



A Framework for

# Reform

Report of the Premier's Advisory Council on Health  
December, 2001

## Premier's Advisory Council on Health for Alberta

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December 2001

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**Dear Premier;**

As members of your Advisory Council on Health, we are pleased to provide our report on a framework for reforming Alberta's health system.

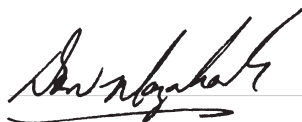
This report is a culmination of months of work by Council members - listening to presentations, reviewing various reports, examining trends and ideas from other places around the world, and finally, putting together our ideas and recommendations for reform.

As noted in our report, we have concluded that Alberta's health system is not sustainable unless we are prepared to make major changes in how we fund and deliver health services. The answer doesn't lie in further rationing services to Albertans. Instead, we strongly believe the answer lies in examining new ways of funding the health system, opening up more opportunities for health authorities, doctors, nurses and health care providers to deliver services in new and innovative ways, putting the patient first and giving Albertans more control and more responsibility for their own health. First and foremost, we believe the best long-term answer lies in encouraging Albertans to stay healthy and well.

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Alberta has an opportunity to lead the country in health reform and to make the health sector a key driver in the province's economy. We encourage you and all Albertans to review and discuss the package of recommendations we have proposed. But more importantly, we encourage you to take action. There are many positive features in Alberta's health system today. The challenge is to build on those strengths, take action, and secure a strong foundation for the future.



Right Hon.  
Don Mazankowski, P.C., O.C.



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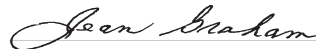
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The Opportunity for People and Communities to Improve Their Own Health

# Highlights

In the months since the Council began its work, we have learned a great deal about Alberta's health system. It's safe to say we have been thoroughly immersed, and sometimes overwhelmed, by information, ideas, questions, and challenges.

Alberta's health system is complex and diverse. It's an interwoven web where decisions or actions in one part of the system have a profound effect on others. It's wrapped up with emotional debates, dedicated professionals, long-standing traditions, old biases clashing with brand new ideas. And because it potentially affects all of us at some time in our lives, we can't look at it dispassionately.

In the midst of the debate and discussion, we should not forget that there is much to be proud of in Alberta's health system. It is staffed and led by dedicated and outstanding health providers and administrators. We have some of the best health authorities in the country. We provide leading edge treatments and technologies. Alberta is known as a national and international leader in health research. People who receive care rate it highly. There are thousands of babies born, surgeries performed, home care visits provided to older people in their homes, immunizations, visits to doctors, and inspections of restaurants each and every day.

At the same time, there are some clear challenges to address.

Many have suggested - and the Council agrees - that without fundamental changes in how we pay for health services, the current health system is not sustainable. Spending on health is crowding out other important areas like education, infrastructure, social services or security. If health spending trends don't change, by 2008 we could be spending half of the province's program budget on health. We do not believe that is acceptable. On top of that, demands for health care services are increasing and costs are

going up. If there are new cures or new treatments, we want them all, even though having them all is driving up costs at a rate we simply can't afford. Provincial and federal governments are scrambling to keep pace with every new treatment, technology or drug that comes on the market.

If we restrict ourselves to a system where all the funding comes from provincial and federal taxes we have little choice but to ration services — and Albertans deserve better. We can't sustain a system where people are told: these services or treatments are available, they will diagnose health problems, cure illnesses, and make your life better, but they cost too much so you can't have them.

In spite of dramatic funding increases in the past few years, access continues to be a problem. Waiting times are too long for many procedures and this causes Albertans to worry about whether the health system will be there when they need it.

There are serious shortages of health providers. And those who work in the system are frustrated, demoralized and pessimistic about the future of their profession in the current environment.

There are serious flaws in the way the system is organized. It operates as an unregulated monopoly where the province acts as insurer, provider and evaluator of health services. There's little choice or competition. The focus is more on hospitals and health providers and less on people who need health services. As Albertans, we have little choice but to go where the public health system points us and wait in line if we need to.

In face of these challenges, the Council believes that Albertans have an opportunity to lead the country in true health reform. We have a well-earned reputation for tackling tough challenges, trying new approaches, and leading the way. Health is no exception.

There is no reason why we can't open up the system, seize new opportunities, and take advantage of new approaches. But to do that, we need to put all the ideas on the table and be prepared to debate the real pros and cons not just rehash the rhetoric of old arguments.

It's in that vein that the Council has prepared its first report. It tackles issues like sustainability, improving access and most importantly, improving the overall health of Albertans. It sets a clear goal for what we want to achieve, recommends some important steps to be taken, sets out fundamental changes in how we should organize and deliver health services, puts a strong emphasis on quality, and outlines options for deciding how we pay for the future of Alberta's health system.

## Key themes

There are some key messages Albertans can take from this first report from the Premier's Advisory Council on Health.

- This report is not about quick fixes. We're looking at the best ways to sustain the system over the longer term not necessarily to reduce costs in the short term. Nor is our report about broad general ideas or approaches. It provides practical ideas and solutions to address problems and ensure sustainability of the health system for years to come.
- Our approach is built on the fundamental assumption that all Albertans should have fair and equitable access to health services. No one should be denied access to essential health services because they are unable to pay.
- The best long-term strategy for sustaining the health system is to encourage people to stay healthy. If we rely on simply treating people when they get sick, the increasing costs of new treatments and technology could bankrupt the system.
- The answer doesn't lie in rationing health care services. People are concerned about access and rightly so. All Albertans should have access to the very best health care when they need it. And it should be available to everyone on equitable terms.
- We need to extract maximum value for every dollar spent on health care. That's critical. But those measures alone will not be sufficient to match increasing demands and costs in the health care system.
- The burden of health care on the tax system is growing and will continue to grow with new treatments, new cures, new drugs and growing demands. We know what we want from the health system. Now we need to explore new ways of paying for it.
- It's time to think carefully about what can and should be covered by Medicare. The system was never designed to cover all aspects of health services, but people have come to expect that it will - and at no cost to individuals.
- We can't regulate to perfection. It's time to open up the system, take the shackles off, allow health authorities to try new ideas, encourage competition and choice, and see what works and what doesn't.
- We need to develop a patient-oriented system that encourages empowerment, accountability, and continuous quality improvement.
- We don't have to choose between the status quo and American-style, Swedish-style or United Kingdom-style health care. We can and we must create our own alternative - one that preserves the best of what we have but also makes sure we can sustain it for the future.

## Recommendations for reform

### 1. The first reform is to stay healthy.

Research has become a powerful tool in showing the tremendous opportunity to improve health by taking action on broad determinants of health such as education and income and various lifestyle factors that affect health. Making healthier choices can significantly reduce the incidence of heart disease, strokes, high blood pressure, type 2 diabetes and several forms of cancer. This emphasis on staying healthy is at the heart of the Council's recommendations.

Specific recommendations focus on:

- making a strong commitment to the education of children and youth
- supporting children who live in poverty
- setting clear health objectives and targets for the next ten years
- providing Albertans with better information about how to stay healthy
- taking the lead in updating Canada's food guide
- strengthening health education in schools
- providing better incentives for people to stay healthy
- strengthening support for actions to reduce tobacco use.

### 2. It's time to put "customers" first.

It's time to shift the focus from hospitals and health care providers to individual Albertans who use and count on the health system.

Key recommendations include:

- providing all Albertans with a 90 day guarantee of access to selected health services
- reducing waiting times by introducing centralized booking, posting waiting times for selected procedures on a website, and allowing people to access services from any physician or hospital
- providing Albertans with more choice in the health care services they receive and where they receive them
- implementing new models of care like comprehensive primary health care and disease management approaches.

### 3. Redefine what we mean by "comprehensiveness."

Medicare was never designed to cover the full range of health services, treatments, drugs and technologies available today or envisioned for the future. If we want to make sure there is access to the best treatments available, we are going to have to make some choices about what services are covered and what services are not. Services that are not approved as insured services could be paid for by individuals or through supplementary insurance.

To make decisions on which services will be insured, Council recommends:

- Establishing an expert panel to review categories of services currently insured and decide if they should continue to be covered.
- Giving the expert panel ongoing responsibility for establishing criteria and determining whether each new treatment, service, or drug should be approved as an insured service.

### 4. Invest in technology and establish an electronic health record.

The lack of good information is a serious impediment in Alberta's health system. It means we can't track results, answer basic questions, or gather evidence about whether new approaches are effective or not. We also have no effective mechanisms in place for people to use in monitoring their own use of the health system or raising awareness about the costs of health care services.

Specific recommendations include:

- Developing and implementing an electronic health record
- Starting with a debit-style electronic health card to track and improve outcomes in health, allow individuals to track their own use of health services and the costs involved, and provide the essential tools if further steps are taken to introduce new approaches to funding health services. This essential first step would allow Albertans to see the cost of the health services they use and get regular reports on their use of the health system.



- Providing long term funding for technology and information technology systems
- Setting province-wide standards for information technology
- Continuing to support the work of the Alberta Heritage Foundation for Medical Research in assessing new technology.

## 5. Re-configure the health system and encourage more choice, more competition and more accountability.

It's time to open up the health system. If we're going to have regional health authorities - and we should - then they should have the mandate and the tools to do the job and be held accountable if they don't achieve the expected results.

Recommendations include:

- Setting clear and distinct responsibilities for government and regional health authorities
- Establishing multi-year contracts between the province and health authorities setting out performance targets to be achieved and budgets to be provided
- Facilitating cooperation among regional health authorities and using performance contracts to assess the effectiveness and viability of regions
- Encouraging health authorities to establish service agreements with a wide variety of providers including other regions, clinics, private or not-for-profit providers or facilities, and groups of health providers
- Encouraging health authorities to develop centres of specialization
- Implementing new models of care
- Encouraging an innovative blend of public, private and not-for-profit organizations and facilities to deliver health care services
- Encouraging groups of health care providers to establish "care groups" and offer a range of services to health authorities and individual Albertans
- Integrating mental health services with the work of regional health authorities.

## 6. Diversify the revenue stream. Instead of rationing health services, we need to find better ways of paying for the health services Albertans want and need.

We need to begin by extracting maximum value from every dollar we spend on health care. But containing costs, seeking efficiencies, and streamlining services will not be sufficient to offset increasing demands and rising costs. If we depend only on provincial and federal general revenues to support health care, we have few options other than rationing services. But if we're prepared to open up other sources of revenue, we have an opportunity to improve access, expand health care services, and realize the potential of new techniques and treatments.

Recommendations include:

- Ensuring that government continues to fund the majority of health care costs, but that increases are affordable
- Setting clear principles to guide decisions on new sources of revenue to support Alberta's health care system
- Exploring and implementing a "made in Alberta" approach to funding health care services based on options outlined by the Council and tied to Alberta Health Care premiums
- Working with other provinces to put national strategies in place to manage and contain increasing drug costs
- Allowing regional health authorities to raise additional revenues.

7. Put better incentives in place for attracting, retaining and making the best use of health providers.

Alberta, like almost every other jurisdiction in North America, is facing shortages of doctors, nurses and other health care professionals and providers. Combined with shortages, there are serious problems of dissatisfaction and low morale among health care providers. And current approaches for paying physicians are an impediment to new and effective models of comprehensive primary care and disease management.

Recommendations for addressing these issues include:

- Developing a comprehensive workforce plan that sorts out the roles of various health providers, anticipates future demands and guides decisions on post-secondary education
  - Encouraging regional health authorities to develop and implement strategic initiatives to improve workforce morale for all health providers with the long-term goal of increasing work satisfaction and improving retention of the workforce
  - Implementing alternative approaches for paying physicians and providing better alignment between physicians and regional health authorities
  - Encouraging and empowering health providers to explore and implement a number of different approaches to organizing and delivering health care services.
8. Make quality the top priority for Alberta's health system. Set standards, measure results, and hold people accountable for achieving better outcomes in health.

Council believes that Alberta's health system should be defined by a relentless pursuit of quality.

Consistent with that overall direction, Council's recommendations focus on:

- Continuing to support research through a variety of sources and organizations to facilitate evidence-based decision making and support Alberta's role as a leading centre of health and medical research

- Establishing a permanent, independent "Outcomes Commission" with the responsibility of measuring outcomes, tracking progress and reporting results in achieving goals and targets on a long-term basis.

9. Recognize and promote Alberta's health sector as a dynamic, powerful asset to the provincial economy.

Currently, the health sector is viewed primarily as a cost centre consuming vital tax dollars. In reality, the health sector is a driving force in Alberta's economy. With new sources of revenue and expanded opportunities for organizing and delivering health services, the health sector has the potential to add considerably to Alberta's economy and help expand the province's reputation as a world-wide centre of research, expertise and leadership.

Specific recommendations include:

- Continuing to support research under the Alberta Heritage Foundation for Medical Research and taking steps to sustain Alberta's reputation as a leading centre for health and medical research
- Maintaining and enhancing support for education programs for health providers and medical schools and providing stability in how medical schools are funded
- Supporting the development of multi-disciplinary, integrated, provincial centres of excellence in health research
- Identifying and promoting public/private partnership opportunities for expanding research support
- Promoting commercialization of new products and services developed through health and medical research initiatives.

10. Establish a clear transition plan to drive the process of change, oversee implementation of recommendations, consider options, and monitor the impact.

Many of the Council's recommendations would result in fundamental changes in Alberta's health care system. People in the health system have been through considerable change and turmoil already and will be reluctant to embark on yet another course of change unless clear goals are set and an orderly plan for transition is implemented and managed.

Council strongly urges government to designate an individual responsible for overseeing and driving the transition process. Specifically, this individual would be responsible for:

- fleshing out the details of how a number of reforms could be implemented
- coordinating further studies and developing an Alberta approach to funding health care services based on options suggested by Council
- preparing and managing a detailed transition plan
- managing public expectations and informing the public on what changes will be made, when and what to expect as a result
- identifying and addressing barriers to implementation including legislation and regulations, labour codes and professional legislation, union agreements and conflicting policies among ministries
- ensuring that the system functions adequately and effectively through the transition phase
- managing and reporting progress on implementation of alternative payment plans for physicians.

## Address Albertans' concerns

Taken together, the recommendations suggested by the Premier's Advisory Council provide a comprehensive package of fundamental reform to Alberta's health system. We believe the recommendations will address a number of key concerns and objectives in the health system.

Albertans are concerned about ...

### Improving access to health services

To be addressed by...

- providing a 90 day care guarantee
- providing central booking services
- putting waiting lists on a website
- expanding new models of care including comprehensive primary health care and disease management approaches
- encouraging more choice and competition

Albertans are concerned about ...

### Sustaining the health system

To be addressed by...

- introducing contracts between regional health authorities and government
- making sure increases in health funding are affordable
- considering new funding options for diversifying the revenue stream
- establishing an expert panel to decide which services are publicly insured
- working with other provinces to manage and contain drug costs

Albertans are concerned about ...

## **Improving health**

To be addressed by...

- making a strong commitment to education
- providing support to children living in poverty
- setting ten year targets in key areas and tracking progress in improving overall health
- providing better information so people know what they can do to stay healthy
- providing better incentives for people to stay healthy
- taking concerted, sustained action to reduce tobacco use and using funds from increased tobacco taxes to fund these activities and other health promotion initiatives
- integrating mental health with regional health authorities

Albertans are concerned about ...

## **Addressing shortages of physicians and other health providers**

To be addressed by...

- putting comprehensive workforce plans in place
- encouraging regional health authorities to address workforce morale and improving work satisfaction
- implementing new approaches for paying physicians
- expanding opportunities for physicians and other providers to deliver a wide range of health services

Albertans are concerned about ...

## **Getting maximum value for every dollar spent on health care**

To be addressed by...

- introducing more competition and choice
- putting the customer first
- opening up more options for regional health authorities to contract with other regions and a variety of health providers and organizations
- encouraging an innovative blend of public, private and not-for-profit providers
- holding regional health authorities accountable for managing their budgets
- auditing contracts between government and regional health authorities on an ongoing basis

Albertans are concerned about ...

## **Giving Albertans more control and more responsibility for their own health**

To be addressed by...

- introducing a debit-style electronic health care card
- providing regular reports on use of the health system
- providing a 90 day care guarantee
- expanding options in the health care system

Albertans are concerned about ...

## **Improving quality in the health care system**

To be addressed by...

- introducing a new Outcomes Commission to monitor and measure results and report publicly
- introducing an electronic health record to track health outcomes and improve quality
- continuing to support research

## **Next steps**

The initial directions and recommendations of the Premier's Advisory Council on Health are a culmination of more than a year of consultations, discussions, review and study. The Council is ready to assist the Premier and government in any way we can to flesh out details of the various recommendations, explore other options and assess the potential impact of new directions in health. At the same time, we have identified a number of areas where there are additional issues to consider.

We trust that these ideas and suggestions stimulate discussion and debate and help guide decisions about the future of Alberta's health care system. There are many positive features in Alberta's health system. We have a tremendous opportunity to build on those strengths, to develop a unique Alberta solution, and to lead the way for the rest of Canada in establishing a sustainable and efficient health care system for the 21st century.

# Introduction

The Premier's Advisory Council on Health was established in August 2000 with a clear mission:

*To provide strategic advice to the Premier on the preservation and future enhancement of quality health services for Albertans and on the continuing sustainability of the publicly funded health system.*

Within the context of that mission, The Council was asked to:

- assess the sustainability of the health system
- propose potential approaches and strategies
- make recommendations on a preferred vision and propose a strategic framework for health and health services in Alberta, consistent with the principles of the *Canada Health Act*.

In the months since the Council was established, it has:

- Met with over 60 different organizations and numerous individuals representing various aspects of Alberta's health system
- Reviewed literally hundreds of reports and studies on health care
- Reviewed information about health systems in other countries
- Prepared a series of context papers on:
  - △ *How does Alberta's health system work?*
  - △ *How long do people wait?*
  - △ *How do Albertans use the health system and what do they think of the results?*
  - △ *Do we have a shortage of health professionals?*
  - △ *How does Alberta's health system measure up?*
  - △ *Is the balance right?*
  - △ *Is Alberta's health system sustainable?*
  - △ *What factors are driving costs in health?*

In its work to date, the Council has identified a broad range of issues and challenges to be addressed in Alberta's health system. Our intent is not to cover the waterfront in our first report. Instead, we have identified a number of critical issues:

- How can we sustain Alberta's health system in the longer term?
- What steps can be taken to improve the health system and provide better access to the services people want and expect?
- How can we improve the overall health of Albertans and encourage them to take more responsibility for their own health?

A number of additional issues were identified during the Council's work but have not been addressed in this first report. Issues such as elder abuse, health issues faced by several groups of people, and ethical issues surrounding heroic measures especially at the beginning and end of life were raised with the Council and deserve more indepth review and study. In particular, Council members are aware of serious health problems faced by Alberta's Aboriginal people. This issue warrants further consideration and should involve Aboriginal people directly in identifying priorities and proposing solutions.

