

Thursday, October 18, 2001

## Health system supports balanced budget with smaller increases

*Red Deer...* Alberta's health system is contributing \$92.2 million from adjustments in base- and one-time funding to help the Alberta government achieve a \$1.2 billion reduction in spending.

The 17 health authorities and two provincial boards will have their base budget increase of \$299 million adjusted by \$40 million to \$259 million. This still is an 8.3 per cent increase over last year, and provides health authorities with \$3.4 billion in base funding. The department also adjusted its budget to identify \$12.2 million in savings from administration and deferred grants.

"I will work with the new health authority members to identify efficiencies and savings that minimize the impact on Albertans' health services," said Gary Mar, Minister of Health and Wellness. "Albertans can be confident their health needs will continue to be met appropriately."

In addition, the one-time \$40 million Energy Rebate is withdrawn. Health authorities spent \$23 million in higher energy costs last winter; so \$17 million was never earmarked. Lower energy costs this winter will help health authorities offset the withdrawn rebate.

### Summary of adjustment:

\$40.0 million	adjustment in health authority base increase
\$12.2 million	adjustment in department base budget
\$40.0 million	one-time Energy Rebate withdrawn:
	(\$23 million in energy expenditures)
	(\$17 million lapsed)
<hr/>	
\$92.2 million	total adjustment

The adjustments bring base funding for Alberta's health system to \$6.13 billion. This is \$680 million, or 12.6 per cent, higher than the \$5.44 billion spent in base funding last year.

The \$370 million the Capital and Calgary regions receive for province-wide services such as cardiac-, transplant- or neurosurgery is maintained. The Medical Services Budget used to compensate physicians will be capped November 1 to avoid a possible over-expenditure. The provision for capping the Medical Services Budget is a negotiated part of government's agreement with the Alberta Medical Association.

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### For further information, contact:

Michael Shields, Assistant Director, Communications  
Alberta Health and Wellness  
(780) 427-7164

For toll-free access from anywhere in Alberta, dial 310-0000.

Information also available on line at <http://www.health.gov.ab.ca>

### Attachment:

Backgrounder: Impact of fiscal adjustment on health system

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## Impact of fiscal adjustment on health system

Base Funding	2000/2001	2001/2002	2001/2002 Adjusted
Ministry	\$ 5.44 billion	\$ 6.18 billion, 13.6 per cent	\$ 6.13 billion, 12.6 per cent
Health Authorities	\$ 3.14 billion	\$ 3.44 billion, 9.6 per cent	\$ 3.40 billion, 8.3 per cent

### Impact on Regional Health Authorities and Provincial Boards

Health Authority	Base Funding (000s)	Share of \$40 M Adjustment (000s)	Adjusted Base Funding (000s)	Share of One-Time Energy Rebate Not Available (000s)
Chinook	180,733	\$ 2,210	\$ 178,524	\$ 243
Palliser	98,894	1,176	97,718	280
Headwaters	54,777	651	54,126	804
Calgary	947,763	11,397	936,366	5,619
Region 5	47,939	568	47,371	196
David Thompson	186,480	2,282	184,199	1,391
East Central	120,766	1,349	119,417	1,092
WestView	49,605	564	49,042	293
Crossroads	42,112	500	41,612	293
Capital	1,016,704	12,256	1,004,448	7,054
Aspen	63,077	739	62,338	482
Lakeland	101,954	1,078	100,876	1,136
Mistahia	93,125	860	92,264	706
Peace	27,450	253	27,196	266
Keeweenok Lakes	20,660	200	20,460	213
Northern Lights	32,451	249	32,202	313
Northwestern	15,866	127	15,739	137
Alberta Cancer Board	124,164	1,220	122,944	696
Alberta Mental Health Board	217,013	2,322	214,690	1,533
<b>Totals:</b>	<b>\$3,441,533</b>	<b>\$40,000</b>	<b>\$3,401,533</b>	<b>\$22,745</b>