Health

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Health

Introduction

The Department of Health's (Health) mandate is to protect and improve the health of Saskatchewan people. To do this, Health provides policy direction, direct services, and funding to health providers and health agencies.

Government spending on health

For the year ended March 31, 2006, Health received $3.0 billion from the General Revenue Fund for its programs. Health also raised revenue of $28.3 million. Health's annual report contains information about its revenues and expenses (see www.health.gov.sk.ca/).

Table 1 shows total health revenues of $3.25 billion by source for the year ended March 31, 2006. Table 2 shows total health costs of $3.24 billion by program for the year ended March 31, 2006. The costs in Table 2 do not include health services paid directly by the Federal Government, nor the costs that individuals and private sector organizations pay directly for health services.

We discuss health spending in the province in more detail in Part B of this chapter.

Crown agencies

Health is responsible for the following Crown agencies.

Year-end March 31
12 Regional Health Authorities
Board of Governors, Uranium City Hospital
Health Quality Council
Saskatchewan Association of Health Organizations (SAHO)
Saskatchewan Cancer Foundation
Saskatchewan Health Information Network
Saskatchewan Health Research Foundation
St. Louis Alcoholism Rehabilitation Centre

Year-end December 31
SAHO Disability Income Plan – C.U.P.E.
SAHO Disability Income Plan – S.E.I.U.
SAHO Disability Income Plan – S.U.N.
SAHO Disability Income Plan – General
SAHO Core Dental Plan
SAHO In-Scope Extended Health/Enhanced Dental Plan
SAHO Out-of-Scope Extended Health/Enhanced Dental Plan
SAHO Group Life Insurance Plan
SAHO Master Trust Combined Investment Fund

Table 1

Health Sector **Revenues** by Source for the year ended March 31
(in millions of dollars)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Revenue Fund	$ 2,991	$ 2,774	$ 2,516	$ 2,343	$2,200	$2,076	$ 1,956	$1,789	$ 1,677	$1,608
Service fees revenue	136	126	121	113	110	109	99	97	99	95
Transfers from other governments	28	26	28	18	28	23	21	21	19	17
Ancillary revenue	19	17	26	22	20	18	17	16	15	15
Donations	19	16	15	18	15	17	12	16	15	9
Investment income	5	4	5	7	9	11	11	9	9	10
Other	47	74	59	69	43	38	43	55	28	42
Total revenues	$3,245	$ 3,037	$ 2,770	$ 2,590	$2,425	$2,292	$ 2,159	$2,003	$ 1,862	$1,796

Table 2

Health **Costs** by Program for the year ended March 31
(in millions of dollars)

	2006	2005	2004*	2003*	2002*	2001*	2000*	1999*	1998*	1997*
Acute Services	$ 1,259	$ 1,169	$ 1,063	$ 963	$ 900	$ 824	$ 797	$ 683	$ 627	$ 592
Supportive care services	634	585	554	512	507	482	447	417	389	387
Medical services and education	533	496	455	446	421	401	384	392	384	353
Community care services	314	286	277	305	276	252	235	218	205	189
Prescription drugs	229	212	194	173	156	141	128	115	98	94
Provincial health services	190	175	162	144	136	122	102	97	92	84
Central Support Services	50	44	46	23	21	16	32	22	22	23
Other	30	26	34	44	60	43	38	39	23	52
Total costs	$ 3,239**	$ 2,993	$ 2,785	$ 2,610	$ 2,477	$2,281	$ 2,163	$1,983	$ 1,840	$ 1,774

Source: *Public Accounts: Volume 2: Details of Revenue and Expenditure* (see www.gov.sk.ca/finance/paccts) and the March 31, 2006 financial statements of the RHA Health Boards and other government health agencies.

* Health costs by program have been reclassified to conform with the Department of Health's current expense categories. Prior year numbers have been restated to conform with this new classification.

** The Government's summary financial statements (SFS) for the year ended March 31, 2006 show health costs of $3,222 million, a difference of $17 million from the total health costs in Table 2. This difference is due to inter-entity expense eliminations and adjustments within the SFS not recorded in the health costs in Table 2.

Our audit conclusions and findings

Our 2005 Report – Volume 3 reported that we had not completed the audits of the financial statements of the Board of Governors, Uranium City Hospital (Board) and the Saskatchewan Association of Health Organizations (SAHO) and its benefits plans. The Board and SAHO had not prepared financial statements for the year ended March 31, 2005, and SAHO had not completed financial statements for its benefits plans for the year ended December 31, 2004. We have now completed the audits of the financial statements for both agencies and found them to be reliable.

We have completed the audits of Health and the Crown agencies listed except for the audit of the SAHO Group Life Insurance Plan financial statements, which are not prepared at the date of this report. We have also not completed the audits of SAHO's and its benefit plans' rules and procedures to safeguard public resources and compliance with authorities. The members of SAHO decided not to renew the contract of their appointed auditor. Instead, they appointed us as auditor of SAHO and its benefits plans on April 11, 2006. As a result, we were late in starting the audits. We will report the results of these audits in a future report.

