Legislative Assembly of Alberta

The 29th Legislature
Second Session

Standing Committee
on
Public Accounts

Executive Council, Health,
Municipal Affairs, Alberta Health Services

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Standing Committee on Public Accounts

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Standing Committee on Public Accounts

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Jennifer Hibbert, Executive Director, Finance and Administration
Andre Tremblay, Deputy Clerk and Deputy Secretary to Cabinet

Ministry of Health
Carl Amrhein, Deputy Minister
Kathy Ness, Assistant Deputy Minister, Health Service Delivery

Ministry of Municipal Affairs
Anthony Lemphers, Assistant Deputy Minister, Corporate Strategic Services
Brad Pickering, Deputy Minister

Alberta Health Services
David O'Brien, Senior Program Officer, Primary and Community Care
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8:30 a.m. Tuesday, October 4, 2016

[Mr. Fildebrandt in the chair]

The Chair: Good morning, everyone. I'll call this meeting of the Public Accounts Committee to order. Welcome, everyone in attendance.

I'm Derek Fildebrandt, MLA for Strathmore-Brooks, chairman of the committee. I'll ask that members joining us at the table introduce themselves for the record, beginning to my right with our deputy chair.

Mr. S. Anderson: Shaye Anderson, MLA for Leduc-Beaumont.

Ms Goehring: Good morning. Nicole Goehring, MLA for Edmonton-Castle Downs.

Ms Miller: Barb Miller, MLA, Red Deer-South.

Mr. Dach: Good morning. Lorne Dach, MLA, Edmonton-McClung.

Dr. Turner: Bob Turner, Edmonton-Whitemud.

Mr. Sucha: Graham Sucha, MLA, Calgary-Shaw, substituting for MLA Robyn Luff.

Drever: Good morning. MLA Deborah Drever, substituting for MLA Brian Malkinson.

Ms Renaud: Good morning. Marie Renaud, St. Albert.

Mr. Fraser: Rick Fraser, Calgary-South East.

Mr. Barnes: Drew Barnes, Cypress-Medicine Hat.

Mr. Cyr: Scott Cyr, MLA for Bonnyville-Cold Lake.

Mr. Hunter: Grant Hunter, Cardston-Taber-Warner.

Mr. Koenig: I'm Trafton Koenig, Parliamentary Counsel with the Legislative Assembly.

Dr. Massolin: Good morning. Philip Massolin, manager of research and committee services.

Mrs. Sawchuk: Karen Sawchuk, committee clerk.

The Chair: Could we have our folks on the phone introduce themselves, please.

Mr. Gotfried: Richard Gotfried, MLA, Calgary-Fish Creek.

Mr. Westhead: Cameron Westhead, Banff-Cochrane.

The Chair: And could our guests at the end of the table introduce themselves, from my left.

Ms Hibbert: Jennifer Hibbert from Executive Council.

Mr. Tremblay: Andre Tremblay from Executive Council.

Ms Hoffman: Sarah Hoffman.

Dr. Amrhein: Carl Amrhein, Ministry of Health.

Mr. Pickering: Brad Pickering, Municipal Affairs.

Mr. Lemphers: Anthony Lemphers, Municipal Affairs.

The Chair: Excuse me. I've got a bit of a cough today.

We have two substitutions: Ms Drever for Mr. Malkinson and Mr. Sucha for Ms Luff.

A few housekeeping items. The microphone consoles are operated by *Hansard* staff, so you do not need to touch them. Audio of the committee proceedings is streamed live on the Internet and recorded by *Hansard*. Audio access and meeting transcripts can be obtained via the Legislative Assembly website. Please do your best to keep mobile devices off the table or ensure that they are on silent.

Are there any additions or changes to the agenda as distributed from the working group? Yes.

Dr. Turner: Did the Auditor General and his assistant have a chance to introduce themselves?

The Chair: They will when we get to the agenda items. We have to approve the agenda first.

Any changes to the agenda as distributed? All right. Seeing none, would a member move that the agenda for the October 4, 2016, meeting of the Standing Committee on Public Accounts be approved as distributed? Moved by Ms Goehring. All in favour? All opposed? On the phone? Thank you.

Sorry. Maybe I was wrong. Did the Auditor General's office not introduce itself when we were going around the table?

Mr. Saher: Maybe I could do that now.

The Chair: I believe so. Sure. Why not?

Mr. Saher: Good morning, everyone. Merwan Saher, Auditor General.

Mr. Ireland: Brad Ireland, Auditor General's office.

The Chair: All right. Members should have a copy of briefing documents prepared by committee research and the Auditor General as well as updated OAG status reports on outstanding recommendations, which were provided by Executive Council, Health, and Municipal Affairs.

I now would like to officially welcome our guests here to discuss the issues related to awarding of contracts to Navigator Ltd. I understand that the minister will be making opening remarks on behalf of Executive Council, Health, and Municipal Affairs.

Minister, the combined time for opening statements for the three ministries is 15 minutes. Please proceed with your remarks.

Ms Hoffman: Thank you very much, Mr. Chair. I'm pleased to have the opportunity to appear before this committee. Before I begin, I'd like to introduce the government officials from the three departments who are joining me to address the committee. From Executive Council Andre Tremblay, who is deputy secretary to cabinet. Also from Executive Council we have Jennifer Hibbert, executive director for finance and administration. From Municipal Affairs Deputy Minister Brad Pickering along with assistant deputy minister of corporate services Anthony Lemphers. And from my department, the Department of Health, Dr. Carl Amrhein, who is the deputy minister.

My remarks will focus on contracting policies within Executive Council, Health, and Municipal Affairs. As you know, Albertans elected a new government in 2015, and we are firmly committed to raising the bar on transparency and accountability. Albertans deserve a government that is honest and upfront with them, and that's exactly how we do business. To that end, our first action as government was to take big money out of politics, and we banned union and corporate donations as well. We posted the salaries and

contracts of all political staff. We also expanded the sunshine list to include salaries of employees of 150 agencies, boards, and commissions who are paid more than $125,000 per year.

We've increased transparency when it comes to appointments to Alberta's agencies, boards, and commissions because for too long the previous government appointed their friends and party insiders. Our new, open, online recruitment process will help to ensure that appointments to Alberta's agencies, boards, and commissions better reflect the province's diversity and strengths.

To that end, as it relates to contracting, we will outline steps that departments have taken to enhance compliance with contracting policies based on the recommendations in the October 2014 report from the office of the Auditor General of Alberta.

I must make it clear at the outset that we agree with the work of the Auditor General and the recommendations to improve compliance and contracting policies. As the Auditor General's report outlines, there are instances of concern with the process for documenting and administering contracts. I would specifically add that neither my government nor I were leading these departments at the time in which this review was done, and I have concerns that there are instances where there wasn't compliance with policies to ensure accountability of spending for Albertans.

But I must also make an important point clear. While public servants provide advice, the democratically elected ministers and Premier have the final say. Public servants are to implement the lawful direction of their ministers. The Government Organization Act makes clear that "a Minister may engage the services of experts or persons having special, technical or other knowledge to advise . . . and report . . . on matters under the Minister's administration." Ministerial power described in the act includes the ability to "establish or operate any programs and services . . . to carry out matters under the Minister's administration." The role of the public service is to effectively and efficiently advance the agenda of the government of the day.

For several of these contracts related to Executive Council and Municipal Affairs, the then Premier and members of her office were part of a ministerial flood recovery task force cabinet committee. The cabinet committee was responsible for providing direction to officials on flood recovery efforts. Albertans expect their government to be transparent in their decisions even during times of crisis, including the 2013 floods, but as the report of the Auditor General of October 2014 outlines, "the Office of the [former] Premier engaged Navigator Ltd. but did not prepare a contract or ultimately sign the contract." While these contracts were legal and were procured in compliance with the trade agreements, some contract administration and evaluation processes were missed. In some cases there was insufficient documentation of rationale for administering contracts. In other cases the proper contract administration and evaluation process was not adhered to fully.

Furthermore, considerable work has been done since fiscal years 2012 and '13 based on the findings of the Auditor General and recommendations outlined in that report. As per the recommendations the departments have enhanced their internal processes to ensure greater accountability. I'd like to outline a number of these enhancements.

Executive Council and Municipal Affairs were involved with Navigator after initial engagement by the former Premier's office. Executive Council has revised procedures and policies to address the Auditor General's recommendations as well as the new Treasury Board procurement and sole-sourcing directive to ensure that a similar situation does not happen again.

Executive Council implemented a revised contracting policy in June 2015. This policy directly addresses the concerns raised by the office of the Auditor General. For example, the policy requires the following: that the decision to contract be clearly documented, that proper approvals be in place prior to the execution of a contract, and monitoring and documenting the evaluation of the performance of contractors.

The department requires that a contract manager, senior executive, or senior finance officer sign off on all contracts. Also, any contract over $75,000 and all sole-source contracts over $10,000 must be signed off by the Deputy Minister of Executive Council, and they are working to ensure that changes made in the contracting policy are fully implemented. This includes that appropriate documentation exists to support our decisions to contract.

8:40

Enhancements implemented or in the process of being implemented are to validate the cost of the contract by documenting and benchmarking the contract file information. The rationale for the decision to go ahead with the contract needs to clearly demonstrate the need for the contract and then also link that need to the services provided in the end. Staff in the Executive Council corporate services area have been working closely with staff in the office of the Premier to ensure that they are aware of the compliance with those requirements.

For Municipal Affairs specifically, after the floods there was a need to act quickly and share information to help those impacted. I'm sure you can appreciate that during disasters such as the 2011 Slave Lake fire, the 2013 floods, and now the 2016 Fort McMurray fire Municipal Affairs and the Alberta Emergency Management Agency needed to make quick decisions and act with urgency.

In order to document the rationale for contracting services and selecting vendors during the disaster, Municipal Affairs has implemented an IT system in the Provincial Operations Centre. This system allows for recording decisions in real-time communication during a disaster. Municipal Affairs can now purchase services and goods and have documentation for decisions. This was one of the Auditor General's recommendations and allows for more transparency.

Municipal Affairs has also established a procurement working group, which has included training staff on Treasury Board's procedures. Staff involved in the procurement in Municipal Affairs have been trained. Municipal Affairs responded quickly to the Auditor General's recommendations and implemented a revised contracting procurement policy in October 2014.

The Department of Municipal Affairs has also addressed the recommendation to update contracting policies to deal with situations where one department arranges for a contractor to perform services for another department. Municipal Affairs has updated their policy to ensure that when a file is transferred from a contract manager in one ministry to another, there is in fact a contract in place and the contract file contains documentation to support the decisions. Municipal Affairs has fully implemented steps to address the Auditor General's recommendations.

Health contracting policies and procedures have also been improved, and the recommendations have been implemented. Now any sole-source contracts above $10,000 require deputy minister review and approval and are based on documented rationale to exempt from competition, and the contract review committee reports any policy noncompliance or potential noncompliance to the deputy minister. A procurement group reviews contracts on a quarterly basis to see if companies have been awarded multiple consecutive contracts.

The four contracts Alberta Health entered into with Navigator between 2011 and 2012 were for specific services related to stakeholder consultation and communications on Alberta's health care system. The Auditor General found that the department did not

consistently follow its policy of the day when it entered into those contracts. The report also identified that there was no clear documentation demonstrating why sole-sourcing was appropriate in these instances.

The office of the Auditor General recommended several ways for the department to improve its contracting policy and demonstrate compliance better. Specifically, Health's contract policy has been upgraded to ensure that branches carefully consider whether a contract will require additional phases. If future phases are required, the contract request form will clearly indicate this. A quarterly review of contracts is meant to help spot any instances where the same company is being awarded consecutive contracts. The policy is being made stronger for instances where sole-sourcing takes place. This includes documenting the reasons to sole-source, whether there are multiple phases involved, why the specific contractor was selected, and, most importantly, whether there are any exemptions that would allow for sole-sourcing of contracts over $10,000. This meets Treasury Board's direction on sole-sourcing, which limits any sole-source contract to under $10,000 unless the deputy minister approves an exception in writing.

I can assure you that these departments continue to work to meet expectations outlined by the Auditor General. Officials from Municipal Affairs can provide more specific responses to contracting procurement questions that are related to flood response and subsequent process engagement should you request those. Similarly, the officials from Health can also outline changes made to policies, directives, and reporting processes at Health. We agree that the procurement of services should be competitive, fair, and cost-effective. Albertans deserve the best value for money out of the services that we procure through these types of contracts.

We have made progress in improving our contracting policies and have worked with the office of the Auditor General to address the recommendations and concerns raised in the October 2014 report. Ensuring all of the recommendations are addressed and fully implemented has been a priority for all three departments. Indeed, it's also a priority for our entire government.

There have been times in the past when decisions made by political leaders have hurt Albertans' confidence in their government. We are moving forward and doing things differently. We are consistently looking for ways to ensure that our government is open, transparent, and accountable. Albertans deserve no less.

I'd be very happy to answer questions that you may have this morning that relate to these reports and our actions to make sure that they're addressed moving forward. Thank you very much.

The Chair: Thank you very much, Minister.

I'll now invite Mr. Saher, the Auditor General, for his remarks on behalf of the office of the Auditor General.

Mr. Saher: Mr. Chairman, thank you for that offer. On this occasion I have no opening comments to make.

The Chair: Thank you.

All right. The working group has prior to this meeting agreed that for this meeting and this meeting alone we will move to a time allocation format during question session for the item of business and in the same fashion that we used at our earlier meeting this year respecting the hon. Justice Iacobucci's report. The proposed time is as follows: 16 minutes for the Official Opposition, 16 minutes for the government, 10 minutes for the third party, and then we would move to a rotation of five minutes between each of the three parties until time expires. Are there any objections from members to that? Very well.

With that, we'll open it up and hand it to the Official Opposition for 16 minutes. Mr. Cyr.

Mr. Cyr: Thank you, Mr. Chair. I would like to thank everybody for coming today. It's great to come on a wonderful fall day like today and be in the Public Accounts Committee.

I do have some questions regarding, specifically, some concerns I've got about Navigator. My first question to the minister. Just to put it on the record, you said in your opening remarks that all of these contracts were legally binding contracts. Is that what the government is maintaining?

Ms Hoffman: That they were entered into legally, that they were legal contracts, that questions that may have arisen previously about whether or not there is something illegal that was done by the public service in particular – I am asserting that they followed legal direction as provided by the ministry so that the actions of the public service were legal indeed.

Mr. Cyr: Thank you, Minister.

I just want to ask the Auditor General a few questions because I think that this is a little foggy here. Navigator actually is a numbered company, and for the record it is 1689986 Alberta Ltd. Is that correct?

Mr. Saher: I'll just ask my colleague. Can you confirm that number?

Mr. Ireland: Yeah. On page 57 of our report we list it as 1689986 Alberta Ltd.