# Defining the goal

The Premier's Advisory Council on Health was given the mandate to review Alberta's health system and develop recommendations to ensure that the system meets Albertans' needs and is sustainable for the future.

As a starting point, we began by defining what we want to achieve with the health system.

The Premier's Council has developed the following statement to describe the goal we see for Alberta's health system. This is what Albertans, health providers and professionals, health authorities and government should be trying to achieve.

*A sustainable health system that is a partnership between users and providers, that continues to evolve and improve, and results in better health outcomes for Albertans.*

*A system that ...*

- ... is research and evidence based*
- ... has the right incentives and*
- ... is a model for Canada and the world.*

## *Sustainable means*

- the system has sufficient resources - both dollars and people
- resources are available to respond to various forces that drive change and increase costs
- plans are in place to ensure there are adequate resources to support Alberta's health system in the longer term

## *Health system means*

- the health system is about more than just acute care and hospitals
- a range of different health services are integrated and available to Albertans in a seamless delivery system
- wellness must be an important component

## *Partnership between users and providers means*

- the health care system can only work well when users and providers recognize and respect each others' roles and responsibilities
- users (or consumers) must be treated as intelligent participants in their own health care - a health system that does not satisfy their needs is not acceptable
- providers have highly specialized knowledge and education - their professional advice and skill is indispensable in ensuring that users get health care appropriate to their needs

## *Evolve and improve means*

- there is an emphasis on evaluation and using research and information to continually improve the system
- experimentation, innovation, and a diversity of options should be encouraged

## *Better health outcomes means*

- there is evidence that treatments, decisions and programs result in better health outcomes for Albertans
- Albertans are satisfied with the services they receive and the outcomes are what they want and expect

## *Research and evidence based means*

- decisions are guided and driven by research and evidence
- Alberta takes a leadership role in health and medical research
- there is a continuing emphasis on collecting and using information to guide decisions
- the province capitalizes on the opportunity for research to drive the future of our economy

## *Right incentives means*

- the incentives in the health system are aligned with the results we want to achieve
- Albertans have the right incentives for using the health system appropriately and taking responsibility for their own health and well-being
- health care professionals and providers have the right incentives for providing care that produces better health outcomes and makes the most effective use of health system resources
- health authorities have the right incentives for setting priorities, integrating services, addressing the needs of people in their communities, working together, and managing resources effectively

## *Model for Canada and the world means*

- Alberta can and should play a leadership role in developing a sustainable health system with an innovative blend of public/private partnerships
- Alberta should support innovation, try new approaches, and share outcomes with other provinces
- Alberta has much to learn from others around the world and should embrace new ideas from other parts of the world
- Alberta should nurture an environment conducive to the growth and development of an Alberta-based world class health care industry

# Part I

## Background on five areas

As a framework for reviewing a number of issues in Alberta's health care system, the Council identified five broad areas for consideration:

- How to enable people and communities to take more responsibility for their health
- How to organize and deliver health services
- How to pay for health services

- How to ensure an adequate supply and the best use of health providers
- How to assess outcomes and improve quality in the health care system.

In the scope of those five areas, the following summarizes the key information, issues and options identified and discussed by the Council.

## Enabling people and communities to take more responsibility for health

*“When you are fighting this battle, [remember] that the ultimate goal of medicare must be the task of keeping people well rather than just patching them up when they're sick.”*

*Tommy Douglas, quoted in Revitalizing Medicare, January 2001*

### We know key factors affect health.

It sounds like just good common sense, but perhaps the best way to sustain Alberta's health system over the longer term is to take steps to enable people and communities to stay healthy.

A comprehensive paper prepared for the Council (see appendices) summarizes a wealth of research on areas where broad determinants of health and individual lifestyle choices and behaviours have an impact on health. While the determinants of health have been recognized for several years, the impact of research on lifestyle has only recently unfolded and is dramatic in pointing out the tremendous potential for improving health.

### Some of the key highlights of the paper are as follows:

- Individual lifestyle changes can significantly improve health and the opportunity for improved health is enormous.
  - △ Research on the effect of lifestyle on disease has reached a watershed point. There are now studies of similar design, quality and reliability as the best of those used to prove the benefits of drugs, surgeries, other treatments and diagnostics. These high quality studies show lifestyle changes can markedly reduce the incidence and severity of several major diseases and leading causes of death and disability especially heart disease, stroke, hypertension, diabetes and selected cancers.



- △ Many people know what to do - make healthier eating choices, get more active, avoid health risks and stop smoking. It's not clear why people don't necessarily act on what they know.
- △ There is constant, often conflicting and unevaluated news about what to do to stay healthy. People are often confused and don't know what information to trust or what is the most important information to act on. Information reaching health care providers is also uneven in quality.

- Income affects health.

- △ Infant mortality is two-thirds higher in the poorest neighbourhoods than in the richest ones.
- △ People in the lowest income groups are twice as likely to be smokers.
- △ People with low incomes are more likely to: be heavy users of physician services, visit emergencies, be admitted to hospital, take multiple medications, and require home care services.

- Having a job affects health.

- △ Life expectancy increases as the rate of employment increases.

- Education matters.

- △ Life expectancy increases as the level of education increases.
- △ Children whose parents have a low level of education are more likely to perceive their own health as poor and are less likely to have unbroken periods of good health.
- △ People with higher education are more likely to use bike helmets, less likely to smoke, more likely to be active, and more likely to have a healthy body mass index.
- △ People who have less than a high school education are more likely to have hypertension, less likely to have a PAP test, and more likely to engage in binge drinking.

- Age and sex affect health.

- △ Depression is twice as common in women as in men.

- △ The likelihood of going to hospital increases with age, having a lower income, having less than a secondary education, believing your health is poor, being a smoker, and being physically inactive or overweight.

## Albertans are healthy, but there are problem areas and warning signs.

A closer look at trends in Alberta shows that overall, we are fairly healthy, but there are some clear health risks. (For more detailed information, check the Council's context paper: *How does Alberta's health system measure up?*)

- Alberta's rate of low birth weight babies is higher than the Canadian average. Babies born with a low birth weight are more likely to face continuing health problems.
- About 19% of Albertans age 15 and over said their activities were limited as a result of long-term physical or mental conditions or health problems. That's slightly higher than the Canadian average.
- Close to 12% of Alberta's children live in low income families (1998).
- Nearly 30% of Albertans over the age of 15 smoke.
- The leading causes of death are heart disease, cancer, stroke, injury, chronic obstructive pulmonary disease (including bronchitis and emphysema), pneumonia and influenza.
- For many illnesses, Alberta's rates are about the same as the Canadian average, and in some cases, they are lower. But Alberta's rates of stroke are higher than the Canadian average. More people die from motor vehicle collisions. More people are injured in falls. Our suicide rate is the second highest in Canada. More children get measles and mumps.

*"... despite the connection of health status to many possible determinants, the most important factors related to it are income and illiteracy. Better health status seems to be associated with higher per capita incomes and less illiteracy."*

*Cynthia Ramsay,  
Beyond the Public-  
Private Debate*

## Keeping people healthy has a lower priority than acute hospital care.

We've included highlights of some of the things we know about how the health of Albertans compares with others and what research shows about factors that affect health. This information points to a tremendous opportunity to take action to help people stay healthy and well rather than just treating them when they are sick.

So what's being done about it?

We have to conclude, not enough.

Promoting good health and preventing illness are central functions of the health system. The federal government, provincial government, health authorities, and a variety of health organizations are involved in initiatives, programs and campaigns. But in most cases, these initiatives and programs are given lower priority than hospital care, emergencies, and surgeries. Since 1997-98, regional health authorities have consistently spent about 3% of their budgets on promotion, prevention and protection initiatives. In comparison, about a quarter of their spending goes to hospital inpatient services and another 19% is spent on diagnostic and therapeutic services. (For more information, check the Council's context paper: *Is the balance right?*) The objective should be to ensure that there is a sound balance between activities to improve health over the longer term and essential health services to treat people when they are injured or ill.

## Options and alternatives

Council members heard and considered a number of options and alternative ways for improving the overall health of Albertans and encouraging people to make better decisions about their own health.

- Provide better information.

Pick up a newspaper or watch the nightly news, and chances are good you'll hear some news story about a new way of staying healthy or a health risk to avoid - take certain vitamins or herbs, eat more oatmeal, switch to margarine (or switch to butter), antiperspirants cause breast cancer or Alzheimers' Disease. We've all heard the myths and misinformation and frequently one piece of advice is quickly followed up by a contrary opinion. While some of the basic messages are consistent - eat more fruit and vegetables, get more exercise, and stop smoking - people often are confused by the avalanche of information they receive. There are few trusted sources where people can get solid, evidence-based information about the best ways of staying healthy. Even the Canada Food Guide that many of us grew up with has not been updated to take into account the latest research. Health care providers also need access to evaluated and summarized high quality information on lifestyles and health.

- Take action on factors that affect health, especially income and education.

Research shows that people with more education and higher incomes are healthier than those who have less education and lower incomes. Long term strategies to improve health should focus on making sure children and young people get a good education and are encouraged to complete high school and go on to some kind of post-secondary education and training. The number of children living in poverty in Alberta also is a concern that should be addressed as part of an overall strategy for improving health.

- Follow through on programs to stop smoking.

A number of organizations have spearheaded plans and programs to encourage people to stop smoking or not start smoking in the first place, limit advertising of tobacco products, expand education on the impact of smoking, restrict or

prevent smoking in public places, or support community initiatives. While many of these ideas have been in place for some time, there has not been a concerted, province-wide effort and the potential outcomes of significantly reducing smoking have not yet been achieved.

- Consider incentives for staying healthy.

A number of ideas have been suggested for encouraging people to take more responsibility for their own health. Some people have suggested tying health care premiums to actions to stay healthy, providing tax credits or other tax incentives, or using medical savings accounts or some other form of co-payment to give people more control over their own health care spending. Others have suggested there should be penalties for people who do not look after their own health.

- Strengthen health education in schools.

Health education has been a part of the regular school curriculum for decades. But Council members have heard that health education is given a lower priority given the push for expanding emphasis on other areas, especially the sciences and technology. Health programs need to be updated and energized on a regular basis to ensure they reflect the latest information and are interesting for children and young people. More could also be done in schools to encourage and support daily physical exercise.

- Explore a range of ways of encouraging people to stay healthy.

Council heard a number of ideas for encouraging people to stay healthy, including the following:

- △ work with existing community organizations such as seniors' organizations
- △ make better use of the range of health care providers and expand their role in helping people stay healthy
- △ support federal policies directed at reducing economic and social disparities
- △ work with industry and business organizations to enhance safety and equality in the workplace
- △ continue policies to clean up the environment and ensure a safe physical environment
- △ continue to place high priority on immunization, prevention of infectious diseases, and safe water and food
- △ ensure that Alberta Health and Wellness has the capacity in the provincial epidemiology service to respond to emerging infectious diseases, in cooperation with federal and international resources
- △ continue efforts to reduce unintentional injuries and violence.

Council recognizes that many of these initiatives are already underway and should be strengthened and supported as part of the government's overall plans to promote good health and prevent illness and injury.

## In summary ...

- The best way to sustain the health system in the longer term is to encourage more people to stay healthy.
- Ensuring that every child gets an opportunity to succeed at school and continue on to post-secondary education is perhaps the best way of improving overall health for individuals and our society as a whole.
- Many of us know some of the basics of what we should do to stay healthy, but too few people take action. Better incentives may be needed to encourage people to stay healthy.
- People are often confused by a constant barrage of conflicting information about what's good for us and what isn't.
- Compared with the big ticket items like hospital care and diagnostic tests, very little is spent on health promotion and disease and injury prevention.

# Organizing and delivering health services

To many people, the health system is like a maze. It's sometimes difficult to figure out who does what, who's responsible for what decisions, and who is accountable. The Council addressed many of these questions in its context paper on *How does Alberta's health system work?*

## **Regional health authorities provide better integration but there are challenges.**

Alberta's health system was restructured in 1995 with the creation of regional health authorities. At the outset, it's important to say that regional health authorities have done a commendable job of integrating and organizing health services for people in their regions. They are led by committed and dedicated people who believe strongly in the importance of health care and work hard to meet community needs. There is much better integration of the full range of health services from hospital care to home care, long term care, and promotion and prevention activities, and an ability to shift resources to priority areas. But the system is not without its challenges.

- Regional health authorities have little, if any, control over the resources they have available. The majority of their funding comes from the province. And regional health boards spend a great deal of their time lobbying the provincial government for increased funding.
- Physicians drive many of the costs in the health system because of the tests they order, surgeries they do, and the treatments or medications they prescribe. This affects regional health authorities' budgets but they have no control over these costs.
- There is little sharing of expertise, programs and services across the regions.
- There are a variety of political influences involved in decisions made by regional health authorities.
- With newly elected members of regional health authorities, accountability and relationships among board members and with government will be more complex.
- Regional health authorities are often caught between government and health providers. Health providers urge health authorities to make certain changes, but regional health authorities have little ability to respond, especially when funding is restricted.
- Managers in the health system spend too much time "fighting fires" and dealing with crises and have little time to plan ahead, explore innovative approaches, or assess whether certain programs are working or not.
- While there is better integration of many health services, mental health continues to be an exception. Many people suggest that the separation of mental health services from regional health authorities has meant that community programs are limited.
- Alberta's Auditor General has raised concerns about accountability, governance and management in regional health authorities and pointed to weaknesses in business planning and budgeting and gaps in performance reporting.

**Access is the number one concern.**

Perhaps the single most important issue for Albertans is access. We've tried different ways of organizing and delivering services and invested more money, but the bottom line is, we still have to wait in line for many of the services we need. Sometimes the waits are short, especially when there is an urgent need, but too often, the waiting times are too long.

Most recent information for Alberta shows that:

- waiting times for access to radiology for certain cancers (breast and prostate cancers) have increased to between 2 and 6.5 weeks for breast cancer and between 7 and 9.5 weeks for prostate cancer. Waiting times for chemotherapy range from 4.5 to 10 weeks.
- The number of people waiting for open heart surgery went down by 2.5% between March 2000 and March 2001. The number of surgeries done in the province went up by 8%. Waiting times ranged from 11 days for urgent inpatients to 15 - 18 weeks for planned outpatients. Aside from urgent cases, the waiting times are longer than targets set by the province.
- The number of hip and joint replacements has gone up by 7% between March 2000 and March 2001, but the number of people waiting for those surgeries has gone up by 33%. So people wait an average of two to six months, and for some people, the wait is much longer.
- We've all seen the television pictures of people lined up in emergency waiting for admission to hospital. In Alberta's two biggest regions, Capital Health and the Calgary Health Region, people wait an average of 7.2 hours and 4.3 hours in emergency before they're admitted.
- In some cases, people have trouble accessing a family physician and may have to wait weeks or months to see a specialist.

- In 2000/01, there was a 53% increase in the number of MRIs performed. In March 2001, average waiting times for an MRI were 2 to 16 weeks, depending on the urgency of the problem.

(For more information on waiting times, check the Council's context paper on *How long do people wait?*)

Council has also learned that waiting lists themselves are complex and not comparable from one region to another. People may wait extended periods of time because they are waiting for a particular physician when they could get quicker access to another physician. Stories abound about people who are able to get around the waiting list with the help of their physician or because they know how the system works. Places like Sweden have put in place a system where waiting times for major procedures are posted daily on a website. People can check the website and choose to go to the hospital with the shortest waiting times as long as they are prepared to travel and to use the next available physician. In Alberta, most people are confused by waiting lists and have no choice but to wait their turn.

Clearly, if there is one thing Albertans should be able to expect from their health system it is access to health care services when they need them. Access should be available to everyone on equitable terms. That's the heart of what we expect from our health system, but too often, it's not what Albertans get, in spite of significant and growing investments.

*"If there is one thing Albertans should be able to expect from their health system it is access to health care services when they need them."*

## Mental health is not well integrated with the health system.

Council heard from a number of groups and organizations involved in mental health. A number of serious concerns were noted.

- The need for leadership and public education - The stigma of “mental illness” continues and compounds the burden on individuals and their families. More needs to be done to remove the stigma and anticipate growing needs for mental health services. Studies suggest growing trends of depression, stress, and problems associated with an increasing pace of life. Geriatric services are under-developed and mental health services for children and adolescents are lacking. More needs to be done to set priorities and plan for future mental health care needs.
- Fragmentation and lack of integration with the health system - Currently, mental health services are primarily the responsibility of the Alberta Mental Health Board. Some arrangements are in place with regional health authorities but mental health services are not within their mandate. As a result, mental health services are not integrated with other health services available in regions. Many people suggest that this causes problems in the delivery of services in communities, that communities are under-served, and that communication between the Alberta Mental Health Board and the regions is problematic. Many suggest that it's time for mental health services to be transferred to regional health authorities so that integration can be improved, ideas like a single point of entry can be implemented, and regions can be more accountable for meeting mental health needs of people in their region.

*“There is currently no framework for an integrated, coordinated and comprehensive system of mental health services for children, adolescents and their families, either at a provincial or a regional level.”*

*CASA  
(Children and Adolescent  
Services Association)*

- Inadequate community programs and resources - The majority of people with mental health problems can be served in community programs and do not require hospitalization. But currently, there aren't sufficient resources available in communities. In addition, there is a shortage of hospital beds to serve people with mental health problems, especially in rural areas. Hospital services in Alberta Hospital Ponoka and Alberta Hospital Edmonton are not well coordinated with regional health authorities and are not adequate for serving southern Alberta.
- The need for better access to services for children and adolescents - It's only recently that children and adolescents have been viewed as needing mental health services. Yet studies suggest that 20% of all children and adolescents require mental health services. Children and adolescents with mental health disorders consume a disproportionate share of resources and services in the health system, criminal justice system, schools and social service agencies. In the past few years, a higher priority has been placed on children's mental health but there continue to be delays of up to six months in accessing services for children.
- Anticipated shortages of mental health care practitioners - Like other areas of the health workforce, shortages of mental health care practitioners are a reality and will increase with an aging workforce. Staffing shortages are particularly acute in rural Alberta. Combined with that, recruitment of psychiatrists is a problem. And there is a shortage of people trained to work specifically with children and adolescents, seniors, and people with specific needs including Aboriginal people and immigrants.

## The health system is a monopoly.

Alberta's health system, like other systems across the country, operates as an unregulated monopoly. Government ...

- Defines what constitutes “medically necessary services”
- Pays for all insured services provided
- Provides insurance and forbids, by law, the provision of private insurance for these services
- Prevents, by law, people from obtaining insured services outside the public system except where there are contracts with the public system
- Directly or indirectly administers and governs care
- Defines, collects and reviews information on its own performance.

In short, it's a command and control system.

People have no choice but to get the health services they need from the publicly insured system, and wait their turn in line. The system is organized by government, paid for by government, insured by government, and evaluated by government. Regional health authorities have an important role to play in delivering health services but their budgets are almost completely determined by government, the expectations are set by government, and they are accountable to government. They have too little real authority and they have few, if any, options if they are unable to meet their residents' health needs within existing resources.

