an incredible amount of work for a committee to do given that it took the Capital health authority two years to get to that point in time with all the work that they were asked to do. So without even being afforded the opportunity to go out and visit the Alberta Hospital, significant recommendations were made as to what should be done with it.

Well, this hospital employs 800 people; 150 more work there by contract. A significant part of northeast Edmonton's economy is based on that hospital. Now, I won't defend that hospital on the basis of employment. I will defend it on the fact that 50 years' worth of community service evolvement took place in northeast Edmonton around that hospital. It's been accepted as a facility. The people within the hospital have been accepted as part of the community. As I said, all the infrastructure for mental health service delivery has been developed and evolved within five or 10 kilometres of that facility. So it's an environment that took a long time to build that we just can't disband that quickly. I'm not sure that those needs are addressed here.

Mr. Chairman, there are structural problems. We all recognized the fact. Both parties were elected to this Assembly because of their beliefs that there were problems. I think we need to address those. The structural problems really haven't been changed. Because the government couldn't identify the specific abuse that was in the system, we can only assume that they shrank the system but maintained the same degree of abuse, whatever that is, because resources hadn't been applied to determine it. Until the Premier can stand up in this Assembly and clearly say, "This is where the abuse is, here is who the abusers are, and this is the degree to which they're abusing," we can't address the problem. Someone has to be specific, and it has to be the government because the government has the resources to determine that.

Mr. Chairman, it's come to a point where it's not whether it's good or bad; it's whether the need has been demonstrated. In health care I think it has been demonstrated. I think it's come down to a point where it's an issue of how government's performance in the delivery of these services, of the management of the health care has changed for the better or for the worse. It's only when we come to putting that type of information before the public that the public can be truly surveyed and asked, "Is your health care system working better for you?"

In my closing comments, Mr. Chairman, there is no question. I'm surprised that the survey results came back saying 96 percent were satisfied, because we do have some of the best health professionals in Canada right here in Alberta, and 100 percent is what the survey should have been. I'm sure those health professionals will address that 4 percent margin and correct it.

The question is: what will the government do with the system? It's the system that's the problem. It was three years ago, and I'm afraid that it's more so a problem now. I know that none of us came here to destroy health care. I really don't believe that. I think we are all trying to correct the problem. Before we can do that, we do need to state, "This is the abuse, these are the abusers, and this is the degree to which they've been abusing." Before we do that, Mr. Chairman, we can't change the system for the better.

With those few comments, Mr. Chairman, I'll take my place.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Mr. Chairman. From time to time it's been said that members of the opposition are negative and too critical. In fact, the Premier went out of his way not so long ago to accuse this hon. member of just being downright mean-spirited in criticism of government policy. It's very unfortunate that the Premier would feel that he has to resort to name-calling in what should really be a debate about health care.

What I want to say tonight is that in spite of those accusations of this opposition being negative or being critical or not supporting the government when the government does something right, let me say right now on the record, for *Hansard* to record, for all members to hear, that I am in support of this supplementary estimate. I am going to vote for it, and I'm going to encourage my colleagues to vote for it. The reason why, Mr. Chairman, I'm going to vote for it is because it represents that first step in healing that the Leader of the Official Opposition was referring to earlier today in question period when he said that the first step to recovery is making sure that you admit you have a problem.

Well, Mr. Chairman, this is a $20 million admission of a problem. It's a $20 million admission of failure in the health care system, and it's a step towards that recovery. It's a step towards

creating a health care system that will be a little more stable and a little more predictable.

9:10

Now, I only hope that it's not too late. I only hope that the situation has not gotten so totally out of hand that this $20 million will only be throwing good money after bad, as it were, will only be money being thrown at the problem in the hopes that it'll stick someplace positive. I'm hoping that this money can be applied in a reasonable and judicious and equitable way so that the many, many problems that have been discovered in health care can begin to be addressed.

Mr. Chairman, we see that the supplementary estimate we're being asked to support consists of a couple of different components when it comes to health care. We've got $6 million going to ambulance services, $14 million going to the Capital health authority. Of the $6 million that's being requested for ambulance services, $4.8 million is for increased utilization of air ambulance and the balance for ground ambulance. Now, this in and of itself presents many, many questions. Why is it that we are nearly $5 million out already at this point in the fiscal year? Why is it that we're already out nearly $5 million? Is it because there have been that many more accidents? Well, I haven't seen any data to lead us to that conclusion. Is it because there has been that much more demand? Well, I haven't seen anything that's necessarily led me to that conclusion.

