Legislative Assembly of Alberta

The 31st Legislature
First Session

Standing Committee on Families and Communities

Ministry of Health
Consideration of Main Estimates

Wednesday, March 12, 2025
9 a.m.

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Standing Committee on Families and Communities

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Standing Committee on Families and Communities

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Ministry of Health
- Hon. Adriana LaGrange, Minister
- Matthew Hebert, Assistant Deputy Minister, Health System Refocusing
- Darren Hedley, Acting Deputy Minister
- Emily Ma, Executive Director, Financial Planning
- Christine Sewell, Assistant Deputy Minister, Finance and Capital Planning
- Kim Simmonds, Chief Executive Officer, Primary Care Alberta
- Maureen Towle, Assistant Deputy Minister, Strategic Policy and Performance
- Leann Wagner, Senior Assistant Deputy Minister

9 a.m. Wednesday, March 12, 2025

[Ms Lovely in the chair]

Ministry of Health
Consideration of Main Estimates

The Chair: All right, everyone. Let's take our seats. I'd like to call the meeting to order and welcome everyone in attendance. The committee has under consideration the estimates of the Ministry of Health for the fiscal year March 31, 2026.

I would ask that we go around the table and have members introduce themselves for the record. Minister, please introduce the officials who are joining you at the table when we come to your time. My name is Jackie Lovely. I'm the MLA for the Camrose constituency and the chair of this committee. We'll begin, starting to my right.

Mr. McDougall: Myles McDougall, Calgary-Fish Creek

Mrs. Johnson: Jennifer Johnson, MLA for Lacombe-Ponoka.

Mr. Lunty: Good morning, everyone. Brandon Lunty, MLA for Leduc-Beaumont

Mrs. Petrovic: Chelsae Petrovic, MLA for Livingstone-Macleod.

Mr. Singh: Good morning, everyone. Peter Singh, MLA, Calgary-East.

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

Mr. Hunter: Grant Hunter, MLA, Taber-Warner.

Member LaGrange: Good morning, Adriana LaGrange, Minister of Health, also the MLA for Red Deer-North. With me is Darren Hedley, acting deputy minister; Leann Wagner, senior assistant deputy minister; Christine Sewell, assistant deputy minister of finance and capital planning; and Emily Ma, executive director of financial planning; and a large group behind me in the gallery.

Thank you.

Member Irwin: Good morning. Janis Irwin, Edmonton-Highlands-Norwood.

Ms Hoffman: Sarah Hoffman, Edmonton-Glenora.

Dr. Metz: Luanne Metz, Calgary-Varsity.

Member Miyashiro: Rob Miyashiro, Lethbridge-West.

The Chair: All right. We don't have anybody joining us remotely.

I'd like to note the following substitutions for the record: Ms Hoffman for Member Batten, Member Miyashiro for Member Tejada, Dr. Metz for Ms Goehring as deputy chair.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audiovisual stream and transcripts of meetings can be accessed via the Legislative Assembly website. Members – well, we don't have any members participating remotely, so we'll skip that part. Please set your cellphones and other devices to silent for the meeting.

Hon. members, the main estimates for the Ministry of Health shall be considered for six hours. Standing order 59.01 sets out the process for consideration of the main estimates in legislative policy committees. Suborder 59.01(6) sets out the speaking rotation for this meeting. The speaking rotation chart is available on the committee's internal website, and hard copies have been provided to the ministry officials at the table. For each segment of the meeting blocks of speaking time will be combined only if both the minister and the member who is speaking agree. If debate is exhausted prior to six hours, the ministry's estimates are deemed to have been considered for the time allotted in the main estimates schedule, and the committee will adjourn. Should members have any questions regarding speaking times or the rotation, please e-mail or message the committee clerk about the process.

With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break today?

Ms Hoffman: I am concerned about our lack of time, to be honest, Madam Chair, so I'd rather . . .

The Chair: Okay. I'll check in with the minister kind of midway to see how you're doing energywise and if you need to take a break for some water, perhaps a biobreak. I'll still check in with the team.

Ms Hoffman: Okay. But we need concurrence, right?

The Chair: Do we need concurrence for this? Okay. All right, then.

Ms Hoffman: But if it's needed at that point, let me know, and maybe I'll change my mind.

The Chair: I'm still going to check in.

Ms Hoffman: I'm just worried about time.

The Chair: I'm going to check in with everyone.

Ms Hoffman: Yeah. Thank you.

The Chair: It's five minutes, and we're going to be in estimates for six hours for Health.

Ms Hoffman: I am well aware of that. Yeah.

The Chair: It's a long day.

Ministry officials who are present may, at the direction of the minister, address the committee. Ministry officials seated in the gallery, if called upon, have access to the microphone in the gallery area and are asked to please introduce themselves for the record prior to commenting.

Pages are available to deliver notes or 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.

Points of order will be dealt with as they arise, and individual speaking times will be paused. However, the block of speaking time and the overall three-hour meeting clock will continue to run.

Any written materials 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.

Finally, the committee should have the opportunity to hear both the questions and the answers without interrupting during estimates debate. Members, please, debate flows through the chair at all times, including instances when speaking time is shared between a member and the minister. Just a reminder – a friendly reminder – that I know we've been together as a team for a few years. We're

going to run this as a business meeting, and I'd really like to make sure that we're focusing on these documents, the budget.

I'll now invite the Minister of Health to begin with your opening remarks. You have 10 minutes, Minister.

Member LaGrange: Thank you, Chair. I'm pleased to present the Health estimates for the '25-26 fiscal year. Before we begin, I'd like to take a moment to reintroduce my officials from Alberta Health who are joining me at the table today: Darren Hedley, acting deputy minister; Leann Wagner, senior assistant deputy minister; Christine Sewell, assistant deputy minister of finance, capital planning; and Emily Ma, executive director of financial planning. I'd also like to welcome Team Health, the other members of Alberta Health's executive team, and executives from Primary Care Alberta, Acute Care Alberta, Alberta Health Services, and Covenant Health who are in the gallery today and may be called upon to speak. Thank you all for being here.

Budget 2025 takes action to meet the challenges facing Albertans today while preparing for tomorrow. It recognizes that the health care system is under strain and that more needs to be done to ensure every Albertan, regardless of which part of the province they call home, can access the health care services they need when and where they need them. Budget 2025 provides more for what matters, more for families seeking primary care providers in their communities, more to attract and retain health care professionals, more to improve emergency medical services, more to complete a record number of surgeries, and more to improve health outcomes for Albertans right across the province.

Alberta is growing, and the needs of Albertans are continuing to change. Through Budget 2025 we're responding by improving service delivery, prioritizing patients, empowering health care professionals, and building capacity right across the whole health care system. Budget 2025 further supports the implementation of a refocused, unified health care system comprised of four fully integrated provincial health care agencies overseeing primary care, acute care, continuing care, and mental health and addiction. Albertans deserve a health care system that is focused on what matters: better services, improved outcomes, more local decision-making, and more support for the front-line workers. Budget 2025 will help realize these goals while managing the current pressures facing the system.

In total, Budget 2025 provides $22.1 billion in operating expenses for Alberta Health, an increase of 5.3 per cent from the '24-25 budget. Overall, Health will be spending $28 billion. Funds that previously would have been part of the Alberta Health budget to support continuing care have transferred to the Ministry of Seniors, Community and Social Services. Through Budget 2025 we are providing $3.8 billion over three years to support health capital projects and programs that will deliver value to Albertans. The budget will support the completion of more than 300,000 MRI scans, 742,000 CT examinations, and a record number of 316,500 surgeries. It will support our growing workforce, which includes more than 12,000 registered physicians and more than 68,000 regulated nurses across the province.

At the same time it recognizes there is more to be done to ensure Albertans receive the timely health care services they need where and when they need them. I've said all along that building a better, more accountable health care system will take time, and that remains true. However, we are making significant progress, and Budget 2025 provides a strong foundation to build upon as our province continues to grow.

One area in which we need to see improvement is primary care. We are committed to ensuring every Albertan has access to a primary care provider and timely, high-quality primary care services. Budget 2025 provides $644 million in '25-26 for primary care operations to support the day-to-day health care needs of Albertans. This includes $322 million for Primary Care Alberta, the provincial health agency responsible for co-ordinating and delivering primary care services across the province, and dollars for primary care physicians. In December 2024 we announced a new primary care physician compensation model to better support Alberta's doctors while also improving access to physicians. The new model encourages physicians to grow the number of patients that they care for while also providing incentives to relieve pressure on emergency departments and urgent care centres. The new compensation model will be implemented this spring provided there are at least 500 physicians enrolled.

Budget 2025 provides $7 billion for physician compensation, an increase of $440 million from the '24-25 budget. It also provides $20 million for the nurse practitioner compensation model, which we expect will lead to an increase in the number of nurse practitioners practising in the province.

9:10

We're also making investments to improve acute-care operations. Budget 2025 provides $4.6 billion for acute care in '25-26, an increase of 3.6 per cent from the '24-25 forecast, because we know there is an urgent need to reduce wait times, complete more surgeries, and improve access to care.

The Alberta surgical initiative capital program continues to add new operating rooms, renovate existing spaces, and provide new, modern equipment for publicly owned and operated hospitals so that we can get more surgeries done within clinically recommended guidelines. Budget 2025 provides $265 million over three years for this program plus an additional investment of $72 million to increase the number of completed surgeries to 316,500 surgeries in '25-26 from 310,000 in '24-25. It also provide $15 million for a new rural hospital enhancement program that will evaluate facilities and determine what capital planning solutions are required to better meet the needs of rural Albertans.

Another key priority is reducing wait times for diagnostic imaging. The current wait times are unacceptable, and Albertans deserve better. Budget 2025 provides $168 million over three years to the diagnostic imaging enhancement program to expand and modernize our diagnostic imaging capabilities across the province.

Specific to emergency services, we are continuing to make investments to improve response times and strengthen patient care. Budget 2025 provides $764 million in operating expenses for emergency medical services, an increase of $56 million from '24-25. This increase will support our workforce and respond to the growing demand for services in communities right across the province.

We're also providing $60 million over the next three years to purchase new EMS vehicles and ambulances and upgrade our existing fleet and equipment. Our EMS response times are improving. However, in an emergency every second counts. It is our expectation that these investments will lead to further improvements in urban, metro, rural, and remote communities.

Looking at our capital plan, we're addressing some of the biggest challenges facing the health care system. Our three-year capital plan includes $2.4 billion for health infrastructure equipment, $486 million for capital maintenance and renewal of existing facilities, $84 million for health IT projects, and $770 million for AHS self-financed capital initiatives like parkades and equipment. Some highlights include $2 million to support plans for a new in-patient tower at the Grey Nuns and also at the Misericordia community hospitals, $11 million to advance plans for a stand-alone Stollery children's hospital, $25 million to complete projects under the rural

health facilities revitalization program, $5 million to enhance ICU capacity and cardiac services in southern Alberta, $22 million to support an interim cardiac catheterization lab at Red Deer regional hospital, $61 million for a new central drug production and distribution centre in Calgary, and $35 million to plan for new urgent care centres and primary care centres right across the province.

Budget 2025 supports our vision for a better health care system that puts patients first while supporting our world-class team of health care providers. It recognizes the need to build capacity and implement change without compromising care, and it provides more for the things we know matter most to Albertans.

Madam Chair and everyone here, thank you. I look forward to today's discussion. I can just share that while we've made significant progress, more needs to be done, and we are committed to getting that work done. I'm very proud to put forward Budget 2025 and look forward to everyone's questions.

With that, I'll turn it back to you, Chair.

The Chair: All right. Thank you, Minister.

We'll now begin the question-and-answer portion of the meeting. For the first 60 minutes members of the Official Opposition and the minister may speak. Hon. members, you'll be able to see the timer for the speaking block both in the committee room and on Microsoft Teams.

Members, would you like to combine your time with the minister?

Ms Hoffman: I'd be happy to.

The Chair: Minister, what's your preference?

Member LaGrange: I prefer block.

The Chair: Then we'll go with block time.

All right. Block shared time is 20 minutes, during which time you may go back and forth with questions, comments, and responses. However, neither participant may speak for longer than 10 minutes at a time.

Please proceed.

Ms Hoffman: I just want to clarify. I think the minister – sorry; back and forth or . . .

The Chair: Block.

Member LaGrange: Block.

The Chair: She said block time.

Ms Hoffman: And you said that we go back and forth in your description . . .

The Chair: Sorry. The block of shared time is 20 minutes, during which time . . .

Ms Hoffman: . . . in which you consent to shared time.

The Chair: Oh, sorry. I read the wrong one. You're right. Member, I'm sorry.

Ms Hoffman: It's all good. I know the rules, so I'm good to go. I just wanted to clarify.

The Chair: Sorry. I did say the wrong thing.

Ms Hoffman: It's all good. I just want to make sure we're all on the same page. Speaking of, I do have some symptoms this morning. I took an expired COVID test. It came back negative. I plan on wearing my mask when I'm not asking questions but taking it off when I do. I just wanted everyone to know that.

I'm going to start speaking generally to the budget. The overall Health and social services line items, if they were inflation-proofed, Madam Chair, would have increased by $776 million more than what's in the current budget. That's just a rolled-up budget number for both Health and social services. Why I speak to those in conjunction is because we know that the social determinants of health do drive the impacts on acute care in particular, which, of course, is the lion's share of the minister's budget.

I want to start with that framing because I think that when people don't have the social safety net that they need, more will fall on the responsibility of Health to meet those demands. For example, when people call Alberta Works and can't get on their drug benefit plan or if they missed one of the e-mails and, therefore, their drugs are removed, they are more likely to end up back in the emergency department, causing more pressure on acute care, line item 2 in the estimates.

I also want to acknowledge the framing that the former Infrastructure minister has alleged large and sweeping inconsistencies with procurement processes across multiple ministries. So it's difficult to take the budget in good faith, but we will do our best here today to work through it in that way.

I've identified several sole-source contracts that I want to be able to dig into a bit here today that both span the current fiscal year, which relate to current budget documents as it is part of the forecast for '24-25, as well as the upcoming fiscal year that we are considering through the estimates process. I've identified many of those. Some of those have recently been discussed in the media by the Premier, particularly as they relates to American procurement moving forward with the upcoming fiscal year and pending significant trade conflicts – well, some might say trade war – that are under way.