In almost every other public and private area, monopolies are simply not accepted. With banks and other financial institutions, retail stores, bookstores, dentists, optometrists or chiropractors, Canadians and Albertans understand and support competition, and we're reluctant to accept a situation where we have only one choice. In education, people have choices about what college, university or technical institute they attend.

Parents can choose which school they want their children to attend - public or private, bilingual, immersion or straight English, and a whole range of specialized programs are available. Schools and post-secondary institutions compete for students, introduce new programs to attract more students, and publish their results. The education system has developed into a customer/student oriented system.

In the public health system, none of this happens. We can choose our own family physician, but frequently, that's where the choices end. We go to specialists referred by our family physicians, get tests suggested by a physician, go to physiotherapy if it's prescribed, take the medications our doctor prescribes, go to the hospital we're directed to, and wait in line if the services we need are not immediately available.

What's the problem with this kind of a system?

- There are no choices. The health system does not encourage people to stay healthy and economize on their use of the health system.
- There's no competition and no incentive to provide the most efficient and effective services available. Health authorities are expected to live within a budget, but they don't control many of the costs and they have few, if any, options if they don't have the resources they need. The result is services are rationed.
- The system is organized around facilities and providers, not individual Albertans. “Customer satisfaction” is important to health authorities, but if individuals are not satisfied, there's no option. They can't “take their business elsewhere” so there is no incentive to keep improving service unless it is to save money.
- In spite of significant investments in the past few years, waiting times for selected services continue to be too long and people worry that the health system may not be there when they need it.
- The old “command and control” central planning approach doesn't work.

- We have only limited information about what actually happens in the health system - what results are achieved, whether new treatments achieve the expected outcomes, or whether new ways of delivering services reduce costs and improve efficiency. In large part, that's because there is a serious under-investment in information technology, so the systems simply aren't in place to collect, analyze and compare results.

Alberta is not alone. The recent interim report of the Standing Senate Committee on Social Affairs, Science and Technology, chaired by the Honourable Michael Kirby, makes a number of compelling statements about Canada's health system - statements that apply to Alberta's system as well.

In their words, health care "is structured like a 19th century cottage industry rather than a 21st century service industry."<sup>1</sup>

The Council consistently heard that there is a need to open up the system and try different ways of delivering services. In the past, this has been done primarily through pilot projects. A number of these pilot projects have been very successful. But the overriding concern is that pilot projects have been burdened with uncertain funding, high administrative costs, and a heavy emphasis on evaluation. As a result, too many pilot projects simply end because there is no further funding available. People get worn down by the administration and evaluation burden. And the pilots don't result in any fundamental change across the system.

### **Primary health care reform is a solution - but changes move slowly.**

Primary health care is a "prime" example of how difficult it is to make major changes in health, even when people agree it's the right thing to do. Federal and provincial ministers across Canada have agreed that primary health care reform is critical. That view is echoed in a number of other reports across Canada and here in Alberta.

A comprehensive approach to primary health care is what many people see as the future direction for community-based health services. It refers to people's first point of contact with the health system. Instead of going to a family physician then getting referred to a series of other health providers, in comprehensive primary health care models, multidisciplinary teams of people work together to provide the services people need. That might include a family doctor, nurse or nurse practitioner, dietician, counsellor, mental health worker, social worker, and others working together. This is clearly the approach Albertans have said they want through a number of province-wide consultations. And yet, the closest we have come is a number of pilot projects. There continue to be barriers to this approach and progress has been slow.

<sup>1</sup> The Health of Canadians - The Federal Role, Volume Four: Issues and Options. Interim Report of the Standing Senate Committee on Social Affairs, Science and Technology. P. xiii



## The private sector has a role to play.

Today, most health services are provided in the public sector. In fact, medically insured services cannot be provided in the private sector unless they are publicly funded and provided through a contractual arrangement with a health authority.

Unfortunately, whenever the private sector and health are mentioned in the same breath, the immediate concern is with two tiered or American style health care. The Council believes it is time to lay this particular shibboleth to rest. People assume that private delivery of health care services violates the Canada Health Act. In fact, the Canada Health Act only says that physician and hospital services must be publicly funded and publicly administered. They can be delivered in the private sector, and they often are. Physicians, in fact, operate primarily in the private sector - most own and operate their own corporations while the minority work under contract with health authorities, hospitals and universities. Health services that are not insured such as dental care, some chiropractic services, acupuncture, cosmetic or some elective surgeries are provided in the private system but must be paid for by the individuals who use the services.

Opportunities to expand the type of health care services that could be provided in the private sector meet with heated debates even when the services would be provided through a contract with a regional health authority. The Council has listened, at great length, to both sides of this debate. On the one hand, we understand the arguments about comparable costs in the private sector, the potential impact on the public system if private facilities can “skim off the easy cases” or physicians and other health providers leave the public system to work in private facilities, and the negative impact if people with money are allowed to “jump the queue” to get quicker access to health services. On the other hand, the public

system is being stretched to the limit. There are few centres of specialization and little, if any, choice for individuals or health authorities. There are few incentives to be innovative and try new approaches if public facilities have a “captive market.” Furthermore, many of those who advocate for an expanded role for the private sector support the primary importance of the public sector, believe physicians should be required to work in the public system as well, and see private sector options more as a “safety valve” to take pressure off the public system.

## Options and alternatives

The following are some of the ideas and options suggested to and considered by the Council.

- Reduce the number of regional health authorities and clarify their role.

Alberta has seventeen regional health authorities and many people suggest this is too many for the size of Alberta's population. At the same time, changing regional health boundaries is no simple task. Several reviews have been held and only small changes have been made. While reducing the number of boards may streamline administration and achieve greater efficiencies, the cost savings may be small because the amount spent on administration is relatively small even in the largest health regions. Suggestions have also been made that “bigger is not necessarily better.” The challenge is to find a better framework and better incentives for health authorities to work together, share expertise, share services and save money.

*“The debate will not be one of whether private delivery should exist, but rather how society can make the most efficient and effective use of the private and public facilities that make up the entire health care delivery system.”*

*Turning the Tide,  
A Discussion Paper  
by BC's Physicians*

- Expand comprehensive models of primary health care.

There are numerous barriers to comprehensive primary health care, not the least of which is the fact that the majority of physicians are paid on a fee for service basis (i.e. their incomes are based on fees paid for every service they perform). There is no mechanism in place for paying for the additional services of others on the team including nurse practitioners, dieticians, social workers and counsellors. These and other barriers to primary health care reform should be addressed and removed.

- Introduce new comprehensive care or disease management models.

Many people suffer from chronic health conditions such as heart disease, diabetes, or asthma. Currently, there are few mechanisms in place to help people manage these conditions effectively. They can visit their physician for regular check-ups, but there are few models in place for providing comprehensive care and improving the overall health of people with these conditions. For example, in the current system, a patient with a severe heart disease might be seen monthly by the family physician and on several occasions yearly by a cardiologist, and still utilize the emergency department of a hospital on several occasions. There is now evidence to suggest that such a patient would experience better health outcomes if his or her care were managed in a multi-disciplinary program. This patient may require a total of 12 visits - two

with a family physician, one with a cardiologist, four with a nurse or nurse practitioner to monitor health status, two with a nutrition counsellor and three with other providers, perhaps to monitor stress or establish an appropriate exercise program. With the current system, the visits to the family physician and cardiologist would be paid for on a fee for service basis, but there is no mechanism for paying for the other services - services that can be very effective in maintaining and improving the patient's health. A comprehensive approach, similar a primary health care approach, would provide a better option for many patients with chronic diseases and help improve outcomes.

- Unbundle the system and introduce more choice and competition.

Rather than have government act as the insurer, provider and evaluator of health services, the various functions could be broken up. The role of government could focus more on setting overall direction and allocating funding to health authorities. The role of health authorities could focus more on providing services, either directly or through service agreements with public and private sector providers and other regions. Rather than limiting the choices available, physicians and groups of health care providers could be encouraged to set up health care businesses, enter the market and compete for contracts with health authorities or market their services to individual Albertans. In places like Sweden, steps are being taken to encourage competition and provide

more choice. Most hospitals continue to be owned by local councils, but they operate with a separate board and have contracts with the council. In one case, a hospital has been sold to a private company that now owns and operates the hospital under contract with the local council. Existing union agreements continue to be in place and their labour leaders have been supportive of the move.

- Expand options in the private sector.

Alberta now has legislation in place that sets the ground rules for contracts between regional health authorities and private sector organizations for delivering certain health services. Facilities and treatments must be approved by the College of Physicians and Surgeons. With clear standards in place, it's time to consider what role the private sector can play in complementing health services available in the public sector, improving access, and encouraging centres of specialization.

- Improve integration of mental health and other health services.

Mental health services are not well coordinated with other health services in communities and many suggest that community mental health services are sorely lacking. Suggestions have been made to transfer responsibility for mental health services from the Alberta Mental Health Board to regional health authorities. Alberta Hospital Ponoka, Alberta Hospital Edmonton, and other facilities could also be transferred to regions and services could be provided to the rest of the province in a similar way as province-wide services now are provided by the Calgary Health Region and Capital Health Authority. On the other hand, some have expressed concerns that this could result in lower priority for mental health issues. They feel that the Alberta Mental Health Board, with a province-wide mandate, is in a better position to provide leadership, work with regional health authorities, provide public education, and expand mental health services.

*“As long as they are contracted to provide medically-necessary services through public health ministries ... and as long as they are constrained from using public funds to subsidize queue-jumping, private innovators could do wonders for our health care system.”*

*Southam  
News Editorial,  
Edmonton Journal  
December 13, 2001*

## In summary ...

- Alberta's health system is a monopoly where government is the insurer, provider and evaluator. The disadvantage is there is little choice and competition in the system.
- If we're going to have regional health authorities - and we should - then it's time to give them the mandate and the tools to allow them to do the job and hold them accountable if they don't.
- Users of the system should have more control, more choice and more accountability.
- We need to open up the system, take off the shackles, refine or eliminate some of the rules, and try new ideas.
- If there is one thing Albertans should be able to expect from their health system it is access to health care services when they need them. Access should be available to everyone on equitable terms. That's the heart of what we expect from our health system, but too often, it's not what Albertans get, in spite of significant and growing investments.
- We need to seriously look at expanding the role of the private sector in delivering insured health services.
- A number of options are possible for changing the way health services are organized and delivered. The system should be opened up so a number of these options can be implemented without the onerous burden of administration that has characterized pilot projects in the past.
- Serious problems in mental health need to be addressed.

# Paying for health services

“We know what we want.  
We just need to find a better way to pay for it.”

In many ways, that's the key challenge. There's no shortage of good ideas in health. Doctors, nurses, health administrators and a whole bunch of people have good ideas about how we can deliver health services in a better way. But the challenge frequently comes down to “How do we pay for it?”

Let's start with the facts.

## Trends show increased spending on health.

- Health spending in Alberta has increased from \$3.9 billion in 1995/96 to over \$6.4 billion in 2001/02 - a 64% increase. If you add in capital costs, the total is over \$7 billion. If we look at the past ten years and compare total spending on health in 1991-92 to total spending in the budget for 2001-02, spending has increased from just over \$4.1 billion to over \$7.1 billion today, an increase of over \$3 billion.<sup>2</sup>
- In 2001/2002 Alberta spends about \$20M per day on health care. On a real per capita basis, spending on health dropped in the mid-1990s but has steadily increased since 1995-96.
- As a percentage of provincial program expenditures in 1990/1991 Alberta spent 24% on health and 76% on all other government programs. In 2000/2001, about a third was spent on health and 65% on all other government programs.

- Alberta has a volatile economy, heavily dependent on the price of oil and gas. If those prices level off or decline, it will be difficult to maintain current spending, let alone afford increasing costs in the future.<sup>3</sup>
- Based on current trends, spending on health could take up half of all program spending by 2008.
- Inter-provincial comparisons of spending from 1986 to 2000 show that Alberta's spending is comparable with other provinces.
- While Alberta's spending dipped below the Canadian average in 1993, it climbed back above the national average in the last year.
- Overall provincial/territorial government expenditures on health have increased substantially over the past two decades - from about \$11 billion in 1977/78 to almost \$56 billion in 10 years. The combination of cost drivers and cost accelerators could see national spending exceed \$100 billion per year in 10 years.
- Drug costs are expected to grow substantially over the next decade. Across the country, drug costs are expected to rise from \$4 billion today to over \$15 billion by 2026/27, almost a fourfold increase.<sup>4</sup> At the same time, drugs have had a significant impact on treating illnesses, reducing the need for certain surgeries, and improving quality of life.

(For more information on trends in health spending, check the Council's context paper *Is Alberta's health system sustainable?*)

<sup>2</sup> *The Future - Meeting Priorities, Sharing Benefits*, Budget 2001 Fiscal Plan, Province of Alberta, p. 58

<sup>3</sup> Current budget was based on \$5/mcf for natural gas. At the time of preparing this report, the price was under \$3/mcf. Each 10 cent decline means a reduction of \$142M in provincial revenues. For oil, the budget was based on US\$25 a barrel. In recent weeks, the price of oil has dropped below \$20 a barrel. A \$1 drop in the price of oil means a \$153 million reduction in provincial revenues.

<sup>4</sup> *Understanding Canada's Health Care Costs*. Provincial and Territorial Ministers of Health. August 2000.

## Health care costs will continue to rise.

The Provincial and Territorial Ministers of Health did an excellent job of categorizing factors that are expected to contribute to increasing health care costs. In their report, *Understanding Canada's Health Care Costs*, they divide the factors into three categories:

- **basic cost drivers** - including population and aging, inflation and rising costs of labour and facilities
- **cost accelerators** - including emerging and new technologies, new drugs and genetically-specific drugs, increased incidence of chronic and new diseases, declining productivity gains, and rising consumer expectations. Genetic research, for example, has the potential to uncover many of the underlying molecular causes of certain illnesses, but the research is expensive and the treatments will be as well.
- **the impact of system change and reform** - including structural changes, changes in how services are delivered, the scope of services provided, roles of providers, information systems, research and continuous improvements in the quality of health services.

Without getting into detail about the impact of cost drivers on Alberta's system, it's fair to say that:

- costs will continue to increase in spite of cost containment efforts by health authorities and governments
- population growth and aging will have an impact on increasing costs and that will be compounded by increasing costs of new technology, new treatments, new drugs, new equipment, and rising expectations
- shortages of trained staff in all aspects of the health system will strain existing resources and make it difficult to deliver the services people want and expect

- changes in how the system operates are long overdue, but will not necessarily result in cost savings - for example, comprehensive primary health care may cost more to implement, expansion of home care saves costs in hospitals but increases costs for nursing and other care in the home, and integrating mental health services into communities is critical, but will increase costs.

(For additional information, check the Council's context paper on *What factors drive costs in health care?*)

## Without changes, spending on health care is not sustainable.

In the face of this information, what can we conclude? Is Alberta's health system sustainable the way it is financed today? Based on the evidence we've heard about current trends and various factors driving costs, the answer is almost certainly no.

- **We can only afford to spend more on health if Alberta's economy grows faster than spending.**

Spending on health has increased by an average of 10% a year since 1996. That's much faster than the growth in our economy. We can only afford the current level of spending if our economy remains strong and prices of oil and gas stay high. We've seen the impact of recent international events on the province's financial picture. Declining prices for oil and gas are having an immediate impact on our ability to pay for current costs in health let alone sustain the system over time.

- Health spending could soon take up half of all spending on government programs.

Based on current trends, spending on health could take up half of all government spending on programs by 2008. The question becomes: Are Albertans willing to devote half of all government spending to health? What does this mean for other essential services like education, infrastructure, environmental protection, or security?

- Costs in health are growing dramatically.

We've seen a number of factors that are driving increasing costs in health - population and aging, inflation and cost increases, new treatments and technology, even new ways of delivering health services all result in higher costs. Combined with that, health care is a people-intensive system. Labour costs make up about 75% of spending in health. In 2001-02, more than half of the budget increase for health - \$390 million - went to salary increases. Those costs will continue to grow, particularly because Alberta is in a national and international race to recruit and retain health providers.

- We pay for health on a pay-as-you-go basis.

There is no long term planning for future costs in health care. Instead, we pay for health care costs on an annual basis. Health authorities are given three year budget targets, but those targets have been subject to frequent adjustments so stability is lacking. We also know that future costs will be higher because of a number of other factors driving costs. But we are doing nothing to set aside funds now to pay for higher costs in the future. This means health funding is heavily dependent on annual revenues to the province and can fluctuate significantly as the price of oil and gas swings up or down.

- Albertans' expectations for health care are growing.

Whenever there are new treatments or technologies, Albertans want access to them. We want and expect quick access to the services we need, when we need them. Access to health care services and waiting times are people's number one concern with the health system. With more information about new treatments and possibilities, people's expectations grow. Not surprisingly, there is a constant battle between people's growing expectations and the reality of increasing costs and limited budgets.

Again, Alberta is not alone. Together, the provincial and territorial Ministers of Health agreed that, "Canadians continue to be well served by their health care system, but it is under serious challenges due to rising demand and cost structures."<sup>5</sup>

### **More money doesn't necessarily buy better health.**

If Albertans were to decide to just keep spending more on the province's health care system, would this buy better health or better health care outcomes?

Various studies and international comparisons suggest that, above a certain amount of basic funding, there is no direct relationship between spending on health care services and the overall health of the population. The United States spends considerably more than other countries on health as a percentage of its Gross Domestic Product (GDP) but health outcomes such as life expectancy, maternal mortality or infant mortality are poorer than countries that spend less including Canada, Japan or Sweden. More money, if it is not used effectively or in combination with other reforms, will not necessarily result in better health outcomes.

(For more information, check the Council's context paper on *Is Alberta's health system sustainable?*)

*"For each additional dollar that we choose to allocate to health care, there is one less dollar for education, social services, debt reduction and other important public initiatives."*

*The Future Cost of Health Care in Canada, Conference Board of Canada, 2001*

<sup>5</sup> *Understanding Canada's Health Care Costs*, Final Report. Provincial and Territorial Ministers of Health, August 2000. Page 57.

## Health care is considered a cost, not a driver of Alberta's economy.

Because the majority of funding for health care comes from provincial budgets, health care is almost always viewed as a cost - sometimes even a tremendous burden on the provincial budget. At the same time, health care is a huge industry in the province. Thousands of doctors, nurses and other health providers earn good incomes and contribute significantly to Alberta's economy. Our reputation as a leading medical research centre attracts some of the best and brightest physicians and researchers to the province and helps build Alberta's potential in a knowledge-based economy. From purchasing equipment and supplies, to building new facilities, hiring contract workers, and employing thousands of support workers, health authorities in the province are a major player in Alberta's economy. While we view increased spending in other sectors as a positive sign in Alberta's economy, we see increased spending in health almost exclusively as a threat to future stability in provincial budgets.