It seems to me, Mr. Chairman, that what we may be faced with here is yet another example, another artifact of how the health care cuts were way out in advance, way out ahead of what the system was able to absorb and deal with rationally. What we're faced with here is another example of how bad planning, lack of planning, a failure to anticipate the consequences of bad policy have actually cost us more money. Whatever savings may have been achieved through some kind of program consolidation in some region within the hinterland of Alberta, within the rural or more remote reaches of this province, whatever savings may have been achieved by closing down a small hospital, by forcing doctors to leave and give up emergency services have been eroded now by an increased demand on air ambulance to the tune of some $4.8 million over and above projected estimates, which, if I recall, were higher for this fiscal year than they were for the last fiscal year anyway. So what we had was a department that budgeted more money for air ambulance thinking that would address the problems that had been created because of shortsighted policy, and in fact they were $5 million, pretty near, out. That's a real problem.

Now, in terms of the $1.2 million for nongroup Blue Cross, it is a tremendous relief to many residents of the province of Alberta that this additional $1.2 million has been allocated, because people from all over this province have been in touch with this member's office in terms of how they can possibly bear the ambulance costs which they're being asked to absorb. I've had phone calls from Ponoka and from Rimbey; I've had phone calls from Hinton and Jasper. I've had correspondence from people in Beaverlodge and Peace River; I've had correspondence from people in Drumheller, all complaining about the same thing, Mr. Chairman – actually, I haven't heard from anybody for a while – all complaining that what they used to expect to receive in terms of health care service . . . They used to be able to go to a local hospital. They're now being told: "You can't get that service at your local hospital, and if you can go to a local hospital because there happens to be an emergency room open, we won't admit you. If you have to go to another centre, you're totally responsible, 100 percent responsible to get there on your own. If that means an ambulance bill of $600 or $1,100 or $1,200, that's just the price of being an Albertan in this government's Alberta. You're just going to have to pay that cost."

This $1.2 million will be a tremendous relief to many Albertans, but I'm afraid it won't help enough. It's part and parcel, however, of that $20 million admission of failure.

I'm glad to see that the government has admitted its mistakes, and I'm glad to see that they have decided to put this $4.8 million into air ambulance and this $1.2 million into ground ambulance, but I would have hoped that by now this government would have come to terms with all the rest of the controversy around air ambulance and ground ambulance, that they would have dealt with the various reports: the Member for Peace River's report, the Member for Drumheller's now getting old report, and the reviews that have been done on the order of call and the reviews that have been done in terms of minimum standards and whether or not we need a floor of funding for ambulance and whether or not we need to have the ambulance services somehow controlled by the regional health authorities. These are all out there. All of these ideas and all of these reports are all out there for consideration. The government's had plenty of time to deal with it, and instead of coming to terms square on, instead of dealing head on with these issues, the government's avoiding making tough decisions, avoiding giving the appropriate priority and instead is spending more money. As I said, I'm glad that money is going to be spent, because it will relieve the suffering of Albertans, but I sure wish this government would get on with the business of governing, and that means setting priorities and dealing with these long-standing problems appropriately.

Now we get to the supplementary estimate for the Capital health authority, the $14 million, and there's been much discussion around that $14 million and why it's necessary. Mr. Chairman, I want to set the context a little bit about why it is that I find it so easy to support this supplementary estimate request for the $14 million for the Capital health authority.

Now, number one, in spite of this government's protestations to the contrary we've seen this province fall behind the rest of Canada in health care spending. When you get past the rhetoric of health care spending out of control and a crisis in health care spending and you begin to look at the facts, what you find is that between 1984 and 1994 that constant dollar expenditure on health care in this province has fallen. In 1984 that figure was just shy of $3 billion. In 1995 it's gone back down below that level. When you look at constant dollars per capita on health care expenditures, what you find . . . [interjection] I'm sorry, Mr. Chairman. The Minister of Economic Development and Tourism always has this disorienting effect on the Assembly. If you look at constant dollars per capita spending, when you've adjusted for inflation, when you've adjusted for population change, all of the things that hon. member always forgets to do – and the Premier always seems to forget about population growth and inflation. But if you look at constant dollars the way most honest observers would, what you find is that the per capita expense is actually down far below what it was 10 years ago, eight years ago, six years ago, four years ago. There has not been that kind of crisis, that out-of-control spending that the government would have us believe in fact took place.