I'll start by asking about some of those here, Madam Chair, through you. There's one that was procured – start date June of 2024, but it goes through until May of 2025, so both fiscal years. Odaseva Inc., which is a New York based company, provides backup solutions for disaster recovery and business continuity. It's almost $200,000. I'm concerned why we would be signing sole-source contracts at all for things like this. The supplementary question to that would be: why an American company, and are we in a position where we are able to pivot immediately to switch from that American company to a Canadian company for the upcoming fiscal year, as mentioned by the Premier in her recent press conference?

Another one that was signed – start date was May of 2024, and goes until May 15 of 2025, so, again, the current fiscal year which we are considering – through the forecast portion of the budget but also the upcoming estimate portion given that it spans two fiscal years: that's with Opexus; AINS, LLC. That's a Washington-based company, and that is for the primary application used by the FOIP office group to review, edit, redact, and store all requests for information. Again, something that I don't think should be awarded through a sole-source contract, and, again, that doesn't jibe with what the Premier recently said about the removal of any procurement that was from the United States. So I want to confirm that those have already been ceased, and I would like information about what Canadian companies will be filling those two gaps.

I'll touch on a couple more and then might return to some of these sole-source later because there are many of them that I think we require more clarification on before we can consider the estimates as a whole. Another one is Carahsoft Technology Corp., that's out of Virginia, that is around vaccine registration and booking system. Again, that one started in May of 2024 and goes until the end of May 2025, so both the year that we are considering moving forward but the current fiscal year as well.

The last one I'll mention in this chunk for sole-sourced American companies is O'Reilly Media. Yep, that one's out of California, and it is to provide a subscription service that provides reference materials on topics related to technology, leadership, et cetera. It's an information management system. It began in April of 2024 and goes until the end of March. Again, this is because of the forecast in the current estimates documents. I would like clarification on why we as a province chose to go with sole-source contracts on those – and, specifically, why American at that time? – and who the Canadian alternatives will be for this upcoming fiscal year. Of course, because the contracts overlap both, how are we getting out of those contracts in a timely fashion so that we can ensure that we do indeed follow what was reported by the Premier most recently?

9:20

Okay. Good. I still have a few more minutes. The other thing I'd like confirmation about today, through this estimates process, is that the Rubicon corporation and Marshall Smith will not be receiving and have not received any compensation through the Ministry of Health as it relates both to the forecast and the estimate for the upcoming fiscal year. We know that there has been a great deal of concern highlighted as it relates to the corrupt care scandal and interference from the then Premier's office. I want assurances from the minister, through you, Madam Chair, that there is no further interference taking place through this private company, that has very deep connections to the current administration here in the province of Alberta.

There are many concerns that Albertans have as it relates to the corrupt care scandal and cover-up, specifically as they relate to line items under acute care and specifically the emphasis on private surgical centres as well as drug procurement, which is line item 4. Line items 2 and 4 in the budget are probably the biggest ones that would be related to that in terms of the estimate document. We will get much more into the capital piece later this morning, I am confident.

In terms of the surgical piece let's just start by saying that hearing the Premier use a roll-up number for what it costs to provide a surgery in an AHS centre when, of course, the acuity is higher – AHS centres do far more than hips and knees and other joint replacements. They're doing life-saving surgeries and life-changing surgeries every day. Of course the rolled-up cost for an average surgery would be much higher, when you're looking at those more complex types of surgery, than a simple joint replacement, Madam Chair. I think it would be wise for us to begin by having the clarity given in this meeting by the minister about the actual cost in both private surgical centres as well as in acute-care centres that are run publicly, whether it be through Covenant Health or whether it be through AHS, again, just so we can begin with the facts on the table, numbers that we can all agree on rather than risk that we might be using misinformation to make assumptions for this budget.

This is the largest line item for Albertans, in terms of the budget, in terms of a ministry's overall cost. I would argue that especially in the face of what we're seeing right now with leadership south of the border, one of the things that makes us most Canadian is our commitment to universal public health care. I have heard the minister recently reference the Canada Health Act. I'm really glad that she is aware of it, and I am committed to making sure as His Majesty's Official Opposition and the shadow minister for Health that we have that common set of facts on the table as we engage in this budget discussion.

For the minister to be able to use this first portion to respond to the questions that I raised about the sole-source contracts with American companies that I have highlighted – I believe there were only four of them in this first round that I identified – as well as the common set of facts around what it actually costs to provide a surgery, specifically a hip, knee, and shoulder replacement – apples to apples, Madam Chair – I think would put us on solid footing as we engage on the largest portion of government investment for the province of Alberta and something that I know all of us want. I hear the minister speaking to wanting to ensure that everyone has access to quality health care. Member Yao is probably sick of hearing me say: the right care in the right place at the right time. But that is my goal, and I believe it is his as well, as we have spent many hours together in this same room debating the budget in past years.

Those are the couple of topics I want to touch on at a very high level at the beginning of this meeting as it relates to corrupt care and as it relates to American procurement through sole-source contracts. I'll have more to say on both in later blocks, but let's just start with those common facts and try to get some answers this morning, please. Thank you very much, Madam Chair.

Member LaGrange: Well, thank you for the questions. A lot to cover, so I'll do it as quickly as I possibly can.

I absolutely agree that social determinants of health are very important. It's why, you know, as a former rehab practitioner myself I believe very much in early intervention, prevention, and making sure that there are options for people right across Alberta. It's why we are looking at the nongroup and making sure that we have services that people are able to access, through Blue Cross and other means.

When we look at procurement, in particular the Alberta vaccine booking system, which is what I believe you had mentioned, through the number of contracts that you mentioned – the AVBS app is integrated into Alberta's COVID-19 and influenza vaccine rollout and is a tool for Albertans to book their vaccine appointments. Updates to the AVBS app continue to be released to support the provincial immunization program while improving the user experience. We know that people really find it – if it's easy to use, then they will actually make sure that they access vaccines, et cetera, in a better way. COVID-19 vaccines are the best way to protect individuals who are at increased risk of COVID-19 infection or severe outcomes, as are all our other vaccines, and the annual influenza vaccine helps protect people from the most common strains of influenza expected and circulated this year. The annual cost to maintain AVBS is estimated at $8.6 million.

In fact, the contracts that were mentioned are because of the fact that most of the software products are made in the United States. We do not have Canadian alternatives. If there were Canadian alternatives, my understanding is that we would be utilizing those Canadian alternatives. Having a vaccine booking system that is easy to use, that Albertans can access, makes sense, and that's what we're wanting to do. We want more people to be able to access vaccines if they want to, so utilizing those services makes sense to me and to every Albertan.

When we look at these contracts as well as the fact that we need to make sure that it's easy to use, I can tell you that system usage stats for January of 2025 are as follows: total number of registrations, 1,789,541; total number of COVID-19 appointments booked in the AVBS pharmacy and AHS locations, 1,839,826, excluding cancelled appointments; total number of influenza

appointments booked in the AVBS pharmacy and AHS locations, 359,363, excluding cancelled appointments. We know this is going to continue to grow, so it is incumbent on us to make sure that we have technology systems that are up to date, that can meet the demands – the growing demands, I might say – that are out there.

I would also mention that as of August of 2021 the Alberta Health Services Health Link 811 call centre supports Albertans who do not or cannot use AVBS, so there is an alternative if individuals can't use the AVBS. There's lots of opportunities for people to get those vaccines and appointments that are needed, and having it centralized in one area makes a lot of sense.

In terms of – actually, perhaps I'll turn it over to Maureen, who would like to come to the microphone and add a little bit more on the sole-source.

Maureen, if you could please come to the microphone and introduce yourself and add a little bit more on the sole-source, that would be great.

Ms Towle: Good morning. I'm Maureen Towle, ADM of strategic policy and performance with Health.

For the sole-source that was questioned, Opexus is the only company authorized to sell ATIPXpress, provide technical support services associated with this product, and provide upgrades and enhancements to it. ATIPXpress was specifically designed for Canadian and U.S. government agencies to manage a ATIA and the FOIA, FOIP requests and is tailored to meet the unique regulatory and compliance needs of these processes. It is the software solution that has been used by the Alberta Health FOIP office for the past 10 years, and we do have an attestation letter to back that up.

9:30

Transitioning to a new software solution, especially one that has not been custom designed to our specific regulatory and operational needs would introduce considerable risks. It would also necessitate a comprehensive review and reconfiguration of internal workflows which could lead to unforeseen delays, gaps in compliance, or errors in responding to access requests.

Thank you.

Member LaGrange: Thank you.

To go on to the remainder of the questions that were asked in regard to the chartered surgical facilities, I'm not going to comment on procurement, as it pertains to questions that are under investigation. Madam Chair, the members opposite know this matter is being investigated by the Auditor General as well as the Hon. Raymond E. Wyant, former Chief Judge of the Provincial Court of Manitoba. Our government is firm in our belief that concerns related to procurement processes must be reviewed and investigated thoroughly to identify any potential wrongdoing or procurement process deficiencies. I look forward to the findings of the Auditor General and the external third-party review, as does our whole government.

As it pertains to more general questions of chartered surgical facilities, I know the member opposite that just asked the questions even when she was in the previous role as Minister of Health knew that chartered surgical facilities are a very integral part of our health care delivery surgeries. In fact, during her tenure as the Minister of Health, there were approximately 40,000 chartered surgical facility surgeries being performed. We are now at over 60,000.

When we look at the number of surgeries that are performed overall, in the 2018-2019 year we had roughly about 257,330 surgeries. Those were in acute-care facilities. Plus we had an additional 40,170 that were performed in chartered surgical facilities for a total of 297,000.

Now we are looking at the acute-care facilities in '24-25 having 251,050 surgeries performed with about close to 58,950 performed in chartered surgical facilities for a total of 310,000 surgeries.

We're continuing to see that there is a need to have surgeries being performed both in our acute-care hospitals as well as in our chartered surgical facilities. I really want to, you know, give a shout-out to all of our health care front-line workers, who do a tremendous job knowing that we have increasing need right across this province to make sure that surgeries are being performed in clinically approved time frames.

Also, I'm really pleased to share – I know when I first started as Minister of Health just a year and a half ago in June 2023 that roughly about just over 40 per cent of surgeries were being done in clinically approved time frames. That now has increased to over 60 per cent being done in clinically approved time frames. We really want to get to 100 per cent being done in clinically approved time frames because that's what Albertans deserve. We're going to continue to make sure that we expand capacity right across the province, whether that is through the Alberta surgical initiative, where we are in fact opening up more OR rooms right across the province in our publicly funded hospitals or whether that is through increased access through chartered surgical facilities that have publicly funded surgeries being performed each and every day or whether that is making sure that we add additional capacity where we can in new, innovative ways.

Madam Chair, we will continue to do that. Alberta, as I said earlier, is on track to deliver a record 310,000 surgeries in '24-25. That will increase by the investment that we're making in this upcoming year of over $70 million to surgeries. That will increase to 316,500, as I said earlier. Chartered surgical facilities, approximately 62,400 in '23-24 compared to 52,000 in '22-23, and AHS currently has 48 agreements with 38 chartered surgical facilities across the province. From April 2024 to November 2024 71.1 per cent of patients received their hip replacement surgeries within the national wait time benchmarks, which is a 12.9 per cent improvement compared to the same time last year. From April of 2024 to November of 2024 . . .

The Chair: All right. Thank you, minister.

Now I guess we are moving back to the member. We're not there yet. Okay. Sorry. Go ahead.

Ms Hoffman: That's okay. I do want to start by saying that the question I asked is absolutely relevant to the budget. Item number 10.4, Alberta surgical initiative capital program in the estimates document – on page 110 of the hard copies for those at the table – specifically speaks to the fact that last year we as an Assembly approved $4.1 million in capital for the Alberta surgical initiative capital program. The government overspent by 360 per cent on that capital plan, so while we approved just over $4 million, the government spent over $15 million. They're asking us to approve another $4 million this year. I think it's incumbent upon all of us as members of the Assembly, Madam Chair, through you, that we have a common understanding of the facts around how much it costs to provide a surgery in these private surgical centres as opposed to a public centre, and that should not be privileged information. That is foundational to us being able to consider this budget.

So through you again, Madam Chair, I'm not asking to discuss anything about strategy for a legal defence or anything else. I'm asking for the facts as they relate to the budget. On the capital side we are being asked to make an approval here, and knowing what the operating costs are for surgical operations, surgical costs for hips, knees, and shoulders, I think is foundational information when

we're being asked to approve – again, what we are being asked to approve is $4 million, but last year the government didn't even honour the budget that was approved by the Assembly and overspent to the tune of 360 per cent over what was allocated.

This is foundational information for us to be able to consider this budget in good faith, Madam Chair, so I'll ask again through you to the minister and all officials who are here to provide support that we have that basic, foundational information shared. Again, nothing to do with legal strategy or tactics, but the information on why it is we're being asked to spend more money on surgical initiative capital program this year, Madam Chair, when there is so much concern around efficiency of that investment.

The other piece I want to go back to from the first block is: I believe the minister said it was $8 million for the online bookings program. I only highlighted three contracts that were sole-sourced. I would like information about how much of that $8 million is being spent on American companies to assist in that process, and if it is indeed, as was mentioned about these three sole-source contracts that relate to the bookings process, the intention of government to continue using American procurement for the sole-source piece but also for the larger bookings piece. I think that would be information that we would find beneficial to all of us as we consider these budget documents as they relate to the Premier's most recent announcement about no longer using American procurement. But that isn't what we heard here this morning as it relates to vaccines.

The other piece that relates to American procurement that I have some concern around is human tissue and blood services. That's item 8.5 in the estimates. We are seeing a small increase in the budget. I imagine that's identified for – it's not even population growth and inflation, but knowing how much of our blood products we do purchase directly from the United States and the impacts of potential tariffs, I would have expected to see that number have gone up more just for population growth and inflation. I think it would be important for all of us to have confidence that the department is taking into consideration the potential impacts on tariffs as it relates to human tissue and blood services that we acquire from a foreign government, specifically from the United States, as that's where the vast majority of fractionation happens for those blood products that we are purchasing.

Getting that clarification on why it is that the minister is only proposing a very small increase, $10 million over a budget line item that was $268 million last year, certainly with a 25 per cent tariff will not meet the demand that we need for patients. I think it's important to make sure that we have all of the blood and tissue products that we need to ensure the right care for all Albertans in this province, particularly as it relates to those in need of blood products. I know that other members of this committee have shared interest on that file in the past as well.