### Options and alternatives

What is the answer? Is it simply to spend more from the taxpayers' pockets or keep rationing services to meet the reality of fixed budgets? Here are some of the ideas and options considered by the Council.

- Decide how much of the provincial budget will be spent on health and stick to it.

If we agree that provincial spending on health cannot be allowed to increase with no limits and to the extent that it crowds out other important functions, then one option would be to set an arbitrary limit on how much the province could spend on health care and how much spending could increase over time.

This approach would limit the supply of health services to a set amount that's affordable within the total budget amount. It would not address the question of increasing demand and costs of services that exceed the budget available.

If we assume that increasing demands and costs will continue to outstrip growth in the province's economy, the most likely result would be continued rationing of health care services. And that begs the question: How long are Albertans prepared to wait? How long will they be prepared to accept the fact that new health treatments and technology may be available but they can't access them because it's not affordable through provincial budgets?

- Work with health authorities to seek efficiencies and reduce costs.

Health authorities face a constant challenge of trying to meet increasing demands and rising costs with limited budgets. The Council consistently heard from health authorities that there are steps they can and will continue to take to reduce costs. But the amount they can save would be limited in comparison to increasing costs for labour, technology, new treatments, tests and pharmaceuticals, many of which are beyond their control. More work needs to be done to extract maximum value from every dollar spent in health care and to ensure we are getting the best outcomes for the money that's spent. But even with the most optimistic view, it almost certainly will not be sufficient to accommodate increasing demands and costs that go well beyond the economies we can find in the existing system.

*"Through the Internet, the new consumers have access to timely research on the newest innovations and advancements in health care and expect these best services for both themselves and their families. People no longer want the health system to develop basic services but now expect to have all of the options, all of the time, wherever they live."*

*Understanding Canada's Health Care Costs, Provincial and Territorial Ministers of Health, 2000*

- Consider new sources of revenues.

Under this option, government would continue to provide the majority of funding to the health system and increase funding at a reasonable rate every year. But the combination of federal and provincial budgets would not be the sole source of funding for health care. Additional revenue could be raised through a number of options including medical savings accounts, increased health care premiums, user fees, co-payments, deductibles, taxable benefits, or supplementary insurance. Some have suggested regional health authorities should be able to generate additional funds through a number of options such as charging full costs for services that are not medically insured, charging for services like restaurant inspections or environmental assessments, or allowing health authorities to tax their local residents. Others have suggested increasing charges for patients from other provinces or establishing a new health lottery fund.

Suggestions also have been made that regional health authorities should be allowed to raise additional revenues through plebiscites in their communities. Rather than tying additional funding to the property tax base, residents could be charged a flat fee to support health care services in their region. To avoid serious inequities among regions, a fee could only be charged to residents not to businesses or industry. If regional health authorities want to raise supplementary revenues for particular projects or facilities, they could do that through a plebiscite. In addition, if regional health authorities faced deficits, they would be required to go to their community members with a plebiscite rather than approaching the province for additional revenues. While there are downsides to this approach, on the positive side, it would make regions more accountable to their community members, allow regions to be more responsive to their communities' health needs, and also allow community members the option of paying more for additional or specialized services.

- Limit health services that are publicly insured.

When the Canada Health Act was introduced, it was never designed to cover the full range of health care services now available. In fact, it only requires public coverage for most physician and hospital services. But all provinces have added to the range of health services that are publicly funded. And many people have come to believe that all health services are or should be publicly insured and universally available at no cost to the individual.

In Alberta, "insured services" refers to medically necessary physician services, dental-surgical services, hospital services and insured surgical services provided at designated surgical facilities. In addition to basic medical services, Alberta provides support for home care benefits, physical therapy and community rehabilitation services. Alberta supports podiatry and chiropractic services while some other provinces do not. Contrary to what some people may believe, across Canada, there is considerable variation in terms of which services are publicly insured and which are not.

**Under the Alberta Health Care Insurance Plan, three types of health benefit programs are provided:**

- basic health services (includes medical, oral surgery, optometric, podiatric, and chiropractic benefits but only the medical and oral surgery are considered insured services)
- extended health benefits (includes optical and dental goods and services and services provided to seniors, widows and their dependents)
- Blue Cross (provides supplementary health benefits to seniors and other individuals including coverage for prescription drugs).

Medical benefits are the largest component of the Alberta Health Care Insurance Plan. Services that are covered are listed under the Schedule of

*"... the fundamental flaw of the medicare system is that patients bear no direct costs for the medical services they receive."*

*David Gratzer,  
Code Blue*

*"No health system can meet all those needs, even in rich countries. So either there must be conscious choices of what services should have priority or the services actually delivered may bear little relation to any reasonable criterion of what is most important."*

*World Health Report, 2000*



Medical Benefits. The Alberta Medical Association is involved in any decisions about adding or deleting services to the schedule of medical benefits.

Over the years, many new treatments and technologies have been added to the list of insured services. Generally, decisions involve assessment of the technology, analysis of the impact, expert consultations, government review, development of legislation if necessary, review by the Legislature or government, and implementation. Specific processes are in place for making decisions about new drugs to be covered and new province-wide services (highly technical services provided only at the Calgary Health Region and the

Capital Health Authority). Ultimately, the decision about whether a health program or specific service, drug or procedure will be funded is made by the Minister of Health and Wellness or collectively by the government.

It's fair to expect increasing pressure to add more treatments, programs and drugs to the list of insured services. If that happens, can or should we put any limits on what gets covered and what doesn't? How should those decisions be made? Is it reasonable to drop some procedures off the list as new, more complex, and more effective treatments are discovered?

## In summary ...

- The continuing escalation of health care costs without a clear funding plan and the consequent impact on federal and provincial treasuries creates an unstable climate and affects the confidence and performance of the health care system.
- If we approach the issue of sustainability as solely a cost containment and rationing exercise, we're doomed to failure. Albertans want timely access to a full range of health services and they're increasingly willing to consider other options in order to get the kind of access they want.
- Instead of saying these new treatments and technologies are available somewhere but we can not afford them so you can not have them, we need to find new ways of providing the services that people want and need, and we need to find new ways to pay for them. Only in this way can we expand opportunities, improve access, secure sustainability and improve health.
- Demands for health care will increase and cost more ... not because people use the health system frivolously or that people who run the health system are unable to do a good job of managing their budgets ... but because we're on a relentless pursuit of new knowledge, new treatments and new cures to save lives and keep people healthy.
- Mechanisms must be in place to ensure maximum value for spending is achieved. We can restructure, streamline, improve efficiency and introduce some competition in the system to ensure we get better value and contain costs. But those measures alone will not be sufficient to match increasing demands and costs in the health care system.
- Circumstances in Alberta and elsewhere in North America are such that the overall tax burden cannot be expected to rise to match increasing costs in health care. Instead of relying almost exclusively on the tax base, we need to diversify the revenue stream to support the health care services people want and expect.
- Spending on health care cannot be allowed to crowd out other vital forms of public spending, including education, infrastructure and other social services. Our future prosperity and health depend on all of these, and to the extent that it is crowding out these other forms of spending, tax-financed health care in its current form is not sustainable.
- The scope of publicly funded services should be more clearly defined and reviewed on a regular basis.

*“When it comes to health care, Canada can no longer afford to be all things to all people. Some hard choices need to be made. These choices will undoubtedly alter the face of medicare as we know it, but they do not have to be choices which will destroy the public program. On the contrary, they must be choices which ensure that the program is placed on a stable footing for the future, so that it will be there for everyone, when they need it.”*

*Turning the Tide,  
A Discussion Paper  
by BC's Physicians*

# Ensuring an adequate supply and best use of health providers

Sustaining Alberta's health system requires more than money. We need to ensure that Alberta has enough doctors, nurses and other health providers to deliver the health services we need.

*"The most pressing immediate factor limiting the ability of health authorities to bring new service capacity and programs on line in response to public demand for access to services is availability of qualified nurses and technical professional personnel."*

*Council of Chairs of Regional Health Authorities and Provincial Boards*

We hear regular reports about a looming crisis in attracting and keeping an adequate supply of doctors, nurses, technicians, pharmacists and a whole range of health providers. There are many stories of doctors and nurses heading to the United States for better pay and better working conditions. In certain parts of the province, health authorities have serious difficulties attracting and keeping physicians and hiring nurses.

Alberta is not alone in facing these challenges. Other provinces and states in the U.S. are also having trouble finding and retaining health care providers. Actions in Alberta to increase salaries and establish other incentives are attracting some physicians and nurses from other provinces, but this has a negative impact on those provinces and their efforts to retain the doctors and nurses they need.

The following provides some highlights about what we have learned about the shortage of health providers, factors that affect the ability of health authorities to attract and keep health providers, and ways of making the best use of the full range of health providers.

## Shortages are looming for many health providers.

In many cases, good information is not available on actual shortages of various health providers. But based on the best information available, there is no doubt that Alberta is facing significant shortages of a wide variety of health providers.

For physicians, shortages are a serious problem in communities across the country. While smaller, rural communities have faced these challenges for many years, major urban centres now are also

having difficulties attracting a sufficient number of physicians especially in some specialties. Estimates are that Alberta may need an additional 1,329 physicians by 2004/05. The number of physicians who choose to stay in Alberta following graduation is increasing and fewer physicians are leaving Alberta to practice abroad. Decisions made by the provincial government in January 2001 will increase medical school enrolments. However, in spite of these actions, it is likely we will face serious shortages of physicians.

The situation for nurses is even more serious. While good information on vacancies for RNs is not available, regional health authorities indicate that there is a shortage of about 1950 nurses for 2001/02. This trend is expected to continue for the next three years, which means Alberta could be short 6000 nurses by 2003/04. Alberta's nursing workforce is also aging; the average age of nurses is 43.4 years and close to 30% of them are over 50. More than 25% of the nursing workforce is slated for retirement in the next decade. Surveys indicate that close to 70% of Alberta nurses expect to be in nursing a year from now but only half expect to be in nursing in five years. Actions are being taken to expand enrolments in nursing programs and shorten the time it takes to complete a bachelor of nursing program.

Similar shortages are anticipated for a number of other health providers including pharmacists, mental health practitioners, rehabilitation practitioners, technicians, and laboratory technologists.

For those who have worked in the health system for many years, the pattern has been regular peaks and valleys where the supply of health providers is out of sync with the demand. It seems to be tied to either an abundance or shortage of funding for the health care system. When funding is limited, jobs are limited and fewer people choose to enter training programs thinking there will be few job opportunities available for them. This results in an under-supply. Conversely, when funding is abundant, jobs are readily available and more people choose to enter the profession. The result is an over-supply.

While it is difficult to predict future supply and demand of health providers, many suggest we should be able to do a better job of preparing integrated health workforce plans and anticipating future needs.

(For more information, check the Council's context paper on *Do we have a shortage of health professionals?*)

## We can make better use of the full range of health providers.

There is a wide and diverse range of health providers in the province including family practice physicians and specialists, nurses, nurse practitioners, licensed practical nurses, mental health practitioners, pharmacists, medical laboratory technologists, rehabilitation therapists, dentists, dental surgeons, chiropractors, podiatrists, and so on. The list is long and comprehensive.

Under the current system, many health authorities talk about the goal of providing “the right service by the right provider.” But the reality is that some services provided by physicians could be provided by nurses, nurse practitioners or pharmacists. Some work done by nurses could be done by licensed practical nurses. There likely also are expanded roles that other providers could play in aspects of health care such as mental health, community programs, or health promotion.

Unfortunately, there are a number of barriers in place. While many of the professional organizations talk positively about the need to work together, in reality, they seem unwilling to give up parts of their “scope of practice” unless there is some corresponding compensation. While some professions are interested in expanding their scope of practice at the “higher” end of more complex services, they are unwilling to give up any services at the lower end where technicians and assistants could perform the work. In some cases, legislation is a barrier; for example, existing legislation limits the use of nurse practitioners except in areas that are under-served by physicians. In other cases, union contracts require the use of particular health providers even though others could probably do the work and at less cost.

## Appropriate incentives are not in place.

“Incentives matter. All the rest is commentary.”

One of the consistent messages we have heard is that the current incentives for providers in the health system do not support the kind of integrated health care many would like to see.

We are not blaming doctors, nurses and other health providers for the situation. It's not their fault, but the rigid structure for paying these highly valued professionals strongly mitigates against meaningful change, especially in terms of expanding comprehensive primary care and other disease management approaches.

Think about these examples:

- Most physicians are paid on a fee-for-service basis. At the end of March 2001, there were six pilot projects in place for alternative payment plans for physicians with plans for 11 more projects underway. The natural and logical incentive for fee-for-service physicians is to treat more people, order more tests, or perform more procedures. In fact, physicians cannot be paid unless they actually see their patients. So they are forced to encourage repeat visits for things like refilling prescriptions because otherwise they are not paid.
- Many people support the idea of multidisciplinary teams of health providers working together - doctors and nurses, nurse practitioners, dieticians, social workers, etc. And yet, there is no way of paying for it. If a doctor wants to start a clinic and work with a team of other providers, there's literally no way of paying for those services aside from taking it out of his or her own earnings. The best we have is a few pilot projects, and the administrative burden and uncertainty surrounding those projects discourages many people from getting involved.

*“Specialists often see patients who could be seen by family doctors or nurses while specially-trained nurses or others could perform much of the day-to-day work of family doctors. However, provincial medicare plans do not allow nurses to bill while doctors cannot bill for independent work done by their nurses, and there are very few interdisciplinary clinics using alternative funding approaches.”*

*Revitalizing Medicare: Shared Problems, Public Solutions, Rachlis, Evans, Lewis and Barer, January 2001*

*“Ten years of downsizing the health care system have only exacerbated the situation by producing unhappy patients, horrific workloads for nurses across the system, destruction of organizational loyalty, and decaying morale among all health care workers. There is no easy fix, and no single strategy will turn the situation around.”*

*Interim Report of the Standing Senate Committee on Social Affairs, Science and Technology, September 2001*

- Health providers all have their own “territory.” Nurses and doctors say they want to find better ways of working together, but there’s no incentive to make it work. So we continue to have a gap between nurses and doctors, very limited use of nurse practitioners, and decreasing use of licensed practical nurses.

**There’s more to attracting health providers than good incomes.**

Council consistently heard that attracting and retaining health providers involves more than paying good salaries. We need to look at the reasons for current dissatisfaction and low morale among health care providers. Health providers feel they are not appreciated and there is little understanding of their expectations and views by those in charge of health regions. Individuals “in the trenches” feel that they are not being heard.

Many health providers feel they have been marginalized and their opinions are not valued. This has a direct impact on efforts to retain nurses, doctors and health providers.

In the case of nurses in particular, working conditions have a negative impact on their willingness to stay in the profession. The number of nurse managers has decreased significantly. Only 39% of Alberta’s nurses are working in full-time positions compared with 54% who worked part time. Close to one in three nurses worked on a casual basis in 2000. Many nurses complain about the lack of full time jobs and the requirement to work overtime. At the same time, contract settlements also have an impact on how much nurses are paid for full time vs. casual employment and many can earn as much or more on a casual basis.

**Health unions play a powerful role.**

Alberta has a number of very powerful unions and professional organizations. The United Nurses of Alberta and the Alberta Medical Association in particular provide not only a strong voice for their members but are actively involved in advocating certain positions that not only affect their members but the health system as a whole. It is understandable that powerful unions and health organizations may have, at times, acted as barriers to change unless they see those changes to be in the best interests of their members. To the public, however, it often seems that those directly involved in leadership positions in the health system can rarely agree on what can or should be done to improve Alberta’s health system.

**Options and alternatives**

Council considered a number of ideas for addressing issues related to both the shortage and best use of health professionals.

- Openly acknowledge the critical importance of doctors, nurses and other health professionals to the system.

Too frequently, when problems with the health system are noted, there’s an implication that doctors, nurses and other health providers are to blame. It is important to acknowledge that the full range of health care providers are at the heart of our health system. The quality of care people receive depends directly on their services. Many have been actively involved in trying to find better ways of delivering the services people need and expect. And health providers see first hand the impact of waiting times and the inability to get people the services they need when they need them.

- Do a better job of planning ahead.

Central planning approaches haven't worked well in the past. Decisions to reduce enrolments in medical faculties and nursing programs are now having a serious impact on the near-term shortage of doctors and nurses. Often, projections for the likely numbers of one profession do not take into account changes in the availability or scope of practice of other providers. At the same time, it should be possible to take a more comprehensive look at future needs for various professionals and use that information to guide decisions.

- Remove barriers to better use of health providers.

The provincial government has taken steps to review legislation for health professionals and examine their various scopes of practice. However, professional organizations are going to have to be more willing to give and take rather than simply protecting the "turf" they already have.

- Address workplace issues that cause dissatisfaction among health providers.

Most regional health authorities recognize the problems in their workforce and are taking steps to

address them. Examples include providing avenues for doctors, nurses and other providers to be more actively involved in decision-making processes, expanding continuing education, expanding permanent positions for nurses, and increasing the number of front line nursing leaders. Much could be learned from "magnet hospitals" in the U.S. where they have been able to create a work environment that attracts and retains their workforce and, at the same time, also improves outcomes for their patients.

- Step up actions to attract and retain doctors, nurses and other health providers.

Most health authorities are actively involved in programs and initiatives to attract and retain more health providers. These programs need to be tailored to the needs of each region. The province can and does play an active role in supporting initiatives to attract more physicians to rural communities.

At the same time, Alberta, as a relatively wealthy province, should educate sufficient health personnel to more than meet its own needs and not rely on recruitment from other provinces. This does not imply that movement of health professionals between provinces should be controlled or discouraged.

## In summary ...

- Alberta faces serious shortages of a wide range of health providers.
- Steps have been taken to expand education and training programs, but it will take time before those graduates are able to enter the workforce.
- Current incentives for physicians and other health providers do not encourage or support the kinds of comprehensive care many people would like to see.
- There are few incentives for teams of health providers to work together and provide comprehensive, patient-focused care.
- Professional organizations talk about the need to share expertise, but change has been slow in

coming and the result is under-utilization of the full range of health providers, especially nurse practitioners and licensed practical nurses.

- Without getting into a central planning exercise, we need to do a better job of anticipating future demands and changes to the professions, and matching that with capacity in post-secondary education and training programs.
- Serious attention should be paid to factors causing dissatisfaction and low morale in the health workforce. It will take more than money and better salaries to solve these problems.

