Alberta Health Services

AHS Performance Review Proposed Implementation Plan

August 13, 2020

Alberta Health Services

We are pleased to present the AHS Performance Review Implementation Plan. This report was prepared under my direction in accordance with the recommendations in the AHS Performance Review conducted by Ernst & Young (EY) and released on February 3, 2020, as well as from direction by the Minister of Health in the letters dated February 3, 2020, and February 26, 2020. This plan presents financial and human resource impacts for initiatives approved as of July 28, 2020, with any further refinements provided via regular updates to Alberta Health.

This plan represents the proposed response to these recommendations with final decision-making and approval to occur with Alberta Health.

Respectfully submitted on behalf of Alberta Health Services,

Original signed by

Dr. Verna Yiu

President and Chief Executive Officer, Alberta Health Services

August 13, 2020

Message from the Board Chair

Message from the Board Chair

On behalf of the Alberta Health Services (AHS) Board, I am pleased to provide the AHS Performance Review Implementation Plan (Implementation Plan) to the Minister of Health, the Honourable Tyler Shandro, Q.C.

Albertans have a great health system, but we know it can be better. Evolution across the health system is necessary to ensure Albertans continue to have access to quality care in a fiscally responsible manner. Together with Alberta Health, we are leading a change that builds on the successes of AHS to date, and also sets aggressive goals for improved outcomes and efficiencies.

Ernst & Young LLP (EY), in its "Alberta Health Services Performance Review" Report, sets out an impressive, broad range of recommended potential opportunities for AHS to consider and evaluate. Many of those recommendations were accompanied by a range of aggressive estimated gross savings, with the caveat that AHS, like others who have been the subject of such a review, can expect to achieve only a fraction of those savings.

This Implementation Plan, the next step in that improvement process, identifies how the recommendations from EY can be implemented to achieve significant savings. Many of the recommendations in the AHS Performance Review build on areas where AHS has already made progress.

AHS is known for its resilience and ability to adapt. This has never been more evident than it is today, as AHS continues its impressive response to the COVID-19 pandemic and continues to protect the health of Albertans, including our staff and physicians.

The Board, our staff, physicians and leaders are passionate about safe, quality, sustainable care, and are ready to make the changes and innovations needed to improve the health system. Together, with the support and involvement of Alberta Health, our valued workforce, our communities, our physicians, and all the partners who collectively form the health care system, we can realize the potential of an integrated provincial health system. We can all build a new kind of health system that operates under a new paradigm. Instead of focusing on illness, we must focus on wellness and health; instead of a single medical model, we must focus on team-based care; instead of a provider-centric model, we must focus on patient- and family-centred care. We must also focus on providing care where Albertans have told us they want it: in their homes and in their communities. Together we must build the health system of the future.

We look forward to continued collaboration with Alberta Health and our partners across the province as we build that better health system.

Sincerely,

Original Signed By

David Weyant, Q.C.
Board Chair, Alberta Health Services
August 13, 2020

Message from the AHS President & CEO

The formation of Alberta Health Services (AHS) over a decade ago was an ambitious experiment. This transformed the healthcare system from a regional-based model of healthcare delivery to a single, integrated, province-wide system, setting Alberta apart from other Canadian jurisdictions. Since AHS was officially created in 2009, our focus has always been the delivery of high-quality, accessible and sustainable patient-centred care. Our commitment to the health and wellness of our patients is coupled with our responsibility to all Albertans to offer care in the most efficient and cost-effective way possible.

When AHS was first invited to participate in this performance review, I viewed this as an opportunity for us to not only validate and affirm the strengths of the integrated provincialized system but also an opportunity to learn how best to consider our course as we embark on the next 10 years and beyond.

Inside AHS, we consider ourselves a learning organization. This means we are transparent about how we operate, ask questions along the journey and are open to new ways of thinking. The review has been an opportunity to take a look at our current priorities and strategies, and give us an objective view of whether we are on the right track – and, in many ways, we are. The review has also pointed out opportunities where we can continue to evolve and highlighted areas where we can do things differently – all with the goal of providing more timely and efficient patient care.

Since early March 2020, our frontline workers and leadership teams have had to shift our focus to address the single greatest public health challenge our organization has faced: responding to the COVID-19 pandemic. Our collective efforts across the entire healthcare system were necessary to quickly ramp up capacity within our hospitals, to aggressively test for and trace the virus to contain its spread, to offer treatment and comfort to those who became ill and, ultimately, to keep Albertans safe. As we emerged from the first peak of pandemic activity in Alberta in May and the province began to reopen, AHS has reset our sights on the implementation of the recommendations and opportunities set forth in the performance review. As we do this, we are mindful the pandemic is showing no signs of relenting over the short term. It is critical we continue to remain vigilant and take required precautions to reduce the spread of COVID-19 within Alberta while aggressively responding to outbreaks and ongoing pandemic activity.

We were pleased to work with Ernst & Young (EY) throughout the review process in 2019 and in the months since the report was released. Even as we responded to the COVID-19 pandemic, some planning and implementation work continued in the background, as this implementation plan demonstrates. Many of the review's recommendations focus on work that is already underway at AHS, such as our Operational Best Practices initiatives, our efforts to streamline procurement and supply chain management, the Alberta Surgical Initiative, and our focus on offering services that are clinically appropriate and meet the areas of greatest patient need.

This plan charts our priorities, proposed next steps and suggested timelines as we embark on this next transformational undertaking to improve healthcare in Alberta following review and support from the Minister of Health. Our teams are ready for the challenge. We are committed to ongoing collaboration with Alberta Health and EY as we continue on this journey. As always, this work will continue to be done in partnership with our physicians and staff, the communities we serve, and all Albertans.

Sincerely,

Original Signed By

Dr. Verna Yiu
President and CEO, Alberta Health Services
August 13, 2020

Message from Ernst & Young

In 2019, Ernst & Young LLP (EY) was engaged by Alberta Health to conduct a review of Alberta Health Services (AHS) with the aim of identifying opportunities that could achieve greater value for the healthcare dollars spent in the province. By bringing costs more in line with other provinces, Alberta would be able to deliver more services to more people.

Our report, provided to the Minister of Health, the Honourable Tyler Shandro, in December 2019, and publicly released on February 3, 2020, contained recommendations and opportunities that could assist AHS in achieving this goal. It also recommended the development of an implementation plan by AHS that would set out an achievable path towards greater health system sustainability. The attached document is that implementation plan.

For each of the efficiency opportunities outlined in the report, we provided high-level gross opportunity values that set out the maximum potential savings. As we pointed out then, it is important not to confuse those numbers with achievable savings:

> "To reiterate - our analysis does not suggest that the full savings we have identified can be driven out of AHS' bottom line. Our experience working with other organizations is that a proportion of the gross opportunity is achievable within a given time span. The specific achievable savings amounts should be validated and refined during implementation, when the interdependencies and full net costs of each opportunity can be understood in detail."

In January 2020, AHS engaged EY to assist with the validation, qualification and prioritization of the opportunities contained in our report and the development of the implementation plan with timelines and projected savings. Working with dedicated AHS project teams, the executive and the Board, EY has helped build and operationalize a sustainability program and implementation plan that will serve to deliver on AHS' commitment to enhance and protect the quality, accessibility and sustainability of health services in Alberta.

EY's first task at AHS was to assist with the establishment of a dedicated office and program which was based on leading practice and lessons learned at peer organizations in Canada and around the world that have successfully implemented similar programs. The AHS Review Implementation Office (or ARIO), reporting through two senior executive sponsors directly to AHS President and CEO Dr. Verna Yiu, has actively co-ordinated all aspects of the development of this plan and will be responsible for execution once approved by the Board and the Minister. ARIO will serve as an effective and essential enabler of the work that is being done across the organization and throughout the province to respond to the sustainability imperative outlined in our report.

In arriving at the target savings outlined in the implementation plan that follows, AHS teams, supported by EY, have considered many factors, including:

- Required investments to achieve savings
- Validation and refinement of scope
- Implementation timelines and initiative phasing
- Patient, clinical and operational impact
- HR impact and labour agreements
- Time to achieve savings
- New and continued efforts to treat and prevent COVID-19
- Government direction to delay, limit scope or not pursue certain opportunities.

Each of the 52 recommendations (and five additional implementation recommendations) and associated initiatives in the EY AHS Performance Review has been assessed through a multi-staged qualification process that is co-ordinated by ARIO with the support of EY. The process includes:

- Initial prioritization exercise that ranked opportunities based on their potential to deliver highest and quickest value against relative effort and complexity;
- Qualification and validation by relevant AHS business unit with support and challenge from EY;
- An internal review process by specially formulated finance and ARIO committees which recommended consideration by the AHS Executive Leadership Team (ELT) or sent back to the assigned business unit for further development;
- And consideration by AHS ELT in a weekly dedicated review session at which opportunities are discussed, debated and challenged prior to decision.

At every stage of qualification, EY and ARIO have provided respectful but firm check and challenge to guide decision makers in developing an achievable, realistic plan that will deliver significant benefit to Albertans. Through this process, we were invited to challenge AHS' assessment of achievable savings for each opportunity and the assumptions used to arrive at them. We also questioned AHS teams and executive on the scope, timeline, and perceived achievability of each opportunity and facilitated peer review at the executive level that challenged the organization to lean towards achieving the greatest value.

Once approved, accountability for implementation of each opportunity is assigned to a member of ELT. The executive and Board of AHS are regularly updated on the status of all opportunities along with achieved and expected benefits of the work.

The plan that follows is the end result of these efforts. It sets out a program of work that is set to achieve annualized savings of $851M - $1,199M once fully implemented across both AHS and Covenant. The value of these savings represents approximately 60% of the estimated total gross opportunity savings in our report, a level higher than that typically achieved by peer organizations that we have worked with.

This process has been embraced by AHS leadership and is evolving into a new normal in which achieving greater sustainability and value is an ongoing component of AHS governance and management.

It should also be acknowledged that this plan has been delayed and impacted by the onset of the COVID-19 pandemic, which has demanded the full attention and dedication of the AHS team, from front-line workers to support staff, management and leadership. This delay was essential. So, too, is the work that is proposed in the plan as AHS continues to pursue more and better services and outcomes for the money spent on healthcare in times of serious fiscal uncertainty.

John Bethel
Partner – Leader National Health Care Practice, EY
August 13, 2020

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Executive Summary

Since its inception in 2008, Alberta Health Services (AHS) has stood as the largest provincially integrated health system in Canada, providing health services to nearly 4.4 million Albertans. AHS has had many successes, including advancing healthcare access and accelerating patient care improvements, streamlining governance and accountability, driving standardization through provincially-delivered programs, strengthening organizational leadership and culture, consolidating administrative systems and launching the largest province-wide clinical information system in Canada. Innovation and change in status quo are central to our ability to ensure Albertans receive the greatest value from every dollar invested in the healthcare system. AHS is focused on achieving the goals outlined in our Health Plan and Business Plan, and on finding efficiencies and ensuring a balanced budget.

Ernst & Young LLP (EY) conducted a performance review of AHS[1], released on February 3, 2020, with the goal of identifying opportunities that support a higher value health system for Albertans. In response, a phased multi-year implementation plan has been developed and is proposed to the Minister of Health. The purpose of this plan is to provide an overview of a three-year sustainability program that includes realistic, achievable savings expectations, implementation timelines and a critical assessment of the associated implementation challenges and risks. While this implementation plan focuses on the recommendations of the EY AHS Performance Review, AHS continues to undertake additional strategies to deliver high-quality care, improve access to services and meet budget targets.

Alberta continues to work to align its health spending with comparable provinces such as British Columbia, Ontario and Quebec, while ensuring access to high-quality healthcare that Albertans expect. This involves looking at the major areas of health spending: AHS, physicians and pharmaceuticals. Given the scale and scope of AHS, the successful implementation of the EY AHS Performance Review will work to ensure every dollar invested in the system is used efficiently to deliver the quality access to critical healthcare services. Savings from efficiencies and improved effectiveness will be reinvested in the areas of the greatest need and highest value across the health system to ensure a sustainable and high-performing health system.

This plan proposes a multi-year road map for the implementation of sustainability initiatives across five improvement themes: People, Clinical, Clinical Support, Non-Clinical and Governance. The original EY AHS Performance Review outlined a number of recommendations and opportunities. The plan here includes additional, new initiatives identified by AHS that further support EY recommendations. In addition, it creates a framework for change and a mechanism to free up valuable professionals and dollars to reinvest in delivering healthcare services in new ways.

The implementation plan will help AHS continue to improve quality and access and stretch its healthcare dollars further to support growth and priority strategic investments. The healthcare system must be financially sustainable now and over the long term. AHS will continue to ensure that every healthcare dollar is bringing greatest value to the communities we serve. Altogether this plan is a proposal and requires final approval and further decision-making in collaboration with Alberta Health.

Financial Summary

As described in the table below, the implementation of these initiatives, if approved to proceed, will support financial sustainability and contribute towards the achievement of budget expectations as set by Alberta Health. It is important to note the scale of changes proposed will be achieved over multiple years and will take significant effort from all areas of the organization to successfully implement. To ensure success and accountability across Alberta's largest public sector organization, savings will be tracked and harvested from budgets. Decisions on reallocation to the areas of highest need and highest value will be made centrally to ensure access and high-quality healthcare across the province.

[1] Alberta Health Services performance review - https://open.alberta.ca/publications/alberta-health-services-performance-review-summary-report

As part of developing this implementation plan, every recommendation in the EY AHS Performance Review was assessed and valued at the initiative level to qualify the scale and phasing of financial savings as well as the proposed plans to achieve results. As a result of this process, and as articulated in this proposed plan, AHS and its partners can achieve **between $851M - $1,199M of net annualized savings and revenue at full implementation**. These net annualized savings[2] include $716M - $1,063M of reductions in expenses and $136M increases in revenues.

Table 1- Annualized net benefits

Improvement Theme	#	EY AHS Performance Review Valuation	Ongoing annualized savings and revenue at full implementation ($M) [1,2,3]		
			Expense Reduction	Revenue Generation	Net Annualized Benefits
People	27	559 – 773	277 – 429	-	277 – 429
Clinical Services	26	368 – 468	231 – 315	-	231 – 315
Clinical Support Services	14	245 – 315	126 – 207	3	129 – 210
Non Clinical Services	24	253 – 356	80 – 110	133	212 – 243
Governance	9	-	2	-	2
Total	**100**	**1,425 – 1,912**	**716 – 1,063**	**136**	**851 – 1,199**
Required capital investment and one-time restructuring costs[5]					(243 – 262)

[1]Represents benefit in relation to total AHS and Covenant health expenditure
[2]Includes total net annualized operational savings inclusive of years beyond 2022/23; total annualized benefit achievement is initiative dependent.
[3]Figures have been rounded to nearest ($M)
[4]NCSS09 – Sustainability Management will require one-time operational investment of ($28M) and one-time capital investment of ($80M) funded by government to achieve full benefits.
[5]One-time restructuring, investment, capital and severance costs to achieve full benefits; includes investment of approximately $ 2M to support implementation and consulting fees.

The above savings are compared to the EY AHS Performance Review gross valuation of $1,425M - $1,912M (excluding any one-time sale of assets). This represents approximately 60% of the gross valuation, which is more than EY's experience with past clients, reflecting both the ability of AHS to strive towards maximum value, as well as the potential for efficiencies across a more fully integrated health system. Execution on the plan to deliver these savings assumes aggressive start dates with job security provisions ending on September 1, 2020[3].

While every effort was made to assess each initiative in detail, a balanced approach was required to allow AHS to continue to focus on the response to COVID-19. This means that while all initiatives were planned and went through internal processes, some plans should be viewed as preliminary with additional work required

[2] These savings exclude the impact of initiatives that were implemented prior to 2020/21, including the management of vacancies and other initiatives implemented in 2019/20.
[3] While the financial benefits in this plan are based on the date above, there has been a recent job protection change directed by the government post drafting of this report. The estimated reduction of savings due to job protection changes from September 1, 2020 to October 15, 2020 is estimated at $7 million to $11.5 million. Every additional month of delay after October 15 will have further impact of approximately $7.8 million to $11.4 million. To date, this is not factored into the financial information presented in this plan.

post August 13, 2020. Details related to the level of certainty associated with the valuations put forward and initiatives that require further work are provided as part of this plan.

Integrated Implementation Plan

As many of the recommendations and initiatives touch areas across the organization and the province, consideration has been given to operational feasibility as well as impact to patients, communities and staff when holistically planning for implementation. The proposed initiatives have been planned across the following five improvement themes as outlined below, with additional consideration for interdependencies across the themes.

People: This group of initiatives improves AHS' workforce policies and practices to enable AHS to operate more efficiently while providing the best experience for staff.

Clinical Services: This group of initiatives have application to direct care AHS provides, from hospitals, to long-term care, to community-based and home care services. These initiatives focus on improving the efficiency and appropriate use of these services, procedures and resources, while continuing to provide safe, high-quality care.

Clinical Support Services: This group of initiatives impact the areas that support patient care, including laboratory, diagnostic imaging and pharmacy services. These initiatives focus on ensuring the right clinical support services are available and are cost-effective.

Non-Clinical Services: This group of initiatives are related to services that take place behind the scenes, including the corporate offices and supply chain. These initiatives focus on reducing costs and increasing revenue.

Governance: This group of initiatives focuses on relationships and accountability. Improvements within this theme will allow Alberta Health to focus on setting strategy and governance, and AHS to operationalize and deliver.

Implementation Tactics and Enablers

Across the initiatives in this plan, there are several common implementation tactics required to achieve the scale of financial and nonfinancial benefits proposed. These include changes to workforce, operational efficiency and effectiveness, revenue or cost recovery, outsourcing, physician-related compensation and policy or collective agreements.

The majority (53%) of the financial benefits proposed in this plan is dependent on workforce (42%) and outsourcing-related changes (11%), which is expected given the proportion of spend in this area across AHS (~70% of all expenses). There are workforce impacts identified in the implementation plan; in some cases, these workforce impacts will be mitigated should these employees select to pursue opportunities with third-party organizations providing contracted healthcare services. These workforce and outsourcing changes rely on AHS working with respective unions as well as Alberta Health to develop strategies that enable the associated workforce and service delivery model changes. This will be essential to benefits being realized in the short term (three to five years).

AHS will continue to focus on improving operational efficiency and effectiveness within this plan and this represents 21% of the proposed savings. Further implementation enablers require partnership and collaboration with Alberta Health and others to successfully implement the initiatives, including those focused on revenue or cost recovery (14% of financial benefits), physician compensation-related change (7% of financial benefits) and policy and collective agreement changes (4% of financial benefits).

Risks

The EY AHS Performance Review recommendations represent a significant change in how services will be delivered by AHS on behalf of Albertans. This implementation plan is a critical step in addressing the recommendations and driving towards system sustainability. Achieving success will require sustained dedication on behalf of all those involved. A range of risks will need to be considered and mitigated throughout the execution of the plan. The mitigation approaches have been included in more detail later in this plan.

Current provider and staffing environment - In relation to active negotiations with unions and physician groups. We remain committed to continued engagement of these groups, before and during our implementation processes. The outcomes of this engagement and labour negotiation activity will have clear impacts on what has been proposed in this plan.

Rural Community Impacts - The cumulative impacts across multiple initiatives on smaller rural communities are being assessed to inform further considerations and decision-making within this proposed plan. Impacts include changes to workforce and services. Work is underway to ensure impacts are understood to support engagement in these areas. It is recognized that every community is different and innovation will be needed to make improvements and change to ensure access to high-quality care is available when needed even if access and care delivery may look different.

Balancing System Priorities in Tight Timelines - This pace of change and work effort is significant and also sits alongside other health system priorities and ongoing pandemic response efforts. There is risk of overwhelming our staff, physicians and partners that must be balanced with the risk to Alberta's financial position.

COVID-19 Response - The implementation of this plan needs to consider an environment where AHS must continue to ensure it has the capacity and support needed to respond to ongoing pandemic activity. This has already resulted in some initiatives being delayed, which has impacted AHS' ability to achieve financial targets across the next three years.

Future Workforce Shortages – Implementation of this plan needs to consider the potential for increased demand for highly trained healthcare workers, particularly within the context of the COVID-19 pandemic.

Legislation changes - A number of initiatives require government support, up to and including regulation or legislative change, to enable implementation. Feasibility and timelines of making these changes may impact AHS' ability to move forward with execution on certain initiatives.

Next Steps

For many initiatives, this plan is the beginning of a process to develop a detailed action plan that will include engagement with multiple stakeholders, Alberta Health and other government partners, communities, unions, staff and patients. Achievement of this plan is reliant on timely approval of this implementation plan and unwavering commitment and support by the Minister of Health and all of government.

Some of the proposed initiatives are already in progress or have already been completed; whereas most require Minister of Health approval or decision-making prior to commencement. All initiatives have been developed in alignment with an established set of guiding principles, which are outlined in this plan and include a commitment to accessible high-quality patient care, engagement, continuous learning and integration of initiative plans.

The planning process will continue with immediate next steps over the next 60 days, including:

- Creation of a quality and access monitoring dashboard to support implementation.
- Finalize communication and engagement plans for the release of the implementation plan with Alberta Health, and finalize communications strategy for moving forward on approved initiatives. Determine roles and responsibilities for stakeholder engagement by AHS and Alberta Health.

- As required after approval of this plan and following the expiration of the letters of understanding with unions that provide job protection, AHS will engage union bargaining units to provide timely disclosure if necessary to unions on initiatives expected to proceed. Union notification in accordance with collective agreement and legislative requirements on specific workforce changes will be provided as initiatives are further planned and implemented.

- Begin support service contracting, where applicable.
- Commence implementation of care model and delivery practice changes in acute care that allows patients to receive high-quality care in the most appropriate setting.
- Evolve the virtual care strategy for AHS to reflect both changing patient expectations as a result of COVID-19 and the future needs of Albertans.

We have gained experience operating as a provincially integrated health system over the past decade. We've seen considerable success with this approach during the COVID-19 pandemic and know we can implement solutions to achieve the goals proposed in this plan with a systems lens. Like other high-performing health systems, our focus remains on access and quality, propelling us toward greater efficiency, value and integration. Together, the changes in this proposed implementation plan have the potential to assist with evolving Alberta's health system to a modern, agile and patient-centred one capable of navigating future challenges.

Overview of Implementation Plan Development

When it was created, AHS represented a unique health system model that intended to streamline access to healthcare services, drive effectiveness and efficiency, and create a high-quality and innovative system of care. While there is more to do, much of this vision was achieved through a reduction in regional inequalities and competition for health system resources, and centralizing accountability for service delivery across the province.

Over the last decade, AHS has had many successes, including streamlining governance and accountability, driving standardization through provincially-delivered programs, strengthening organizational leadership and culture, consolidating administrative systems and launching the largest province-wide clinical information system in Canada, all while continuing to provide accessible, high-quality care.

AHS remains focused on ensuring Albertans receive the greatest value from every dollar invested in healthcare. This is central to our Health Plan and Business Plan and requires multiple strategies to meet our goals within a **balanced budget while improving access, quality and our ability to strategically invest in our future**. One key strategy has included a performance review conducted by Ernst & Young LLP (EY).

Work has been ongoing over several years to align Alberta's health spending with comparable provinces such as British Columbia, Ontario and Quebec. This involves looking at the major areas of health spending: AHS, physicians and pharmaceuticals. The EY AHS Performance Review is a key strategy in AHS's ongoing sustainability journey and plays a key role in continuing to close the spending gap with comparable provinces. As an integrated provincial organization, AHS is well positioned to continue to improve our efficiency and effectiveness while also increasing access to critical healthcare services. Focusing on these improvements will allow savings to be reinvested in the areas of the greatest need and highest value across the health system to ensure a sustainable and high performing health system.

In response to the EY performance review of AHS, a phased multi-year implementation plan has been developed and is proposed to the Minister of Health in this report. The EY AHS Performance Review a number of recommendations and opportunities for Alberta Health to consider. These recommendations were largely

accepted and AHS was asked to review and submit an Implementation plan for the recommendations and opportunities. There was additional direction from the Minister of Health on six specific opportunities that have been included in this plan.

