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Standing Committee on Public Accounts

Chairperson
Mr. Leonard Derkach
Constituency of Russell

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, April 15, 2009

TIME – 7 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Leonard Derkach (Russell)

VICE-CHAIRPERSON – Ms. Jennifer Howard (Fort Rouge)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Mr. Selinger

Messrs. Borotsik, Derkach, Dewar, Ms. Howard, Messrs. Jha, Lamoureux, Martindale, Maguire, Mrs. Stefanson, Mr. Whitehead

APPEARING:

Mrs. Myrna Driedger, MLA for Charleswood

Hon. Theresa Oswald, MLA for Seine River

Ms. Carol Bellringer, Auditor General

Ms. Arlene Wilgosh, Deputy Minister of Health and Healthy Living

MATTERS UNDER CONSIDERATION:

Auditor General's Report to the Legislative Assembly–Audits of Government Operations, dated December 2008: Chapter 2, Monitoring Compliance with The Ambulance Services Act

Auditor General's Report to the Legislative Assembly–Audits of Government Operations, dated December 2008: Chapter 3, Pharmacare Program–Part 2

Auditor General's Report–Audit of the Pharmacare Program, Manitoba Health–April 2006

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Mr. Chairperson: The hour being 7:10, I'd like to call this meeting of the Public Accounts Committee to order.

This meeting has been called to consider the following Auditor General's reports: the Audits of Government Operations, dated December 2008: Chapter 2, Monitoring Compliance with The Ambulance Services Act; Chapter 3, Pharmacare Program–Part 2; and the Audit of the Pharmacare Program, Manitoba Health–April 2006.

Before we get started, are there any suggestions from the committee as to how long we should sit this evening.

Mr. Rick Borotsik (Brandon West): Nine o'clock, Mr. Chairperson. I think if we saw the hour at 9 o'clock, I think most everybody would be agreeable to that.

Mr. Chairperson: Is that in agreement? *[Agreed]* Thank you.

Are there any suggestions as to the order in which we should consider these reports?

Ms. Jennifer Howard (Fort Rouge): I think as printed on the agenda would work.

Mr. Chairperson: Is there agreement? *[Agreed]* Thank you so much.

* (19:10)

Before we proceed any further, I'd like to just bring to the attention of the committee that, in our discussions, we have proposed changes to the opening statement arrangements, and I think if there's general agreement, that the minister and the critic will both forgo their opening statements this evening.

Also, we discussed the issue of a steering committee proposal, and that a steering committee be established with membership of the Vice-Chair, the Chair, the Auditor General and the clerk of committee. Is that agreed to? *[Agreed]* Thank you.

For future meetings, we also discussed the practicality of trying to move the Public Accounts process forward by eliminating the opening statements of the minister and the critic on a trial basis, but if there are pressing issues that the minister would like to put on the record, he or she will not be denied and neither will the critic. But, as a general rule, we will forgo those opening statements on a procedural basis unless there is some objection down the road. Is that agreed? *[Agreed]* Thank you very much.

Is it the will of this committee, when we are considering reports with distinct chapters, that the Chair will ask if the committee has completed consideration of a given chapter, also, that the committee will report the completion of the consideration of that chapter to the House? Is that agreed. *[Agreed]* Thank you so much.

So, in accordance with our discussions, we will begin this meeting by asking the Auditor General to give us an overview, a summary or, perhaps, focus in on the most important issues that we're facing in the report.

Ms. Carol Bellringer (Auditor General): Thank you, Mr. Chairperson. I'll do these one by one. So I'll just deal first with the audit report that was issued in December 2008, and it's Chapter 2 of our Audits of Government Operations, and it's the Monitoring Compliance with The Ambulance Services Act.

In that audit we examined the Department of Health and Healthy Living fund, the Ambulance Services program and that's administered by the regional health authorities. That's a service that provides emergency medical response and transportation services by both ground ambulance and air for individuals in need. What we looked at in the audit, we examined the department's processes for administering the provisions of–there's an act and a regulation–The Ambulance Services Act and the Ambulance Services and Licenses Regulation, and we looked at aspects of licensing, inspection and minimum specifications for equipment.

The overall finding of the audit was that the department was appropriately administering the provisions of both the act and the regulation with respect to licensing, inspection and the minimum specifications for equipment. We had some exceptions to that. One was that ambulance service providers holding a provisional licence, whether they were complying with the provisions of those licences, there was no established process over that.

Also, no established process ensuring that the ambulance attendants holding a probationary licence were complying with the restrictions of the probationary licence.

The third exception was no licensing process for aeromedical pilots and aeromedical attendants.

The next was no verification that all of the applicants were at least 18 years old, or that those applicants for ambulance operator licences held at least a class 4 driver's licence.

While I'm sure that the department will have further updates on that, we did note in our report that even prior to release of the audit that all of the recommendations in the report had since been implemented.

Mr. Chairperson: I omitted one part of our agreed-to procedure, and that was that, in the future, the deputy minister for the department of the report that's being considered would be allowed to respond after the Auditor General.

Is that agreed to as well? *[Agreed]* That's for future meetings.

Ms. Howard: I just want to clarify that this new way of opening our meetings, we're trying it out and, certainly, if the minister or the critic at any time wanted to go back to giving an opening statement, that would be allowed. I think you said that.

Mr. Chairperson: Yes.

Ms. Howard: But I just want to clarify for everyone that this is a trial and, if we decide to go back to doing things the way we were doing it before, we can do that.

Mr. Chairperson: Yes, and we did not expect that the Deputy Minister of Health would be coming forward with a response this evening because that's not something we had alerted to the department beforehand. But I do want to give the opportunity to the deputy minister if she so chooses to respond to what, perhaps, the Auditor has said now, but there's no obligation to do that.

Ms. Arlene Wilgosh (Deputy Minister of Health and Healthy Living): I'll pass at this time.

Mr. Chairperson: Thank you, Madam Auditor General, and the deputy minister.

The floor is now open for questions.

Mrs. Myrna Driedger (Charleswood): In looking at the spending in EMS over a period of time, I've noticed that it's doubled from $28.5 million from '03-04 to almost $59 million in '07 and '08.

Can the deputy explain where these costs are coming from within that department?

Ms. Wilgosh: Since 2003 and '04, there've been several funding programs that have been added to the EMS system. This includes the inclusion of the Medical Transportation Co-ordination Centre, it includes the increasing cost of the fleet program. There have been significant negotiated paramedic

contract increases that are also included in these figures and, in addition, there's been a 36 percent increase in EMS call volume which has contributed to us hiring additional staff, and converting staff from what were previously casual or part-time positions into more full-time positions. So those factors together have added to the increased cost that you're referring to.

Mrs. Driedger: Regarding the Manitoba Emergency Services Medical Advisory Committee, which was established to recommend and advise on changes to applicable legislation, is that group still operational? Are they still in place?

Ms. Wilgosh: Yes.

Mrs. Driedger: Can the deputy minister indicate who might be on that committee?

Ms. Wilgosh: There are a variety of players. I would have to get back to you with the exact composition.

Mrs. Driedger: That's fine. Even, you know, sending a list to my office, that'll be fine.

Ms. Wilgosh: Sure.

Mrs. Driedger: Also, the Auditor General found that this group was only meeting twice a year in '03, '04 and '05, even though they were supposed to be meeting six times a year.

Has that changed and are they meeting according to what they're supposed to be in '06, '07 and '08?

Ms. Wilgosh: I can't tell you the exact number of times that they have been meeting, but I do know that we have increased the frequency of the meetings to come more in line with what the report suggested.

Mrs. Driedger: Would the minister, when she sends the list of members of the committee, would she be able to provide, I guess, a listing of the meeting dates that this group has met and, also, does the committee publish reports or minutes and are they available to the public?

Ms. Wilgosh: No, I think the minutes are only for the committee members. They are not published for the public.

* (19:20)

Mrs. Driedger: In terms of the departmental response to the recommendation to establish a formal review process to verify that ambulance service providers with a provisional licence are complying with the provisions of their licence, who in the department is conducting the contact and follow-up with the service providers?

Ms. Wilgosh: That would be a branch emergency medical service officer, who is assigned the service licence portfolio.

Mrs. Driedger: How often is the department inspecting service providers' provisional licence status?

Ms. Wilgosh: Provisional licences are monitored on a regular basis. They're usually issued for a three-month period. During that time they're monitored on a monthly basis and then they are re-assessed prior to the expiry date that's issued on the provisional licence.

Mrs. Driedger: What is the reporting process for the findings of this review?

Ms. Wilgosh: The medical services officer would report up through the director of the EMS branch, and if there are continuing issues it would go to the assistant deputy minister and then up the chain.

Mrs. Driedger: Who is responsible for monitoring the conditions of the service providers' provisional licences? I think you've probably already indicated some of that, but if you wouldn't mind just repeating, specific to that question.