When I look at that, and then I look at the specific dire straits that the Capital health authority is in, it's easy for me to understand – without the hon. Member for Bow Valley's high-priced report, without the review and the review and the review.

The reason why I say three reviews is because you had the KPMG study and you had the Auditor General's report and then you had what's been called the Oberg report. We've got these three levels of reviews, and the cabinet still didn't seem to be convinced there was a problem. Without any of those three reviews it was easy to look at just the facts and look at what was happening in Alberta. If you recognize that the Capital health authority is the largest single health authority in terms of per capita expenditures and volume of services and in-migration, if you understand that, then it's easy to understand how such a squeeze on health care funding provincewide would have a direct and immediate and most profound impact on the funding in the Capital health authority. I know that even the government understands that. So understanding those fact makes it easy for me to say to my colleagues: support this $14 million.

Now, Mr. Chairman, a couple of other things that I'd like to say.

THE ACTING CHAIRMAN: Hon. members, there are entirely too many people standing. If you want to have meetings and conferences, please do so outside because I'm having a lot of difficulty hearing. Thank you.

9:20

MR. SAPERS: Thanks, Mr. Chairman. A couple of other points that I think are worth mentioning. Today during question period I believe the Member for Bow Valley made the intervention that the Capital health authority has managed this year over the last to produce a 10 percent increase in the number of cardiac surgeries, so a 10 percent increase in the number of procedures. That was presented, I think, as good news, and it was presented, I think, in some way to deal with the criticism that there is an inadequate level of cardiac surgery.

Well, Mr. Chairman, if you look at the report reprinted in the *Fraser Forum* called Waiting Your Turn: Hospital Waiting Lists in Canada, sixth edition – that's the most current volume of the *Fraser Forum* – what you'll find is that while it's true there may have been an increase of 10 percent in terms of procedures, there was an 18 percent increase in terms of the waiting time for cardiac surgery. So the 10 percent increase in procedures has hardly done anything to address the problem. In fact, the waiting time for cardiac surgery in the Edmonton area continues to climb. I think it would be important, of course, to present both sides of that picture when one is talking about cardiac surgery. It does a disservice to the people who are trying to make the system work and a disservice to those people who are waiting patiently for their surgery to only tell one side of the story, as was done this afternoon in question period by the Member for Bow Valley.

Mr. Chairman, we could talk a little bit about what's gone on in laboratory medicine in this region just to understand the need for the $14 million. The labs are perhaps undergoing the largest experiment of all in the restructured health care system in this government's vision of Alberta. The health care cuts have not stopped when it comes to laboratory medicine. We are enduring in this region right now waits as long as eight days, eight days for a biopsy report, for a laboratory report on a tumour. Eight days. The College of American Pathologists' standard is less than two days. In fact, in recent audits on Third World countries you find that upwards of three-quarters, 75 percent, of all biopsies are returned the same day and 98 percent returned within two days. Those are in some Third World countries and some underdeveloped nations, but right here in Alberta, right here in Edmonton, right here in what should be some of the most high-tech and most efficient hospitals on Earth, we find that we are waiting up to eight days for the very same kind of biopsy report.

That is unacceptable, and what it speaks to is a failure in this government's policies about restructuring health care. It's not that there are inept laboratory workers. Quite the contrary; there are people working their guts out to make this system work. Unfortunately, they are running smack up against government policy which seems designed to thwart their every effort. That's what the real crime here is, Mr. Chairman. We should not be forced to deal with less than Third World conditions, and those are the words used to describe the laboratory system in the city by a leading pathologist before he quit in disgust. We should not be forced to endure Third World conditions in the Capital health authority just because this government wants to pretend we continue to have a spending problem.