Our audit opinions below include the results of Health and other agencies except for our audits of the 12 regional health authorities. These are reported in Part C—Regional Health Authorities of this chapter.

In our opinion, for the year ended March 31, 2006:

- **Health and its agencies had adequate rules and procedures to safeguard public resources except for the matters reported in this chapter**

- **Health and its agencies complied with the authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matters reported in this chapter**

- **the financial statements for the agencies listed earlier are reliable**

Monitoring performance needs improvement

Health needs to strengthen its supervisory controls over regional health authorities (RHAs) and other health agencies.

Health must ensure that RHAs and other health agencies are achieving Health's objectives. To do this, Health needs to supervise the performance of these agencies.

Health's supervisory controls were not adequate in the following areas.

Accountability of health agencies to Health

Health paid RHAs $1.9 billion in 2005-06 to provide health services to residents of Saskatchewan. In previous reports, we recommended that Health receive complete and timely information to ensure public money entrusted to the RHAs is used properly.

Health paid a further $125 million to other health agencies and the University of Saskatchewan for health-related services. Health has processes to monitor these agencies. It requires quarterly and annual financial and performance reports. Health does not always receive timely information to ensure public money entrusted to other health agencies and the University of Saskatchewan is used properly.

Health and the RHAs have worked together in recent years to agree on the format of quarterly and annual performance reports that show the RHAs' progress in achieving Health's objectives. The agreed-upon reports include a wide range of performance measures. The reports are timely but contain few performance targets. Performance targets are essential to performance reporting because targets describe the level of desired performance, i.e., quantity, quality, and timing of expected performance.

We reported a similar matter in previous years. In January 1999, the Standing Committee on Public Accounts (PAC) agreed with our recommendation.

We continue to recommend that the Department of Health receive complete information to ensure that the public money entrusted to RHAs and other health agencies is used properly.

Health needs written policies and procedures (processes) for monitoring the reports it receives from RHAs and other health agencies and for taking corrective action if needed. Such processes, approved by senior management, would guide staff in how to monitor the RHAs' and other health agencies' performance, how to assess whether progress is satisfactory or needs improvement, and how to take or recommend corrective action if required. Without adequate monitoring of the RHAs' and other health agencies' performance, Health's senior management may make decisions based on incomplete information. Health has not yet developed written policies and procedures.

We reported this matter in a previous report. In March 2006, PAC agreed with our recommendation.

We continue to recommend that the Department of Health establish written policies and procedures for monitoring the regional health authorities' and other health agencies' performance reports and taking corrective action when required.

Safeguarding public resources

Control of capital assets

Health is responsible for health care in the province. It uses over $900 million of capital assets to deliver health care.

Health needs a capital asset plan to deliver essential health services. It should also improve its capital project agreements with RHAs and other health agencies to help Health meet its objectives for capital construction.

Control of capital assets

Capital assets include buildings and equipment. A capital asset plan would document decisions intended to ensure that Health has the capital assets required to deliver its services effectively, efficiently, and

economically. A capital asset plan would help Health select the capital assets that have the best value and keep them in good working order.

Without a capital asset plan, Health cannot ensure that it has adequate capital assets to deliver essential health services.

We reported this matter in a previous report. In June 2004, PAC agreed with our recommendation.

We continue to recommend that the Department of Health develop a capital asset plan to help ensure that it can carry out its strategic plan.

In 2006, Health told us that it has prepared a draft capital asset plan for consultation with its stakeholders.

Accounting policies not consistent with GAAP

In March 2006, the Minister of Health signed capital project agreements for 2006-07 with RHAs for $26.8 million. Health does not pay for construction until the agencies have done the work.

The Financial Administration Act, 1993 (FAA) allows Health to record expenditures only when it has received goods or services or when the eligibility and performance requirements have been met. Nonetheless, Health recorded costs of $26.8 million for capital construction not done.

Health did not give the RHAs this money. Health recorded an equivalent amount as a grant payable. Health thinks its practices comply with the FAA and Canadian generally accepted accounting principles (GAAP). This is consistent with the direction provided to Health by the Provincial Comptroller.

We think the FAA and GAAP require public agencies to expense grants when the receiving organization has met the eligibility requirements (i.e., as construction is done). When public agencies approve grants for a future period, GAAP requires them to record the grant expense in the period in which the receiving agencies use the grant. Had Health followed our interpretation of the FAA and GAAP, Health expenditures would be reduced by $26.8 million and its grants payable would be decreased by an equivalent amount.

This difference of opinion also exists regarding the accounting for this construction revenue by the RHAs. Health determines the financial statement format for RHAs.

Most RHA appointed auditors think that eligibility requirements must be met before construction revenue can be recorded. One appointed auditor thinks that the commitment for future grants is sufficient to record the construction revenue. As a result, at the direction of the Provincial Comptroller, Health accepts either interpretation depending on the opinion of the appointed auditor.