The purpose of this plan is to provide an overview of a three-year sustainability program that includes realistic, achievable savings expectations. This document outlines AHS' plan to achieve these savings, including timelines and a critical assessment of associated implementation challenges and risks. It includes a multi-year plan for the implementation of initiatives across five themes: People, Clinical, Clinical Support, Non-Clinical and Governance. This includes additional initiatives beyond those in the review that have been identified by AHS to further support recommendations. While this implementation plan focuses on the recommendations of the EY AHS Performance Review, AHS continues to undertake additional strategies to achieve our goals within a high-value health system. This plan is a proposal and requires final decision-making and approvals in consultation with Alberta Health.

Guiding Principles

A set of guiding principles were developed and used throughout the implementation planning process. **The first and most important guiding principle is our commitment to accessible, high-quality patient care for Albertans.** While the platform for the EY AHS Performance Review was financial, AHS used this opportunity to improve the way it does business and delivers care. Impact assessments were completed to ensure that quality and access to care were either improved or maintained. This work took into consideration the elements of the Quadruple Aim and the Value-Based Healthcare framework implemented within AHS (Appendix B).

Additional guiding principles include:

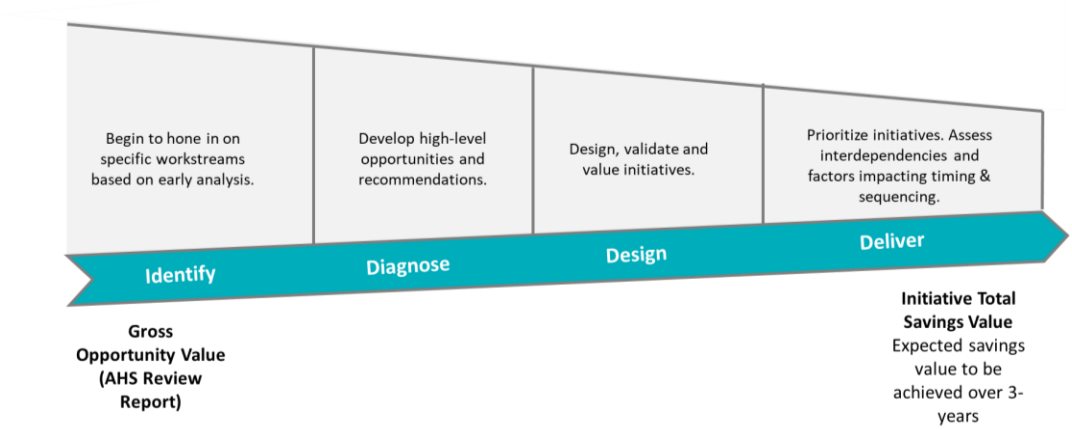
- **When we know better, we do better**. As a learning organization operating in an uncertain time, we will continue to assess and reassess plans. When needed, plans will be adapted and improved to respond to a changing health system landscape and a regular review of performance metrics.
- **Take a longer-term view** that aligns with AHS' goals and vision of building a better health system that balances acute care needs with care in the community. The proposed changes in this plan align with the longer-term vision of optimal healthcare in Alberta over the next 10 years.
- **All initiatives are on the table** until they have been thoroughly vetted and challenged. Through the planning process, the principle that all initiatives must "see the light of day" was key, with transparency needed to understand and document the rationale behind rejected ideas or significant changes in scope.
- Leverage opportunities to **scale-up initiatives with local success**. Planning includes assessments of opportunities to leverage local initiatives that have already shown success and rapidly scale these to the entire province.
- **Clear, transparent and timely communications** will be provided to AHS staff, physicians and their representatives throughout planning and implementation.
- **Respecting and supporting employees through the change**. We will work to minimize the impact of changes to staff and physicians resulting from this implementation plan. We will follow collective agreement and legislative requirements.
- **Alignment with our Patient First Strategy**. Patient engagement is a priority and patient representatives were part of the AHS internal committee responsible for reviewing improvement initiatives. AHS will continue to engage patients through the continued planning and implementation work.

- **Engagement with our stakeholders and communities throughout any changes**. While engagement tactics may vary across initiatives, this approach aligns with our culture of caring and listening, which results in more patient-centred care, local decision-making and trusting relationships. Members of our Health Advisory Councils were part of the AHS internal committee responsible for reviewing initiatives.
- **Embrace high-value changes that have resulted from AHS' COVID-19 response**. In Alberta, as in other jurisdictions, the COVID-19 pandemic has expanded the thinking around what is possible in our health system and accelerated the timeframes to achieve significant change. This plan carefully considers the impact of these changes across AHS and, at an initiative level, to ensure plans are reflective of a post-COVID reality.

Approach

The EY AHS Performance Review established a four-phase approach to identify opportunities and develop an implementation plan: Identify, Diagnose, Design, and Deliver. The focus of the EY AHS Performance Review was on the first two phases. For the later phases, the implementation planning process focused on the design and delivery of initiatives.

Figure 1. EY AHS Performance Review Four-Phase Approach



As part of **Identify and Diagnosis Phases**, the EY AHS Performance Review identified 52 recommendations across four themes, which included 72 opportunities. There were an additional five recommendations related to implementation (see Implementation Recommendations Summary section for recommendations 53-57).

AHS leveraged the review recommendations to design proposed initiatives and revised the theme structure where there are now five improvement themes that align to leadership structures within AHS. The main notable difference has been the separation of Clinical Support Services into a distinct theme. In addition, AHS has identified net new opportunities related to the recommendations bringing the total number of initiatives up to 100.

The gross valuations in the EY AHS Performance Review provide a high-level indication of the breadth of opportunity available to AHS. However, as set out in the EY AHS Performance Review, these were not "guaranteed savings" and may not be "wholly realized." This is because costs need to be factored in, such as new systems or technology, operational investments to enable the change, and because there is significant change management required to reach the full realization of savings.

A key component of the **Design Phase** is to translate identified recommendations into implementable initiatives through detailed planning work by AHS. While the recommendations remain a key focus of this plan,

it is within their associated initiatives level where the detailed design and planning occurs. In this phase, gross valuations were refined as initiatives were further developed, each designed to reflect the approved plan, including scope and phasing as well as required investments. As a result of this detailed planning, this proposed plan presents the net and achievable savings after factoring in implementation costs and investments required to achieve the intended outcome.

As part of this process, a detailed reconciliation across all initiatives has been completed that outlines how the revised annualized net savings and revenue were refined from EY gross valuations to determine the impact on AHS health expenditures. Common themes have emerged as key drivers of variation between the gross and net valuations, including:

- **Scope:** While many initiatives span province and are organization wide, there are instances where scope has been adjusted or phased across geographical areas, job groups or other categories to reflect operational feasibility.
- **Assumptions:** Key assumptions related to costing methodology or underlying data elements were refined through the process.
- **Investments:** This includes both ongoing operational investments required to enable the change, as well as one-time costs such as severance. Capital investments are noted separately.

The final **Delivery Phase** involved the development of this proposed multi-year implementation plan. Interdependencies and impacts were considered and helped inform timing and sequencing of the implementation plan and are outlined in later sections. Across each of the initiatives, detailed quality impact and risk assessments were completed alongside accompanying plans related to communications, community engagement and human resources, where required.

Impacts of COVID-19

Alberta reported its first confirmed case of COVID-19 on March 5, 2020, about one month after the release of the EY AHS Performance Review. As a result, many implementation planning efforts were paused to allow AHS to prioritize efforts on its pandemic response. As AHS emerged from the initial crisis management response, we have begun to strike a balance of focus across other significant health priorities, including the EY AHS Performance Review.

We rapidly recommenced work to achieve the deadlines associated with this proposed plan and employed a streamlined stakeholder engagement approach to refine and value initiatives. This meant that while all initiatives were planned and went through internal processes, some plans should be viewed as preliminary with additional work required after August 13, 2020, around engagement, detailed staged action planning and refinement of valuations. To reflect this, initiatives have been categorized into three valuation approaches based on the current level of valuation certainty and where future work is required (see Appendix C for additional details)

- **Category A:** Initiatives have fully-defined scope and operational requirements and a defined valuation with detailed costing.
- **Category B:** Initiatives have a fully-defined scope, some definition of operational requirements and a valuation range based on key assumptions.
- **Category C:** Initiative scope and operational requirements are fully or partially defined and the valuation is a high-level estimate of the savings range. Many in this category require a fulsome procurement process to attain a more accurate savings figure.

Given the current unstable situation in Alberta as it relates to the pandemic, COVID-19 represents an overall risk to the plan and is detailed in the risk section of this report. Details related to the AHS COVID-19 response can be found below.

AHS' Response to COVID-19

The COVID-19 pandemic emerged as the highest priority for healthcare systems around the world. Its spread has driven healthcare organizations to shift their focus to managing the rapidly increasing number of cases and instituting measures to minimize the significant impact on healthcare facilities and front-line staff.

Operating as a single provincial health authority has proved to be a strength as AHS responds to the pandemic. Our physicians and staff continue to work tirelessly to help contain the spread of the virus through a focus on testing, contact tracing and outbreak management, treating those who require care and supporting colleagues and co-workers through trying times. Healthcare providers in hospitals and continuing care facilities showed courage and compassion during some of the most difficult moments experienced during the pandemic.

For many Albertans, the potential health risks posed by exposure to the coronavirus are secondary to the extreme economic and social impacts being experienced across the province. Unemployment is high, commodity prices are low, critical services have been restricted, and living with new concepts such as 'physical distancing' and 'self-isolation' have become the new reality for Albertans.

It is difficult to determine what the long-term impacts of COVID-19 on the healthcare system will be, but there will be fundamental and lasting changes on the system and how care is delivered on the front lines. For instance, there will be greater focus on virtual health services to not only meet the needs of those in remote communities but also to support Albertans who prefer to get the services they need without face-to-face encounters. In addition, AHS will need to plan to meet the expected increase in demand for addiction and mental health programs across all stages of the pandemic.

This proposed plan has been developed with these experiences in mind, along with a continued need to manage future waves of COVID-19. This comes with inherent risks to proposed initiatives as well as an opportunity to sustain high-value changes that have emerged as part of the pandemic response.

Implementation Structure and Process

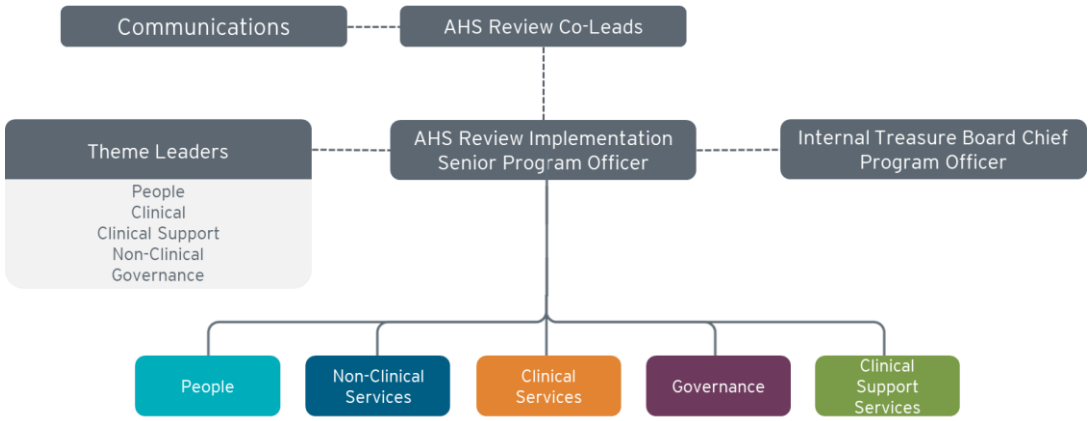
AHS faces significant challenges both in terms of the required savings and the transformative nature of the initiatives to be undertaken within rapid timelines. As such, AHS required a dedicated program that leverages leading practice and lessons learned from peers across Canada and around the world who have successfully implemented similar programs.

Recommendation 55: Establish an AHS Sustainability Program Office to deliver the change program, with dedicated resources, reporting processes, and executive accountabilities

In line with recommendation 55 of the EY AHS Performance Review that outlined the formation of a Sustainability Program Office, AHS has created the infrastructure, resource capacity and internal processes to drive the large-scale changes ahead. AHS has established the AHS Review Implementation Office (ARIO) to provide central leadership and co-ordinate an implementation team responsible to steer, shape and drive initiatives forward across the improvement themes.

The ARIO co-leads are part of the Executive Leadership Team, and accountable to the CEO and the AHS Board for the implementation of this work. To support the ARIO, the Internal Treasury Coordinating Committee (ITCC) was also established to manage the financial tracking, monitoring and reporting of savings. These two new structures will enable AHS to rapidly design a great number of improvements and deliver upon the implementation plan set out. In the longer term, they will help AHS sustain these changes and cement the methodology within the organization.

Figure 2. AHS Review Implementation Office (ARIO) Structure



In addition, a strong and effective relationship between AHS and Alberta Health will be critical to the success of the implementation plan and the significant transformation set out. AHS has engaged and communicated with Alberta Health throughout the development of this plan and will continue to do so over the course of implementation. There are several initiatives that have interdependencies with Alberta Health and will require close co-ordination. Overall, AHS remains committed to working collaboratively with Alberta Health to carry out its shared vision for a healthier Alberta while finding the most cost-effective way to deliver quality care. For more information related to structure and process, please refer to Appendix E.

Implementation Recommendations Summary

The EY AHS Performance Review outlined five recommendations related to establishing foundational internal capabilities to support successful implementation of the other recommendations and initiatives. Through the creation of the ARIO and development of this implementation plan, AHS has completed the activities associated with these implementation recommendations. The table below outlines the five implementation recommendations and how they have been addressed:

Table 2 – Implementation Recommendations Summary

Recommendation	Comments
Recommendation 53: AHS should complete a formal leadership review of the Executive Leadership Team, including its structure, capabilities, and readiness to deliver a large transformation program. The review should be actioned expeditiously so the results can inform the development of the implementation plan	Under the oversight of the HRC Chair, Mercer Canada Limited ("Mercer") is working on a report that updates their 2015 work and clarifies aspects of their methodology. The HRC is expecting a final report from Mercer before the end of August for review by the HRC on September 18, 2020, and the Board on October 8, 2020. As a preliminary action upon receipt of the EY Report, AHS engaged Capelle Associates to undertake a review of the structure of AHS' Executive Leadership Team ("ELT"). Changes to the ELT structure were made following that review. The Board will oversee a more comprehensive review to address Recommendation 53 of the EY Report and other connected recommendations as

	soon as reasonably possible given ELT's current focus on responding to the COVID-19 pandemic.
Recommendation 54: AHS should develop an implementation plan, based on the fiscal targets and strategic priorities set by Alberta Health. AHS should lead the development of this plan in co-ordination with Alberta Health within the first 100 days of implementation.	AHS has developed AHS Performance Review Implementation Plan for submission to AH.
Recommendation 55: Establish an AHS Sustainability Program Office to drive the plan forward, with clearly defined resources, reporting processes and executive accountabilities.	AHS established the AHS Review Implementation Office (ARIO)
Recommendation 56: Develop an integrated change and communications strategy that will enable appropriate clinical and operational ownership of initiatives.	AHS developed communications strategy.
Recommendation 57: Alberta Health should educate and regularly update Albertans, providing ongoing reporting to taxpayers to build increased awareness and understanding of the cost and performance of Alberta's health system establishing an important accountability interface with citizens for achieving value for money.	Led by Alberta Health

Financial Summary

AHS is committed to working collaboratively with Alberta Health to carry out the mandate and vision for healthcare that Albertans have entrusted us with, as we strive to fulfill our mission to provide a patient-focused, quality healthcare system that is accessible and sustainable for everyone. We remain mindful of the need to deliver services in the most cost-effective way possible.

In 2019/20, AHS realized a net operating deficit, primarily driven by higher demand for activities and services, delays in implementing savings initiatives and higher costs for drugs. While AHS did implement numerous savings initiatives, expenses were still higher than the funding available. In 2019/20, AHS achieved more than $100 million of savings, most of which was related to initiatives later recommended through the EY AHS Performance Review. AHS successfully reduced expenses by managing vacant positions, reducing discretionary spending, and further implementing initiatives as part of Operational Best Practices. But we recognize there is more work to be done. This implementation plan represents one of many strategies to achieving a balanced budget position.

AHS has a responsibility not only to deliver high-quality, accessible healthcare, but to do so in a manner that is mindful of public resources and gets the greatest value of every healthcare dollar spent. Additional investments are planned over the next three years to support the ongoing needs of Albertans. These include the implementation of the Alberta Surgical Initiative, which will reduce the amount of time Albertans wait for access to their healthcare system. AHS will also continue to implement Connect Care, the provincial clinical information system that will enable AHS healthcare teams to access and record information in the same place and way for each patient. Benefits realization through Connect Care is also a key strategy to ensuring sustainability into the future. These, and other planned investments, along with the ongoing operational requirements, will require significant savings over the next three years. If additional priority investments are identified beyond what has been planned in Budget 2020, then even more savings will need to be identified or further funding sources determined.

Summary of Financial Valuations

Every recommendation in the AHS Performance Review was assessed and valued at the initiative level and categorized across the five improvement themes. Based on these valuations, AHS and its partners can achieve an estimated total net annualized savings and revenue of $851M - $1,199M.

These net annualized savings and revenues are compared to the EY AHS Performance Review gross valuation of $1,425 M - $1,912 M (excluding any one-time sale of assets), which included $97M - $140M of revenue generation.

It is acknowledged that these net annualized savings will be achieved over multiple years and will take significant effort from all areas of the organization to successful implement. It should be noted that while COVID-19 has not impacted the net annualized savings amount, it has substantially affected the implementation timelines of numerous initiatives. As a result, AHS's ability to realize savings in 2020/21 has decreased significantly.

The table below summarizes the financial valuations of all recommendations and associated initiatives according to their improvement theme. These financial valuations represent actual expense savings and revenues and exclude any savings realized prior to 2020/21. Not included in the summary below is a significant proportion of future capital costs that may no longer be required if the initiatives proceed.

Table 3 – Annualized net benefits

Improvement Theme	#	EY AHS Performance Review Valuation	Ongoing annualized savings and revenue at full implementation ($M) [1,2,3]		
			Expense Reduction	Revenue Generation	Net Annualized Benefits
People	27	559 – 773	277 – 429	-	277 – 429
Clinical Services	26	368 – 468	231 – 315	-	231 – 315
Clinical Support Services	14	245 – 315	126 – 207	3	129 – 210
Non Clinical Services	24	253 – 356	80 – 110	133	212 – 243
Governance	9	-	2	-	2
Total	**100**	**1,425 – 1,912**	**716 – 1,063**	**136**	**851 – 1,199**
Required capital investment and one-time restructuring costs					(243 – 262)

[1]Represents benefit in relation to total AHS and Covenant health expenditure
[2]Includes total net annualized operational savings inclusive of years beyond 2022/23; total annualized benefit achievement is initiative dependent.
[3]Figures have been rounded to nearest ($M)
[4]NCSS09 – Sustainability Management will require one-time operational investment of ($28M) and one-time capital investment of ($80M) funded by government to achieve full benefits.
[5]One-time restructuring, investment, capital and severance costs to achieve full benefits includes investment of approximately $ 2M to support implementation and consulting fees.

Table 3 (above) represents the ongoing net annualized savings and revenue associated with this plan, wherein some savings have been reallocated to support the achievement of the plan. Operational reinvestments have only occurred where the investment is required to realize savings. In addition, the savings from this plan may also be reinvested to support health priorities in alignment with Alberta Health, including the Alberta Surgical Initiative and reducing CT and MRI wait times.

Furthermore, Table 4 outlines the cumulative savings expected over the next three years. As indicated in the table below, a cumulative total of $599M - $834M (~80% of total expense reductions) of financial benefit across the proposed initiatives is scheduled to deliver within this three-year timeline. There are several initiatives[4] that will be completed with full benefits achieved beyond three years to support the overall net annualized savings and revenue.

Table 4 - Financial Summary over 3 years

Improvement Theme	#	Cumulative savings and revenue by year ($M)[1,2,3]		
		2020/21	2021/22	2022/23
People	27	33 – 46	159 – 240	230 – 335
Clinical Services	26	6 – 22	111 – 142	216 – 285
Clinical Support Services	14	15	8 – 17	9 – 42
Non Clinical Services	24	38 – 41	98 – 113	143 – 172
Governance	9	1	2	2
Total	**100**	**93 – 125**	**378 – 514**	**600 - 836**

[1]Represents benefit in relation to total AHS and Covenant health expenditure.
[2]Figures have been rounded to nearest ($M);
[3]In-year valuations are inclusive of recurrent and one-time restructuring costs. Capital costs are excluded.

Finally, and as indicated in the Approach section, there are varying levels of approaches to financial valuations, meaning some initiatives may require further work to refine the financial analysis or engage additional stakeholders. These valuation categories reflect the level of certainty associated with the valuation. As outlined in Appendix D, more than 70% of the valuation remains as “C,” or the lowest level of certainty with a key next step for AHS to transition these to more firm, finalized valuations to inform its financial forecasts.

Key Financial Assumptions

The approach to the development of the initiatives and this implementation plan is based on a series of key financial assumptions as outlined below:

- AHS is being required to manage within a flat budget from 2019/20 – 2022/23, not including exceptional spending related to COVID-19.
- Resources to support the Alberta Surgical Initiative or other new priorities identified by Alberta Health are anticipated to come from new funding.
- With the exception of the additional directions received from the Minister of Health at the time of the release of the EY AHS Performance Review, there is an expectation from Government that there are implementation plans for all other initiatives.
- Any and all job security commitments end as of September 1, 2020. After September 1, workforce-related initiatives can begin to be implemented in accordance with collective agreement provisions, using position elimination, layoff and displacement provisions as required. Due to collective agreement provisions, savings related to workforce are not expected to begin until January to March 2021.
    - While the financial benefits in this plan are based on the date above, there has been a recent job protection change directed by the government. The estimated reduction of savings due to job protection changes from September 1 to October 15, 2020, is $7 million to $11.5 million.

[4] The following initiatives will achieve full savings or revenue beyond the three year timeline shown in table 4: W06a, W07a/W08, W07b, W09, SeC01/SeC02/SeC03, CSS01, NCSS04, NCSS01, NCSS02, NCSS09, CBO04, CBO07, CBO09 and CBO12

Every additional month of delay after October 15 will have further impact of approximately $7.8 million to $11.4 million. To date, this is not factored into the financial information presented in this plan.

- Legislation changes will occur in the fall session with benefits beginning in January- March 2021.
- The COVID-19 situation remains stable.
- This is predicated on risks outlined in the Key Risks section being mitigated and not delaying implementation or the realization of savings.

Financial Tracking and Monitoring

To support the achievement of savings proposed in this plan and overall accountability process, reporting processes are being refined to track, monitor, and report on the achievement of savings (and revenue) against plans, through the ITCC, ARIO and the Executive Leadership Team. These committees will serve to monitor progress to ensure accountability over the achievement of savings by initiative owners. Once initiatives have been approved and further detailed financial valuations completed, where required, the corresponding functional area budgets will be adjusted to reflect planned savings/revenue and implementation costs. Achievement of actual savings/revenue against this will be measured.

As this is a large-scale implementation, impacting multiple areas (departments, sites, zone) in multiple ways. Measurement will be complex and require data to potentially be collected from multiple sources and systems. A financial report will used to monitor progress of initiatives during the course of implementation and provide a single source of savings/revenue information for reporting.