Mr. Cyr: Thank you.

All of the contracts listed in this report were made to that numbered company. Is that correct?

8:50

Mr. Ireland: I don't have the contracts in front of me right now. The contracts were with Navigator Ltd., but I'm not a hundred per cent sure what exactly the documentation in the contracts said, if it was the Alberta Ltd. company or Navigator Ltd., how it was named. But, yeah, they were with Navigator.

Mr. Cyr: So has Navigator, the operating company, switched companies during this process?

Mr. Ireland: I'm not sure.

Mr. Cyr: I guess my concern here is that it's unclear to me exactly who was being contracted. I think we should forget Navigator as a name because that's truly just an operating name. Would the executive know who specifically was contracted for all of these?

Ms Hoffman: It's my understanding that the Municipal Affairs payment was made to the numbered company and that the Health contract was paid to the named company, Navigator. Executive Council's payments were to the numbered as well. Two were made to the numbered, and one was made to the named. That is my understanding.

Mr. Cyr: Thank you, Minister.

How can you make the cheques out to a name that actually doesn't exist?

Ms Hoffman: Just to remind everyone, this did happen before I was in this position and before the election, that Albertans so clearly said that they didn't agree with many directions, many initiatives that were taken by the then government of the day and direction that

was provided by the Premier. Specifically, on details around the payment to the name of the company, I have to say that I'm not entirely clear.

I can ask Mr. Tremblay. If you're able to comment on that, please.

Mr. Tremblay: Regardless of the payment, whether it was Navigator or the numbered company, Navigator was acting on behalf of the numbered company. So in all cases it was paid to the same entity.

Mr. Cyr: Okay, which, we've established, is the numbered company, just to be clear.

Mr. Tremblay: The numbered company operating as Navigator. Correct.

Mr. Cyr: Okay. Thank you.

These contracts go from November 28, 2011, all the way – well, I don't know if we're still engaging them or not – for this report into 2013. Is that correct?

Ms Hoffman: That's my understanding.

To answer the question that you just asked, I did ask staff. We went through the blue books, and there is no record of Navigator having been engaged under this government, whether it be through the numbered company or by name. We did confirm that this morning. Again, my only awareness is by going through the blue books, just like any other member would, but that's my understanding.

Mr. Cyr: Okay. I'd like to read four contracts specifically into the record: the November 28, 2011, contract; the December 19, 2011, contract; the March 5, 2012, contract; and the June 1, 2012, contract. I'd like to know how exactly this numbered company was able to be engaged for services when it hadn't actually been incorporated until July, specifically July 17, 2012.

Ms Hoffman: Thank you very much for the question. Again, this was at a time prior to our government taking office, so certainly my awareness of this on a personal level has all been done through readings and engaging the public service and the types of questions that I've asked. I believe those are all Health contracts that you've identified.

Mr. Cyr: That is correct, Minister.

Ms Hoffman: I'm tempted to ask the Auditor General questions around those types of things, but obviously I'm not a member of the committee. This is a question I guess I'd ask to my official, Dr. Amrhein. Is this a question that Health had engaged with in the past, around the timing in which the company was incorporated? That was the one that was the name on the actual cheque.

Let's start with Mr. Tremblay, and then we'll go to Dr. Amrhein. If you have anything to add in response to that question, please.

Mr. Tremblay: We're just looking at the material now, and all of those contracts were entered into with Navigator Ltd.

Mr. Cyr: Can we establish that Navigator Ltd. doesn't exist, please?

I would like to ask the Auditor General. It's very odd that in this investigation – how is it that Spotlight, who were the principals of the new numbered company, wasn't actually brought into your investigation on contract practices?

Mr. Saher: I can simply state that the report we issued states in its first paragraph: "the circumstances surrounding contracts the Government of Alberta awarded to [the numbered company] (operating as Navigator Ltd.)." For the line of inquiry that you're pursuing, I'm not in a position today to give you any further detail. I'm certainly listening to what you're saying, and if I conclude that there is further work that the office should do, we will do that, but at this moment I cannot give you the detail that you're seeking to establish.

The Chair: Minister, do you want to . . .

Ms Hoffman: Yeah. I'm able to. Thank you very much. Mr. Cyr, I believe you're correct that they incorporated in Alberta at a later date under the numbered company. They also were previously incorporated in Ontario under the named company. The contracts that you're referring to are with Navigator Ltd., a body corporate incorporated under the laws of Ontario with its principal place of business in Toronto. That's what the named company refers to. Then the numbered company that you refer to is carrying on business as Navigator. It refers to a numbered company in Alberta. So they are both legal entities, the named company, which was named in Ontario, and the numbered company, which was numbered in Alberta.

Mr. Cyr: Thank you, Minister.

Now we've got Spotlight, which is appearing to be a name that I continue to see coming forward. Now we've got an Ontario company coming forward and now an additional numbered company from Alberta coming forward. Again, this seems to be very foggy on exactly where the money is going here. I do sympathize with the minister because the minister wasn't the minister at the time. Is there a reason that Navigator Ontario wasn't found inside of your Auditor General report? You would think that that would be important, to be in the introduction.

Mr. Saher: I think all I can do is repeat the comment I've already made, that you're introducing lines of inquiry that might well have been studied by the office. At this moment I don't have that detail at my fingertips. All that I can do in this committee meeting this morning is refer to the material that's in our public report. As I say, we listen very carefully in all committee meetings. I'm sure my colleagues are also attentively listening to your comments. If we consider the need to go back and reinvestigate, if I can put it that way, we certainly will do.

Mr. Cyr: Thank you, Auditor General.

The Chair: Just a reminder: three minutes and 50 seconds.

9:00

Mr. Cyr: Thank you.

When we contract companies – this is to the executive. I question: how is it that a brand new numbered company within Alberta can be qualified to suddenly be an expert that we are using within this process?

Ms Hoffman: Thank you very much for the question. I think that it's a very fair question. What I can tell you is that the political direction that was given was from the then Premier and the then Premier's office, including communications. What I can also tell you is that the direction was then executed by the public service in a lawful way, but the decision and the direction were given by the then Premier and the then Premier's office.

Mr. Cyr: Thank you, Minister.

I was going through these contracts as well, specifically the March 5 to May 31, 2012, contract. We've seen consistently through all of these contracts that they were executed almost to the exact amount every single time except for that contract. They suddenly just decided that they were done and needed to stop, coincidentally, right when the election was called in 2012. Has the Auditor General's office looked into this large coincidence?

Mr. Saher: Sorry. I'd have to ask the member to repeat the coincidence.

Mr. Cyr: It appears that the work for Navigator suddenly was done and fully completed. I read here that it says that they came to a resolution, but nowhere else do we see with these contracts that they haven't billed out fully, except for the one that was just at the election date. I've got one of the principals stating that he worked directly with the Redford campaign at the time. Did we, I guess, see that Navigator was working both for the Alberta government during this contract and working on a campaign for the PC Party during that time frame?

Mr. Ireland: I'll just refer you to page 61 of our report, the second paragraph there. This is what we were told by the Department of Health, and I'll just read it out loud.

> For the third contract . . .

the one I think you're asking about,

> . . . we were advised that the outputs in the form of communications advice, planning and support were provided and would have been reflected in communications products related to the AMA negotiations. The contract was terminated early as a result of the government reaching an agreement in principle for physician compensation with the AMA.

That's what we would have been told when we asked that inquiry as to why the amount paid was less than the contracted value.

Mr. Cyr: Thank you.

The Chair: Thank you very much.

We now have 16 minutes for government members. I think we have Ms Renaud, Dr. Turner, and Mr. Dach. We'll begin with Ms Renaud.

Ms Renaud: Thank you, Mr. Chair. I have a few questions to understand the overall context of the report just a little better. I'm not sure who's better placed to give this answer, but can the Deputy Premier or one of the deputy ministers give additional examples of cases in which sole-source contracting is appropriate?

Ms Hoffman: Thank you very much. I'll start, and then the deputies can certainly give some specific examples if some of them come to mind for them. The ideal scenario is that contracts are always sourced in a competitive way, and that's where our government was eager to see the Auditor General's recommendations implemented. However, there are some specific cases where sole-sourcing has been a benefit.

Coming to mind for myself, the first was the emergencies, in terms of the responses I mentioned in the opening remarks, for the Fort McMurray wildfires. We had to move quickly, which meant partnering with vendors as quickly as possible. For example, there was an instance where we arranged for the telephone town halls. Fortunately, we had already done a competitive bid process with a number of other vendors for a very similar process around the budget consultations, so we were able to take the reviews that were done in a competitive way from one ministry, that being Finance, and then look at who would be the most appropriate based on the prior experience with the bid contract. Municipal Affairs was able to benefit from that information.

[Mr. S. Anderson in the chair]

For example, there's also a vendor that had specifically designed software for government. You may want to use sole source for government to repair or further develop software since the vendor is the expert in terms of creating that specific software. There are times when I think it can benefit you to work with the same vendor in a limited way if it relates specifically to the project that they created.

Did Mr. Tremblay, Dr. Amrhein, or Mr. Pickering want to add anything to that as well, please? Mr. Tremblay.

Mr. Tremblay: Sure. We do enter into some sole-source contracts. As an example, the Alberta Order of Excellence: in terms of scroll development and award development we enter into the same contract every year with the vendor to ensure the consistency of those awards as they're presented to Albertans. So there are some circumstances where sole-sourcing to ensure quality and consistency is important from an operations point of view.

Dr. Amrhein: The minister mentioned the major areas. Other areas that are important in the Ministry of Health are when we have sole-source contracts with vendors of medical equipment that is important for the continued viability of the treatment plan for a particular patient. It is disruptive to shift the vendors of particular equipment midway through a course of care, so for repairs and maintenance we will go back to the vendor who owns the equipment.

The other sort of source-sole contract that the Ministry of Health is involved in is with agencies, boards, and commissions of the government such as the two university medical schools, the Institute of Health Economics.

We enter into agreements with Alberta Health Services to share staff back and forth to cover off leaves, vacations, and absences, for example, in public health.

[Mr. Fildebrandt in the chair]

Ms Hoffman: Thank you.

Mr. Pickering.

Mr. Pickering: Yeah. From a Municipal Affairs perspective, a lot of sole-sourcing will occur during an emergency event. Our policy as redrafted allows that when our Provincial Operations Centre is operating at a level 4, which it did for all of May and a good part of June this year, they're exempted from some of the pre-stage sort of work with respect to it, the documentation to follow. There were a number of examples during sort of the Wood Buffalo exercise that required us to procure goods quickly, and that is in accordance with the trade exemptions with respect to emergency and urgency.

We also have built into our Provincial Operations Centre an IT system which allows for a ticketing process so that we can track things and avoid issues where things across departments occur in the hand-off. Typically, Municipal Affairs is responsible for the fiscal side of a disaster, so we have to have good tracking around that.

Ms Renaud: Thank you.

The Chair: Actually, just for the record, when we're doing time allocation, the member asking questions can just kind of have the floor and direct people speaking as they like.

Ms Renaud: Okay. Thank you.

On page 57 of the report the Auditor General notes that each of the three departments that are here had different contracting policies

for procuring services. Why do the three departments all have different contracting policies?

Ms Hoffman: Thank you very much for the question. At the time the government of Alberta, as I understand, had an accountability framework document that guided the procurement process for departments. The document provided best practices, but in addition to that framework, departments established their own contracting policies. The nature of the work of departments is different, as was mentioned by some of the examples just provided by the two deputy ministers. Because of that, it's my understanding that there was a need for program and service delivery to be a little bit flexible. That is my understanding about some of the history of the three different policies.

Thank you.

9:10

Ms Renaud: Thank you.

Just to sort of touch on what Mr. Cyr was saying, can we just be clear about: has the current government ever entered into a contract with either the numbered company that he refers to or Navigator Ltd.?

Ms Hoffman: Thanks. Yeah. Not at all that I'm aware of. We certainly went through the blue books to try to confirm that if there were any, we would be able to flag those. My understanding is no – if we find out otherwise, I would certainly be happy to advise the House – not that I'm aware of. [interjections] I hear: absolutely no.

Ms Renaud: Oh. Perfect.

Ms Hoffman: I'm always reluctant to say that on *Hansard*, but today I feel like I've had lots of assurances in that regard.

Ms Renaud: "Absolutely no" is a good answer.

One final question from myself. Obviously, the Auditor General has mentioned a number of times how important it is that staff be trained on the contracting policies in order to provide appropriate oversight. Can you just expand on what you touched on earlier about staff training regarding changes to contracting policy?

Ms Hoffman: Thank you very much. I'll begin, and then if any of the departments would like to add to the answer, they're certainly welcome to do so. In terms of the Department of Health the procurement and contracting services unit has developed and delivered training to staff in the department. Likewise, Municipal Affairs has offered courses and a working group for staff involved in procurement particularly. In Executive Council there's been one-on-one training, given that it's a smaller area of operations, that's been provided to staff involved in contracting. Corporate services is directly involved in the contracting process to provide assistance as needed to those individuals as well.

Mr. Tremblay, did you want to supplement?

Mr. Tremblay: Sure. Executive Council is quite a small ministry, so our corporate services and finance group works individually, one-on-one with each business unit that brings forward a contract to ensure that it complies with our contracting processes and protocols and that we put the appropriate information in the contract procurement forms. It's very, very detailed and one-on-one, aside from the training that's been delivered.

Ms Hoffman: Mr. Pickering.

Mr. Pickering: Yes. In Municipal Affairs we've had 26 key staff trained in it. We do have, as was mentioned, a working group of key staff, which meets quarterly. As well, we have hired a sort of senior procurement analyst to assist us in procurement.

Dr. Amrhein: The officials that do the training are behind me if you want the details, but I can attest personally that as a new official in government I went through a very detailed training. It was intense, it was comprehensive, and each time I'm asked to sign a contract, they repeat the process just to make sure that as deputy minister I fully understand exactly what I'm being asked to sign off on.

Ms Renaud: Thank you.

The Chair: There are six minutes and 50 seconds remaining of government time. Dr. Turner.

Dr. Turner: Thank you, Mr. Chair, and thank you to the Deputy Premier and the others that have come. I'm very much reassured, actually, after this morning that there has been a change with the new election and that government is being run in a different way. I really appreciate hearing that. I think the people of Alberta deserve that and are getting it.

I'm also a big fan of communications, particularly in health. As of October 1 we're going to be embarking on an immunization program for influenza, and it's vital that all Albertans hear about this and all Albertans are encouraged to go and get immunized. So this is an example . . .

The Chair: Dr. Turner, you can use your time as you see fit, but I would just remind folks to maybe move towards questioning rather than statements as much as possible.