Floor Comment: It's–

Mr. Chairperson: Ms. Wilgosh. Sorry about that.

Ms. Wilgosh: Sorry.

Mr. Chairperson: Just for the record.

Ms. Wilgosh: It is the medical services officer. There are four of those officers in the branch.

Mrs. Driedger: In terms of the departmental response to address the inconsistent verification practice of ambulance operators holding at least a class 4 driver's licence, who in the department is responsible for collection and verification of the applicant's identification?

Ms. Wilgosh: The applications can be received by either administrative staff or by the officers. Processing of the applications is done by the branch administrative staff, and that does include a checklist which incorporates validation of proof of age.

Mrs. Driedger: How does the department manage the applicant's data that has been collected?

Ms. Wilgosh: Personnel files are set up for each applicant. Active files are kept in the branch office in

locked file cabinets. Inactive files are archived three years past the expiry date of their licence.

Mrs. Driedger: Does the department have any compensating controls in place to verify the validity of current ambulance operators' licence status?

Ms. Wilgosh: The compensation methods would be to have the validation checklist and to have this reviewed by the officers within the branch.

Mrs. Driedger: In terms of the departmental response to put in place a process to address the inconsistent verification practice of ambulance attendants aged older than 18, who in the department is responsible for collection and verification of the applicant's identification?

Ms. Wilgosh: This is a similar answer to the previous one, but applications may be received by the administrative staff or officers. Processing of the applications is done by administrative staff. All personnel are required to submit a personnel application form. They are also required to submit proof of age and the class 4 driver's licence; so birth certificate, class 4 driver's licence, and then there is a validation that is done by the staff to ensure that that information is accurate.

Mrs. Driedger: Similar to a question before, how does the department manage the applicant's data that's been collected?

Ms. Wilgosh: Applicants must present with originals of the required documentation. The originals are photocopied, stamped, and originals are returned to the applicant.

Mrs. Driedger: Does the department have any compensating controls in place to verify the validity of current ambulance operators' age?

Ms. Wilgosh: All applicants are required to submit photo ID, proof of age upon applying for a licence, and then the branch personnel verify that information, including the checklist that I mentioned earlier.

Mrs. Driedger: In terms of the departmental response to establish a licencing process for aeromedical attendants and air ambulance pilots, who in the department is responsible for conducting the review process to verify compliance with licence restrictions, and who is responsible for monitoring the conditions of the licence?

Ms. Wilgosh: The branch emergency medical services officer assigned to that portfolio is responsible for conducting a review process to verify compliance and monitoring of licence restrictions. The branch officer works in consultation with an aviation consultant and the provincial medical director, if that's required, and there is a report provided to the branch director.

Mrs. Driedger: How often is monitoring conducted by the department?

Ms. Wilgosh: On an annual basis, a personnel list generated from the branch database is provided to the service licence holder for verification that the personnel on that list are current and in their employ. Sixty days prior to the expiry of personnel licences, personnel are required to submit a renewal application with all current information on a case-by-case basis. Appropriate monitoring is conducted on an ongoing basis.

Mrs. Driedger: Are aeromedical attendants and aeromedical pilots and their employers required to submit a signed confirmation of acknowledgment and understanding of the department's specific written conditions of the provisional licence, including any restrictions in practice?

Ms. Wilgosh: Personnel and employers are provided with clear and specific written conditions of the provisional licence, including any restrictions. At present, we do not require that they submit a signed confirmation of acknowledgment and understanding. Just to put that into a bit of context, there are presently over 1,500 licensed providers. Five percent of those have provisional licences, so there's a lot of due diligence that is applied to those people.

Mrs. Driedger: What is the reporting process for the findings of the monitoring process?

Ms. Wilgosh: Findings are documented, presented to the branch director, and/or the provincial medical director for review, determination of any further action and if there's additional consultation that's required, that happens with the assistant deputy minister.

Mrs. Driedger: Can the deputy minister tell me how many air ambulance providers are now operating in Manitoba?

Ms. Wilgosh: I believe there are five. That's off the top of my head.

Mrs. Driedger: Can the deputy minister tell us that under the new licensing process, does the department proactively verify information, or does the

department put the onus on each air ambulance service provider to submit information?

Ms. Wilgosh: We would ask them to submit information and then we would verify that information.

Mrs. Driedger: Another question: The Manitoba Emergency Services Medical Advisory Committee, do they provide any input on the licensing requirements for aeromedical attendants and air ambulance pilots?

Ms. Wilgosh: I would need to ask that specific question.

Mrs. Driedger: That's fine. Again, if it was information that the deputy could provide afterwards, that would be fine.

Were any of the air ambulance service providers working in Manitoba prior to April 1, 2006, denied licences when the new licensing process came into effect on April 1?

Ms. Wilgosh: I would need to verify that. I don't believe so, but I would need to verify that.

Mrs. Driedger: In terms of the departmental response to put in place a process to monitor that ambulance attendants holding probationary licences are complying with restrictions, who in the department is verifying that applicants have a valid class 4 licence under The Highway Traffic Act and The Drivers and Vehicles Act?

Ms. Wilgosh: During the application process, the department verifies that the applicants have a class 4 licence.

Mrs. Driedger: Is there a monitoring process in place to periodically verify that ambulance attendants have a valid class 4 licence?

* (19:30)

Ms. Wilgosh: Yes.

Mrs. Driedger: Are provincially licensed technicians required to submit signed confirmation of acknowledgment and understanding of the federal, provincial, municipal and local laws, regulations and regional health authority policies affecting the operation of an emergency vehicle?

Ms. Wilgosh: All provincially licensed technicians receive a Responsibilities of Personnel Licensed under The Emergency Medical Response and Stretcher Transportation Act and the land emergency medical response system regulation states that all licensed technicians are responsible to be familiar with the various pieces of legislation. We do not require them to submit a signed confirmation.

Mrs. Driedger: Can the deputy minister tell us how many probationary licences are issued each year?

Ms. Wilgosh: I would have to get back to you with that information.

Mrs. Driedger: Is the department satisfied that attendants with the probationary licence are never the only attendant providing care to a patient?

Ms. Wilgosh: Yes.

Mrs. Driedger: Are there restrictions on how many attendants working with one service provider can hold probationary licences?

Ms. Wilgosh: I don't believe so, but I would need to confirm that.

Mrs. Driedger: On page 55, 56 of the report regarding Process to Inspect for Required Equipment the Auditor General reviewed the inspection reports for three RHAs. Where infractions were found, EMS had requested that the ambulance provider correct the infraction, and in each case the ambulance service provider reported that they did; however, there was no scheduled follow-up by EMS until the next inspection.

Can the deputy minister tell us: Does EMS now have a process in place to follow up on the infractions that ambulance service providers are asked to correct?

Ms. Wilgosh: Yes.

Mrs. Driedger: That concludes my questions on this particular report, on The Ambulance Services Act.

Mr. Larry Maguire (Arthur-Virden): Just a quick question in regard to your ambulance pilots and that sort of thing. Now, Deputy Minister, if I could, and I'm not sure if my colleague asked this or not, but the number of pilots, how many pilots would we have in the air ambulance process in Manitoba?

You said there are five air ambulance service providers, I believe?

Ms. Wilgosh: Those are companies. I would need to verify how many actual pilots there are.

Mr. Maguire: Is it possible to name the companies? I probably should be familiar with who they are, but do you have a listing of the companies?

Ms. Wilgosh: I will provide that later.

Mr. Maguire: Thank you, if you could, and perhaps just a quick look at the number of pilots that are there as well and sort of–I know there have been questions asked about the process that they go through, but their–I don't know if it's appropriate to ask the experience or the length of time that some of them have been pilots with the companies and that sort of thing or not in relation to the total number of personnel that are pilots with those companies and perhaps their experience as well.

Ms. Wilgosh: We'll provide as much information as we can to answer that question.

Mr. Borotsik: Mr. Chairman, to the deputy minister, just a couple of very quick questions. You had mentioned there are 1,500 ambulance attendants at the present time, of which about 5 percent are on probation. Was that the number?

Ms. Wilgosh: Provisional licences, yes.

Mr. Borotsik: Of 1,500, what type of turnover do you have in that particular area of your department, on the 1,500? What would the normal turnover be on an annual basis? Do you know that?

Ms. Wilgosh: Just a point of clarification. They're not actually within our department because they are employed by the regional health authorities and/or by City of Winnipeg, City of Brandon or City of Thompson, or there are a few independent ambulance services still across the province. So the amount of turnover would vary depending on the individual region. We do know that, in rural regions surrounding the city of Winnipeg, they have probably a greater turnover because people look to come in and get employed in the city. So the rural regions are trying to recruit more to maintain that. There's probably greater stability the further away you get from the city, as long as they are in full-time employment.

