

DR. STEPHEN DUCKETT

**PRESIDENT AND CHIEF EXECUTIVE OFFICER
ALBERTA HEALTH SERVICES**

'BEYOND THE BOARDROOM' DINNER

ALBERTA HEALTH SERVICES: TRANSITION AND TRANSFORMATION

**STOLLERY EXECUTIVE DEVELOPMENT CENTRE
5TH FLOOR, SCHOOL OF BUSINESS BUILDING
UNIVERSITY OF ALBERTA
EDMONTON, AB**

**MONDAY, SEPTEMBER 14, 2009
RECEPTION 6:00 PM
DINNER 6:30 PM
PRESENTATION AND Q&A 7:15 PM**

- Thank you for inviting me to join you this evening. As some of you know, I live basically next door so I look forward to enjoying a walk home in this Indian summer, to remind me of the good times before I face the perils of your winter.
- As you've heard, I'm not from around here, so it's important for me to get out and get to know the community, to let you know what Alberta Health Services is doing and planning, and to make sure you have the information you need to be involved in the health care transformation underway in Alberta today.
- Mindful of who I am meeting with this evening, I thought I would frame my remarks in the context of how you, as business and community leaders, might tackle the challenge of essentially merging a dozen different companies – health regions as they used to be called – many of which were in a real sense competitors, with fundamentally different operating systems and organizational cultures.
- I will talk a little about performance targets, accountability, efficiency and organizational change, because, as you know, successful mergers and acquisitions of this magnitude depend not so much on the **aggregation** of the individual business units, but the **transformation** of those units into a new organization capable of developing and executing a new strategic plan.
- That is where we are at today.
- By any yardstick, public or private, the consolidation of the former Regions, the Cancer Board and other organizations was a merger of massive proportions – involving some 90,000 people, with a budget approaching \$11B a year.

- Having said that, rest assured that I am not going to belabor the comparison to corporate enterprise. We will run Alberta Health Services effectively and efficiently, mindful of the bottom line, but remembering that fundamentally our business is about patient care and we are driven by a set of values and principles that are unique to health care providers.
- We have owners, a budget and a business plan, but we are not a corporation. We are not carving out market share, we are supporting communities, big and small, rural and urban. Our staff have a unique view of the world. They serve patients, not customers and that is both a comfort and a challenge in terms of changing the way we provide health services.
- In the next few days you will hear a great deal about the scale of this transformational change. We will talk about the steps that are necessary to ensure that Alberta's health system is sustainable, accessible, and provides quality care so tonight can only be a brief preview.
- So first, it is important to understand our operating environment, so to speak.
- The transformation is driven by the new economic reality we are all coming to terms with, and the reality of an aging population making greater and greater demands on our health resources.
- It is not overstating the challenge to point out that what we faced with has been called a demographic time bomb unprecedented in human history. By the end of 2011 there will be more people over the age of 65 than under the age of 15.
- There will be 30 per cent more people aged 65 to 69 than there was in 2001. There will be 43 per cent more people over the age of 80.

- Age isn't the only or even the most critical factor. The burden of chronic illness is unlike anything our health system has ever had to, or was designed to, withstand.
- More than two thirds of the cost of operating our system goes to one-third of the population with chronic illness, such as heart disease and diabetes.
- What does that mean in real dollars? The cost of providing health care to the average healthy person is about \$390 per year.
- The cost for a person with three or more chronic illnesses – and this is not a small portion of the population – is about \$11,000 per year, and the numbers are growing.
- According to the World Health Organization, it's not age that will light the fuse on that time bomb, it is chronic illness and disability.
- Many patients in our hospitals are there because of a dangerous episode in a long-standing chronic illness. We can and must meet their immediate needs, but a hospital is not the best or most effective place to provide their longer-term health care needs.
- They need recovery and rehabilitation. They need the medications and help to make lifestyle changes that will prevent another acute attack that will result in another hospital stay.
- The health care system as it has evolved and existed over the past several decades cannot carry a person through those crucial steps in a coherent, reliable and effective way, to help them to stay well, or to get well and prevent a return to hospital.

- For that reason the most significant transformation in the creation of tomorrow's health care system will be a shift in the balance of hospital and community-based care, focused on providing the right care in the right place.
- This rebalancing will, in fact, be quite fundamental. Although many have expressed a belief in a 'primary care led' health system, implementing this will be quite transformational. It will require a fundamental change in our *modus operandi* and, as you would expect, when you do something to the foundations, you have to do it carefully as it can lead to some shaking of the whole edifice. Anyway, we are working on all of this for further consultation later this year or early next.
- So even while improving wait times for emergency departments and surgeries, we must accelerate the growth of community-based care – including home care, supportive living, and long-term care and improvements in primary health care.
- The most notable single project here is Alberta Hospital Edmonton, but the same considerations apply to any move of so called Alternate Level of Care patients from our acute general hospitals into the community.
- There has been a good deal of speculation – and, if I may say, outright misrepresentation - about what that means for our patients, so let me be absolutely clear: No hospital spaces will be closed unless and until community-based beds and services are in place. Full stop, Period.
- We don't now and we won't in the future be party to policies which are not in the best interest of our patients.

- But we can and will balance our budget. We can and will be international leaders in the transformation of health. But most importantly, we can and will put the needs and interests of our patients first.
- The model we have today is neither sustainable nor in the best interests of our patients, and we have precious little time to transform it.
- Over the past decade, health spending in Alberta has increased about 10 per cent a year. Today, our system spends about a million and a half dollars every hour, \$30 million a day. Even BEFORE that age-and-illness bomb explodes, the system is under immense pressure.
- In the current economy it will not be possible to do everything we want to do, or even need to do, in the near term. But we must make progress in key areas – we must identify and act, as any sound business model would dictate and demand, on our priorities.
- Wait times in Emergency and for some surgeries are not acceptable. In the near future we will publish both the targets we have established for reduction of wait times, and a quarterly report on current wait times in key areas.
- To give an example of what we have committed to: we aim to reduce wait times for complex cases in our emergency department by half over the next three years.
- And I will have some personal skin in the game in terms of this target, or at least how we want to progress toward this goal this year. You'll know just how much when I release my own performance measures tomorrow – where I have put a personal stake in the ground.