Dr. Turner: I just wanted to bring up the point that communications, which we're talking about in some ways today, is a vital part of the government's activities, and things like public health, wellness, mental health services, how we interact with Albertans on a social media basis are all great.

Given that context, could the Deputy Premier outline briefly what the Auditor General found was inappropriate with the procurement process in Health?

Ms Hoffman: Thank you very much for the question. The Auditor General made a number of recommendations as they specifically related to the four contracts that were reviewed and identified as they found the department did not consistently follow its own policy of the day when entering into sole-source contracts. They also found that there was documentation missing to justify why sole-sourcing was appropriate and in compliance with its own policy.

To address this, a number of recommendations were made. They suggested that the department consider and document whether a project is a phase of an overall project that may require competitive bids. Again, that idea of there being four back-to-back contracts was something that certainly was suspect, I think, or flagged by the Auditor General, so now there's an amendment to make sure that if there is a likelihood, there will require additional phases, that that's initially noted on the upfront phase of the contract.

The Auditor General also recommended that the department's contract policy should be clear on what documentation is required to support sole-sourcing. The Auditor General also recommended that the department involve its process to demonstrate that it's complying with its contracted policies; for example, if documenting media scans, those types of things that were sometimes included in contracts based on communications, that there actually be a record

to show that those reports were indeed received and that that be part of the comprehensive file to demonstrate value for the taxpayer.

Dr. Turner: Thank you very much. As a follow-up I do want to check on one thing that I noted in the Auditor General's report on page 60. I'll quote it.

> The department told us that direction first came from the minister's office to use Navigator Ltd. as the contractor. Both the department and the minister told us the contractor was selected because of its experience with physician compensation and major health system reform issues in another province. The only documentation [of this] consisted of emails from the minister to the contractor.

That minister was one of your predecessors.

> In the first email the minister indicated the department would provide information as to where Navigator Ltd. should send the invoice. In a second email, he indicated that the department might wait to do the second contract pending the completion of the first contract.

Was this common practice at the time, to have the minister engage so directly with a procurement of this type?

Ms Hoffman: Thank you very much for the question and for clarifying that it was the former, former minister of this department, again, under a different mandate by the electorate than the one that was passed that changed the leadership of the province. I can say that that is certainly unusual. It speaks directly to the need for better documentation. The documentation for the decision to sole-source should be consistent with more than an unusual e-mail exchange between a minister and a vendor. The documentation needs to justify the decision and outline why a contract is being sole-sourced, as was recommended by the office of the Auditor General.

This is why I am very pleased the Auditor General's recommendations are being implemented throughout government. They allow for greater transparency in procurement, and I think we can all agree that that is incredibly important and that we all deserve the confidence, whether we're in government or whether we're a member of the public, that every dollar that's being spent has been done so with due diligence and with the best interests of Albertans top of mind.

The Chair: Just a minute and a half left for government time.

Dr. Turner: Contracts referred to by the Auditor General in Health had work commence without a signed contract. Do you have any indication from your officials why this took place given that there was no emergency for these contracts?

Ms Hoffman: My understanding was that the work was already under way, and that was certainly noted by the office of the Auditor General through the review, the time that the contract review committee was reviewing each contract request. However, the rationale for starting early was not adequately documented. Again, I can only go by the evidence that's been passed on, so I can't speak to why it took place. However, Health's contracting policies and procedures have been improved significantly to ensure that rationale is documented by the contract review committee. As you just heard, the deputy minister is reminded of all of those responsibilities at the time in which the deputy so courageously puts his name on the line at the bottom of any contract. Why the former, former minister gave direction and how it was implemented is something that we can only speculate on, but we can certainly create policies and procedures moving forward to ensure that those types of issues that were raised and identified by the office of the Auditor General do not happen under this government's tenure.

Thank you.

9:20

The Chair: Ten minutes to members of the third party.

Mr. Fraser: Thank you, Mr. Chair. Hon. Deputy Premier and people around the table, I just want to thank you for your work on this. I don't have any questions at this time, Chair, so I cede my time.

The Chair: Thank you very much, Mr. Fraser.

For our second rotation, if members are in agreement, we can go to rotations of just 10 and 10 rather than five and five. I think we'd have enough time to justify that. Any opposition to that? All right. We'll go another 10 minutes to the Official Opposition before returning to 10 minutes for the government.

Mr. Hunter.

Mr. Hunter: Thank you, Mr. Chair. Minister, I just wanted to actually ask a question for clarity on some of the opening statements that you made. Do you believe that this present government, the elected officials, are responsible for the contracts and how they are awarded?

Ms Hoffman: Just to clarify, what I was speaking to was around lawful direction and the role between the elected officials as those ultimately responsible for decisions and the public service as those responsible for providing good information, counsel, and, at the end of the day, following lawful direction. Certainly, I've said it before and will say again that the buck stops with the minister or the Premier when it comes to who those responsibilities rest with.

But just to add: with regard to the role of the minister the Government Organization Act is the legislation that I think most clearly speaks to this. It makes it clear that the "Minister may engage the services of experts or persons having special, technical or other knowledge to advise . . . and report to the Minister on matters under the Minister's administration." Ministerial power includes the ability to "establish or operate . . . programs [or] services the Minister considers desirable in order to carry out matters [of] the minister's administration," so the ability to be able to procure outside counsel should it be required. Certainly, from the paper trail that I've been able to review, it appears that that was the case under the former, former, former Premier's direction.

Mr. Hunter: Thank you. I guess we've heard in this committee that sometimes in the past things haven't been followed properly. So, really, what we're trying to find out is: do we have best practices being implemented now?

The other thing that you said earlier was that the deputy minister has the ability to approve contracts, I believe, over $10,000 or under $10,000. I just need clarification on that.

Ms Hoffman: Yeah. Thank you very much. Certainly, there are times where there do need to be sole-sourced contracts, as was mentioned by the Deputy Minister of Health, for example, with doing secondments. So if an employee is being seconded, for example, for over a year, their compensation is greater than $10,000, and that certainly doesn't come to my level of management. I entrust that the deputy minister needs to have the right team to support the work that is required to be implemented.

Dr. Amrhein, did you want to speak to that specific example and the responsibility of you as deputy in Health around sole-sourcing?

Dr. Amrhein: Any sole-source contract in Health above $10,000 requires my signature. The example that's being discussed is when – we have a public health branch that is responsible for policy and oversight. AHS has a public health organization that has a staff that

blankets Alberta and deals with operational issues. These are both very highly trained groups of individuals. When resignations occur, when vacancies occur, when leaves of different types occur, we write a contract between the Ministry of Health and Alberta Health Services to make sure that we can easily and quickly cover off the staffing requirements on both sides. That's one example of a sole-source contract between the ministry and Alberta Health Services to utilize the expertise of their staff.

This is a case of both not having a lot of time to go to the market and also recognizing that in the specialty that is public health physicians, there's simply not a large pool of such expertise elsewhere in Alberta. So it's both urgent and in keeping with the best practice to get highly trained, licensed people to cover off the requirements of the Ministry of Health during short-term, temporary staffing requirements.

Mr. Cyr: Thank you, Mr. Chair. I'd like to go back to the companies that are involved in all of this again. I read into the record four contracts: the November, December, March, and June contracts. You stated that one of the contracts was with Navigator Ltd., from Ontario. Does that mean three of these contracts were with the numbered company?

Ms Hoffman: No. Sorry. I was speaking to – there were contracts with Executive Council, with Municipal Affairs, and with Health. Executive Council and Municipal Affairs contracts were with the numbered company, is my understanding, and Health contracts were with the named company. So the four contracts that you referred to were all Health contracts, and it's my understanding that they were all with the named company, which was an Ontario-based company at the time. The numbered company was the Alberta-based company. Essentially, they were all Navigator, but Navigator was registered in Ontario, and the numbered company was registered in Alberta at a later date.

The Chair: Four minutes.

Mr. Cyr: Thank you.

So this is a group of companies or associated group of companies. How many companies are actually involved with this group, so that we know that we're actually not dealing with Navigator right now? It seems like this is really foggy on exactly who it is we're dealing with.

Ms Hoffman: Certainly, I personally am not aware of their management structure or how they may be divesting that. I know that when I sat in chairs as an opposition researcher, I would certainly go to corporate registries. I'd look at what names were tied to the corporate registration. I'd cross-reference those names with others through the registry. Those are some of the ways that I would do some digging when I was looking through the blue books. Certainly, I'm here in this role; obviously, I have a different capacity today. But I have asked the questions around: has Navigator been used under this government? There appear to be no lines that would lead me to that assumption, and that is what I can offer you for assurances. Of course, that's from May 2015 onward, but the contracts that were reviewed through here are certainly the Auditor General's expertise.

Mr. Cyr: Thank you, Minister.

Your department was aware that there was an apparent error in the Auditor General's report. How come that wasn't bought forward, that Navigator Ltd. is its own entity and not an operating company of the numbered company?

Ms Hoffman: Sorry; could you clarify what error you're speaking to with regard to the report? I was reading the cover sheets off the contracts in response to the questions. What are you asserting, and how can I help provide assurances that these types of things identified through the OAG report have been remedied and that we're taking appropriate steps to make sure that the recommendations are moving forward?

The Chair: A minute and a half.

Mr. Cyr: Thank you.

Navigator Ltd. is its own corporation. Unless suddenly 1689986 is a subsidiary of Navigator Ltd., we have two distinctly different corporations here, and this appears to be a significant error in the introduction of the Auditor General's report. How come this wasn't brought to the Auditor General's attention during this process?

9:30

Ms Hoffman: Again, just to read off the introduction to the report – the reports were all received by the office of the Auditor General. I don't draw the same assertion that you've drawn with regard to this. The contract that is being referred to is between 1689986 Alberta Ltd., and it continues by saying: carrying on business as Navigator. Very clearly, the company is given its typical name. It's given the numbered company. This is identified through the cover pages of the contracts. Should you choose to ask the Auditor General questions around the wording that they used in their introductory page, you absolutely have the right to do so, but my understanding is that they were both named and numbered. It's very clear from the correspondence that the government of the day, the elected officials, knew that they were dealing with the same entity. The report, obviously, done by the Auditor General refers to the same entity, and I don't see the same scandal that you might be trying to outline here today.

Mr. Cyr: Thank you, Minister.

The Chair: Sorry, Mr. Cyr. We're out of time on that one although I'm just going to ask the Auditor General if he wants to respond to this. Mr. Cyr, you're free to continue this in the next block of time that we have, but I'll see if the Auditor General wants to respond to this.

Mr. Saher: No. I have nothing to say at the moment, but I can assure you that I will be going back to my office and reading the transcript and the comments made by the member and try to see whether or not I do believe what we said was accurate. If I've come to the conclusion that what was said was inaccurate, I will obviously make that public.

The Chair: Thank you.

All right. We have 10 minutes of government time. Mr. Dach.

Mr. Dach: Thank you, Mr. Chair, and thank you, Minister, for your attendance along with your staff. Thank you for highlighting that the Auditor General report that we're dealing with here precedes the mandate of this government and that that's the time frame that we're speaking about today. My question to the minister is: can you outline what the Auditor General found was wrong with the procurement processes in Municipal Affairs and Executive Council?

Ms Hoffman: Thank you very much for the question. It's always fun for me to speak about other people's departments, so thanks for the opportunity. As you know, the Auditor General made a number of recommendations that were outlined through the report

stemming from the fact that the departments did not adequately document the rationale for contracting the services and selecting the vendor for what totalled a $240,000 contract. The department also did not have a written contract in place that detailed the deliverables and associated costs until three days before the termination date of the contract itself, so that also is not in line with what I would say passes the nod test from the public. The department also did not complete contractor evaluations. Again, as a citizen and now having an opportunity to be in this role, that is incredibly problematic.

The recommendations related to these instances are important. The Auditor General recommends that the departments "document the rationale for contracting services and selecting vendors when entering into [those] sole sourced . . ." For example, when selecting the company to do the telephone town halls, obviously it was very important to be connected with the citizens who had been displaced from their homes in the Fort McMurray-Wood Buffalo region, so documenting the rationale for contracting services – that would be a good example for that area – as well as selecting those vendors.

The Auditor General also recommends that the department "follow proper contract administration and evaluation processes" and, finally, that the departments "update their contracting policies to deal with situations where one department arranges for a contractor to perform services for another department." Again, in this instance communications in the Premier's office, the former, former, former Premier's office, gave direction to Municipal Affairs for implementation.

I might ask – again, not that he was in this role at that time – Mr. Pickering how those recommendations have moved forward in ways that we can provide assurance to each other and to the public that these circumstances won't happen again.

Mr. Pickering: Thank you, Minister. To address what Municipal Affairs did to implement the recommendations from the Auditor General, I think it's important to note that we took immediate action. We did review our contract policies and procedures. On October 10, 2014, we put into place requirements that sole-sourcing needs to be documented and justified, including the rationale for selecting a particular vendor. A contract manager needs to ensure that if a contract is moved to another area or department, there's a complete transition to that department, including contract file documentation, to ensure that we have the ability to give ourselves the degree of comfort and make sure that the appropriate documentation is in place. A contract needs to be signed before services commence. As I mentioned previously, our procurement policy also noted an emergency procurement section that requires that while the Provincial Operations Centre is operating at level 4, sole-sourcing can occur.

You know, in respect to, as I mentioned previously, the regional municipality of Wood Buffalo fires, the Alberta Emergency Management Agency did use its IT system to document decisions to ensure that when we acquired goods, it was appropriately documented.

Ms Hoffman: Thank you.

Mr. Dach: Thank you. As a follow-up, if I may – it may be partly answered already – I would ask the minister to just elaborate if she could on the scenario that she did relate earlier in her comments. I noted that on page 62 of the Auditor General's report it speaks to the fact that the largest contract of $240,000 did not have an actual written contract "that detailed the deliverables and the associated costs until three days before the termination date of the contract." Can you explain how this happened?

The Chair: Five minutes.

Ms Hoffman: Thank you for the time check, too, Mr. Chair.

Again, this was direction given by the former, former, former Premier, and it's my understanding that there was a lack of clarity over who was responsible for the actual administration of the contract itself. As invoices for work were received, Municipal Affairs determined that no formal contact existed given the different roles played by the office of the former, former, former Premier, Public Affairs Bureau, and the flood recovery task force. To the credit of Municipal Affairs, they flagged that.

Unfortunately, given that so many different moving pieces were involved in it, they were in a situation where they, as I understand, put together a contract at the point where they became aware, which was only three days before the verbally agreed upon termination date. So there was no termination date since there wasn't a contract, but it sounds like there had been one agreed to verbally. The contract was put forward because, of course, there needs to be a contractor invoice process to actually process payments. There was no evidence of the weekly status reports that were written into the requirements for the contract and no formal evaluation of the contractor's performance at the contract's closing.