We think that only one interpretation is correct. We agree with those appointed auditors who think that eligibility requirements must be met before construction revenue can be recorded.

We reported this matter in a previous report. In June 2004, PAC considered this matter and disagreed with our recommendation.

The Canadian Institute of Chartered Accountants (CICA) is currently examining accounting standards concerning government transfer payments (grants) to clarify principles for recording grants because current standards do not provide sufficient guidance. The CICA project is not finished. We are awaiting further clarification from the CICA.

Verification of doctor services needs strengthening

Health pays $363 million a year to physicians, chiropractors, optometrists, and dentists (doctors) for medical services on a 'fee-for-service' basis. Departments of Health across Canada routinely verify that residents received the services that doctors claim they provided. Verification processes help:

- deter doctors from billing Health inappropriately
- identify doctors who are inappropriately billing Health
- identify, for recovery purposes, inappropriate billings

Health's processes include sending out questionnaires to residents of the province asking them to confirm that they received certain services from

their doctors. Health also statistically examines doctors' billings for unusual billing patterns. When it identifies that a doctor may be billing inappropriately, it requests that the provincial Joint Medical Professional Review Committee[1] conduct an examination of the doctor's billing practices.

Departments of Health in all other provinces in Canada conduct these types of verifications. However, all other provinces also conduct on-site audits at doctors' clinics to examine billing practices and the doctors' systems to ensure their billings are accurate.

Health has not formally assessed whether on-site audits of doctors' clinics would be valuable in helping it verify it is not paying for inappropriate claims.

1. We recommend that the Department of Health assess the cost/benefit of on-site audits of doctors' clinics to verify that it pays appropriate amounts for medical services provided by doctors.

Verification of pharmacist services not performed

Health pays $184 million a year to pharmacists to subsidize residents with low incomes, high drug costs, or with special needs for prescription drugs. Health does not have a process to verify that residents received the prescriptions that pharmacists claim they provided. Health needs processes to:

- deter pharmacists from billing Health inappropriately
- identify pharmacists who are inappropriately billing Health
- identify, for recovery purposes, inappropriate billings

Without a process to verify that prescriptions were provided, Health may be paying for inappropriate claims.

[1] As set out by law, these separate Joint Professional Review Committees exist for medical, chiropractor, and optometry practitioners. Each committee has a majority of members from their respective professional associations and a minority appointed by Health.

2. We recommend that the Department of Health implement a process to verify that residents received the prescription drugs the pharmacists claimed for payment.

Internal audit needs strengthening

Health needs to ensure that its internal auditor can provide information on the effectiveness of Health's processes to safeguard public resources and ensure that its revenues and expenses comply with the law.

Health needs to focus the work of the internal auditor on activities where Health is at greatest risk of loss of public money or spending money for unintended purposes. A risk-based audit plan would help Health assess if its processes are adequate. Health has not yet prepared a risk-based audit plan.

We reported this matter in a previous report. In March 2006, PAC agreed with our recommendation.

We continue to recommend that the Department of Health focus the work of its internal auditor on the activities where it is at greatest risk of loss of public money or spending money for unintended purposes.

Controls over lab revenue needed

Health does not have adequate processes to track and collect fees for work done by the Provincial Laboratory (Lab). The Lab is a branch of Health. In 2005-06, it collected about $1.5 million in revenue.

Part of the Lab's services is water quality tests. The revenue earned from this work goes to the General Revenue Fund. A properly functioning revenue invoicing and collection system is necessary to accurately track the tests performed, record the services invoiced and the receipts collected, and provide periodic monitoring reports.

We found that Health does not have adequate controls over the revenue invoicing and collection system. The system does not have adequate segregation of duties and access to the system is not adequately restricted to only authorized users. These weaknesses allow records to be altered or deleted without detection increasing the risk of loss of public

money due to error or fraud. We are unable to determine how much, if any, revenue was earned but not collected because we do not know if any records have been altered or deleted.

3. We recommend that the Department of Health establish adequate processes to collect and pay all revenue earned by the Provincial Laboratory into the General Revenue Fund.

Salary overpayments made

In 1999, Health, the RHAs, and the three unions representing support healthcare workers agreed to undertake a job evaluation plan to address equal pay for work of equal value and pay equity. In 2004, all evaluations had been completed and the process of reconsiderations was begun. Reconsideration is the process where either the employee or the employer could appeal to a committee to have a job evaluation reconsidered. Reconsiderations resulted in some jobs being re-evaluated to higher or lower rates of pay. On average, reconsiderations to date have had a downward salary impact on 8% of initial job classifications.

In May 2004, Health directed the RHAs to pay out all employees where additional wages were owed based on the initial evaluations even if the final wage rates were not set due to the reconsideration process. Employees affected by the reconsideration process were told that they could take the additional wages but would be expected to pay them back if their positions were settled at a lower wage rate. The unions agreed to this condition. Not all employees chose to take the additional money prior to the final settlement.