Initiatives with additional direction from the Minister of Health

It is important to note AHS received additional direction from the Minister of Health on six recommendations. These directions are as follows:

- Recommendations 23 and 24 – Hospital and Emergency department configuration: Work closely with communities in assessing the configuration of small/medium hospitals and emergency departments, but do not propose closure of any of these facilities.
    - Implementation plans affecting the configuration of small/ medium hospitals and emergency departments will be developed with the engagement of communities, patients and families and based on a set of evidence-informed access guidelines co-developed between Alberta Health and Alberta Health Services. Closures are not proposed in this plan.
- Recommendation 27 – Trauma centres: This recommendation has been rejected. Do not proceed with the consolidation of Edmonton's two trauma centres.
    - Trauma program consolidation is not included in this plan.
- Recommendation 33 – Co-pay for drugs in long-term care: Consider co-pay in long-term care only to the extent it aligns with other provinces and does not impact low-income patients.
    - This plan is based on other provincial benchmarks and protects low-income patients with income supports funded by additional revenues from the fees.
- Recommendation 34 – Air ambulance bases: consider the consolidation of air ambulance bases close to the termination of the existing contract.
    - Closure of air ambulance bases are not included in this plan as the contract is not near termination.
- Recommendation 40 – Increased accommodation rates: consider increased accommodation rates for long-term care and designated supportive living only to the extent that they enable patient choice and low-income patients are protected.

- This plan is based on other provincial benchmarks and protects low-income patients with income supports funded by additional revenues from the fees.
- Patient choice is a fundamental component of the continuing care services offered by AHS.

Initiatives under the purview of the AHS Board

A number of recommendations and their related initiatives are under the purview of the AHS Board.

Table 5 – Initiatives under the purview of the AHS Board

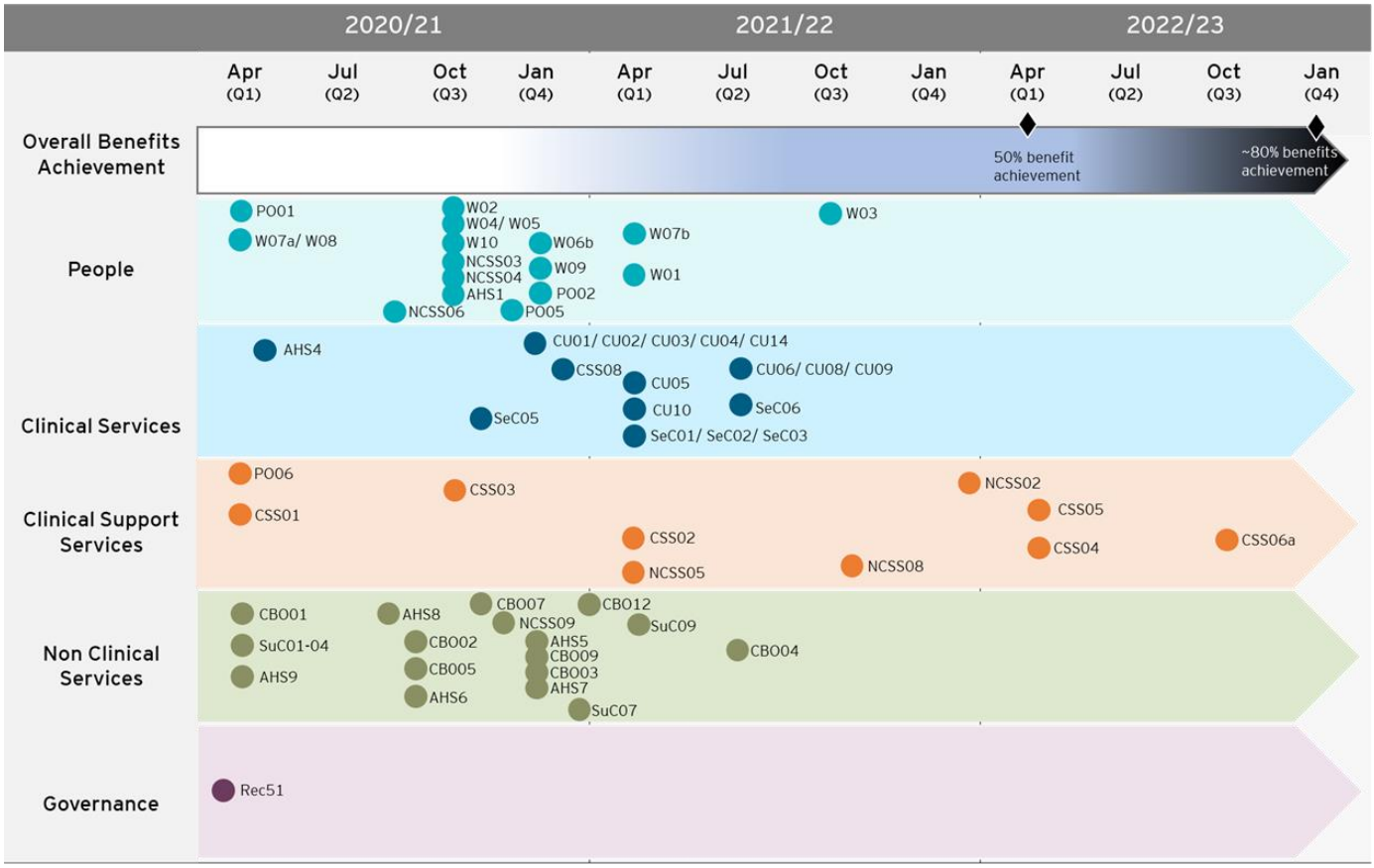
Recommendation	Board Response
Recommendation 53- AHS should complete a formal leadership review of the Executive Leadership Team, including its structure, capabilities, compensation and readiness to deliver a large transformation program. The review should be actioned expeditiously so that the results can inform the development of the implementation plan	Under the oversight of the HRC Chair, Mercer Canada Limited ("Mercer") is working on a report that updates their 2015 work and clarifies aspects of their methodology. The HRC is expecting a final report from Mercer before the end of August for review by the HRC on September 18, 2020, and the Board on October 8, 2020. As a preliminary action upon receipt of the EY Report, AHS engaged Capelle Associates to undertake a review of the structure of AHS' Executive Leadership Team ("ELT"). Changes to the ELT structure were made following that review. The Board will oversee a more comprehensive review to address Recommendation 53 of the EY Report and other connected recommendations as soon as reasonably possible given ELT's current focus on responding to the COVID-19 pandemic.
MR01- Management position review and realignment MR02- Share administrative assistants Rec6- Position classification and titling review PO03a- Medical Dyad Leadership review PO03b- Medical leadership position review – non-dyad positions	AHS has obtained a proposal from EY respecting this management review. The proposal will be reviewed by the Board's Human Resources Committee ("HRC") at its next meeting and a decision made as to whether to proceed with it. Under the proposal, EY will provide overall project leadership, reporting to HRC, supported by a team of AHS HR staff working in tandem with EY resources, to conduct a portfolio-by-portfolio assessment of management roles and identify proposed remediation for classification and title-related issues, including positions that are currently classified as non-management but have management-related titles. It will also assess and identify other potential structural outliers and anomalies within the organization (e.g., duplicated roles/teams, organizational layers inconsistency). EY will deliver a report to the HRC chair by December 31, 2020. Implementation of the recommendations contained in the report would be targeted for January to June 2021.
Recommendation 38- Legal Services Review	

Integrated Implementation Plan

As many of the recommendations and initiatives touch areas across the organization and the province, consideration has been given to operational feasibility as well as impact to patients, communities and staff when holistically planning for implementation. This section outlines the proposed integrated work plan across the five improvement themes. In addition, it describes AHS' strategic approach to groups of initiatives that have significant interdependencies and need to be planned in a co-ordinated manner with a systems lens.

The figure below provides a high-level view of initiative implementation start timelines, as well as the projected financial benefit over the three-year period. This process is meant to represent a new way of working and, as such, new initiatives are expected to come forward on a regular basis creating a perpetual cycle of value creation for the organization. Lastly, while a three-year view is presented in this plan, some initiatives are significant in terms of both scale and scope, and may have plans and benefits that are realized beyond a three-year timeframe. A more detailed timeline can be found in Appendix F.

Figure 3. Summary workplan



Note: The five implementation recommendations are not included in the above figure. The following initiatives are paused or not proceeding at this time and so are not shown in the above figure: CU12, SeC04, CSS07, CBO08b, SuC08, SuC10. Some initiatives begin benefit achievement outside of the displayed timeline and some initiatives do not have confirmed timelines at this time and so are not shown in the above figure. Additional detail can be found in the theme summaries in Appendix A.

Improvement Themes

Initiatives have been planned across the following five improvement themes as outlined below. Detailed theme summaries are provided in Appendix A.

People Theme

This theme improves AHS' workforce policies and practices to enable AHS to operate more efficiently while improving the experience and safety of our people. The initiatives fall into three areas:

1. Improve practices to contain and lower staffing costs. This includes improvements to scheduling, vacancy oversight, overtime, skill mix and staffing levels
2. Review management structure and organization design
3. Optimize physician payments (in alignment with Alberta Health direction)
4.

Clinical Services Theme

Clinical Services includes all the direct care AHS provides, from hospitals, to long-term care, to community-based and home care services. This theme focuses on improving the efficiency and appropriate use of these services, procedures and resources, while continuing to provide safe, high-quality care. The initiatives fall into two areas:

1. Improve the care model to be more cost-effective while maintaining or improving quality of care
2. Ensure patients receive the most appropriate care in the right place at the right time
3.

Clinical Support Services Theme

Clinical Support Services include the areas that support patient care, including laboratory, diagnostic imaging, and pharmacy services. This theme focuses on ensuring the right clinical services are available and cost-effective. The initiatives fall into four areas:

1. Ensure service areas are providing appropriate tests for patients' needs
2. Improve efficiency of and reduce costs for clinical support services staff and physicians
3. Assess and improve existing agreements, or create new agreements, with third-party vendors to provide high-quality and cost-efficient services (including lab, laundry, inpatient food, environmental services, long-term care and outpatient pharmacies, DI equipment, and retail operations)
4. Create an Alternate Service Delivery Partnership office to support design, procurement, negotiation and management of alternative service delivery partnerships
5.

Non-Clinical Services Theme

Non-Clinical Services are those that take place behind the scenes, including the corporate offices and supply chain. This theme focuses on reducing costs and increasing revenue. The initiatives fall into two areas:

1. Improve corporate operational practices and service delivery, including budgeting, supply consolidation, and automation
2. Explore generating revenue (examples below)
    a. Existing: accommodation fees
    b. New: corporate advertising, digital signage

Governance Theme

Governance focuses on relationships and accountability. This theme's improvements will allow Alberta Health to focus on setting strategy and governance, and AHS to operationalize and deliver. The initiatives fall into three areas:

There are three recommendations led by AHS and six led by AH. The AHS-led initiatives fall into three areas:

1. Continue to consolidate the provincial health system and reduce variation between the five zones

2. Assess the Strategic Clinical Networks (SCNs) and ensure they're aligned with future direction and needs
3. Develop a new agreement and working relationship with Covenant Health to improve co-ordination of services

Not all of the recommendations in this theme will drive direct financial benefit; however, they will optimize and strengthen the ways in which both AHS and Alberta Health operate. In doing so, this will enable Alberta Health to focus on setting strategy and governance, allowing AHS to operationalize and deliver the required outcomes.

Covenant Health

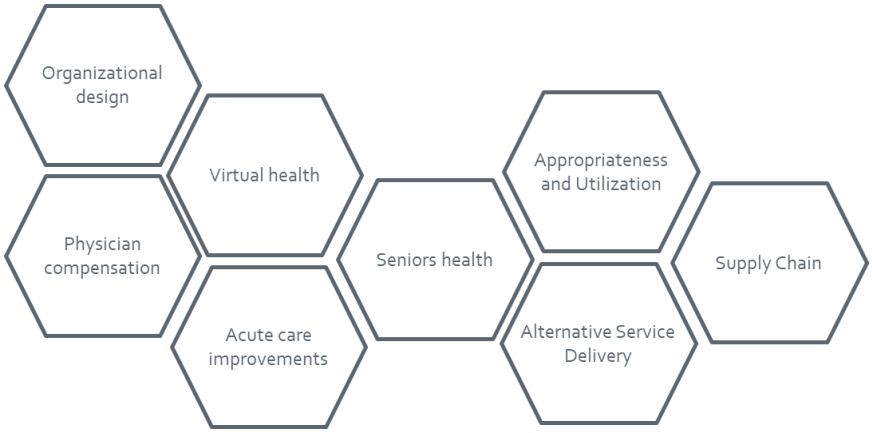
Covenant Health is one of the larger organizations outside of AHS that delivers acute care in Alberta's integrated health system. Along with AHS, Covenant Health has communicated a commitment to providing high-quality, patient-centred care for Albertans in a cost-effective manner. AHS is actively collaborating with Covenant Health in planning and implementation as an important effort in transforming the health system and ensuring Alberta has a high-performing, sustainable health system. Covenant Health has assessed the recommendations and opportunities in light of its role and contributions. Covenant Health's response team has co-ordinated its organizational efforts and ensured effective liaison and collaboration with AHS.

Covenant Health's implementation planning approach included working closely with senior and operational leaders. Covenant Health partnered with AHS on a number of provincial- and system-level initiatives, such as those involving clinical services and physician compensation, which reflects the integrated nature of this work across the two organizations. It also ensures consistency in terms of how these initiatives are approached and implemented across the province.

Interdependencies and Co-ordinated Planning

While the implementation plan has been largely organized into themes, its breadth is widespread and needs to be considered in a more integrated way that assesses the level of change and impact across the entire province. Some recommendations and initiatives are inextricably linked in terms of their impacts across AHS staff, resources, patients and communities, thereby requiring a co-ordinated strategy and implementation approach. These may be within a specific improvement theme or span across multiple themes.

Figure 4. Eight planning bundles



The planning team undertook an exercise in which it identified and assessed interdependencies at the initiative level. An interdependency matrix was developed, identifying all financial, phasing synergies and common stakeholder impacts for initiatives across each recommendation and theme. This highlighted eight distinct groups that have been brought together to ensure there is a co-ordinated strategy and implementation across AHS. Co-ordinating and managing these on a provincial scale and with a system view will provide opportunities for functional collaboration and support, while also balancing emerging pressures.

Organization design

Recommendations: Rec5, Rec6, Rec7, Rec12

There is opportunity to streamline the AHS leadership structure (including medical leadership roles) to clarify roles and responsibilities, to identify administrative support efficiencies, and to institute standardized classification and titling within the non-union exempt employee group. This work has been pulled together under a broader Organization Design initiative. Initial work will focus on a four-streamed approach to identify and address 'quick impact' opportunities to:

- Optimize spans of control and levels of management
- Address program duplication or overlap
- Standardize titling and classification
- Find efficiencies in administrative office support functions.

This will be followed by an expedited organization design review that will apply AHS' organization design principles consistently across the organization to further strengthen the current AHS management structure through efficient allocation of resources, helping leaders and managers better understand their roles and responsibilities, and improving local decision-making, in turn leading to enhanced patient care and reduced management compensation costs.

Physician Compensation

Recommendations: Rec8, Rec9, Rec10, Rec11, Rec12, Rec13

Several of the EY AHS Performance Review recommendations impact physician compensation and require close co-ordination with Alberta Health, as Alberta Health is responsible for setting the compensation framework and rates for most physicians in the province through the Schedule of Medical Benefits. Since both AHS and Alberta Health are working on physician compensation initiatives and several initiatives overlap, cost saving tracking and reporting will be co-ordinated. For overall cumulative reporting purposes, AHS savings to physician compensation will be included in both AHS Performance Review savings and Alberta Health Physician Funding Framework savings. However, to avoid double counting true savings, reductions in physician compensation spend from AHS budgets will be applied only to AHS Performance Review-related savings. Initiatives related to physician compensation include removing clinical stipend payments, reducing interpretation fees for specific testing, reviewing medical leadership positions, ceasing funding increases for academic positions, physician overhead cost recovery and the implementation of a new contract for radiologists.

Altogether, these initiatives require thoughtful planning, communication and execution within AHS to manage interdependencies and risks. While not all physicians are impacted by the review initiatives, there are groups of physicians that are impacted by many of them. It is within a challenging external landscape that AHS remains committed to working with Alberta Health on these recommendations with the goal of supporting a sustainable physician funding framework and transitioning towards new models in a way that is respectful of physicians and minimizes impacts to clinical services.

Under the leadership of the AHS Vice President, Quality, & Chief Medical Officer, and in close collaboration with the CEO, AHS has created an integrated strategy that prioritizes AHS' relationship with its physicians and communicates in a timely and transparent manner. The stages in this plan require AHS to work closely and align with further Alberta Health direction about the physician funding framework. We acknowledge that these

changes are significant and will work closely with physicians going forward to ensure patient care is not impacted. Physicians are critical to the healthcare system and we will do all we can to work with them during this transition period.

Virtual Care

Recommendations: Rec15, Rec16, Rec19, Rec25

Like many health systems around the world, AHS rapidly leveraged virtual care to enable a fast, safe and effective response to COVID-19... Through AHS' experiences with the coronavirus, it became apparent both patients and physicians very quickly adapted to and became highly supportive of virtual healthcare options. New models that were previously slow to be adopted at a wide scale were suddenly at the forefront of care, enabled by key changes to physician compensation. Services can range from hospital-at-home models where patients are closely monitored through remote devices, to ambulatory visits and follow-up where patients no longer need to travel and wait for appointments, to primary care – specialty consults where team-based support and decision models can be easily arranged at lower cost and greater convenience to patients and care providers. While the goal of these new virtual service delivery models is to improve access and equity in care for Albertans, it may mean that strategies are deployed in unique and tailored ways and, as such, access may look and feel different across the province.

With our goals and learnings from COVID-19 in mind, we undertook a current state assessment of our virtual health approach to identify areas for improvement across key domains of our virtual health operations. Following this, AHS worked to refine a vision for virtual health and identify how a decision-making framework can be developed to prioritize actions, enablers and initiatives to achieve our goals. This work, in addition to further engagement with AHS staff, patients, families and communities, as well as Alberta Health other key players in the eHealth ecosystem, will support the creation of a new virtual strategy in the fall of 2020. This will provide guidance across the implementation of EY AHS Performance Review, while also considering how AHS can transform itself in a post-COVID environment. For instance:

- In acute care, how does virtual care and remote monitoring enable a shift in care from hospital to home?
- In future ambulatory models, what is the optimal mix of virtual care visits compared to face to face and what will be the impact on how AHS organizes its ambulatory care services?
- How can virtual health technology support improved access in small- and medium-size communities and improve the way resources are deployed and managed across the province? How can we leverage workforce in these communities to provide care virtually and retain access to clinical services in these areas?
- How can non-clinical services rethink its approach to leased space, automation, work from home etc.?

Across implementation planning for these initiatives, our experience in virtual health, learnings from COVID-19 and ambitions for a post-COVID, virtually-enabled transformation have been and will continue to be incorporated. Beyond the implementation plan, accelerating and expanding virtual care is a critical goal of AHS going forward.

Acute Care Improvements

Recommendations: Rec14, Rec15, Rec16, Rec17, Rec18, Rec23, Rec24, Rec28

Efficient and appropriate use of clinical services, procedures and resources is needed across the continuum of care. In acute care initiatives, the team looked at where and how care is delivered across the province, with the goal of organizing resources so patients receive the most appropriate care. As a key enabler to this work, AHS will work with Alberta Health, healthcare leaders and community stakeholders across the province to develop and update Access Guidelines and Admission Guidelines to support all Albertans in having access to the care they need in a safe and timely manner. These guidelines will ensure services are meeting local care needs, being delivered safely, and sustainable. This will be critical to the following acute care improvements that examines how services are organized and provided across the province.

The strategies outlined here reflect an integrated, system-level approach and bring together several key pieces of work. They are provincially co-ordinated and, together, have the potential to transform Alberta's healthcare system to be even higher performing, equipped and ready to take on future needs. These strategies reflect the Institute for Healthcare Improvement's Quadruple Aim and the Value Based Healthcare framework implemented within AHS (Appendix B). To achieve these objectives, the four strategies outlined below focus on improving access to care, reducing wait times, enhancing care in the community and appropriate configuration of services.

Improving length of stay (LOS) and alternate levels of care (ALC): This work aims to reduce costs and improve patients' experience and quality of life by focusing hospital-based care on those services that need to be delivered in the hospital, with all other care shifting to a more appropriate setting. A variety of strategies have been piloted in Alberta and elsewhere to reduce acute LOS and ALC rates. Examples include use of care pathways, admission avoidance, early discharge and mobilization strategies, aligning staffing to the care needs of ALC patients, short-stay units and virtual care strategies. This will consolidate several strategies into one program, build on work to date and leverage virtual care opportunities in an evidence-informed and appropriate manner. Collectively, these strategies will optimize the utilization of inpatient beds and reduce costs by providing care for patients who do not require acute care in more appropriate and less costly settings. This will shift both the number and types of beds currently in hospitals and community facilities, ultimately creating inpatient capacity for other priorities such as the Alberta Surgical Initiative, surge capacity for managing the pandemic or future needs related to growth and aging.

Improving ICU patient flow: The plan focuses on patient flow and strategies to avoid delays in patient transfers from intensive care units or cardiac care units (ICU/CCU) to inpatient beds. Avoidable delays have been consistently measured in Alberta over many years and result in challenges transitioning from critical care units back to a ward level of care. There is a potential opportunity to reduce avoidable ICU days if inpatient bed capacity can be created to allow for more efficient ICU transfers and increase efficiency of adult and pediatric critical care bed utilization. This, in turn, will help to create necessary capacity to manage the COVID-19 pandemic and invest in the Alberta Surgical Initiative.

Alberta Surgical Initiative (ASI): AHS, in partnership with Alberta Health, has developed the ASI, a comprehensive plan to reduce surgical wait times by improving care co-ordination and provision of services and supporting long-term service viability at all stages (referral, surgery and recovery phases). The plan commits to ensuring all Albertans receive scheduled surgeries within a clinically appropriate timeframe by 2023. In line with a values-based approach, AHS will also be putting in place improvement processes to the most efficient use of operating rooms, further leveraging resources and capacity in our smaller communities; implementing privately operated publicly-funded options; putting in place accountability standards to ensure safe high-quality services, and putting in place a centralized booking and triage system to efficiently and appropriately manage demand so access is timely.

Small and medium site configuration: Many of our smaller communities require service options that will better meet their needs and provide services in a safe and effective manner. Many are unable to recruit the clinical workforce required to sustain a robust primary care system never mind acute, mental health and specialty services. The small and medium Emergency Department/ Hospital/ Maternity configuration bundle of initiatives outlines a process to work with communities and clinical leaders within zones, using Access Guidelines, to develop a detailed plan for future state configuration of service delivery. AHS is working in partnership with Alberta Health, through the Access Guideline initiative, to establish an objective and consistent approach to development of local area service plans. The guidelines are the foundation for conversations with local communities to co-design safe, sustainable, high-quality health services. Through this initiative, zones and local partners will work together to develop service plans that meet both meet their needs and can be sustained by a workforce that can contributes to the local economy. This work will require innovation and leveraging new service models (e.g., virtual care, mobile team services) in addition to appropriate access to acute and emergency care services when needed.

Appropriateness and Utilization

Recommendations: Rec14, Rec17, Rec18, Rec19, Rec31

There are several initiatives being undertaken that address appropriateness and utilization of testing and services across different clinical areas, including Laboratory Services, Pharmacy Services, Diagnostic Imaging and operational areas, including the Alberta Surgical Initiative. As utilization of services is optimized, we recognize the importance of ensuring this does not come at the cost of appropriate care and optimal patient outcomes; therefore, implementation of these initiatives will need to be closely aligned.

Furthermore, AHS' priority is to take a patient-centred approach across these initiatives. To do so, the key principles of the Right Care Alberta program are being used to guide the work. Right Care Alberta is the overarching approach AHS is taking to ensure Albertans receive the most appropriate care and achieve the best possible health outcomes. It is about supporting patients, families and healthcare providers in choosing care that is evidence-based, effective and sustainable. Right Care Alberta encompasses multiple tools and tactics to support appropriate patient care, one of which is clinical appropriateness initiatives. The cornerstones of Right Care Alberta are Evidence Based, Necessary, Person-centred, Safe and Respectful.