The procedures that were followed were insufficient for transparency and accountability. Municipal Affairs has put processes in place to ensure that those types of things don't happen again, including adopting the Treasury Board's procurement and sole-source directive and training for staff, as they have walked through in their remarks on how the policies are in place now under the government to ensure that those types of situations don't repeat themselves.

Mr. Dach: Thank you, Minister.

How's my time?

The Chair: You have three minutes left.

Mr. Dach: Thank you.

A follow-up to the minister as well. In terms of the second, smaller contract for $73,200, it was awarded based on the idea that Navigator was already doing flood-related work for the flood recovery. However, the Auditor General's report states that "in their review of the proposed contract, department staff questioned the cost of the contract as they thought it was high compared to past contracts that had similar methodologies with similar number of locations and focus groups." Why was the contract not then further negotiated or changed?

Ms Hoffman: Yeah. Thank you. I think that is a very valid question. I can't speak, again, to the decisions that were made at the time given that I was not in the role that I am in today, but I can say that the public service's job is to give their best advice, to present evidence. At the end of the day, it's up to the ministers – well, former ministers – and then Premier as well to make the decision. As was noted by the Auditor General's office in the report referred to, the staff did question the cost of the contract; however, no changes to the contract itself were made. I'm confident that the public service did their job in presenting the information.

9:40

Again, at the end of the day, the buck stops with the ministers and Premier of the day, but due to the enhanced review process that's been put in place now within Executive Council, many parties, including, for example, corporate services, senior officials, and the deputy minister when required – any instance by which a contract and our contracting practices are thought to not conform to the policy would absolutely be questioned, and any issue must be fully resolved prior to the approval of the contract being granted.

Again, at the end of the day, the job of the public service is ultimately to implement the lawful direction by government. Certainly, I am convinced through review of the evidence that the public service did raise questions, as is their job, but at the end of the day the decision rests with the former, former, former Premier, and that decision was implemented.

Thank you for raising the question that you have highlighted because I think it is an absolutely fair question and one that as Albertans we certainly deserved a better answer to than the one we got at the time, and as a result we got a different government.

Mr. Dach: Thank you, Minister.

Just a final follow-up.

The Chair: Thirty seconds.

Mr. Dach: Can you encapsulate, please, how the contracting policies at Municipal Affairs have changed and improved since the audit was completed?

Ms Hoffman: Thanks. Again, they did make a number of changes. For example, effective April 1, 2015, all contracts that are sole-sourced over $10,000 do require that deputy minister's authorization. So if you're going to order lunch, you don't need to get the deputy minister to sign off on who you've selected for lunch, but you absolutely do for contracts of substance, for which the $10,000 limit was identified.

The department's financial services area has also hired a senior procurement analyst, who has been a very strong resource to help the department staff with the procurement policy and implementation. They've also done a great deal of training of the staff in the department, and the department has also put in place the IT system that was mentioned that will help document the rationale for contracts in emergencies through the Provincial Operations Centre. They've also adopted the Treasury Board's procurement and sole-source directive. I think providing that guidance through Treasury Board has certainly been useful, and then it's up to the ministries to implement as most appropriate in their areas.

I'm confident that Municipal Affairs has taken a number of steps to provide assurances to the public that they're doing their part as we move forward.

The Chair: Thank you very much, Minister.

We have 10 minutes of opposition time.

Sorry. Does the third party want to take this time or not?

Mr. Fraser: I just wanted to say to our civil service that I know that through all these changes a number of things have gone on. It can be difficult through these times, and they're always honourable and do an excellent job, so I just wanted to thank the departments for that, and I see that.

I have no other questions.

The Chair: Thank you.

Ten minutes to the official opposition. Mr. Barnes.

Mr. Barnes: Thank you, Mr. Chair. I, too, would like to thank Minister Hoffman and all her public servants for their great work on behalf of Albertans.

I've got three questions, and they've got to do with the Auditor General's key findings, particularly that the department did not consistently follow its policy when entering into sole-source contracts. I've heard a few things about accountability – I want to come back to that in a second – but I haven't heard all I wanted to hear about how someone gets on the preselection list for the possibility of providing a sole-source contract for Albertans. What is the policy in Municipal Affairs and Alberta Health? Do our vendors have to be selected to ensure that the taxpayer gets value, to ensure that the provider has the quality to provide?

Ms Hoffman: Thank you very much for the question. I think we'll begin with either of the deputies. Who's ready first? Mr. Pickering, please.

Mr. Pickering: Sure. With respect to sole-source, obviously, a large part of that's done in Municipal Affairs during sort of emergency operations. Our emergency operation centre looks to the locale that the emergency occurs in to determine who has the best expertise in order to provide the services or goods that are required by the department. What's required around that, I think, is the documentation around the decision-making that occurred at that point in time, including the expertise that the company has or the individual has that the department is looking for. You know, it's important that we document that and also provide justification for that sole-sourcing, which in an emergency event basically provides us the ability through the trade agreements for emergencies.

You know, there are other occasions where we have the requirement to secure – they may have a specialized sort of expertise. So it isn't necessarily a listing, albeit we do at some of our lower levels of contracts go through sort of a sourcing of quotes in order to obtain and ensure that we have that appropriate benchmarking to proceed with contracting.

Ms Hoffman: Dr. Amrhein, with regard to Health.

Dr. Amrhein: Two issues here. Service Alberta keeps lists of prequalified vendors for goods and services. I've just checked with my colleagues, and if you want the details on how that process works, then they can provide the details. Those would be instances where it is a good or a service that could be provided by any number of people, and we work with Service Alberta on their prequalification list. For example, it might be something related to communications; it could be something related to search consultants or a service of that sort. The issue we get into with sole-sourcing – and I've used the example of buying some of the time from the public health officials in Alberta Health Services – is that there would be no prequalification list because there's only one alternative provider to public health physicians licensed in Alberta, and that would be with AHS.

In some of the other cases when we're talking about complicated pieces of software that have been developed by a particular company, there would be no prequalified list because it's software owned by Alberta Health, maintained by the particular software company – it might be Microsoft, it might be IBM, or it might be Telus – and we would naturally go back to those who created the software to make changes and updates on that software.

So if you want high-resolution details on the prequalification list, I'd like to ask my colleague to step to the microphone if that's what you're looking for.

Mr. Barnes: For now that's fine. Thank you both very much.

My second question. Again, the department did not consistently follow its policy. The policy was in place. It just wasn't followed under Navigator and the previous government situation. I heard a little bit upfront about the accountability and how reports are filed after a sole-source contract is used. I wonder what the department's position is on, say, a company that doesn't measure up and the taxpayer didn't get value. Do we ask for a reduction? Do we ask for improvement on making the contract better? Do we take their name off the list for next time? How do we hold them accountable?

Ms Hoffman: Thank you very much for the question. I'm going to start by asking Mr. Tremblay to add a little bit of context around the prior expertise and experience, and certainly failure to meet expectations would fit within that as well. Certainly, we occasionally do experience that, as anyone would, so it's important to make sure that those experiences inform future decisions.

Mr. Tremblay.

Mr. Tremblay: Sure. From an Executive Council perspective, we rigorously evaluate the contract as it's unfolding to ensure that the vendor is complying. If there is a failure to comply to the conditions of the contract, we would consult legal, and we would kind of pursue potential holdbacks if necessary with the vendor. But at the conclusion of each contract we also evaluate the performance of that contractor to inform future sole-source situations or future competitive situations. It's a prequalified vendor list, and in order to get on that list, the vendor has to demonstrate that they've conformed to and delivered on what the conditions of the contract stipulated. I can't speak for Municipal Affairs or Health, but in terms of any sort of vendor interaction we have in Executive Council, that evaluation process is crucial throughout the term of the contract but certainly also at the end of the contract in order to inform any sort of future engagement with that vendor.

9:50

Mr. Barnes: Okay. Thank you very much.

My third and final question. Deputy Minister Pickering mentioned the Fort McMurray fires. Dr. Amrhein mentioned the possibility that sometimes we don't have enough trained physicians and have to use a sole-source situation. I guess my concern – and I'm thinking back to the Fort McMurray fires again – is that the government of the day clearly didn't put enough money in the budgets to ensure what may be required for disaster relief, forcing sole-source contracting, which I presume in this case was firefighting, including water bombing. We all know when we build a house to try to avoid the extras. Does Alberta Municipal Affairs, does Alberta Health, does Executive Council have a mechanism for informing the government when they're underbudgeting, when they could be saving the taxpayer money, getting more value for services for Albertans by a more robust, complete budgeting process?

Ms Hoffman: Just to confirm that what was being referred to is that when you're in the midst of a natural disaster, you need to make sure that you have the tools necessary to address that and also to clarify that when you create a budget, it's based on information known to date. Certainly, last year because we had a budget that was passed in the fall sitting of the Legislature, the information known to date was based on the completion of the fire season, not the beginning of the fire season. Again, I just want to clarify that every resource that was required in any of those fiscal years, whether it be last year or this year, was certainly put towards making sure that people's lives were saved and people's homes were protected as much as possible and that estimates that were put in a budget line item did not impact anyone's ability to put forward the resources necessary. At that time I think it was even estimates. It wasn't even a passed or proclaimed budget number. I just wanted to clarify that piece.

With regard to one of the sole sources that was mentioned, the telephone town halls, there certainly was due consideration of who would be best to fulfill that contract. If Mr. Pickering would like to supplement on that or another piece with regard to the sole-sourcing with regard to the wildfires, I would encourage him to do so now.

Mr. Pickering: Just to be clear, the forest firefighting sort of resources are provided by Ag and Forestry, and they do have appropriate sort of contracts in place prestart of the fire season. The difficulty with any disaster is to understand the scope and magnitude in any given year. The government has decided not to specifically budget for disasters, but as the minister has indicated, when those events occur and decisions are made in our Provincial Operations Centre, all resources are brought to bear to ensure that loss is mitigated and life is spared within Alberta.

Mr. Barnes: Okay. Thank you. Yeah, absolutely.

The Chair: Sorry. That's the end of our time there.

The remaining time, six minutes, will go to government members. Mr. Sucha.

Mr. Sucha: Thank you, Mr. Chair. Before I begin, as we've kind of talked about the disasters that have happened, I would really like to take this opportunity, as this impacted many of my work colleagues at the time, many constituents who were housing people during the floods, as well as family members, including my sister who was displaced for two months, to thank the civil service who worked extraordinarily hard during this time.

To the minister. I know you alluded to this through MLA Dach's questions earlier. According to the Auditor General's report it was the director of communications of the Premier's office who arranged for Navigator to assist with the internal contract with the flood recovery task force, the $240,000 contract. Is it typical of the Premier's director of communications to interfere in a ministry's procurement?

Ms Hoffman: Thank you for the question. I can't speak to why the vendor was engaged, again given the timing and who indeed were in those roles at the time. I also cannot speak to the rationale of why a properly documented contract wasn't assigned until a much later date, but I can say that the Premier and members of her office – again, that being the former, former, former – were part of the ministerial flood recovery task force for the cabinet committee. This committee was responsible for providing direction to officials on flood recovery efforts, and this is relevant to the Auditor General's recommendation that the departments update their contracting policies and deal with situations when one department arranges to contract services for another department.

To my awareness, this is not the way that our government has chosen to move forward and enact sound procurement on behalf of the people of Alberta. Certainly, I am confident that we'll continue to move forward with the recommendations of the office of the Auditor General and the taxpayers as that sort of moral compass as we move forward.

With regard to the then government's decisions and their actions that then followed, I imagine if members have opportunities to engage with them, whether it be in the cafeteria or the opposition lounge or at forums that might be taking place across Alberta, it certainly would be appropriate to ask the members of the then government around the legalities and moral questions that have been raised here today.

The Chair: Minister, you said you couldn't speak to it, obviously, because of when you came in. Perhaps the Deputy Minister of Municipal Affairs would like to take a stab at that, then.

Mr. Pickering: Sure. I think it does relate to lack of clarity on who is responsible for administration of the contract. I think that was clearly articulated as a deficiency by the Auditor General. In accordance with that our policy now deals with that. The area within the department that would deal with those things as they occur through an emergency event would be the Alberta Emergency

Management Agency, and they would have responsibility to ensure that contracts are appropriately put in place.

Mr. Sucha: Thank you very much.

I know MLA Barnes addressed this as well, but for the record: do you have assurance that the departments are complying with the directives for sole-source contracting during the current emergencies in Fort McMurray?

Ms Hoffman: Thank you very much for the question. Yes, all contracts entered into by the department were in accordance with enhanced contracting policies that have been put in place following the Auditor General's recommendations. Further, the processes in place for the current Wood Buffalo ministerial recovery task force are more stringent today. Municipal Affairs has learned from the lessons in the past and has made changes to department procedures on how services and goods are procured in a state of emergency. This includes implementing the Auditor General's recommendation on documenting the rationale for the contract services as well as selecting the vendor. There is an IT system in place at the Provincial Operations Centre to document decisions and real-time communications as they relate.

Certainly, I am confident that because of the recommendations of the Auditor General and because of the implementation of these policies under the current government we are in a situation that has much better prepared us for having to react in a situation of crisis should we need to. Obviously, nobody ever hopes or plans for it, but by having policies in place, should these circumstances happen again, we're ensuring that Albertans are protected and respected.

The Chair: Thank you very much.

That is the end of our time, unfortunately.

If there's additional information that you would like to provide or respond to a question that you feel was not adequately answered during the meeting, please forward it through the committee clerk. As well, members can submit written questions.

We're now going to adjourn for 45 minutes. Those attending the next meeting, please be back in this same room for 10:45.

Members, we will be moving to the Foothills Room at 10:15 for our next briefing. That gives us a break of about 10 minutes. Thank you.

[The committee adjourned from 9:59 a.m. to 10:45 a.m.]

The Chair: Okay. We're back on the record, and we'll start with the next portion of today's meeting, to discuss systems to manage the delivery of mental health services, with representatives of Alberta Health and Alberta Health Services. Members should have a copy of briefings prepared by committee research services and the office of the Auditor General on this topic as well as the updated OAG outstanding recommendation documents.

I'd suggest that we begin with opening remarks from Alberta Health. Actually, first we'll ask our guests to introduce themselves, starting to my left.

Ms Ness: Kathy Ness, assistant deputy minister, Alberta Health, in the health service delivery area.

Dr. Amrhein: Carl Amrhein, Deputy Minister of Health.

Dr. Yiu: Verna Yiu, president and CEO of Alberta Health Services.

Mr. O'Brien: David O'Brien, senior program officer for community, seniors, addiction, and mental health.

The Chair: Actually, because we have new guests, for the benefit of our guests I'll ask the regular members around the table to introduce themselves, beginning to my right.

Mr. S. Anderson: Shaye Anderson. I'm the MLA for Leduc-Beaumont.