At March 31, 2006, the RHAs had overpaid as much as $4 million for wages due to job evaluations because of the average downward impact of the reconsideration process. Health did not consider its legal ability to collect back overpaid wages when it made the decision to pay employees before the appeal process was finished. Health and the RHAs may not be able to recover the overpayments. This may result in a loss of about $4 million of public money.

4. We recommend that the Department of Health and Regional Health Authorities recover the overpayments resulting from the reconsideration of joint job evaluations.

Business continuity plan required

Health needs a written, tested, and approved business continuity plan (BCP)[2] to help ensure that it can continue to provide critical services in the event of a disaster.

We reported this matter in greater detail in a previous report. In March 2006, PAC agreed with our recommendation.

During the year, Health has made progress developing its BCP. Health has approved a Business Continuity Planning policy. Health has begun to assess and prioritize its critical business functions. It has also set up a process to ensure that the BCP covers all the key components including emergency procedures, coordination with other agencies, communication, training, and testing.

However, it has not yet developed or documented all of the key components of a business continuity plan.

We continue to recommend that the Department of Health prepare a complete business continuity plan.

Human resource plan needs to improve

Health needs to improve its human resource plan. Effective human resource planning helps Health to have the right people, in the right jobs, at the right time.

Health has a human resource plan for its employees for 2005-2008. We assessed this plan against the key elements of a good human resource plan.

A good human resource plan needs to set priorities and link to the agency's overall strategic direction. It should also identify key human resource risks and gaps that exist in current and future available resources. The plan should also set out strategies and implementation plans to address human resource risks and gaps.

[2]**Business Continuity Plan** (BCP)—Plans by an organization to respond to unforeseen incidents, accidents, and disasters that could affect the normal operations of the organization's critical operations or functions.

Health's human resource plan sets priorities and identifies key human resource risks. It explains the current human resources it has but does not quantify what it needs. Therefore, the plan only provides a broad description of the gap that exists between required and actual human resources. The plan implicitly states that there will be no changes in the way business is carried out and therefore replacement of current staff as they leave the Department is all that is required. The plan sets out strategies and broad action plans but does not give deadline dates. Half of the strategies have measurable indicators and targets. The source of indicator data for the measures was not listed.

5. We recommend that the Department of Health revise its human resource plan to:

- **quantify its human resources needs**
- **provide details on the human resource gap between actual and required resources**
- **provide details on the action plans to implement the major strategies**
- **provide measurable indicators and targets for all strategies**

Saskatchewan Cancer Foundation

The Saskatchewan Cancer Foundation (Foundation) conducts research, education, prevention, early detection, treatment, and supportive care programs for the control of cancer in Saskatchewan. The Foundation had revenues of $71 million in 2006 and held assets of $48 million at March 31, 2006.

Setting direction and monitoring performance

Board needs to complete the setting of performance targets

The Board has made progress in setting the direction and monitoring the performance of the Foundation. The Board has developed a strategic plan to direct management in conducting research, education, prevention,

early detection, treatment, and supportive care programs for cancer control in the province. The plan outlines the expected results (objectives). The Board has determined performance indicators useful in monitoring progress. The Board has set long-term targets for some objectives.

Management has translated the strategic plan into an operational plan, with specific activities, measures, and some short-term activity-based targets to measure success.

Performance targets help define successful achievement of an objective, help measure progress towards achieving the objective, and can aid in prioritizing objectives when an entity has limited resources and capacity.

The Board has developed some indicators that measure progress towards the Board's objectives. For example, patient satisfaction and referral times for psychosocial services measure the Foundation's progress in providing supportive care. Performance targets for these indicators have not yet been set.

For other indicators, the Board has set performance targets. For example, participation rates in clinical trials measure the Foundation's progress in advancing the clinical knowledge and application of new cancer treatment options. The Board has set a target of 10% for participation of patients in clinical trials.

Without Board set targets for each key indicator, management may not know if it is focusing the Foundation's scarce resources correctly and effectively to meet the Board's strategic objectives and priorities. Also, without reporting actual performance against key targets, the Board may not know if its objectives are being achieved according to its plan.

We reported this matter in a previous report. In March 2006, PAC agreed with our recommendation.

We continue to recommend that the Board of the Saskatchewan Cancer Foundation complete the setting of the performance targets needed to monitor progress in achieving objectives.

Safeguarding public resources

Boards of agencies need to ensure that management has established adequate rules and procedures to safeguard public resources. We note the following instances where the Foundation's rules and procedures were not adequate to safeguard public resources.

Information technology processes need to be strengthened

The Foundation needs to strengthen the preparation, approval, and implementation of information technology (IT) processes to ensure the confidentiality, integrity, and availability of information systems and data.

IT processes help ensure vital information is protected, accurate, complete, authorized, and available. IT processes should be based on a formal threat and risk analysis. A threat and risk analysis would allow management to identify the processes it needs to protect systems and data.