Mr. Borotsik: I'm familiar with the service provided by the City of Brandon, and certainly it's an excellent service. Is it your department's responsibility to make sure that their qualifications are up to standard, up to date and, in fact, their licensing is being complied with the requirements of the department?

Ms. Wilgosh: For those people that are providing paramedic services, yes.

Mr. Borotsik: Thank you. One other question with respect to air ambulance. There are five, as I understand you had indicated, there were five particular carriers. Do you contract with each individual carrier? Do you have a written contract, a tendered contract that you would enter into those particular carriers for on an annual basis?

Ms. Wilgosh: Yes.

Mr. Borotsik: How would you do a callout if you have five specific contracts? I'm just curious, is there a specific number of calls that each one of those contracts would receive on a monthly basis or an annual basis or, how would you call out one of those particular contracts?

Ms. Wilgosh: I would need to double confirm this but, to the best of my understanding, some of these providers provide service to certain locales within the province. They do provide the backup service. This is basic air-medical, so it's not the Lifeflight that I'm talking about. So different carriers go to different parts of the province, and it would be that part.

Mr. Borotsik: Last question. The Lifeflight itself, is it operated through your department or is that contracted out as well?

Ms. Wilgosh: It's operated as a part of the department.

Mr. Kevin Lamoureux (Inkster): Mr. Chair, just a couple of very quick questions. Does the Department of Health have a sense in terms of what sort of numbers ambulance travel would be from, let's say, a home to a health-care facility, versus from one health-care facility to another health-care facility? Do you maintain those types of numbers?

Ms. Wilgosh: Yes, we maintain. We have access to the volumes for interfacility transfers, so those from facility to facility, versus those that would be emergency calls.

Mr. Lamoureux: I don't need the numbers right now, but is it possible to get a copy of what those numbers have been like, just for the last few years since the audit was done?

Ms. Wilgosh: Yes, so we will provide the information that we have on some of the interfacility transfers. I don't believe we have it going back the three years that you're asking for, so what we have, we will provide.

Mrs. Driedger: In the questions that were being asked, a few more came to mind in terms of patients being flown in from the north. I understand through a meeting that I had that there have been an increased number of patients coming in from the north in the last number of years. In fact, the numbers have

doubled from 2,000 flights back in about '04 to about 4,000 flights a year now. Patients coming in from the north, and ambulances are picking them up at the airport here. That information came to me via Chief Brennan.

Can the deputy minister explain what might account for such a significant increase in patients being flown in from the north?

* (19:40)

Hon. Theresa Oswald (Minister of Health): Mr. Chair, we can, of course, both endeavour to answer this. First of all, we'd want to have a verification of the hypothesis presented in the question of the numbers. We know that there are volumes of calls that come from the north into our tertiary-care centres in Winnipeg for any variety of reasons, if it has to do with complexities concerning chronic disease, if it's trauma type situations. So there would be any variety of ailments and illnesses that might require that kind of transport.

So it's a very broad question. We acknowledge that population in the north comprised of many First Nations people having a greater disparity in health status than people in southern portions of Manitoba can often require more care in tertiary centres. But there would be a variety of factors involved in that kind of transport.

I would turn to the deputy to add to that as well.

Ms. Wilgosh: I think the minister has provided a good answer.

Mrs. Driedger: It might be something the department wants to have a closer look at. If, indeed, in around '04, there were in the vicinity–and I don't have all the numbers in front of me either–but in the vicinity of 2,000 transfers in a year. Now that is up to 4,000. It does, sort of, raise some questions about what is going on that we would see a doubling of numbers like that.

The other question I would have related to that is when a doctor in the north or a hospital in the north wants to send a patient to Winnipeg; is there an approval process they have to go through to get that patient flown to Winnipeg, or is it any doctor or any nurse or any hospital can put a patient on a flight and send them to Winnipeg?

Ms. Wilgosh: There would be two ways that that could happen. So, first of all, if it is transport that's coming in from a First Nations community and federal nursing station, that would be a process that's authorized through the federal government transportation mechanism. If it is a patient that's coming in through the Manitoba-funded system, so a hospital in the north or one of the nursing stations that the provincial government is responsible for, the patient is flown depending on their need, on the basis of a doctor's order.

So there is sort of a quasi-approval process that happens, but our main priority is to get the patient in for care first; we're not going to wait for an approval, you know, paperwork process to happen.

Mrs. Driedger: Would it be based on any doctor's approval, like any doctor can make that decision? I guess, would a nurse also be able to make that decision or is it only a doctor or can it be the head of an RHA, for instance?

Ms. Wilgosh: Typically, it's done based upon a doctor's order, nurse, extended practice nurse could call for that. There would probably be some discussion with a physician, usually at the receiving facility, if not at the sending facility. It would be very rare for the head of a regional health authority, a nonmedical person to be making that call.

Mrs. Driedger: Just a final comment or request, I guess, is once the department's had a chance to have a look at these numbers, if you might be able to share it with us as well, so that we can have an indication of what is causing such a dramatic increase, because the ripple effect, too, is on ambulances here in the city. If now we're doubled up, I'm told that we've now got in total 12,000 interfacility transfers a year as compared to, I think it was somewhere in the vicinity of six a number of years ago. So there's obviously a ripple effect in a very, very short time being put onto the EMS system in Winnipeg and, from my conversations with front-line paramedics, I don't think they're feeling they're prepared for what is happening and the ripple effect that's occurring for a number of reasons. If the deputy would be able to share that once they've done some looking into it, that'd be great. Thanks.

Ms. Wilgosh: Yes, we'd be allowed to do that.

Mr. Chairperson: Thank you very much. Seeing no other questions, is the committee agreed that we have completed consideration of Chapter 2, Monitoring Compliance with The Ambulance Services Act of the Auditor General's Report to the Legislative Assembly–Audits of Government Operations, dated December 2008? Agreed? *[Agreed]*

Now we will move on to the next section. We will move now to Auditor General's Report to the Legislative Assembly–Audits of Government Operations dated December 2008: Chapter 3, Pharmacare Program–Part 2.

Ms. Bellringer: This audit of the Pharmacare program–it's actually Part 2. We'll be dealing with Part 1 as the third item on the agenda. This audit objective followed–it's a separate set of objectives; it isn't sort of a Part 1, Part 2 that you need to–they're quite separate.

This one looks at determining whether the department had adequate processes in place around eligibility, the accurate calculation of the insured person's deductible, ensuring that pharmacies were complying with the acts and regulations, and that only accurate and valid claims were paid, and whether the pharmacies were complying with the procedures and guidelines related to making accurate and valid claims. The audit concluded that appropriate processes were in place in most areas and also that pharmacies were complying with the procedures and guidelines related to making accurate and valid claims.

We did find four major areas where opportunities to improve the process existed. The first was around the communication process to those who would be eligible for the program. The second process is around changes to information about a person's status with regards to third-party insurance. The third was in terms of the department monitoring the professional fees that were claimed and, finally, the effectiveness of the investigation and audit functions.

The other major finding in the audit report is around a non-compliance issue with the requirements of the act and the regulations in regard to accounting for the recovery of the drug costs by the Pharmacare beneficiaries from third-party insurance providers, which may have resulted in potential Pharmacare overpayments. There is no estimate of what that potential overpayment might have been.

Mr. Chairperson: Thank you, Madam Auditor. Does the deputy wish to add comment?

Ms. Wilgosh: Not at this time.

Mr. Chairperson: No? Thank you very much. The floor is now open for questions.

Mrs. Driedger: The first recommendation was that there should be a documented communication strategy. Can the deputy minister tell us what are the details of the Pharmacare communication strategy and how has it been implemented and has it been fully implemented?

* (19:50)

Ms. Wilgosh: We began to develop the communications strategy by doing a comprehensive review of all the existing communication methods, the messages, linkages to identify gaps and opportunities. We have developed a strategy that includes regularly scheduled communications with health professionals, patients, pharmacy service providers. I can name a couple of examples where it would demonstrate linkages. Actually, there is a session that is happening tomorrow with pharmaceutical companies where we're providing a technical briefing on our utilization management agreements as an example of how we are reaching out and working with involved stakeholders.

Mrs. Driedger: The deputy minister just indicated a number of groups that are, I guess, recipients of the communication strategy. Are those basically the key interest groups, or are there others that are part of the communication strategy, or are those specifically the people targeted within the strategy?

Ms. Wilgosh: The key ones would be health professionals, pharmacy service providers, patients. There are others, such as the Manitoba Pharmaceutical Association, Manitoba Society of Pharmacists. You know, the organized groups as well that would be involved in our communication strategy.

Mrs. Driedger: Can the deputy minister tell us how the communications are delivered to these groups? Is there a certain format, or do you have meetings? What is specific within that strategy to reach all of these groups, assuming it might be different for different groups?