Ms Goehring: Good morning and welcome. My name is Nicole Goehring, MLA for Edmonton-Castle Downs.

Ms Miller: Barb Miller, the MLA for Red Deer-South.

Mr. Dach: Lorne Dach, MLA, Edmonton-McClung.

Dr. Turner: Bob Turner, Edmonton-Whitemud.

Mr. Sucha: Graham Sucha, MLA, Calgary-Shaw.

Drever: Deborah Drever, MLA for Calgary-Bow.

Ms Renaud: Marie Renaud, St. Albert.

Mr. Gotfried: Richard Gotfried, Calgary-Fish Creek.

Mr. Pekh: Sergei Pekh, OAG.

Mr. Saher: Merwan Saher, Auditor General.

Mr. Barnes: Good morning. Drew Barnes, MLA, Cypress-Medicine Hat.

Mr. Cyr: Scott Cyr, the MLA for Bonnyville-Cold Lake.

Mr. Koenig: Trafton Koenig, Parliamentary Counsel with the Legislative Assembly.

Dr. Massolin: Good morning. Philip Massolin, manager of research and committee services.

Mrs. Sawchuk: Karen Sawchuk, committee clerk.

The Chair: I'm Derek Fildebrandt, Strathmore-Brooks, the chair today.

I will begin with Alberta Health. You have five minutes.

Dr. Amrhein: Thank you. I'm pleased to have this opportunity to speak with the committee today regarding the Auditor General's recommendations on mental health services. Joining me today from Alberta Health are Kathy Ness, the assistant deputy minister of health service delivery, and, behind me, Michelle Craig, the executive director of addiction and mental health. I'm also pleased to have with me from Alberta Health Services Dr. Verna Yiu, the CEO of Alberta Health; Dave O'Brien, the vice-president of community, seniors, mental health, and addiction services; and, in addition, behind us, Kathryn Todd, the vice-president of clinical innovation and research and the executive lead in AHS for mental health.

The Auditor General has recommended that Alberta Health use an action plan to implement the strategy for addiction and mental health as well as monitor and report on implementation progress. Alberta Health accepted the recommendations of the Auditor General and responded on a number of levels. Based on direction from the Premier, an MLA-led review of Alberta's addiction and mental health system was carried out in the second half of 2015. The resulting Valuing Mental Health report was released in February this year.

The report contains recommendations to strengthen addiction and mental health services for Albertans. Among the priorities is a

commitment to put into place a performance monitoring and evaluation framework. This framework will allow us to better ensure that the actions we're taking are getting positive results for Albertans. I am chair of both the executive steering committee as well as the advisory committee that is moving this work forward. The advisory committee is now comprised of well over a hundred people representing over 70 organizations in Alberta dealing with addiction and mental health issues.

I can update you today on progress made in implementing the recommendations of the Valuing Mental Health report. One of the recommendations suggests adding medical detoxification beds for adults, including six to eight new beds in Lethbridge, and providing medical support for 20 social detoxification beds in Red Deer. On March 16 of this year Alberta Health provided a 4 and a half million dollar grant to Alberta Health Services to develop these beds. The contract is in place in Red Deer, and a treatment model is in early development.

Another recommendation suggested expanding access to addiction treatment by opening three new social detoxification beds for children and youth in Calgary. The progress to date is that these three new social detox beds for children and youth opened in Calgary on April 1. This is a 33 per cent increase in these spaces in Calgary, reducing wait times for the programs from 13 to two days.

An additional recommendation suggests working in partnership with First Nation, Métis, and Inuit communities to develop an opioid addictions action plan. The progress to date is that ministry officials have begun discussions with indigenous groups to identify appropriate methods of engagement and supports in developing the action plan.

Another recommendation suggested increasing technology-based solutions by launching a child and youth mental health website in the spring of 2016. Information and resources are now available on the new website, with mental health resources for children and youth, and a formal launch event is being planned with an accompanying marketing campaign, a public education campaign, to promote the site.

An additional recommendation is to develop a performance monitoring and evaluation framework to track results and to report recommendations and benefits to Albertans. We are currently meeting with stakeholders to validate the indicators proposed in the framework, which will be completed by the fall of 2016.

Another recommendation was to establish an addiction and mental health implementation team to work with community and health partners to co-ordinate implementation of the report. An evaluating mental health implementation structure has been established to co-ordinate the implementation, and there's an important meeting on October 13 to decide next steps.

In performance measures, Alberta Health has a number of performance measures that indicate that Alberta Health's investments in addiction and mental health are getting results for Albertans. In 2014-15 94 per cent of clients receiving general community addiction and mental health services indicated their satisfaction. In '14-15 89 per cent of children were offered an appointment within 30 days of their initial request to receive services. Since 2011-12 access times have been stable or improved while service demand has increased. In '14-15 the mental health re-admission rate was 9.3 per cent compared to the most recent national rate of 11.6 per cent, and this rate in Alberta has declined slightly over the past three years.

Community treatment orders have resulted in a 58 per cent reduction in the number of clients hospitalized, a 65 per cent reduction in the number of hospitalizations, and a reduction of 24 days in length of stay, from 60 to 40 days, between 2010 and '14.

In conclusion, I'd like to emphasize that strengthening addiction and mental health is a top priority for our department. The recommendations of the Auditor General have been valuable in identifying areas to improve mental health and addiction services, and we have made progress in addressing those recommendations.

I'll now turn it over to Dr. Yiu for her comments from the perspective of Alberta Health Services, and then we will answer any and all questions.

The Chair: You've got five minutes.

Dr. Yiu: Great. Thank you very much, and thank you for inviting us today to discuss mental health services delivery in Alberta from Alberta Health Services. I just want to start by reiterating that the issues raised by the OAG audit are significant and important and remain a priority for Alberta Health Services.

AHS is committed to providing Albertans affected by mental illness and addictions with the publicly funded health care services they require in the right place at the right time. I'm pleased to report that we continue to make progress and improvements when it comes to providing addictions and mental health supports for patients with timely, high-quality patient and family-centred care.

We have seen more integration and co-location of addiction and mental health services to better serve the needs of Albertans, many of whom suffer from both problems. All sites and clinics have or are examining integration of addiction services with mental health services. Addiction services were distinct and separate from mental health in the past until the formation of AHS. We are embedding addiction and mental health professionals in key areas of AHS such as emergency departments to ensure access to services and transition between services.

10:55

A good example of this work is at the University of Alberta hospital in Edmonton. At that site mental health workers and liaison staff are embedded, actually, within the emergency department 24/7 to support clients experiencing emergent needs as well as to help connect patients to local community resources. This service is now available at most major tertiary hospital sites across the province.

For those seeking help for opioid addiction, AHS is expanding medication-assisted treatment in communities where services are currently unavailable through a recent $3 million grant from Alberta Health. A new opioid-dependency clinic has opened in Cardston, for example, to serve the high needs in that area, including supporting the Kainai Nation, which is a Blood tribe. The opioid-dependency program has expanded to include a maintenance clinic in Fort McMurray so that clients no longer have to travel to receive methadone or suboxone treatment at the Edmonton clinic. We also have plans to open two more clinics in the north zone and the central zone. Since February, as already relayed by Deputy Minister Amrhein, Alberta Health has opened or announced nearly 50 new medical detox beds in communities across the province.

We continue to face an unprecedented increase in fentanyl and opioid addiction. We know that naloxone saves lives in the case of an overdose when given immediately and followed up with emergency medical support. In just over a year more than 6,000 naloxone kits have been given to Albertans, and we have reports that these kits have saved 408 lives. AHS has an additional 10,000 take-home naloxone kits available to dispense to a total of 883 locations across the province. Between January 2015 and August 2016 EMS administered naloxone to 2,370 patients.

We have also helped 46 complex-addictions mental health patients and persons with developmental disabilities transition from acute-care facilities to appropriately supported community housing.

We've expanded telehealth services to rural and remote communities to connect patients with psychiatrists remotely. Three additional PCHAD beds were opened in the Calgary zone to reduce the wait time for admission from 13 to two days. AHS agreed to a plan of action to improve care, and I personally committed to getting that work done. We continue to face significant challenges, and addressing these recommendations will not happen overnight, but I can assure you that work is under way and proceeding through short-, medium-, and long-term actions. We are co-ordinating that work with the recommendations highlighted in the government of Alberta's mental health review.

Finally, I want to conclude with a few words of gratitude. Much of the work that's been done and that has occurred to date has been due to the hard work and dedication of AHS addiction and mental health staff, who provide care to over 150,000 Albertans every year. I want to acknowledge them and the very important work they do.

Thank you.

The Chair: Thank you very much, Doctor.

I'll now invite Mr. Saher, the Auditor General, to make an opening statement on behalf of his office.

Mr. Saher: Thank you, Mr. Chairman. I'd just like to refer to the report that we're dealing with today. It's our July 2015 report. It was a follow-up report on delivery of mental health services. In that follow-up report we replaced 11 recommendations from our two reports made in 2008 with four recommendations: one made to the Department of Health and three made to Alberta Health Services.

I'm not going to read the recommendations but just the subject matter of each of those recommendations. In the recommendation to the Department of Health the subject matter was: "Use action plan and progress reporting to implement strategy."

Now the three recommendations to Alberta Health Services. This was recommendation 7 in the report of July 2015: "Integrate mental health service delivery and eliminate gaps in service." Recommendation 8: "Improve information management in mental health and addictions." Recommendation 9: "Complete assessment and develop waitlist system for Albertans who need community housing supports."

Thank you.

The Chair: Thank you.

We'd have an opportunity for members to ask questions. We're going to go back to our usual way, our usual format, which is rather informal: members just put their hands up to get in line.

Okay. I've got Mr. Barnes, Ms Drever, Dr. Turner, and Mr. Gotfried. We'll begin with Mr. Barnes.

Mr. Barnes: Okay. Thank you, Mr. Chair. First of all, my thanks to all of you here at the table and everyone in the room for your work on behalf of all Albertans. It's greatly appreciated. Read a lot and heard a lot today about problems of execution and integration in mental health, and that's where I want to start my questions. The strategy in question was accompanied by a five-year action plan in 2011. This plan was called creating connections, and it had timelines for completion. It was followed up with an interim report in April 2015. As we know, the plan was not executed, and the Auditor General notes that the interim report was not adequate for assessment and reporting.

Three questions that I have that relate to that are to the Ministry of Health. All told, do we know how much was spent putting together the creating connections action plan and how much of taxpayers' money was spent on the interim report?

Dr. Amrhein: I'm going to turn to Kathy Ness, who may call on her colleagues behind her who were here at the time.

Ms Ness: Thank you very much. I'm actually just looking towards my colleague in the back, to look at the actual amount for creating connections. Creating connections, as you know, was then replaced with us moving forward with valuing mental health. So the dollars that were invested during that time – sorry; the interim report. Sorry. I guess we don't actually have that amount of money that we can provide you at this time, so we'll have to get back to you on that particular amount.

Mr. Barnes: Okay. Thank you.

Two follow-ups, Mr. Chair. Of course, it's now 2016, obviously. We're nearing the end of the five years. How close to executing the plan as outlined are you?

Dr. Amrhein: The plan we're working on right now is the sum of the Auditor General reports and the recommendations out of the Valuing Mental Health report, that was commissioned by the Premier. We have taken an all-of-government approach to the issues that we confront in mental health and addictions.

The senior committee that I chair is comprised of 10 ministries, AHS, and the relevant portion of the federal government. This is a group that is assessing and pulling together resources from across government. We take advice from the advisory group, which is comprised of all of the various organizations in Alberta that contribute to the provision of services in mental health and addiction.

We've had a series of meetings, both the senior group and the advisory group. We are meeting on October 13 with the advisory group, and the goal is to identify the priority of next steps from the very long list of ideas and needs that have been presented. The list of ideas and needs presented is a multiyear work plan. We have to match the priorities to the funds that are available. We have made some progress, as reported in my opening remarks, some immediate delivery of detoxification beds.

The plan that's under way right now assumes that mental health and addiction services are a central part of a much broader array of services perhaps called primary health care. In the analysis of the conditions and the treatment patterns that have been successful – and I'll ask Dr. Yiu to comment further – we are dealing with issues such as isolation, issues of attachment, issues that allow primary care physicians, family physicians to connect directly to the services of acute care. We're dealing with supply issues in discussions with the two psychiatry departments at the universities. All of these pieces are currently under active development.

After we meet with the advisory group on October 13, we'll be in a much better position to report specifically which steps we are taking in what particular order. But there is a lot of work going on, and we will continue to make progress because this is something that is critically important to everybody in Alberta.

Verna?

11:05

Dr. Yiu: Yeah. I mean, I would say that part of the progress could even be documented by the fact that we're talking about addictions and mental health here today. You know, I would say that, practising in medicine 20 years ago, it was a real stigma, and patients and families being able to come out and share their stories with addictions and mental health was just nonexistent.

After saying that, in terms of working with some of our primary care partners – I don't know; Dave can give the details – we are trying to build partnerships with some of the primary care networks. As an example, we're working with Foothills and Peace region PCNs to sort of look at some of the gaps that are currently in the

system and how do we actually help transition the care so that it's seamless from a patient's perspective. So doing some of that work.

We're also trying to leverage off some partnerships with nonphysician groups because there are many nonprofit agencies that work with addictions and mental health, again, making sure that we leverage off on that because we actually have a lot of resources in that.

Mr. Barnes: To follow-up again, the reports we have and the Auditor General's excellent work focused around execution and integration. A lot of information there, but I didn't hear as much about integration, of helping Albertans, you know, with mental health issues and their families. When it comes to the creating connections action plan, when it comes to the execution part, with the answer focused on integration if you can, please, are there any initiatives from the plan that have been carried out? Have we assessed their usefulness, and have we reported them publicly at all?

Mr. O'Brien: If I could just comment. You know, practically everything we do now is focused around integration and how to bring all of the parts of the broader social and health systems together so that we can work more fluidly, so that we are more client centred. Rather than each of us in our silos doing our business to treat an individual's condition, we work together to treat the whole individual. There is a great deal of work that has been under way, is very successful, and has been spread and scaled across the province, and much more work has to be done in terms of integrating.

Some examples of those are where we have set up multidisciplinary community support teams where individuals from Human Services, from Justice, from Alberta Health, and Alberta Health Services work together on a particular client's issues in order to find the best, you know, sort of environment and treatment methods for the individual, not just about their health care needs but about all of their social needs. There are good examples that came directly out of Creating Connections: Alberta's Addiction and Mental Health Strategy that have been implemented.

Mr. Barnes: Okay. Thank you, all.

If I could go back on the list for another question, but I'd like to move on to a different thing.

The Chair: Okay. I'll put you on for another question, but I think we're going to go to the government members now. Ms Drever.