- These fundamental transformations can be done, but only if we move quickly and decisively, and boldly.
- Why are we offering early retirement to our staff, for example? It is not necessarily the case that we have too many nurses, to use that group as an example. But we do not have enough nurses in the right places and the nurses we do have are not necessarily being asked to do the work that realizes their full potential.
- We must increase our community care capacity – home care, community living options and long term care - and in doing so make better use of our hospital beds, which I will return to in a moment.
- Nurses are not the exception. I could say the same of virtually all of the other groups of employees we have.
- Again I get back to transformation. Alberta Health Service is not simply growing or contracting – it is changing in response to a new paradigm, a new operating environment if you will.
- We cannot and should not be intimidated by the size of the challenge.
- It is a big job, but we already have the single most important element of success: the 90,000 staff and physicians who work in health care across this province and who have keep the system operating under immense pressure.
- Perhaps that's where the corporate comparisons end.
- People choose a career in health care because they want to make a difference. They're passionate about what they do, and about doing it the

best way possible, with their sights set on the most important person in the system: the patient.

- They deserve our thanks and appreciation if for no other reason than that have been remarkably successful. By national and international standards health care in Alberta is good, often excellent and in some areas world-leading.
- You are more likely to survive a heart attack in Alberta than anywhere else in the country. People survive strokes in Alberta at a rate well above the national rate.
- Our researchers and clinicians develop approaches and protocols that are picked up internationally as the best practices available anywhere.
- More than in any other province in the country, Albertans rate their own perceived health as excellent or very good.
- But not everyone in Alberta has had access to the best possible care. Artificial boundaries and inter-regional rivalries created unacceptable barriers to equitable care.
- Too often, best practices weren't shared across the province. And to put it bluntly, there was unnecessary duplication and waste in the system.
- The old model left us with a huge accumulated deficit, which cannot be ignored by responsible health care leaders.
- We will tackle this budget deficit by focusing on efficiencies and minimizing the impact on patient care, and make progress on access and quality.

- I need to be very clear: Alberta Health Services has three goals – access, quality and sustainability. Not one. Three.
- 70 per cent of the targets in my own performance agreement are directly related to improving access and quality. The remaining 30 per cent are related to sustainability, including the achievement of budget targets set by the Board.
- This is a bit of a challenge to those who have incorrectly surmised or concluded that we are focused on our budget to the exclusion of all else.
- Health systems are incredibly complex, but the broad principles are not. Each of the parts – primary care, community care and hospital care – affects the other, and you can't improve performance in one without improving performance in another.
- Every day, we have patients in about 400 or so hospital beds who are medically stable and ready for community-based care, but do not have a place for continuing care, whether it's home care, lodge settings, designated assisted living or long- term care.
- Providing the right care in the right place is fundamental to the sustainability of the system. The needs of the patients are paramount, and not meeting the needs of the patient in the right place at the right time has proven to be tremendously costly.
- We must also improve the connection between family physicians and the rest of the health system.

- In the past, practicing alone, without support, the family physician was supposed to be an independent businessperson, abreast of the latest evidence and best practices in the incredibly complex medical world.
- There was no incentive to change the way care was provided – in other words, they did not get paid – for comprehensively caring for multiple needs at a single visit, or taking the time to provide education on health promotion, disease prevention, or chronic disease management.
- Primary care reform is critical to the transformation of the system as a whole. We have to keep people healthier in the first place – not wait and react after they're in crisis.
- Primary care networks are a key strategy in moving forward. Each team might include a physician, a pharmacist, a physiotherapist and home care, mental health and palliative care health professionals.
- Finally, I want to turn to a critical contemporary issue, planning for H1N1.
- A cornerstone of the plan to reduce the seasonal impact on our Emergency Departments this winter is our pandemic and seasonal influenza vaccination campaigns.
- Every Albertan is eligible for free H1N1 and seasonal influenza vaccine this year. We'll be running immunization clinics in mass venues as well as at Community Health Centres across the province, reaching as many people as we possibly can.
- Our hospitals are preparing for possible surges, and we've purchased 106 new ventilators for use in critical care units by patients whose lungs have been compromised by the virus.

- Multidisciplinary response teams have been working for several months now, coordinating the province-wide planning.
- The effectiveness of a pandemic influenza response is not just the responsibility of Alberta Health Services, though. Individuals and businesses play critical roles.
- Businesses need to understand the impact a pandemic can have on day-to-day operations, and prepare. Individuals need to understand how to protect themselves and others.
- There is a range of pandemic planning information on our website. I would strongly encourage you to read through the materials, and make the necessary plans.
- And if you do nothing else to be part of Alberta's new, emerging health system, make sure you get your 'flu shot so that we don't wind up seeing you in emergency.
- I don't have to tell you there many tough decisions to come. As do you in your roles as leaders, we accept the responsibility of making those decisions as necessary steps toward a sustainable, accessible health system.
- My request to you is this: Please stay informed, be part of the dialogue on health care and add your wisdom and your voice to a better collective understanding of the complexity of this "merger."

- I would invite you to read the Strategic Direction document and our performance targets posted on our website, and to check back regularly for new information and regular updates on H1N1 and other timely issues.
- Thank you for your kind attention, and for inviting me to be here with you today. I look forward to your questions and, more importantly, your ideas.