Ms. Wilgosh: It is different for different groups. So there are a number of meetings that happen where issues are resolved, meetings at my level, the assistant deputy minister level, and at the executive director level within the department. There is written communication that's provided. There are newsletters that go out to physicians, to pharmacists. We work with other associations: the Manitoba Pharmaceutical Association in its newsletter, Doctors Manitoba in its newsletter, College of Physicians and Surgeons.

So we use a variety of communication methods depending on the audience, what the message is. It

may include a direct letter to a pharmacist or to physicians respecting various drugs or changes to policies.

Mrs. Driedger: How would patients be communicated with and, specifically, what would you want to be communicating to patients?

Ms. Wilgosh: Well, patients can be communicated to for a variety of issues. So a basic one is that we have a call-in number where people can call if they have questions about the Pharmacare benefits, whether or not there have been changes to their eligibility. There may be information that goes out through different advocacy groups on different types of drugs and their relative value to health outcomes. So dealing with bone density or drugs for bone density is one that I'm thinking of, and we have individual–sorry, I think that is my answer, Mr. Chair.

Mr. Chairperson: Okay.

Mrs. Driedger: When some other provinces have looked at medications and patients coming into ERs because of, I guess, improper use of medications–in fact, I think it was in British Columbia a number of years ago, they looked at and did some review of re-admissions of patients to their ER because of medication misuse or misunderstanding, and they found that contributed to a fairly high number of patients attending at ERs.

Have we ever looked at anything like that in Manitoba in order to try to help patients manage their medications better at home so that they don't end up back in our ERs and, again, leading to some of the challenges we see in our ERs? Has that ever been something that we've looked at here? *[interjection]*

Mr. Chairperson: Order, please.

Can we come to order here, folks? Ms. Wilgosh would like to answer the question.

Ms. Wilgosh: I can't cite that there hasn't been a specific study done the same as in British Columbia. I know that we do a variety of reviews here in Manitoba. So automatically the DPIN system itself lets us know what drugs individual patients are on.

There is work that's also happened through the Manitoba Institute for Patient Safety, working with patients so that they know what medications they're on so that they can take a list when they go into the hospital or go to see their physician.

We know that regional health authorities, there's a major movement to do drug reconciliations on a regular basis so that we're taking a look at the medications that individuals are on, making sure they're not on medication they should not be on, or that they're on two drugs for the same indication, that type of thing, but I can't tell you that we've actually done a study the same as what's been done in British Columbia.

Mrs. Driedger: Have the processes to analyze claims been developed and implemented, the ones submitted by pharmacies? Processes to analyze claims submitted by pharmacies, have they been developed and implemented?

Ms. Wilgosh: The department is reviewing aggregate claims data for utilization trends and are implementing utilization management initiatives where concerns have been identified.

Mrs. Driedger: Can the deputy indicate who's responsible for auditing pharmacies and auditing their claims?

Ms. Wilgosh: That's the department in conjunction with the Manitoba Pharmaceutical Association.

Mrs. Driedger: And are there processes been put in place, you know, standardized processes in order to audit these pharmacies and audit their claims?

Ms. Wilgosh: That is a work in progress. We are working to do that.

Mrs. Driedger: Can the deputy minister indicate how far along that process might be? Is it at the beginning, middle or, you know, towards the tail end of being put into place?

Ms. Wilgosh: It is in mid towards completion. It's past mid, but I can't give you any more definity than that.

Mrs. Driedger: How are pharmacies prioritized for audit? How do you make that determination?

Ms. Wilgosh: Pharmacy compliance reviews are prioritized in order of quantifiable risks in the following order: system impact, patient safety, volumes, patterns of practice, geographic location and practice setting.

Mrs. Driedger: How often are claims analyzed and audited?

Ms. Wilgosh: I would need to verify the frequency. So I will get back to you.

Mrs. Driedger: Has a process been developed to detect individuals who acquire third-party insurance coverage?

* (20:00)

Ms. Wilgosh: Work is under way to do that. This is a very complex situation. It's a long-standing situation, so we are working on that.

Mr. Borotsik: Thank you. Working on it is admirable. I do believe that there's a substantial amount of money available to Pharmacare and to your department should that third-party insurance company be identified. As I understand it, at the present time the insurance companies are looking at Pharmacare as being the priority carrier for pharmaceutical purchases by third parties at this point in time. So basically I'm saying they're looking at Pharmacare as the primary coverage and not the third party. Is that correct?

Mr. Chairperson: Did you ask the question of the deputy or the minister?

Mr. Borotsik: I'm perfectly happy to have the minister answer.

Ms. Oswald: Of course, the deputy can augment the answer, arguably with the right answer.

The conflict between what's written in legislation on the first-payer and third-payer issue dates back to, I believe, the time that the program was switched to an income-based model, so it's really been going on all of that time.

The information technology that exists, as it stands, doesn't capture this and never has. It would be a significant investment for us to capture that, in addition to additional staff to do that. In terms of the mountains of money to be found in this move, it may not necessarily be so. We're analyzing, certainly, the recommendations from the office of the Auditor General to have the practice that has existed since the program came into being as it is be amended in the legislation so that they matched or to switch what the practice is to match what currently exists in the legislation.

Essentially, we have two options there. We are working on not one nudge from the Auditor, but two now, to get moving on this particular process. It's complex, indeed, but we are working to look at each decision that we could make to decide which will be the best one for the health system and for Manitobans–and the deputy, if she wishes to augment that answer, may.

Ms. Wilgosh: The only thing that I would add to that is another piece of information on the complexity–is that the insurance industry itself is changing, as well as other public payers, such as the federal government. So it is complex.

Mr. Borotsik: Mr. Chairperson, I appreciate the fact that it is very complex, but regardless of the mountains of money or not, I would assume that there is some way or opportunity of looking what kind of value is at risk at this point in time. Other jurisdictions–Manitoba is not the only jurisdiction that provides Pharmacare for its citizens. Do other jurisdictions see their Pharmacare system as the first payer in those areas? Have you looked at those other areas to see what kinds of systems they have in place?

The nudge is more than gentle. The Auditor General has identified a real serious issue here. Have you looked at other jurisdictions just to see how they work their own systems with Pharmacare and first payer as opposed to second payer?

Ms. Wilgosh: We are always open to looking at what other jurisdictions have done. We don't believe in re-inventing the wheel if there's something that will work. Recognizing, though, that the Manitoba system, the Manitoba Pharmacare program, the universality of that program, is different than what's in place in other jurisdictions. It's not as simple as comparing apples to apples. So it is something that we are doing, we'll be prepared to do more of.

Mr. Borotsik: Are you suggesting, Madam Deputy Minister, that the Saskatchewan Pharmacare program is not universal, that they do not have the same coverage in Saskatchewan as they do in Manitoba, at the present time?

Ms. Oswald: Across the nation there are different elements to programs. Some have age requirements to them. Some of them are disease specific. It isn't the same in every jurisdiction across Canada. But, on the issue of the first payer and the second payer, you know, as we go through our analysis in making that decision about changing practice, changing policy, we certainly acknowledge that, really, the cost to go either way. If you're measuring costs in dollars to the system, costs to citizens, it's substantial. Looking at what other jurisdictions are doing within the context also of the programs that they offer and how they offer them is part of our analysis as well. We know that we have to move on this and we're working on doing that.

Mr. Borotsik: I think I heard the deputy minister say that you're well into the process of the analysis. Is there a time line on this analysis? Have you got an end date, a goal in mind as to when you could come forward and share some of your findings with not only the committee, but perhaps the Legislature?

Ms. Wilgosh: We are hoping to have that resolved by the end of the year, if not sooner.

Ms. Howard: I noted on page 110 of the report in the departmental response a discussion of the program that allows people to pay their deductible with instalments has the unfortunate acronym of DIPPP. I know this program has been of incredible assistance to some of my constituents, who found it a much easier way to pay their deductible monthly rather than having to pay it all in one shot. So I was wondering if you had any information you wanted to share with us about the rationale for that program, how it's been going, the uptake of Pharmacare recipients using it. I know it's been very helpful to people that I've referred to it.

Ms. Wilgosh: The program was put in place because we recognized that we needed to be responsive to the needs of individual Manitobans, their economic situation, with the increasing cost of drugs. The program has been well received. I would need to get back to you or be able to provide to you the exact number of people that are on the program. I don't have that information myself right now.

Ms. Howard: I just wanted to thank you for that and to let you know that I know that pharmacists are well aware of it and they've been very helpful to people who are looking for that kind of assistance. I think it's a good example of the Pharmacare system being responsive and innovative to the needs of recipients. So I wanted to thank you for making those changes.

Ms. Wilgosh: You're welcome.

Mr. Lamoureux: I was interested, Mr. Chairperson, when the Auditor indicated, regarding third-party insurance, that she couldn't give an estimate in terms of to what degree money is out there where third parties like–I forget who–Blue Cross or other insurance agencies, does the deputy minister have any sense of how much money we're talking about?