9:40

I will also touch now on strategic corporate support and policy development, item 1.3 in the budget. That is by far the largest increase percentagewise under the operating expense, ministry support services portion of the budget, an extra almost $14 million over a $61 million dollar line item previously. Again, we still haven't heard from the minister confirmation that the Rubicon Strategy, where Marshall Smith is now employed, has not received any contracts in the forecast line item that we're considering and will not receive any contracts in the estimate that we are looking for here. I think this is a pretty simple question that we just want confirmation from, through you, Madam Chair, to the minister or any of the officials that Rubicon Strategy has not received any public funds from the Department of Health or any of its subsidiaries, including AHS, Covenant Health, and the other four pillars that the government has moved forward on.

That clarity, I think, is important for all members to have confidence in this budget, but that is a huge increase in what otherwise speaks to being a very austere budget, one that doesn't keep pace with population growth and inflation, as we've already highlighted. So again, item 1.3, the rationale for such a huge increase and confirmation that Rubicon Strategy is not going to receive any money from the Department of Health would be a wise thing for us to be able to begin with as we embark on this greater, in depth this morning.

The $8 million for online bookings as mentioned by the minister previously, we want clarification about how much of that is going to American companies, as I've only highlighted the ones that were sole-sourced and therefore publicly available through that process.

The minister also touched on 811, and there is a significant concern that 811 is going to be privatized. I am hoping for clarification and confirmation from the minister, through you, Madam Chair, that that is absolutely not the case. The registered nurses who primarily work at 811 are there on workplace accommodations and are no longer able to work in acute care, Madam Chair, for a variety of medical reasons. It is an economic benefit to the organization to have places for people to be accommodated who are already public employees rather than not having places for them to be accommodated and requiring them to be on long-term disability or other types of sick leave.

We also know that half of the calls that come forward to 811 don't require further medical follow-up, and about half of those require medical follow-up in emergency departments. Rather than having everyone present in acute care, line item 2 in the estimates, having that investment in 811 – and I want to thank the minister for highlighting that 811 also does support the booking of vaccines for those who need it and who aren't able to book online. That's an important accountability measure for Albertans when it comes to being able to consider this budget. So clarification that 811 will not be privatized through this budget or any of the business planning initiatives that are under way, Madam Chair; and that Rubicon Strategy has not received any money in the current fiscal or projected fiscal that we are considering under the estimates for 2025-26.

Further, clarification on the strategic corporate policy development: why such a substantial increase? We've already seen millions of dollars spent on consultants and strategists around the demolition of an integrated health system; why we're seeing an additional, you know, almost $14 million budgeted on that yet again this year, through you, Madam Chair.

And maybe I'll touch on just a couple of other contracts. As I mentioned, millions have been spent on the demolition of an integrated health care system. Ernst & Young, for example, began a contract May 29, 2024. It was a seven-month contract, $1.5 million, for the development of a detailed map of Alberta Health Services' revenue, expense, assets, liabilities, both functions and domains to be within the health care system by function area for previous fiscal years. One point five million dollars for, you know, an analysis that very likely could have been done internally. Again, that $1.5 million was awarded through a sole-source contract, so no public tendering process to make sure that we actually had any of that information gathered in a way that would pass the procurement processes, I think, is deeply concerning, and we know that there were many others. Basically, every major consulting firm has had a piece of the provincial budget when it comes to dismantling our integrated health care system. So clarification about: are these the types of contracts that are being outlined in item 1.3, strategic

corporate support and policy development, or are there other types of consultants . . .

The Chair: Thank you, Member.

We'll go now to the minister for her response.

Member LaGrange: Thank you, Madam Chair, and thank you for the questions. Let's start with the first one. Because it was raised numerous times, I want to make it perfectly clear that I am not aware of any contracts that Health has with Rubicon. That is first and foremost.

Also, to address the member's question about the Alberta surgical initiative, there are no chartered surgical facility capital costs in the Alberta surgical initiative, none whatsoever, just to be super clear on that piece as well. I'm also going to turn it over to Christine Sewell to answer the other questions on the Alberta surgical initiative and what those capital costs are and where the money is going and how we're going to spend it to make further improvements.

Christine, if you could take that question, please.

Ms Sewell: Thank you, Minister.

Christine Sewell, the assistant deputy minister for finance and capital planning. As the minister said, element 10.4, the Alberta surgical initiative capital program, does not include any chartered surgical facilities. These are capital projects in public facilities. The $4 million that you see in the '25-26 estimate is part of the overall budget of $265 million for the Alberta surgical initiative capital program that the minister mentioned, but that budget is between Alberta Health and Alberta Infrastructure. In '25-26 Health has $4.1 million and Alberta Infrastructure has $80 million. Then in '26-27 Alberta Infrastructure has $80 million and then $100 million in '27-28, which is how we add up to the $265 million.

Our policies around the delivery of these projects are that Alberta Health Services delivers the projects that are under $5 million and Alberta Infrastructure delivers the projects that are over $5 million. As we move through the year and what you see in the '24-25 forecast is a shifting of the budget from Alberta Infrastructure in their capital into Alberta Health's capital so that we can provide the grant funding to Alberta Health Services to deliver those capital projects.

I do have a listing of these projects that would be delivered by Alberta Health Services and would be under that $5 million threshold. It's Rockyview general hospital operating room renovations, the Foothills medical centre operating room, Crowsnest Pass health centre renovations and upgrades to their OR theatre, the Royal Alexandra hospital operating rooms, Royal Alexandra ambulatory treatment centre, Mazankowski Heart Institute, Cross Cancer Institute, the Grande Prairie QE II hospital, Pincher Creek health centre, Red Deer regional hospital, and then Sturgeon community hospital and Taber health centre. Those make up the projects that will be delivered by Alberta Health Services, and that change you see, again, in the budget is ensuring that we have the budget to deliver the projects according to our policies.

Member LaGrange: Thank you, Christine.

To go on to the other questions on the sole-source, that was answered in the previous block of time, but I'm happy to repeat. If we can find those services within Canada, obviously, we would do that, but if they're not available, because this is IT, we want to make sure that Albertans do have access to that vaccine booking system that will make their lives easier as they go to book. I've already quoted the numbers; they're well into the millions, and that's only going to increase. We have to make sure that we have the right IT infrastructure in place to serve those individuals and everyday Albertans who need that. Of course, if there is ability to purchase it here in Alberta, we would look at that, but right now our understanding is that it's not available.

When we go on to the human tissue and blood services, there is an increase, as was stipulated. It's related to increased demand for plasma-derived products and an introduction of newer higher priced products as well. I can share for the member that our blood products come from the Canadian Blood Services. We get our products from Canadian Blood Services. Their costs are increasing, so that is reflected in the cost that we have here. It's an increased cost of $10.310 million. We will continue to monitor the situation. Again, we are getting our products from the Canadian Blood Services, and we'll make sure that we have what Albertans need when they need it most.

9:50

When we look at Health Link 811, while it's moving to Primary Care Alberta, it is not being privatized. I actually have Dr. Kim Simmonds here, who is the CEO of Primary Care Alberta, and she's happy to speak further to it.

Kim, if I could ask you to take the microphone, please.

Dr. Simmonds: Thank you, Minister, and thank you, committee, for having me here. As the minister said, I'm Kim Simmonds, CEO of Primary Care Alberta. Health Link 811 has transferred over to my area as of February 1. We're delighted to have them. There is no intent to do anything other than expand and improve the services they provide. Just for background they do provide patient navigation, access information for people, bookings. They provide information about how to get after-hours PCN access in the Calgary health region. We recently launched a newborn parent call line for people who are trying to ask questions when you have a new baby. It's a bit scary sometimes. They have that.

We have approximately 400 registered nurses. In addition, we have a team of other health care professionals. Of those, we estimate about 5 per cent are on duty to accommodate. Just for reference most of the nurses there are seasoned nurses who've worked across the system, and they're in 811 because the role of 811 is to integrate across the system and provide that foundational support that we expect primary care to provide.

I am not aware of any changes to 811 other than to do everything we can to support and expand the program and actually do amazing things. We also just expanded our Indigenous support line across the province. That has also been a tremendous resource, specifically for First Nations communities up north to be able to have that kind of support.

We're tremendously proud of the team. I've been down to Calgary to visit them. I'm going to Edmonton to visit the team. I am delighted for the work we're doing. I don't believe there's any intent to do anything other than make it better than it already is.

Thanks.

Member LaGrange: Thank you for that.

To move on to 1.3, strategic corporate support and policy development, we have got a $13.7 million increase, which is primarily related to transfers of FTEs, not new net transfers but transfers that already exist, from AHS to support services related to the health system refocusing initiative and public-sector compensation increase. Where that breaks down to is: strategic policy and performance is $32.964 million; finance and capital planning is $19.730 million; health system refocusing, $8.295 million; acute care, $4.058 million; and procurement secretariat legal services ministerial correspondence unit, $10.121 million; which is a $75.168 million difference.

Moving on to this piece – perhaps I'll get Emily to speak to this piece on the drugs, et cetera.

Ms Ma: Emily Ma, executive director, financial planning. With 1.3, actually building on the minister's notes, the health system refocusing initiatives aim to create a more effective integrated health system, and as such as a part of the refocus functions related to the public health data and analytics, policy planning, and performance for health workforce, primary care, acute care, and Indigenous health were reallocated to Alberta Health from AHS. These functions were found to be better aligned with Alberta Health and the policy-driven work through the ministry as AHS focuses on transitioning to hospital and acute services.

Thank you, Minister.

Member LaGrange: Thank you very much, Emily.

As I've indicated, we are continuing to make sure that we have the right allocation in the right spots to meet the needs of Albertans each and every day because there is growing demand. As most people know, currently in Alberta roughly 1 in 7 Albertans are 65 years of age and older. That is going to be 1 in 5 within the next 20 years, so we have to expand our capacity. We have to be able to make sure that we're meeting the increased demands. We also have a growing population. We also have a very young population. We have one of the highest birth rates in Canada as well. So we need to continue to make sure that we are providing the services where they're needed most. Through the health refocusing we are making sure that we can have targeted leadership and strategic planning for Primary Care Alberta, for Recovery Alberta, for assisted living Alberta as well as for Acute Care Alberta. This is integral to making sure that AHS, within the very next little bit here, becomes an acute-care provider and can focus solely on making sure they have excellent health care.

The Chair: Thank you so much, Minister.

Back over to the member.

Ms Hoffman: Thanks very much. I just want to clarify. What I was asking about was the 22 per cent increase to strategic corporate support and policy development, far greater than any other percentage increase to any line item in government in terms of front-line service delivery, and what we were told were things like: correspondence unit needs to have more staff. Like, I'm disappointed in the prioritization of ministry staff as opposed to – and I have lots of respect for the officials working in our organization. But to justify a 22 per cent line item increase there – when I asked about blood products, I wasn't even told about population growth and inflation. I was just told that some of those blood products are going to cost more.

Yes, Canadian Blood Services, CBS, is the provider, but those products are bought from American fractionators. The fact that there is no consideration for the fact that we are going to have to be paying more for blood products and that we have a population growth and inflation demand when it comes to getting those blood products for patients here in the province and the incongruency between, "Well, we absolutely need a 22 per cent increase to strategic corporate support" but blood products are only going up a small amount, because we know that blood products are costing more for very specific treatments or medications for patients, I don't think is consistent with the priorities of the folks that we're all here to represent, through you, Madam Chair.

I'm going to talk a bit now about line item 4, which is drug and supplementary health benefits. I'm going to take a bit of a trip down memory lane, but it does absolutely relate to this line item, Madam Chair, through you. In December of 2022 the Premier and then Health minister, no longer the Health minister, Minister Copping stood in a Shoppers Drug Mart and took full credit for folks in the department and in the minister's office securing what's now being referred to as Turkish Tylenol. I even have a quote here: I think this is a fantastic news story and that the people who deserve credit for it are in Minister Copping's department, was what the Premier said at that time.

I know that yesterday the minister talked about: well, it was AHS that did the procurement. I imagine that there is some confusion, so I think the first thing that we need clarification on is the procurement office. Some media reports have said that the person in charge of it was retired from AHS and then working for the government of Alberta and Alberta Health. I would like clarification on if that person was indeed an employee of Alberta Health or whether they were seconded from Alberta Health Services and what the process was to employ that person within the department if that is the case and if they were seconded, what, again, recruitment considerations went into selecting that individual to be in charge of such a large area.

In the 2022 television address from the Premier she said . . .

Mr. Singh: Point of Order.

The Chair: A point of order has been called, members.

Please proceed.

Mr. Singh: Thank you, Madam Chair. The point of order is under Standing Order 23(b), the member "speaks to matters other than the question under discussion." Today the committee has convened for the purpose of considering the ministry's 2025 and 2026 budget, not 2022, including estimates, fiscal plan, and business plan. The matter that has been raised by the member is not within the boundaries of the said topics. We are discussing the 2025-2026 budget, including estimates, not 2022. Today we have a different minister here, not Minister Copping. The issue on the procurement mentioned by the member is not related to the matter that has been under consideration by the committee. That is why this is a point of order under Standing Order 23(b).

Thank you, Madam Chair.

10:00

The Chair: Go ahead, Member.

Member Irwin: Thank you. This is absolutely not a point of order under 23(b). The member knows her file better than most folks in this room, and she was clearly referring to the budget line 4 on page 109 in the government documents. The issues around procurement are absolutely related, and the member has done an incredible job of relating to budget items as well. I would suggest we have a short period of time and we have a lot to cover, so I would suggest we don't have any more frivolous points of order.

Thank you, Madam Chair.

The Chair: All right. What I'll say about this is if the minister chooses to answer it, then she will.

Ms Hoffman: Thanks. To continue, through you Madam Chair, as it relates to item 4 in the estimates document, the purchase of this medication back in 2022 does absolutely still apply to today's budget in that recently leaked government documents show that the government is currently spending $110,000, in excess of that, per month to store said medication. It is something that is going into consideration for the estimates for the upcoming year as well as the current fiscal year in terms of money that could be used for other direct, front-line care as opposed to spending this money on storing

expired or soon-to-expire medication that even Alberta's own NICUs will not use as it has the impact to potentially contaminate or clog up feeding tubes.