*"We contend that the system has reached the limit of efficiency in the current model and that significant reform is needed to make the best use of all health professionals."*

*Alberta Association of Registered Nurses*

*"When the highest paid providers are used to perform a function that other lower paid professionals can perform at less cost, the system incurs unnecessary expense. In Alberta, it is common practice."*

*Perspectives on Nursing, College of Licensed Practical Nurses of Alberta*

# Evaluating outcomes and ensuring continuous improvements in the health system

*“Health care is the largest public spending programme in government. Yet we do not possess the information, or even the ability to gather the information, that would allow us to assess the performance of the current system, let alone evaluate the realistic alternatives.”*

*Operating in the Dark: The Gathering Crisis in Canada's Public Health Care System, Crowley, Zitner, and Faraday-Smith*

We've all heard the slogan, “Quality is job 1.” That slogan should be a hallmark for Alberta's health system instead of a marketing pitch for the Ford Motor Company.

When we talk about quality in health care, what do we mean? In Saskatchewan, Commissioner Kenneth Fyke defined quality in these terms.

*“Essentially, it boils down to doing the best job possible with the resources available. It means achieving stated goals and targets. It is measurable against accepted and valid standards. It is incompatible with waste, duplication and fragmentation. It is about minimizing underuse, overuse and misuse. It is not about heroic effort or the futile pursuit of the impossible. It is unlikely to be achieved by a demoralized workforce or inadequately trained personnel. It does not thrive where there is conflict or lack of consensus on goals and mission. It is about leadership, goal setting, teamwork, process, measurement, commitment, incentives and accountability.”<sup>6</sup>*

With that description in mind, what issues have been raised in relation to quality in Alberta's health system and what steps can and should be taken to ensure better outcomes in health?

## **Lack of good information is a critical problem.**

Compared with the private sector, there is a serious under-investment in information technology in the health system. As a result, basic questions such as how long people wait for a certain procedure in one

region compared with other regions or whether certain treatments are having the expected results are difficult, if not impossible, to answer. In addition to under-investment, health authorities are not required to purchase compatible information technology systems, so the result is some regions have information systems that may not allow information to be readily shared and compared with other regions. Some in the health system have said that even when huge amounts of data are collected, it often goes un-analyzed because there isn't the time or the resources. As Commissioner Fyke in Saskatchewan put it, “The health care system is data-rich, and information poor: there is little that tells managers, the public or providers about the quality of their labours in relation to agreed-upon goals and standards.”<sup>7</sup>

## **Evaluation is done by the same people responsible for paying for and providing the service.**

We talked earlier about the health system operating as a monopoly. In the case of evaluating outcomes and providing timely information to guide decisions, this is a major stumbling block. Within Alberta Health and Wellness and the regional health authorities, considerable work has been done to collect, analyze, and report on important trends and issues in health. But the fact is, there is no independent, arms length assessment of the outcomes and no external “audit” of the impact of the results. In the face of other priorities, it is easier to under-invest in information technology and analyzing outcomes in health because the public has no choice but to use the public health system, whether it achieves the results we want or not.

**Evidence is not used to guide decisions.**

The Council's goals stress a health system that is "evidence-based" - a system where the best information is used to guide decisions. Because of the shortage of good information in health, decisions are not necessarily guided by the best information and are instead made for a variety of reasons including past experience, expediency, political influences, or to comply with the wishes of health professionals or other health organizations.

**A quality system should put patients first.**

In a quality-focused system, the first priority should be ensuring that individuals get the kind of health care services they want and need and are also given the tools and support they need to stay healthy. In Alberta, the health system focuses primarily on hospitals and health providers. People are expected to fit into the system and get service when the system can provide it. In other countries, changes have been made to try to put more focus on the patients. This includes introducing health charters or care guarantees to ensure that people get the care they need within a certain period of time.

**Standards and targets are lacking.**

When people are told they'll have to wait four weeks for an MRI, how do they know if that's reasonable or not? In all but a few cases, there aren't standards in place that would allow a person to know whether the waiting time is reasonable or not. In the case of physicians, some work has been done

to establish clinical practice guidelines that set out "protocols" for treatments that should be required for certain health conditions. However, aside from protecting themselves against legal liability, there is little incentive for physicians to follow clinical practice guidelines even though some suggest this could improve quality of care, reduce the use of unnecessary tests and treatments, and reduce costs. Some have suggested that as much as 30% of current tests and treatments are unnecessary and do not improve health outcomes.<sup>8</sup> In Sweden, physicians are actively involved in compiling "registries" of information on the outcomes of procedures done to treat certain conditions. That information is shared with physicians across the country. No similar processes are in place in Canada or Alberta; instead we rely on isolated research projects.

**Continuing investments in research are critical for the longer term future.**

Alberta is well known as a Canadian leader in health research. Many exciting breakthroughs have been discovered in Alberta primarily as a result of the support of the Alberta Heritage Foundation for Medical Research (AHFMR). This work is essential and should continue to be supported. In addition to research focused on new treatments and cures, research on the impact of different ways of delivering health services on improving the quality of care should be expanded. There also is a considerable challenge in researching and assessing the impact of new technologies. Before decisions are made on whether to purchase new equipment or change the way people are treated, it is critical to have independent technology assessments. The AHFMR does technology assessment and has the capability of creating a centre of expertise in this area for the prairie provinces.

*"Commitment to quality is the only way to get quality."*

*Commissioner Kenneth Fyke*

*"Research-based evidence - not tradition, anecdote, or unsubstantiated opinion - should guide practice and resource allocation."*

*Commissioner Kenneth Fyke*

<sup>6</sup> Commissioner Kenneth J. Fyke. *Caring for Medicare - Sustaining a Quality Health System*, Saskatchewan Commission on Medicare. April 2001, p. 44

<sup>7</sup> *ibid*, p. 45

<sup>8</sup> Berwick, D.M., Blanton, A.B., Roessner, J. *In Curing Health Care. New Strategies for Quality Improvement*. Jossey-Bass Inc. Publishers, 1991.

## Options and alternatives

The Council considered a number of options and alternatives for improving quality in Alberta's health system.

- Set standards, benchmarks and targets and measure results

While some work has been done in the province to set standards, benchmarks and targets and measure results, this work is not used to drive decisions in health and health authorities and providers are not held accountable for the results they achieve. In short, there are no rewards for better performance and no penalties for poor outcomes. A more public and transparent process of setting targets and reporting on performance may provide more of an incentive for health authorities and providers to improve quality and results.

- Increase investment in information technology

Better information can't be achieved without an expanded, long-term investment in information technology. Ideas like an integrated electronic patient record or a form of electronic health card are crucial to any assessments of quality health care and have been talked about for years, but without a firm commitment and investment, they will not happen. Some have suggested that instead of allowing health authorities to develop or purchase their own systems, common standards should be set by the province. Instead of developing new systems for Alberta, some have suggested that information systems have been developed elsewhere (such as private sector companies in the United States or with the banking industry) and the technology could be adapted for use in the Alberta context.

- Establish arms length responsibility for assessing health outcomes and quality improvements

Alberta has a Health Services Utilization Commission whose mandate is to “foster continuous improvement in the performance of the health system by informing individuals, providers, funders and other stakeholders about the use of health services and engaging them in positive changes.” The Commission is expected to provide leadership in analyzing utilization of the health system, create information, develop conclusions and recommendations, engage stakeholders and the public, and promote and encourage a culture of evaluation and continuous improvement. Unfortunately, ensuring that the health system is utilized appropriately is only one part of a comprehensive approach to ensuring quality in Alberta's health system. In addition, the Commission has only a limited-term mandate while research on quality and outcomes often takes many years to complete and assess.

- Consider greater use of clinical practice guidelines or “registries” approaches

Some have suggested that physicians should play a more active role in developing and encouraging wider use of clinical practice guidelines as a way of providing quality care and saving unnecessary procedures and costs. However, work on developing clinical practice guidelines has been slow and there is little incentive for physicians to actually follow the guidelines. A registries approach similar to that used in Sweden may provide an option where physicians are more actively engaged in reviewing data on outcomes for various procedures and adjusting their practices accordingly.

*“... priority should be given to electronic patient records, since this kind of system is the cornerstone of an efficient and responsive health care delivery system that is able to improve quality and accountability.”*

*Interim Report of the Standing Senate Committee on Social Affairs, Science and Technology, September 2001*



- Establish an ombudsman for health

Some have suggested that, because of the complexities of the health system and the difficulty individuals have in judging whether they received quality care or not, an ombudsman for health should be established. Currently, the Alberta Ombudsman does not have jurisdiction to investigate concerns raised by individuals about the health care system. In 1998, a decision was made to expand the mandate of the Alberta Ombudsman to include health authorities and agencies funded by them, however, legislative changes have not yet been implemented. Currently, British Columbia is the only province where professional bodies are subject to the role of the provincial Ombudsman.

Some argue that expanding the role of Alberta's Ombudsman to cover health care complaints would provide people with an independent avenue to have their concerns addressed. On the other hand, others suggest that health authorities already spend considerable time listening to concerns and investigating complaints and it may be preferable to keep this process closer to the communities involved. Complaints about the conduct of health providers can be taken to various professional bodies such as the College of Physicians and Surgeons, the College of Pharmacists or the Alberta Association of Registered Nurses.

## In summary ...

- It's difficult, if not impossible, to have an "evidence-based" system unless people making decisions have access to better information. This is a significant problem in Alberta's health system.
- We need more investment in information technology and better information about outcomes in health. If we want a system where the best available information and evidence guides decisions, we need to have the right systems in place to collect, analyze and share information.
- While some good work has been done to measure results, there is an overall lack of standards and targets. Furthermore, there are few rewards for achieving positive results and no penalties if results do not meet expected standards.
- Alberta has a solid reputation in health research and an opportunity to be a leading centre in technology assessment.

# Part II

## Recommendations for reform

After reviewing a range of issues and options, the Council has come to the conclusion that, while there are many positive features of Alberta's health system, it's not sustainable without fundamental change. Alberta has an opportunity to lead the country in true health reform. We have an opportunity to reform medicare for the 21st century, revitalize the system, and make sure Albertans continue to have access to the best health care services and the latest in effective new treatments and cures.

In looking at the complex question of how to sustain Alberta's health system, we've taken a long-term approach. Frankly, there are no quick fixes. We believe there are efficiencies to be gained in the health system and we should be vigilant to ensure that we extract maximum value for every dollar spent. At the same time, we are convinced by arguments that suggest there is not much room left for substantial cost savings in the health system simply by cutting administration or looking for efficiencies.

Getting maximum value for what we spend on health is essential. But the Council also believes that both demands for health care services and costs will continue to rise in spite of everyone's best efforts to find better ways of delivering health services at a reasonable cost.

Too often, people have taken the view that, in face of rising costs, our options are limited. We can increase taxes and keep paying more. With that approach, we might be able to buy more health services, more new treatments, drugs and technology. But eventually, health care costs will rise beyond the willingness of taxpayers to foot the bill and health

care spending will undoubtedly crowd out other essential government services. The other option is to limit how much we spend and ration services to stay within the boundaries of what budgets allow. That approach contains the supply of health services and helps contain spending. But we know from past experience it does not decrease demand for health services; in fact, it creates a pent-up demand. It doesn't control costs. Costs go up but we're just able to buy less. And people are getting increasingly impatient with long waiting lists or being told new and better treatments and tests are available but they're too expensive so no one can have them.

As a Council, we reject both of those approaches.

Instead, we need to look at better ways of staying healthy, providing more choice and more competition, freeing up the system to introduce new approaches, getting rid of barriers that stand in the way of getting the health services we want, and diversifying the revenue stream so we're not solely dependent on the tax base or government budgets to support health care. We're talking about creating more opportunities, not shutting them off. Giving health providers more opportunities to deliver services to Albertans. Giving regional health authorities more authority to make decisions and more options for delivering the health services their community members want and need. Setting rigorous targets and standards and holding people accountable for the results they achieve. Putting the focus on patients first and giving them more responsibility and more ability to influence how their health care dollars are spent.

Are there some downsides to this approach? Yes. It means not every health care service and treatment will necessarily be covered through public insurance. It means people who can afford it may need to pay more, but they will have more control over what they spend and more choices about how they pay for the health care services they receive. It means we need to abandon some of our old ideas about how health systems work and be willing to say, "Let's give this a try."

In that context, the Premier's Advisory Council recommends that the following ideas and options for consideration.

## 1. The first reform is to stay healthy.

Too much of the focus in our health system is on treating people when they're sick. The best way of sustaining Alberta's health system in the longer term is to make sure fewer people get ill, suffer from chronic illnesses that can be prevented, get injured in motor vehicle collisions, or compromise their health and the health of others by smoking. It's that simple and that important.

The health of all Albertans should be promoted and improved by taking a global view of all of the factors that determine and affect people's health. This includes basic public health measures, economic well-being, early childhood development, education, housing, nutrition, employment status, quality of the environment, lifestyle choices and healthy behaviours. Actions should be taken at both the population level and by individuals in order to improve overall health. Additional ideas and initiatives already underway are noted earlier in this report.

Consistent with this approach, Council recommends that:

- ✓ Because of the profound influence of education on health, government should commit to ensuring that all children have the fullest opportunity to complete high school and a post-secondary education or training program.

Every child should arrive at kindergarten ready to learn.

Every child should have the opportunity to succeed at school, complete high school and move on to some form of post-secondary education.

Resources should be available to ensure that children have access to early childhood education and pre-kindergarten programs and to make sure all children at risk are identified and their needs are met. With these resources in place, all children should be able to achieve their full potential in school.

- ✓ Ensure that appropriate financial assistance is available to support children living in poverty and low income homes.

Children should have the opportunity to live healthy lives with adequate food, a safe environment, and minimal risks to their own health. Government should ensure that adequate support is available to families who need it.

- ✓ Establish a set of clear health objectives and targets for the next ten years, then measure and track progress in meeting those objectives.

Council suggests that provincial objectives and targets be set in at least the following areas:

- physical activity
- overweight and obesity
- tobacco use
- substance abuse
- injury and violence
- mental health
- environmental quality
- immunization
- access to health care.

- ✓ Provide Albertans with better access to evidence-based, reliable information on how to stay healthy and well.

Alberta Health and Wellness should take on a permanent information role, providing Albertans with up-to-date, evidence-based information about healthy choices and factors that affect health. That role would involve reviewing research and studies of lifestyle and health, analyzing reports, synthesizing information, and providing consistent and reliable information to Albertans and all providers involved in health promotion activities. This would help overcome the current overload of unreliable information from numerous sources and ensure that people have the best information about diet, exercise, smoking cessation, alcohol and drug use, stress and personal control, and defensive behaviours to prevent infection, unintended injury and suicide. It also would improve early detection of disease.

The information assessments and reviews should also be given to all types of health care providers to ensure they have the best and most effective knowledge to provide to their clients.

- ✓ Take the lead in updating and introducing a new food guide.

Canada's food guide is badly out of date and should be updated to reflect the latest evidence and understanding of healthy nutrition. Alberta could take the lead in working with other provinces and the federal government to update the food guide. Food industry partners could be involved in developing and supporting a new food guide and promoting its use as part of their regular marketing efforts.

- ✓ Strengthen, update and revise health education in kindergarten to grade 12.

Current health education programs in schools should be revised to include up-to-date studies and information on staying healthy. Information should be provided by Alberta Health and Wellness as part of its information role.

Students should have the opportunity for regular exercise time as part of every school day. Activities should be tailored to the interests and capabilities of students.

- ✓ Provide better incentives for people to stay healthy.

Too often, people know what they need to do to stay healthy but for whatever reason, they don't make the right choices. The right incentives can make a difference. Ideas such as medical savings accounts would not only give people more responsibility for how they use the health care system, but also could allow them to use their "savings" on a broader range of health promotion and wellness activities and programs. Ideas such as variable premium rates (described later in this report) could also provide an incentive for people to stay healthy. Other approaches such as tax credits, tax reductions or credits against health premiums, or partial refunds of health premiums towards the cost of approved personal health promotion programs could also be considered.

- ✓ Strengthen support for current initiatives and plans to reduce or eliminate tobacco use.

A number of initiatives have been planned or are underway but require more concerted effort and financial support to produce better results. That includes:

- Education on the effects of tobacco use as part of a mandatory health theme in schools
- Media-based activities including maintaining an intensive media campaign against smoking (especially initiation of smoking), reviewing media campaigns used internationally and selecting parts or all of those campaigns for use in Alberta
- Pharmacological treatment of and counselling for nicotine addiction, including programs to reimburse people for the costs of approved smoking cessation programs and associated drug costs. Physicians should be encouraged to use the existing counselling fee to cover the costs of providing smoking cessation counselling to their patients.
- Regulation of tobacco advertising and promotion, especially programs targeted at youth
- Clean air regulations, especially bylaws preventing smoking in public establishments
- Restrictions on smoking sales to minors
- Taxation of tobacco products and use of the revenues to pay the costs of programs to provide education, media awareness, and reimbursement for smoking cessation.
- Use of increases in tobacco taxes to support a range of other wellness initiatives.
- Community-based activities, including community efforts to limit smoking especially by youth, and to restrict smoking in public places.

## 2. It's time to put "customers" first.

Alberta's health system, like every other health system across the country, is focused primarily on hospitals and health care providers. People who use the health system - let's call them "customers" - have little choice in where or how they receive health care services. We're expected to "fit in" with the way services are organized and delivered. Waiting lists cause considerable worry for individuals but most are powerless to do anything about it. As a result, people lose confidence that the health system will be there when they need it or that providers in the system are working together to address their health needs.

Along with the idea that customers should come first, individual Albertans should be expected to take more responsibility for decisions they make about lifestyle choices and how they use the health care system.

Specific recommendations include the following:

- ✓ Ensure that all Albertans have guaranteed access to selected health services within 90 days of a diagnosis and recommendation by their physician.

Albertans should be able to expect reasonable access to necessary medical services. Long waiting times cause worry for patients and may actually add costs to the health system. A 90 day care guarantee for selected services provides an incentive for health authorities and physicians to take appropriate action to manage and shorten waiting lists. Emergency and urgent cases would be dealt with immediately or within a very short period of time.

Patients may need to give up their preference for a specific physician or hospital if they want to be treated within the 90 day period. If regional health authorities are unable to provide service within 90 days, they would have to consider other options for getting the service from another region or within a reasonable distance. Services could be arranged from either a public or private sector provider. If they are unable to arrange services within 90 days, government would arrange for the services in another jurisdiction and the costs would be charged to the region where the patient lives.

- ✓ Implement effective ways of reducing waiting lists including centralized booking and posting waiting times for selected procedures on a website.

Groups of health providers in a region should be encouraged or supported to develop “centralized booking services” to manage waiting lists and arrange for services from the next available specialist. Under this approach, patients would get speedier access to specialist services. They would continue to be able to choose a specific specialist but they may need to wait longer depending on the specialists’ availability. Posting waiting times on a website is another practical solution. Instead of waiting on an “unknown” list, patients would have access to waiting times for selected procedures for each hospital and each physician in the province. People could check the website then could consult with their family doctor about getting referred to another physician or facility in their region or in another region with shorter waiting times. If they insist on a particular physician or hospital, they may need to wait longer. Funding for the procedure would follow the patient.

- ✓ Give Albertans more choice in the health care services they receive and where they receive them.