Ms. Wilgosh: With all due respect, my first response off the top of my head is, if the Auditor General can't do it, I'm not sure that the department would be able to do that. I'm sure that's not necessarily the answer you're looking for. At this point in time, I don't have that information with me. I don't think it's been captured.

Mr. Lamoureux: In terms of, you know, the departments to be able to set policy around this particular issue, would you not think that there would be some value in trying to get a better understanding of the amount of monies that we're referring to?

Mr. Chairperson: I have to caution, Mr. Lamoureux, that you're asking for an opinion on a policy issue, so I'm going to ask the minister if she would like to answer that question.

Mr. Lamoureux: Yes, or I can rephrase it if you like.

* (20:10)

Ms. Oswald: Mr. Chair, certainly, as we see the rising cost of pharmaceuticals, you know, in a close race with health provider salaries in terms of what drives the cost of health care, wherever we can be looking at opportunities to be finding the best possible use of dollars, that is, indeed, what we want to endeavour to do.

As I said before, the issue of private–or insurance, first payer, third payer, that whole issue hasn't, since it became an income base program, ever been captured. So we have certainly been weighing all of the cost elements in changing the system, changing the practice and looking for ways to maximize our opportunities, bearing in mind, of course, that people who pay for their insurance are also not getting that benefit for free. They do pay, or it's part of their collective agreements and so it isn't just free money–

Mr. Chairperson: Premiums.

Ms. Oswald: Premiums. Thank you for the lingo I wasn't getting, Mr. Chair. So we are looking at all of the moving parts to this issue, and we agree we need to go faster, and yes, there is merit in endeavouring to capture as much information as we can to try to continue to make this program as strong as it is and to have as much access to drugs on the formulary as we can by being able to continue to invest in more by having the best value that we can. So, yes, there would be, and we're looking at the best possible ways of gathering information.

Mr. Lamoureux: I'm satisfied with the minister's answer in terms of that she sees that there is the value to it. It's not necessarily to discuss it for a policy point of view just as when you have an auditor that comes forward and says, well there is

this money, but we don't know. I think it's more of a red flag. I understand that the ministry is looking at it and I appreciate that. Thank you.

Mr. Doug Martindale (Burrows): Mr. Chairperson, I have a couple of questions for the deputy minister. On pages 83 and 84 of the report of the Auditor General, it's recommended that staff manuals be standardized and updated regularly to ensure consistency and inclusion of all necessary information.

Can the deputy update us on the progress made on this recommendation?

Ms. Wilgosh: Yes. A standardized training manual has been developed. The electronic version is available in a read-only way for the staff, modifications are made by authorized staff on an ongoing basis as policies and procedures change, and a formal review of the training manual is done on a yearly basis along with the establishment of a sign-off process.

Mr. Martindale: I'm sorry I don't know the page number for the next question. I've been looking for it, but it refers to recommendations by the Auditor General about a communication strategy. I'm wondering if the deputy or the minister can inform the committee what information is available on-line for the public on the Pharmacare program?

Ms. Wilgosh: The information that's available on-line regarding the Pharmacare program includes the eligibility, conditions, an explanation of benefits, information on the registration process. There's also contact information for program staff in the event that a citizen wants to contact us to get more information.

It would be our intention as a part of the communication strategy to continue to augment what information is available on-line as more and more Manitobans become Internet savvy.

Mr. Martindale: That's it, thank you.

Mr. Chairperson: Thank you very much.

Mrs. Driedger: Can the deputy minister tell us: Has a process to implement professional fees been implemented?

Ms. Wilgosh: I'm sorry, is the question to implement professional fees?

Mrs. Driedger: I guess what it probably should be referenced is according to the recommendation that a process should be implemented to assess professional fee compliance with the act. I'm wondering if the deputy minister can indicate whether that process has been put into place or where it is at in terms of development.

Ms. Wilgosh: The issue of compliance with the act is one that we are working on. The professional fee is an issue that we are working with the Manitoba Pharmaceutical Association, the Manitoba Society of Pharmacists, to work with pharmacists as to what that professional fee is, how they are complying with the act. We also want to raise public awareness about the professional fee to try and educate the public as to the transparency of the fee.

Mrs. Driedger: Is Manitoba Health now able to determine whether the professional fees charged by pharmacies are the same for Pharmacare and non-Pharmacare clients?

Ms. Wilgosh: Yes.

Mrs. Driedger: The next recommendation by the Auditor, and maybe we've covered some of this ground already, Manitoba Health should correct the discrepancy between current practice and current legislation. I wonder if the deputy minister has–and that's from page 99 of the report–wonder if the deputy minister would like to comment on that specific recommendation.

Ms. Wilgosh: I'm assuming that is referring to the first payer, second payer. Yes, so that is one answer that we've already discussed and we are working through that.

Mrs. Driedger: In regard to Pharmacare deductibles, can the deputy minister explain the changes to the Pharmacare deductible calculation that had been proposed in budget 2009?

Point of Order

Mr. Chairperson: I'm sorry. Point of order.

Ms. Howard: I'm just wondering if this is a question better suited to Estimates than to PAC. This is not discussing budget 2009. It's a compliance report so I take your advice on that, but I'm just wondering if we're straying into territory that's better left to Estimates.

Mr. Chairperson: We have stretched the boundary a little bit tonight, and I have been mindful of it. I'm going to ask the critic to repeat her question and then I'll make a ruling on it, if you don't mind, Mrs. Driedger, or rephrase it.

Mrs. Driedger: In looking at Pharmacare deductibles, every year there has been an increase in deductibles, and it's referenced in the audit in terms of discussing deductibles. I'm just asking, I guess, at this point, if the deputy would be able to indicate what will happen with Pharmacare deductibles this specific year, in 2009.

Mr. Chairperson: Mrs. Driedger, I think that is a question that is beyond the scope of the audit and so, therefore, I would rule that, in fact, Ms. Howard does have a point of order, and perhaps ask you to rephrase the question so that it complies with the audit findings. Thank you.

* * *

Mrs. Driedger: Is the deputy minister able to indicate how many income levels there are now when we look at deductibles? How many different income levels are involved in coming up with that calculation?

* (20:20)

Ms. Wilgosh: There are four today.

Mrs. Driedger: Probably, I suppose, this question may be out of line, I'm not sure, but is the department anticipating making changes in the number of levels in the near future?

Ms. Oswald: We certainly do take into account the suggestions of Manitobans, who care deeply about their Pharmacare program, as the member, of course, is well aware. I don't anticipate any shock from members opposite. We also take good advice from the members opposite who raise issues with their own constituents concerning income brackets and any sort of undue pressure that one might feel as one goes from one bracket to another.

We have signalled in the budget speech that we want to be sensitive to that and look at ways of amending those brackets so as to smooth any sort of undue pressure that one might feel as one gradually shifts from one bracket to another. Certainly, we'll be speaking of a new deductible structure in the coming days and be able to explain that with a new structure we'll see that about 60 percent of the Pharmacare families will see their deductibles remain the same or actually see a slight decrease.

So we'll have details that will follow on the specific budget signal that we sent in the speech and, of course, we'll have lots of time to discuss further at Estimates, but we are looking at a change.

Mrs. Driedger: Since the new generic drug submission requirements were introduced, as noted in the department's response to the report, have more or fewer generic drugs been added to the provincial formulary?

Ms. Wilgosh: More.

Mrs. Driedger: Can the deputy minister indicate how many?

Ms. Wilgosh: Mr. Chairperson, 155 more.

Mrs. Driedger: There are a number of other questions I have in terms of generics, and I don't know whether I should be posing them now or leaving them for our discussion on the 2006 report.

Mr. Chairperson: That's entirely up to you, Mrs. Driedger.

Mrs. Driedger: I'd be fine to finish up with this report, then, and move on to the next one, from my perspective.

Mr. Chairperson: So–oh, I'm sorry, Mr. Borotsik.

Mr. Borotsik: I'm not quite finished with this report just yet.

Mr. Chairperson: My apologies.

Mr. Borotsik: I really don't like to flog a dead horse, but the private insurers and the first payer, second payer, the Auditor General, in the report, is very specific on page 98 of the report. They haven't given the total dollar impact but, certainly, they've identified a substantial amount potentially there.

If you look at the figure No. 2, it gives you a basic breakdown as to how much in an example would be covered by Pharmacare and how much would be covered by the insurance company on a first-payer basis. It says quite specifically here that the total dollar impact of the Pharmacare program as a result of not properly accounting for the recovery of drug costs from third-party insurance would be the number of Pharmacare claimants who have third-party prescription drug coverage multiplied by the actual reimbursement received by the drug claims.

When you make application for Pharmacare, is there an identification that you have a private insurer or a third-party coverage? That's the question. When you make the application, do you identify third-party coverage?

Ms. Wilgosh: No, and there never has been since the income-based system was put in place.