The Foundation has implemented some IT processes based on strong industry practices. For example, the Foundation has defined how it grants or removes access to its systems. Also, the Foundation has processes for making changes to the systems. During the year, the Foundation made progress developing its threat and risk assessment. The Foundation still needs to complete a detailed threat and risk assessment to help identify all processes needed to protect its systems and data.

Without adequate IT processes, the Foundation risks the unauthorized disclosure of confidential information, reliance on incomplete and inaccurate information, and the loss of vital information.

We reported this matter in a previous report. In March 2006, PAC agreed with our recommendation.

We continue to recommend that the Saskatchewan Cancer Foundation strengthen the preparation, approval, and implementation of information technology processes for its information systems that are based on a formal threat and risk analysis.

Business continuity plans needed

The Foundation needs a written, tested, and approved business continuity plan (BCP) to help ensure that it can continue to provide critical services in the event of a disaster.

We reported this matter in a previous report. In March 2006, PAC agreed with our recommendation.

We continue to recommend that the Saskatchewan Cancer Foundation prepare, approve, and implement a business continuity plan that is based on a risk analysis.

The Foundation told us it has developed a *High-Level Business Continuity Plan* in March 2006. This plan does not meet all the requirements of a BCP, but contains guidance for the creation of a BCP. Management told us it plans to develop a BCP in the future.

Service agreement with SAHO needed

The Foundation needs a written agreement with Saskatchewan Association of Health Organizations (SAHO) for the services SAHO provides to the Foundation.

The Foundation uses SAHO's payroll and benefit plan administration services. The Foundation does not have a service agreement with SAHO governing each party's role. However, the Foundation is working with SAHO and the Health Regions to develop a comprehensive service agreement. Currently, the Foundation has a Memorandum of Understanding with SAHO as an interim service agreement. The Memorandum, which expires on December 31, 2006 requires SAHO to provide services in compliance with reasonable industry standards and identifies high-level roles and responsibilities of all parties in providing services. However, it does not meet all of the requirements of an adequate service agreement. For example, it does not set out service objectives for the services provided nor does it require SAHO to periodically report on its assessment of the control it has established to meet the Foundation's objectives.

The service agreement with SAHO should:

- Describe the authority and responsibility of SAHO and the Foundation.
- Describe the services SAHO would provide and the Foundation's service-level objectives.
- Describe the Foundation's privacy and security objectives.
- Describe the basis for paying for those services.
- Require SAHO to periodically report its assessments of the control it has established to achieve the Foundation's objectives. These reports should be audited by SAHO's auditor.

6. We recommend that the Saskatchewan Cancer Foundation make a service agreement with the Saskatchewan Association of Health Organizations covering all services provided.

Follow-up of recommendations

This section describes the actions taken by Health and related health agencies on recommendations made in four previous audits. The audits were:

1. Health resource allocation processes
2. Reducing injuries to care staff
3. Métis Addictions Council of Saskatchewan Inc.
4. Saskatchewan Prescription Drug Plan

Health resource allocation processes follow-up

During 1997-98, we audited Health's processes to allocate resources among regional health authorities (RHAs) based on health needs. We limited the audit to the needs-based aspects of Health's processes to allocate resources among RHAs. We did not audit the influence of concerned citizens or cost-drivers like inflation on Health's resource

allocation processes. We reported our findings and recommendations in our 1999 Fall Report – Volume 2, Chapter 1E.

Chapter 6E of our 2001 Fall Report – Volume 2 describes the results of our first follow-up of actions Health took to address our audit recommendations. We reported that Health needed to do more to identify long-term priority health needs, set specific objectives to address the needs, and monitor progress.

This report describes our second follow-up of actions taken by Health on our recommendations up to July 2006.

Priorities and objectives for health

In 1999, we recommended that Health continue to develop, as one component of resource allocation, processes that involve stakeholders and experts to identify and communicate priority health needs for the province, and health status objectives for the long-term (e.g., 10 years or more) for the highest priority provincial health needs. PAC agreed with our recommendation in June 2001.

In December 2001, Health published the *Action Plan for Saskatchewan Health Care* to serve as the strategic direction for health services in the province. Health told us that the development of *The Action Plan* involved major consultation with stakeholders and experts to determine the highest priority provincial health needs for the future.

Since 2001, Health has prepared several other action plans and strategies that describe its priority health needs in more detail and planned actions to address the priorities. For example, *A Population Health Promotion Strategy for Saskatchewan* (April 2004) describes four priorities, namely: mental well-being, decreased substance abuse, accessible nutritious food, and active communities.

In recent years, Health's public performance plans and annual reports consistently set out four goals, 12 objectives, and two or more performance measures for each objective. The objectives and performance measures reflect the priority health needs that Health has established. The objectives are general. More specific health status

objectives would provide better direction to managers and service providers.

Monitor and report achievement of objectives

In 1999, we recommended that Health monitor and report the impact of resource allocation on the achievement of provincial objectives for service delivery and for health status. PAC agreed with our recommendation in June 2001.