I also would like clarification, through you Madam Chair, to the minister, as it relates to drugs and supplementary benefits about this specific medication. It's generally been our understanding, based on that press conference that was held in 2022, that the medication was an oral medication that could be provided through a feeding tube if not orally, not intravenous medication. You wouldn't put, you know, something that you would take orally into an IV direct into a bloodstream, so I'd like clarification from the minister or officials behind the minister, through you Madam Chair, and also clarification on the nearly half a million dollars that was spent in an attempt to previously dump said medication or other PPE that is also being stored. Please, through you Madam Chair, let us know how much money is in the budget for further storage or destruction or distribution of this medication that's intended to be injected orally or through a feeding tube. Yeah. So that's the piece as it relates to that, and it is under item 4.

I do want to talk a little bit about, also in 4, seniors' drug, dental, and optical supplementary health benefits. We are being asked to consider a reduction under line item 4.3, based on what was in the budget last year, a $20 million cut. That, to me, is incredibly concerning when we know that we have an aging population and we know that medications cost more now than they did previously. Is the government's plan to remove individuals from the seniors' drug, dental, optical, and surgical health benefits plans, or is the plan to reduce the amount of medications that are covered or the number of procedures that are covered? We've already seen impacts on optical implemented in the current fiscal year as exams that used to be covered every six months for those who are deemed as being in need, who are seniors, and who are children are now no longer being covered as well as changes to the actual formulary for some of those things that are still covered.

A $20 million reduction means that at least $20 million will be coming out of people's pockets if they were to get the same level of care, but we know that it's more because we know that with population growth and inflation we should see approximately another 6 per cent. Instead, we're seeing a real reduction, so that is concerning. The minister may want to discuss the forecasted number; my question is around the budgeted number. If the minister does want to discuss the forecasted number, why is it that we didn't spend the money that the Legislative Assembly actually allocated towards seniors' drug, dental, optical, and supplemental health benefits in the current fiscal year? That's something that could help with affordability, and instead we see further austerity in this line item as we move forward.

I think if you ask most Albertans what their highest priorities are, as much respect as I have for the correspondence unit – they wrote great correspondence on my behalf – I think more individuals would probably say that they would like to see an increase in the line item to help seniors be able to afford their medications and stay well as long as possible. That is a significant concern, and it's, you know, a big portion of our budget that we're considering in terms of the drug and supplemental benefits. It's, you know, over 30 per cent of the cumulative line item.

I also am concerned about AADL, Alberta aids to daily living, and that being flatlined under 4.8. Again, we know that population growth and inflation are increasing, we know that we have an aging population, and we know that we have more folks that need the types of equipment and other accommodations that are available through AADL. We also know that the cost of those pieces of equipment is going up. Again, is it government's intention to remove people or remove services from AADL? If not, then how else is it possible to flatline that line item?

I imagine that many of the pieces of equipment are procured from American contractors. Is that indeed the case? If not – and I'm not talking about those who sell it here locally. I'm talking about where it's manufactured and how it's produced. If it's not American manufacturers, is it Chinese manufacturers? Have we taken consideration of impacts on tariffs with those other jurisdictions potentially as well? Those are the main ones I want to highlight under drugs and supplementary health benefits, line item 4.

Again, clarification on the implications of the storage and other issues as they relates to the Turkish Tylenol, if it is indeed an oral medication or if it is intravenous, as was mentioned in the press conference previously. I don't believe it is intravenous. When the minister made the announcement and the Premier made the announcement, they were specifically talking about parents buying this liquid Tylenol for their children to be able to ingest at home to alleviate fevers and the need to go to an acute-care centre, particularly for those who have influenza.

Oh, my, I have so many other questions that I look forward to trying to get into through later opportunities, including around immunizations, which we touched on very briefly.

Yes, I appreciate the head of Primary Care noting that it isn't her intention to privatize. I'd love confirmation through the minister, through you Madam Chair, that there will be no privatization of 811. There are specific contractors that have already been of concern that are doing similar . . .

The Chair: Thank you so much, Member.

We'll move over to the minister for her response.

Member LaGrange: Thank you, Madam Chair. Looking forward to answering these very pertinent questions. Let's start with corporate services, as that was the first question asked in this block. As I said earlier, this is not about adding new FTEs. This is about actually shifting people over to do the work that needs to be done as we go through a refocused health care system.

I'm going to turn it over to my deputy minister, Darren Hedley, to answer this question.

Mr. Hedley: Thank you, Minister. Darren Hedley, acting deputy minister. Yes. As the minister said, as we've gone through the refocus process, it's really about identifying those responsibilities that really are more appropriately held within the department in terms of oversight, in terms of policy. Really, when we've looked at it, it's not disrupting services. It's really about making sure that we've got the right people in the right place. Those positions are actually positions and people that were doing work in AHS that are now within the department and delivering those services. So not an increase in the total cost of the system; it has just shifted where the resources are and more appropriately, so in terms of those oversight functions.

Member LaGrange: Thank you.

Now I'll turn it over to Leann Wagner, who will talk about the blood services, and she can get into more of the details that the member was asking for. Thanks.

Ms Wagner: Good morning. Leann Wagner, senior ADM, Alberta Health. As the minister previously communicated, we do purchase all of our blood products from Canadian Blood Services. They requested additional funding this year to respond to increased demand and their own increased costs. You are correct that they do purchase some products, blood products, from the United States.

10:10

One of those blood products that they do purchase is immunoglobulin. I'm just going to call it IG because I have difficulty pronouncing it. Alberta uses IG at a higher rate than most other provinces do, and that is reflected in the increased costs. We are working with our partners in Alberta Health Services to look at ways to reduce our reliance on IG and to look at other alternatives that might be more efficient and just as effective and to reduce the demand coming from Canadian Blood Services. A significant portion of IG is coming from the United States. There is work – early days yet – to look at increasing our production of blood products in Canada with our partners across Canada.

Member LaGrange: Thank you.

Moving on to the supplementary health benefits question, line item 4.3, which is seniors' drug, dental, optical, and supplemental health benefits. Seniors' drug, dental, optical, and supplemental health benefits support the supplemental health insurance plan that provides premium-free – premium-free – coverage of prescription drugs, provides low- to moderate-income seniors with financial assistance to basic dental and optical services, and supplemental health benefits: ground ambulance services, prosthetics and orthotic devices, preferred hospital accommodations.

The seniors' drug, dental, optical, and supplemental grant is made up of two components, $686.68 million for the seniors' drug benefits program that provides over 65 years of age premium-free coverage for prescription drugs listed on the Alberta drug benefit list, and there's also $175.97 million for the seniors' dental, optical, and supplemental health drugs benefit program, which provides low-income Albertans over the age of 65 access to essential dental and optical benefits, diabetes supplies, ambulance care, home care, chiropractic visits, and clinical psychological services.

The $19.8 million decrease is due to reallocation of resources to other drugs and supplemental health benefit programs, including outpatient cancer drugs, expanded pharmacy services, adult health benefit, and nongroup. We're also making sure that as we look at these programs, we develop sustainability, so there have been some optometry changes that we have been able to initiate. We have found that we were actually more generous than other provinces, so we need to make sure that we are keeping our costs in line with other provinces and making sure that we are in fact doing what we need to do to provide sustainable health care programs. I can get into that probably a little bit later on that piece.

On the discussion around the children's acetaminophen products I just want to share that these products are safe. In early last year I had directed AHS to explore options to use the remaining supply of children's pain medication. This pain medication, these items, which I have to say, as I said earlier, are safe and have been used by Alberta Health Services as well as the general public when there was a shortage, were obtained from a company that actually does in fact supply most of Europe, North Africa, as well as – I just have it here; sorry – the European Union. It's actually the sole supplier and manufacturer for acetaminophen in the European Union, the Middle East, and North Africa.

This pain medication: I had asked AHS to look at what we could do with the remaining supply so that we can in fact not have storage costs. This product was written off in March of 2022, so it does not affect our budget for – sorry. It was written off in 2024. It does not affect our budget for 2025, but the storage does, and we want to make sure that this product gets put into the hands of people that can use it, for children in war-torn countries that don't have access to life-saving medication that we have here in Alberta. We want to make sure that it gets to those people as quickly as possible.

The Chair: Thank you so much, Minister.

We'll now move to the 20-minute segment for the government caucus members. Combined or shared time today?

Mr. Singh: I would prefer shared time, if it's okay with the minister.

Member LaGrange: We'll go with block time.

Mr. Singh: Sure, Minister.

Member LaGrange: Thank you.

Mr. Singh: Thank you, Madam Chair. Good morning, Minister. I thank you for coming here today, and I commend you for the initiatives being done in Alberta's health care system to improve health care outcomes for all Albertans and empower health care workers to deliver quality care across the province.

My questions are on the surgical initiative and capital program. Timely access to surgeries is extremely important to Albertans, as is increasing surgery volumes. The only way to do both is with significant investment. My constituents of Calgary-East often speak with me about the things that matter to them, and surgical wait times are one of the most important as these significantly affect their day-to-day lives. On page 18 of the strategic plan I note a $265 million investment over three years to the Alberta surgical initiative capital program. This funding is designed to increase surgical capacity by expanding, renovating, and optimizing surgical facilities.

I would like to get some more details on this investment. Would the minister please elaborate on some of the details of these investments being made through the Alberta surgical initiative capital program, especially how they increase surgical capacity and improve wait times? How many more surgeries or procedures does this equate to? How does this compare to what was done in 2024 and 2025?

Through the chair my next question is on the Alberta Health Services review and cost savings. Accountability is extremely important to all Albertans, as is knowing that our resources are being used well all while maintaining quality and safety. Over the past year we have seen the health care system in Alberta undergo some of the largest scale changes in decades, all to increase quality, accountability, and safety. We have heard a lot about the system's refocusing efforts in the last little bit. I understand that rather than stay with a mostly similar provider, there was a move to establish four unique and integrated agencies. These are Recovery Alberta, Acute Care Alberta, Primary Care Alberta, assisted living Alberta.

On page 75 of the business plan I see that Alberta Health Services will continue to have a concentrated role in delivering acute-care services. I would like to focus this question around Alberta Health Services review processes and potential cost savings. Would the minister please indicate if Alberta Health Services has undergone any review processes during these system changes to determine what savings and efficiencies may be achieved through the refocusing efforts? What are some examples of the optimizations that have been identified?

Through the chair my next question is on lab services. An important component of any health care system is lab services and diagnostics. In 2023-2024 the health system transitioned these services to Alberta Precision Laboratories, or APL.

10:20

I note on page 100 of the fiscal plan that $168 million of the new investment is allocated for the "Diagnostic Imaging Enhancements Program to expand and enhance the diagnostic capabilities across the province." I am interested to learn more about the transition to

APL and how this new investment will impact Albertans. Would the minister please indicate how patient wait time targets have been since the transition to APL? How many educational lab tests are being projected this year? Can the minister go into more detail on the investment being made to support them? Can the minister indicate how much additional investment is being made, especially to support diagnostic imaging testing? How many additional MRI exams and CT exams are expected to be done compared to 2024-2025?

With that, Madam Chair, I will cede my time to MLA Johnson.

Mrs. Johnson: Thank you.

First, through you, Madam Chair, to the minister and to her team, thank you for being here. It's nice to see a full gallery back there. Thank you for all the work that you do.

I will start with physician recruitment and retention. For my constituency in Lacombe-Ponoka we have seen, as we have in many areas of the province, doctors retiring or moving on. There was a deficit for a time. I'm delighted to see that two new doctors have come to Lacombe, four to Ponoka. It's nice to see these levels coming back up. They're still asking for more. That's what I'm being told from them. I'm so grateful that you were able to come to Ponoka and to meet with the doctors there. They were delighted and so honoured. It's nice to see a minister with boots on the ground and doing that kind of work with constituents, especially in rural communities that are really demanding this. So thank you again for that.

My question around physician recruitment and retention, then, would be around a robust, qualified, and sustainable workforce that is vital to every aspect of our health care system. That said, a major challenge facing every province is physician recruitment and retention, just like in Lacombe and Ponoka. It is simply not possible to achieve health care targets without qualified and available staff. Improving emergency department wait times and ensuring Albertans have access to a family GP requires a consistent and capable workforce. It's important now and in the future as we look to the long-term sustainability of our health care system, as we have already heard, with an aging population yet the highest birth rate in Canada, which is exciting but one that we have to prepare well for.

Looking at page 110 of the 2025-26 estimates document, I note that line items 3 to 3.3 detail a number of increases for physician compensation, program support, physician services, and physician education and recruitment. Through the investments made in Budget 2025 I'd like to look at expected outcomes for 2025-26. There are about six questions here. I'll try to get through them all.

First, would the minister indicate how many new doctors will be trained through investments being made in Budget 2025? Second, similarly, how many new doctors will be recruited? Third, how many new doctors enter medical residency seats? Next, what is being done to increase these seats through Budget 2025? Maybe we'll hear a little bit about our Lethbridge and Grande Prairie programs. What are some of the initiatives being done to retain physicians in Alberta, maybe especially focusing on the rural areas, as we see some of our doctors moving to the big urban centres? Lastly, what initiatives are being done to recruit physicians either from other provinces or internationally? Perhaps we could add to that our locally, home-grown people as well. How are we going to attract them to enter into this field and then to stay there and maybe enter into the rural program and become our rural doctors for the next generation?

With that, I will pass it over to the minister. Thank you, Chair, to the minister.

The Chair: All right. Thank you so much, Member.

We will now move back over to the minister for her response.

Member LaGrange: Well, thank you for those great questions. I look forward to answering them very detailed. Starting with: would the minister please elaborate on some of the details around investments being made through the Alberta surgical initiative capital program? Specifically, additional cancer surgeries are planned to address wait-lists, with an increase in cases completed in '24-25 fiscal year to date, approximately 1,700 cases or 9.5 per cent above this point in '23-24. We're actually seeing a 9.5 per cent increase along with an additional uplift plan for 500 more cancer cases. You know, we've seen an increase, but we know that we have to move that even further.

The Chinook chartered surgical facility is adding a seventh operating room five days per week. The uplift began in January of 2025 with two days per week, increasing to five days per week in May, resulting in an estimated increase of 700 cases per year. There's additional funding for the University of Alberta hospital level 1 OR, where theatres are up and running with an estimated addition of 1,200 cases per year. There will be additional OR hours at the largest 16 sites; we're adding additional time at those largest 16 sites.