Mr. Borotsik: It seems rather simplistic, but could the form not be changed to have that information gathered and collected so we do, in fact, know how many people who are now on Pharmacare do have third-party coverage? It's a pretty simple thing. Have you looked at the possibility of simply gathering that information on the application form?

Ms. Wilgosh: Yes, we have looked at it, and, yes, it could be changed.

Mr. Borotsik: The minister had indicated that this isn't the first time that there's been a gentle nudge by the Auditor General with respect to third-party coverage. Can I just ask a simple question why that information hasn't been asked for on the application form? It's a simple box that simply says: Do you have third-party coverage or not? Madam Deputy Minister, why hasn't it been implemented up until now?

Ms. Oswald: Yes, the form could be changed, there's no question. We have looked at making that simple change, but we're also looking in the broad context of all the other things that I talked about, about whether we'd make the choice of changing the practice that has existed since the income-based program began in the '90s or if we would change the legislation to go with the practice that has happened all the way along.

So we could endeavour to change the form that would start to capture that data now. You're quite right. It wouldn't capture the data all the way back to the time that the process began, but it would give us some information in the short term. I think you're quite right, and it's something we're looking closely at doing. But we really are, as the deputy pointed out, you know, very close to making a conclusion about which one of the two choices and how best to make that choice that we're going to make in going forward.

So the answer's yes, we're looking closely at it. We could do it immediately even with a change in whichever direction we're going to go that might immediately follow upon.

Mr. Borotsik: Well, thank you. That's encouraging, certainly knowing that the department would look to go in that direction. The department needlessly–or obviously–knows, Mr. Chairman, whom they're paying pharmaceuticals for. I mean, like that's a system that you have in place. It's computerized. You know who you're paying for on a monthly or weekly basis. Is it that difficult to go to those individuals and ask if, in fact, they do have third-party coverage at this point in time?

Pharmacare's making payments to pharmacies all the time. Can you not go and ask that information? Is it that difficult?

Ms. Wilgosh: Just back to one of my opening comments on this, it is more complex than as you've just presented it. There are a variety of different types of insurers; there are different government entities that are involved, such as FNIHB, more than just Blue Cross. So it is very complex. We are working on it. We have heard the Auditor General and we will be making recommendations to the minister on how to proceed.

Mr. Borotsik: My final comment, and with all due respect and deference to the Auditor General, I don't believe it's the Auditor General's responsibility to come up with a number. She's identified, or the department has identified, an issue here, and quite frankly, until I read the report, I wasn't aware of the issue, but it seems to be fairly substantial.

* (20:30)

Has your department not analyzed this to the point now where you can come up with some basic number as to what you might think is sitting out there with respect to third-party insurers defaulting, if you will, on their contractual obligations to people who carry the insurance? Do you not have some basic numbers to what this could mean to the Pharmacare program?

Ms. Oswald: The analysis that we have done takes into account the two choices, essentially. Forgive me, Auditor General, if I am oversimplifying what you've written in your report. But, essentially, the two choices that we can make, to change the long-standing practice of how the deductible has been calculated, to comply with the legislation as it's currently written, or change the legislation to comply with what Manitobans have come to know as the process for Pharmacare.

So those are essentially the two choices that we have to make. What we take into account, you know, the variety of entities that come to be involved, Workers Compensation, issues concerning the federal government and FNIHB, Blue Cross, you know, all of those entities and how it would affect the families across Manitoba, and how it would affect our system as well, in terms of increasing man and woman power to capture the data appropriately and amend the information technology that would

have to be amended–which is not a small thing, by the way–in terms of the investment; all of those factors. The technology factors, the work-force factors and the very real change in family scenarios for how they have been paying ever since they've known Pharmacare, at least as it came to be income-based, up to today. All of those factors are being taken into account in analyzing what would be the best way to go forward.

I'm not lost by your question in saying, you know, it's a simple thing, just put it on a form. You know, I understand why you're asking that, and I respect it; I do. But as we go through every layer of what people have come to know and value and embrace in the Pharmacare program versus the two choices that we can make that the Auditor General has presented in how it's been written. Again, I'm overcharacterizing there, but in the name of simplification, that's what we're looking at.

Mr. Maguire: Just a bit of a follow-up to that reply, to the questions just asked and a previous, earlier question in regard to the third parties. How many third-party companies would they deal with in regard to the insurance in Manitoba–to the Pharmacare?

Mr. Chairperson: Mr. Maguire, could you repeat the question? There was trouble hearing it.

Mr. Maguire: Okay, pardon me. I've got a couple of questions just in regard to the previous questions that have been asked around the third-party insurance, and I'm just wondering what–if you can give me a number on how many third parties would you deal with in the Pharmacare program.

Ms. Wilgosh: Up to 50.

Mr. Maguire: Yeah, just a follow-up. I guess I agree that the mandate of the Auditor General was to point out the concerns, and she's certainly done that well, I believe, here on page 99, middle of the page, as far as recommending that they correct the inconsistency between current practice and current legislation, and other issues around this.

From the previous answers, and we don't have a value, I understand that now, that you might be able to find from that type of reporting. But you indicated, I believe, Madam Deputy Minister, in the earlier question that you would be working on a value by the end of the year. Am I correct in that?

Ms. Wilgosh: I believe what I said was that we would make a recommendation to the minister on how to resolve the issue, not necessarily on the concrete dollar value.

Mr. Maguire: Okay, thank you. What criteria will you use then in determining the process that you'll go through to determine your recommendation to the minister?

Ms. Wilgosh: Our analysis will include all of the pros and cons for both of the options that the minister has mentioned. We'll reference the various factors that the minister has mentioned, such as impact to Manitobans, the dollar value, impact on the Pharmacare program. In any recommendation that we provide to the minister we look at all sides of the story and provide the pros and cons to it.

Mr. Maguire: Supposing, of course, I am assuming that'll comply with the Auditor's requests here as well then, and I'm assuming that it'll involve at least some of those 50 third-party companies in regard to determining a discussion with them on how to proceed at least anyway. Would that be a correct assumption?

Ms. Wilgosh: Yes, we will take advice from all the experts.

Mr. Maguire: Just a final one, then. You can make the recommendations to the minister, and I'm assuming that one of them will be a process of determining a value, because without determining a value, it's been pointed out that there's an inconsistency between the process and the legislation. So there has to be a value number on it at some point and I'm hoping that part of the process to the minister would be to an analysis of a process then to come up with a value for the impact on the Pharmacare system.

Ms. Wilgosh: When the department makes any recommendation to the minister on any topic, we try and quantify for her the fiscal impact. So we will be taking the expert advice. We'll be taking all the data that we have, reviewing information that the Auditor General had when she made her report, and trying to provide the most robust recommendation we can to the minister.

Mr. Chairperson: Third last?

Mr. Maguire: I just appreciate the fact that you would use those experts. Can you identify some of the processes? You've identified you talk to third parties. You've got department people. Will you go outside of that, as well, perhaps look at other jurisdictions and the way they handle it?

Ms. Wilgosh: Yes.

Mrs. Driedger: Can the deputy minister tell us: Are any fees charged to those Pharmacare participants who choose to pay their deductible in instalments?

Ms. Wilgosh: No. There are no fees charged.

Mrs. Driedger: It's Hydro, I understand, through which they pay those instalments. Is there any money flowed from government to Hydro to compensate them for their time spent to put that information administratively on to the bills and calculate these numbers?

Ms. Wilgosh: We compensated them at cost for their initial set-up. We do not compensate them on an ongoing basis.

Mr. Chairperson: Seeing no further questions, is the committee agreed that we have completed consideration of Chapter 3, Pharmacare Program–Part 2 of the Auditor General's Report to the Legislative Assembly–Audits of Government Operations, dated December 2008? *[Agreed]* Consideration is complete. For the record.

We now move to the Auditor General's Report to the Legislative Assembly–Audit of the Pharmacare Program, Manitoba Health–April 2006.

* (20:40)

Ms. Bellringer: This was an audit report that was issued in 2006. The reference year was March 31, 2004, and the audit work was conducted during 2004-05, before my appointment as Auditor General. The recommendations are extensive. As you can see, a great deal of time has passed since the audit was conducted.

The recommendations start on page 64 of the report, and they are categorized in four areas. The first is in the area of program management, and those recommendations deal with the program direction, performance information, program monitoring and evaluation practices, and compliance with legislation.

The second set of recommendations deals with drug selection and cost, and, specifically, that involves drug assessment and selection, periodic review of drugs on the formulary, fast-tracking changes to the formulary, low-cost strategy, impact of commercial marketing practices and drug price controls, and auditing.

The third set of recommendations are around the physician-prescribing practices and monitoring of drug use, and those recommendations cover guidance and monitoring on physician-prescribing practices, controls over prescribing practices, and monitoring and analysis of drug use. The final recommendation deals with the quality of performance reporting to the Legislature.

Mr. Chairperson: Thank you, Madam Auditor. Madam Deputy Minister.