Health has worked with RHAs to develop performance measures to help assess progress in achieving Health's goals and objectives. Health prepares a quarterly *Performance Management Dashboard* report for senior management that compares the performance of all RHAs, using several financial and operational measures. Health also receives annual reports from RHAs that show the RHAs' progress in achieving Health's objectives.

Summary

Health has identified its priority health needs, is making progress in setting objectives and monitoring its progress, and needs to set specific health status objectives.

Reducing injuries to care staff follow-up

Employers and individual managers are legally responsible for workplace safety. Individual workers also must do their part to keep themselves, their co-workers, and their patients safe.

Methods to reduce injuries are well researched and documented but injuries remain common in health sector workplaces. In 2005-06, the health sector had 8.07 injuries per 100 full-time workers.[3] These injuries resulted in time away from work and claims to the Worker's Compensation Board. In 2006, injury rates in the health sector are not yet moving downward consistently.

In 2002, we assessed whether the two largest regional health authorities (RHAs) adequately used best practices to reduce work-related back and

[3] Department of Health dashboard report to regional health authorities: Lost-time WCB claims 2005-06.

shoulder injuries to care staff. We reported our findings and recommendations in our 2003 Report – Volume 1 (pp. 29-48). PAC agreed with our recommendations in June 2004.

In this report, we describe our 2002 recommendation in italics and set out management actions on that recommendation up to July 2006. We include key actions taken by the Health, the Department of Labour (Labour), the Regina Qu'Appelle RHA, and the Saskatoon RHA.

Board commitment to reduce injuries

We recommend that boards commit to workplace safety as a priority. Specifically, we recommend that the boards set specific, short-term targets, allocate resources to achieve the targets, receive regular reports, and hold senior managers accountable to reduce injuries. Short-term targets should be achievable in three years. We expected targets for the RHA and for work units with high injury rates.

In 2004, Labour and the Workers' Compensation Board (WCB) targeted a 20% reduction in lost-time injuries by 2008 in health and by 2007 in other sectors. The Saskatoon RHA set targets to reduce workplace injuries by 20% between 2004 and 2006 and by 10% annually during 2007-09. The Regina Qu'Appelle RHA set a target to reduce workplace injuries by 5% below the injury rate in the prior fiscal year by March 2006 and 2007. It has not set targets for improvement further into the future. Board leadership and commitment is an important motivator for action.

In 2004-05 and 2005-06, the boards of both Saskatoon and Regina Qu'Appelle purchased equipment to help reduce injuries. They also allocated resources to educate staff about safety in the workplace. We did not audit whether the RHAs adequately focused these resources.

To facilitate regular reporting, Health established two performance measures to monitor workplace injuries. It defined the performance measures to enable comparisons between similar agencies.

All RHAs now report their injury rate quarterly in the same way, showing the frequency and severity of injuries:

- "the number of lost-time claims per 100 full-time equivalent workers"

- "the number of lost-time days per 100 full-time equivalent workers"

Saskatoon gives excellent quarterly reports to the board showing progress on injury rates compared to the target and the provincial rate. The reports explain how the RHA measures the injury rate. Regular safety discussions by the senior leadership group focus on reports of progress over five quarters for each manager's service area. Regina Qu'Appelle gives quarterly reports to a board committee and to the senior management team comparing injury rates with the same quarter in the prior year.

Both RHAs have systems to hold managers accountable, but there are significant differences. Saskatoon monitors progress on the manager's "action plan for improving safety and reducing injuries" as part of out-of-scope performance reviews. Regina Qu'Appelle has one item, "safety measures," in the checklist it uses to review the performance of out-of-scope managers and plans to revise its performance review system.

Staffing to reduce injuries

We recommend that regional health authorities analyze the unit staffing patterns that are associated with high and low injury rates, and implement the lessons learned.

Both RHAs have taken steps to help them assess the impact of staffing patterns on injuries. Both RHAs use incident report forms to help identify whether injuries relate to staffing shortages, staff mix, etc. Saskatoon also uses a detailed *Job Safety Analysis* in its most hazardous work areas to analyze causes of injuries and consider if staffing patterns are a factor.

During 2004-2006, a large national research project examined staffing and its impact on various factors including injury rates; Saskatoon RHA participated in that project. It is not yet clear whether the final report will help explain how staffing patterns influence the rate of injuries in the health sector.

Health coordinated the work of several agencies to develop a framework for Quality Workplace and Occupational Health and Safety Initiatives. Health, Labour, RHAs, SAHO, and WCB worked together to identify safety goals and objectives. The group highlighted the importance of

human resource management and the use of safety champions to improve workplace safety.

In 2006, Saskatoon employs five permanent full-time safety facilitators to help managers to make work practices safer. Regina Qu'Appelle employs four permanent full-time safety consultants and a temporary muscular-strain injury coordinator to promote safety. It also asked managers to volunteer as safety champions and meet quarterly to discuss safety practices. Regina Qu'Appelle uses any savings from reduced WCB premiums and surcharges to support staff-initiated safety projects.

