

**Second Session - Fortieth Legislature**  
**of the**  
**Legislative Assembly of Manitoba**  
**Standing Committee**  
**on**  
**Public Accounts**

*Chairperson*  
*Mr. Reg Helwer*  
*Constituency of Brandon West*

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**Fortieth Legislature**

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**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**Tuesday, June 25, 2013**

**TIME** – 7 p.m.

**LOCATION** – Winnipeg, Manitoba

**CHAIRPERSON** – Mr. Reg Helwer (Brandon West)

**VICE-CHAIRPERSON** – Mr. Gregory Dewar (Selkirk)

**ATTENDANCE – 11 QUORUM – 6**

*Members of the Committee present:*

*Hon. Messrs. Gerrard, Struthers*

*Mr. Allum, Ms. Braun, Messrs. Cullen, Dewar, Mrs. Driedger, Messrs. Helwer, Jha, Pedersen, Whitehead*

**APPEARING:**

*Mr. Cameron Friesen, MLA for Morden-Winkler*

*Ms. Carol Bellringer, Auditor General*

**WITNESSES:**

*Hon. Theresa Oswald, Minister of Health*

*Mr. Milton Sussman, Deputy Minister of Health*

**MATTERS UNDER CONSIDERATION:**

*Auditor General's Report–Follow-Up of Previously Issued Recommendations, dated March 2011*

*Section 1–Audit of the Pharmacare Program*

*Auditor General's Report–Annual Report to the Legislature, dated January 2013*

*Chapter 5–Manitoba eHealth Procurement of Contractors*

*Auditor General's Report–Follow-Up of Previously Issued Recommendations, dated January 2013*

*Section 10–Pharmacare Program–Part 2*

*Section 11–Personal Care Homes Program*

*Section 12–Winnipeg Regional Health Authority–Administration of the Value-Added Policy*

\* \* \*

**Mr. Chairperson:** All right. Good evening, everyone. Will the Standing Committee on Public Accounts please come to order.

This meeting has been called to consider the following reports: Auditor General's Report–Follow-Up of Previously Issued Recommendations, dated March 2011: Section 1, Audit of the Pharmacare Program; Auditor's General's Report–Annual Report to the Legislature, dated January 2013: Chapter 5, Manitoba eHealth Procurement of Contractors; Auditor General's Report–Follow-Up of Previously Issued Recommendations, dated January 2013: Section 10–Pharmacare Program, Part 2, Section 11–Personal Care Homes Program, Section 12–Winnipeg Regional Health Authority–Administration of the Value-Added Policy.

Prior to dealing with tonight's business, I am pleased to table the responses provided by the Deputy Minister of Finance to all the questions pending responses from the February 25th and May 8th meetings. These responses were previously forwarded to all the members of this committee by the research officer.

Are there any suggestions from the committee as to how long we should sit this evening?

**Mr. Blaine Pedersen (Midland):** I would suggest that we sit 'til 9 o'clock unless we finish beforehand and review at 9 o'clock.

**Mr. Chairperson:** Does the committee agree? [Agreed]

We'll shi–sit 'til 9 o'clock and revisit at that point.

**An Honourable Member:** Or before.

**Mr. Chairperson:** Or before, yes we can finish earlier if need be.

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

**Mr. Cameron Friesen (Morden-Winkler):** Mr. Chair, I would submit to the committee that we would–the suggestion that we would consider the two Pharmacare reports followed by Chapter 5, the

Manitoba eHealth Procurement of Contractors, and then carry on to sections that—11 and 12.

**Mr. Chairperson:** How does the committee feel? Is that acceptable? *[Agreed]*

Does the Auditor General wish to make an opening statement?

Oh, Madam Auditor General—sorry, we're out of practice here.

**Ms. Carol Bellringer (Auditor General):** Would you like me—I only have an opening statement on the eHealth report. So would you like me to do that now or shall I pause until—wait until we get to that one?

**Mr. Friesen:** I would suggest we could wait and do that in conjunction with the eHealth report.

**Mr. Chairperson:** Okay. Thank you.

Does the deputy minister—sorry—oh, Madam Auditor General?

