

March 22, 2006

## **Health and Wellness spending grows to \$10.3 billion**

Added investment of \$735 million continues improvements to health care

Budget 2006 highlights:

- Program spending by Alberta Health and Wellness will increase by \$735 million (7.7 per cent), raising the Ministry's 2006-07 budget to \$10.3 billion.
- Base operating funding to health authorities will increase by \$338 million, a 6 per cent increase.
- \$27 million will be spent in 2006-07 to address wait times for selected surgeries and procedures.
- An increase of \$42 million will be allocated to improve continuing care services.
- \$748 million will be spent on health capital, including \$672 million in capital grants to health authorities.
- A \$500 million Alberta Cancer Prevention Legacy Fund will be established to expand cancer research and screening.
- Enhanced subsidies for health care insurance premiums to benefit over 140,000 Albertans.

Edmonton... The province will add \$735 million to the Health and Wellness budget for 2006-07, a 7.7 per cent increase over last year, to continue making improvements to the health care system. The increase will bring the Ministry's total 2006-07 budget to \$10.3 billion.

"We will continue to work on the improvements we need to have the best possible health care system for Albertans," said Iris Evans, Minister of Health and Wellness. "This increase will allow us to continue to provide quality health services."

Nearly two-thirds of the Health and Wellness operating budget will be provided in operating grants to health authorities for services ranging from home care to diagnostic testing to surgeries and transplants. In 2006-07, operating grants to health authorities will increase by \$338 million, or 6 per cent, to nearly \$6 billion. Further increases of 6 per cent are planned in 2007-08 and 2008-09.

### **Health capital**

\$748 million will be spent on health capital in 2006-07, including \$672 million in capital grants to health authorities and \$76 million in capital investment, primarily for electronic health records and vaccines.

The 2006-09 Capital Plan will rise to \$2.9 billion from \$1.7 billion (74 per cent increase). The three-year plan will include:

- \$2.5 billion for health facilities projects that, once completed, will add an estimated 2,000 new beds:
- Calgary South Hospital, Foothills Medical Centre, Peter Lougheed Centre, Alberta Bone and Joint Institute and Rockyview General Hospital in Calgary.
- Health Sciences Ambulatory Learning Centre, the Royal Alexandra Hospital and the Mazankowski Alberta Heart Institute in Edmonton.
- Health facilities in Lethbridge, Edson, Barrhead, Viking, High Prairie, Sherwood Park and Fort Saskatchewan.
- \$309 million for health information systems, including the Electronic Health Record and diagnostic

imaging.

## **Physician services**

\$1.88 billion will be provided for physician services, including:

- \$75 million for alternate payment plans to allow academic physicians to focus more time on research, education and delivering specialty care to Albertans.
- \$70 million for primary care initiatives.
- \$21 million for the Physician Office System Program to expand the Electronic Health Record to physician offices.

## **Alberta Cancer Prevention Legacy Fund**

\$25 million will be drawn each year from the \$500 million Alberta Cancer Prevention Legacy Fund for initiatives such as the expansion of cancer screening programs and development of a virtual cancer research institute to co-ordinate cancer research.

## **Wait times**

\$27 million will be spent in 2006-07 as the second half of a two-year \$54 million initiative to reduce wait times for not only hip and knee replacements, but also for breast cancer care, coronary artery bypass surgery, MRIs and CT scans and prostate cancer care. The Alberta Hip and Knee Replacement Project, which decreased wait times for orthopedic surgery from 47 weeks to five weeks, will be used as a model to reduce wait times for other surgeries and procedures.

## **Continuing care**

\$42 million is being provided to improve continuing care through changes such as increasing the number of nursing hours and personal care in long-term facilities, and to increase therapy, implement new health care standards and improve case co-ordination. This increase is on top of the \$25 million increase provided in 2005-06. The number of hours of care will increase to 3.6 per resident each day, up from 3.1 hours in 2004-05.

Alberta Seniors and Community Supports has also committed \$30 million in additional funding in 2006-07 to implement the recommendations of the MLA Task Force on Continuing Care, bringing that Ministry's total spending to \$40 million in 2006-07. A further increase of \$20 million is budgeted for 2007-08, bringing that Ministry's total support for continuing care initiatives to \$60 million in 2007-08.

This funding will be used to provide enhanced benefits to low-income seniors and AISH clients living in continuing care, increased grants for many seniors lodges, and additional support to Albertans with disabilities to access community services, as well as to implement the continuing care accommodation standards.

## **Drug benefits**

Non-group health benefits will rise to \$690 million, an increase of \$91 million, or 15 per cent over 2005-06. The increase is largely due to the rise in the cost of drug benefits to seniors.

## **Alberta Alcohol and Drug Abuse Commission**

The Alberta Alcohol and Drug Abuse Commission's budget is increasing by \$19 million, or 25 per cent, to \$95 million in 2006-07. \$14 million of this increase is being used to implement services

to help children abusing drugs, including providing 20 confined residential beds. AADAC will continue its

work with the Alberta Crystal Meth Task Force to develop recommendations for a province-wide holistic strategy to address crystal meth issues.

### **Health care insurance premiums**

The income thresholds at which low-income families and individuals begin to pay partial premiums are being raised by \$5,000 effective April 1, 2006. The increase to the thresholds will benefit approximately 140,000 people and save them about \$30 million in 2006-07.

Total Health and Wellness spending will account for 36 per cent of government's total expense in 2006-07.

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### **Attachment:**

2006-07 Health Authority Operating Grants

### **Media enquiries may be directed to:**

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To call toll-free within Alberta dial 310-0000

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### **Backgrounder**

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### **2006-07 Health Authority Operating Grants**

(in thousands of dollars)

<b>Health Authority</b>	<b>2006/07 Estimate</b>	<b>2005/06 Comparable Forecast</b>	<b>Increase - Amount</b>	<b>Percentage Change</b>
Chinook Regional Health Authority	<b>264,203</b>	251,864	12,339	4.9%
Palliser Health Region	<b>148,491</b>	140,547	7,944	5.7%
Calgary Health Region	<b>2,010,366</b>	1,889,891	120,475	6.4%

David Thompson Regional Health Authority	<b>469,866</b>	445,146	24,720	5.6%
East Central Health	<b>190,952</b>	179,890	11,062	6.1%
Capital Health	<b>2,116,075</b>	2,002,057	114,018	5.7%
Aspen Regional Health Authority	<b>207,058</b>	195,256	11,802	6.1%
Peace Country Health	<b>192,261</b>	181,034	11,227	6.2%
Northern Lights Health Region	<b>75,293</b>	69,554	5,739	8.3%
Subtotal	<b>5,674,565</b>	<b>5,355,239</b>	<b>319,326</b>	<b>6.0%</b>
Alberta Mental Health Board	<b>44,943</b>	42,450	2,493	5.9%
Alberta Cancer Board	<b>255,887</b>	239,476	16,411	6.9%
<b>Total Health Authority Allocation</b>	<b>5,975,395</b>	<b>5,637,165</b>	<b>338,230</b>	<b>6.0%</b>

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