Active occupational health committees

We recommend that the occupational health committees of regional health authorities monitor injury trends quarterly, analyze causes, and make written recommendations to senior managers and their board to fix unresolved causes of injuries.

Labour assists occupational health committees in their work. Labour told us it increased inspections in the health sector focusing on work units with the most injuries. Both RHAs have regional coordinating committees for occupational health and safety in addition to occupational health committees in each agency (site committees).

Both RHAs now encourage large work units to use occupational health committees to help reduce injuries. Regina Qu'Appelle said some of its committees had difficulty getting sufficient attendance for regular meetings. Saskatoon recommends departments with a high injury rate have a special safety committee that meets for an hour each month in addition to quarterly meetings of its site occupational health committees.

In both RHAs, during 2006, occupational health committees received a summary analysis of injuries every three months to help monitor trends. The reports show the number and type of injuries, their causes, and actions taken. In addition, these committees receive inspection reports highlighting common causes of injuries. Occupational health committee members help managers resolve concerns.

Saskatoon occupational health committees have a system to track recommendations and ensure managers take action. If managers do not

act to prevent injuries, the committee writes to the vice-president (site leader) to request action on the occupational safety risk. Regina Qu'Appelle occupational health committees do not routinely report to senior managers on unresolved safety concerns.

Reports now alert managers and the board if the injury rate rises. Managers receive summary reports of the common causes of injuries to help them focus on injury prevention. Neither the Saskatoon nor the Regina Qu'Appelle monitor five-year trends for work units with high injury rates. The RHA's boards do not yet receive reports highlighting unresolved causes of frequent or serious injuries. Such reports would help the boards allocate resources to prevent injuries.

Summary

Exhibit 1 summarizes the significant efforts of these two large RHAs with respect to our 2003 recommendations.

Exhibit 1—Status of recommendations up to June 30, 2006

Recommendations (March 2003)	Saskatoon	Regina Qu'Appelle
1. Boards commit to workplace safety as a priority		
♦ set specific targets to reduce injuries in the short-term (for RHAs and high risk areas)	Yes	Partial – targets for 2007-10 & high-risk areas
♦ allocate resources to achieve targets	Yes	Yes
♦ receive frequent reports about injury rates and action to reduce injuries	Yes	Partial – improve analysis
♦ hold senior managers accountable	Yes	Partial
2. RHAs analyze staffing patterns associated with high and low injury rates and implement lessons learned	Partial – identify key factors	Partial– identify key factors
3. Occupational Health Committees		
♦ monitor trends quarterly	Yes	Yes
♦ analyze causes of injuries in areas with high injury rates	Yes	Yes
♦ make written recommendations to senior management and the board to fix unresolved causes of injury	Yes	Partial

Exhibit 2 shows that in the two largest RHAs, there is still work to do to reduce injuries.

Exhibit 2—Rates/100 FTE* lost-time injury claims and days off work

	2004-05	2005-06
Saskatoon RHA		
♦ lost-time WCB injury claims/100 FTE	9.88	8.61
♦ lost-time WCB injury days/100 FTE	381.89	361.07
Regina Qu'Appelle RHA		
♦ lost time WCB injury claims/100 FTE	9.75	9.10
♦ lost-time WCB injury days/100 FTE	518.71	618.66
Saskatchewan health sector		
♦ lost time WCB injury claims/100 FTE	8.94	8.07
♦ lost-time WCB injury days/100 FTE	419.10	447.1

Source: Department of Health quarterly reports of lost-time injury rates and the Department of Health 2005-06 Annual Report (p.41).

* FTE – full time equivalent employee position

A large number of serious workplace injuries continue to impact health care workers in Saskatchewan. We will continue to follow up our 2003 recommendations to monitor progress toward the culture of safety that the health sector seeks.

Métis Addictions Council of Saskatchewan Inc. follow-up

The Métis Addictions Council of Saskatchewan Inc. (MACSI) provides addictions services on behalf of Health.

MACSI is incorporated under *The Non-profit Corporations Act, 1995.* MACSI is not a Crown agency as defined in *The Provincial Auditor Act* and is not subject to an audit by our Office. In 2004, we accepted a special assignment to audit MACSI as requested by Order in Council 111/2004.

We reported the results of our audit in a previous report. We found that:

- money paid to MACSI by Health during the period June 2001 to February 18, 2004 was not used appropriately, was not fully accounted for, and was not properly disposed of in accordance with the terms and conditions of the funding agreements

- MACSI did not maintain essential records, and rules and procedures to appropriately safeguard and control the money it received from Health during the period April 1, 1998 to February 18, 2004

- Health's oversight processes were not adequate to ensure that MACSI properly protected all public money and spent it prudently and for intended purposes

- Health did not always take prompt and appropriate action to remedy all significant problems it knew, or should have known, about MACSI's operations during the period April 1, 1998 to March 31, 2003

We made nine recommendations for MACSI and four recommendations for Health. In October 2005, PAC agreed with our recommendations.

We enquired, through Health, if Health and MACSI had implemented our recommendations. We examined written policies and procedures that Health and MACSI have established to address our recommendations. We also examined Health's practices.