Now, Mr. Chairman, what we also see in laboratory medicine is a loss of skilled labour. A loss of skilled labour. We see people who have trained here, who have lived here and who pay taxes here and who have worked here and who have done good work here and who have raised their families here now being forced to leave. They're being forced to leave not because there's a shortage of work. As a matter of fact, the Capital health authority said that they were going to do the same volume of laboratory tests as they always did, so it's not because there's a shortage of work. It's because there's a shortage of money to pay for their valuable services. What we're finding right now in labs is that the technologists don't have the time to calibrate the machinery, and because they don't have the time to calibrate the machinery, the tests are being run through and the physicians no longer have the confidence they used to have. You get these aberrant readings in tests, and the physicians don't know if it's because the test results are accurate or inaccurate, and they're sending back for retesting. You know what that means? That means more expense, not less. That means that they're going to spend twice as much money getting appropriate lab results as they otherwise would have had to. They simply can't trust the system because the system is beginning to fail both those professionals and their patients.

Mr. Chairman, you may think that laboratory medicine is the worst story to tell in health care because, as I said, it represents perhaps the largest area of experimentation, but I want to also bring the Assembly's attention to what's going on in what should be a first-class resource for the people of this province. That is the Glenrose rehabilitation hospital. The Glenrose hospital is an example . . .

THE ACTING CHAIRMAN: Excuse me, hon. member. You are going to relate the Glenrose to specific items in the estimates, or is it now a wish list that we're getting into?

MR. SAPERS: Well, Mr. Chairman, the last time I looked, the Glenrose hospital was sort of in downtown Edmonton, a little bit to the north of downtown. We're talking about the Capital health authority, $14 million, and I believe it says that the $14 million will "ensure the continued quality of [care in] health services during restructuring." That to me means that they might just spend some of that money on the Glenrose hospital.

THE ACTING CHAIRMAN: Thank you, hon. member.

MR. SAPERS: Now, what we have at the Glenrose hospital is a variety of rehabilitation services. As well, it's part of the referral

hospital system in the Capital health authority in the Edmonton region. I want to just tell you a little bit about what happens to real people in the Glenrose hospital, some of Alberta's senior citizens, some of Alberta's pioneer citizens, who for one reason or another find themselves in a ward at the Glenrose hospital.

Now, these may be seniors who have suffered strokes or trauma or are recovering from major surgery of one kind or another or cancer. These are people who are typically in their 60s, 70s, 80s, 90s, individuals whom I've had the opportunity and the pleasure to get to meet over the last number of months. I visited the Glenrose hospital just about 10 days ago during the lunch hour, actually a little bit before the lunch hour. It's important for me to make you and all members aware that it was a little bit before the lunch hour. It was about a quarter to 11 that I went up to this one particular ward. I went up to see a parade of residents being brought into the dining area that was adjacent to the nurses station. Each resident was being brought by a staff member into the dining area and literally deposited at a table. Some were in wheelchairs. Some of them were coming with walkers. They were assisted by staff, and they were deposited at a table. They sat at the table, almost all of them, in stony silence and not because they were all stroke victims and didn't have the power of speech, but because they were sitting with people they'd never been introduced to. They were sitting with people that typically they haven't had a lot of social interaction with, even though some of them have been residents of the Glenrose hospital for weeks and some even months.

I see, Mr. Chairman, that you are holding up the supplementary estimates book. I'm trying to make it clear how this money can be spent to relieve some of these problems, which I'm about to elucidate for your and everybody else's information in the Chamber.

These residents are brought into the dining area, and remember, it's about a quarter to 11. Lunch isn't served until sometime between 12 and 12:30. So some of these individuals are sitting in this state in silence, staring, a fixed stare, straight ahead, no social interaction for over an hour before they are served lunch. [Mr. Saper's speaking time expired] I would like unanimous consent to proceed, Mr. Chairman.

THE ACTING CHAIRMAN: Is it a motion?

The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Who?

THE ACTING CHAIRMAN: You were standing as though you . . .

MR. VAN BINSBERGEN: Yes, I was indeed. Thank you very much, Mr. Chairman. I guess I cut off one of my confreres.

Mr. Chairman, I've looked at the supplementary estimates. I was struck by the words of my esteemed colleague from Edmonton-Whitemud, who pointed out that there appears to be no link whatsoever between the budget and the business plan. So on that basis I did some looking around, and I think he's right. I should have known he was right, but I found him to be right. There's no link between the outcomes to the need for these specific amounts whatsoever.