A key part of evidence-based care is reducing unwarranted clinical variation so only necessary tests and treatments are undertaken with a focus on patient outcomes. Unnecessary tests or treatments are not only wasteful but may expose patients to unnecessary risks. Clinical appropriateness is about only doing tests and treatments necessary to improve the health of the patient. Furthermore, every decision that involves testing or treatment should include the unique experiences, voices and values of the patient. Right Care Alberta is also about keeping our patients safe while being respectful – an important AHS value.

These concepts of Right Care Alberta will guide the implementation of several initiatives, including clinical appropriateness initiatives and the Alberta Surgical Initiative. Being able to deliver high-quality care through evidence-based best practices, and by including the patient voice in these decisions, results in health system savings and excellent patient care.

Seniors Health

Recommendations: Rec20, Rec22, Rec33

There are several AHS Performance Review initiatives that evaluate improvement opportunities around continuing care and seniors health. This includes reviewing delivery models around long-term care, designated supportive living, home care, and patients in hospital settings noted to be ready for an alternative level of care. AHS has made continuous progress in shifting care to the community by expanding and enhancing community-based healthcare services inclusive of home care. But the growth of the population that continuing care programs serve will nearly double over the next 10-15 years, outpacing the anticipated increase in resources. In light of COVID-19, there will also need to be consideration for alignment with the future strategic direction of continuing care and seniors health, specifically around maintaining standards and quality of care. Alberta Health will be undertaking a Continuing Care Program and Services Review to understand the impact COVID-19 has had on the continuing care environment and how AHS and other continuing care providers can best adapt going forward to meet the changing needs of Albertans.

To ensure our overall system operates efficiently, remains sustainable and continues to maintain or improve quality of life for clients and residents — including supporting people to live in their own homes, a priority for many seniors — there is a need to consider the interdependencies within these initiatives and to develop a forward-looking view that supports seniors in our new environment. The initiatives focus on growing, innovating and rightsizing the continuing care system, including associated services such as the linkages with acute care and pharmacy business models. These initiatives will support Albertans aging in the community; receiving timely and needed supports in appropriate care settings, including transforming the home care system; and introducing new costing and funding approaches in line with other provincial peers associated with the provision of home care programs and continuing care accommodation fees, while protecting low-income seniors. All initiatives will be assessed for further direction and implementation consistent with the Alberta

Health Continuing Care Program and Services review once the review has been completed to ensure strategic alignment with potential recommendations; this includes any potential sale of long-term care assets. The seniors health and continuing care initiatives are spread across improvement themes with primary leadership provided through the AHS provincial Seniors Health and Continuing Care team, ensuring a co-ordinated approach (including with organizational stakeholders and various government ministries) while monitoring and evaluating overall impact to Albertans served and the continuum of care.

Alternative service delivery

Recommendations: Rec30, Rec32, Rec35, Rec36, Rec37

There are a number of EY AHS Performance Review initiatives (including Rec30, Rec32, Rec36, Rec37) that seek cost effective and efficient delivery of AHS services through innovative private sector partnerships – Alternative Service Deliver (ASD) partnerships.

Expected benefits of ASD Partnerships include:

- Supporting strategic and business objectives
- Allowing AHS to focus resources on more strategic areas
- Reducing costs, increasing revenue, or maximizing cost avoidance
- Transferring operational risk to service providers
- Harnessing the combined creativity of the private and public sectors

The effective development and implementation of the ASD initiatives will require significant organizational effort to ensure their effective implementation; an aligned and co-ordinated workforce strategy to help mitigate organizational and individual staff impacts wherever feasible; innovative procurement strategies to maximize the value of the initiative; and active communications and community engagement.

Appropriate governance and oversight of the ASD initiatives will be critical to ensure the effective development and implementation of the ASD strategy. The EY AHS Performance Review Rec35 recommended the development of an ASD Partnership Office to support design, procurement, negotiation and management of alternative service delivery partnerships. To this end, the primary purpose of the office will be to facilitate cost effective and efficient delivery of AHS services through innovative private sector partnerships that either maintain or enhance service levels, and overseeing, monitoring and supporting alternative service delivery across AHS.

Prioritization and co-ordination through the ASD Partnership Office will ensure alignment of financials, phasing, and stakeholder impacts across all the ASD initiatives. This includes consideration for consistency in the evaluation of required investments, expected benefits, cost effectiveness and outcomes and overall value of each initiative.

Supply Chain

Recommendations: Rec42, Rec43, Rec44

There are numerous AHS Performance Review initiatives that build on the strength of AHS' province-wide supply chain function. The improvement recommendations covered overall strategic sourcing, category management, purchasing, and materials and supplier management. AHS' Contracting, Procurement and Supply Management (CPSM) team has adapted existing and developed new strategies to improve the overall performance of the function. Through CPSM's overarching strategy, AHS will continue to further optimize its already strong supply chain, efficient supply chain infrastructure and creation of system value and cost reduction.

There are strong linkages and relationships between each supply chain initiative to achieve overall system savings and efficiency. This begins at AHS's physical network. The consolidation of the physical network reviews the overall alignment, proposed network end state and overarching transportation and logistics. This leads to demand planning and obsolescence where CPSM will assess demand management, supply management, stockpile management, and ways to improve warehouse utilization. Finally, CPSM's sourcing

optimization strategy looks at the province's contracting approach, benchmarking unit prices, identifying strategic partnerships. Each initiative will be considered as part of the overarching supply chain improvement strategy.

In addition, CPSM has reviewed the impacts of COVID-19 on the province's supply chain which has again shown the critical importance of supply chain infrastructure in the health system. Key learnings that were identified and integrated into the strategy include the need to maintain an appropriate pandemic and emergency stockpile, ensure demand planning strategies can be utilized in times of emergency, reviewing sourcing strategies that have more direct relationships with manufacturers and have surge capacity provisions, and identifying ways to reduce risk with future supply demand as AHS consolidates vendors and standardizes products.

Implementation Tactics

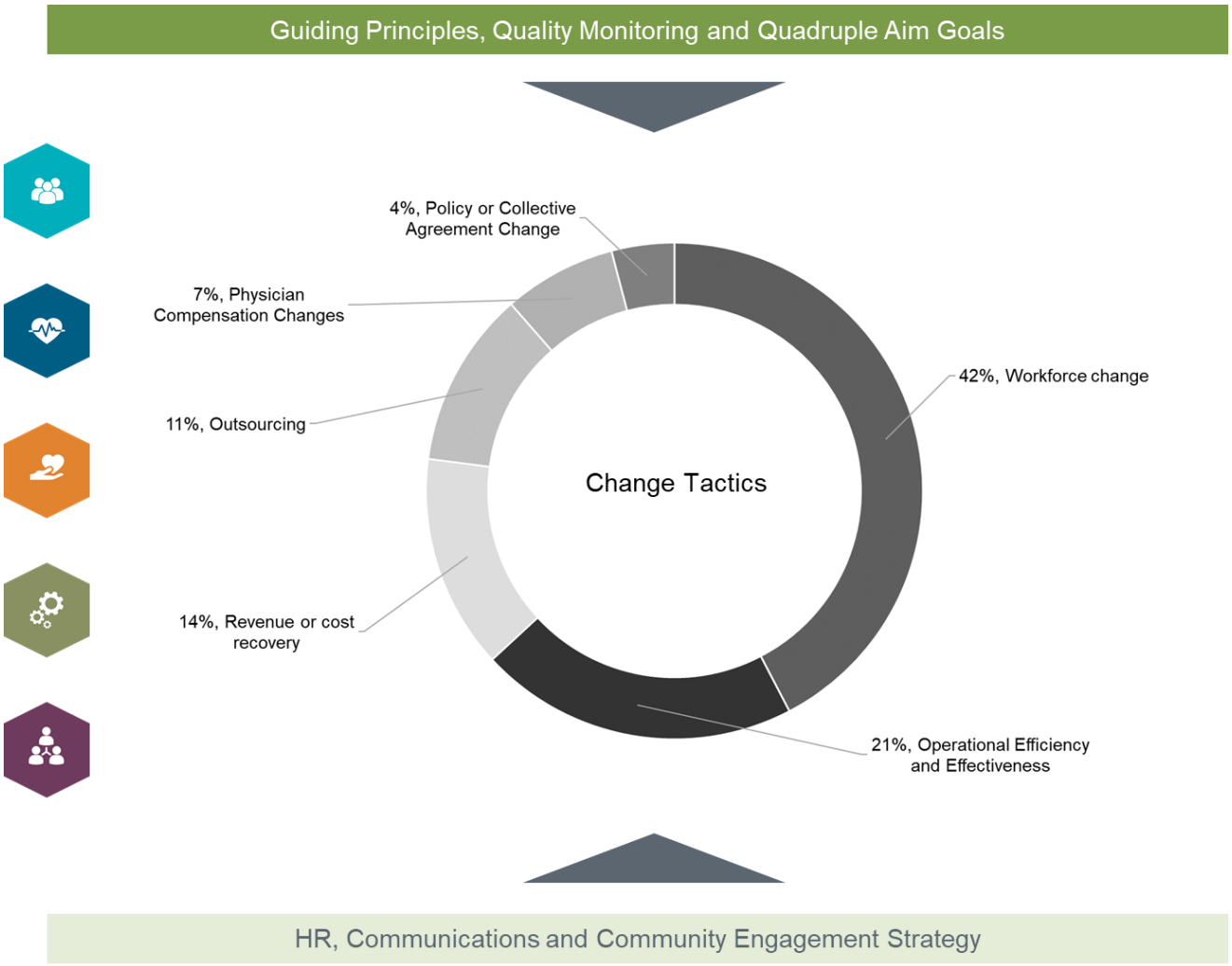
Across the initiatives in this plan, there are several common implementation tactics required to achieve the scale of financial benefits proposed. These include changes to workforce, operational efficiency and effectiveness, revenue or cost recovery, outsourcing, physician-related compensation and policy or collective agreements. These are the key underlying strategies that drive the actual implementation of the initiatives and the achievement of savings or revenue.

As outlined below in Figure 5, the majority (53%) of the financial benefits proposed in this plan are dependent on workforce (42%) and outsourcing related changes (11%). This will affect unionized and non-unionized staff across all disciplines and in all areas of the province through initiatives that focus on service reconfiguration, staffing model changes and expanding the use of contracted service providers within AHS. These changes are reliant on AHS working with respective unions as well as Alberta Health to develop strategies that support AHS in changing its workforce and service delivery models. Overall, this will be essential to benefits being realized in the short term (three to five years).

AHS has a long history of improving operational efficiency and effectiveness, and this remains a continued area of focus in this plan, representing 21% of the proposed savings. These initiatives impact both clinical and corporate functions. A focus on effectiveness will allow us to continue to examine our services to ensure they are achieving the desired results and are provided in the most appropriate manner. We are able to build upon our experience to date to immediately implement and accelerate ongoing improvements to achieve savings in this area.

Additional implementation tactics require further partnership and collaboration with Alberta Health and others to enable the changes required to successfully implement initiatives. This includes initiatives focused on revenue or cost recovery (14%), such as accommodation fees in acute and long-term care and co-payments in home care that require supportive legislative changes. Furthermore, physician compensation-related changes represent 7% of the proposed savings. AHS and Alberta Health are working closely together on these initiatives in alignment with the physician funding framework and this requires continued collaboration to apply a systems lens to savings in this area. Lastly, while it appears that policy or collective agreement changes have a limited financial impact in the short term, these initiatives are critically important for sustainable, long-term improvements. This includes the development of Access Guidelines to enable safe and equitable clinical service reconfiguration, as well as governance related work that focuses on an optimized model for healthcare oversight and delivery across the province.

Figure 5. Implementation change tactics



Other Key Planning Considerations

Communication and Engagement Strategy

The communications strategy uses a multipronged approach that will be deployed to keep AHS staff, physicians, public and external stakeholders informed and engaged on the work AHS is undertaking, as well as enabling clinical and operational ownership of the initiatives.

Engagement aligns with our culture of caring and listening, which results in more patient-centred care, local decision-making and more open and trusting relationships. Each initiative will require its own engagement plan and tactics, which will vary depending on the change and the impact it will have on the community. For some initiatives, this may include a union engagement and consultation strategy.

There are five levels of engagement that define a community's role in the decision-making process: Inform, Consult, Involve, Collaborate, and Empower. Inform is a level that will occur with all engagement. The other level of engagement that is selected will depend on the amount of influence people are able to have on final decisions, appropriateness to the situation, and the needs of both the organization and the public.

A finalized communication and engagement strategy will be completed in collaboration with Alberta Health after acceptance of this plan by the Minister of Health.

Human Resources Strategy

AHS' current workforce of over 129,000 employees, physicians and volunteers are important to the delivery of health services to 4.4 million Albertans. Many of the changes being recommended by the AHS Performance Review will have direct or indirect impacts on our workforce, from where, how or by who services are delivered, to changes to schedules and employment conditions.

Most initiatives will impact our people, with impacts ranging up to and including job loss. Specific impacts to employees will vary and generally not be known until detailed implementation plans are in place. The largest impact on employees is anticipated to be through outsourcing opportunities in areas such as linen and environmental services located in smaller communities across Alberta where opportunities for alternate employment within AHS may be limited.

AHS will adhere to all collective agreements, terms and conditions, regulations and legislation as we implement any changes with impacts to our workforce. This includes timing and planning which allows for required notice to employees and unions, initiation of layoff and recall processes, and appropriate exercise of bumping and displacement rights. Any workforce changes affecting non-union exempt employees (NUEEs) will be considered with adherence to NUEE Terms and Conditions and applicable legislation.

While the goal is to limit the impact on our workforce wherever possible, AHS will not be able to achieve the savings in this plan through attrition alone. Efforts will be made to mitigate job loss through the use of temporary positions and vacancies. However, past experience within AHS indicates these efforts may not be successful, particularly in areas with low turnover rates, or where timelines to achieve efficiencies and savings are short. Any limits placed on position elimination, layoff and displacement will impede the ability to make changes and achieve savings in a timely way. At this time, AHS is not considering additional mitigation strategies that may assist with minimizing the impact on employees, such as voluntary early retirement programs, due to limited effectiveness and associated costs.

Any changes to the workforce come with risks related to the uncertainty created for employees and unions, and the future risk of having insufficient workforce to meet needs. Regardless of magnitude or location, workforce changes can have a negative impact on morale and engagement across AHS. As we have seen in the past, there is the risk of legal and illegal job action. Disputes before the Labour Board and arbitrators have the potential to limit our ability to move forward and may create delays in advancing changes and realizing efficiencies.

While AHS will strive to work in close partnership with our unions on any workforce impacts, there is an expectation the unions will continue to press AHS and the government on issues related to potential workforce reductions.

There is also an elevated risk of moving towards implementation of any changes quickly after the response to the first wave of COVID-19 pandemic. It is expected healthcare providers will be responding to the pandemic across the province, the country and the world through to the spring of 2021 at minimum. There is a continued need for AHS to be ready to respond to future waves of COVID-19, which will require flexibility in how we manage the workforce while the pandemic is still prevalent. Decisions will need to be made with this in mind as it will be challenging, timely and costly to reverse workforce impacts once implemented.

In order to mitigate these risks, any implementation plans that will have an impact on employees will consider the following principles:

- Decision on workforce changes will ensure the quality and safety of patient care at all times.
- All employees will be treated with respect as impacts are identified and changes are made.
- AHS will support employees through existing programs, such as Employee Family Assistance Program (EFAP).

- Transparent communication with employees and their unions will be imperative to ensure continued trust and understanding of the impacts and changes.
- During bargaining, AHS will meet commitments to disclose when an initiative is expected to proceed.

Key Risks

AHS takes its financial accountability seriously and aims to achieve a balanced position as directed by the Minister of Health. This plan lays out a critical step to achieving this and driving towards system sustainability. This proposed plan is reinforced by additional efficiency strategies to support a balanced budget position within AHS that also considers high-priority areas of system reinvestment. Achieving success will require sustained dedication on behalf of all those involved and relies on the key implementation tactics and strategies outlined earlier and the continued mitigation of associated risks as outlined below.

Current Provider and Staffing Environment – We are in active negotiations with all unions and many physician groups. The current dialogue regarding physician and union contracts is sensitive and highly visible. It is reasonable to anticipate that all review activities will be at least partially impacted by this. Similarly, the perspectives of our community partners, employees and unions will influence the ease and efficiency with which we can implement recommendations. To that end, we must seek time and resourcing that supports engagement of these groups, before and during our implementation processes. Within this there are two key dependencies of note:

- **Labour negotiation activity and outcomes** – If contracts are changed, AHS activity on some recommendations may be impacted. As such, it is important to acknowledge that there are clear impacts between contract negotiations and AHS implementation planning.
- **Ability to move through workforce changes in accordance with collective agreement requirements**. The implementation plan is based on the letter of understanding expiring and no further job protection by the Alberta government beyond September 1, 2020.

Mitigation plan: We will engage unions and physician groups through the negotiations processes and seek to avoid provisions that will limit the ability to implement workforce changes. We will also ensure government understands the importance of removing and avoiding any government direction that limits implementation of workforce changes. If required, we will reassess and, if possible, determine alternate savings approaches. The impacts of adjustments to the above date has been provided in the Key Financial Assumptions.

Rural Community Impacts - The cumulative impacts across multiple initiatives on smaller rural communities are being assessed to inform further considerations and decision-making within this proposed plan. Impacts include changes to workforce and services. Work is underway to ensure impacts are understood to support engagement in these areas. It is recognized that every community is different and will need to be innovative to make improvements and change to ensure access to high-quality care is available when needed, even if access and care delivery make look different.

Mitigation plan: AHS has developed an approach to understand where initiatives overlap geographically, creating larger impacts on some communities. With this overlap in mind, the initiatives are reviewed for engagement opportunities within the affected communities. Each initiative, as applicable, includes engagement with local stakeholders, including MLAs, mayors/reeves, and Health Advisory Council members. Some workforce impacts related to outsourcing will be mitigated should employees select to pursue opportunities with third-party organizations providing contracted healthcare services.

Balancing System Priorities in Tight Timelines – There is much to accomplish in a short period of time, and an intensity of impact that must be recognized. The pace and amount of work set out here are not to be understated, with the collection of initiatives truly changing the way healthcare is delivered in Alberta for years

to come. In addition, this plan sits alongside the work and effort needed across other health system priorities and in the context of responding to the COVID-19 pandemic. There is risk of overwhelming our staff, physicians and partners; however, likewise, there is risk to the Alberta's financial position should we not aggressively pursue outcomes in a reasonably fast timeframe.

Mitigation plan: As a learning organization operating in an uncertain time, we continue to assess and reassess plans. AHS will seek to balance the prioritization of initiatives outside of the review to ensure changes are considered against change-fatigue, while still maintaining progress. Clear, transparent and timely communications are being provided to AHS staff and physicians throughout planning and implementation that explain the timelines as well as the needs and benefits driving the changes. AHS will also work with its partners and other stakeholder to support change management across the system.

COVID-19 Response – In March, with the support of the Minister of Health and Alberta Health, AHS had shifted attention from implementation work on the AHS Performance Review in order to concentrate staff and resources on the COVID-19 pandemic response. The continued risks associated with COVID-19 are:

- Currently, the COVID-19 situation is unstable. Alberta is experiencing a steady increase in cases, hospitalizations and outbreaks across the province. This includes closure of one of Alberta's largest acute care hospitals due to the outbreak.
- There is a continued drive to reopen the economy. This is expected to impact healthcare capacity and activity going forward.
- Given the protracted course of COVID-19 and public expectations around access to healthcare (e.g. elective surgery), earlier strategies used to reduce strain on the system (e.g. stopping non-urgent surgery) are less feasible.
- The onset of COVID-19 has resulted in some initiatives being paused, particularly in continuing care, as well as a delayed start to implementation across the majority of initiatives. This has hampered AHS' ability to achieve financial targets across the three-year time period outlined in this plan with many benefits originally scheduled for 2020/21 delayed to later years. Every month where implementation was delayed resulted in multiple millions of dollars of financial benefits that could not be achieved. As result, the timelines to achieve financial targets have been compressed and may extend beyond the three-year horizon presented.
- The implementation of this plan in an environment where AHS must continue to ensure full capacity and support to deal with COVID-19, and remain prepared for ongoing pandemic activity poses unique challenges. This may impact the delivery of some initiatives with a need to pause if resources need to be redirected to additional pandemic response efforts. Regardless of a second wave, the impacts of the pandemic on staff, physicians, patients, families and communities need to be carefully considered as we undertake the large-scale changes outlined in this plan.

Mitigation plan: Some initiatives have been delayed in order to concentrate resources on COVID-19. As part of the COVID-19 response, AHS rapidly leveraged virtual care, virtually enabled mental health supports and remote monitoring technology, which have brought some initiatives to the forefront.

Future Workforce demands – The health workforce is highly trained and skilled. Demands for healthcare workers could be increased in the context of a global pandemic. In addition, the effects of this plan would disproportionally affect younger workers who have less unionized seniority. This is particularly a concern in the context of an aging workforce and population.

Mitigation plan: AHS will make efforts to hire new graduates in accordance with collective agreement provisions that require AHS to hire 70% of the Alberta nursing graduate students.

Legislation changes - A number of initiatives require government support, up to and including regulation or legislative change, to enable implementation. Feasibility and timelines of making these changes may impact AHS' ability to move forward with execution on certain initiatives.

Mitigation plan: We will identify any possible legislative change for government in a timely fashion. If required, we will reassess and, if possible, determine alternate savings approaches.

Quality and Access Monitoring

This proposed plan is based on our goal of improving financial health and value for money, but also considers the other elements of the quadruple aim shown on the left. This focus must be seen in the context of our overall system. AHS continually strives to be a high-value healthcare system that aims to improve patient access and provide the highest quality of care.

It is clear from our engagement and discussion with Alberta's public Health Advisory Councils, Provincial Advisory Councils, town halls, clinician forums, that Albertans want and expect:

1. **Accessible, timely, high-quality care** and a personalized experience centred on their own, their family and their community's needs
2. The best possible **physical, mental, social and spiritual health** for themselves and for their families
3. Clinicians and other care providers who are **valued, engaged and dedicated** to serving in the best interest of the public's health
4. A health system that **operates at the highest level of efficiency** so that every dollar spent is a dollar that is spent in the best way possible.

A high-value health system is one that continuously focuses on all of these factors simultaneously. That is, it includes not only the financial definition of value (e.g., return on investment), but societal definitions of value (e.g., access to services and the needs of individuals within their communities). We believe value in healthcare requires us to address all of these areas.

The four areas of value identified above are an integral part of the strategic direction of AHS. They were embedded as four foundational goals of the 2017-2020 Health Plan and Business Plan and will remain as the four foundational goals of the 2020-2023 Health Plan and Business Plan. Achieving a balance between these four goals is the embodiment of AHS' adoption of the Institute for Healthcare Improvement's Quadruple Aim and the Value based Healthcare (VBHC) framework implemented within AHS (see Appendix B for details of the Quadruple Aim and VBHC framework).

To ensure that we meet our goals related to financial sustainability **while maintaining quality and improving access**, each initiative has developed a set of monitoring and performance measures. Key measures within these initiatives will be used to create an AHS Review Quality and Access Monitoring Dashboard to support reporting that serves to balance the financial results of initiatives. This includes priority overarching measures, including access measures such as hospital length of stay, wait times for emergency rooms, surgeries and continuing care placements, utilization measures such as hospital length of stay as well as important quality and safety measures including hospital acquired infections and readmissions to name a few (see Appendix G for an example dashboard). In addition, this dashboard will be further supplemented by our regular system monitoring and performance measures (including staff, provider and patient satisfaction) to ensure the goals of the Quadruple Aim are maintained as we implement these changes.