Drever: Thank you very much, Mr. Chair. I just wanted to start off by saying that in my riding I have many organizations such as Simon House Recovery Centre and Camp Clinics who are devoted to fighting addictions and mental health. We hear daily about the toll addictions are taking on Albertans. The fentanyl crisis is only the current drug of choice, and there will certainly be different substances that follow in its wake, and I actually know of one drug that is currently circulating called W-18. It is clear that this is a medical problem, and we cannot expect to arrest our way out of it. I just want to thank the government for its work to move quickly on the life-saving interventions for overdose and harm reduction. However, long-term treatment options are needed to make long-term change. I just wanted to ask Alberta Health to clarify what you are doing to expand addictions treatment throughout the province.

Dr. Amrhein: I will again turn to Dr. Yiu with the specifics. The multiministry approach on the fentanyl crisis has been, really, a very rapid response to an emerging situation. The fentanyl task force that was set up within a number of ministries last year has agreed that their work would continue under the report Valuing Mental Health. So all of the work that the fentanyl task force started, including the naloxone distribution system and preparing the document and the evidence that allowed the minister to expand the scope of practice in a number of health professions, continues.

The chief medical officer of Health is monitoring the Canadian-wide shifts in the nature of the opioid challenges as well as the volume. She is convening a very small group that will be able to move even more quickly, and the relevant parties, the Ministry of Justice, AHS, are involved in that initiative. We're finding that, as reported by Dr. Yiu, the naloxone plan is having an effect. There is always more work to do, but we now have a province-wide distribution system that is moving very quickly under the control of Alberta Health Services in partnership with a number of the community care organizations that are directly in contact with people who are struggling with opioid challenges.

The situation we face – and you mention W-18. It is a good example. At first it was thought to be part of a family of even more powerful opioids. The chemistry that's coming back suggests that it's part of a family of even more powerful drugs than we thought but that they do not behave exactly like opioids, so we're not exactly sure yet what the response will be. The chief medical officer of Health has taken this on as one of their primary responsibilities. We're also working with agents in the Department of Justice to deal with interception and addiction types of issues. So those are ministry responses.

I'll defer to AHS to talk about their efforts to expand community treatment in a number of their facilities.

The one part of this opioid challenge that is just very, very hard to manage in addition to the speed with which the situation changes is that it varies among communities from north to south, east to west. It's not the same challenge in southern Alberta as it is in northern Alberta, so one of the challenges that AHS faces is that they have to customize their response to the particular requirements of each community.

At this point I'll turn it over to colleagues in AHS to explain their efforts.

Dr. Yiu: I just want to start off before I ask Dave to give some more specifics around the additions treatment. First and foremost, I think combining mental health with addictions was a really important move. In the past, when it was siloed, you had, you know, almost two different groups of practitioners treating two different entities, yet in many respects they were connected together, so I think that was a very important action to do. I think that was a good thing.

I'll pass it over to Dave, but just to say that, you know, addictions treatment is really the end of the road in many respects. The real strategy to treating addictions is really having upstream treatments in terms of supporting our youth and supporting the children, making sure there are good social supports in place. In many respects, although we put it as a health issue, it is very much an issue, I think, that affects every single ministry, every single person in Alberta. It is much broader than just opening up detox beds. I just wanted to make that point.

Dave?

Mr. O'Brien: Yeah. I think that's an excellent point.

One of the advantages of Alberta Health Services, I think, as a single provincial organization is that we've been able to really co-ordinate planning efforts across the whole province and look at where are the highest priorities as well as making use of service capacity in other parts of the province that might have been out of region before, so this is helping us in some respects to maximize the service capacity that we have now, where we might have perhaps some sites that are underutilized. That's one of the areas where we're improving.

We're also assessing the province from a geographic service area perspective to understand what are the needs relative to what's the available service capacity and to develop a plan for each sort of geographic service area to understand what are the different types of addiction and mental health supports, in this case addiction treatment capacity, that are required.

11:15

In addition to that, we're really focusing a lot more attention on our contracted addiction service providers in terms of working with them to develop standards of care, to develop sort of standardized treatment methodologies. In particular, they don't have to be identical, but we will have outcome measures associated with it so that we know where we have successful addiction treatment happening and where we can replicate that and scale and spread that as much as possible.

I think, finally, an important one is that we're working with the ministries around revamping the whole harm reduction strategy and outlook, and I think that's going to be an important element in terms of how to address addictions more generally. It's obviously a growing problem, and I would agree with Dr. Yiu that it's one that is not specifically a Health problem but requires a very, very multi-disciplinary, multiministry approach to solving.

Drever: Thank you so much.

Mr. O'Brien: Thank you.

The Chair: Okay. Next we have Mr. Gotfried.

Mr. Gotfried: Thank you, Mr. Chairman, and thank you to both Alberta Health and Alberta Health Services for all the great work you do on behalf of Albertans. I know it's a difficult job, and it sounds like you're making some headway and achieving some success.

Going back to some earlier questions relating to the 2011 creating connections strategy and also the follow-up, valuing mental health 2015, and some of the shortcomings with respect to the Auditor General's reviews of the lack of implementation, from Dr. Amrhein it sounds like the recommendations have been accepted, but we have not seen – I guess my question is: do we now have a clear, realistic, and measurable action plan, and if so, who is accountable for that with respect to Albertans? Associated with that question is: do we know the costs of implementation and what savings may be realized with successful implementation if we were to achieve those on a long-standing basis in terms of meeting some of those recommendations?

Dr. Amrhein: The ministry responsible is Alberta Health. By your question I can now answer the earlier question because my colleagues have dug up the answer. The action plan that was the interim report Creating Connections was done entirely in-house by the ministry, so there was no additional cost beyond the budget of the ministry. The Creating Connections recommendations we have rolled into our response to Valuing Mental Health. We see a continuum. It is true that the Auditor General did do an assessment, and he found the overall response by Alberta Health and Alberta Health Services to be inadequate.

To your questions, we're not yet in a position to cost out each and every step. The direct cost to the addiction and mental health branch is something just north of $100 million in the '15-16 budget – that's $10 million more than the previous year – but the very preliminary estimate is that in addition to the funds directly expended by the branch Alberta Health Services spends about $750 million a year on various sorts of addiction and mental health services.

One of the challenges we face is to precisely assess exactly the resources from the Ministry of Health overall budget that are mental health and addiction as opposed to everything else. There's a lot of important work under way led by one of the AHS senior clinician scientists, Richard Lewanczuk, that is beginning to demonstrate that many of the complex chronic conditions that AHS has to deal with have embedded in them a very significant mental health component. Separating out the mental health piece from a basket of chronic conditions that might involve diabetes and heart conditions is not going to be easy. It's worth doing because it's important for us to understand how all the pieces fit together, but we are some ways yet short of being able to give numbers that would be based on very solid, forensic auditing types of data. That is ongoing.

The effort to integrate is an emerging recognition that AHS, the ministry will require the active engagement of a very broad set of public agencies, nonprofit organizations, faith-based organizations that also play an important role. Additional work by Dr. Lewanczuk that is now becoming ready for public release will talk about the issues of isolation and that frail elderly will see their mental health deteriorate if they are isolated.

One of the pieces that will integrate the primary health care system with the acute system is the concept of attachment. The evidence coming out is that many, many chronic conditions are less severe if there's an ongoing point of attachment between the Albertan and a primary health care provider, usually a family physician, often through a primary care network but not exclusively.

Mr. Gotfried: Dr. Amrhein, if I could just do a follow-up question. Thank you for your answers thus far. I guess my questions were really more around our ability to, I mean – well, a lot of work we do at this committee is driven by what the Auditor General tells us are some of the shortcomings of previous reports and their previous reviews of action plans. We've heard that those are not being achieved to the Auditor General's satisfaction, and thereby I would say that this is of significant interest to Albertans.

Again, I guess my question is: is there now a clear, realistic, and measurable plan here to address some of the shortcomings highlighted by the Auditor General for us to actually move ahead with accountability and with some clear dollar amounts attached to that accountability so that it is achievable and we can measure the outcomes?

Dr. Amrhein: We will be consulting with the broad community base on October 13, and the draft action plan will be presented to me ideally by November 30. Then at some point we can come back and have another discussion.

Mr. Gotfried: Great. Well, we look forward to that. Thank you for your answers.

The Chair: Just before we move on, not specific to any one of the last three rounds of questioning, I just want to remind folks that specific questions rather than broad-based questions tend to yield better answers. Broad-based questions we could talk about all day. If we could keep our questions specific and also be careful with our follow-up questions, that they are follow-ups to what we already asked, that it's a logical progression rather than a new topic. Not to anyone specifically but just a reminder to all members.

We'll now go to Mr. Hunter.

Mr. Hunter: Thank you, Mr. Chair. I agree, Dr. Yiu, that we need to make sure that we're addressing the upstream rather than continuing to react to the newest drug that's out there. I commend you for saying that and hope that we can see some measurable

results in being able to fix – well, not fix but at least mitigate and get ahead of this.

You talked about Cardston – it's in my riding – and the fentanyl program that's going on there. My original question actually has been answered, so I'd like to just drill down a little deeper to this. Obviously, addressing this issue has been a difficult one. As we see each person that dies, we feel like we're losing the battle. When you set up that program there, it was originally designed for an intake of 300 people per day. I think they're at one-tenth of that right now. Is this program a beta test? Is this going to be assessed as we go? I'm hearing from people who are in the trenches that this program is not addressing the problem. They're saying that these Suboxone treatment kits need to be closer to where the problem is. So I'd like to find out from you: what are you going to do with this program in Cardston? Are you assessing it, and how are you identifying if it's a success or not?

Dr. Yiu: I'll pass it on to Dave and potentially Barry Andres, who is our executive director for addiction and mental health. But just to say that any of the things that we do is all iterative in many respects – and we actually follow the progress very closely in terms of making sure that things improve as it goes along. I think what we've been instilling in the culture of AHS is sort of a culture of continuous improvement, that any program that we launch is not the be-all, end-all of any program, that we use the data and the results from those programs to inform change and to make it better.

11:25

Thank you for passing on the information about Cardston and the kits not getting to where it is because we've heard that from other jurisdictions. It's really hard to sort of, I think, sometimes land on the right balance about where you want the kits to be at, and if it's not getting to the right people, then we definitely need to go back to Cardston and say, "How can we do it better?" because we want to do it better all the time.

Mr. O'Brien: Perhaps I'm just a little bit unclear around naloxone kits versus Suboxone treatment for opiate dependency, so I'm just going to maybe ramble a little bit about that. We have made every effort to ensure that our naloxone kits are where they need to be, that they're in the hands of the individuals who might need to use them or who have a loved one who might need to use them, including, you know, distributing through pharmacies and through other safe injection sites and other harm reduction agencies. We will definitely be looking in to make sure that with respect to Cardston and the Kainai Nation we have appropriate naloxone supply and it's available and where it needs to be.

With respect to the Suboxone clinic that has recently opened up in Cardston, you know, in terms of treating opiate dependency there are sort of a few methods, and one of them is Suboxone, which does require a slightly different treatment methodology than does methadone, for instance, or just plain detoxification and abstinence from then on. Suboxone is relatively new, I guess you could say. In addition to being relatively new, it's also a matter of: you can build addiction treatment capacity. The trick to keeping it maximized is the community and the social supports to be out there and to encourage individuals who are ready for addiction treatment to actually engage with available services.

It's something that I talked about earlier in one of the questions. There is work that needs to be done around engaging with communities to make sure that those who are in need of addiction treatment (a) can access it but then (b) will also access it. Alberta Health Services cannot force individuals into treatment or into care. It is one of the tricky things that we really need to work on with communities, in this case with our indigenous communities and nations, in order to develop strategies for how to engage individuals to enter into addiction treatment.

The Chair: Thank you.

We'll go to Mr. Westhead on the phone.

Mr. Westhead: Thank you very much. I was wondering if maybe Dr. Amrhein or someone from the department can help us understand how the mental health strategy lines up with the ministry's business plan and the outcomes that are in the plan.

Dr. Amrhein: The goal of the minister and the government at the highest level is to provide the right care at the right place at the right time delivered by the right team of health professionals. These four imperatives, that we see now much more clearly than perhaps a year ago, are much more easily delivered if we have the right information. That is sort of the lubricant that ties together all of these efforts.

Stepping down a little bit, the goal of the government is to provide as much care as possible as close as possible to where Albertans currently live. We have categorized that, on the one hand, as a primary health care strategy. On another hand, it's referred to as a community health care strategy, and within the community primary health care strategy we talk about continuing care, home care, various types of care. That's the primary, highest level set of direction.

If we move into how we actually do this, how we actually make progress, then the goal is to make it as easy as possible for individuals to receive the care they require without going to emergency rooms and without being admitted into an acute-care hospital. The most expensive style of care delivery that we have is represented by our hospitals and emergency rooms. There will always be reasons why people have to go to emergency rooms and hospitals, but we would like to make it as easy as possible for individuals to find appropriate care without going to these big institutions, outstanding as they are.

Some of the efforts under way – and you begin to see these manifest themselves on the landscape. If you go, for example, to the new facility at Edson or the new facility at High Prairie, you will see the beginning of the emergence of what we will call a health campus, where we have a hospital, but the hospital now is augmented by AHS experts on things like nutrition. On the same site you will begin to see facilities that are the clinic outlets for the local primary care networks, and you may also see a very large long-term, continuing care facility. So the integration that we were talking about before, that knits together community care, home care, and primary care with acute care and also, in the case of the frail and elderly, long-term care facilities, takes place in one location.

Why is this useful? Well, if you are unsure of what the appropriate level of care will be and the health care system is distributed in many different parts of a locality, you may go to your PCN clinic, and if it's decided that you do have to go to the emergency room, that takes time, and it takes an ambulance. If, however, you go to an emergency room and the emergency room triage function says, "Well, you know, you would be much more quickly and perhaps better treated if you went to your PCN clinic," right now that, too, will require transportation in an ambulance. If they're connected by a climate-controlled pedway system, then whether you walk or you move in a wheelchair, you move from one facility to the next. AHS has the facility at Slave Lake where this is already up and running.

Some of the major efforts to bend the cost curve down require that we make as many efforts as possible to put people as close to home as possible. This also requires the evolution of the primary care networks, and you saw an announcement by government recently that is the beginning of that evolution of how the PCNs will be working.

I'll defer to Dr. Yiu to explain how that magnificent organization that is AHS is also turning its attention to more community care, home care, and primary care while still maintaining the quality of our hospitals.