Now, having found that to be true, I turned to the first section that I wanted to deal with, namely the section on Transportation and Utilities, where a certain amount – let me look through this again here – is going to be spent on the resource roads improvement program. I noted that the Minister for the Department of Transportation and Utilities was very graciously paying tribute and thanks to his colleague for Municipal Affairs, because that money came from there. He also mentioned that $10 million is going to be required for disaster assistance costs to cover the disaster in the Lesser Slave Lake area, and note here that he hopes to recover $7 million of these funds from the federal government. I think he omitted to give credit to the federal government for trying to recoup that. I thought I should mention that.

9:30

Getting back to the resource roads improvement program, Mr. Chairman, I think that's an excellent program, and I would very cheerfully and eagerly like to get a certain amount for resource roads in my own riding. Perhaps a bit of a selfish way of reasoning, but it is needed. We have Highway 40 south about 12 kilometres south of the junction with Highway 16, and from there on all the way to Cadomin there's some grading being done, and I'm very grateful to the previous minister of transportation, who set that in motion.

Unfortunately there's a greater need for more than that even. I would say that probably as many as 1,400 or 1,500 people are daily traveling back and forth to two mines and on to the community of Cadomin from Hinton, and the road is in such bad condition that accidents happen frequently, including two or three deaths in the last three years. The previous minister informed me, when I asked for further work to be done on that particular road, that it would depend on the possible development of further resource industries. Well, I think most people are familiar with the application by Cardinal River Coals for their Cheviot mine in the Mountain Park area, right adjacent to the border with Jasper national park, and that development is now winding its way through all the particular processes of application. I think it's probably going to be accepted in the long run. At least, I would be very much surprised if it weren't. That would necessitate an extension of the road, not as is but in an improved state, I would hope, all the way to Mountain Park.

Then I'd like to swing over to another section of Highway 40 south between Coalspur and the Luscar Sterco mine. Once again, we're talking there about the need for improvement on a road that is very, very dangerous to travel because of the enormous amounts of dust that are generated in the summertime, yet very little money is spent by the department of transportation on this road. I think a total of about six kilometres is covered with calcium, and that's done only once per year. That keeps the dust down in several sections so that people at least have the ability to pass. Now, the amazing thing, to me anyway, is that the program by the department of transportation to sprinkle that calcium on six kilometres is, of all things, being subsidized by Luscar Sterco, a coal mine, and by Sundance, a lumber mill.

Now, what I don't understand is that two such enormous contributors to the general revenue are asked to contribute to putting calcium on a road that they use frequently. I think we should never forget that at the other end of Highway 40 south as well we have two mines now and a third one coming, and they're all enormous contributors to the general revenue fund. So I think, Mr. Chairman, that they deserve to be treated well and their employees deserve to be treated well so that they can travel in safety.

Now, I have a few minutes left, I know, and I'd like to spend them on Health. After all, that's probably the most talked-about department these days. I'm not sure whether I've congratulated the newly minted Minister of Health for having been given this

onerous task. The Premier obviously must have a great amount of confidence in your capabilities, but I surely do not envy you your job, Mr. Minister. I know that you're up to the task, as much as anyone is under the circumstances as they are being painted and created by your government, which is not an easy task.

Fourteen million more now is supposed to go to the Capital health authority, and I just want to quote this. This is done – and I quote from the supplementary estimates of course, presumably as put down by the minister's orders – "to ensure the continued quality of health services during restructuring." Now, bear in mind of course that this has come while at the same time we've been told time and time again that all is well. I certainly remember a big headline last December, I think it was, under the stewardship of your predecessor, in the *Edmonton Journal*. It was on a Sunday: no problems in health. Well, it's amazing how things can change and how quickly things can change.

How many people had to ask for all these amounts of dollars? How many times were people asking, whether it be the health care workers, the doctors, and the opposition of course, because it is our job to always keep asking – right? – to point out the weaknesses? And we did, time and time again. Lots of people who'd gone through the system as a patient asked for more and pointed out the weaknesses. Then $7 million was finally given, and I think, if I'm not mistaken, it was the minister's predecessor who was finally, finally forced to reluctantly fork over that $7 million to the Capital health region.