Next Steps

This plan, a culmination of the hard work across many AHS teams, is a key milestone along AHS' continued journey of transformation. There is a long road ahead with implementation and execution that will require dedication, province-wide effort, and resolve for years to come. We will remain adaptable and focused on the

initiatives and further innovations that will allow us to stretch healthcare dollars further to improve access, quality and invest in our future. As such, this proposed plan represents one of multiple strategies for AHS to achieve a balanced budget.

AHS will partner with Alberta Health to implement recommendations and opportunities. Many are already in progress and some have already been completed. Most initiatives require Minister of Health approval or decision-making prior to commencing with implementation.

Immediate next steps over the next 60 days:

- Creation of a quality and access monitoring dashboard to support implementation.
- Following the expiration of the letters of understanding with unions that provide job protection, AHS will engage union bargaining units to provide timely disclosure to unions on initiatives expected to proceed. Union notification in accordance with collective agreement and legislative requirements on specific workforce changes will be provided as initiatives are further planned and implemented.
- Finalize communication and engagement plans for the release of the implementation plan with Alberta Health, and finalize communications strategy for moving forward on approved initiatives. Determine roles and responsibilities for stakeholder engagement by AHS and Alberta Health.
- Begin support service contracting, where applicable.
- Commence implementation of care model and delivery practice changes in acute care that allows patients to receive high-quality care in the most appropriate setting.
- Evolve the virtual care strategy for AHS to reflect both changing patient expectations as a result of COVID-19 and the future needs of Albertans.

Continued next steps:

- AHS will focus on the continued planning and implementation of Year 2 and Year 3 initiatives. Some of these have financial valuations of Category B and C that have less certainty given the need to balance this work with the ongoing demands of the COVID-19 response (see Appendix C for valuation category details). This refinement will work to finalize valuations to a Category A with enhanced detail and rigour and implementation plans will be reapproved through the ARIO process and inform updates to the financial forecasts.
- We will remain as transparent as possible and actively communicate the outcomes of this plan across physicians, staff, patients, unions and communities. Communications and engagement will continue in line with the communications and change management plans set out at the initiative level, across the broader ARIO program and within our collective bargaining agreements.
- AHS, in collaboration with its partners, will continue to track and monitor its progress against this plan and provide quarterly updates to Alberta Health.

The implementation of the initiatives described in this proposed plan will be a key enabler for long-term transformation. Not only has the plan articulated opportunities for AHS to act on now, a formal process has been established to continue to challenge the status quo and continue to identify new opportunities into the future. The efficiencies and cost savings gained through these initiatives and those that will continue to be identified will be a launching point towards the future.

The EY AHS Performance Review alongside government priorities, work already underway within AHS and our experience with COVID-19 will converge to help drive future transformation for AHS. This will be supported, in part, by the reinvestments of savings realized through this proposed plan. Together, the changes in this plan will move Alberta's health system to a modern, agile and patient-centred one capable of navigating future challenges.

Appendices

Appendix A: Improvement Theme Summaries

This section provides a summary of each of the improvement themes across the 52 recommendations and 100 initiatives wherein AHS has made every effort to plan and value all initiatives within the timelines while balancing organizational demands related to the pandemic response and relaunch efforts.

NOTE: Some initiative-level valuations that require third party engagement or involve union negotiations and have been removed from this section as to not interfere with or impeded these processes. These exemptions have been indicated by greying out the relevant valuation columns but have been included in the overall financial totals per theme.

People Theme Summary

This theme improves AHS' workforce policies and practices to enable AHS to operate more efficiently while improving the experience and safety of our people.

The initiatives fall into three areas:

1. Improve practices to contain and lower staffing costs. This includes improvements to scheduling, vacancy oversight, overtime, skill mix and staffing levels
2. Review management structure and organization design
3. Optimize physician payments (in alignment with Alberta Health direction)

As outlined below, this theme includes 13 recommendations and 27 initiatives that will yield $277M - $429M ongoing annualized net savings and revenue at full implementation.

Table 6 - People Improvement Theme Summary

Rec #	Initiative Code	Initiative Count	Initiative Name	Cumulative Financial Summary ($M)				Revenue/ Savings Achievement Start	Full Savings/ Revenue Achievement	Type of Financial Document
				2020/21	2021/22	2022/23	Net Annualized Savings/ Revenue			
1	W01	1	**Removing collective agreement provisions**					April 2021	March 2022	B
2	W02	1	**More closely manage overtime**	7.6 - 13.1	15.2 - 26.3	15.3 - 26.6	15.3 - 26.6	October 2020	March 2022	B
	W03	1	**Reduce sick time**	0.1 – 0.2	4.1 – 4.3	8.2 – 8.5	8.2 – 8.5	October 2021	March 2023	B
	W04/ W05	2	**Vacant position reconciliation**	0	0	0	0	October 2020	March 2023	C
3	W06A	1	**Implement staff scheduling system**					2023/2024	March 2026	C
	W06B	1	**Expansion of PSS**					January 2021	March 2023	C
4	W07A/ W08	2	**Optimize nurse & clinical support staffing based on patient demand**	17.2 – 23.4	60.6-72.3	103.4-128.5	110.6-139.4	Ongoing	March 2023	C
	W07B	1	**Optimize non-clinical staffing**	0.0	11.3 – 13.7	24.3 – 29.5	25.9 – 31.7	April 2021	March 2023	C

Rec #	Initiative Code	Initiative Count	Initiative Name	Cumulative Financial Summary ($M)				Revenue/ Savings Achievement Start	Full Savings/ Revenue Achievement	Type of Financial Document
				2020/21	2021/22	2022/23	Net Annualized Savings/ Revenue			
	W09	1	**Reduce part-time nursing positions**	0.2 - 0.5	0.5 – 1.0	0.7 – 1.5	1.3 – 2.5	January 2021	March 2025	C
	W10	1	**Optimize Constant Care staffing model**					October 2020	March 2023	C
5/ 6/ 7/ 12	MR01/ Rec6/ MR02/ PO03a/ PO03b	5	**Management position review and realignment**							
8	PO01	1	**Clinical stipends through AHS**	0.5	48.1	48.1	48.1	April 2020	March 2022	A
10	PO02	1	**Interpretation fees**	0.9-1.9	3.7-7.5	3.7-7.5	3.7-7.5	January 2021	March 2022	B
11	PO05	1	**Physician overhead costs recovery**	0.3	1.0	1.0	1.0	December 2020	March 2022	C
13	PO04	1	**Academic medicine - do not increase compensation funding**	0	0	0	0	July 2019	March 2021	A
36	NCSS03	1	**Protective services optimization**	1.7	3.5	3.5	3.5	October 2020	March 2022	A
	NCSS04	1	**Transcription services (Connect Care)**	0.1-0.2	0.4-0.6	2.6-3.2	7.0-9.5	October 2020	March 2026	C
	NCSS06	1	**Interpretation services-(people)**	0.2	0.2	0.3	0.3	August 2020	March 2021	B
38	AHS1	1	**Right-sizing of AHS-wide learning**	1.5	6.6-6.7	10.2-14.6	10.2-14.6	October 2020	March 2023	C
	W37	1	**Legal Services Review**							
N/A	AHS2	1	**HR - implement new recognition strategy with lower costs**	0.3	0.3	0.3	0.3	March 2020	April 2021	B
Total Initiative Count: 27			**Total**	**33.0-45.9**	**159.3-240.0**	**230.0-334.7**	**277.0-429.3**			

NOTE: Some initiative-level valuations that require third party engagement or involve union negotiations and have been removed from this section as to not interfere with or impeded these processes. These exemptions have been indicated by greying out the relevant valuation columns but have been included in the overall financial totals per theme.

Notes on People Theme:

- MR01, Rec6, MRo2, PO03a and PO03b have been assessed collectively as W38 (information has been excluded as this initiative is under purview of the AHS Board)
- NCSS03, NCSS04 and NCSS06 were originally in the Non-Clinical Services theme in the EY AHS Performance Review
- AHS1 was referenced in the EY AHS Performance Review but was not a formally listed initiative. It has subsequently been allocated to Rec38
- W37 was referenced in the EY AHS Performance Review but was not a formally listed initiative. It has subsequently been allocated to Rec38
- AHS2 is a new initiative and was not listed in the EY AHS Performance Review
- Financial information for W06a, W06b, and W10 has been excluded as they involve a procurement process

Table 7 – People initiative Descriptions

Recommendation: Rec1 **Initiative:** W01 Removing collective agreement provisions	**Description:** Collective agreements with all of our unions expired on March 31, 2020 with bargaining put on hold until September 1, 2020 as we continue to respond to COVID-19. AHS proposals reflect the current economic realities and our goal to have our collective agreements more closely align with comparable provinces. This includes addressing outlier items that only exist in Alberta agreements and bringing other compensation items in line with the Canadian market. AHS strives to compensate its employees in a fair, competitive, and fiscally responsible manner in order to continue to attract well-qualified staff across the organization. Our goal is to reach agreements that recognize both the need for fiscal sustainability and the important role our employees play in providing quality care to Albertans.
Recommendation: Rec2 **Initiative:** W02 More closely manage overtime	**Description:** To mitigate overtime costs, standard provincial overtime management procedures have been implemented across all areas. The Overtime Guidelines ensure a consistent approach across the province while supporting approvers with their decision-making and tracking. While AHS has low overtime rates compared to other health organizations, AHS will establish leading practices for reducing overtime and work closely with operational groups that require additional support to mitigate overtime risk. Patient care remains at the forefront of staffing decisions; by reducing overtime hours, AHS may need to propose other staffing interventions to ensure patients and families receive the care required.
Recommendation: Rec2 **Initiative:** W03 Reduce sick time	**Description:** AHS is looking to implement a strategy over the next three years that will rebrand our attendance awareness program by enhancing wellness strategies, develop a means to reduce the administrative burden on leaders, implement a referral process that will improve claims management and timely return to work. While AHS has low sick rates compared to other health organizations, the focus will be on areas with higher than average rates of sick time. Overall, the impacts of this strategy will be positive for patient care, employee health and wellness, frontline leaders' capacity and human resource management. Our

	goal is to ultimately shift our people's experience from a perceived punitive approach to their attendance at work to one of health, wellness and support.
Recommendation: Rec2 **Initiative:** W04/ W05 Vacant position reconciliation and Enhance vacancy management	**Description:** A vacancy management process has been in place at AHS for some time. With safe, high quality patient care at the forefront, this process ensures that decisions to post and fill vacancies meet specific criteria resulting in resources being directed to where they are most needed. As part of this recommendation AHS will strengthen this process and review vacant positions with operational leaders to determine which vacancies can be permanently inactivated.
Recommendation: Rec3 **Initiative:** W06a Implement staff scheduling system	**Description:** This initiative will implement a new enterprise-wide integrated staff scheduling system to enable AHS to shift the role of staff scheduling from inefficient processes to a more automated system while receiving real-time staff management analytics and new biometric technology to incur payroll savings. A new fully-integrated workforce management system (WMS) will help realize a higher level of staff satisfaction, and the opportunity to reallocate timekeeping hours to other tasks where appropriate. Work is already underway on this initiative with a procurement process informing the further development of costs, timelines and identification of savings.
Recommendation: Rec3 **Initiative:** W06b Expansion of Provincial Staffing Services (PSS)	**Description:** AHS will expand Provincial Staffing Services (PSS) support and technology to an additional 32K employees (27K net new to ESP) over the next 3 years prior to implementation of the new WMS (referenced in W06A) with focus on urban and rural acute care sites using automation and technology. This will create PSS and organizational capacity, while realizing savings at an accelerated rate and modernizing our back-office services. Expansion will be achieved through automation of routine, non-complex scheduling processes to create capacity within existing PSS resources and minimize the need for additional internal-organizational scheduling resources.
Recommendation: Rec4 **Initiative:** W07A/W08 Optimize nurse & clinical support staffing based on patient demand	**Description:** AHS will continue to leverage the approved Operational Best Practice (OBP) methodology to work toward optimizing care based on national peers. A small-scale evaluation will be completed to assess the Acuity Based Staffing (ABS) tool. If successful, ABS will augment the current OBP review process. Overall skill mix changes will be reviewed against quality and cost metrics. Appropriate ABS analysis will continue for several departments such as Emergency, Labour & Delivery, and Surgical Services.

Recommendation: Rec4 **Initiative:** W07B Optimize non-clinical services based on national peers	**Description:** Stemming from W07A (optimizing nursing and clinical support staffing), this initiative will focus on AHS' non-clinical and corporate functions. Analysis in this piece of work compares AHS to national peers across Canada. Using provincial and national quality, staffing and skill mix benchmarks, leaders will continue to review financial and statistical information to generate plans to move towards best quartile performance. Given the size of AHS and potential economies of scale, corporate and non-clinical areas have potential to move towards best quartile benchmarks.
Recommendation: Rec4 **Initiative:** W09 Reduce part-time nursing positions	**Description:** AHS will look to find cost savings by increasing the percentage of full-time nursing staff in line with other provincial benchmarks. These changes will be made with the safety and experience of our patients at front of mind and will be implemented over a multi-year period. More full-time staff will not only decrease costs, but will increase continuity of care for patients and families.
Recommendation: Rec4 **Initiative:** W10 Optimize Constant Care staffing model	**Description:** AHS will look to leverage technology and an improved skill mix to support the needs of patients who require extra monitoring during their stay (often referred to as constant care), while creating efficiencies and achieving savings. There are a variety of technological solutions that could be expanded or implemented to prevent falls and reduce elopement risks while also reducing the need for constant care. Examples include increasing the use of wander guard technology and bed alarms, adding locking doors to units, and employing tele-sitter technology. The focus of this specific initiative is to utilize standardization, skill-mix change and technology to lower the overall cost of constant care without risking patient safety or quality of care.
Recommendation: Rec5/ Rec6/ Rec7/ Rec12 **Initiative:** MR01/ Rec6/ MR01/ PO03a/ PO03b Management Review	**Description:** AHS has obtained a proposal from EY respecting this management review. The proposal will be reviewed by the Board's Human Resources Committee ("HRC") at its next meeting and a decision made as to whether to proceed with it. Under the proposal, EY will provide overall project leadership, reporting to HRC, supported by a team of AHS HR staff working in tandem with EY resources, to conduct a portfolio-by-portfolio assessment of management roles and identify proposed remediation for classification and title-related issues, including positions that are currently classified as non-management but have management-related titles. It will also assess and identify other potential structural outliers and anomalies within the organization (e.g., duplicated roles/teams, organizational layers inconsistency). EY will deliver a report to the HRC chair by December 31, 2020. Implementation of the recommendations contained in the report would be targeted for January to June 2021.

Recommendation: Rec8 **Initiative:** PO01 Clinical stipends through AHS	**Description:** As part of this recommendation and the new physician funding framework announced by Alberta Health a plan is in place to eliminate clinical stipends. This refers to payments for clinical services made by AHS to physicians that are in addition to the Alberta Health Care Insurance Plan fee for service billings eligible through the Schedule of Medical Benefits and clinical Alternative Relationship Plans. Given the extraordinary circumstances we are facing related to COVID-19, AHS will not stop the clinical stipends before March 31, 2021, unless physicians have already been notified otherwise. Ending AHS clinical payments may require changes to service delivery models or may require the expansion of alternative payment programs. We will work with Alberta Health to develop an Inpatient Family Medicine Alternate Payment Plan and fast track clinical Alternative Relationship Plans which some stipends will bridge into.
Recommendation: Rec10 **Initiative:** PO02 Interpretation fees	**Description:** As it currently stands, there is not a single common list of the non-invasive diagnostic test interpretations and associated fees that are payable by AHS. They vary between, and within, Zones. The amount AHS pays physicians to interpret diagnostic tests is not consistently aligned with what Alberta Health pays for the same services outside of AHS through the Schedule of Medical Benefits after adjusting for overhead support provided by AHS. By standardizing the amount AHS pays physicians for these services, AHS can create consistency and payment equity. To address this, AHS will establish an AHS-wide fee schedule upon which to compensate physicians for the interpretation of a defined slate of non-invasive diagnostic tests conducted in AHS and Covenant Health facilities.
Recommendation: Rec11 **Initiative:** PO05 Physician overhead costs recovery	**Description:** Direction from Alberta Health was provided to develop and implement a consistent framework for recovering physician overhead costs by October 2020. This new framework will provide a clear, principle based approach to overhead arrangements that will improve equity and transparency amongst physicians working in AHS spaces and those who choose to work in community practices. Finding a solution that recognizes the value of physician's work, the needs of our patients and the sustainability of our healthcare system will be a joint effort and done in consultation with physicians, Alberta Health and other AHS partners (e.g. universities).

Recommendation: Rec13 **Initiative:** PO04 Academic medicine - do not increase compensation funding	**Description:** AHS values its relationship with the University of Calgary and University of Alberta medical schools and their faculty. AHS provides approximately $40M in funding support to academic medicine by sharing the cost of rank-based salaries, market supplements, salary supplements and benefits for some clinical faculty at the faculties of medicine, and the cost of these expenses continue to increase due to university salary and benefit negotiations. To align with AHS and broader government salary freezes, AHS will not increase its contribution to academic salaries. This change is already underway and will help ensure AHS is able operate within its current budget and ensure best use resources. AHS is a learning organization for medical students, residents and trainee physicians and is committed to continued partnership with faculties of medicine.
Recommendation: Rec36 **Initiative:** NCSS03 Protective services optimization	**Description:** Confidential LR advice to Minister/Cabinet
Recommendation: Rec36 **Initiative:** NCSS04 Transcription services (Connect Care)	**Description:** This initiative will maximize the use of applications and functionality within Connect Care to reduce the need for transcription services.
Recommendation: Rec36 **Initiative:** NCSS06 Interpretation services - (people)	**Description:** This initiative will formalize the use of Language Line Services (telephone and video) as the preferred readily accessible, lower cost options for language interpretation. Video interpretation will be the preferred option for American Sign Language interpretation. In-person interpretation services will be available and coordinated by the Provincial Interpretation and Translation services portfolio as an exception to normal practices. This initiative also aligns with recent directives in response to AHS COVID-19 response to minimize in person services where appropriate.
Recommendation: N/A **Initiative:** AHS1 Optimize AHS Learning	**Description:** AHS has an opportunity to improve its workforce learning by moving to an AHS-wide model which would create efficiencies and cost-savings while supporting our goals of being a learning organization. This initiative is focused on finding efficiencies and savings throughout both clinical and non-clinical learning service teams. AHS will explore moving resources and decision making under a new governance model and look for opportunities to increase and centralize digital learning offerings. AHS will also look at how to optimize new employee orientation and onboarding.

Recommendation: N/A **Initiative:** W37 Legal Services Review	**Description:** AHS has obtained a proposal from EY respecting this management review. The proposal will be reviewed by the Board's Human Resources Committee ("HRC") at its next meeting and a decision made as to whether to proceed with it. Under the proposal, EY will provide overall project leadership, reporting to HRC, supported by a team of AHS HR staff working in tandem with EY resources, to conduct a portfolio-by-portfolio assessment of management roles and identify proposed remediation for classification and title-related issues, including positions that are currently classified as non-management but have management-related titles. It will also assess and identify other potential structural outliers and anomalies within the organization (e.g., duplicated roles/teams, organizational layers inconsistency). EY will deliver a report to the HRC chair by December 31, 2020. Implementation of the recommendations contained in the report would be targeted for January to June 2021.
Recommendation: N/A **Initiative:** AHS2 HR - implement new recognition strategy	**Description:** AHS will reduce costs associated with staff recognition by allowing an existing contract to expire and by leveraging the AHS Store, AHS internal mail system, and Service Now technology.

Clinical Services Summary

Clinical Services includes all the direct care AHS provides, from hospitals, to long-term care, to community-based and home care services. This theme focuses on improving the efficiency and appropriate use of these services, procedures and resources, while continuing to provide safe, high-quality care.

The initiatives fall into two areas:

1. Improve the care model to be more cost-effective while maintaining or improving quality of care
2. Ensure patients receive the most appropriate care in the right place at the right time

As outlined below, this theme includes 16 recommendations and 26 initiatives that will yield $231M - $315M ongoing annualized net savings and revenue at full implementation.

Table 8 – Clinical Services Improvement Theme Summary

Rec #	Initiative Code	Initiative Count	Initiative Name	Cumulative Financial Summary ($M)				Revenue/ Savings Achievement Start	Full Savings/ Revenue Achievement	Type of Financial Document
				2020/2021	2021/2022	2022/2023	Net Annualized Savings/ Revenue			
14/ 17 /18	CU06/ CU08/ CU09	3	**Surgical Volume Increase and OR Optimization**	0	0.5-1.3	0.8 – 3.9	0.8-3.9	July 2021	March 2023	C
14	CU07	1	**Reduction of Clinical Variation (RCV) in Surgery**	0	0	0	0	N/A	N/A	C
15/ 16	CU01/ CU02/ CU03/ CU04/ CU14	5	**Urban Acute Care LOS/ALC improvement bundle**	(0.1-1.2)	55.9-60	105.7-115.1	107.6-117.4	January 2021	March, 2023	C
16	CU05	1	**ICU discharge delay**	0	1.9-4.9	4.2-11.6	4.2-11.6	April 2021	March, 2023	C
19	AHS4	1	**Ambulatory Care Operating Model**	5.9 – 22.7	22.2-43.3	46.9-90.6	47.9-93.1	May 2020	March, 2023	C
20	CU10	1	**LTC to DSL reconfiguration**	0	4.8	6.9	6.9	April 2021	March, 2023	B
	CU11	1	**Rightsizing LTC care models to PCBF model and LTC recoveries**	0	12.1	28.8	28.8	TBD	TBD	A
22	CU13	1	**Optimize home care contracts**	0	0	0	0	N/A	N/A	C
23	CU15	1	**Access Guidelines**	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Rec #	Initiative Code	Initiative Count	Initiative Name	Cumulative Financial Summary ($M)				Revenue/ Savings Achievement Start	Full Savings/ Revenue Achievement	Type of Financial Document
				2020/2021	2021/2022	2022/2023	Net Annualized Savings/ Revenue			
23/ 24	SeC01/ SeC02/ SeC03	3	**Small/Medium Site Configuration**	0	7-8.5	15-19.5	27-45	April 2021	March, 2024	C
23	SeC04	1	**Urban area service configuration**	0	0	0	0	N/A	N/A	C
25	VH01	1	**Virtual Health Strategy**	0	0	0	0	N/A	N/A	N/A
26/27	SeC05	1	**Provincial Trauma Program Optimization**	(0.1)	0.2	0.2	0.3	November 2020	March, 2023	A
28	SeC06	1	**Chartered Surgical Facility (CSF) procedure expansion across zones**	0	0.6-0.9	1.2-1.7	1.2-1.7	July 2021	March, 2023	B
34	CSS07	1	**Closure of underutilized air ambulance bases**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	CSS08	1	**Consolidate regional dispatch operations into EMS Communications Centers**	0.8	6.3	6.3	6.3	February 2021	March 2022	A
36	NCSS07a/ NCSS07b	2	**Outsourcing - non-clinical patient transportation/ Outsourcing - clinical patient transportation**	0	0	0	0	N/A	N/A	C
Total Initiative Count: 26			**Total**	**6.5-22.2**	**111.5-142.3**	**216-284.6**	**231.0-315.0**			

NOTE: Some initiative-level valuations that require third party engagement or involve union negotiations and have been removed from this section as to not interfere with or impeded these processes. These exemptions have been indicated by greying out the relevant valuation columns but have been included in the overall financial totals per theme.