Subsequent recommendations talk about unbundling the health care system, providing more opportunities and more choices. If options like medical savings accounts or other approaches to give individuals more control over how they spend their health care dollars are implemented, individuals would be able to take more control over the kinds of health care services they receive.

- ✓ Make new models of care including comprehensive primary health care, disease management or other comprehensive care approaches the norm not the exception.

We know there are better models of care than expecting individuals to go from one health care provider to another. We can make better use of the full range of health providers and do a better job of keeping people healthy or treating chronic illnesses. Barriers to implementing these kinds of approaches should be identified and removed.

### 3. Redefine what we mean by "comprehensive."

Medicare, as we know it, was never designed to cover the full range of health services, treatments, drugs and technologies available today or envisioned for the future. Unfortunately, when people talk about "comprehensiveness" - one of the five principles of the Canada Health Act - they believe that every health service and treatment should be publicly insured and provided at no cost to individuals.

It's time to reconsider that assumption and set some boundaries on what will be publicly insured and covered under medicare. If we want to ensure that public coverage is available to treat the most serious illnesses and injuries, or to provide effective treatments to cure people or help them manage their illness, we need to seriously think about re-balancing what gets insured and what doesn't and deciding what services could be funded in other ways.

These are not easy choices. Places like Oregon have gone through detailed reviews of each and every treatment and service to decide if it would be publicly covered or not. The Council does not recommend this kind of detailed treatment by treatment review. However, we do strongly recommend that mechanisms should be in place for reviewing new treatments and technologies and making decisions about what should and should not be publicly funded. We acknowledge how difficult these decisions are and therefore we are recommending that clear processes be put in place

without delay. If some services or treatments are taken off the list or decisions are made that new treatments will not be added, those services could still be available in the health system but would be paid for through supplementary insurance, individual payments, or other approaches such as medical savings accounts.

- ✓ Establish a permanent expert panel to review and make decisions on which health services and treatments are publicly funded.

On an initial basis, the expert panel should review the broad categories of services currently provided and decide whether all existing services should be "grandfathered" for continued public funding. Services that are not publicly insured could be provided by the public or private health provider but would not be paid for by public health care funds. The purpose of the review isn't to save money in the short term but to ensure future sustainability by examining the scope of what can and should be publicly funded, now and in the future.

- ✓ Require the expert panel to establish criteria for determining whether each new diagnostic treatment, service, or drug should be covered.

The “rules” for adding new services should be clear to everyone. The process could involve several steps including:

- An evidence-based review to determine whether there are significant and measurable health benefits to Albertans from having access to the new treatment or service and an assessment of whether the proposed new treatment or service is cost effective. A new procedure or treatment might be considered effective if it:
  - △ produces the same result as a conventional procedure but at less cost
  - △ produces a result that is almost as good as the conventional procedure but at dramatically less cost
  - △ produces better results at the same or lesser cost than the conventional procedure
  - △ produces dramatically better results even though the costs are significantly higher, but the increased costs are justified because of significantly improved health outcomes
  - △ provides the most timely and cost-effective way of delivering the procedure or treatment
- If a decision is made that a treatment should be publicly insured, it would be added to the list only if there are sufficient revenues from the province to cover the costs or if other, less useful or less effective services are removed from the list to free up the necessary resources. At the same time, the availability of resources has to be balanced against the need for Albertans to have timely access to new technology, treatments and tests.

#### 4. Invest in technology and establish an electronic health record.

The lack of good information is a serious impediment in Alberta's health system. It means we can't effectively track results, answer basic questions about what is happening in the health system, calculate the cost and benefits of health services, or gather evidence about whether new approaches are effective or not. If the goal is integrated health services, it is essential to have integrated health information and information systems.

- ✓ Develop and implement an electronic health record for Albertans, starting with an electronic health care card.

An integrated electronic health record that tracks individuals' health along with various treatments, medications, and tests would be an invaluable tool for all aspects of the health system. While we recognize that an electronic health record must ensure that privacy and confidentiality are protected, it would provide access to essential information about a person's health, help ensure people get timely and accurate diagnosis and treatment, help track overall use of the health system, and allow better assessment of the outcomes of various health services. The most important benefit is the opportunity to use this information to improve both the health of individuals and the quality of our health care system.

As a starting point, an electronic health care card should be developed. It would act as a kind of debit card for each individual Albertan. It would allow them to see the cost of health services they use and take more responsibility for their own use of the health care system. Regular reports could be provided to Albertans on the cost of the health care services they consume.



In future, if ideas like medical savings accounts or variable premiums are implemented, an electronic health care card would be an essential and practical tool. It also would be a vital component of new models of care like comprehensive primary health care or other disease management models. And it would provide essential information to measure outcomes and help improve the overall health of Albertans.

- ✓ Provide long-term provincial funding to support development and implementation of information technology and information technology systems.

Health systems in Canada, including ours, suffer from a serious under-investment in information technology. This is a major stumbling block in accessing, assessing, and analyzing information about health outcomes and in using information to guide decisions. Information systems should be considered essential costs just as they are in most private sector businesses and should be given higher priority.

Initiatives underway or planned through *alberta wellnet* have the potential to provide improved access to better information in health. Considerable work has been done in developing a pharmacy information network and laying the groundwork for an electronic health record. In spite of frustrations about the lack of deliverables to date, there is a growing sense of urgency that these initiatives must move ahead and move more quickly than in the past. A long-term funding commitment is required along with clear direction and monitoring of results. Government and health authorities should also consider options other than purchasing information technology including contracts, leases, and public/private partnerships.

- ✓ Set province-wide standards for information technology.

Because of the importance of tracking and sharing essential health information, and because of the substantial costs involved in developing and/or purchasing information technology, regional health authorities should not have the option of “going their own way.” Council heard examples of health authorities purchasing their own technology and systems which then are incompatible with systems in other regions. Funding for information technology should be tied to complying with the overall direction and standards set by the province. To the extent possible, standards should be compatible with other provinces to ensure that information can be compared on a national basis.

The emphasis should be on developing and/or purchasing the best software and databases that support the development of outcome information. Consideration should be given to purchasing systems that may have already been developed by private sector companies and could be adapted for use in the health system.

- ✓ Continue to support the work of the Alberta Heritage Foundation for Medical Research in technology assessment.

New technologies are being developed on a continuing basis and many of these technologies have a tremendous potential for improving treatment of illnesses and quality of life. At the same time, the costs are high and in some cases, the cost effectiveness of new technologies is not known. Assessing the cost effectiveness of new technologies before they are implemented on a broad scale is an issue that is faced not only in Alberta but across Canada and around the world. The AHFMR has developed considerable expertise in this area. Discussions should also be held with other western provinces with a view to using the capabilities of AHFMR to establish a centre of expertise in technology assessment for the prairie provinces and to share expertise with other provinces and leading centres around the world.

## 5. Re-configure the health system and encourage more choice, more competition, and more accountability.

As noted earlier in this report, Alberta's health system, like every other health system across Canada, operates as a monopoly. There's little choice or competition. Health services are primarily available only through the public system. Because there is a single provider of health services, there are few incentives to specialize in certain areas, introduce competition, or encourage innovation.

By "unbundling" the system and devolving more responsibility to regional health authorities, it's possible to open things up, expand the range and number of suppliers delivering health care services, and give individuals more choice in the health services they receive.

Council members feel strongly that a "top down" approach to managing and governing Alberta's health system is not effective and does not provide the best incentives for innovation and exploring new options. There is no reason why each health authority in the province needs to operate in the same way with the same ways of delivering services. At the same time, this will present a clear challenge to health authorities. Undoubtedly, some will thrive under a more open and competitive system, while others may find it difficult to operate. The result could be that some regions find it easier to combine their efforts with other regions in order to meet the expectations of their community members.

- ✓ Set clear and distinct responsibilities for government and health authorities.

**Under a new approach, government would be responsible for:**

- setting overall vision, goals and objectives for the health system including acute care, prevention and promotion, public health, long term care and home care
- preparing annual budgets for health services in the province
- allocating funding to health authorities and other core functions
- investing in health research and sharing information about outcomes
- providing up-to-date and reliable information to Albertans on how to stay healthy
- setting targets and standards
- investing in technology, setting information technology standards, ensuring technology assessment through the Alberta Heritage Foundation for Medical Research
- coordinating health workforce planning and working with professional organizations to coordinate scopes of practice
- paying for certain health services

**Regional health authorities would be given responsibility and authority for:**

- negotiating overall contracts with the province
- delivering and/or contracting for the delivery of a full range of insured health care services
- establishing service agreements with physicians, labs, private surgical facilities, clinics, groups of health care providers, and private and not-for-profit organizations and agencies to provide health services, including primary health care
- assessing the needs of people in their region, setting priorities and making decisions about programs and services to be provided
- integrating health services across the region
- setting budgets and plans and reporting results to both their community members and the provincial government.

In addition to these responsibilities, Council also understands that a review of ambulance services is underway. While we are not in a position to make any specific recommendations, Council believes that there should be a review of the relationship between emergency services and regional health authorities to assess how emergency services fit with overall health care services.

- ✓ **Establish multi-year contracts between the province and regional health authorities setting out performance targets to be achieved and budgets to be provided.**

Health authorities are required to provide business and budget plans to the province. But in many cases, they involve only general plans. Specific targets are not set and agreed to by both parties, and budgets are considered “guidelines” rather than limits on what can be spent. By putting contracts in place, the expectations, performance and budget targets for health authorities can be set in clear and open terms. Contracts should clearly

spell out what happens if regional health authorities do not manage within their budget targets or do not achieve their performance targets. With contracts in place, regional health authorities should be given the freedom and responsibility for achieving targets and performance standards. Political interference would be minimized. At the same time, as noted by the Auditor General, some regional health authorities may need assistance in developing sound governance and management practices to ensure that they are well managed and meet the objectives of their contract with the province.

- ✓ **Facilitate cooperation among regional health authorities and use evidence from performance contracts to assess the effectiveness and viability of regions on an ongoing basis.**

Council members had considerable debate about the number of health regions in the province. Many people suggest that Alberta has too many regions for the size of its population. On the one hand, reducing the number of regions might result in better integration and streamlining of services. On the other hand, there is little evidence to suggest that fewer regions would result in better health outcomes or significant savings. Council believes that it makes good sense for regions to work together in areas where they can achieve efficiencies and deliver better services, especially in the areas of administration, technology, and procurement. Evidence from contracts between regions and the government should be used to assess regions’ performance on an ongoing basis. If regions choose to duplicate efforts when cooperative approaches would have worked better and saved money or where outcomes or management are not up to standard, government should consider blending entire regions or parts of regions.

- ✓ Encourage health authorities to contract with a wide variety of providers including other regions, clinics, private and not-for-profit providers, and groups of health providers.

Currently, the majority of health services are provided directly by health authorities. Lab services, long term care, and home care are examples where services are frequently provided through contracts with private and not-for-profit organizations.

The Council feels it is important to open up opportunities and encourage more options in the health system.

Health authorities should have the option of contracting with other health regions for certain health services. For example, based on past trends, a region may anticipate it will need 50 hip replacements in a year. It could seek competitive bids from other regions able to provide the service. Contracts could be awarded based on a number of factors including price, waiting times, transportation arrangements, and follow-up care.

Similarly, regions should be able to enter into contractual arrangements to offer joint services to people in adjoining regions, jointly hire physicians to provide specialized services, do joint procurement and purchasing to capitalize on their combined purchasing power, jointly purchase and support information technology services, or provide joint administration. Currently, there are few incentives in place for regions to enter into these kinds of agreements.

In the longer term, regional health authorities could consider establishing contracts with hospitals in their region as well as alternative ownership arrangements and payment mechanisms.

- ✓ Encourage health authorities to develop centres of specialization.

Several regions have developed effective programs for treating people with Alzheimer's disease, providing certain surgeries or treating certain conditions. More specialization and development of centres of specialization should be encouraged. The Council believes that this is an important way of improving the quality of services. Regions with special expertise should be able to "market" those services to other regions and enter into contracts with other regions to deliver services. In this way, regions would generate a sufficient volume of services to allow them to achieve better outcomes.

- ✓ Implement new models of care including comprehensive primary health care, disease management and other comprehensive care approaches.

These approaches provide the kind of care many people want. Various studies and evaluations suggest that primary health care is effective in coordinating a wide range of health and related services and improving health. Disease management approaches can help people manage chronic health conditions and avoid more expensive and serious treatments. They also have a tremendous potential to improve outcomes. More providers should be encouraged and supported to implement these approaches. Albertans should be informed of the

benefits of these kinds of comprehensive approaches and whether or not they are available in their communities. If new funding approaches were implemented to give people more control over where they choose to access health services, people who prefer a more comprehensive approach would be able to choose clinics or providers who opt for this approach rather than being referred from one service to the next.

One of the concerns in the health system is that the full potential for drugs to improve health and reduce costs in other aspects of the health system is often not reached because there aren't effective programs in place to manage patient drug use. There is an opportunity for Alberta to take a leadership role in introducing new disease management partnerships to address this issue. Council recommends that government should work with the pharmaceutical industry, health authorities and health providers to develop multi-stakeholder disease management and educational programs.

Perhaps the most critical issue in implementing new models of care is to expand alternative ways of paying physicians. Council's recommendations on alternative payment approaches for physicians are outlined later in this report.

- ✓ Encourage an innovative blend of public, private and not-for-profit organizations and facilities to deliver health care services.

Instead of saying all insured services must be provided only in the public system, it's time we looked at an innovative blend of private and public health care services and facilities. As long as insured health care services are publicly funded and standards are in place, it should make no difference if services are delivered in public, private, or not-for-profit facilities. Regional health authorities should be in a neutral position and be able to purchase services from either the public or private sector depending on where there is capacity and whether they can get services at a reasonable price.

Physicians should be able to work in public, private or not-for-profit systems and retain their privileges at public hospitals. In fact, physicians should be required to work a percentage of their time in the public system to ensure that the best talent is available to both the public system and private health care facilities. This approach is supported by physicians who currently work in the private sector. They suggest that physicians should be required to work in the public system to keep their skills sharp - the public system provides more variety in cases and allows physicians to treat more complex cases than would be allowed in the private or not-for-profit sector. The percentage of time physicians spend in the public or private sector should be a flexible arrangement depending on the type of care provided and should be determined by regional health authorities and the College of Physicians and Surgeons.

- ✓ Encourage groups of health care providers to establish “care groups” and offer a range of services to individuals and health authorities.

Health care providers should have more opportunities to deliver the kind of health services Albertans want and need. Currently, opportunities are limited by existing ways of delivering services or budget limitations. With new models of care and diversified sources of revenues, groups of health care providers could set up health care organizations on a business model and market their services both to individual Albertans and regional health authorities and provide insured as well as uninsured health services.

- ✓ Integrate mental health services with the work of regional health authorities.

Although the Alberta Mental Health Board has served a useful role in the past, it's critical that mental health services be fully integrated with other health services available in the region. Therefore, the Council recommends that mental health services should be the responsibility of regional health authorities across the province. Clear guidelines should be in place to ensure that mental health services receive a high priority in the regions and that spending on mental health services is maintained and enhanced. The government should set province-wide standards and those standards, performance measures and targets should be reflected in contracts with regional health authorities. Health authorities should be accountable for meeting the mental health needs of people in their region and the targets set in their contracts.

Provincial leadership is required to anticipate growing needs for mental health services for specific groups including seniors, children and adolescents. Appropriate resources should be available to meet these growing needs and ensure that adequate programs and services are available.

## **6. Diversify the revenue stream. Instead of rationing health services, we need to find better ways of paying for the health services Albertans want and need.**

We need to begin by extracting maximum value for every dollar spent on health care in the province. But containing costs, seeking efficiencies, and streamlining delivery of health care services may not produce enough savings to sustain the health system over time - especially in the face of growing demands and rising costs.

If we continue to depend only on provincial and federal revenues to support health care services, we have few options other than rationing health care services. On the other hand, if we are able to diversify the revenue sources used to support health care, we have the opportunity of improving access, expanding health care services, and realizing the potential of new techniques and treatments to improve health.

Council recommends the following ideas for consideration.

- ✓ Ensure that government continues to fund the majority of health care costs, but that increases are affordable.

Diversifying the revenue stream does not mean government can duck its responsibility for continuing to provide substantial support for Alberta's health system. Whatever changes are introduced to reform and change the health system, it is likely that health care will continue to be the number one priority for government spending.

The challenge is to find effective ways of moderating annual increases in spending so they are affordable, match growth in the province's economy and do not compromise the province's ability to deliver other essential services like education, infrastructure or security.

**Several options could be considered.**

- A ceiling could be set so that health care funding does not take up more than a fixed percentage of government spending in a year.
- Targets could be set for annual spending increases based on a number of factors including population growth, aging, inflation, and growth in the province's economy.
- Health authorities could be given fixed, multi-year budgets and contracts with no adjustments during the course of the approved budget except under extenuating circumstances.
- Decisions could continue to be made on an annual or multi-year basis taking into account changes in the province's fiscal situation and needs identified by health authorities.

**While Council is not in a position to recommend one approach over another, we recognize the continuing tension between:**

- the need for government to curb the trend for annual increases beyond what is affordable
- health authorities' need for adequate funding to meet increasing costs and demands and the need for more stability in funding over time.

In the longer term, many of the Council's recommendations for re-configuring the system should help moderate increasing costs, but in the short term, these ideas will not relieve pressure on provincial budgets.

- ✓ Set clear principles to guide decisions on new sources of revenue to support Alberta's health care system.

Council members have come to the conclusion that the current health care system is not sustainable if it is solely funded from provincial and federal government budgets. Our recommendations to diversify the revenue stream are based on a fundamental view that all Albertans deserve fair and equitable access to health services. Rather than rationing health services, we need to look at a variety of options for generating additional revenue and using that revenue to expand opportunities for Albertans to access the health services they want and need on a timely basis.

**The following are the essential principles that should guide decisions about various options for additional sources of revenue:**

- No Albertans should be denied access to health services because they are unable to pay and no Albertans should get better or quicker access to essential health services because they are able or willing to pay for it.
- All Albertans should be fully covered for catastrophic illnesses and injuries.
- People with low or no income, including seniors, must be protected.
- There should be incentives for people to stay healthy and improve their own health.
- Customers should come first. Any new revenue approaches should give individuals more choices, a greater ability to make decisions about their own health, and should encourage them to make the best use of the health system. Along with this comes a recognition that Albertans must take more responsibility for their own health and the decisions they make.
- Innovation should be encouraged and supported.

- New sources of revenue should be used to enhance flexibility, encourage more options and choices in the system, and improve access to health services.
- New sources of revenue should support stability and encourage savings by individuals against future costs of health care services.
- New approaches to funding health services should be assessed based on simplicity, administrative feasibility and costs of implementation.