At the same time, although more money was asked for, under the guidance of the Premier the so-called Oberg committee was established to ascertain whether in fact the Capital health region was doing its job properly or thoroughly. Now, this is the same Capital health region that has been entrusted with the job of restructuring health delivery in the Capital health region, so we're talking about giving them the jurisdiction and the wherewithal to do that and on the other hand saying: let's just keep checking to see whether you've done a good job. I'm not sure I understand that. At the same time, amazingly enough, in the House here, in this Chamber time and time again ministers would disavow any responsibility for any screwups and simply say, "Well, it is the Capital health region that has decided upon that." I had difficulty, Mr. Minister, following all those quirks and quarks and bends in the roads.

Now, more money has been forthcoming. Another $7 million now has all of a sudden been miraculously made available. Again, to quote the Member for Edmonton-Whitemud, was this at all linked to any outcome measures? I still have the distinct feeling that this latest infusion was based again on the clamouring of the opposition, on the countless complaints that were uttered by doctors and other health care workers in the system who were finally just fed up to the gills with living in a system within which they were sort of co-operating but not really included.

Anyway, the point is that the money is finally coming, at least some of it. That, I think, is good. On the other hand, though, Mr. Minister, I still ask time and time again for that independent task force to find out what exactly is wrong with the health system as it is now.

9:40

My Deputy Whip here is indicating that I should call a halt to the proceedings on this particular – oh, I'm sorry; I'm told that I have to cede my place to someone else. Let me just say that I would like to see perhaps one of those task forces appointed. In the meantime, why not simply admit that your government has cut far too much far too fast – what was it, over $600 million? – and now you've planned to put back another $200 million in the system. If that doesn't indicate a total lack of planning, then I give up.

So I think the best is to say: "We made a mistake. We cut too much too fast. Let's go from there," and perhaps everything will be based more on a plan from now on. That's what I would like to see. I think that Albertans are in favour of that kind of an approach. I wish you well as you try to right the wrongs of the past.

Thank you.

THE ACTING CHAIRMAN: The hon. Minister of Justice and Attorney General.

MR. EVANS: Thank you, Mr. Chairman. I would now move that the committee rise and report progress and request leave to sit again.

[Motion carried]

[Mr. Clegg in the Chair]

THE ACTING SPEAKER: The hon. Member for Calgary-Egmont.

MR. HERARD: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions of the 1996-97 supplementary estimates, general revenue fund, reports progress thereon, and requests leave to sit again.

THE ACTING SPEAKER: Thank you, hon. member.

Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed, if any? Carried.

head: Government Bills and Orders
head: Second Reading

Bill 49
Gas Utilities Amendment Act, 1996

THE ACTING SPEAKER: The hon. Member for Calgary-North Hill.

MR. MAGNUS: Thank you, Mr. Speaker. I'm pleased to move second reading of Bill 49, the Gas Utilities Amendment Act, 1996. The Bill provides the Energy and Utilities Board with an alternative method of approving rates, tolls, or charges for gas utilities. Under the traditional regulatory approach, the board would through a public hearing establish the rate of return and the tolls for a utility, the object of which is to provide the owners of the utility with a fair return while preventing the utility from using its monopoly position to impose excessive or discriminatory rates.

However, the existing regulatory process is time-consuming and adversarial and provides too few incentives to utilities to reduce their costs. Incentive regulation, which is sometimes called negotiated settlement: in this approach the utilities' return is not set. A pricing formula is agreed to, and a mechanism for allocating cost savings between the utility and its customers will be put in place. If the utility can keep its cost growth below that

allowed in the pricing formula, it can increase its return. Savings are shared with the customers based on the approved sharing formula. This kind of financial incentive is seen as a better and less costly strategy for encouraging cost reductions by the utility, rather than just regulatory supervision.

Incentive tolling methodologies have been adopted by several pipelines in Canada under federal NEB jurisdiction, notably TransCanada Pipelines and Interprovincial Pipe Line. Others are considering or have proposed incentive tolling schemes. The specific approach to setting tolls now specified in the Gas Utilities Act does not give the board the flexibility it requires to deal with the proposal. This amendment will give the Alberta Energy and Utilities Board the increased flexibility it needs to deal with the proposal and any other proposals for alternative approaches to tolling which may come before it in the future.