MACSI Board

The interim Board of MACSI has adequately addressed our nine recommendations except as follows.

Recommendation 3. We recommend that the Board establish a long-term strategic plan for the Métis Addictions Council of Saskatchewan Inc.

The interim Board decided to defer establishing a long-term strategic plan for the agency until a new permanent Board is established.

Recommendation 5. We recommend that the Board provide governance training for its members.

Health told us that members of the Board will receive governance training when a new permanent Board is established. A comprehensive training manual is being developed which will fully inform new Board members of their responsibilities and the expectations of their role.

Recommendation 6. We recommend that the Board periodically assess its own performance.

Health told us that the interim Board is exploring assessment tools for regular review of Board performance. This tool will be available when a new permanent Board is established.

Recommendation 9. We recommend that the Department of Health work with MACSI to determine the amount that the former executive committee members of the board of directors owe MACSI and try to recover the money.

Health has determined the amount of money that was misappropriated or not spent for the purposes intended. Health told us it is considering recovering the money in two ways: 1) by restitution order, if a court determines that money was taken through criminal wrongdoing, or 2) by civil action, if money was spent improperly but not illegally.

Health will seek legal advice on the likelihood of recovering any funds once the outcome of the RCMP investigation is known. The RCMP has not yet laid charges in connection with this matter.

Health

Health has adequately addressed our four recommendations except as follows.

Recommendation 10. We recommend that the Department of Health strengthen its processes to keep informed about any significant problems at community-based organizations (CBOs). The processes should include:

- doing a risk assessment on all CBOs to determine the nature and extent of processes needed to monitor each CBO's performance
- identifying objectives and performance measures for each CBO
- reviewing each CBO's performance reports routinely
- carrying out regular on-site assessments of high risk CBOs
- attending board of director's meetings of high risk CBOs

Health has met this recommendation except it has not yet completed risk assessments on its CBOs. Health has developed a draft risk assessment

tool. The tool will help Health to determine the nature and extent of monitoring required for each CBO. Health expects the risk assessment tool will receive senior management approval this year, and risk assessments will be completed on all CBOs in the next two years.

Recommendation 10. We recommend that the Department of Health ensure MACSI implements recommendations 1 – 8 of this report.

Health is working with the MACSI interim Board to ensure MACSI's four outstanding recommendations previously described are met.

Saskatchewan Prescription Drug Plan follow-up

The Saskatchewan Prescription Drug Plan (Drug Plan) provides financial aid to Saskatchewan residents for formulary prescription drugs used outside hospitals.

In 2003, our office and legislative auditors across Canada agreed to audit the drug program in their respective jurisdictions. The objectives of the audit were to assess whether, as at January 31, 2005, Health had adequate procedures to monitor the quantity and relevance of drug use and encourage appropriate and economical practices, and to make timely, adequate public reports on the Drug Plan's performance.

We reported the results of our audit in a previous report. We found that Health had adequate processes to monitor drug practices and make timely reports of the Drug Plan's performance except:

- it should develop a plan to monitor and evaluate drug use in the population
- it should set, evaluate, and report on performance measures for the Saskatchewan Prescription Drug Plan

In October 2005, PAC agreed with our recommendations.

Our follow-up

We enquired if Health had implemented our recommendations.

Health told us it is 'actively involved with a number of provincial and national initiatives to monitor and evaluate drug use' including:

- Health's prescription review program to monitor select drugs
- Saskatoon Regional Health Authority's academic detailing program[4] to improve efficacy, safety, and economy of drug therapy
- Saskatchewan Health Quality Council's projects that examine drug use post heart attack and drug use in chronic conditions such as asthma and diabetes
- the National Prescription Drug Utilization Information System[5] database to increase understanding of drug use and factors that drive drug costs
- the Canadian Optimal Medication Prescribing and Utilization Service[6] to identify and promote evidence-based best practices in drug prescribing and use

We continue to recommend that the Department of Health develop a plan to monitor and evaluate drug use in the population.

Health also told us that:

> the Drug Plan has begun to collect information from other drug programs [across Canada] as to what performance measures they have been able to implement. This information will be helpful in determining what might be the best performance indicators for our program.

[4] Saskatoon Regional Health Authority's academic detailing program provides summarized information to doctors on specific drug therapies.

[5] Federal/Provincial/Territorial Ministers of Health established the National Prescription Drug Utilization Information System in 2001 to provide analyses of price, use and cost trends of pharmaceuticals in Canada.

[6] Health Canada established the Canadian Optimal Medication Prescribing and Utilization Service in 2004 to promote and facilitate best practices in drug prescribing and use among healthcare providers and patients.

We continue to recommend that the Department of Health set, evaluate, and report on performance measures for the Saskatchewan Prescription Drug Plan.

Health's new computer system implemented last year allows it to collect more statistical information on drug usage in the province. Once sufficient data has been collected, Health will have better capacity to monitor and evaluate drug use.