Notes on Clinical Services Theme:

- CU14 (Admission guidelines) was a newly identified initiative that was assessed with CU01.
- AHS4 (Ambulatory Care Operating Model) is a new initiative that was not identified in the EY AHS Performance Review, but is associated with EY AHS Performance Review Recommendation 19
- CU15 (Access Guidelines) is a new initiative that was not identified in the EY AHS Performance Review, but is associated with EY AHS Performance Review Recommendation 23
- VH01 (Virtual Health Strategy) is a new initiative that was not identified in the EY AHS Performance Review, but is associated with EY AHS Performance Review Recommendation 25
- CSS07 is not proceeding at the direction of AH
- NCSS07a and NCSS07b were originally in the Non-Clinical Services Theme in the EY AHS Performance Review

Table 9 – Clinical initiative Descriptions

Recommendation: Rec14/ Rec17/ Rec18 **Initiative:** CU06/CU08/CU09 Surgical volume increase and OR optimization	**Description:** This initiative focuses on maximizing the efficiency and operations of Operating Rooms (OR) across the province with the goal of ensuring Albertans receive scheduled surgeries within a clinically appropriate timeframe in a clinically appropriate setting.
Recommendation: Rec14 Initiative: CU07 Reduction of Clinical Variation (RCV) in Surgery	**Description:** AHS, in partnership with Alberta Health (AH) has developed the Alberta Surgical Initiative (ASI) where one of the key focuses is reduction in Clinical Variation in Surgery. This initiative focuses on reducing clinical variation within surgical groups. This work falls under a larger AHS umbrella of the Clinical Appropriateness work branded **Right Care Alberta**.
Recommendation: Rec15/ Rec16 **Initiative:** CU01/CU02/CU03/CU04/CU14 Urban acute care LOS/ALC improvement bundle	**Description:** This work aims to reduce costs and improve patients' experience and quality of life by focusing hospital-based care on those services that need to be delivered in the hospital, with all other care shifting to more appropriate out-of-hospital locations including ambulatory settings, primary care settings, the patient's home, continuing care, and addictions and mental health facilities. This will shift both the number and types of beds currently in hospitals and community facilities, ultimately creating inpatient capacity for other priorities such as the Alberta Surgical Initiative, surge capacity for managing the pandemic or future needs related to growth and aging. The goal is to avoid inpatient admissions wherever possible, promote care in less-expensive community settings and facilitate timely, appropriate discharge and transitions to community for hospitalized patients. Achieving this will benefit patients, families, healthcare providers and all Albertans by ensuring timely, high-value care in the community and capacity to support patients who need hospitalization. Our teams have identified a variety of strategies that have been piloted across Alberta, and implemented in leading jurisdictions to reduce acute length of stay (LOS) and alternate level of care (ALC) rates. These will be prioritized and deployed to create a consistent approach across the province. Today, the strategies target the largest acute adult facilities with additional sites to be included in future phases of work.

Recommendation: Rec16 **Initiative:** CU05 ICU discharge delay	**Description:** The plan focuses on patient flow and strategies to avoid delays in patient transfers from Intensive Care Units (ICU) to ward beds. Avoidable delays have been consistently measured in Alberta over many years and result in an exit block from critical care units. There is a potential opportunity to reduce avoidable ICU days if ward bed capacity can be created to allow for more efficient ICU transfers and increase efficiency of adult critical care bed utilization. Further to improving efficiency this supports safe, high quality care with the patient being cared for in the most appropriate setting. In addition to reducing avoidable ICU days, this initiative also includes establishing standards for critical care beds. New capacity can be allocated to support the Alberta Surgical Initiative.
Recommendation: Rec19 **Initiative:** AHS4 Ambulatory care operating model	**Description:** This initiative looks at all ambulatory clinics operated by AHS and Covenant Health. Includes those in acute care facilities (medicine, surgery, allied health, rehabilitation, family care, others), community-based clinics (public health, home care, others), cancer clinics, addiction & mental health clinics, and all other clinics with the goal of optimizing underutilized clinics, improving workflows to increase efficiencies, improve workforce, develop a framework to standardize ambulatory clinic management, reduce clinical activity, and redesign ambulatory care data and analytics. In addition, this initiative will look to maximize the positive benefits related to learnings with virtual care during the pandemic and is closely linked to AHS' virtual health strategy.
Recommendation: Rec20 **Initiative:** CU10 LTC to DSL reconfiguration	**Description:** This initiative is putting plans in place to transition some Long-Term Care (LTC) beds to Designated Supportive Living (DSL) beds across the province. This service adjustment will better align service levels to population needs and prevent overserving but maintaining health outcomes. DSL beds allows residents more independence and privacy, with health and personal care supports available on site; while LTC beds support individuals with complex health needs that cannot be met at home or in a DSL environment. All residents will receive the care they need in a space that best meets their assessed care needs. This change will increase the choices and options available to seniors and their families.
Recommendation: Rec20 **Initiative:** CU11 LTC - eliminate funding floor	**Description:** AHS is looking at opportunities to streamline the funding system and accountabilities for long term care operators. This initiative eliminates the funding floor that protected operators from seeing a decrease in funds provided by AHS. Eliminating the funding floor refers to the difference between actual funding and what the Patient-Care Based Funding model calculated the funding ought to be. Most operators will experience a small adjustment, and have already, or will need to adjust their staffing levels accordingly.

Recommendation: Rec22 **Initiative:** CU13 Optimize home care contracts	**Description:** This initiative strives to improve consistency, standardization and accountability related to services provided by home care providers. A focus will be on aligning components of our system of care and supports to ensure client-centred care in an effective, efficient and sustainable way. This work is a mechanism to achieve the desired vision per the *Advancing Home Care to the Next Level* draft defining the future evolution of home care.
Recommendation: Rec23 **Initiative:** CU15 Access Guidelines	**Description:** AHS will work with Alberta Health, healthcare leaders and community stakeholders across the province on updating Access Guidelines to ensure all Albertans have access to the care they need in a safe and timely manner. Guidelines have been developed in the past but need to be updated to reflect the current needs and opportunities at healthcare facilities across the province. Access Guidelines are high-level principles for healthcare leaders and community stakeholders to look to when developing and maintaining service plans. These guidelines help ensure that services are meeting local healthcare needs, are being delivered safely, and that they are sustainable. This will serve as a critical enabler to clinical reconfiguration work that examines how services are organized across the province. These guidelines will be used to support changes to small and medium sized acute care facilities as described in Rec 23/24.
Recommendation: Rec23/ Rec24 **Initiative:** SeC01/ SeC02/ SeC03 Small/ Medium site configuration	**Description:** This initiative outlines a process to work with communities, clinical leaders and Alberta Health to reconfigure Emergency Department (ED), acute care, and maternity/obstetrics services based on the developed Access Guidelines. This work will support the design of a safe, sustainable, high quality health system that meets the needs of local communities into the future.
Recommendation: Rec23 **Initiative:** SeC04 Urban area service configuration	**Description:** The AHS Performance Review identified a potential opportunity for AHS to optimize tertiary and quaternary services by consolidating or reducing duplication of services between neighboring sites. AHS will include these opportunities as part of Zone Health Care Planning (ZHCP) processes that will support these shifts on a scale that allows for maximum gains in efficiency.

Recommendation: Rec25 **Initiative:** VH01 Virtual Health Strategy	**Description:** The COVID-19 response has created a unique, strategic window of opportunity for AHS to renew and propel its virtual care vision forward to drive system transformation. New models that were slow to be adopted wide scale were suddenly at the forefront of care enabled by key changes to physician compensation. AHS implemented wide scale solutions including a transition to Zoom based visits, virtually enabled mental health supports and remote monitoring technology. It is also planning additional strategies that enable a longer-term response including the expansion of virtual care into ambulatory environments and the current virtual hospital. AHS is developing a new virtual care strategy with a goal of increasing virtual care to provide care to patients closer to home, support system improvements in access, quality, experience and efficiency and to reduce a in person care where appropriate. Virtual care is a key enabler to several other initiatives which are supported or accelerated by the application of virtual models.
Recommendation: Rec26/27 **Initiative:** SeC05 Provincial Trauma Program Optimization	**Description:** Direction from Minister of Health: • Recommendation 27 - Trauma centers: This recommendation has been rejected. Do not proceed with the consolidation of Edmonton's two trauma centres. ○ Trauma program consolidation is not included in this plan. This initiative focuses on standardizing trauma services program staffing between Edmonton and Calgary, including trauma level 1 & 2 pediatric and adult sites.
Recommendation: Rec28 **Initiative:** SeC06 Chartered Surgical Facility (CSF) procedure expansion across zones	**Description:** This initiative is aligned to the Alberta Surgical Initiative which is expanding existing and add new chartered surgical facilities (CSF) procedures across Alberta.
Recommendation: Rec34 **Initiative:** CSS07 Closure of underutilized air ambulance bases	**Description:** Direction from Minister of Health: • Recommendation 34 - Air ambulance bases: consider the consolidation of air ambulance bases close to the termination of the existing contract. ○ Closure of air ambulance bases are not included in this plan as the contract is not near termination.

Recommendation: Rec34 **Initiative:** CSS08 EMS - consolidate regional dispatch	**Description:** The potential exists for EMS dispatch services currently delivered through 4 satellite dispatch centres (Regional Municipality of Wood Buffalo, City of Red Deer, City of Calgary, and City of Lethbridge) to be transitioned to the AHS EMS Communications Centres. This transition will streamline EMS dispatch services across the province, enhance patient care, and save money by consolidating dispatch services instead of paying additional fees to the cities for this work.
Recommendation: Rec36 **Initiative:** NCSS07a Outsourcing - non-clinical patient transportation/ NCSS07b Outsourcing - clinical patient transportation	**Description:** This initiative explores encouraging non-clinical transports be done by family or other community resources. Non-clinical transports are those transports done within the healthcare system that do not meet the definitions of emergency health services and patient, and therefore do not require an ambulance. These are medically stable people with no emergency health services requirements pursuant to the Non-Clinical Transport Algorithm.

Clinical Support Services Theme Summary

Clinical Support Services include the areas that support patient care, including laboratory, diagnostic imaging, and pharmacy services. This theme focuses on ensuring the right clinical services are available, and are cost-effective.

The initiatives fall into four areas:

1. Ensure service areas are providing appropriate tests for patients' needs
2. Improve efficiency of and reduce costs for clinical support services staff and physicians
3. Assess and improve existing agreements, or create new agreements, with third-party vendors to provide high-quality and cost-efficient services (including lab, laundry, inpatient food, environmental services, long-term care and outpatient pharmacies, DI equipment, and retail operations)
4. Create an Alternate Service Delivery Partnership office to support design, procurement, negotiation and management of alternative service delivery partnerships

As outlined below, this theme includes 10 recommendations and 14 initiatives that will yield $129M – $210M ongoing annualized net savings and revenue at full implementation.

Table 10 – Clinical Support Services Improvement Theme Summary

Rec #	Initiative Code	Initiative Count	Initiative Name	Cumulative Financial Summary ($M)				Revenue/ Savings Achievement Start	Full Savings/ Revenue Achievement	Type of Financial Document
				2020/21	2021/22	2022/23	Net Annualized Savings/ Revenue			
9	PO06	1	**Radiologists contract**					April 2020	April 2021	C
29	CSS01	1	**Clinical appropriateness**	0.2	3.6	8.6	21.4 – 30.0	April 2020	March 2024	C
30	CSS04	1	**Outsourcing - lab services**					April 2022	April 2022	C
31	CSS02	1	**Improve DI utilization**	(0.5)	2.8	2.8	2.8	April 2021	March 2022	C
31	CSS03	1	**Closure of underutilized DI/ lab sites**	0.2	1.3	1.3	1.3	October 2020	October 2020	A
32	CSS05	1	**Managed equipment service - private partnership model**					April 2022	April 2022	C
33	CSS06a	1	**Private LTC pharmacy business model**					2022/2023	March 2023	C
33	CSS06b	1	**Outpatient pharmacy business model**	0	0	0	0	Paused	Paused	C

Rec #	Initiative Code	Initiative Count	Initiative Name	Cumulative Financial Summary ($M)				Revenue/ Savings Achievement Start	Full Savings/ Revenue Achievement	Type of Financial Document
				2020/21	2021/22	2022/23	Net Annualized Savings/ Revenue			
R35	Rec35	1	**Alternative Service Delivery (ASD) Partnership Office**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36	NCSS01	1	**Outsourcing - inpatient food services**					April 2023	April 2023	C
36	NCSS02	1	**Outsourcing - environmental services**					February 2022	September 2024	C
36	NCSS05	1	**Outsourcing - linen services**					April 2021	March 2023	C
37	NCSS08	1	**Implement comprehensive retail strategy**					October 2021	March 2023	C
38	CBO06	1	**Reduce redundancies between AHS and APL**	1.9	1.9	1.9	1.9	October 2019	April 2020	A
Total Initiative Count: 14			**Total**	**14.6**	**7.5 – 17.1**	**8.6 – 42.1**	**128.8–210.0**			

NOTE: Some initiative-level valuations that require third party engagement or involve union negotiations and have been removed from this section as to not interfere with or impeded these processes. These exemptions have been indicated by greying out the relevant valuation columns but have been included in the overall financial totals per theme.

Notes on Clinical Support Services Theme:

- PO06 was originally in the People Theme in the AHS Performance Review
- CSS01, CSS02, CSS03, CSS04, CSS05, CSS06a and CSS06b were originally in the Clinical Services Theme in the AHS Performance Review
- NCSS01, NCSS02, NCSS05, NCSS08 and CBO06 were originally in the Non-Clinical Services Theme in the AHS Performance Review
- Implementation of Rec35 is not directly associated with cost savings, but will support successful implementation of other initiatives
- Financial information for PO06, CSS04, CSS05, CSS06a, NCSS01, NCSS02, NCSS05, NCSS08 has been excluded as they involve a procurement process

Table 11 – Clinical Support Services Improvement Initiative Descriptions

Recommendation: Rec9 **Initiative:** PO06 Radiologists contract	**Description:** Currently, AHS pays radiologists directly for services completed within AHS facilities, as the Schedule of Medical Benefits (SOMB) does not cover these activities. This is due to the fact that MRIs and CT scans are not insured services in Alberta. At the direction of Alberta Health and following the AHS Performance Review report, AHS is negotiating contracts with radiologists to ensure standardization of fees and consistency of patient care across the province.
Recommendation: Rec29 **Initiative:** CSS01 Clinical appropriateness	**Description:** This provincial initiative focuses on promoting clinical appropriateness across our province's healthcare system through avoiding unnecessary medical tests, treatments and procedures. Work on this initiative began three years ago and will continue with a refreshed focus and direction. This sits under the wider **Right Care Alberta program**, which helps ensure patients and families receive high quality care that is appropriate for their condition and is focused on safety and the best possible outcome. For providers, it means providing care that's based on the best possible evidence and standards, both nationally and abroad. It also means we are providing care in a fiscally-responsible way, focused on long-term stability.
Recommendation: Rec30 **Initiative:** CSS04 Outsourcing - lab services	**Description:** Approximately 130 laboratories across Alberta perform over 80 million tests annually. The current service providers are APL (Provincial), and DynaLifeDx (Edmonton, central and northern Alberta). Both providers are supporting integrated laboratory services across community and acute care hospital services. AHS/APL is seeking to outsource some lab activities to a third-party provider to optimize services across the province, consolidate testing where appropriate to reduce unnecessary redundancy and take advantage of economies of scale.
Recommendation: Rec31 **Initiative:** CSS02 Improve DI utilization	**Description:** There exists variability of DI equipment utilization across CT, MRI, Nuclear Medicine, Ultrasound and Radiography. The AHS Performance Review identified opportunity to improve efficiency and productivity across DI modalities, driving higher utilization and potential rationalization. As Alberta Health Services is responsible for all costs associated with DI activity, including radiologist compensation, increasing activity was not deemed to be a savings opportunity. As such, this initiative has been assessed to understand the opportunity to maintain current activity levels and optimize staffing levels across these modalities.

Recommendation: Rec31 **Initiative:** CSS03 Closure of underutilized DI/ lab sites	**Description:** DI and Community Laboratory Collection Services in rural communities are continually under review for utilization of services and alignment with current provincial practices and strategic plans. Ensuring activity levels meet baseline standards is important in order to ensure staff are able to maintain their competencies. Where there is low utilization and proximity to another site, DI and lab services are recommended for closure or consolidation of service.
Recommendation: Rec32 **Initiative:** CSS05 Managed equipment service - private partnership model	**Description:** There is an opportunity to explore a private partnership model for a Managed Equipment Service (MES) agreement with a third party provider. This could improve overall cost effectiveness and maximize access to current, state-of-the-art technology for different types of medical equipment such as Diagnostic Imaging, Surgery, Cardiology, Emergency and connected care technology. These services may include equipment planning and rationalization, procurement, installation, equipment replacement, maintenance and staff training. Benefits could include technology risk transfer, reduced downtime and increased patient throughput; improved stability of capital, operational and cash flow structures; reduced risk related to future equipment price increases and service cost increases; increased discounts for equipment purchase and replacement; improved staff experience; and access to state-of-the-art technology.
Recommendation: Rec33 **Initiative:** CSS06a Private LTC pharmacy business model	**Description:** The Calgary Zone has consolidated pharmaceutical services for long-term care (LTC) by entering into an agreement with three community pharmacy providers serving ~4,600 LTC spaces in non-AHS operated facilities. This has resulted in, a streamlined capitation-based cost model (vs. fee for service) with lower cost rates, improved performance monitoring and formulary compliance. Adopting this model in other parts of the province could allow for similar benefits to be achieved. The purpose of this initiative is to expand this model to Edmonton Zone LTC Spaces in non-AHS operated facilities. The new arrangement will ensure the best quality of services is provided and maintained to LTC residents through a competitive procurement strategy that requires collaboration, standardization, accountability and sustainability. Standardization of the funding model will consolidate costs under one program and is expected to decrease overall public expenditure for these services. In addition, this program will provide more consistent drug costs and access to pharmacist support for LTC residents.
Recommendation: Rec33 **Initiative:** CSS06b Outpatient pharmacy business model	**Description:** Confidential LR advice to Minister/Cabinet

Recommendation: Rec35 **Initiative:** Rec35 Alternative Service Delivery (ASD) Partnership Office	**Description:** The AHS Performance Review Recommendations 35, 36, 37 and 47 recommend the development of an alternative service delivery (ASD) function, strategy and framework for assessing opportunities. In response, AHS has developed an ASD approach which will see formalization of an Alternate Service Delivery (ASD) Partnership Office.
Recommendation: Rec36 **Initiative:** NCSS01 Outsourcing - inpatient food services	**Description:** Confidential LR advice to Minister/Cabinet
Recommendation: Rec36 **Initiative:** NCSS02 Outsourcing - environmental services	**Description:** Confidential LR advice to Minister/Cabinet
Recommendation: Rec36 **Initiative:** NCSS05 Outsourcing - linen services	**Description:** This initiative is focused on exploring outsourcing of provincial laundry and linen services at AHS and Covenant Health sites. Approximately 68.5% of AHS laundry and linen (36M kg processed annually) is provided by contracted services through two large processing centres serving the Calgary and Edmonton regions. While the same vendor serves both regions, two contracts exist with a significant difference in unit cost. Outside the two major cities, laundry is provided through six AHS-operated regional processing plants and 44 dedicated on-site facilities. The equipment and plant infrastructure at several AHS-run facilities is nearing or past end of life and would require an investment (~$38-42M) to upgrade and maintain.
Recommendation: Rec37 **Initiative:** NCSS08 Implement comprehensive retail strategy	**Description:** Confidential LR advice to Minister/Cabinet

Recommendation: Rec38 **Initiative:** CBO06 Reduce redundancies between AHS and APL	**Description:** When laboratory services were integrated into APL in September 2018, a number of corporate back-office functions were retained from the Calgary Laboratory Services (CLS) structure. A Shared Services Agreement was executed between AHS and APL on January 1, 2019 to leverage AHS service areas to complement and support the internal APL corporate areas. This initiative focuses on optimizing the corporate back office function to duplicative management and corporate functions between AHS and APL.

Non-Clinical Services Theme Summary

Non-Clinical Services are those that take place behind the scenes, including the corporate offices and supply chain. This theme focuses on reducing costs and increasing revenue.

The initiatives fall into two areas:

1. Improve corporate operational practices and service delivery, including budgeting, supply consolidation, and automation
2. Explore generating revenue
3. Existing: inpatient accommodation fees
4. New: corporate advertising, digital signage

As outlined below, this theme includes 9 recommendations and 24 initiatives that will yield $212M - $243M ongoing annualized net savings and revenue at full implementation.

Table 12 – Non-Clinical Services Improvement Theme Summary

Rec #	Initiative Code	Initiative Count	Initiative Name	Cumulative Financial Summary ($M)				Revenue/ Savings Achievement Start	Full Savings/ Revenue Achievement	Type of Financial Document
				2020/21	2021/22	2022/23	Net Annualized Savings/ Revenue			
21	CU12	1	**Sale of AHS Assets**	-	-	-	-	Paused	Paused	N/A
37	NCSS09	1	**Sustainability management program**	(0.6)	(1.3)	(1.3)	29.6	December 2020	March 2040	C
38	CBO07	1	**Application rationalization**	-	-	-	-	November 2020	March 2027	C
	CBO08a	1	**Contact Centre Optimization**	TBD	TBD	TBD	TBD	TBD	TBD	C
	CBO08b	1	**IT infrastructure outsourcing - data centres/ networks**	TBD	TBD	TBD	TBD	Paused	Paused	C
	CBO12a/b	1	**Lease Management**	-	(1.9)	1.1	15.8	March 2021	March 2026	C
39	CBO03	1	**Robotic process automation - back office services**					January 2021	March 2023	C
40	AHS7	1	**Homecare co-pay**	8.7	35.9	35.9	35.9	January 2021	March 2022	C
	AHS8	1	**Recovery of patient supply costs**	0.4	0.6	0.6	0.6	August 2020	March 2022	C
	CBO02	1	**Preferred accommodation rate and capture increase**	7.02	28.1	44.9	44.9	September 2020	March 2023	A

Rec #	Initiative Code	Initiative Count	Initiative Name	Cumulative Financial Summary ($M)				Revenue/ Savings Achievement Start	Full Savings/ Revenue Achievement	Type of Financial Document
				2020/21	2021/22	2022/23	Net Annualized Savings/ Revenue			
	CBO04	1	**DSL and LTC accommodation fees**	-	8.2	23.6	44.6	July 2021	March 2025	B
	CBO09	1	**Corporate Advertising**					January 2021	March 2024	C
41	CBO01	1	**Budget review**	0.6 – 0.8	1.1 – 1.5	2.1 – 3.1	2.1 – 3.1	April 2020	March 2022	B
	CBO05	1	**Additional reduction in discretionary spending**	13.0-15.0	13.0-15.0	13.0-15.0	13.0-15.0	September 2020	March 2021	C
42	SuC01-04	1	**Sourcing Optimization**					April 2020	March 2023	C
43	SuC05/ SuC06	2	**Demand planning and slow-moving inventory**	-	-	-	-	TBD	TBD	C
	SuC07	1	**Optimize physical distribution network**	(0.1)	0.3	0.3	0.3	February 2021	March 2022	C
	SuC08	1	**Integrate non-CPSM in-hospital supply chain team into CPSM**	-	-	-	-	Paused	Paused	C
44	SuC09	1	**Integrate and improve capital equipment procurement process**	-	3.5-5.5	7.0-11.0	7.0-11.0	April 2021	March 2023	C
	SuC10	1	**Improve construction contracting procurement, management and control**	-	-	-	-	Paused	Paused	C
N/A	AHS5	1	**Consolidation of purchasing hubs**	(0.1)	0.2	0.2	0.2	January 2021	March 2023	A
N/A	AHS6	1	**Patient Entertainment**	0.2	2.3	3.1	3.1	September 2020	March 2022	C
N/A	AHS9	1	**Liability Insurance Provider**	8.9	7.5	6.1	3.3	April 2020	March 2025	B
Total Initiative Count: 24			**Total**	38.4 – 40.5	98.2 – 112.6	143.2 – 172.2	212.2 – 242.8			

NOTE: Some initiative-level valuations that require third party engagement or involve union negotiations and have been removed from this section as to not interfere with or impeded these processes. These exemptions have been indicated by greying out the relevant valuation columns but have been included in the overall financial totals per theme.