Dr. Yiu: As Dr. Amrhein mentioned, hospital care is the most expensive care, and it's not necessarily the best place for people, especially if you are not that acutely ill, so we've been very purposeful over the past four years in trying to slowly move our resources into the community. If you look at our investment in community care such as home care, addiction/mental health services, we've been slowly increasing the budget allocation to that while keeping the acute-care resourcing flatlined. We have to be fairly cognizant of the fact that this takes time, and we still have challenges with our capacity because Alberta has been a province where many people would like to move to. Despite the annual growth, we've been able to increase our efficiencies, and even though some of our wait times are high, we actually have been managing an increased capacity of an almost 100,000-person influx into Alberta every year. So it is a challenge for us, and we do need to balance that.

I think the previous point that's been made by others at this table is about the fact that addictions/mental health is a very important piece but has to be a piece that's embedded in the whole aspect of general care and that it's very difficult to pull it out, especially when it looks to the care for primary care physicians. There are many aspects of mental health issues that are embedded in chronic diseases. Again, it's trying to make sure that we have a holistic approach to health care in Alberta, and addictions/mental health is a very important piece of that.

The Chair: Thank you very much.

All right. We'll go back to Mr. Barnes.

11:35

Mr. Barnes: Thank you, Mr. Chair. The Auditor General's report notes that the ministry has the authority to provide strategic direction and leadership and that Alberta Health Services has a responsibility to carry out the operational business in the business plan. On page 55 the Auditor General's report notes the lack of an integrated case management system for mental health patients. It further notes that Alberta Health Services indicated that "it does not have control over . . . key elements of the public healthcare system and lacks clear authority to deploy a provincial . . . case management [system]."

Alberta Health Services has $14 billion a year. I find that statement out there; I find that bizarre. A strategy here was identified, planned, then written, yet the people of Alberta's administrative body did not feel that it had the control or the authority to execute the plan. I'd like to ask Dr. Yiu or Mr. O'Brien: can you clarify for me, please, what key elements you lack and whether you now have control over all you need to deliver mental health services for Albertans?

Dr. Yiu: Thank you for the question. It's actually a very good question. It's one that we grapple with, to be frank. You're absolutely right. We do have a big budget at $14 billion, but there are aspects of the health system that AHS is not responsible for. We try to collaborate. We try to influence, but there are aspects of – physicians, for example, that are out in the community, who practise, who have no affiliation with Alberta Health Services. They have no appointments with Alberta Health Services. They may use some of our diagnostic testing, but they actually do not come under the purview of AHS.

If an important aspect of care is around primary care management and primary care physicians, our only ability to actually work with those physicians is by collaboration. We've got no jurisdiction over them. That's an example, I would say, of a key variable or factor that you've described that we don't have control over but, at the same time, is a group that we have been working with.

We've described instances where we've been working very deliberately with primary care networks to work with family physicians to try to work collaboratively. But how do we actually embed better practices around addictions/mental health? How do we bring care plans that are consistent across the care continuum? We've embedded some of the aspects of those types of care plans in emergency departments, and we see them when they come into the system. We're working with other nonprofit agencies to try to make sure that the connectivity and the seamless transition of patients happen whether you're in the acute-care system or in the outpatient setting.

Those are just some high-level examples. Maybe I'll pass it on to Dave.

Mr. O'Brien: I think those are excellent examples. AHS is not trying to shirk its responsibilities in terms of delivering publicly funded health services. We clearly have a budget and mandate. The comment is around the fact that there are elements of providing sound mental health and individuals free from addiction that are not necessarily always dependent on medical treatment. Essentially, individuals need safe, affordable housing. Individuals need social supports. They need income supports, they need social connectedness around community and family, and they need health care supports. It's like the four-legged stool. If you don't have those four elements, then you could have struggles. You could have problems.

Essentially, I think what that comment is intended to mean is that we really need to work collaboratively with these other agencies, these other community-based organizations, with communities and municipalities because, you know, mental health and addictions are impacted by all of these things that we talk about.

Mr. Barnes: Okay. Thank you. I appreciate the answer.

I'm still a bit confused, though. The approximately $7 billion budget of Alberta Health, which, of course, our physicians fall under – again, the Auditor General's department has so clearly identified that execution and integration are the stumbling blocks here. How can we put in the systems to get through this, especially when it's 40-some per cent of our budget?

I would like to hear about primary care networks. You know, can they be a stronger part of the answer? I know that there have been some good things, but there has been criticism in the past about a lack of overall direction or lack of a comprehensive plan, and that strikes back to integration. How can we get better value for Albertans that need it?

Dr. Amrhein: I mentioned before these two pieces, the senior committee of deputy ministers and the very large advisory committee. Some of the challenges that AHS faces are policies and procedures that are the responsibility of ministries other than the Ministry of Health; for example, Seniors and Housing.

Other aspects. The emerging area of the mental health of our postsecondary students is under the responsibility of the Ministry of Advanced Education. The government made an announcement

just not very long ago dealing with a special funding envelope for mental health within postsecondary institutions. So the goal of having 10 ministries convene as a single organization together with AHS and FNIHB from the federal government is to do exactly what you're arguing for so that no matter what the issue, what the concern is, that group will have the jurisdiction somewhere among the ministries.

Municipal Affairs deals with responsibility for clearing sidewalks and setting the length of time you have to cross the street to get from one facility to another facility. So as the evidence mounts that mental health is not just a piece of a health care system over here but that mental health is really part of the entirety of the human existence, the continuum of care, we have developed an approach of every ministry in the government that is involved in this being part of the discussion.

PCNs have to be central to this. Primary care is the point of contact for many individuals. We are now meeting with the PCN boards, and we ask these boards: what is the single greatest challenge? And the physicians tell us that they need more help, more guidance, and more training in dealing with increasingly complex mental health issues that come to them as family physicians. These discussions are well under way. We are awaiting the outcome of a ratification vote before we can take some additional steps.

In addition to the Ministry of Health budget and Human Services budget and Seniors and Housing budget, in addition to all of the funds from all of the ministries of government, there is a very large health care system that is not part of the publicly funded system, the volunteers. We give operating grants, but much of the labour is volunteer labour: the faith-based systems, the community engagement systems, the HIV organizations. This entire group of health care entities also have to become part of the conversation because many times those are the organizations to which people go on a much more frequent basis than even to the hospitals or their family physicians. And that's the goal of this very large advisory group.

Pooling together over 60 organizations, the first time we met – and Michelle Craig, behind me, is the person who organizes this – the single most common reaction of the group was that we've never gotten together before. The treaty organizations, the NGOs, AHS, the various ministries: it's a gathering, literally, of a very large community of activity that defines the entirety of the human existence. Mental health is central to all of our thinking, and this is relatively new thinking on the part of a large health care system.

So we're making our way. November 30 is the deadline for this information to come back to me. We don't have specific answers at this point, but we do have a very specific undertaking to try to knit the whole thing together.

Mr. Barnes: Thank you.

A final follow-up. It was pointed out that three of four of the Auditor General's recommendations – compliance has been put off as far away, possibly, as 2019. It was pointed out that a lot of this started in 2007. Twelve years is a long time when Albertans and Albertans' mental health are at risk.

11:45

When I was hearing your answer – and I appreciate that there's a lot of wisdom and a lot of thought in there – the thing that was running through my mind was: we're missing this element of integration. There are 4.3 million Albertans. I, of course, in my four years in the House have been very, very concerned about the lack of local decision-making in Alberta Health Services. I'm wondering how much the lack of execution and integration coincides with the big centralization and if decentralization is part of the solution here.

The Chair: I just want to remind folks that our follow-ups need to very much be a logical follow-up to the original questions asked. However, I think it might be fair to point out that the first question asked by Mr. Barnes certainly got all of our attention, that a lot of strategies have been written out but that there has been a failure to execute according to the Auditor General.

I will allow this question to stand, but I just want to really strongly remind folks that we have to keep follow-up questions to being a follow-up to the primary question that we originally asked.

Dr. Amrhein: Thank you, Mr. Chair. The value of AHS, from our perspective, is that we have a single organizational structure, and when government makes a decision, unlike other jurisdictions we do not have to negotiate with 110 individual hospitals. We work through the issues with AHS, and AHS is responsible for delivering through their organizational structure.

At the same time, we recognize that health care is a very intensely local set of conditions. Dr. Yiu and I spend a certain amount of time when an issue arises at a local level. We go and visit, we talk things through, and we customize a response to the needs at a local level. These visits, these activities: they are increasing in frequency. Some people have observed that it's a very unusual way for two very senior health administrators to spend their time. On the other hand, in my view, there is no more effective way of me understanding what communities in Alberta need than to go and meet with them, meet with the members of the health advisory councils that report to the chair of the board of AHS, the 12 of them, meet with the mayors, meet with the reeves, meet with the local physicians. That's the first point: a central delivery mechanism like AHS is enormously effective in moving quickly, but we do have to at the same time understand what I'll call high-resolution local needs.

The other mechanism is through the primary care networks and other primary care delivery organizations. Our goal would be to have primary care networks cover Alberta – we're very close; there are some gaps – and to have every physician that wants to affiliate with the primary care network see the value in doing so.

Alberta Health Services has their zones. The zonal structure is taking root, and within the zonal structure there are districts. We've started a conversation with the primary care networks to see if it makes sense for the PCNs to also organize themselves so that rather than the ministry talking to 42 different entities one at a time, we talk to the PCNs in a way that allows PCNs to organize their affairs more rapidly to customize the delivery.

PCNs in Edmonton and Calgary have a very different care delivery environment than do the PCNs in northern Alberta and southern Alberta. That level of integration across the spectrum of care delivery but also recognizing the local requirements and the differences in localities across Alberta I think will help the integrated model better deliver health care that the communities need and still maintain the efficiencies and the abilities to move quickly that we see emerging as AHS develops their techniques.

Dr. Yiu: Can I speak to this issue? Thank you for the question. It's a common belief that, you know, AHS is a monolithic organization, but at the end of the day we're an organization of people, a hundred thousand people, who are probably your neighbours, friends, family, who work in the health care system, and it's a tough job. I mean, they do it because they love to help and care for Albertans.

I just want to highlight the response to the wildfire. If not for a single provincialized health care system, I would say that our quick response to the wildfire efforts would not have been as seamless as

possible. We evacuated a hospital. It was the largest hospital evacuation in the country in the history of Canada, 105 people within two hours. That's local decision-making right there at the best. Yet, at the same time, we were able to organize with the provincial response.

When you look at the recovery of Fort Mac and when there was re-entry, many of the support workers and the allied health professionals that went up to provide addictions/mental health support for Fort Mac residents were actually from the rest of the province. They were actually not from Fort McMurray. So the ability to be able to do something like that in a nonprovincialized system, I would say, would have been challenging, and I would say that it really brought a focus to the organization to really show the benefits of a provincialized system and also, at the same time, valuing the importance of the local culture and the local hospitals. I've been to visit all five zones, many different hospitals and sites, and the local culture is – there's a lot of pride at the local facilities and the local hospitals and the local programs, and I'm really pleased with that. You know, I think that they're now proud of working in an organization where we do have a common vision and values that everyone is aspiring to.

The Chair: Thank you.

We'll go to Dr. Turner.

Dr. Turner: Thank you, and thank you to the folks that are visiting us today. The Auditor General has made particular note of what is referred to as "disjointed care planning and delivery among healthcare providers and programs." It's also clear that one of the failings of our current system is that we do not have a central repository of mental health plans. I'm actually concerned about that since we actually have good information sharing in another context, and that's with the Netcare system. Since the year 2002 I as a physician have been able to actually check on the lab and imaging results of every Albertan, or at least for every Albertan that has a health care number, as well as more recently the pharmacy information network, that gives me information about all the medications. I'm just wondering how we might leverage that system to improve information sharing among the mental health care providers.

Dr. Amrhein: This is a question the answer to which could go on for hours, so it's probably good that it's towards the end. Our belief is that the much more affected integration of all of the information that we collect has enormous value in containing cost and in the delivery of better health care across Alberta. There are four major initiatives under way that would move in the direction that you're asking for. Netcare remains a singular achievement in health care in Canada, and one of the initiatives is to update Netcare. Its technology can be made more fluid.

The second project, that speaks directly to your concern, is that we have still not yet successfully and easily been able to liberate the vast amount of information in the electronic medical records of the primary care physicians into Netcare. We're making progress. We have some pilot projects under way, and there are some recent developments in software engineering that should allow us to much more effectively liberate primary care physician data safely and securely within the requirements of the Health Information Act so that we finish adding to Netcare that major piece of missing information.

11:55

In addition, the people who manage Netcare are negotiating with some of the health professionals who currently do not have their information in Netcare like the eye care specialists outside of the hospitals. The optometrists have very valuable eyeball imaging that is critical for physicians dealing with patients with diabetes, for example. We have to be careful to remain faithful to the Health Information Act, but we think we can do this.

The fourth piece I'm going to ask Dr. Yiu to talk about. It probably is the biggest, most exciting piece, and it's certainly the most impressive undertaking in Canadian health care at this point, and that's the evolution of the Alberta Health Services clinical information system. If we get AHS and we liberate the EMRs and we update Netcare to be more fluid – for example, with the personal health record – get that up and running early next year, then as the fourth piece we will be able to anonymize and aggregate data through secondary-use data platforms. In other jurisdictions in the world it is that ability to pool the information in an anonymized and confidential way so that the health care providers can better forecast the conditions that I may well face five and 10 and 15 years from now by looking at similar examples in the past and then working with me as an Albertan to keep me from following down that path.

All of those are under way. I think that we are making rapid progress. We have engaged the regulators on health profession responsibilities in a digital environment. I think the next 12 months will be very exciting because we are ready to bring online some pretty significant advances but none of them more so than the AHS CIS. I would never speak to that with Dr. Yiu sitting beside me because that's her singular achievement in the last little while in data integration.

Dr. Yiu: Thank you for that. As Dr. Amrhein said, we actually are currently working with Alberta Health to try to incorporate addictions/mental health encounters into Netcare. That's going to be the first step. As the deputy said, we're very fortunate to receive funding, starting in '17-18, into the launch of the first, actually, provincialized electronic medical record system in the country. I think other provinces are actually looking at us with envy. Again, if not for a singular health care system, I don't think any other province would have been able to embark on something like this.

We're very excited about this because our vision is really one patient, one record. You as a citizen of Alberta are going to be able to go online to look at your records, to look at your lab data, to be able to make appointments, to know your physician in terms of referrals. There's going to be a lot of, I think, power to the system.

We have launched the RFP. The intention is to conclude the RFP in May of next year, working very closely, obviously, with Alberta Health as well as with the Department of Finance in regard to that. We're very excited about that because I think that if we look at the 10-year trajectory of this, we're hoping to go from our current 1,300 systems down to about 200, which will not only garner you efficiencies when we reduce the number of systems, but there will be numerous efficiencies when it comes to appropriateness of care and better quality of care. So we're very excited about that.

The plan in terms of how it's going to roll out is that it will be rolled out, again, with the provincialized prioritization. Understanding that Edmonton is still paper based within the hospital setting, we are going to be rolling it out in Edmonton first, and then it'll be hitting, I think, a more extensive rollout into the rural settings and then into Calgary.