The anaesthesia care team model has resulted in anaesthesiologist hours being reserved for more complex procedures. The rural surgical and obstetrical networks of Alberta, RSONA, is able to sustain rural workforce, leading to optimization of rural ORs. The implementation of bed smoothing and OR scheduling optimizes OR utilization and minimizes surgical postponements. The implementation of surgical wait-lists operational directive ensures wait-list validity and removes patients who no longer need or want surgery.

We also have Budget 2025, including $265 million over three years of ongoing capital investment in the support of government's plan to increase surgical capacity and to address surgical wait times. The Alberta surgical initiative aims not only to reduce the wait-list but to strengthen the entire surgical system from the time patients seek advice from their family physician to when they're referred to a specialist and through their surgery and rehabilitation. Through the ASI our system will be better able to deliver more surgeries than ever before. As I indicated earlier, we're going from 310,000 surgeries this year to 316,500, and we're going to continue to grow those numbers. We want everyone to have their surgeries in clinically approved times. The ASI capital program will continue with renovating selected surgical suites and support areas currently under way in health facilities across Alberta in Brooks, Calgary, Camrose, Crowsnest Pass, Edmonton, Fort Saskatchewan, Grande Prairie, Innisfail, Olds, Pincher Creek, Ponoka, Red Deer, St. Albert, Stettler, Taber, and Lethbridge.

How many more surgeries are we going to be able to do? The investment of an additional $72 million this year in Budget 2025 will support over 6,000 more surgeries. How does this compare with what was done? As I said earlier, in '24-25 we have 310,000, and we're aiming for 316,500 through Budget 2025.

On to the next question: will the minister indicate if AHS has undergone any review processes during these system changes? I'm happy to respond that AHS is projected to realize $128 million in ongoing and one-time savings in the '25-26 year from all approved core review initiatives. This reflects savings that AHS is able to achieve with limited impact to staffing or front-line services. In addition to the savings already identified in the core review, AHS aims to achieve up to $60 million in extra one-time savings through organization-wide cost containment measures such as reviewing vacancies, discretionary controls, and securing cost-effective contracts. To meet the '25-26 savings target, further savings will be necessary, and a process will be implemented to support measures to balance the budget with the least impact on Albertans.

10:30

What are some examples of optimization that have been identified? In the area of program efficiencies AHS is optimizing resources and streamlining processes by implementing new models and innovative approaches. Examples of program efficiencies are enhancing virtual health care by making services more accessible and convenient and improving the overall patient experience; streamlining DI, diagnostic imaging, and lab testing by using intelligent automations to reduce duplicate or unnecessary testing; lease consolidations achieved by optimizing remote-hybrid work strategies. AHS has significantly reduced space requirements, enabling lease terminations through consolidation.

In the area of workforce optimization, strategies to optimize staffing while minimizing clinical impact include reviewing new and existing administrative and nonclinical vacancies to ensure hiring aligns with key priorities, with stricter controls and higher level approvals for vacancy management. They're using more automation to make sure that nurse schedulings are scheduled in such a way to minimize overtime in agency nurse staffing, as just one example of the many areas they're looking to improve upon.

Finally, discretionary funding. Savings in areas such as travel, education delivery and courier services, supplies, and minor equipment purchases are contributing to reductions in overall administrative costs.

Onto your question on lab services. Yes, we were able to make sure that Alberta Precision Labs, or APL, in the '23-24 year was able to transition DynaLife into its services. So how have wait times changed? Upon the transition of lab services fully to Alberta Precision Laboratories in September of 2023, APL has been able to improve patient wait times and continues to meet and exceed targets. We're seeing that right across the province.

In Budget 2025 AHS will invest up to $50 million to support 14.5 million additional lab tests over the '25-26 year, and this is above what is currently being administered. So $30 million will allow for 8.8 million tests related to pressure being experienced in the '24-25 year, which is a 10 per cent growth.

Again, you know, it's a great problem to have. We have more people coming to Alberta because they see the opportunities that are in Alberta. They see our great tax advantages. They see a province that's on fire economically as well as . . .

Member Irwin: Definitely on fire.

Member LaGrange: On fire in a good way. I hear the member opposite chuckling. On fire in a good way because we are the economic engine of Canada, and they know that it's a great place to come and live and raise a family.

Getting back to the question: $20 million equals 5.8 million tests related to projected growth, which is 6 per cent growth that we're seeing. Alberta Precision Laboratories continues to experience unprecedented growth in laboratory testing, projected to exceed 10 per cent this year and next year. The fact that they're able to provide those tests in a timely fashion – they're meeting or exceeding their goals in this area – shows that they're doing a tremendous job making sure that Albertans have the tests that they need when and where they need them.

Budget 2025 also includes an incremental $45 million for diagnostic imaging services, an incremental $50 million for lab services. Capital planning includes $168 million over three years to modernize and expand the diagnostic capabilities across the province to further reduce wait times. AHS will invest $45 million to support increased diagnostic imaging testing, which supports an increase of 45,600 MRIs and 176,000 CT exams. You're probably wondering: well, what does that mean? Currently MRIs for the '24-25 year were 257,100; they will jump to 302,700. CT exams were 565,700; they're going to jump to 742,000. That is just a phenomenal amount of work that we're doing, making sure that Albertans, even with a growing population, even with an aging population, are going to be able to provide those diagnostics that are so integral to making sure that you get early diagnosis on issues that someone has.

I know, myself having had eye cancer in 2012, that it was essential that I got an early diagnosis and then was able to go forward and get that treatment. We want that for every single Albertan, so we're going to continue to strive to get these numbers even higher, better, but, of course, we have to make sure that the funding that we provide is sustainable. We have to make sure that we are doing everything possible to support Albertans.

The Chair: Thank you so much.

We are over halfway through our morning estimates. Minister, I wanted to check in with you. You've been speaking the most; how is your voice? How are you feeling? Do you feel like you need a break?

Member LaGrange: Well, I wouldn't mind just a quick wellness break.

The Chair: Okay.

Member LaGrange: But I leave it to the will of the crowd.

The Chair: Member Hoffman, I did notice that you left the room and had a break yourself. I noticed that you got up.

Ms Hoffman: Sorry, Madam Chair. That is definitely not in the standing orders.

The Chair: But I noticed that you did leave the room.

Ms Hoffman: The presence or the absence of a member, Madam Chair?

The Chair: But you had a break, and the minister, I feel, needs one as well. You objected to having a break.

Ms Hoffman: Yeah. I still do.

The Chair: You know what? I've got to just say, for the wellness of everyone in the room, I would prefer that we do have a break.

Ms Hoffman: Then amend the standing orders. I don't know what to say to this, Madam Chair. We're just here to follow the rules.

The Chair: But I'd like the courtesy extended to the minister, if you don't mind.

Ms Hoffman: That's not the rules.

Member LaGrange: Madam Chair, I'm happy to continue on if the member opposite doesn't want for people to have a wellness break.

The Chair: Sure. All right.

Mr. Singh: Madam Chair.

The Chair: Peter Singh, please go ahead.

Mr. Singh: I think it should be the will of the committee members if they want a break . . .

Ms Hoffman: That's not the rules.

Mr. Singh: . . . or they want to continue. I think they can go for a washroom break or any kind of break they want. I think it is a good practice to ask the committee members.

The Chair: Sure. Does anyone else want to speak to this? Go ahead, Mr. Boitchenko.

Mr. Boitchenko: I would like to take a bathroom break, if I can.

The Chair: Okay. Anyone else like to speak to this?

Member Irwin: Yeah. I can speak to it briefly. I mean, the point being that Member Hoffman is very aware of the standing orders, and folks could have intervened earlier when we had this discussion. I would ask, obviously, the chair to just make sure that she, too, is aware of the standing orders.

The Chair: I'm very well aware of the standing orders, Member, but there's never been an estimates session in the many years that I've chaired where committee members have objected to a break and have gotten up and taken a break themselves whereas the minister is not allowed that.

Ms Hoffman: Madam Chair . . .

The Chair: You know, I am chairing the session, and I would like to hear from anyone else who would like to speak to this. Anyone else like to comment? Go ahead, please, Member McDougall.

Mr. McDougall: I just think it's reasonable. You know, we all want to be compassionate in this room. A wellness break is more than reasonable, and I think we should move forward with one.

Ms Hoffman: Might I propose, then, that we extend the meeting by the five minutes of the break to comply with the standing orders, which require unanimous consent? If there's unanimous consent to extend the meeting by the five minutes, I have no problem with that.

The Chair: I'm going to just seek counsel on that.

All right. We are not able to extend the meeting, as that is noted in the standing orders, but we can have five minutes reduced from the meeting, so if members would like to proceed that way. It's ceded from the government caucus. Yes. Would you like to do that, members?

Mr. Boitchenko: Yes, Madam Chair. I would like to take a wellness break.

The Chair: How do you guys feel about this?

Ms Hoffman: Sorry. Just to confirm, it will be coming out of the government's next block of time? We're on our time, so we'll take it out of the government's time?

The Chair: Yes. We'll start with you.

Ms Hoffman: Okay. I think that's fair.

The Chair: Okay.

Break, everyone. Five minutes.

[The committee adjourned from 10:39 a.m. to 10:44 a.m.]

The Chair: All right, everyone. That concludes our block of time and the government members' first block of questions.

Now we move to the second round of questions and responses. The speaking rotation going forward will be the same as in the first round, starting with the Official Opposition, followed by members of the government caucus. However, the speaking times are now reduced to five minutes for the duration of the consideration of the ministry's estimates.

We will begin this rotation with a member of the Official Opposition who will have up to five minutes for questions and comments, followed by a response from the minister who may speak for up to five minutes. After both individuals have had an opportunity to speak once, we'll then move to our next caucus in the rotation. If the member and the minister agree to share time, we will proceed with a 10-minute segment during which time neither the member nor the minister may speak for more than five minutes at a time. Members are reminded that they may not cede any unused portion of their five minutes to another member moving forward from this point.

Member and minister, do you wish to share your time? We're on the Official Opposition.

Ms Hoffman: If the minister is open to it.

The Chair: Minister, what's your preference?

Member LaGrange: Block time.

The Chair: All right.

We'll go ahead with block time. Please remember, everyone, that discussion should flow through the chair at all times regardless of whether or not the speaking time is combined.

Member, please proceed.

Ms Hoffman: Thank you. The first block will actually be Member Miyashiro.

Member Miyashiro: Great. Thank you, Madam Chair. I want to have a discussion about 4.3, the seniors drug, dental, optical, and supplemental health benefits. The seniors population in Alberta is the largest growing cohort, and pretty soon 20 per cent of our entire population will be over the age of 65. What's really important for seniors are the proper supports as they age so that seniors can age in place, have the health and social supports and services they need to live independently in our communities. One of those things is just the supplemental health benefits that are outlined in 4.3.

When considering the best way to age properly in your community, you need proper health supports, you need proper housing, you need transportation, you need some handle on your finances, you need social connections, you need a safe place to live, you need supports and services, you need community, and you need someone that's close to you. Madam Chair, I'm just wondering. In the budget estimate for 4.3 we're looking at a real cut of 1.8 per cent in the fastest growing population cohort in the province. I don't think that more seniors means fewer services or less funding, but I guess one of the first questions I have is: is the intent of the 4.3 estimate to reduce the number of recipients or to provide fewer services? I understand that the minister talked about efficiencies and sustainability. However, if you're growing faster and you have less money, that sustainability question I don't think is a proper question.

The other thing is that when we have cuts in other departments that affect seniors like continuing care, I think the overall picture is that the support this government has for seniors is getting to be less. I think one of the things that I need to have answered is: in the big picture of supporting seniors in this budget and for this department, is this department and the minister committed, Madam Chair, to

providing seniors with the absolute top level of supports that they can have? This is right from any of the supplemental health benefits to the other benefits that are available to seniors under the minister's control.

Madam Chair, I think that what we've heard earlier about these supplements is that some of the things that they're looking at are in terms of sustainability and cost-effectiveness. Have these things been tried out with seniors themselves? Have they been discussed with what seniors need in their day-to-day lives? I think those are important things for Albertans to know. Are there sustainable things in dental that we're looking at? What are the drug savings that you're looking at making? What are the savings in optical and supplemental health, that you're going to save money on, that are going to benefit seniors, or is it just a purely a funding cut?

I actually don't think I have a lot more. Those are the main questions I had for the minister, Madam Chair, on 4.3.

Member Irwin: You can talk about Lethbridge.

Member Miyashiro: Well, I mean, if we want to talk in the last few minutes about Lethbridge, I know Lethbridge has one of the highest growing seniors populations in Alberta. It's because of our great climate and because of the size of our population and services that we have in our community that seniors move there from all over. I think one big concern for seniors now is: are they going to be supported properly as they age, as they're more active, as they're living longer? That's one of the reasons why the seniors cohort is growing, because seniors are living longer and they are taking advantage of our health services for a longer duration in their lifespan.

Madam Chair, if the minister can answer those questions, I'd appreciate it. Thank you.

10:50

The Chair: Are you giving up the remainder of your time?

Member Miyashiro: It's 20 seconds. I can probably do that.

The Chair: Okay.

Member LaGrange: Thank you for the great question. As I indicated earlier, you know, 4.3, the seniors drug, dental, optical, and supplemental health benefits, covers a lot of areas. I had gone into the various numbers in this area. I just want to draw your attention to the budget where it says what that was budgeted in '24-25 was $882,441 and what is forecast, what we're actually looking to be spending. is $855,441. So we overbudgeted last year, but what we are seeing in the '25-26 number in the estimates is $862,648, so it's actually an increase over the forecast of what we're actually spending.

Now, why are there changes in the spending? I agree with you that seniors are, in fact, a growing population – I'm getting very close to that number myself – so it is essential that we have services for our seniors that meet their needs. We also know that there was a federal dental program that was introduced that is also having an impact on the numbers here. You know, while we have the most generous programs in all of Canada for our seniors and most vulnerable, we also want to make sure that seniors can avail themselves of other programs that are available to them. Knowing that there is a federal program as well as the fact that we have the most generous programs here in Alberta, we want to continue to make sure that we're budgeting appropriately for these areas.