Notes on Clinical Support Services Theme:

- CU12 was originally in the Clinical Services Theme in the AHS Performance Review
- CBO12 was referenced in the AHS Performance Review but was not formally listed as an initiative. It has subsequently been allocated to Rec38
- CBO09, AHS6, AH7 and AHS8 were referenced in the AHS Performance Review but were not formally listed as initiatives

- NCSS09 Sustainability Management will require one-time operational investment of ($28M) and one-time capital investment of ($80M) funded by government to achieve full benefits.
- Financial information for CBO03, CBO09 and SuC01/SuC02/SuC03/SuC04 has been excluded as they involve a procurement process

Table 13 – Non-Clinical Services Improvement Initiative Descriptions

Recommendation: Rec21 **Initiative:** CU12 Sale of AHS Assets	**Description:** This initiative has been paused to allow time for completion of the review of Continuing Care Programs and Services being conducted by AH arising out of the initial COVID-19 pandemic situation in Alberta. In addition, consideration of this initiative will need to consider the national dialogue taking place related to continuing care, which may influence the balance of privately versus publicly delivered services. The review being conducted by AH will influence government perspective on this initiative in the long-term.
Recommendation: Rec37 **Initiative:** NCSS09 Sustainability management program	**Description:** AHS has recently initiated sustainability measures related to both facilities and operations which have the potential to reduce costs across the organization. Sustainability initiatives such as the use of a utilities management plan that could further reduce operating costs through energy, water and electricity usage reductions, is one such measure AHS is considering.
Recommendation: Rec38 **Initiative:** CBO07 Application rationalization	**Description:** The application rationalization program started in 2014 and was split into various phases as it aimed to reduce the overall total cost of ownership of the enterprise application portfolio. Through three phases, AHS has been, and continues to, look for further performance improvements. Phase 1 was focused on assessing and evaluating all enterprise applications, phase 2 focused on decommissioning 'low value' applications and cleanup, and phase 3 will focus on larger application consolidation and migration of applications replaced by Epic (Connect Care Program).
Recommendation: Rec38 **Initiative:** CBO08a Contact Centre Optimization	**Description:** Across the organization, contact centres are owned and managed by several different operational areas, which perform many of the same functions and services. AHS will be further examining these different contact centres for opportunities to optimize and potentially consolidate them by leveraging existing and new capabilities across AHS.
Recommendation: Rec38 **Initiative:** CBO08b IT infrastructure outsourcing - data centres/ networks	**Description:** AHS has a predominantly in-house model for IT services and infrastructure such as data centers, networks, mobility services, and desk side support. Other jurisdictions are moving towards increased use of cloud and other managed services providers to improve quality, reduce the need for capital investment, and realize overall cost savings. AHS can evaluate and leverage large existing Government

	of Alberta standing offers or contracts based on service requirements for areas such as mobility services and networks.
Recommendation: Rec38 **Initiative:** CBO12 Lease Management	**Description:** Alberta Health Services owns and leases a significant amount of capital properties across the province, including public health clinics, ambulatory care clinics, office space for staff and physicians, etc. Through this initiative, there may be an opportunity to realize savings on a number of fronts, including through consolidation of existing leases and increased space utilization. Additionally, a number of potential real estate opportunities exist to provide new revenue, while both addressing space constraints that exist and supporting the potential consolidation of leased spaces.
Recommendation: Rec39 **Initiative:** CBO03 Robotic process automation - back office services	**Description:** Confidential advice to Minister/Cabinet
Recommendation: Rec40 **Initiative:** CBO02 Preferred accommodation rate and capture increase	**Description:** Albertans have the ability to identify whether they would prefer to be placed in a private, semi-private or an enhanced room rather than being placed in a standard ward room. There are legislative requirements around preferred accommodation, where AHS facilities that provide preferred accommodation, can only allocate 40% of the rooms as chargeable (preferred accommodation rooms) and 60% of the rooms not chargeable (standard ward rooms). This initiative looks at proposing changes to increase rates for private and semi-private accommodation, remove the 60% legislative requirement for standard accommodation, increasing the number of chargeable rooms, and increase the capture rate of preferred accommodation revenue. Rates will be increased over a three-year period.
Recommendation: Rec40 **Initiative:** CBO04 DSL and LTC accommodation fees	**Description:** Compared with other provinces, residents of continuing care in Alberta pay a smaller share of the overall cost of continuing care services and accommodations. AHS provides funding to DSL and LTC operators through care funding models to compensate for care related expenses and losses on accommodation services. Albertans with low incomes will be subsidized for the cost increase through supplemental income and will be able to keep the same guaranteed monthly income. The review being conducted by Alberta Health around the Continuing Care Program and Services may impact the outcome of this initiative.

Recommendation: Rec40 **Initiative:** CBO09 Corporate Advertising	**Description:** AHS is exploring the possibility of generating revenue through the sale of corporate advertising at facilities and parking structures (interior and exterior spaces), electronic billboards/signage and advertising on AHS websites. AHS will develop Ad Standards and a vetting and approval process to ensure ads align with the organization's vision and values and protects AHS' reputation and independence. Revenue generated will help support patient care delivery. Potential revenue may include but is not limited to: Leasing real estate to outdoor advertising companies for large-format electronic billboards; selling ad spaces on building exterior and interior spaces, selling adds on our websites and mobile app and additional revenue from ad sales on parking gate arms, benches, parking pay stations and other high traffic areas.
Recommendation: Rec40 **Initiative:** AHS7 Homecare co-pay	**Description:** AHS oversees the provision of home care services to approximately 50,000 clients across the province each day. Currently, under the Public Health Act: Co-ordinated Home Care Program regulation AHS provides these services to eligible Albertans of all ages living in a private residence, retirement residence or other personal residence at no cost. Under this initiative, a proposed legislative change would be introduced to the Alberta Public Health Act to allow fees to be charged for certain home care services in Alberta. Any home care client that receives provincial or federal income supports would be exempt from charges. Currently Alberta is one of the only provinces in Canada that does not require client financial contribution to the cost of providing home care services. This initiative will allow AHS to continue to provide safe and effective home care services now and into the future, using the most appropriate equipment and technology available to help keep Albertans safe and independent as long as possible
Recommendation: Rec40 **Initiative:** AHS8 Recovery of patient supply costs	**Description:** AHS invoices patients for the product cost of chargeable supplies, such as crutches and casts, that are not covered by AHCIP without any additional charges for: (a) indirect costs (e.g., costs of inventory handling, storage and distribution, and billing and collections), and (b) labour costs, when supplies are customized for patients. To ensure full recovery of costs, a provincial standardized indirect cost recovery %, and where applicable, direct labour costs will be consistently added to billings for chargeable supplies provided to patients at all AHS facilities..

Recommendation: Rec41 **Initiative:** CBO01 Budget review	**Description:** The Budget Review is an opportunity for Alberta Health Services to continue to address both systemic and process improvements, and to establish the budget as the primary financial accountability tool for front-line managers. A review of AHS' budgets at a zone level indicates that there is an opportunity to further control both over and underspending which improves overall budgetary management and financial accountability for the organization. The objective is to build on existing methodologies, processes and procedures within the organization to ensure the budgets reflect appropriate and approved spending in a way front-line manager can manage against and report on. Included in the Budget Review initiative will be continued implementation of Activity Based Budgeting, enhancements to FTE account distributions, the development of more comprehensive budget standards - including a high-level spending review across all programs - and the implementation of automation.
Recommendation: Rec41 **Initiative:** CBO05 Additional reduction in discretionary spending	**Description:** AHS will continue to enforce cost containment measures across the organization to limit discretionary spending and explore other areas of opportunity to drive discretionary spending down. This continued focus on tighter discretionary spending controls in the coming years, will result in additional future cost savings.
Recommendation: Rec42 **Initiative:** SuC01-04 Sourcing Optimization	**Description:** Confidential LR advice to Minister/Cabinet
Recommendation: Rec43 **Initiative:** SuC05 Build a more proactive demand planning / forecasting process	**Description:** This initiative aims to implement a predictive demand planning process (leveraging machine learning) to improve inventory performance, reduce inventory costs and improve service while supporting ongoing growth. The current forecasting process at CPSM relies on how items have been used and ordered historically. While this process is generally effective at the organization level, it does not provide any forward-looking or predictive functionality.
Recommendation: Rec43 **Initiative:** SuC06 Reduce slow moving and / or obsolete inventory	**Description:** AHS' CPSM will implement a new planning process to better predict the demands for specific products to ensure appropriate stocks are maintained, while reducing inventory of products that are less in demand. A number of supplies AHS has in stock have been identified as slow moving or are obsolete. These products are taking up space in storage centres that could be stocked with supplies used on a more regular basis.

Recommendation: Rec43 **Initiative:** SuC07 Optimize physical distribution network	**Description:** This initiative looks to continue to optimize CPSM physical distribution network through warehouse consolidation, distribution channel adjustments, and further performance improvement initiatives. CPSM has several satellite sites with each having its own inventory, transportation (if applicable), and staff. Some of these smaller satellite DCs are integrated directly into existing hospitals. Amalgamating smaller sites into the larger DCs results in overall cost savings due to economies of scale (inventory and transportation), more efficient processes (less double handling), and fewer fixed costs related to operating physical facilities.
Recommendation: Rec43 **Initiative:** SuC08 Integrate non-CPSM in-hospital supply chain team into CPSM	**Description:** There are pockets of supply chain activities – like planning, procurement and materials management being performed within hospitals outside of AHS' Contracting, Procurement and Supply Management (CPSM) department. Integrating these activities into existing CPSM supply chain functions could result in increased efficiencies.
Recommendation: Rec44 **Initiative:** SuC09 Integrate and improve capital equipment procurement process	**Description:** The current procurement of capital equipment is being done in a disparate and uncoordinated manner by the equipment planning group and 23 other groups representing provincial zones and clinical programs, outside of direct control by CPSM. This project will focus on improving coordination across zones and programs and leveraging the provincial buying power across all equipment categories to create a unified equipment sourcing strategy. There is also a requirement to create a single asset inventory for the province and an AHS policy for life-cycle management.
Recommendation: Rec44 **Initiative:** SuC10 Improve construction contracting procurement, management and control	**Description:** Capital Management has processes, templates, and standard operating procedures that govern project management construction work. These have been reviewed and tested by AHS' internal audit team, and the GoA auditor's office. Capital Management collaborates with Legal Services to review construction contracts to ensure consistency, compliance with applicable laws and regulations, and minimize risk and protect AHS's interests.
Recommendation: AHS **Initiative:** AHS5 Consolidation of purchasing hubs	**Description:** CPSM Purchasing currently operates three (3) procurement offices located in Edmonton, Calgary and Red Deer. The proposal is to close the Red Deer (Michener Bend) purchasing office and consolidate the work to Calgary or Edmonton. This will result in a reduction in travel for Managers and enable synergy for additional efficiencies.

Recommendation: AHS **Initiative:** AHS6 Patient Entertainment	**Description:** Through patient surveys and working in partnership with patient and family advisory groups, it is overwhelming clear that patients prefer Wi-Fi that enables access to a wider variety of BYOD entertainment, family communications, and to clinical education on personal or room based device compared to plain TV programing. Alberta Health Services (AHS) has an opportunity to increase the patient experience, reduce costs and potentially provide a much improved hospital stay by replacing existing the existing TV service.
Recommendation: AHS **Initiative:** AHS9 Liability Insurance Provider	**Description:** Following thorough review, Alberta Health Services (AHS) has implemented changes to its liability insurance services. Such a review was undertaken to realize opportunities to increase coverage and limits, improve risk management and spread risk, reporting and other value added benefits. In recent years AHS has experienced an increase in liability insurance services, special assessments and changes in the legal landscape for medical malpractice claims.

Governance Theme Summary

Governance focuses on relationships and accountability. This theme's improvements will allow Alberta Health to focus on setting strategy and governance, and AHS to operationalize and deliver.

There are three recommendations led by AHS and six led by AH. The AHS-led initiatives fall into three areas:

1. Continue to consolidate the provincial health system, and reduce variation between the five zones
2. Assess the Strategic Clinical Networks and ensure they're aligned with future direction and needs
3. Develop a new agreement and working relationship with Covenant Health to improve coordination of services

Not all of the recommendations in this theme will drive direct financial benefit; however, they will optimize and strengthen the ways in which both AHS and Alberta Health operate. In doing so, this will enable Alberta Health to focus on setting strategy and governance allowing AHS to operationalize and deliver the required outcomes.

Outlined in below are nine recommendations that require both AHS and Alberta Health involvement and direction to successfully deliver.

Table 14 – Governance Improvement Theme Summary

Rec Code	Initiative Code	Initiative Count	Initiative Name and Description	Implementation Start Date	Cumulative Financial Summary ($M)				Full Savings/ Revenue Achievement	Type of Financial Document
					2020/21	2021/22	2022/23	Net Annualized Savings/ Revenue		
Rec45	N/A	1	Strengthen accountability between AH/ AHS (AH led)	August 2020	N/A	N/A	N/A	N/A	N/A	N/A
Rec46	N/A	1	AH senior leader assignment between AH/ AHS (AH led)	Complete	N/A	N/A	N/A	N/A	N/A	N/A
Rec47	N/A	1	Dedicated independent provider secretariat (AH led)	August 2020	N/A	N/A	N/A	N/A	N/A	N/A
Rec48	N/A	1	Develop funding model to separate funds (AH led)	TBD	N/A	N/A	N/A	N/A	N/A	N/A
Rec49	N/A	1	End and develop new agreement with Covenant Health (AHS led)	October 2021	N/A	N/A	N/A	N/A	N/A	N/A
Rec50a	N/A	1	Develop operational accountability framework for IT (AH led)	October 2020	N/A	N/A	N/A	N/A	N/A	N/A

Rec Code	Initiative Code	Initiative Count	Initiative Name and Description	Implementation Start Date	Cumulative Financial Summary ($M)				Full Savings/ Revenue Achievement	Type of Financial Document
					2020/21	2021/22	2022/23	Net Annualized Savings/ Revenue		
Rec50b	N/A	1	Develop operational accountability framework for primary care (AH led)	TBD	N/A	N/A	N/A	N/A	N/A	N/A
Rec51	N/A	1	Reconsider number/ mandate of SCNs* (AHS led)	Phase 1 Complete; Phase 2 December 2020	0.7	1.6	1.6	1.6	TBD	A
Rec52	N/A	1	Complete consolidation of provincial health system (AHS led)	March 2021	N/A	N/A	N/A	N/A	N/A	N/A
Total Initiative Count: 9			Total		0.7	1.6	1.6	1.6		

*Financial values represent current work to date with a Phase 2 being planned. Phase 2 will examine further opportunities to leverage the SCNs by supporting and advancing health system strategy and implementation of AHS/AH strategic priorities. The scope of this phase will be determined based on engagement with stakeholders within AHS and with the Alberta Health. Phase 2 implementation plan will be developed by December 31, 2020.

Table 15 – Governance Improvement Theme Descriptions –AHS Led initiatives

Recommendation: Rec49 **Initiative:** REC49 End and develop new agreement with Covenant Health	**Description:** This initiative ends the current Covenant Health Cooperation and Services Agreement and develops a new agreement that enables more effective system coordination by AHS. Discussions are currently underway that include Alberta Health, Covenant Health and Alberta Health Services. New agreements for both acute care services and shared services between AHS and Covenant Health will be developed, with final agreements approved by AHS and Covenant Health by October 1, 2021.
Recommendation: Rec51 **Initiative:** REC51 Reconsider number/ mandate of SCNs	**Description:** This initiative reviews the Strategic Clinical Networks (SCN) to more efficiently leverage them to achieve health system priorities. Phase 1 of this initiative focused on reorganizing and streamlining the SCNs and was completed by March 31, 2020. Changes include: 1. Consolidating and aligning the Addiction and Mental Health SCN, Seniors Health SCN, and related provincial programs into two new integrated Centres of Excellence. 2. Consolidating the Respiratory Health SCN and Kidney Health SCN into a single new Medicine SCN to achieve better alignment and expand the reach into hospital medicine. 3. Consolidating and aligning the Population, Public and Indigenous Health SCNs and related provincial programs. The Phase 1 changes have been implemented effective April 1, 2020. Phase 2 will examine further opportunities to leverage the SCNs by supporting and advancing health system strategy and implementation of AHS/AH strategic priorities. The scope of this phase will be determined based on engagement with stakeholders within AHS and with the Alberta Health. Phase 2 implementation plan will be developed by December 31, 2020.
Recommendation: Rec52 **Initiative:** REC52 Complete consolidation of provincial health system (AHS)	**Description:** This initiative focuses on further consolidating the provincial health system and actively seeking to avoid retrenchment to unnecessary local variation in care delivery. Work is initiated and will unfold as a comprehensive strategy is developed, considering the other related organizational changes proposed in this report. An implementation plan including key actions and performance measures will be completed by March 31, 2021.

Table 16 – Governance Improvement Theme Descriptions –AH Led initiatives

Alberta Health is leading the implementation of six of the nine Governance initiatives, working collaboratively with AHS.

Recommendation: Rec45 **Initiative:** REC45 Strengthen accountability between AH/AHS	**Description:** This initiative will strengthen the accountability interface between Alberta Health and AHS to clarify responsibilities, put in place a coordinated annual planning process, and develop an effective performance management framework. Implementation will begin on August 1, 2020. Alberta Health will conduct a Request for Proposal to have a consultant review the Alberta Health and AHS accountability framework. Implementation will begin in August 2020. This review is expected to be completed by November 1, 2020. Following this review a more detailed implementation plan will be developed by November 31, 2020.
Recommendation: Rec46 **Initiative:** REC46 AH senior leader assignment between AH/AHS	**Description:** A senior leader within Alberta Health has been assigned the primary responsibility for strengthening and managing the accountability interface between the Department and AHS. This initiative is complete.
Recommendation: Rec47 **Initiative:** REC47 Dedicated independent provider secretariat	**Description:** Under this initiative a dedicated, independent contracting secretariat will be created. A Request for Proposal has been issued for a consultant to design and implement the Health Contracting Secretariat. The consultant will begin this work by August 1, 2020.
Recommendation: Rec48 **Initiative:** REC48 Develop funding model to separate funds	**Description:** Under this initiative, a revised funding model will be developed to separate system funding into three categories: global budgets, targeted grants for priority areas, and funds for private provider services. Accountability recommendation #45 will be foundational to determine next steps on this recommendation.
Recommendation: Rec50 **Initiative:** REC50a Develop operational accountability framework for IT	**Description:** This initiative will develop and formalize clear operational accountability frameworks for Information Technology (IT). Work is underway between AH and AHS on the accountability for IT. An implementation plan will be developed by November 31, 2020.

Recommendation: Rec50 **Initiative:** REC50b Develop operational accountability framework for primary care	**Description:** This initiative will develop and formalize clear operational accountability frameworks for Primary Care. Work is underway between AH and AHS on the accountability for primary care with implementation starting on October 1 2020.

Appendix B: Overview of the AHS Value Based Healthcare Framework

Table 17 - AHS Value in Healthcare Framework

Quadruple Aim	Quality Dimension	Value Principles
Improve patient and population health outcomes	Effectiveness Safety Equity	Value placed on initiatives that have demonstrated a positive impact on clinical (patient) outcomes. Value placed on initiatives that improve safety of patients and families receiving care Value placed on initiatives that are expected to improve the health outcomes of groups with lower baseline health, life expectancy, or severity of condition
Improve financial health and value for money	Appropriateness Efficiency	Value placed on initiatives that provide the right service to Albertans at the right place and right time Value placed on initiatives that provide good value for money (i.e. ROI or cost-effective).
Improve Patients' & families' experiences	Acceptability Accessibility	Value placed on initiatives that are found to be acceptable to Albertans Value placed on initiatives that improve access to healthcare services in Alberta
Improve the experience & safety of our people	Acceptability Safety Effectiveness	Value places on initiatives that allow providers and staff to be able to provide safe, good quality care where their efforts can be seen to have an impact

Appendix C: Financial Valuation Category Detail

Table 18 - Financial Valuation Categories

	A	B	C
Definition	Scope: fully defined Operational requirements: fully defined Financial data to perform valuation: available	Scope: fully defined Operational requirements: not fully defined Financial data to perform valuation: available	Scope: fully or partially defined Operational requirements: fully or partially defined Financial data to perform valuation: not available
Elements of Valuation	Information required for valuation is available (e.g. # of impacted FTE, activity impact, location/ unit/ clinic, and investment required). In most cases, budgets will be able to be removed based on the valuation.	A number of financial or operational impact assumptions need to be made to come up with an estimate Sound costing data is available to be able to determine a reasonable estimate.	A significant amount of financial or operational impact assumptions need to be made to come up with an estimate. Financial information to determine the estimate may not be available. Part of the implementation plan is to secure financial information to be able to perform a detailed valuation. (e.g. RFP financial response)
Valuation Approach	Detailed costing resulting in a defined amount. There may be a few elements that require estimation.	Assumptions are used to create an estimated savings range. The low end of the range is a minimum initiatives are comfortable achieving up to a potential maximum. Estimate should be a “net” amount to take into account any one-time or ongoing costs to implement	Assumptions are used to create a high-level estimated savings range. Estimate should be a “net” amount to consider any one-time or ongoing costs to implement.

Appendix D: Summary of Annualized Net Benefit by Valuation Category for AHS only

Table 19: Summary of Valuation Categories - AHS

Improvement Theme	Financial Valuation A		Financial Valuation B		Financial Valuation C	
	Initiatives	Annualized Net Benefit ($M) [1,2]	Initiatives	Annualized Net Benefit ($M) [1,2]	Initiatives	Annualized Net Benefit ($M) [1,2]
People	3	51.6	6	27.8 – 91.3	12	196.8 - 285
Clinical Services	3	35.4	2	8.1 – 8.6	18	187.5 - 271
Clinical Support Services	2	3.2	0	0	11	125.6 – 206.8
Non-Clinical Services	3	89.6	2	5.36 – 6.36	18	117.2 – 146.8
Governance	1	1.6	0	0	0	0
Total[3]	12	181.4	10	41.2 – 106.2	59	627.1 – 909.6

[1]Represents benefit in relation to total AHS health expenditure
[2]Includes total net annualized operational savings inclusive of years beyond 2022/23; total annualized benefit achievement is initiative dependent.
[3]There are 19 initiatives have no financial component and so have not been included in the total number of initiatives above:

- The following initiatives are under the purview of the AHS Board and are not included in the above valuations: MR01/ Rec6/ MR02/ PO03a/ PO03b, W37
- The following initiatives are paused or not proceeding at this time and so do not show timelines: CU12, CSS07
- The following initiatives do not have an associated financial valuation category: CU15, VH01, Rec35, Rec45, Rec46, Rec47, Rec48, Rec49, Rec50a, Rec50b, Rec52.

Note: A) Initiatives have fully-defined scope and operational requirements and a defined valuation with detailed costing. B) Initiatives have a fully-defined scope, some definition of operational requirements and a valuation range based on key assumptions. C) Initiative scope and operational requirements are fully or partially defined and the valuation is a high level estimate of the savings range. Many in this category require a fulsome procurement process to attain more accurate savings figure.

Appendix E: Detailed Implementation Structure and Process

The ARIO is the foundation of the implementation structure that supports the work with key roles and accountabilities, including the individuals and groups as follows:

- Improvement theme executive sponsors: Clinical and operational dyad who sit on the ELT and are accountable for all the improvement theme initiatives.
- Improvement theme and initiative leads: AHS senior and operational leaders responsible for the oversight of the improvement theme and/or specific initiative implementation.
- ARIO project managers: Assigned to support work across each of the five improvement themes.
- Improvement theme working groups: Working groups established with leads assigned from finance, human resources, analytics and communications to coordinate and provide support to initiative work.