The Chair: Thank you.

We have a follow-up on this topic from Mr. Barnes.

Mr. Barnes: Thank you, Mr. Chair, and thank you, Dr. Yiu. The Auditor General has well identified that perhaps it is 10 years away to this important information system, and I believe I just heard you say that you agree with that and the $1.5 billion it will cost. Ten

years is still a long time away. Are any interim measures being considered, and what would the budget be on those?

Dr. Yiu: Yeah. We're not starting from scratch. I don't want to give the impression that we actually don't have any form of clinical information system right now. If you look at Calgary, for example, they actually do have an electronic medical record within their hospital system. If you look at the critical care units across the province, one of the powers is that we've actually invested in an electronic medical record. In the big intensive care units they actually are able to monitor the smaller intensive care units like in Grande Prairie, for example, from Edmonton. Then we also have Meditech, which is another electronic medical record clinical information system in the rural settings right now. Edmonton really is the furthest delayed in terms of not having that, but we work well on a paper system, and that's our ultimate backup when any of the systems fail.

So it's not like we're starting from scratch, and at the end of the day there's a lot of work that needs to be done that's not dependent necessarily on the technology. The technology is only technology. What's actually, really important is having our clinicians' uptake on the technology. So there's a lot of work right now on engaging our clinicians on what that looks like and what are the best clinical pathways that need to be developed in order to be built into any electronic system that we bring on board.

We've been doing a lot of work over the last two years to actually get us up to speed so that when we actually do have the RFP finalized and get final approvals, we can start full steam ahead.

Mr. Barnes: Okay.

Dr. Amrhein: There are four pilot projects in the secondary-use data platform under way right now through Alberta Innovates: Health Solutions. We will begin the migration of electronic medical record information into Netcare in the next six months. The personal health portal will be turned on also within the next six months. The goal will be that when AHS is in the position to select their final vendor, that vendor is well aware of all of the other pieces already in place so that in a very short order we'll begin to see the integration of the four big pieces. But as soon as we begin to migrate the electronic medical records of some of the family physicians into Netcare, then the specialists within AHS will be able to see those primary data records and will be using the standard that has been declared by the Canadian Institute for Health Information, the CIHI data. That's a bundle of, I think, 62 data elements. We hope that AHS brings their CIS on as rapidly as possible, but we are by no means waiting until that event occurs to deal with the other three major thrusts under way.

The Chair: All right. Mr. Gotfried for a new question.

Mr. Gotfried: Thank you, Mr. Chair. I'm just going to ask some questions on the same issue. I guess my comment is that it always concerns me when I hear multiple years and $1.5 billion. If it was in the private sector, you'd be out of business before you got to that point. I hope that our patients don't suffer unduly from getting to market with the proper information systems.

I'm going to move to some housing-related issues, though it seems to be very key to us delivering outcomes in terms of mental health patient care. There was discussion about supply-demand gap analysis for mental housing needs, so I guess my question is: has that mental health study on the supply-demand gap been completed? If so, is there an action plan in place, and which organizations, what types of organizations, perhaps outside of AHS, nonprofit organizations have been engaged to be able to fill that gap?

Dr. Amrhein: Two points on your comment about the cost of CIS. The government's allocation to purchase the hardware and software is $400 million. As Dr. Yiu mentioned, she has 1,300 software systems currently running. The rest of the funding will come from existing AHS budgets as we shut down those 1,300 software systems. As we no longer have to maintain them and upgrade them and buy pieces of equipment that will not be useful for very long, then AHS will be in a position to reallocate the funds from their existing budgets to the operation of CIS. CIS will cost the government additional funds, the $400 million. The rest of it comes from AHS redeploying their existing funds. As we integrate the four major pillars of the overall strategy, then we should begin to see some significant efficiencies that will allow us to keep pace with the demand for ever-increasing amounts of computing power. I'd be reluctant to say that we will save money, but we will be able to get way more productivity out of the existing budgets.

12:05

On housing I'm going to have to defer a little bit. The Ministry of Seniors and Housing is in the process of creating a comprehensive housing plan for government. This is a project that is just getting under way, and we would have to check with our colleagues in the Ministry of Seniors and Housing when that report will be available. The piece of this that is being worked on by the Ministry of Health is the successor plan for the government once the 2,000 beds that were a part of the government's initial commitment are completed. My understanding is that we have now signed all the contracts that will cause those 2,000 long-term care, DSL 4-D beds to come online.

Kathy's division – Kathy's division gets a lot of the big ones – is working on the successor to the ASLI project, and in that case it will be an analysis not just of long-term care and designated supportive living, but there will be a major initiative to take a good look at what we can do to make home care more effective. There are by a factor of 10 individuals in their home settings as opposed to institutional settings. It's way more cost-effective, and all the information we're receiving in our many visits across Alberta is that the overwhelming preference is to be able to stay in your home as long as possible. That requires AHS to think through their home-care provision of health service. It also requires the ministries of Human Services, Seniors and Housing, Health, and Municipal Affairs to think through how we more successfully allow existing housing stock and maybe think through some changes to the building codes for future housing stock to remain viable as places of residence for much longer periods of time.

Mr. Gotfried: Thank you.

The Chair: All right. We have only six minutes left, so I think we'll make our last question for Mr. Dach.

Mr. Dach: Thank you, Mr. Chair. I'd first like to state for the record that I believe that all committee members are equal in importance on this committee, and in the interest of fairness I would hope that we would try to adhere to what I believe is our format of one question with one follow-up question being the limit so that all members have the opportunity to get their questions in.

However, that being said, my question relates to housing as well, housing supports and access to housing. On page 56 of the report the Auditor General identifies community housing supports as critical to the success of ongoing mental health supports. I'm told that housing exists; however, individuals are not being directed or

there's a difficulty in directing individuals to the appropriate housing. It's not necessarily that there's a lack of housing. I'm wondering: is there a lack of housing and a supply problem or not? If there is a co-ordination difficulty, how has the department been co-ordinating with other departments regarding the co-ordination difficulties?

Dr. Amrhein: The three deputy ministers of the three ministries – Seniors and Housing, Alberta Health, and Human Services – now meet regularly. We have set up a series of task forces, groups led by the relevant assistant deputy ministers, to deal with very specific questions. I think the answer to the question, "Is there a shortage or not?" will have to await the analysis, the cabinet report that the Ministry of Seniors and Housing is working on. My guess is that in most of these very complex, system-wide questions, from a certain perspective there may well be a shortage, and from another perspective there may well not be a shortage but, rather, a matching problem.

One of the challenges that we're facing with our existing housing stock is that much of it was built at the same time, and much of it is in need of upgrading and retrofitting at the same time. One of the key challenges that we face with the existing stock of housing as well as the existing stock of rooms in our acute-care hospitals is the ability of these facilities to handle the modern requirements of equipment and lifts and wheelchair accessibility, and if we do not pay attention to that, then we also create an environment where some of our valuable employees can hurt themselves because the technical facilities aren't there.

So I'm afraid I don't have a very precise answer on whether there's a shortage or not. The matching function of individuals to facilities varies by the type of facility. AHS manages for Alberta the stock of long-term care and supportive living, and they have a very elaborate assignment mechanism by zones and districts within zones.

Maybe it's a good time to ask Dr. Yiu to elaborate and maybe answer with more precision.

The Chair: Actually, I think that it would have to be an extremely short answer. We're almost out of time.

Mr. O'Brien: Well, I think, just maybe to very briefly answer, you know, whether or not there's enough stock of housing in the province is one question that needs to be answered. Another question that needs to be answered is whether that housing has the appropriate care and supports that are necessary for the individuals to live safely and independently in that environment. I think the answer clearly is no to the latter. So a lot of the work that we've been doing and having some success lately with is about working in partnership with organizations like the Kerby Centre, the Calgary Homeless Foundation, the Niginan Housing group, et cetera. You know, Ambrose Place is a very good example where we've combined housing with supports and health care, and we need to do a heck of a lot more of that.

The Chair: Thank you.

Before we break here, I want to give a quick opportunity for members. There's a lot of interest here, and I think there are some people who want to read questions into the record so we can get written follow-ups. Please read really quickly if you want to go. I know Mr. Cyr and Ms Renaud both have them. If you're also planning on doing it, please write them up real quickly.

Mr. Cyr.

Mr. Cyr: Thank you. I've got three different questions. I've got three PCNs, that I'm very proud of, in my riding . . .

The Chair: Just questions only. No statements. Just real quick questions, please.

Mr. Cyr: They're dealing with doctor shortages right now in my riding, and they're not able to specifically target funds towards mental health. Are you looking at changing the funding model to help the PCNs that are dealing with specific difficulties so that they can get to those mental health problems?

Secondly, I've had frustration in the fact that the women's shelters, schools, and correction centres have been wanting to get access, and it's appearing that . . .

The Chair: Sorry. I just really want to – questions only. No statements at all at this point, please. We're just trying to read question into the record to get follow-ups.

Mr. Cyr: Thank you, Mr. Chair.

. . . Alberta Health is limiting that communication.

Lastly, are we going to be looking at the number of detox centres across Alberta as in my riding there's no access to detox?

Thank you.

The Chair: Ms Renaud, you already got yours in?

Ms Renaud: I will send them by e-mail.

The Chair: You'll send them by e-mail.

Ms Renaud: Yeah.

The Chair: Yeah. If you have written questions, please send them through the committee clerk, and we'll consider them to be on the record. All right. Thank you very much.

We've come to the end of our question-and-answer portion of the meeting. I want to thank our guests for joining us today.

Members, we're now going to move to the Boreal Forest Room for our working lunch session, and we'll reconvene in this room at a quarter to 2 to deal with our business items.

Thank you very much.

[The committee adjourned from 12:14 p.m. to 1:45 p.m.]

The Chair: All right. Thank you very much. Welcome back.

We're on to business items. Are there any errors or omissions to note in the May 31 meeting minutes? If not, would a member move that the minutes of the May 31, 2016, meeting of the Standing Committee on Public Accounts be approved as distributed? Moved by Ms Miller. Discussion? All in favour? Opposed? On the phone? Carried.

There's a bunch of voting, so if votes are unanimous, I think we'll just assume that people on the phone are voting with it unless they speak up and say otherwise. Is that okay?

Mrs. Sawchuk: You can't abstain in committee. You have to vote.

The Chair: We'll just assume that they voted with it unless they say otherwise. Is that okay? I did that during Members' Services myself. No? Okay. I'll ask him.

Cam?

Mr. Westhead: Aye.

The Chair: Better late than never, Mr. Westhead.

Okay. Members should have a copy of the proposed fall 2016 meeting schedule. The committee working group met twice during the past few weeks and finalized the draft schedule that you have before you now. Are there any comments or questions with respect

to the fall schedule? Is the committee in agreement with the ministries and schedule?

If so, I will ask our committee clerk to read a suggested draft motion into the record to make sure that we all have the necessary information included.

Mrs. Sawchuk: Thank you, Mr. Chair. The motion is quite long. It would be that

> the Standing Committee on Public Accounts invite (1) Alberta Energy to address systems to manage royalty reduction programs on November 1, 2016; (2) Alberta Justice and Solicitor General to address contracting transporters of deceased rural Albertans on November 8, 2016; (3) Alberta Education and Alberta Infrastructure respecting systems to manage the school building program on November 22, 2016; (4) Alberta Justice and Solicitor General respecting the victims of crime fund on November 29, 2016; and (5) NorQuest College respecting financial systems in place to prevent potential fraudulent activity and privacy breaches on December 6, 2016; and that the committee working group be authorized to change a meeting date or dates if required.

The Chair: Would a member move this motion? Moved by Mr. Gotfried. Any discussion? All in favour? All opposed? On the phone? Carried.

We have a written report for the committee's consideration at its next meeting. However, I thought that the deputy chair may want to comment on the conference. It was his first time there. Maybe he wants to give us a couple of thoughts on the conference in Yellowknife.

Mr. S. Anderson: Sure. The chair just sprung this on me, but that's okay. It's good. I'm used to talking off the cuff. It was actually quite a good trip to get out to go to this conference. It was my first time, as the chair said, and being relatively new to Public Accounts at the time as well, it was a great opportunity for me to see how other PACs across the country operate and other AGs and see our AG asking some good questions of our federal counterpart.

It was quite enlightening, to be honest. I wasn't sure, you know, what I was going to learn and what was going to happen and that kind of thing, but what a good experience speaking to people from every political party – it didn't matter who they were – the expertise that they had and the presentations that they gave, that they were willing to impart their information and their expertise to us. It was phenomenal, I just thought, and the bonding that we got to do and the discussions that we got to do kind of out of those sessions, too, was . . .

The Chair: We watched the Tragically Hip concert.

Mr. S. Anderson: We did. Derek and I had a fine day our first day there, a long, fine day of watching the Tragically Hip, which was pretty good. If anybody here hasn't been to Yellowknife, I would suggest to go. It was actually really pretty. I'm getting off topic from what I was talking about, but coming over the lake, which is gigantic, kind of all of a sudden, boom, there's a town. It kind of hits you.

I really was impressed with the people that we met there and the reports that were given by people and the kind of working sessions that we did. I don't know. It didn't change how I was thinking. It really, I guess, reinforced for me what we do here and how important it is and how important it is to stay as nonpartisan as we possibly can because what we are doing is working for the betterment of Albertans, to be honest. I mean, it might sound a little cliché, but it's true, and it really hammered that home for me, that that's what we're doing here.

Going over the AG reports and finding solutions and efficiencies, yeah, was a really, really good experience, and I was really glad to be able to go. With our staff that was there, too, we got to know each other a little more. They got to know who I was a little better. I'm not sure if they liked that or not or if that was a good thing for them. It was good. If anybody, you know, ever gets a chance – I know Mr. Dach went last year. He paid his way there and went and enjoyed it. Yeah, it was great. I really enjoyed it. I'm glad that I got to go.

The Chair: Yeah. I think it was extremely productive, especially for people new to the committee. It was extremely valuable to me and our former deputy chair, Ms Gray, when we were very fresh to Public Accounts. My recommendation is that next year we would certainly try to include the working group member of the third party. I think there's definitely a lot of value in going.

Mr. S. Anderson: He might have to buy us some cold beverages if he wants to. Oh, that's on record now. Oops.

The Chair: I wouldn't say that.

Mr. Gotfried: No comment.

The Chair: All right. Other business for members to raise?

All right. Our next meeting will be on November 1, 2016.

I'll call for a motion to adjourn. Never a shortage of people. Moved by Dr. Turner. Discussion? All in favour? Opposed? On the phone? Carried.

All right. The meeting is adjourned.

[The committee adjourned at 1:53 p.m.]

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