Mr. Speaker, let me make it clear that we're not allowing utilities to set any tolls that they want. Tolling mechanisms under the new section 36.1 will still require board approval. The public hearing process remains in place, and interested parties will retain the right to appeal to the board if they feel the tolls are unjust, unreasonable, or excessively discriminatory. Utilities and their customers who feel that they are still well served by the traditional approach to toll regulation may continue in that fashion. The amendment will permit the board to use alternative approaches to establishing tolls where these have broad stakeholder support and are seen as just and reasonable. It will not require any utility to adopt incentive tolling or any other alternative approach.

With this amendment the EUB will have the same flexibility in approving tolls as the NEB currently has. This flexibility is increasingly seen as essential given the substantial changes in the natural gas and pipeline industries over the past decade, since deregulation. The amendment will enable our pipelines, their customers, and the board to better cope with the challenges of today and into the future.

Question, Mr. Speaker.

THE ACTING SPEAKER: The hon. Member for Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Speaker. The Bill looks like it's a good one, and therefore I would support this Bill. I thank the Member for Calgary-North Hill, who's just another pretty face, for bringing this Bill in.

I have one question with regards to the Bill, and I think we talked about it earlier. I spoke about it earlier with the member. I didn't think I got an answer, and I'd like to ask him at this point. I'm not clear as to how these savings are going to be split. I know it's a question that members on our side here have asked me, and therefore I said I would pose the question to the member bringing this Bill forward.

Other than that, Mr. Speaker, I welcome the opportunity to have flexibility. I realize this is probably bad news for lawyers, and I'm sure my co-critic is going to have something to say about that. On the whole and with the discussions I've had, I would support this Bill.

Thank you.

THE ACTING SPEAKER: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Speaker. This Bill represents an effort on behalf of this government to deal with one of the large irritants that face Alberta gas customers in the province of Alberta, and that is: why are their gas bills so high? Why are the industries that supply that particular service sheltered in terms of a guaranteed return when no other business enjoys a guaranteed return? I agree with the hon. Member for Calgary-West, who indicated that the opportunity to allow for incentive pricing that will lower the price of this product to the consumer is an important initiative, but before we all get to comparing this Bill to sliced bread, I'd like to expand on some of the concepts that have been raised in this debate, short as it's been, on this particular Bill.

First of all, I do not want to support any Bill that starts from a jumping-off point that implies that the industry has been gouging its customers. The sponsor of this Bill basically says that we're going to have better pricing because all of a sudden there are going to be some incentives to save, and the old regulatory method did not encourage incentives to save. That could not be the case. If this board has been doing its job, they should have ensured that the gas prices were as low as possible and that the rate of return was fair and equitable, with no external gouging to the customer. To come forward now after numerous years of regulation of this type in the province of Alberta and suggest that there are going to be more savings makes one beg the question about all of those other gas bills that have been paid over so many years by so many in this province to so few and ask why it is now with incentive billing we can suddenly have these savings that we were not able to realize before. Is the industry going to in fact give up their 9 or 10 or 11 percent guaranteed return on this commodity because they are a regulated service? One has to ask that question.

9:50

The other burning question that was articulated so well by my colleague on this side is that if the government really wanted to protect consumers, they could have outlined the formula that 80 percent of this saving found would go back to the consumers and 20 percent would go as a bonus to the industry over and above their rate that they're already guaranteed and regulated to make. But what we have instead are these very innocuous and very nebulous and hard to define words: "cost savings . . . be allocated between the owner of the gas utility and its customers." Now, the quick jump at that fishhook would be to take that bait and say, "Well, `allocated' means you get this half and we get this half," but that's not what allocated means at all. Allocated means that somebody is going to make a decision as to how much goes to the consumer and how much goes to the corporations involved.

I think those corporations would be very happy to pass most of the savings on to the consumer, and I would think that if this government were serious about protecting gas consumers in this province, they would have outlined and indicated what the savings would be. I think that has to be considered a flaw in this Bill. It has to be considered a failure to come to grips with consumer protection in the province of Alberta, and I would urge the sponsor of this Bill to bring in an amendment making it clear who gets what when that fancy word "allocated" is being dissected.

[Motion carried; Bill 49 read a second time]

[At 9:54 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]