We also have to make sure that these programs are sustainable. As the member has indicated – you're right – and I said earlier, right now 1 in 7 Albertans are 65 years of age and older. Within the next 20 years that is going to be 1 in 5. It is essential that we are able to provide services that are sustainable. If we can find savings where we can, whether it's through efficiencies, whether it's through making sure that there aren't duplications, whether it's making sure that we can provide easier access through IT technology, et cetera, we have to make sure that we are in fact doing that.

When we look at some of the programs that are available, whether it's provincially or federally, we see that seniors are sometimes the ones that are able to in fact benefit the most from these programs. Applications for the Canadian dental program that opened a little while ago are for seniors aged 65 and over, adults with a valid disability tax credit certificate, and children under 18. In 2025 all remaining Canadian residents will be eligible to apply for this program. As of December 31, 2024, we have over 170,000 Albertans that were enrolled in the CDCP and over 52,000 individuals have received care. Almost 2,700 dental providers in Alberta are participating in the CDCP program. That has had an impact, and it has reduced costs.

You know, there's only one taxpayer, so we know that our dollars that are going to the federal programs are, in fact, our dollars that are being redistributed back to us in a different way. We're very cognizant of that, and we will utilize those dollars in a different way to make sure that Albertans continue to receive those services.

You were mentioning Lethbridge, and I'm glad you mentioned Lethbridge because, I think, sometimes I hear that Lethbridge is not getting the services. In fact, we want to make sure Lethbridge does get the services they need. I've been very vocal about the fact that Red Deer and Lethbridge have had a need for cardiac catheterization for a very, very long time, and that hasn't happened. We are committed to making sure that, in fact, does happen in the very near future.

Budget 2025 includes $28 million over three years for health capital projects in Lethbridge and the southwest corridor, including $22 million to expand the renal dialysis capacity at the Chinook regional hospital, $5 million for planning south zone cardiac care – I was just talking about that earlier – and the ICU capacity, and $1.25 million for the Cardston health centre planning. In addition, Budget 2025 includes $631 million over three years for various province-wide projects that'll help alleviate health care pressures in Lethbridge and the southwest corridor. That includes the $60 million that we had just announced the other day for the EMS vehicle capital program plan. I know that when you have hospitals, you also have to make sure that the EMS services that provide care are there.

The Chair: Thank you so much, Minister.

We'll move back to the member.

Sorry; we're on the government side. My apologies. I see Member Johnson. You're nodding your head. Please proceed.

Mrs. Johnson: Yes. Thank you, Madam Chair and through you to the minister again. Thank you for the great answers that you gave to my colleague Member Singh's very important questions.

If I could come back to the question I had presented earlier – can I just repeat that perhaps, just for clarity? To go back there, it's about physician recruitment and retention. As I mentioned, in Lacombe-Ponoka they had lost six doctors total, two in Lacombe and four in Ponoka, and through great recruitment by the community and through your ministry they were able to bring four new doctors into Ponoka and two into Lacombe. We're so grateful for that and for you coming to Ponoka to listen to their concerns.

I'll just repeat the question again. A robust, qualified, and sustainable workforce is vital to every aspect of our health care system. That said, a major challenge facing every province is

physician recruitment and retention. It's simply not possible to achieve health care targets without qualified and available staff. Improving emergency department wait times and ensuring Albertans have access to a family GP requires a consistent and capable workforce. This is important now and in the future as we all look to the long-term sustainability of our health care system.

Looking at page 109 of the 2025-26 estimates document, I note that line items 3, 3.3 detail a number of increases for physician compensation, for program support, physician services, and physician education and recruitment. Through the investments made in Budget 2025, I'd like to look at some expected outcomes for 2025 and '26. As I mentioned, there are six questions here, so I'll put those all to you, and hopefully we'll have the time to go through each one.

First, would the minister indicate how many new doctors will be trained through investments being made in Budget 2025?

Similarly, how many new doctors will be recruited?

Third, how many new doctors enter medical residency seats? As I mentioned before, perhaps we could touch on Grande Prairie and Lethbridge here. It's nice to hear; we're hearing some Lethbridge concerns here, so maybe we can touch on that and about how we're recruiting in those areas, specifically that they apply to rural recruitment.

Next, what is being done to increase these medical residency seats through Budget 2025?

What are some of the initiatives being done to retain physicians in Alberta? I know we hear a lot that our doctors are leaving, but I've heard the minister say before that we used to have just over 10,000 physicians in Alberta. We're now over 12,000, and to see a 20 per cent increase like that is very exciting. I do hear that maybe they're perhaps going to the bigger urban centres and we're not seeing as many in rural Alberta, but it is still exciting to see so many more physicians coming. Perhaps we could address how we retain them in these rural areas.

The last question here is: what initiatives are being done to recruit physicians, either from other provinces or internationally? As I mentioned there, perhaps we could talk about how we are recruiting them from the rural areas. I've heard this before, too, from the minister, that those who are training or lived in the rural areas are more likely to stay in the rural areas. Perhaps the minister could touch on that as well.

With that, I will, Madam Chair, pass it back to the minister and look forward to her answers on this.

The Chair: Thank you.

Please proceed, Minister.

11:00

Member LaGrange: Thank you so much. Lots to unpack there. One of the exciting areas – you're absolutely right. When I first came on, there were roughly about 10,600 physicians in the province. We had a shortage in family physicians as well as in specialist physicians, so I'm so glad to see that we're well over 12,000.

To get to your first question – that was: how many new doctors will be trained through investments made in Budget 2025? – between 2019 and 2024 Alberta's medical student schools trained an average of 550 new doctors, so close to 500 graduates are expected at the end of the '24-25 academic year and up to 516 for the '25-26 year. According to the latest data from the College of Physicians & Surgeons of Alberta as of December 31, 2024, there are 12,212 physicians registered in Alberta. There was a net gain of 474 physicians, or 4 per cent, between December 31, 2023, and December 31, 2024. That's absolutely incredible. The inflow of new physicians in 2024 was 1,051, which is an increase of 12.6 per cent when compared to the total inflow of 933 in 2023.

Exiting physicians decreased by 3.9 per cent, from 601 to 577. Physicians exit for many reasons. Some retire, others leave the province voluntarily, and others give up their registration for a reason or another – perhaps they're on sabbatical, et cetera – or there are even deaths that occur. As of December 31, 2024, there were 5,951 family physicians and 6,082 specialists. Compared to the same period in 2023, this represents an increase of 295 family physicians, or 5.2 per cent, and an increase of 179 specialists, or 2.9 per cent. Physicians are, you know, just reminding everyone, independent practitioners and are free to choose where and how they practise.

How many new doctors enter medical residency? Actually, before I get to that one, I just want to give you, because I have some newer – the College of Physicians & Surgeons of Alberta, as we all know, have streamlined their processes, and they've also streamlined the sponsorship of new family physicians and specialists. I can tell you that we are seeing an influx into our nonmetro areas. I know that there are 53 applications for a total of 104 positions in Airdrie, Barrhead, Canmore, Chestermere, Cochrane, Daysland, Didsbury, Fort McMurray, Fort Saskatchewan, Grande Prairie, Leduc, Lethbridge, Maskwacis, Medicine Hat, Morinville, Red Deer, Rocky View county, Sherwood Park, Spruce Grove, St. Albert, Stony Plain, Strathmore, and Wabasca, and more coming all the time. Just to the member's questions, we are seeing more people coming to rural Alberta, and that will be further enhanced when I get to the response on the new primary care compensation model, because I think that will actually produce great dividends.

How many new doctors enter medical residency seats? Each year the government of Alberta provides funding to the University of Alberta and the University of Calgary to educate and train the right number and mixes of physicians and surgeons to meet our province's needs and our workforce needs. This includes funding for approximately 450 new residency positions for Canadian medical graduates and international medical graduates. As of December 31, 2024, there were 1,691 government-funded medical residency positions in over 120 residency programs at the two universities, including 443 first-year residents enrolled in the University of Alberta and the University of Calgary.

The number of undergraduate medical seats determines the number of medical residency seats and the university's capacity to train the numbers required to meet the physician workforce. What's being done to increase these seats? As you indicated, the government of Alberta is working to increase the number of undergraduate medical training seats, residency positions for newly graduated doctors, and residency positions for international medical graduates. Once the seat expansion that is happening through Lethbridge and Grande Prairie – what we will be seeing: we'll be realizing an additional 100 Alberta-trained physicians that'll be ready to practise annually. The expansion will add 60 undergraduate medical school seats, 72 postgraduate medical residency seats to support the additional graduating medical students, and 30 Alberta international medical graduates.

The Chair: Thank you so much, Minister.

Now we'll move back over to the Official Opposition.

Member Irwin: Thank you, Madam Chair, and thank you to the minister and to the incredible Health staff that are here as well. As somebody who worked in the Ministry of Education for many years, I know how hard your work can be, so thank you for your service.

The minister talked earlier about optical health benefits, and we're of course referring to line 4 on page 109 in the government estimates document. You know, I'm reflecting on the thousands and thousands of Albertans kicked off optometry benefits thanks to this government's cruel cuts. The minister had just said earlier that she made changes because the UCP were, quote, more generous than other provinces. It's just so callous to delist partial eye exams for children and for seniors at a time when Albertans are already struggling with skyrocketing costs, so, you know, I'd like to hear from the minister who she consulted. We know the Alberta Association of Optometrists weren't consulted. They're incredibly concerned because they know that routine eye exams are key in detecting early signs of serious health issues like diabetes and various types of cancer as well.

As someone who represents a whole lot of low-income Albertans, we know that these cuts will hurt vulnerable Albertans the most. It's another example of cruel cuts from this UCP government, just like we saw with the egregious cuts to sexual assault services. It seems to be a government with a whole lot of money for their friends but no money for Albertans who need it the most, and that's shameful. So I would like to hear from the minister exactly what led her to make those cuts to optical services.

I'd also like to talk – the minister kind of referred to it a little bit here – about this government's unwillingness to sign on to pharmacare and to work with the federal government. She mentioned diabetes medication and more, of course, referring back to the government estimates document page 109. You know, this government has had a lot of opportunities to work with and to support vulnerable Albertans when it comes to their health care needs, and instead they've chosen time and time again to own the Libs instead.

One of the topics that I want to focus on – and this is one that's, you know, incredibly important to me as someone who was the critic for status of women for a few years before moving over to housing – is women's health and cuts to women's health. We can refer to the business plan on page 77, where it talks about maternal health care in particular. I remember many times standing in the Legislature talking about the various cuts to obstetric services over the years. I mean, talk about communities – just to name a few: Fort Saskatchewan, Whitecourt, Rimbey, Lac La Biche, Three Hills, St. Paul, Sundre, Barrhead, my hometown. Again, just to name a few; the list is lengthy. All communities represented by the UCP, might I add.

We all know in this room that shortages of ob-gyn specialist care leads women and their families to travel many miles – many kilometres, I should say – for the services that they should be able to access closer to home. We know the lack of specialists like anaesthesiologists further compounds these issues, resulting in longer wait times and forcing ob-gyns to compete for limited operating room time as well.

We also know – one of the facts that I discovered is that Alberta's ratio of obstetricians to the population is lowest in provinces west of Ontario. What that means is that these specialists are working harder. They're serving a lot more patients per physician than a lot of their counterparts across Canada. Ob-gyns and others supporting them have been very clear that the province needs to expand funding in this area, training for women's health, improve care for patients that need it desperately, especially in rural and remote parts of Alberta, and provide a lot more clinical support for those specialists. I'm absolutely supportive of midwifery. I know that we need to offer a range of services. But, again, what is the minister doing to support expanding access to ob-gyns? It's tricky, of course, when a lot of specialists are not sure about coming to Alberta.

One of the concerns I hear a lot about is access to abortions, both surgical and medical access, a huge issue in parts of Alberta. It continues to be a big concern, so how is the minister going to be expanding access to abortion services?

11:10

The Chair: Thank you so much, Member.

We'll head to the minister for her response.

Member LaGrange: Thank you. Lots there to answer. I'll start with the optometry, first and foremost. As someone who's had eye cancer myself in 2012 and been through the gamut of services, I understand this fully. When we compare jurisdictions across Canada, it shows that Alberta's expenditures and rates for optometry services are the highest in the country. I'm very proud of that fact, that we are the highest in the country, that we value optometry in Alberta. It is the only jurisdiction in Canada that covers an annual partial exam for children and seniors in addition to a complete examination.

The changes that we made were really to look at aligning Alberta's coverage a little bit better with other Canadian jurisdictions and help maintain, be fiscally responsible . . .

Member Irwin: We could just be a leader. Could just be a world leader.

Member LaGrange: If the member wants to heckle me, perhaps she could do it during her own time, but if she wants me to answer the questions, I think she needs to allow me the opportunity to answer those questions.

The changes, as I said, we're making are to better align. We'll continue to invest in core health care spending, including access to hospitals and strengthening primary health care so all Albertans can access care when and where they need it. We have to also make sure that we are able to defend what we're spending those dollars on. Changes that were implemented to optometry services covered under the schedule of optometric benefits helps maintain a fiscally responsible health care system. We want to make sure that that's there for not just us but for our children and our grandchildren.

Coverage for one complete eye exam each year for every child and senior is available, and medically necessary eye care for Albertans of all ages continues to be covered. That has not changed. They're going to have access to one complete medical exam, and we will continue to make sure that if there's an issue, it's addressed. The coverage and rates for all other optometric benefits remain unchanged. Coverage for one complete eye exam, as I said, each year for children and seniors and medically necessary eye care for Albertans of all ages is continued and will continue.

With that, I'm going to move over to the next item, which is the national pharmacare. I just want to mention, for the member that erroneously said that we continue to fight with the federal government, that, in fact, I've been able to sign three bilateral agreements with the federal government: one on shared priorities, one on aging with dignity, and one on rare diseases. We continue to consult and work with the federal government on the pharmacare. We recognize that there are nation-wide concerns about gaps in drug coverage and the sustainability of public drugs. The federal government has yet to share its vision for the future of national pharmacare beyond coverage for contraceptives and diabetes medications and how pharmacare will be financially supported in the long term.