Ms. Wilgosh: I'll pass on any comments, Mr. Chair.

Mr. Chairperson: Thank you so much. Mrs. Driedger. Questions.

Mrs. Driedger: At the time the report came out, there were comments made by the minister of the day that not all 22 recommendations would be carried out because it would be too expensive to do so. I think he, at the time, thought it would cost at least $1 million annually, and in what everybody felt was an unusual move for the government at the time, the Health Minister said it was unlikely that all recommendations would be implemented. Can the deputy indicate whether all 22 of those recommendations were implemented?

Ms. Wilgosh: The department took the Auditor General's report very seriously. We recognized then, and we recognize now, that those recommendations needed to be analyzed, worked through. We are making progress on all of those with perhaps the exception of a couple, which we are still considering and–it is a work in progress.

Mrs. Driedger: Can the minister indicate the couple that have not seen progress, then?

Ms. Oswald: I could begin by saying that, as we discussed a bit earlier this evening, some of the broad issues on prescribing practices of physicians are complex, of course, and while this minister would certainly not say that we have a lock on telling doctors what to do at every moment, we certainly are finding that, with improved communication, as recommended by the Auditor General, we are certainly seeing enhanced compliance in a number of areas. Another area of the recommendation asking to do very detailed and defined types of evaluation and analysis on the pharmaceutical industry, which is national and international and so varied and diverse in its scope, is complex, to say the least, to nail down. But, certainly, efforts are being made in the department to come up with the best possible ways, even in broad terms, to do these kinds of evaluations.

So I would begin by saying that of those two broad natures, the–coming to a final conclusion may, indeed, never happen as it will be an area of continuous improvement and, in fact, lifelong learning.

Mrs. Driedger: In the report, on page 27, under the topic Need for an Internal Evaluation Framework for Pharmacare, it indicates that Manitoba Health did not have an evaluation framework and did not conduct regular periodic evaluations. However, in 2002-03, an evaluation was undertaken by a consultant at the request of the former Minister of Health that focussed on Pharmacare costs. The consultant reported directly to the Minister of Health on that evaluation.

My question is: Who was that consultant and was that report ever completed and provided? Is it a public document?

Ms. Wilgosh: I will have to get back to you with that information. I'm not familiar enough to put it on the record.

Mrs. Driedger: I understand that after this report came out that a committee was struck, an expert panel to advise on the recommendations, and that report was to be tabled in the fall of '06.

Can the deputy minister indicate whether that report was, in fact, tabled, and is it a public document?

Ms. Wilgosh: No, it was not tabled.

Mrs. Driedger: Could the deputy minister indicate why it might not have been tabled?

It was an expert panel that was going to review the recommendations. It had a particular focus on patient safety, patient care and a cost-benefit analysis of the proposals. It was quite specifically stated that, in fact, that committee would have their report done and to the minister by the fall.

Considering the seriousness of the recommendations, can the deputy minister tell us why, I guess, two and a half years later that expert panel has not addressed these recommendations?

Ms. Wilgosh: While we have not made the report public, it is and always has been available upon request to anyone who would like to see it. There has not been to date a great deal of public interest in the report. If there was, we would consider making it available on-line.

Mrs. Driedger: So, can the deputy minister then clarify that that report has been done and handed in?

Ms. Wilgosh: Yes.

Mrs. Driedger: Would the deputy minister be prepared to provide it to us tomorrow?

Ms. Wilgosh: Yes.

Mrs. Driedger: Oh, well, thank you. I appreciate that.

I understand from this report, too, that although other provinces have experienced cost escalation with their drug programs, that Manitoba has experienced higher average cost escalation than most other jurisdictions–page 4, I believe.

Can the deputy minister indicate why Manitoba might be different than other provinces? Our demographics aren't that much different, I don't think, from, say, Saskatchewan, yet we seem to have some higher cost escalations here. Is there a specific reason that Manitoba's different?

Ms. Wilgosh: The information that was in the report then was the information then. Since that time and following up on the recommendations from the Auditor General, we have made significant changes to the program. It significantly improved.

I can indicate that for fiscal '08-09, total program expenditures have been held to less than 2 percent over the prior years. So from my knowledge of what is happening in other jurisdictions, we have made dramatic changes to the program, dramatic improvements to the program.

As deputy, I'm quite proud of the work that the department has done in order to effect that. So we are seeing that change. Our expenditures have decreased dramatically.

Mrs. Driedger: Can the deputy minister tell us how often the Manitoba Drug Standards and Therapeutics Committee meets to consider new drugs?

Ms. Wilgosh: Quarterly.

***** (20:50)

Mrs. Driedger: A lot of other provinces meet much more frequently. I would ask the deputy minister why, for instance, in Manitoba we wouldn't meet or have that group meet once a month, especially if we could look at, and I understand there's supposed to be a process for fast-tracking drugs–why would that committee not be expected to meet monthly?

Ms. Wilgosh: My understanding is that, while they meet quarterly now, they have the ability, the capacity to meet at the call of the chair. So, if the chair felt that there were issues that needed to be addressed, meetings could be held monthly or as often as the chair thought they needed to be held.

Mrs. Driedger: Would it not be a reasonable expectation from government to ask that the committee meet more frequently as in once a month just because we are seeing such escalating drug costs? I keep hearing from a number of people out there that we have the slowest process in Canada for putting generic drugs on the formulary. Could that not be improved upon if this committee were to meet more often, if the deputy minister could please indicate?

Ms. Oswald: As the deputy suggested, the rule of the minimum meetings is quarterly, but the chair can be quite nimble when there is, indeed, something to review, that the committee can meet more frequently and, indeed, has. We also know that, as a result of other very good recommendations from the OAG, particularly in the area of creating utilization management agreements, that the process has been accelerated quite significantly. On other recommendations about communication, work with companies that can be preparing their submission to complete the UMA at the same time they may be going through the common drug review has also been a tip that has helped to accelerate that process.

So we are seeing much more rapid processes going forward. What has perhaps at one time been a criticism, I would suggest, is not as much so now.

Mrs. Driedger: Can the deputy minister indicate how often the formulary is updated and how that compares to other provinces?

Ms. Wilgosh: My understanding is that, when we have something new to put on the formulary then the formulary is updated, that the practice across other jurisdictions varies, so there's not a common practice across Canada.

Mrs. Driedger: Has a fast-tracking process for putting more cost-effective drugs onto DPIN been implemented as per the AG's, Auditor General's recommendation?

Ms. Wilgosh: We have a multi-faceted approach to get drugs onto the formulary when they are recommended, so we have pharmaceutical companies come in and do a review of their business plan so that we have prospective information as to what they're considering bringing forth in the coming year. When they know that a drug is going through the common drug review, we ask them to start sending in submissions to us. We ask generic companies when they know that they have a new generic drug coming on the market to start working with us in anticipation of it being approved by Health Canada. So we are trying to expedite the process in as many ways as we can.

Mrs. Driedger: Can the deputy indicate, because the comments out there are frequent in terms of coming our way of why many generics are available in other provinces much sooner than in Manitoba? In fact, there are instances where we're the last in the province to put a generic drug onto the formulary. Other provinces put generics on almost as soon as they're approved. They're put on between one and three months. I can cite some specifics if we need to get into that, but it's been pointed out to me on a number of occasions, you know, that even for the most frequently prescribed drugs, Manitoba is very, very slow in adding that drug to the formulary or even to an interchangeability list.

Ms. Wilgosh: There are new generic submission processes meant to get better value for Manitobans. So right now we are working with the generic drug companies to ensure that they are giving us a price for their product that is less than, equal to or less than what it is available for in other provinces. Prior to our new proposal, our new submission process, that wasn't always the case.

We feel very strongly that spending some time up front to get the best price, the best value for that drug results, actually, in longer term savings to the Pharmacare program rather than just hurry up and list a drug and not make sure you are getting it at the best cost, best price that you can.

Mrs. Driedger: I'm sure the other provinces are probably feeling the same way too, and I appreciate that. We're looking for the best price, but while we're looking for the best price on the generic, then what we've got is the brand-name drug that is being used then for that extra, you know, three months, a year or whatever, at a much higher cost than what the generic would be. So, while we could be saving money by trying to get the best cost on the generic, it's been pointed out to me by pharmacists that, in fact, we could be spending millions more paying for the brand name.

While we have waited for those generics to come down in price, what has actually happened is

that, even though they've been slowly added, the price we receive in many instances is exactly the same as what other provinces have been paying, that it hasn't really benefited us at all to be dragging it out. It's been pointed out to me too that, you know, specific to four generics that by the time Manitoba put them on the list the cost to Manitoba was about $6 million, since the generic was available but not listed here. We actually spent $6 million more on the brand name than we would have otherwise if a generic had been put on.

