Highlights: AHS Performance Review

Released February 3, 2020

The Alberta Government chose independent contractor Ernst and Young (EY), at a cost of about $2 million, to complete the first comprehensive review of Alberta Health Services (AHS) since it was formed a decade ago. Input was accepted until October 7, 2019 with the public, AHS staff, physicians and other health experts consulted as part of the review process. Consultations engaged 32,500 AHS staff and physician survey responses, 1,000 emails from Albertans as well as over 75 health system stakeholder engagement sessions and 5 zone-based operational leader sessions.

AHS has about 102,000 direct employees and a budget of $15.4 billion. 90% of AHS staff survey respondents agreed that protecting and strengthening the sustainability of Alberta's health system should be a key AHS priority.

The AHS Performance Review: Summary Report, released on February 3, 2020, includes 57 recommendations and 72 savings opportunities to improve the quality and long-term sustainability of health services. The government has accepted the report, with two exceptions - there will be no hospital closures or urban trauma centre consolidations. AHS will engage staff and clinical leaders to develop a long-term implementation plan, due to the Minster of Health in spring of 2020.

The performance review report noted that health care, which accounts for approximately 43% of the public spend in Alberta, continues to outpace provinces such as Ontario, BC and Quebec on a per-capita basis. Alberta has established the largest integrated provincial health care system across Canada, with more than 125,000 staff and 10,000 physicians serving 4.3 million Albertans. Considering the structural growth pressures that exist in health care, notably negotiated wage increases and population growth, Alberta's spending on health would have to remain flat over the next four years to align with other provinces.

RECOMMENDATIONS

Recommendations were grouped into 4 key areas of improvement:

1. **Governance,** with 8 recommendations focusing on functional duplication and accountability interface
2. **People,** with 13 recommendations and 18 savings opportunities; and emphasis on the workforce, management review and physician optimization.
3. **Clinical Services,** with 21 recommendations and 27 savings opportunities, focusing on clinical utilization, service configuration and clinical support services.
4. **Non-clinical Services,** with 10 recommendations, 27 saving opportunities, where corporate and back office, as well as supply chain workstreams being evaluated.

Clinical Services

The performance review examined clinical services across the continuum of care:

- acute hospital care
- post-acute and long-term care
- community-based and home care services

Improvements outlined in the report primarily focus on adjusting resources and operating rooms to allow patients to be cared for in the best place, at the right time. It was highlighted that $42 million in savings could be realized from reducing how much radiologists are paid, $47 to $100 million from reducing procedures of limited clinical value and $100 to $146 million from outsourcing several non-clinical supports, including housekeeping, protective services, laundry and linen, non-emergency patient transporting and food services.

Continuing Care related Recommendations

- The Report noted that there is potential role duplication and mixed messages in AHS auditing Continuing Care operations, while operating CC services as well.
- Owning 30% of LTC spaces in the province presents an opportunity for AHS to improve its financial position if these assets (Carewest and CapitalCare) were sold. These entities were valued at $32 million, a 1-time revenue opportunity for AHS, with no operational savings included in the estimate.
- It was also recommended with regards to LTC funding that the no loss provision be removed, with all operators complying with the PCBF parameters going forward. Removing funding floor protections put in place in FY2010/11 would enable LTC facilities to right size their model of care with Patient Based Funding model. The valuation based on AHS' estimate of the funding floor removal impact was $21 million.
- A shortage of DSL spaces and a potential excess of LTC beds was highlighted, as was the high ALC rate, which could be reduced by moving ALC patients into DSL, which less intense staffing requirements and converting LTC to DSL beds.

Specific Recommendations 14 to 22 were of relevance to CC, including:

15. AHS should continue to strengthen its integration with primary care through the expansion of community-based and home care programs to care for patients in the most appropriate setting.
16. Expand a bed flow program, such as the CoACT Collaborative Care Framework, to standardize and manage beds effectively across the province, improve length of stay and allow for patient care in the right place, at the right time.
20. Consider realigning bed resources within acute, long-term care (LTC), designated supportive living, and community care to support an immediate reduction in alternative level of care, ensuring patients are cared for in the most appropriate setting.
21. Reconsider LTC facility ownership in cases where private delivery may be more efficient and appropriate. There may be a provider better positioned to provide community living facility ownership and management than AHS. *It was noted that AHS should consider sale of Capital Care and Carewest only if there is an appropriate return on the assets and a high-quality delivery partner assumes operations.*
22. Transition from volume-based and transactional home care oversight model to one where providers are held to account for patient outcomes and quality of care for those they serve.