In addition, a strong and effective relationship between AHS and Alberta Health will be critical to the success of the implementation plan and the significant transformation set out. This has been enabled by the following:

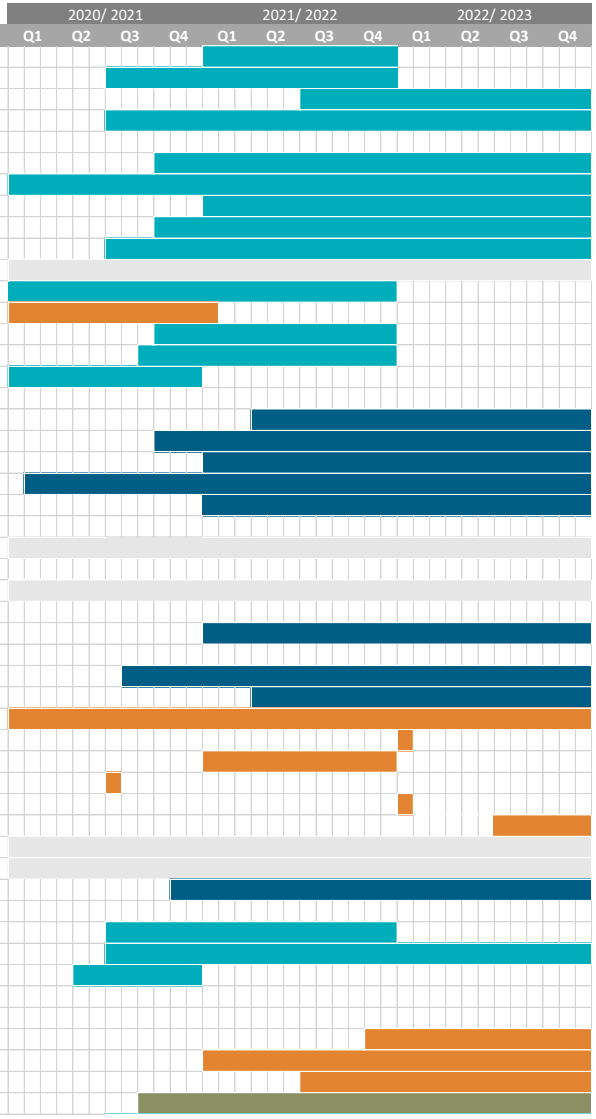
- AH senior leaders have been assigned to each initiative to provide additional support to AHS initiative leaders.
- Clear and transparent communication with Alberta Health throughout the development of the implementation plan: Alberta Health was informed and engaged as required and regular updates were provided by AHS throughout the implementation planning process.
- Close coordination on initiatives that have interdependencies with Alberta Health: Several opportunities from the EY AHS Performance Review require Alberta Health and AHS to work together to implement or are in some way interdependent due to the way accountabilities are delineated between Alberta Health and AHS. AHS has worked especially closely with Alberta Health on the planning for these initiatives to ensure alignment.

This implementation plan is supported by two internal committees that serve to provide financial, operational and strategic oversight across improvement themes and for the program of work as a whole. These committees serve as critical mechanisms to insert the right level of challenge into implementation planning and design as well as to strengthen accountability for targeted benefits upon implementation execution.

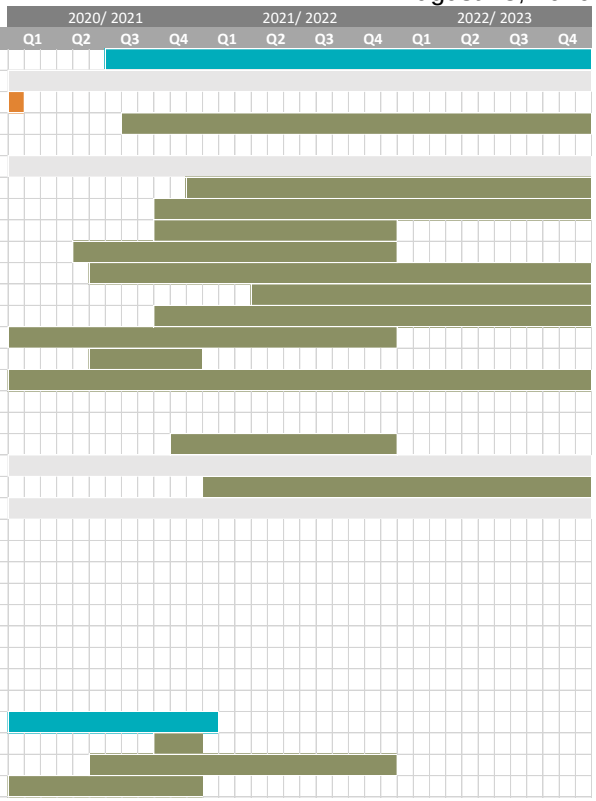
1. Internal Treasury Coordinating Committee
    - Track, monitor and report on the financial impact of all financial improvement initiatives (i.e. savings) across AHS and challenge initiative plans and performance.
    - Report the financial performance of initiatives to ARIO and incorporate into financial reporting and planning
    - Develop process controls that will ensure that reported savings are not double counted with other initiatives. This will include adopting a standardized pan organization template to track initiative financial performance against implementation plans.
2. AHS Performance Review Co-ordinating Committee
    - Provides oversight and challenge to the organization-wide sustainability program and drives the delivery of improvement initiatives across the organization.
    - Provides guidance and advice across the communications strategy for the overall program, financial monitoring and progress and a coordinated HR plan
    - Makes recommendations related to the robustness and appropriateness of resources, including: financial, human capital; and other resource requested for the successful implementation of improvement initiatives

Appendix F: Summary Work Plan

Theme	Recommendation #	Initiative Code	Initiative Name
People	Rec1	W01	Removing collective agreement provisions
People	Rec2	W02	More closely manage overtime
People	Rec2	W03	Reduce sick time
People	Rec2	W04/ W05	Vacant position reconciliation
People	Rec3	W06a	Implement HR scheduling system
People	Rec3	W06b	Expansion of PSS
People	Rec4	W07a/ W08	Optimize nurse & clinical support staffing based on patient demand
People	Rec4	W07b	Optimize non-clinical staffing
People	Rec4	W09	Reduce part-time nursing positions
People	Rec4	W10	Optimize Constant Care staffing model
People	Rec5/Rec6/Rec7/Rec12	MR01/Rec6/MR02/PO03a/PO03b	Management position review and realignment
People	Rec8	PO01	Clinical stipends through AHS
Clinical Support Services	Rec9	PO06	Radiologists contract
People	Rec10	PO02	Interpretation fees
People	Rec11	PO05	Physician overhead costs recovery
People	Rec13	PO04	Academic medicine - do not increase compensation funding
Clinical Services	Rec14	CU07	Reduction of Clinical Variation (RCV) in Surgery
Clinical Services	Rec14/17/ 18	CU06, CU08, CU09	Surgical Volume Increase and OR Optimization
Clinical Services	Rec15/16	CU01, CU02, CU03, CU04	Urban Acute Care LOS/ALC improvement bundle
Clinical Services	Rec16	CU05	ICU discharge delay
Clinical Services	Rec19	AHS4	Ambulatory Care Operating Model
Clinical Services	Rec20	CU10	LTC to DSL reconfiguration
Clinical Services	Rec20	CU11	Rightsizing LTC care models to PCBF model and LTC recoveries
Non-Clinical Services	Rec21	CU12	Sale of AHS Assets
Clinical Services	Rec22	CU13	Optimize home care contracts
Clinical Services	Rec23	SeC04	Urban area service configuration
Clinical Services	Rec23	CU15	Access Guidelines
Clinical Services	Rec23/24	SeC01/ SeC02/ SeC03	Small/Medium Site Configuration
Clinical Services	Rec25	VH01	Virtual Health Strategy
Clinical Services	Rec26/27	SeC05	Provincial Trauma Program Optimization
Clinical Services	Rec28	SeC06	Chartered Surgical Facility (CSF) procedure expansion across zones
Clinical Support Services	Rec29	CSS01	Clinical appropriateness
Clinical Support Services	Rec30	CSS04	Outsourcing - lab services
Clinical Support Services	Rec31	CSS02	Improve DI utilization
Clinical Support Services	Rec31	CSS03	Closure of underutilized DI/ lab sites
Clinical Support Services	Rec32	CSS05	Managed equipment service - private partnership model
Clinical Support Services	Rec33	CSS06a	Private LTC pharmacy business model
Clinical Support Services	Rec33	CSS06b	Outpatient pharmacy business model
Clinical Services	Rec34	CSS07	Closure of underutilized air ambulance bases
Clinical Services	Rec34	CSS08	Consolidate regional dispatch operations into EMS Communications Centers
Clinical Support Services	Rec35	REC35	Alternative Service Delivery (ASD) Partnership Office
People	Rec36	NCSS03	Protective services optimization
People	Rec36	NCSS04	Transcription Services (ConnectCare)
People	Rec36	NCSS06	Interpretation services- (people)
Clinical Services	Rec36	NCSS07a, NCSS07b	Outsourcing Non-Clinical Patient Transport; Outsourcing Clinical Patient Transport
Clinical Support Services	Rec36	NCSS01	Outsourcing - inpatient food services
Clinical Support Services	Rec36	NCSS02	Outsourcing - environmental services
Clinical Support Services	Rec36	NCSS05	Outsourcing - linen services
Clinical Support Services	Rec37	NCSS08	Implement comprehensive retail strategy
Non-Clinical Services	Rec37	NCSS09	Sustainability management program



Theme	Recommendation #	Initiative Code	Initiative Name
People	Rec38	AHS1	Right-sizing of AHS-wide learning
People	Rec38	W37	Legal Services Review
Clinical Support Services	Rec38	CBO06	Reduce redundancies between AHS and APL
Non-Clinical Services	Rec38	CBO07	Application rationalization
Non-Clinical Services	Rec38	CBO08a	IT infrastructure optimization - Contact Centres
Non-Clinical Services	Rec38	CBO08b	IT infrastructure outsourcing - data centres/ networks
Non-Clinical Services	Rec38	CBO12	Lease Management
Non-Clinical Services	Rec39	CBO03	Robotic process automation - back office services
Non-Clinical Services	Rec40	AHS7	Homecare co-pay
Non-Clinical Services	Rec40	AHS8	Recovery of patient supply costs
Non-Clinical Services	Rec40	CBO02	Preferred accommodation rate and capture increase
Non-Clinical Services	Rec40	CBO04	DSL and LTC accommodation fees
Non-Clinical Services	Rec40	CBO09	Corporate Advertising
Non-Clinical Services	Rec41	CBO01	Budget review
Non-Clinical Services	Rec41	CBO05	Additional reduction in discretionary spending
Non-Clinical Services	Rec42	SuC01-04	Sourcing Optimization
Non-Clinical Services	Rec43	SuC05	Build a more proactive demand planning / forecasting process
Non-Clinical Services	Rec43	SuC06	Reduce slow moving and / or obsolete inventory
Non-Clinical Services	Rec43	SuC07	Optimize physical distribution network
Non-Clinical Services	Rec43	SuC08	Integrate non-CPSM in-hospital supply chain team into CPSM
Non-Clinical Services	Rec44	SuC09	Integrate and improve capital equipment procurement process
Non-Clinical Services	Rec44	SuC10	Improve construction contracting procurement, management and control
Governance	Rec45	REC45	Strengthen accountability between AH/AHS
Governance	Rec46	REC46	AH senior leader assignment between AH/AHS
Governance	Rec47	REC47	Dedicated independent provider secretariat
Governance	Rec48	REC48	Develop funding model to separate funds
Governance	Rec49	REC49	End and develop new agreement with Covenant Health
Governance	Rec50	REC50a	Develop operational accountability framework for IT
Governance	Rec50	REC50b	Develop operational accountability framework for primary care
Governance	Rec51	Rec51	Reconsider number/ mandate of SCNs
Governance	Rec52	Rec52	Complete consolidation of provincial health system (AHS)
People	N/A	AHS2	HR - implement new recognition strategy with lower costs
Non-Clinical Services	N/A	AHS5	Consolidation of purchasing hubs
Non-Clinical Services	N/A	AHS6	Patient Entertainment
Non-Clinical Services	N/A	AHS9	Liability Insurance Provider



Notes:

1. The following initiatives are under the purview of the AHS Board and do not show timelines: MR01/ Rec6/ MR02/ PO03a/ PO03b, W37
2. The following initiatives are paused or not proceeding at this time and so do not show timelines: CU12, SeC04, CSS06b, CSS07, CBO08b, SuC08, SuC10
3. Some initiatives do not have confirmed timelines at this time. Additional detail can be found in the theme summaries in Appendix A

Appendix G: Examples of Quality Monitoring Dashboards

Alberta Health Services

Quarterly Monitoring Measures

2019-20 FQ4

Data & Analytics
Reporting Services

Select Zone: Provincial | Select Report Fiscal Year: 2019-20 | Select Report Fiscal Quarter: FQ4 | Select Time Periods Displayed: Show Fiscal Years and YTD only | Select Sort Sequence: YTD Better First

Provincial

Measure Name	Fiscal Year 2016-17 FY	Fiscal Year 2017-18 FY	Fiscal Year 2018-19 FY	Year to Date 2018-19 FQ4YTD	Year to Date 2019-20 FQ4YTD	YTD Comparison	% Improvement
Client Average Wait in Acute / Subacute Hospital before Placement (days)	46	51	46	46	36	●	21.7%
Scheduled Coronary Artery Bypass Graft (CABG) Wait Time (90th percentile in weeks)	10.7	22.2	19.4	19.4	15.2	●	21.6%
Persons Waiting in Acute / Subacute Hospital Bed for Placement	846	676	474	474	410	●	13.5%
Children Receiving Mental Health Treatment (% received appointment within 30 days)*	73%	67%	72%	71% (18-19 Q3)	75% (19-20 Q3)	●	5.6%
Number of People Placed in Continuing Care	7,963	7,927	8,098	8,098	8,521	●	5.2%
Stroke in Hospital Mortality within 30 days (risk adjusted)*	12.5%	12.8%	12.4%	12.5% (18-19 Q3)	12.1% (19-20 Q3)	●	3.2%
Persons Waiting in Community (home) for Placement	1,027	1,261	1,034	1,034	1,002	●	3.1%
Ambulatory Care Sensitive Conditions (annualized admission rate for ACSC)	329	320	311	311	303	▲	2.6%
Acute Care Occupancy (Busiest hospitals)	97.0%	98.0%	96.2%	96.2%	95.4%	▲	0.8%
Acute LOS to Expected LOS Ratio	1.03	1.02	1.02	1.02	1.02	▲	0.0%
Family Practice Sensitive Conditions (% of ED visits for FPSC)	22.3%	21.4%	20.5%	20.5%	20.6%	▲	-0.5%
Hospital Standardized Mortality Ratio (HSMR)	102	102	97	97	98	▲	-1.0%
Hip Fracture Repair within 48 hours of Admission	91.8%	92.8%	94.1%	94.1%	92.4%	▲	-1.8%
Hip Replacement Surgery Wait Time (median in weeks)						▲	-2.1%
Cataract Surgery Wait Time (90th percer weeks)						▲	-2.3%
ED Patients Treated and Discharged wit (LOS <= 4 Hours) (All Sites)						▲	-3.0%
Hospital Acquired Clostridium difficile Infection Rate (per 10,000 patient days)	3.3	3.0	2.5	2.5	2.6	◆	-4.0%
Radiation Oncology Access (referral to first consult 90th percentile in weeks)	5.0	5.0	6.7	6.7	7.0	◆	-4.5%
Hip Replacement Surgery Wait Time (90th percentile in weeks)	32.9	36.7	38.0	38.0	39.9	◆	-5.0%
ED Length of Stay (LOS) for Admitted Patients (median in hours at Busiest Sites)	10.2	10.7	9.9	9.9	10.4	◆	-5.1%
ED Patients Treated and Admitted to Hospital within 8 hours (LOS <= 8 Hours) (Busiest Sites)	37.3%	35.5%	37.9%	37.9%	35.9%	◆	-5.3%
ED Patients Treated and Admitted to Hospital within 8 hours (LOS <= 8 Hours) (All Sites)	46.1%	43.9%	45.4%	45.4%	42.9%	◆	-5.5%
ED Patients Treated and Discharged within 4 hours (LOS <= 4 Hours) (Busiest Sites)	62.6%	60.1%	58.7%	58.7%	55.1%	◆	-6.1%
Knee Replacement Surgery Wait Time (90th percentile in weeks)	36.9	40.7	43.7	43.7	46.9	◆	-7.3%
Radiation Therapy Access (ready to treat to first therapy 90th percentile in weeks)	2.7	2.7	2.7	2.7	2.9	◆	-7.4%
ED Length of Stay (LOS) for Discharged Patients (median in hours at Busiest Sites)	3.2	3.4	3.4	3.4	3.7	◆	-8.8%
Cataract Surgery Wait Time (median in weeks)	13.9	14.9	16.9	16.9	18.4	◆	-8.9%
Scheduled Coronary Artery Bypass Graft (CABG) Wait Time (median in weeks)	5.1	6.6	7.0	7.0	7.7	◆	-10.0%
Knee Replacement Surgery Wait Time (median in weeks)	16.3	20.7	19.1	19.1	21.1	◆	-10.5%
Heart Attack (AMI) in Hospital Mortality within 30 days (risk adjusted)*	5.5%	5.4%	5.7%	5.6% (18-19 Q3)	6.2% (19-20 Q3)	◆	-10.7%
ED Patients Left Without Being Seen and Left Against Medical Advice	3.9%	4.3%	4.5%	4.5%	5.1%	◆	-13.3%
ED Time to Physician Initial Assessment (median in hours at Busiest Sites)	1.3	1.4	1.4	1.4	1.6	◆	-14.3%
Medical Oncology Access (referral to first consult 90th percentile in weeks)	5.0	5.6	6.1	6.1	7.0	◆	-14.8%
Health Link Alberta Calls Answered within Two Minutes	73.5%	72.5%	73.6%	73.6%	59.5%	◆	-19.2%
Postponements of Scheduled Surgeries due to System Capacity	0.4%	0.5%	0.3%	0.3%	1.9%	◆	-533.3%

Example dashboard – for illustrative purposes

The % improvement is the percent change between the current FQ/YTD and the corresponding FQ/YTD value from the previous year. For each measure, the direction of the % change reflects whether an increase or decrease is considered an improvement. For example, increases in wait times are considered a decline, hence a negative percent change. A green circle indicates that a measure improved by more than 3.0%. A red diamond indicates that a measure declined by more than 3.0%. A yellow triangle indicates that a measure was stable.

* Measure reporting lagged by one quarter.

Data as of May 20, 2020

Alberta Health Services

Select Group/Hospital	Groups or Hospitals	Unit	Select FY/QTR	# of Time Periods
AHS - Busiest Sites	By Group	All	Quarter	16

Operational Best Practice Dashboard: AHS - Busiest Sites By Quarter

		2016/17				2017/18				2018/19				2019/20				Trend Graph
		FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	
Acceptability	Adult Inpatient Experience - Nursing Care (%)	82.9..	82.9..	82.8..	82.7..	82.9..	83.2..	83.3..	83.7..	84.1..	84.1..	83.5..	83.8..	83.7..	84.4..	84.5..		
	Adult Inpatient Experience - Overall Hospital Ra..	82.3..	81.7..	81.5..	81.0..	81.2..	80.7..	80.9..	81.3..	82.0..	82.0..	82.1..	82.0..	82.8..	82.6..	82.4..		
	Adult Inpatient Experience - Pain Control (%)	76.3..	74.7..	75.5..	76.1..	76.2..	75.5..	74.5..	77.2..	77.3..	76.0..	76.7..	75.7..	76.1..	77.1..	75.5..		
Accessibility	% Days ALC	13.2..	13.6..	16.2..	17.1..	17.7..	16.1..	17.9..	17.0..	16.3..	15.1..	16.0..	15.0..	12.5..	14.6..	13.7..	14.5..	
	ED Avg LOS Admitted Patients	13.6	13.8	15.9	16.8	15.2	15.6	16.9	17.0	14.6	14.3	14.6	14.7	14.7	14.6	14.5	15.3	
	ED Avg LOS Discharged Patients	4.0	3.9	4.0	4.1	4.1	4.1	4.2	4.3	4.2	4.2	4.3	4.3	4.4	4.4	4.5	4.5	
Effectiveness	3 Day ED Revisit Rate	11.3..	11.6..	11.0..	11.0..	11.0..	11.3..	10.9..	10.7..	10.8..	11.2..	10.9..	10.6..	10.5..	10.7..	10.6..	10.0..	
	3 Day ED Revisit Rate Admitted	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.5%	1.6%	1.5%	1.6%	1.5%	1.6%	
	30-day In-hospital Mortality Following Ma														1.4%	1.5%		
	% Readmissions - 7 Day														3.1%	3.2%		
	% Readmissions - 30 Day														8.1%	8.1%		
	AMI In-Hospital Mortality	4.2%	4.8%	5.3%	5.1%	5.5%	4.8%	4.5%	5.5%	5.2%	4.6%	6.2%	6.1%	4.9%	6.4%	6.0%		
	Stroke In-Hospital Mortality	10.7..	13.1..	13.5..	10.9..	11.7..	11.7..	13.4..	15.6..	12.0..	12.4..	12.8..	11.6..	10.9..	11.5..	14.3..		
Efficiency	Workforce - Overtime rate	1.2%	1.3%	1.2%	1.2%	1.2%	1.3%	1.4%	1.5%	1.4%	1.7%	1.7%	1.6%	1.6%	1.6%	1.4%	1.0%	
	Workforce - Sick Rate per FTE	9.6	8.9	11.1	11.2	10.1	9.3	12.2	11.2	10.4	9.5	12.0	11.0	10.7	10.1	12.2	11.8	
	Workforce - Vacancy rate	8.4%	8.9%	8.8%	8.8%	9.2%	9.3%	9.2%	9.4%	9.3%	9.5%	9.2%	9.2%	9.2%	9.0%	8.8%	8.7%	
	Workforce - Worked Hours Rate	82.5..	81.0..	83.6..	81.8..	82.4..	80.7..	83.3..	81.6..	82.0..	80.5..	82.8..	80.8..	82.0..	81.2..	80.8..	80.0..	
Safety	Crude Inpatient Mortality Rate	2.09..	2.29..	2.40..	2.52..	2.25..	2.33..	2.55..	2.57..	2.28..	2.24..	2.45..	2.46..	2.33..	2.34..	2.47..	2.73..	
	Hand Hygiene Compliance (%)	82.3..	83.5..	82.6..	83.0..	84.6..	84.0..	84.8..	85.1..	86.6..	85.1..	85.9..	87.2..	86.2..	84.5..	87.3..	87.7..	
	Hospital Acquired C-diff Rate	3.88	4.03	3.74	4.20	3.30	3.69	3.70	3.38	2.91	3.21	3.04	2.75	3.20	3.04	2.78	2.91	
	Hospital Acquired MRSA - MRSA BSI Rate	0.2	0.2	0.2	0.3	0.1	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.2	0.4	0.3	0.2	
	HSMR	96.8	106.0	105.2	103.0	97.0	103.9	108.5	102.0	98.1	92.2	101.1	99.7	94.8	95.9	101.7	105.1	
	In-Hospital Fractures	0.96	0.90	1.00	1.36	1.01	1.30	1.25	1.22	0.89	0.82	1.22	0.81	1.14	1.20	0.86	0.98	
	Pressure Ulcers	2.36	1.77	2.48	2.26	1.98	2.08	1.92	1.98	1.78	1.42	1.75	1.53	1.72	1.82	2.01	1.43	
	Urinary Tract Infections	15.46	16.56	15.68	17.18	16.24	16.45	14.57	15.71	13.37	12.94	12.58	14.50	14.36	16.21	14.70	15.24	

Example dashboard – for illustrative purposes

Produced by Zone Analytics and Reporting Services | Workbook: Operational Best Practice Quality Dashboard | Current User: Natalie McMurtry

DJMR

* **Incomplete Fiscal Year** ^ **Caution: Low Volumes**

July 18, 2020