✓ **Explore and implement a “made in Alberta” approach to funding health care services in the province.**

Council believes that a “made in Alberta” approach to funding health care services can and should be developed. A number of ideas and options have been considered but the Council has not had time to do detailed feasibility studies on the potential impact of various options.

The various options should be assessed based on the above-noted principles and the extent to which they meet a number of different objectives for the health system.

**The range of possible options for raising additional revenue includes:**

- increasing health care premiums
- introducing user fees
- using the income tax system to “tax” people for the health care services they use
- establishing a special health care tax
- allowing privately funded and privately delivered health services
- expanding supplementary or private insurance
- implementing a form of medical savings accounts
- introducing variable premiums, deductibles or other forms of co-payments
- some combination of the above options.

**On an initial basis, the following are some of the advantages, disadvantages and views of the Council on each of these options.**

• **Increasing health care premiums**

Alberta is one of two provinces that charges health care premiums as part of a health care insurance plan. In 1969, when premiums were first introduced, they made up about 17% of health services including payments to doctors, hospital and health authority boards, mental health services, drug benefits, ambulances, vaccines, blood services, and so on (but excluding department administration and capital costs). Health care premiums have not kept pace with rising costs or the expanding scope of insured services. The last increase in health care premiums was in 1995-96. At that time, the percentage of the cost of services covered by premiums had fallen below 17%. Premiums currently cover about 11% of health care costs.

The advantage of increasing health care premiums is that it would raise additional revenue to support the health system and it would remind Albertans that the costs of health services are significant. Many would argue that for the cost and value of health care services people receive, paying \$34 a month as an individual or \$68 a month for families is a pretty good deal, especially when low income people pay low or no health care premiums. Raising premiums is administratively simple. On the other hand, increasing premiums would have no effect on moderating demand for health care services. If decisions are made to increase health care premiums, there should be corresponding benefits to Albertans including more choice, better access, and more control over how they spend their health care investment.



- User fees

Many countries charge user fees for health services including Australia, Germany, the Netherlands, Sweden and the United Kingdom. In those countries, user fees are intended to reduce demand, assuming that if people have to pay a portion of the real costs of a service, they will be more careful in consuming health services. However, user fees charged at the point of service contravene the Canada Health Act. Canada is the only industrialized country that prohibits user charges for publicly funded health services. Evidence also suggests that while user fees may reduce demand, they also are a much greater barrier to care for people with low incomes. For this reason, Council has concerns about establishing user fees paid at the point of service.

- Making health care services “taxable benefits”

Under this approach, records would be kept of the cost of health services consumed by individuals during the year. At the end of the year, people would have to pay a certain amount of tax based on their income and the cost of the services they used up to a maximum level to ensure that, regardless of income, individuals are not bankrupted by catastrophic illness.

This approach has the benefit of ensuring that those with higher incomes pay more for the health care services they use than people with lower incomes. Knowing that health care services you use will end up costing you at income tax time may also be a way of moderating demand. In effect, making health care services taxable benefits is a form of user fee that is graduated according to people’s level of taxable income.

On the downside, this approach would mean financial hardship to some people. It also adds complexity to the income tax system. It does not have the visibility of other approaches because

many people don’t realize how much they pay in income tax. And people may see this as a “double payment” since they already pay for health care through provincial and federal income taxes. In general, Council does not support making health care a taxable benefit.

- Introducing a dedicated health tax

Some have suggested a dedicated tax could be introduced to support health care services. The tax could be added to the income tax system or be set up as a consumption tax similar to a sales tax. On the positive side, a dedicated tax would raise additional revenues, would reflect Albertans’ commitment to health care, and would help raise awareness of the costs of health care. On the negative side, many Albertans would likely object to increasing taxes and there would be strong objections to any form of a sales tax, even if it was dedicated to health care. For these reasons, Council does not support this option.

- Supplementary insurance

Currently, Albertans can get supplementary insurance to cover services such as drugs, dental services, and ambulance care through Alberta Blue Cross. Many people have supplementary benefit plans through their employers that provide additional coverage for certain health services. In view of increasing demands for health services and an expanding range of health services that may or may not be publicly insured, one option would be to expand the scope of supplementary insurance available to Albertans. Supplementary insurance, provided by either public or private sector organizations, could be used for a range of services including expanded home care and long term care or for providing access to new treatments and diagnostic tests that may not be publicly insured.

The advantage of this approach is that it allows people to invest in additional health care coverage. It expands people's ability to access a broader range of health services than might be available under the publicly funded system. And it allows people to plan ahead for when they may need additional health services. On the other hand, supplementary insurance adds costs to individuals and unless appropriate regulations are in place, people with certain health conditions could be denied access to supplementary insurance plans. Low income people also may not be able to benefit from these plans.

Council believes that there could be an expanding emphasis on supplementary insurance to cover new services that may not be publicly insured or covered such as new diagnostic tests, drugs, alternative or complementary health services, or expanded home care and long term care.

While we do not recommend expanding private insurance for publicly funded services, if effective steps are not taken to improve access to these services, an expansion of privately insured and privately delivered services may become necessary.

- Privately funded and privately delivered health services

Perhaps the most contentious option involves expanding the range of health services that would be available in a completely private health system. Under the current system, all insured health services are paid for publicly. The services are mostly delivered in public facilities such as hospitals, clinics or health centres, but some can be offered in private facilities provided there is a contract in place with a regional health authority and the services are publicly funded. People are not allowed to pay directly for access to publicly insured services. They can't pay for quicker access in a private facility, although some people can and do go to the United States for treatment at their own expense.

Under this option, a parallel private system would be allowed. People would be able to choose to get both insured and non-insured

health services in a private facility. They could pay for these services directly or through some form of private or supplementary insurance. The public system would continue to provide the full range of insured health services.

On the one hand, some people argue that opening up more private options would take pressure off the public system. People who could afford to pay more would be able to use the private system and open up more space for services in the public system. This option would provide the most choice to consumers. And some argue that unless the public system is able to find better ways of meeting increasing demands for new tests and treatments and shortening waiting times, the expansion of privately funded, privately delivered health services may be inevitable.

On the other hand, this approach would clearly contravene the Canada Health Act. People argue that experience with this approach in other countries shows it has a negative impact on the public health system. Many people feel that the best physicians are more likely to work in the private system, simpler procedures would be done in the private system while the most complex and costly ones remain in the public system, and there would be little control over increasing costs. There also is a concern that wealthier people get better access to health care while those with low or no income are disadvantaged.

The arguments for and against private health care are not new and the issue has been the subject of heated debates, especially in Alberta. The Council's view is that, while a privately funded and privately delivered health system may provide the most choice, it certainly is not our preference. We believe there are better solutions for Alberta. As noted earlier in our report, we support an innovative blend of public and privately delivered health services - delivered under contract with regional health authorities and publicly funded.

- Medical savings accounts

As a Council, we spent considerable time exploring the idea of medical savings accounts. In basic terms, medical savings accounts could look like this.

Individuals have a set amount allocated to their medical savings account for the year. This could be the equivalent of their health care premium (at whatever level that is set) or it could be a combination of their health care premium and additional funding from the province. The amount each person receives is adjusted for certain factors including sex and age. Government would continue to pay premiums on behalf of low income people and deposit that amount in their medical savings account.

Individuals could use their medical savings account to pay for insured health care services used during the year. On an initial basis, hospital costs would not be included but all other services would. Individuals would have the ability to choose which health services they used during the year, choose who they “purchase” those services from, and where possible and appropriate, shop around to see where they can get the best price.

If individuals use up all the money in their medical savings account during the year, two options are possible. They could be required to pay for additional services up to an annual maximum amount (the so-called “corridor” between medical savings account coverage and the point at which medicare coverage kicks in). Or government would pick up all costs of needed health services just as they do now. In this latter case, there would be no penalty for using up all of the medical savings account. This is a key design feature, and would have to be carefully analyzed to ensure that any medical savings account scheme maximized equity while improving incentives for people to use the health care system prudently.

At the end of the year, if individuals have not used all the money in their medical savings account, they get to keep it. This provides an incentive for people not to spend all of the money in their medical savings account. The remaining amount could be rolled over into a separate savings account. Accumulated savings might be used to purchase a wider array of health services including services to help people stay healthy such as smoking cessation programs, dietary counselling, fitness training, or other services currently not publicly covered. Individuals could choose to save the money to use in the future for home care or long term care. Depending on how the medical savings accounts were designed, people could be required to use all or a portion of their past “savings” to pay for essential health services.

Each year, the annual amount would be replenished by the individual's health care premiums.

**There are a number of advantages of this approach.**

- △ It gives individuals more control over how they use the health care system and how much they spend. It also increases awareness of the cost of health care services.
- △ It encourages health authorities and health providers to be more responsive to the needs of their “customers.”
- △ Depending on how the Medical Savings Accounts are designed, it might allow individuals to access a broader range of health care services than is currently covered under public insurance.
- △ It could be designed to include a pool of money that individuals could use on a variety of health promotion and wellness initiatives.
- △ It gives people the opportunity to plan ahead for a time when they may need expanded services for home care and long term care.
- △ It increases accountability because health care providers would have to calculate the cost of health care services and inform consumers about the costs.

**On the other hand, some concerns have been raised.**

- △ It would increase costs to government and may add administration costs.
- △ If individuals were allowed to use their savings on a broader range of health care services, it might, in effect, expand public coverage for health services we currently do not pay for and costs would increase as a result.
- △ The reward of accumulating savings may not be sufficient to act as an incentive for people to economize on their use of the health system.
- △ If there is no “corridor”, there is little disincentive to use up all of the annual amount, (e.g. if government automatically provides full coverage when the annual amount is used up). On the other hand, if people are required to pay for some services once their medical savings account is exhausted, this may contravene the Canada Health Act.
- △ Some suggest that the major benefits of the approach go to people who are young, healthy and have high incomes while the benefits to older people, people with ongoing or chronic health conditions or low incomes are not as great but, again, such outcomes are highly dependent on the way the scheme is designed.

- **Variable premiums and an Alberta health care account**

Another option worth exploring is one where individuals would be expected to use their health care premiums to pay a co-payment for using health care services. This approach is similar to an insurance plan where you pay a deductible based on the services you use.

**The basic features of this approach would be as follows:**

Each adult would pay health care premiums just as they do now. But under this scheme, children would be exempt. Low income people would be exempt as they are now and health care premiums would continue to be subsidized for low income individuals and seniors.

To ensure future sustainability, health care premiums would be tied to increases in overall spending on health care. If costs of health care increase and if the scope of publicly insured health care services expands, health care premiums would increase at a similar rate.

Individuals' health care premiums would be deposited into a personal Alberta health care account.

All adults would use their health care account to “pay” a co-payment for a fixed portion of the health care services they use. This would include all publicly insured health services. Some services such as highly intensive surgeries, transplants, etc. could be exempt and exemptions could also be included for people who are chronically ill. The co-payment could be set at a fixed percentage of the cost of health services (say 20%). If electronic health care cards were in place, individuals could use this card as a form of debit card to withdraw funds from their health care account each time they use a health service. Quarterly statements would be sent from Alberta Health and Wellness to provide information on the status of each person's health care account.

If individuals do not use up the full amount of their health care account in a given year, they could save that amount against future years when they may require more health services.

If individuals use up the full amount of their health care account, they would be charged a “premium supplement.” The maximum amount people would be expected to pay for both their base health care premium and a premium supplement would be set at a fixed percentage (say 3%) of their taxable income. People with low incomes would be exempt. When people receive their quarterly statement from Alberta Health and Wellness, if they have used up the full amount of their health care account, it would show the amount they owe as a premium supplement. No payments would be required from individuals when they actually receive health care services. All additional costs would be borne by government.

**On the positive side, this option:**

- △ Provides individuals with more control of their health care spending (they control how their health care premiums are spent) and increases their awareness of the costs of services they use
- △ Provides an incentive for people to use the health care system appropriately
- △ Would not increase health care costs to government although there may be added administration costs
- △ Allows individuals to plan ahead for years when their annual health care spending could be larger than the amount in their health care account
- △ Increases accountability because health care providers would have to calculate the cost of various health services and inform consumers

**On the other hand, this approach:**

- △ Does not allow people to use savings in their health care account for expanded health care services or health promotion and prevention programs
- △ May not provide as much of an incentive for people to economize on their use of the health care system because their co-payment amounts to only 20% of the cost of services
- △ May not provide as much of an incentive for health authorities and health care providers to be responsive to the needs of their “customers” when individuals are only paying for 20% of the costs of a service
- △ May be viewed as onerous for those who pay up to 3% of their taxable income in supplementary health care premiums
- △ Would involve administrative costs to implement.

A comparison of the various options with a number of important objectives of the health system shows the strengths and weaknesses of each of the options.

**Options and objectives**

	Increase premiums	User fees	Taxable benefits	Health tax	Private funding/Delivery	Supplementary Insurance	Medical savings	Variable premiums accounts
Raise revenue - unrelated to use	✓			✓				
Moderate use of health services		✓	✓				✓	✓
Increase choice/Control for consumer		✓	✓		✓	✓	✓	✓
Promote wellness			✓			✓	✓	✓
Address sustainability	✓	✓	✓	✓	✓		✓	✓
Improve access*	✓		✓	✓	✓	✓	✓	✓
Increase accountability		✓	✓				✓	✓

\*Assumes additional revenue would be used to improve access. For supplementary insurance, access to uninsured services would be improved; no impact on insured services. User fees are not expected to improve access because amounts of money raised would likely be small. Medical savings accounts and variable premiums could increase access because they provide individuals with the ability to control how their health account is spent and also to save against future costs.

Based on our assessment of the various options, Council recommends that the following steps should be taken:

- Health care premiums should be tied to the overall costs of the health system and the scope of insured services.

Health care premiums have not increased to keep pace with rising costs or the expanding scope of insured services. As noted earlier, when premiums were first introduced, they made up about 17% of the costs of health services but that percentage has since slipped to about 11%. Increases in health care premiums should be phased in so that premiums make up 20% of the overall costs of insured health services. Health care premiums should also be linked to the scope of insured services paid for and covered. As new treatments, tests, and services are added, the cost of health care premiums should rise at a corresponding rate.

- A unique Alberta approach should be developed for funding health services.

Two options - medical savings accounts and variable premiums in an Alberta health care account - have the most positive features and warrant further study. These approaches have the benefits of providing individuals with more control over their health spending, encouraging best use of health services, allowing people to save against future costs, and improving accountability. More detailed studies should address questions such as:

- △ whether similar approaches have been implemented in other jurisdictions and what the impact has been
- △ how medical savings accounts or a variable premium approach would be administered and managed
- △ how funds would be invested and whether interest would be added

- △ how funds from medical savings accounts or a variable premium approach would be transferred to regional health authorities and health providers
- △ how the costs of various health services would be determined
- △ what kinds of services would be included or excluded
- △ what the impact would be on people with various incomes
- △ what the costs or potential savings would be.

Based on further evaluation, the Council recommends that a new Alberta approach should be designed to meet the principles identified by Council and help ensure a sustainable health system for the future.

- ✓ Work with the provinces to put national strategies in place to manage and contain increasing drug costs.

New drugs and pharmaceuticals have tremendous benefits in terms of improving quality of life, managing illnesses and, in some cases, precluding the need for more extensive surgeries or other treatments. New drugs for treating auto-immune diseases such as arthritis and multiple sclerosis may be costly but they have a very positive impact on the individuals involved and often reduce other costs in hospitals and long term care facilities. While the benefits are substantial, the costs of new drugs are also growing at a dramatic rate. Provincial and territorial Ministers are working together to explore ideas such as joint purchasing of pharmaceuticals or a national formulary. Council does not have specific recommendations to make on this issue but believes that solutions must be found on a national basis not within each province independently.

- ✓ Allow regional health authorities to raise additional revenues to pay for services they provide.

Currently, the majority of regional health authorities' funding comes from the provincial government and they have few sources of additional revenues aside from minor items like parking fees. Many have foundations in place that raise charitable donations to support equipment, capital or specialized programs and services. Concerns have been raised that, in some cases, there need to be better linkages between foundations and the ongoing priorities of regional health authorities.

Regional health authorities currently provide a number of uninsured services at no cost to those who use the service. Examples where they could raise additional funds include:

- charging fees for long-term care that come closer to covering a portion of the actual costs
- implementing co-payments for home care (as recommended in the Task Force report on long-term care)
- removing regulatory barriers so health authorities can support construction of assisted living spaces not just nursing homes
- charging fees for restaurant inspections, environmental assessments, and public education programs.

Regional health authorities should be allowed to increase fees for these services. They also should be encouraged to develop centres of specialization and market their expertise to other regions, other provinces and perhaps even to people in neighbouring states.

## **7. Put better incentives in place for attracting, retaining and making the best use of health providers.**

There are serious problems with all aspects of the health workforce. The current shortages are caused by a number of factors including: reductions to the number of health providers educated at post secondary institutions, low morale, dissatisfaction with the workplace and quality of work-life, frustrations, and better opportunities outside the country.

We also haven't been successful in providing integrated care for patients or in providing the right incentives for health providers to provide integrated care. We need to remove current disincentives to the kind of care people want to see and replace them with better incentives and opportunities for the health workforce.

Instead of looking at short-term, quick-fix solutions, we should be looking at long-term strategies that build a more stable supply of health providers, anticipate changes in what health providers do and how they work together, and create a more positive working environment. This should be a recurring theme in the health system rather than a periodic attack on doctors, nurses and regional health authorities.

**The following actions should be taken to address these concerns.**



- ✓ Work with regions, professions/providers and post-secondary institutions to develop a comprehensive workforce plan that includes all aspects of the health care system including acute care institutions, community health, long term care and home care.

We're not suggesting a central planning approach where specific numbers are forecast for each profession and translated into enrolments at post-secondary institutions. These approaches have not been successful in the past. But we should be able to do a better job of anticipating changes in the roles of various health providers, looking at changing health needs in the population, and anticipating trends in the workforce.

A comprehensive workforce plan should be built on an appropriate assignment of work in relation to the qualifications, skills and training of various health providers.

- This component of the plan should address questions such as: What is the most effective mix of health providers? What role should licensed practical nurses play in relation to registered nurses? What is the role of nurse practitioners in relation to services currently provided by physicians? Can pharmacists play an expanded role in prescribing medications under certain conditions? How can we best respond to the growing need for mental health practitioners?
- The objective is not to be prescriptive but to identify the scope of practice for the various health providers and to identify how they can provide more integrated care for patients.

Professional colleges and unions should be challenged to review the respective roles of their members and take a more proactive approach to build better working relationships with other health professions rather than simply "protecting turf."

The workforce plan should guide decisions by government, medical and nursing faculties, and other university programs, colleges and technical institutes, on the anticipated numbers of health care providers, and the level of funding required to meet future demands.

On a more immediate basis, the role of nurse practitioners should be expanded, current restrictions limiting the use of nurse practitioners should be removed, and education programs for clinical nurse specialists should be expanded. Use of licensed practical nurses should also be expanded.

