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January 8, 2024

Mr. Leland McEwen  
Executive Director, Labour Relations  
Alberta Health Services  
Suite 900, 9925 – 109 Street NW  
Edmonton, Alberta T5K 2J8

Dear Mr. McEwen,

Thank you for your response to United Nurses of Alberta's notice to commence collective bargaining. We look forward to meeting your team on February 6, 2024.

I believe your final three paragraphs may require that I further explain my earlier letter. We are aware that AHS took a neutral position regarding ALRB file No. GE-08940. My earlier comments were in no way meant in any retributive manner, and I apologize if it appeared otherwise.

It is also important for you to understand that UNA has no intention of encouraging members to engage in preterlegal actions. We will, however, continue to assert our members' legal rights under the Labour Relations Code, including section 149 (1) (f) to refuse to perform all or some of the duties of another bargaining unit that is involved in a strike. As I indicated, having no Direct Nursing Care performed because members of Auxiliary Nursing Care bargaining unit have elected to take legal job action seems to make no labour relations sense. Because the situation is so unusual, we felt it best to raise it at the earliest opportunity.

Finally, I ask that AHS recognize the current delicate situation that exists in health care. In the circumstances in which this round of bargaining is taking place, and in particular given the concerns of front-line nursing staff about excessive workloads, understaffing and exhaustion from too many additional hours, we were extremely concerned to read some of the comments in Chief Financial Officer Michael Lam's cost-management strategies memorandum to AHS senior leaders. (See attached.)

Mr. Lam's instruction in particular for managers in all areas to reduce the use of overtime and agency staffing by "at least 10 per cent" is tantamount to lighting a match in a powder keg. Inevitably, the impact of such an inflammatory policy will be more burn-out and sick time among front-line staff and will undermine efforts to retain and recruit front-line health care employees. The reaction of front-line nurses represented by UNA and members of other unions is bound to be extremely harsh.

UNA

Moving forward, we would hope AHS does not intend to pursue policies that are certain to have a serious impact on front-line service delivery, patient safety and labour relations.

Sincerely,

A handwritten signature in black ink, appearing to read 'DH' followed by a stylized flourish.

David Harrigan  
Director of Labour Relations  
United Nurses of Alberta

cc. Athana Mentzelopoulos, CEO, Alberta Health Services  
Raelene Fitz, Lead Negotiator, Alberta Health Services

## Introducing cost management strategies

- AHS has **identified key strategies** to **reduce spending**.
- Leaders are **encouraged to work with their teams** to find more ways to **increase efficiencies**.
- **Please share** this with your team, where appropriate.

Dear senior leaders,

Patients are at the heart of all our decision-making. Providing the right care when and where Albertans need it will always be our priority along with managing spending in a prudent manner that adheres to approved budgets.

AHS is forecasting an operating deficit for the 2023/24 fiscal year. This is largely due to increased vacancies and unplanned absences (e.g., sick leave), both of which result in increased costs and overtime. Action is required to continue to meet our high standard of care and realize a balanced result.

To reduce spending, these strategies are being implemented, effective immediately.

1. Vice President or ELT leader approval is required to recruit to any vacant position, except for existing non-management positions in clinically-focused portfolios (Clinical Operations, Cancer Care Alberta and Clinical Support Services, Provincial Addiction and Mental Health and Correctional Health Services, areas within Provincial Clinical Excellence).
2. Discretionary spending (restricted/grant or operating) must not proceed. This includes, but is not limited to:
  - Travel outside of Alberta
  - Travel within Alberta for non-clinical purposes
  - Purchases of non-clinically required minor equipment (e.g., non-clinically required IT devices) and office supplies
  - Consultant engagements
  - Education (e.g., professional development, courses, conferences)
  - Working sessions, hosting or hospitality, recognition
3. Portfolios with positive variances from their budget must maintain or increase these variances for the remainder of the fiscal year.
4. We're reviewing all organizational initiatives to determine if they should be slowed or paused, as well as management strategies around the use of overtime and agency staffing. All non-clinical overtime requires Vice President or ELT leader approval, and all areas are asked to monitor and implement strategies to reduce the use of overtime and agency staffing in their areas by at least 10 per cent, while minimizing impacts to frontline service delivery.

We know we can do more to increase efficiencies. Overall, we ask you and your teams to seek

opportunities to reduce spending wherever possible and manage spending prudently. We're confident you will apply good judgment on necessary costs as we work together to maintain a sustainable healthcare system for Albertans. This is only the first step in reducing our spending and we will continue to work hard to realize more savings in the months to come.

Please share this information with leaders on your team, as appropriate, as you make cost savings decisions together. Your Finance Business Advisory Services (BAS) representative is available to discuss or answer any questions you may have.

We acknowledge areas of the healthcare system continue to be stressed. In these demanding days, your resilience and commitment are evident in the amazing work you do each and every day. Your dedication has not gone unnoticed.

We appreciate your ongoing leadership and compassion for our patients.

Sincerely,

**Michael Lam**

Acting Vice President Corporate Services and Chief Financial Officer, and