We're looking to make sure that we have a very robust pharmacare system here in Alberta, where we provide much-needed drugs, over 5,000, to Albertans. We want to make sure that we are able to add to those, that we are in fact being able to provide those

to our seniors and most vulnerable and make sure that it's a sustainable program. So I have formally written to the federal Minister of Health to indicate that Alberta will not participate in bilateral agreement discussions in regard to national pharmacare but expect to receive our fair share of the funding without conditions and that we're willing to work with the government to make sure that we are able to enhance those programs, those comprehensive pharmacare programs that we already have in Alberta. I'm awaiting a response letter from the federal minister. As I've said, I've been able to work very effectively with the federal minister, and I look forward to further discussions on this.

Let's move on to the next question because I think I'm running out of time very quickly here. The next question is around women's health. You know, again, I am so proud of our government and the focus that we're putting on women's health in this province. We recognized a need, and we dedicated funding. Not only had we promised $10 million, but we actually expanded that to $20 million because we know there's a bigger need. There has been a lack of women's health research, advocacy, and clinical care. You know, I believe I'm only the fifth-ever female Minister of Health since 1905. I have a keen interest in this. I have seven children and eight grandchildren.

The Chair: Thank you so much, Minister.

We'll move over to the government side. I see Mr. Lunty is ready for his questions. Shared or block time?

Mr. Lunty: It sounds like we're doing block, so we'll stick with that.

The Chair: Okay. All right. Let's proceed.

Mr. Lunty: Well, thank you, Madam Chair. Thank you, Minister and support staff, for all the amazing and hard work you do. I think it's fair, and most of my colleagues would agree, that this is always an issue of great importance to our constituents. So I just want to make sure we extend our thanks.

I do have a question about MAPS, page 76, but, more importantly, before I dive into that, it's really important for any front-line health care workers listening from my riding and across the province: thank you so much for your tremendous service to our communities. I've had a chance to tour the Leduc hospital numerous times. I've spoken to the doctors and the nurses there. I actually like speaking to the doctors and the nurses more than the administrators, and they'll often tell you what's really going on. You can see how much they care, how passionate they are, and I've been able to talk to them about what our vision is, and we've certainly come to agreement, maybe not in everything, but we certainly agree on the focus on outcomes is so important. So I wanted to pass that along from the front-line workers in my riding and how they're looking forward to contributing to that.

I did mention I did want to start my questioning on MAPS. Budget 2025 is a continuing implementation of the modernizing Alberta's primary health care system or MAPS initiative. I understand that the initiative is aimed at strengthening primary health care in Alberta, ensuring timely and consistent access to health care professionals and services. On page 76 of the business plan, we see MAPS continuing the work of modernizing Alberta's primary health care system by implementing an alternative compensation model for family physicians and nurse practitioners and partnering with First Nations, Métis, and Inuit health leaders on programs for their communities, so I would like to focus this question on MAPS and Indigenous MAPS initiatives. Of course, as always, important to go through the chair, so through the chair to the minister: can the minister please update this committee on the progress of modernizing Alberta's primary health care system? Additionally, through the chair, could the minister talk about what specific investments are being made to support these initiatives in '25-26. I've also had a chance to visit one of the primary care groups in Leduc, and I know they're very interested in hearing from the minister on this.

I would like to ask some additional questions. I know, Minister, that I think you might have mentioned this briefly, so I did want to give you the opportunity to maybe expand a little bit on the physician compensation development. Of course, I'm referencing the government of Alberta estimates for '25-26 on page 109, line item 3 goes over physician compensation and development. In December 2024 Alberta announced plans to implement a new primary care physician compensation model for family medicine and rural generalist physicians. I'm given to understand the intent of this model is to make family doctors and rural generalists the highest paid in the country.

I do have three questions that I will, again, be going through the chair to ask the minister. Can the minister please update this committee on the development and investments being made to Alberta's physicians regarding compensation?

The second question I'd like to ask is: how does Alberta physician compensation rank amongst other provinces? I think that's something that's important to consider. We know there are recruitment and retention challenges that we share with many of our neighbours across Canada, so I do think that that's important to consider, where we stand in that regard.

And, if I may, again through the chair, I would like to ask a third question on this. Through Budget 2025, what percentage or proportion of the Health budget is dedicated to physician compensation?

11:20

I think this is, again, a really key discussion. Constituents want access to family doctors. They want to access these primary care services. I think it's really important that we focus on that and that we get to hear from the minister on these two key pieces.

Through the chair, I look forward to hearing your responses. Thank you, Minister.

The Chair: Thank you.

Minister, please proceed.

Member LaGrange: Thank you, Chair, and thank you to the member for the question. I echo the member's comments on our great health care staff. They're just doing a tremendous job. With increased numbers, et cetera, as I've indicated before, they are rising to the occasion. They are making sure that they put patients first, and that's always key. They're also taking part in one of the largest engagement sessions that we've ever had in Alberta government history on the refocusing. They took part last year in person as well as online surveys as well as town halls. I also know that they're continuing to do that. We are going back out to the front lines and making sure that we hear from not just everyday Albertans but the health workforce. I really appreciate all that we're getting from them.

I can also share that they're continuing to engage with the new CEO of AHS in his town halls. It started just a few weeks ago with 3,000 people. The one after that was 4,000 people. Just this past week he had over 5,500 people on a telephone town hall, mostly health care workers that want to engage on improving our health care system. I think that's amazing.

We get back to the questions in terms of MAPS. In the 2025 budget we are reaffirming our commitment to improving access to

primary care by continuing to implement the recommendations from the MAPS reports through a phased approach. This includes investing $50 million in MAPS-related initiatives such as supporting Indigenous antiracism efforts within the health care system. We're also continuing payments through the panel management support program to help primary care providers manage an increasing patient load. Additionally, we're investing $20 million in the nurse practitioner primary care program, which will enable nurse practitioners to open their own clinics and expand access to care. These investments are key steps in strengthening primary care and making it more accessible to everyone.

I can tell you that the nurse practitioner program, in particular, is really exciting. We had over 130 nurses apply, of which over 90 put their applications in. I believe over 46 are currently practising. More to come on that. At the postsecondary level we saw, for the 50 spots that were available through the U of A, that in fact over a thousand nurses applied to get into those 50 spots. So we're looking at: how can we expand those programs so we can have more nurse practitioners working out there? More to come on that.

Alberta Health is focused on improving culturally safe health care for First Nations, Métis, and Inuit people through a variety of initiatives. That's why we had the Indigenous MAPS as well. These include the Indigenous implementation panel and a $13.5 million investment in the Indigenous alternative relationship plan. Health priorities are also guided by the First Nations and Métis settlements health advisory committees, while partnerships with groups like the Blackfoot Confederacy and the Métis Nation of Alberta work to address health disparities. Services such as Indigenous patient navigation and the Indigenous support line further promote health quality. We're seeing some really good things happening there.

To enhance primary health care access Alberta Health has launched the Indigenous primary health care innovation fund, which supports Indigenous-led initiatives aimed at improving health care for First Nations, Métis, and Inuit people. The fund will provide seed money to develop culturally safe programs that focus on health equity, combat Indigenous racism, and help build a culturally competent workforce. Additionally, $2.6 million will be invested in the Indigenous patient navigator program to assist Indigenous patients in overcoming barriers and improving care co-ordination. I'm hearing really, really good things about that program and excited to see how that improves as time goes on.

What specific investments are being made to support these initiatives? I touched on a number of them earlier but want to highlight that the Budget 2025 capital plan also includes $20 million over three years to support the planning and future development of primary care centres in rural, remote, and Indigenous communities, ensuring improved access to health care where it's needed most.

On the physician compensation: I'm running out of time, so I think I may have to really look at addressing that in the next round of questions, but excellent question. That is going to reap dividends from the work that we did with the Alberta Medical Association. Even though it was off the negotiation cycle, we knew there was a problem with the funding for family medicine, and we knew we had to address it, and that's why we addressed it through the new primary care compensation model. We are excited to see the number of doctors that are already registering.

The Chair: Thank you so much, Minister.

Now we're going to go to the Official Opposition. Please proceed with your questions.

Dr. Metz: Thank you very much, Madam Chair. First, I would like to try to understand some of the differences in the line items in the 2024 budget amounts on the current year estimates as compared to what they were when we got the estimates document for '24-25. I wonder if these are errors that perhaps are due to chaos in the health care system by breaking it up into many different entities, moving people and services around, but it does make it very challenging to understand what the real changes are and how different items may be allocated to different places within the budget. I'm hoping the minister can provide clarification as to why these differences exist.

I'm going to give clear examples. Under the operating expenses in the '25-26 estimates document, the line item, this is for the strategic corporate support. Line item 1.3 on page 109 states that the '24-25 budget was $61,706,000, whereas when we look at that document that we were given last year, it was $58.021 million. This is about $3 million lower than what we're seeing here was the estimate. I'm wondering what happened maybe over the year to account for that. This is quite a big change. Then, on top of that, as we've already heard, there's $17 million more going towards that line item, but it's, you know, a greater difference than is even reflected in this budget. What exactly are the various consulting firms tasked with doing, or if these are staff, what will they be doing in the ministry that we're going to be getting for this money?

Restructuring is really not putting money into front-line care, and so what are we getting for this? Certainly planning is needed, but it's going on and on and on. Can we actually see what the ministry plans are? Can the minister describe, perhaps, the working groups or departments and what they will do within Alberta Health? Who is moving over from Alberta Health Services to Alberta Health, and what are their new jobs? Are they the right people? Are they going to be starting at the bottom of the pecking order all again even though, perhaps, they have considerable expertise that they bring to the team? Will things like quality improvement be brought into Alberta Health? How about workforce planning? It would be really good to know what we're getting for the money and, of course, as I noted: why is that line item different?

Most of the budget line items in Acute Care, which is item 2 on page 109, have been collapsed, and so we can't really compare what happened last year to what happened this year. The item here, again, doesn't reflect any combination of previous line items that I can figure out, so I'd like to know where that '24-25 budget estimate line item actually comes from.

In addition, the amounts for emergency health services and for diagnostic and therapeutic services on page 109 also differ from what was listed in the estimates document from last year, so I would like to get a better understanding of what that is. We also see under Primary Care that the '24-25 budget item listed here says that the estimate was $13,171,000, but in the last document it was $10,806,000. What changed? What does that comprise?

Primary Care under item 5.2 is different, and then Primary Care Alberta is a new line item. Where did that come from? Can we have a description of what that is supposed to be?

11:30

The funding that is meant for the primary care networks, is any of that actually going elsewhere to support administration in primary care, or are we seeing more funding going right into the primary care networks? That is the 5.2 line item. I'm concerned that the item is decreasing and wondering why that is the case.

On the same page, under population and public health, program support was previously listed as over $30 million. That was in the '24-25 estimates document. Here it is now down to $21 million. I'm wondering what changed there as we really would like to . . .

The Chair: Thank you so much, Member. We'll go to the minister for her response.

Member LaGrange: Well, thank you to the member for the questions. I'm glad to see she's taken a keen interest in refocusing because it is certainly something that we heard from Albertans, that they wanted a more effective, efficient health care system that actually is truly responsive to the needs of Albertans. As I said earlier, record numbers of Albertans, health care workers, have come out to say the current system isn't working. It's why we took a different approach. When we also add in the additional engagement, not just the engagement on the refocusing but the engagement that we did on the MAPS, modernizing Alberta's primary care system, the Indigenous MAPS, as well as the continuing care engagement sessions that were done, everyone but everyone was saying: we need to have a different system, something that is more responsive, something that actually makes sense.

Recovery Alberta has been further along the continuum. Mental Health and Addictions: when I look at Mental Health and Addictions, when they first started, they had a budget of roughly $50 million. When we looked at how much was being allocated for Mental Health and Addictions, it was about $750 million. Now their budget is over $1.4 billion. We know that as we refocus the health care system, we're identifying gaps in service delivery and responding to those gaps as the government. I'm really, really proud of that.

What the member was talking about was a lot of restatements. Of course, under a refocused health care system AHS no longer will have control of all of the budget that they had before. Now it will be going into Primary Care; it is going into Recovery Alberta; it is going into assisted living Alberta under the sector ministers that are responsible for those. Of course, Acute Care Alberta will be overseeing Alberta Health Services, Covenant Health, chartered surgical facilities, Lamont Health, and we will make sure that AHS is resourced appropriately.

I'm going to turn it over to Christine Sewell to explain the numbers that you have asked for.

Ms Sewell: Thank you, Minister. If I could, I might just draw attention to the preface in the estimates documents. On page ii there's a budget presentation and government organization methodology note. We do present our budget documents in alignment with the Public Sector Accounting Board standards and guidance. This budget presentation methodology reflects the province's organization of the ministries as of February 27, 2025. This includes program and organization structure changes that are implemented.

In past budgets comparable amounts presented in these estimates may not match amounts originally presented in the 2024 documents that were tabled February 29, 2024. Those differences are a result of the adjustments applied to maintain comparability of the previous amounts with the '25-26. We make the comparable restatements in alignment with the Public Sector Accounting Standards so that we can compare the '24-25 to the '25-26 on a new basis of presentation and on the new organization to see the year-over-year changes in the '25-26. That is why they may not match if you pull the published document from '24-25 and go check those line items. Those are the comparable restatements to reflect our structure, so you can reliably compare '24-25 to '25-26 if you just look at the '25-26 estimates and not the '24-25.

Member LaGrange: Thank you, Christine.

Just to further clarify, when we look at what the overall spending for Health is for the '25-26 year, it's actually closer to $28 billion: $22.1 billion for Alberta Health, $1.7 billion for Mental Health and Addiction or Recovery Alberta, and $3.8 billion for Seniors, Community and Social Services, that is overseeing the assisted living Alberta portion. Again, it's a very strong investment in health care in this province.

I'll also ask Matt Hebert, who's been working on the transfer of staff to make sure that we get the right staff in the right agencies, the right pillars, if he could come and speak to it, although I see only 25 seconds. Go ahead, Matt.

Mr. Hebert: Thank you, Minister. Just to be clear, any moves of unionized staff from Alberta Health Services to a provincial health agency occur under the provisions in the Provincial Health Agencies Act that address the transfers of staff and programs. Additionally, for unionized staff their transfers and provisions around the protection of their pay, their benefits, and other terms are addressed through an MOU signed between AHS and the unions.

The Chair: Thank you so much.

Now, the speaking time for this next segment is a total of five minutes rather than the regular 10 minutes due to the break agreement. To clarify, it's five minutes total time for both questions and answers.