- ✓ Encourage regional health authorities to develop and implement strategic initiatives to improve workforce morale for all health providers with the long term goal of increasing work satisfaction and improving retention of the workforce.

Specific initiatives would vary among regions but should include strategies to:

- Address staffing issues - such as workload, scheduling and use of support staff
- Reward effort and achievement - such as recognizing people who act as mentors for other providers and addressing quality of life issues
- Strengthen organizational structures - such as addressing the impact of policies on staff, contractors, independent professionals and patients, clarifying roles of various providers, encouraging teams, involving people in decision making, and ensuring good communication
- Support leadership and professional development - such as involving nurses in management positions, promoting more meaningful involvement in governance and decision making
- Promote workplace health and safety - such as monitoring health and safety of employees and providing a safe environment
- Provide learning opportunities - such as expanding opportunities for continuing education and providing flexibility for employees to participate
- Promote recruitment and retention - such as creative job design, flexible hours, or involving employees and educators in recruitment.

- ✓ Implement alternative approaches for paying physicians for their services and providing better alignment between physicians, regional health authorities and the goals of the health system.

Council consistently heard that the way in which physicians are paid is an almost insurmountable barrier to change. We strongly believe that new models of comprehensive primary care and other models of disease management are critical to improving health and health outcomes. But the current method of paying physicians on a fee for service basis is a major barrier to implementing these new models of care.

Physicians who would like to opt for a different payment approach do not have the flexibility they need to provide their patients with more comprehensive care. Past experience with alternative payment plans in Alberta has been difficult and frustrating to those involved and has met with only limited success. The administrative burden has been high, months of work goes into getting each new arrangement off the ground, and although patients are very supportive of the care they get, physicians are frustrated with the burden it places on them without corresponding compensation.

Some physicians are concerned that the current fee for service approach puts added stress on physicians and requires them to see increasing numbers of patients in order to generate a reasonable income. They compare this approach to a “treadmill” where they’re working harder and faster but not moving ahead. On the other hand, other physicians feel strongly that fee for service is the best approach and no fundamental changes are needed.

The other pressing issue is the relationship between physicians and regional health authorities. Under the current system, the vast majority of physicians have no direct relationship with regional health authorities. And yet their decisions on surgeries, diagnostic and lab tests, and treatments drive many of the costs for regional health authorities. Physicians

negotiate with the provincial government to determine their payment schedule and the overall amount to be paid to physicians each year. Regional health authorities have no role in these negotiations.

Some have suggested that the budget for physician services should be allocated to regional health authorities and they should be able to contract with physicians for their services. This would allow them to develop a more direct relationship with physicians, encourage more flexible options, and anticipate and manage costs. On the other hand, others suggest that most physicians would object strongly to this arrangement and prefer to continue the current arrangement where the province is responsible for all physician payments.

A number of alternative ways of addressing these issues and paying physicians in a different way have been tried both here in Alberta and elsewhere. The options generally include:

- **Capitation or rostering approaches**, where physicians are paid for providing a set range of health services to a set number of patients. The advantages of this approach are that physicians are able to provide a range of health services to their patients including services from a team of other providers. They can help their patients stay healthy, not just treat them when they are ill. There are better incentives for providing comprehensive care to patients and less incentive to provide more treatments to more patients. On the other hand, experience with these models shows high administrative costs in tracking patients and their use of the health system.
- **Alternative funding or payment plans**, where groups of physicians are paid a negotiated amount for providing an agreed upon range of services to a population of patients (e.g. patients with a disease of a particular organ system). This model has worked particularly well for certain specialty groups in other jurisdictions.

- **Salaries**, where physicians are paid a specified annual amount based on the type of work they do rather than the volume of services they provide or patients they service. The advantage of this approach is that physicians have a set salary and they know how much they will be paid in a year, regardless of the volume of patients or services they provide. However, depending on how high the salary is, it may be a financial disadvantage to physicians. It also may not provide an incentive to serve more patients at a time when Alberta is facing a shortage of physicians.
- **Fee for service approaches**, where physicians are paid a fee for each service they provide. The advantage is that physicians are paid for what they do; there is a direct relationship between the services they provide and how much they are paid. The disadvantage is that this system provides a natural incentive to see more patients more often and provide more health services. Fee for service acts as a disincentive for time consuming visits that are often more effective in promoting their patients' health and for counselling. Unless the fee for service approach builds in payments for counselling or comprehensive care, physicians are not paid for taking steps to keep their patients healthy.
- **Combination of fee for service and a "grant" for comprehensive care.** Under this approach, physicians would be paid a fee for certain services and a "flat fee" or grant for more comprehensive services designed to monitor patients' health and help keep them healthy. The advantage is that it blends the best features of fee for service and rostering approaches. On the other hand, it may add costs to the budget for physician services.

- **Contracts between regional health authorities and physicians**, where a budget would be allocated to regional health authorities and they would use that budget to contract for certain services with physicians in their region. Under this approach, a portion of the budget for physician services could be allocated to regional health authorities as a pool of money for contracting services with physicians. Groups of physicians would have the choice of contracting with regional health authorities or remaining under the existing fee for service or other approaches.

Experience with these various approaches shows that no one model is best for all physicians in all circumstances. A blended approach, combining the best features of a variety of approaches, is likely best. Physicians also should have more flexibility in choosing the option that works best for them, their patients, and their community.

An excellent example of new, blended approaches is the recently announced agreement between the Ontario Medical Association and the Government of Ontario. Under this arrangement, people who sign up with a doctor in one of the family health networks will get access to physician services 24 hours a day, seven days a week through a combination of extended office hours, telephone "triage" and consultation with a physician who is on call. Physicians who are part of family health networks are expected to provide a full range of primary health care services, diagnostic tests and treatments, mental health care, patient education and preventive care, support for hospital, home and long-term care, and coordination of services and referral. They are paid on the basis of a combination of factors including the number of patients served, their age

and sex, the fee codes for the various core services provided, as well as special incentives for preventive care management including pap smears, mammography, flu vaccinations, and immunizations for children. The arrangement also includes a number of other special payments. To assist in implementing the new arrangements, the government will provide support for management and leadership, implementing telephone health advice services, and implementation of primary care information technology. Examples like the Ontario approach certainly deserve further study in Alberta.

Council acknowledges that raising the issue of how physicians are paid is sensitive and yet the issue needs to be addressed and resolved. A single solution, mandated by “command” would not be accepted by physicians. At the same time, progress has been slow, the number of alternative approaches in place is small, and something has to be done to break the logjam. The issue is fundamentally about improving quality of care. Council believes that physicians, government and regional health authorities should actively and vigorously seek alternative funding arrangements in order to improve the quality of care and move ahead with comprehensive primary health care and disease management approaches.

**New approaches to paying physicians should meet a number of important objectives including:**

- △ Providing quality care, better outcomes and better care for patients
- △ Facilitating comprehensive primary care (including health promotion) and disease management approaches
- △ Providing flexibility for physicians
- △ Reflecting evidence and experience about which approaches work best to achieve better outcomes for patients and physicians.

**With those objectives in mind, Council recommends that:**

- Government should take the lead in negotiating new payment arrangements for physicians.

Contract negotiations between government and the Alberta Medical Association are set to begin again in the new year (2002). Government should send a strong signal that alternative ways of paying physicians will be implemented as part of a new agreement. The approach should go beyond the current pilot projects, simplify administration, and expand the range of options available to physicians. The Alberta Medical Association should encourage more flexibility and support more choices for physicians who prefer different ways of practicing and being paid.

- Blended approaches to paying primary care physicians should be developed and implemented, including options providing a combination of fee for service and a grant for comprehensive care.

Council believes a “one size fits all” approach is not advisable. A blended approach allows physicians to be paid on a fee for service basis for specific treatments but also combines the features of a rostering approach where physicians are paid a flat amount for providing comprehensive services. This “grant” or flat rate could be used to expand the use of multi-disciplinary teams, provide services designed to help patients stay healthy or treat specific illnesses. The “grant” could also be established as a fee for comprehensive care. This approach and models similar to the Ontario example should be studied further with a view to early implementation in Alberta.

- A portion of the budget for physicians' services should be allocated to regional health authorities for contracting with physicians in their region.

Physicians should be able to choose the option of entering into contracts with regional health authorities. While a wholesale change to contracting with regional health authorities is not likely, it may be possible to allocate a portion of the budget for physician services (say 25%) to regional health authorities as a pool of money for contracting services with physicians. Groups of physicians who want to opt for an alternative approach or want to provide comprehensive care could choose to contract with regional health authorities and be paid in a different way. The amount of the budget to be allocated to regional health authorities should be negotiated between the provincial government and the Alberta Medical Association in consultation with regional health authorities. Expansion of this model could be based on critical success factors as well as acceptance by the regional health authorities and physicians involved.

- Within the fee for service system, there should be an independent review of rules around physician billing.

Currently, there are a number of rules in place that act as a disincentive to the kind of integrated care many physicians would like to provide. This includes rules which prevent physicians from being paid unless they see a patient directly rather than talking to them by phone or providing remote consultations using telecommunications. The purpose of this review would be to remove rules that act as a disincentive to providing effective and efficient care for patients.

- ✓ Encourage and empower health providers to explore and implement a number of different approaches to organizing and delivering health care services.

A number of primary health care projects such as the Crowfoot Family Practice in Calgary, the Bassano Health Centre, the pilot project in Taber, or the Northeast Community Health Centre are good models. But they have been hampered by the fact they are pilot projects, there is a heavy burden of administration and "paperwork", and they do not have a stable, long-term source of funding. Yet they provide the kind of comprehensive care people want.

More needs to be done to open up opportunities for health providers to provide this type of care. Better incentives should be in place to encourage health care providers to work in the public system as well as in private or not-for-profit organizations. This would provide physicians and other health providers with more choices in where they work and more opportunity to expand the services they provide.

As noted in the section on re-configuring the system, different health providers should be able to form "care groups" and offer a range of health services to individuals and to health authorities. These organizations could be established on a corporate model and allow providers the option of providing a range of insured and uninsured services. This option would provide more flexibility for different providers to work together, provide comprehensive care, and meet people's needs.

**8. Make quality the top priority for Alberta's health system. Set standards, measure results, and hold people accountable for achieving better outcomes in health.**

The health system in Alberta has the potential to be among the very best in the world, attracting and retaining outstanding health providers who deliver quality health services in a timely manner. This should be the goal.

While health authorities and government currently work together in certain areas to set targets and measure outcomes, on the whole, it's fair to say that Alberta's health care system is not guided by the best information or evidence. It is difficult to answer basic questions about the impact of certain treatments or new ways of organizing and delivering health services. Information is often impossible to compare, out of date, or simply not available. Alberta's health system should focus on using the best research and information available to improve health outcomes. It should be based on a judicious combination of best practices and evidence-based decisions.

Consistent with that overall direction, the following recommendations are proposed.

- ✓ Continue to support research through a variety of sources and organizations in order to foster an evidence-based health system.

As a result of the Alberta Heritage Foundation for Medical Research and the expertise of Alberta's universities, the province is known across Canada as a leading centre for health and medical research. Continuing support for Alberta-based research should continue to be a priority not only to develop new treatments and discover new cures, but also to expand Alberta's expertise in a knowledge-based economy.

- ✓ Establish a permanent, independent Outcomes Commission to assess outcomes, track results and report regularly to Albertans.

When government and regional health authorities measure and assess their own outcomes and results, it can put them in a conflict of interest. Tracking and monitoring outcomes and providing regular reports to Albertans is an essential way of improving quality in health care.

A new Outcomes Commission should have a long-term funding commitment and provide regular reports to Albertans on outcomes in health. The Commission could replace the Health Utilization Commission or the Health Utilization Commission's mandate could be expanded and its name changed to reflect more emphasis on quality and outcomes rather than just utilization. The Commission should focus on quality, define what quality means in our health care system, develop benchmarks and assess outcomes.

Steps should be taken to ensure the Commission operates at arms length from government. It should have the same status and independence as the Auditor General and have the same ability to provide independent reports, reviews and advice. It should report to the Minister of Health and Wellness and the Minister should be required to table annual reports with the Legislative Assembly.

**The Outcomes Commission should be responsible for:**

- Monitoring outcomes and quality in the health system
- Establishing performance measures and monitoring progress in achieving targets, goals and objectives set by the province
- Receiving regular reports from regional health authorities and other organizations involved in delivery of care

- Supporting and encouraging health services research, including collecting data and making it available for research purposes
- Providing regular reports to the public on the quality and outcomes of Alberta's health care system
- Scanning for trends in health care utilization, quality and costs
- Identifying best practices and innovative approaches and acting as a clearinghouse for information for health providers, health authorities, researchers and the public
- Reviewing and monitoring issues related to patient safety
- Reviewing regional variations in utilization for various procedures and treatments
- Making recommendations to the Minister of Health and Wellness on areas for quality improvements.

Specifically, the Council recommends the following:

- ✓ Continue to support research under the Alberta Heritage Foundation for Medical Research and take steps to sustain Alberta's reputation as a leading centre for medical research

Thanks to the Alberta Heritage Foundation for Medical Research and Alberta's universities, the province has established a solid reputation as a leading centre for health and medical research. Continuing support is essential in order to attract leading researchers to the province.

- ✓ Maintain and enhance support for education programs for health providers and medical schools and provide stability in how Alberta's medical schools are funded

## 9. Recognize and promote Alberta's health sector as a dynamic, powerful asset to the provincial economy.

Alberta's health system is viewed primarily as a cost centre consuming limited and vital tax dollars. It rarely is seen as a dynamic economic asset and a driving force in Alberta's economy. With new sources of revenue, expanded opportunities for organizing and delivering health services, and continuing investments in research and education, the health sector has the potential to add considerably to the province's economy and to enhance our reputation as a world-wide centre of research, expertise and leadership.

A well-educated and highly skilled health workforce is essential. It is important to build on the success of Alberta's education programs for health professionals and expand the emphasis on research. Alberta's medical schools are the primary source of a continuing supply of physicians. Currently, there are difficulties with the way in which medical schools are funded. These issues should be addressed so there is a stable base of funding in place and medical faculties are able to attract leading physicians to their faculty.

- ✓ Support the development of multi-disciplinary, integrated, provincial centres of health research

Alberta has an opportunity to build on existing strengths and develop leading edge centres of health research in the province. This concept is included in a report outlining a health research strategy for Alberta<sup>9</sup> and deserves further support as a way of expanding Alberta's role as a leading research centre in Canada.

- ✓ Identify and promote public/private partnership opportunities for expanding research support

Alberta has developed a number of leading edge research and technology companies. We should capitalize on the opportunity to expand partnerships between these leading private sector research companies and the public health sector, including regional health authorities, universities, medical and other health faculties, the Alberta Heritage Foundation for Medical Research, and various research foundations. This is particularly important in terms of expanding the health sector's investment in and use of information technology.

- ✓ Promote commercialization of new products and services developed through health and medical research initiatives.

One of the key challenges of research activities is to follow through and achieve the full potential of new discoveries, products and services. In the health and medical field, this involves going through an extensive process of research, clinical trials, and approval processes before new treatments, especially drugs, can be brought to market and made available to the public. While these processes are essential to ensure that new treatments are safe and produce the desired results, every effort should be made to speed up the process so that patients have timely access to effective new treatments and that the commercial potential of these treatments is achieved.

<sup>9</sup> *A Health Research Strategy for Alberta*. Alberta Science and Research Authority, 2001



## **10. Establish a clear transition plan to drive the process of change, oversee implementation of recommendations, consider options, and monitor the impact.**

Many of the Council's recommendations would result in fundamental changes in Alberta's health care system. People in the health system have been through considerable change and turmoil already and will be reluctant to embark on yet another course of change unless clear goals are set and an orderly plan for transition is implemented and managed.

Because of the scope and complexity of putting this kind of transition plan in place, Council strongly urges government to designate an individual responsible for overseeing and driving the transition process. Work on this plan is a huge task that goes well beyond the day to day responsibilities of the Ministry of Health and Wellness. The individual selected for this task should be credible, independent, and well respected, with an understanding of the health system and an ability to drive change. Specific timelines should be established and the individual's work should be complete within a set timeline.

Specifically, this individual would be responsible for:

- fleshing out the details of how a number of reforms could be implemented
- coordinating further studies and developing an Alberta approach to funding health services based on options suggested by Council
- preparing and managing a detailed transition plan
- managing public expectations and educating the public on what changes will be made, when and what to expect as a result
- identifying and addressing barriers to implementation including legislation and regulations, labour codes and professional legislation, union agreements and conflicting policies among ministries
- ensuring that the system functions adequately and effectively through the transition phase
- managing and reporting progress on implementation of alternative payment plans for physicians.

The transition plan and key components should be approved by government and made public. The designated individual should report regularly to Albertans on the progress of health care reform. In terms of accountability, Council suggests that the individual should report to the Minister of Health and Wellness and the Premier.

# Concluding comments

This report is about fundamental change to sustain Alberta's health system.

It's about opening up the system to new approaches rather than rationing health services.

It's about using every dollar to maximum benefit and finding better ways of paying for the health services people need and expect.

It's about putting patients first, providing people with guaranteed access to the services they need, and putting better incentives in place for individuals, health providers and health authorities.

It's about an unrelenting drive for quality and getting better outcomes.

It's about making the health sector a powerful asset in Alberta's economy.

And perhaps most important, it's about encouraging people to stay healthy.

Taken together, the package of recommendations in this report will address many of the issues of concern to Albertans today and provide a solid base for the future.

As we said at the outset, this report is not about short-term solutions or quick fixes. Instead, it provides a comprehensive approach to tackle many of today's problems in the health system and build a sound foundation for the future.

The challenge now is, "can we do it?" Are physicians, nurses and other providers working in the health system ready and willing to work together to explore the various options and implement comprehensive change? Are Albertans willing, once again, to lead the way in making bold changes? Are we willing to say the status quo simply is not good enough and we can and must do better?

As Council members, we believe health care providers and Albertans are ready ... ready to work together to reform and sustain Alberta's health care system. We have a unique opportunity to revitalize the health care system and make sure it serves not only our needs today but the needs of generations of Albertans to come. We believe our recommendations can do just that - revitalize the health system and address many of today's most pressing problems.

However, we must also end with a word of caution. We believe our recommendations are consistent with the spirit and intent of the Canada Health Act. At the same time, if actions are not taken to make changes in critical areas and sustain the health system, it is highly likely that pressures will mount to look for new options outside the limitations of the Canada Health Act. That may not be our preference, but we also acknowledge that Albertans and Canadians will not accept continued rationing of health services, long waiting times, and denied access to new treatments and technology available elsewhere. The challenge is ours to meet.

We trust that the ideas and recommendations included in our report will help guide decisions about the future of Alberta's health system. Our goal should be nothing short of building one of the best health care systems in the world. Once again, Albertans have an opportunity to build a unique Alberta solution and lead the rest of Canada in establishing a sustainable health care system for the 21st century.

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