I understand trying to get the best price, but it almost seems like that might not be what's happening. So has the deputy been looking into what we can do to actually expedite getting generics on, at least, at the rate of other provinces?

Mr. Chairperson: Before I ask Ms. Wilgosh to answer, the hour is 8:58. What is the will of the committee?

Mr. Borotsik: Mr. Chairman, I wonder if I could ask the committee to extend till 9:15, 15 minutes.

Mrs. Driedger does have some more questions, and I know Mrs. Stefanson has only two, so if I could ask the committee to extend–*[interjection]*– and Ms. Howard. Mr. Chairman, 9:15?

Mr. Chairperson: What is the will of the committee? *[Agreed]* 9:15, it is.

Ms. Wilgosh: Just a couple of comments on that then. I think, with respect to the brand-name drug, since the Auditor General's report came out, we have introduced our utilization management agreements. Those agreements are quite robust. They are supported by a variety of stakeholders in the pharmaceutical world. They are enabling us to get a better price, a better health outcome for our clients. While we are working on the generic listing, we have addressed the cost of the brand-name product.

***** (21:00)

A second point I'd like to make is that the Competition Bureau of Canada has done analysis on the generic listing and has done a couple of studies. Actually, in their report of November 25, 2008, they actually indicate that Manitoba's new submission criteria for generic products represents the first instance where a provincial government has actually acted on the recommendations of the Competition Bureau's report of October 2007.

If you have an opportunity to read this report, it cites various examples where many other jurisdictions are trying different mechanisms to get the best value for generic drugs while trying to get the best health outcome for citizens.

I just wanted to indicate that we are aware of the fact that we need to get generic products on the formulary in a timely manner but not at the expense of potential longer term savings.

Mrs. Driedger: I have had, actually, two pharmacists that have indicated to me that within the drug program here in Manitoba, that there is a brown envelope scheme. They said that while it is not likely that we're seeing brown envelopes full of money, that what is actually occurring is very similar in terms of how drugs are put on formularies or not put on formularies.

What can the deputy minister, who is much more knowledgeable than me in terms of the process of what's happening there–but these two pharmacists were actually very articulate about this and very concerned that these schemes are going on within the drug program. Is the minister comfortable with how drugs are put on formularies or not put on formularies that, in fact, there is no such scheme going on?

Mr. Chairperson: Mrs. Driedger, I don't know that this is part of the report. In other recommendations, perhaps you could just help guide us in that direction so that we're not straying too far away from the recommendations of the Auditor General.

Mrs. Driedger: I guess in terms of the utilization management agreements, when the agreements are being developed or when the–in terms of generic drugs and those drugs being–I want to make sure I have my language correct here–the generic drugs being brought onto the system and wondering as everything is negotiated by government within the utilization agreements, is there a clear cut process where rebates or undisclosed monies are, in fact, not involved or not part of those utilization agreements which were recommended and identified in the Auditor's report?

Mr. Chairperson: Can you identify the section you are on, please?

Mrs. Driedger: Well, it certainly could be under pricing strategy review, tendering–well, pricing strategy.

Mr. Chairperson: Yes, I understand. I think you're okay. We'll allow Ms. Wilgosh to answer the question.

Ms. Wilgosh: Utilization management agreements are done very transparently. There is a template that all companies are required to fill out. As I mentioned earlier this evening, we're actually holding a technical briefing for any pharmaceutical company that's interested in coming to hear about the utilization management agreements.

With any dollar value that is negotiated through the utilization management agreement, all revenue and expenditures flow through the department's regular accounts. All government accounting rules, checks and balances will apply to that; as with any of our government books, the transactions are subject to review by the Auditor General. We're able to account for any agreements that we have made with companies relative to specific research or health outcome initiatives that we are taking jointly.

So I'm quite comfortable that this does not have any of that connotation of the brown envelopes.

Mrs. Driedger: The DPIN system has been around for quite a while and, I guess, is probably fairly old right now. Some would say it's antiquated, and that it predates any current operating systems, which would mean that it's very difficult to be more proactive on ensuring appropriate use, streamlining billing and claim adjudication.

I've also been told that Infoway has offered money in order to help address some of this, but that money has not been taken up. So I think that we probably are not able to gather all of the data that we would need in order to make timely decisions about health care in a timely manner and good decisions.

So I guess my question might be, has Infoway offered money–and I'm not even sure that that's appropriate for them to have done so or not–but without having a full understanding of all of this, have they offered money? Why have we rejected it, and how do we get DPIN more up to speed, more current and sophisticated in being able to analyze all the data that we could be analyzing?

Ms. Wilgosh: I had the pleasure of meeting with the CEO of Canada Health Infoway last week, actually, and he was showing me a report card that he is going to be presenting to his board coming up. It actually showed that Manitoba was 100 percent compliant. This was their monitoring of us: 100 percent compliant with their requirements for a drug information system, as far as the connection to the electronic health record.

I can also assure you that I'm at the minister's door anytime there is money available from Canada Health Infoway, because Manitoba needs to stay current with other jurisdictions. We want to be a part of achieving what Canada Health Infoway wants to do for the electronic health record for 50 percent of Canadians by 2014.

Ms. Howard: Given the lateness of the hour, I'll pass.

Mrs. Heather Stefanson (Tuxedo): I just have a couple of quick questions, actually for the Auditor General.

With respect to this report–now I know that obviously this report going back to 2006 preceded your appointment to your position. I think I'm counting through it, and my colleague mentioned earlier there were about 22 recommendations here. The minister had indicated that not all recommendations had been followed through on and for various reasons that she gave.

I'm just wondering. I know usually you do a follow-up on recommendations every three years. Will this report also be included in a follow-up report that should be out, I guess, this year? Would that be right?

Ms. Bellringer: Yes, this is scheduled for our 2009 review. It's three years after the issuance of the report that we usually start the follow-up. Having said that, that's when we conduct the work. So it would be issued in early 2010.

Mrs. Stefanson: Certainly, we heard from the minister tonight various reasons why a couple of the recommendations haven't been followed through on. Is it sort of to your satisfaction that those recommendations have not been followed through on, and do you believe that there should be further investigation into those based on what you've heard tonight?

***** (21:10)

Ms. Bellringer: When we do the follow-up report, it's not an audit; it's a review. We do get the information from the department, and then we'll verify anything that's been fully implemented. If we consider, from the information we're getting, that it's in progress, then we're satisfied with that until such time as it's implemented, and then we'll go in and do a little bit more work. There's nothing that would change–nothing that I heard tonight that would change the process we would otherwise be going

through because we will go through that for every set of recommendations until such time as they're implemented.

There were a couple of the recommendations, when I read them, that I could see were sort of continuous in their nature. They weren't something that there was a particular issue that required a step in order to rectify it, but rather it was something–I believe it was the deputy minister who described it as being something that would require that kind of continuous improvement. Actually, every now and again, we have those recommendations. They often are in the area of governance or just general management, and so we'll provide the status update, but recognize that and outline that in the follow-up report.

Mrs. Driedger: A final question, and it was a quote from the Auditor General's report, and what was said at the time is, "Manitoba Health's 2003/04 Annual Report, which reported information on Pharmacare, was inadequate in providing sufficient information to enable the reader to draw conclusions on how well Pharmacare is functioning nor did it provide transparent accountability information."

I guess my question would be to the Auditor whether or not she feels that the annual reports since then have been augmented enough to be able to provide adequate information in order to draw conclusions on how well the Pharmacare program is functioning.

Ms. Bellringer: We don't do a specific review of the annual reports each year, so we haven't looked at it specifically with relation to that particular recommendation.

The one thing I will say, though, is that we've put our efforts into working with the Department of Finance through Treasury Board Secretariat to look at the overall performance reporting to the Legislature and to help move practice forward so that there's a general improvement right across the board. There has been a significant change and improvement in just the entire way that it's being described to all departments and also the efforts that are being put into place by the Treasury Board Secretariat to assist departments in continually improving the kind of information that they're providing to the Legislature.

We had concentrated somewhat on the CCAF guidelines specifically. What we've done, rather than holding departments to account around the standard that they're not actually required to follow, we've instead pushed that kind of methodology through Treasury Board Secretariat to say, consider it in preparing your guidelines, and then the guidelines are brought forward to the departments to have them work with those to give the best information that possibly can be provided.

The situation, overall, we're seeing improvements, but it's always one of those areas that we can never push hard enough. We're probably quite a persistent nuisance with those at Treasury Board Secretariat that have to listen to our mantra on that one because we're always looking for something that would be best practice in a very difficult situation for all departments.

Mr. Chairperson: Seeing no other questions, Auditor General's Report–Audit of the Pharmacare Program, Manitoba Health–April 2006–pass.

Before we rise, it would be appreciated if members would leave behind any copies of reports they do not need so that they may be collected and reused at future meetings.

The hour being 9:14 p.m., what is the will of the committee?

Some Honourable Members: Committee rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 9:14 p.m.

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