Please proceed, Member.

Mr. Lunty: Thank you, Madam Chair, for that clarification. For those keeping track of the clock at home, this is a reflection of the political theatre that was Bathroomgate earlier. In respect of our decreased time, Minister, through the chair, I did want to give you the opportunity to talk a little bit more about physician compensation. I think you were about to provide us with some detailed answers. I know it's a very, very important topic, and we're very interested in hearing about it.

I'll recap very quickly. Through the chair can the minister please update this committee on the development and investments being made to Alberta's physicians regarding compensation? How does Alberta physician compensation rank amongst other provinces? Through Budget 2025 what percentage or proportion of the Health budget is dedicated to physician compensation?

I look forward to hearing from you. Thanks, Minister.

Member LaGrange: Thank you. To answer those questions, you're absolutely right. We are making record investments in physician compensation. But first I want to start by saying how much we really value our physicians, the contributions they make. We can't say enough good things about them. Budget 2025 includes $7.1 billion in fiscal '25-26 for spending on physician compensation and development. That will increase to $8.3 billion for fiscal '27-28. This compares to a number of years ago when it was only at $5.2 billion. You can see that we're making record investments.

In December 2024 Alberta announced plans to implement a new primary care compensation model, or PCCM, for family medicine and rural generalist positions on April 1, 2025. The new model will make Alberta family doctors and rural generalist physicians the strongest paid and most patient-focused in the country. In conjunction with the new PCCM we are increasing compensation for family physicians under alternative relationship plans to ensure that the important services provided by family medicine specialists in hospitals are also maintained.

Recent funding commitments also include $200 million over two years for primary care stabilization, which is in addition to the $780 million in new investments that were negotiated as part of the Alberta Medical Association agreement to stabilize the health care system and keep Alberta physicians' compensation among the highest rate in Canada. Among all comparable provinces, including Ontario, B.C., Manitoba, and Saskatchewan, Alberta's physicians

are among the highest paid in terms of the average gross clinical payment per FTE for all specialists combined from fiscal year 2014-2015 to '22-23. Also, roughly one third of all health spending in Alberta is dedicated to physician compensation.

11:40

Why we believe this is really important is because we know that physicians are integral to making sure that we have a healthy province, healthy Albertans, that, in fact, as I said earlier, primary care is foundational to making sure that people stay out of hospital. When we have a strong primary care health system, led in part by excellent family physicians and rural generalists who are there to see their patients day in and day out, we will make sure that fewer people are going to our acute-care systems and ensure that they are being able to get the services that they need through their family physicians.

When we look at how strong our primary care networks are and how we can actually enhance those primary care networks across the province, right now we have roughly about 600,000 people that need a primary care provider. This new primary care compensation model, working in conjunction with the changes that we've made to the nurse practitioner program, where they are also able to have independent practice, will see more and more Albertans who are unattached having a primary care home. Once they have a primary care home, they will be able to access more services. They're going to be healthier.

We have to focus on wellness, not just on what's been focused on in the past, which is, you know, every door leading to the emergency room. We don't want that. We want every door to lead to a primary care provider that has a long-term relationship with their patient and can really help guide them throughout their whole life and their family's life.

The Chair: Thank you so much, Minister.

Now back to the member.

Dr. Metz: Thank you very much. I appreciate the explanation that the changes follow accounting practices. I still don't have a good understanding of what the actual programs are that changed.

Taking that into account, there is item 7 on page 110 of the estimates, which is a new item in the estimates document for Indigenous health. Given that we see an enormous decrease in funding, this looks very grim for Indigenous people. Even though it was not in last year's estimates document, the amount of decrease for Indigenous health is over 50 per cent in line item 7.2. When we consider that Indigenous people die about two decades earlier and that infant mortality is almost double, I would appreciate understanding why we're doing such a poor job here, apparently, of funding Indigenous health.

I also would like to ask a question about item 10.1, which is planning initiatives for the capital program. Based on other announcements that have been made, it appears that is for planning of privately funded urgent care centres. I'm hoping that the minister can explain why Albertans are paying for planning of private health services.

I now want to come back to something different, which is the issue of immunoglobulin reductions. I'm wondering if there are new comparable medical options or if this is simply a budget cut, that we need to save some money, so we will buy less immunoglobulin. What are the consequences of this? How does this relate to the previous privatization of plasma collection in Alberta? Does that relate to the cost, part of the massively increased cost of IVIG, which is derived from plasma? This government allowed private plasma for pay in 2021. We knew the cost would go up, and of course we're seeing that here. Is this going to result in reduced access for Albertans due to this increased cost due to privatization? As we see all the time with privatization, you need a profit built in there. So that seems to be the consequence, and it's one of the longer term consequences, but seeing it reflected in this budget.

I'm also very concerned about the concept of getting rid of items. As we've heard about optometry for one, the pharmacy cutbacks another, I would like to remind this government that many of the things covered in Alberta were because we were once a leader in providing health care. And I don't mean providing new services that were extra, but research was done to show that if we provided them in a different way, we could provide better, cheaper care. Therefore, we had line items that were to different players. That is going to be one of the things we need to face as we go forward in the future of health care, to spread the work out.

I know I've heard the minister speak to this, talking about the role of pharmacists. But if we're not going to pay these other providers, we're going to download these services back to the highest paid providers, ophthalmologists and other physicians. Simply looking for items in the fee schedule that are different is really counterproductive to having a sustainable, high-quality health system.

We saw similar changes in 2019, when Tyler Shandro eliminated a number of physician billing codes. Allowing radiologists to bill to read X-rays ordered by physiotherapists was no longer allowed. That had been work done in Alberta to show that it eliminated the need for that patient to go have a physician visit so that the physician name was on the billing code on the fee. I think that when we're innovated and then we wipe out our innovations, we're seeing a reflection of increased costs.

I'm very happy . . .

The Chair: Thank you, Member.

Member LaGrange: Thank you to the member for the question. I'd also like to remind the member that when their government was in power a number of years ago, they supported independent, private chartered surgical facilities to the tune of 40,000 surgeries per year because they saw them as innovative and being able to add to the capacity. Those are publicly funded surgeries that are being provided by independents, and they saw them as value. I find it ironic that they would now no longer see the value of those.

I also want to draw to the member opposite's attention that, you know, when the Canada Health Act first started a number of years ago, quite a number of years ago, there used to be roughly about a 50-50 split with provinces on the overall cost of health care in the province. Right now we get roughly about $6.5 billion from the federal government. As I said earlier, we're spending roughly about $28 billion in health care in the province, so it behooves us to make sure that we are absolutely getting good value for money, that we are in fact looking at every line item, that we are in fact making sure that we have an effective, efficient health care system that responds to the needs of Albertans and that is not here just for now but for the future, for our children, for our grandchildren.

That is exactly what we're doing. It's why we're doing the refocusing. It's why we are making sure that we are putting the dollars where they're most needed and also making sure that we have an emphasis on primary care to keep people out of hospital, to keep them well, to have early intervention and adding more diagnostics, adding more surgeries, making sure that they're done in clinically approved times. We want to make sure everybody who needs a surgery is done within – that 100 per cent of those surgeries are done within clinically approved times so that people don't have

to go out of province or out of country to have those surgeries. We need to get to that point, Madam Chair.

I'm also going to now turn it over to Christine, who's going to speak to the programs, because the member was confused on the programs that are provided. Go ahead.

Ms Sewell: Thank you, Minister. I'll just highlight the changes from the estimates structure to give a little bit more of that detail on which programs had changed. If we look at our '24-25 estimates, element 2.1, continuing care, was transferred to Seniors, Community and Social Services. Element 2.2, which was formerly community care: a large majority of that funding was also transferred to Seniors, Community and Social Services, and the remaining funds were redistributed between Acute Care Alberta and Primary Care Alberta. An example of some of the funding that was in community care that didn't transfer to Seniors, Community and Social Services was urgent care centres. As a result, then urgent care centres become part of our Acute Care budget.

11:50

Moving to element 2.7, that moved to program 6. Program 6 was renamed. We had reallocated elements 2.8, 2.9, and 2.10 to Acute Care, Primary Care, and assisted living Alberta, which is under Seniors, Community and Social Services.

Moving to element 5, we had primary health care. We've added a new primary health care element. The budget dollars that you see reported there were reallocated from elements 2.4 through 2.10 from our prior year estimates.

We had the population and public health program structure. Under the program support we've moved salaries, wages, and benefits for the audit compliance and assurance unit to element 1.3, ministry support services, and we've also moved the Indigenous health program support to new element 7.1. Looking at element 6.4 that was there for children's health services, that's moved to program 8. And then in our new structure element 6.3 is protection, prevention, and wellness and reflects just items that are under the population and public health structure. We also moved the new element 6.4, cancer research. We moved that up. And then the health innovation that was 6.5 is now moved to program 8.

Moving on to our structure that had continuing care, we have transferred the majority of these programs to Seniors, Community and Social Services. Our new program 7 is now identified as Indigenous health. I touched on where some of those dollars had come from. We transferred 7.1, program support, and 7.2, continuing care programs, and the other programs that were here, 7.3 and . . .

The Chair: That's our time. Thank you so much.

Back over to the government side. Please proceed, Member McDougall.

Mr. McDougall: Thank you very much. My constituents and certainly myself, I would say most Albertans have a lot of serious concerns about how the current issues with the U.S. tariffs, et cetera, are going to affect the supply and price of everything. There are so many areas where our integrated economies supply things to each other, and if you look at why such trade relationships exist, it's generally because if we're buying things from the United States, for example, we can get these things better quality or at cheaper prices. That's why that happens. There are many areas within trade that people haven't even thought about, you know, how we access and how it might impact. One of the things I'm concerned about is the supply and cost of pharmaceuticals. People are wondering: what will be the impact of cost of these such products for them, for the taxpayer, if there are any changes to that.

I'm interested in what the government of Alberta is doing to ensure that we have accessible and affordable pharmaceuticals. On that point, I notice on page 108 of the fiscal plan there is approximately $61 million allocated towards a central drug production facility in Calgary. I believe there's already an existing one in Edmonton. I would like to focus the question on the details of this funding, including the cost and impact to our drug supply of this type of facility. Would the minister please tell us how much this central drug production facility is expected to cost in total when it's complete, and can the minister update as to when the central drug production facility will be expected to be operational? Can the minister please give us some details on how this facility will impact the drug supply and prices in Alberta? What kind of drugs will be produced by this facility, and how will this drug production facility improve Alberta's health care system overall?

We've talked a lot about surgery delays today. It's certainly something that is key and on top of mind for myself but certainly my constituents. It's probably one of the key things that I hear every day in our consistency office. Budget '25 is making strategic investments to reduce wait times further. One of the investments is highlighted on page 108 of the fiscal plan with $243 million over three years invested for the medical device reprocessing upgrades program. I would like to know more about how this investment would work to impact Alberta's surgical capacity.

Can the minister explain how many additional dollars are going to go into the medical device reprocessing upgrades program? My understanding is that this is primarily related to facilities responsible for cleaning and sterilizing medical instruments. Can the minister explain which facility these funds are going to go towards and how this will affect the performance of front-line health care professionals? Overall, how do we expect this to impact on Alberta's surgical capacity?

Finally, I'd like to focus a bit on acute care, especially regarding the investment in Budget '25. As noted already, emergency department and surgery wait times are pressing concerns for many of us. I also know that front-line professionals regularly experience burnout. Budget 2025 contains a number of measures to address these issues, but I want to hit on acute care specifically. Page 109 of the main estimates document shows the 2025 estimate of almost $8 billion. This is up from approximately $7.6 billion in the previous year. It's a considerable increase, and I would like to know more about how this will reduce wait times and burnout among health care professionals. Can the minister describe what this increase being made through Budget '25 will go towards? How will this increase affect front-line health care professionals, and how will this reduce emergency department and surgery wait times?

Thank you.

The Chair: All right. Thank you, Member. We'll move back over now to the minister for her response.

Member LaGrange: Thank you. Budget 2025 approves $61 million over three years towards a total of $140 million for the design and construction of a drug production and distribution centre, as you rightly said. That is in Calgary, will be in Calgary. The overall cost of that is to expected to be $140 million. All the planning work, including functional programming, is complete, so once budget is passed, the schematic design will commence.

This project is expected to take approximately five years to design and construct. It is too early to confirm when the facility operational date will be, but, you know, once we are able to finalize the site selection and do all of that schematic, et cetera, we'll have a better understanding of when, in fact, it will be complete.

The facility will provide centralized production and distribution of pharmaceuticals to support publicly funded health programs and services across Calgary and southern corridors. We do have one in Edmonton, as you rightly noted. The project will support standardization of sterile manufacturing to enhance staff and patient safety. The project will improve drug supply by increasing the number of medications compounded and packaged centrally in a high-quality, ready-to-administer, and patient-specific unit-dose format, maximizing the consolidation of automation, technology, inventory, and resources, ensuring equitable access to safe, high-quality medications and pharmacy services, and providing capacity based on forecasted demand from population growth.

Really important given our tenuous times right now to make sure that we have supply within our own province, so the facility will provide centralized production and distribution for a full range of medications to support publicly funded health programs, as I said earlier, across Calgary and southern corridors. The facility will produce and distribute the following: medications that are not in ready-to-administer form and require repackaging, including reducing bulk creams, ointments, oral liquids into smaller portions, repackaging tablets into unit-dose packages, and applying specialty labels. It will also compound medications that are not available commercially. Examples: sterile compounding, high-use hazardous, et cetera, and nonsterile compounding, and also patient-specific dispensing such as interim doses and refill cycles for continuing care and acute-care patients.

The facility will also assist with inventory management and inventory replenishment of pharmacy operation stock, patient care, area ward stock, and narcotics and controlled substances.

Will this drug protection facility improve Alberta's health care system overall? The simple answer is yes, since I only have a couple seconds left to go. It absolutely will, and it'll provide to an integrated system of care.

The Chair: Thank you so much, Minister. I apologize for the interruption, but I must advise the committee that the time allotted for this portion of consideration of the ministry's estimates has concluded. I'd like to remind committee members that we are scheduled to meet this afternoon at 3:30 p.m. to continue our consideration of the estimates of the Ministry of Health. Enjoy the rest of your afternoon.

[The committee adjourned at 12 p.m.]

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