**Ms. Bellringer:** I'm sorry. But I should introduce the staff that are here tonight because with the number of reports I'm not going to identify who worked on exactly which one. But I—behind me Sandra Cohen, who's the assistant auditor general responsible for value-for-money audits; Dave Storm and Brendan Thessien are principals in our office; and Dallas Muir is hiding at the back, but he is responsible for our follow-up process for all of our follow-ups.

**Mr. Chairperson:** Thank you, and the deputy minister, do you have staff with you this evening that you should introduce as well?

**Mr. Milton Sussman (Deputy Minister of Health):** Yes, I have Karen Herd who is our—an assistant deputy minister and chief financial officer for the—Manitoba Health. I have Jean Cox, who's the assistant deputy minister of regional programs. And I have Bernadette Preun, who's the assistant deputy minister of provincial programs and services.

**Mr. Chairperson:** Thank you.

Do you have an opening statement and do you have copies to present?

**Mr. Sussman:** Yes, I have.

I—because these reports have come before the committee or have come to the committee before, I have just a very brief opening comment for all of them.

Manitoba Health values the importance of the Auditor's report on how we can improve health-care operations in the province.

These audits represent one way that can—we can continuously review and improve the quality of service and operations within Manitoba Health.

Progress has been made on many of the recommendations throughout the various audit reports. And I won't go into the specifics—details of that progress to date because it has come before the committee before.

But I would like to thank the committee for the opportunity to share our progress to date. And, in closing, just that the department remains committed to ensuring that patient-centred, safe, quality health care in an effective and efficient manner is delivered to Manitobans.

**Mr. Chairperson:** Thank you, Mr. Sussman.

Now, before we get into questions, I would like to remind members that questions of an administrative nature are to be placed to the deputy minister and that policy questions will not be entertained and are better left for another forum.

However, if there is a question that borders on policy then the—and the minister would like to answer that question, or the deputy minister wishes to defer it to the minister to respond to, that is something that we would consider.

The floor is now open for questions.

**Mr. Friesen:** Mr. Chair, I recognize that this report goes back some time and I know that this report was issued originally in April 2006, and followed up again in 2010, so I know that we've had a chance to—this report has been in front of this committee and been under consideration for some time. So I'll be looking for just some indications from the deputy minister of how things have moved along—

**Mr. Chairperson:** Excuse me, Mr. Friesen. Before we go, I made an error here and I didn't have my microphone on, so I have to repeat things.

So, thank you. Before we get into questions, I would like to remind members that questions of an administrative nature are to be placed to the deputy minister and that policy questions will not be entertained and are better left for another forum.

However, if there is a question that borders on policy and the minister would like to answer that question or the deputy minister wants to defer it to

the minister to respond to, that is something that we would consider.

The floor is now open for questions.

**Mr. Friesen:** Thank you, Mr. Chair, again and as I was saying, we've had this report in front of committee for some time. I'll be looking for some updates from the deputy minister, if he can provide them, in terms of how the work has come along and with these final of eight work-in-progress recommendations from the Auditor General. I know that responses have been provided at a previous committee and I believe I was even in attendance in the last committee when this report came back.

At this time, though, I see that that first recommendation is still under—is still in progress, was the one talking about a comprehensive plan being developed for the strategic direction of reforms for Pharmacare. Could the deputy minister please indicate what has been completed with respect to that comprehensive plan?

**Mr. Sussman:** The department does have a comprehensive plan. We've got it—the department has implemented a planning process in which all of our strategic priorities within the department and within branches and within the divisions of the department and within branches of the department are set out annually and then we have a three-month reporting framework on those plans and—where we identify with what work was to be done within that three months, whether it was completed, what work we have to do in the—in—going into the next three months. And that's reviewed with the branch, it's with—reviewed by the ADM, it's reviewed by the entire, actually, leadership within the department.

\* (19:10)

**Mr. Friesen:** I noted, as well, that the Auditor General's report had called for specific objectives with targets that are measurable. I think you've alluded to that right now. Do you have a list of those kind of objectives that are measurable? Do you have a list that you could provide or state for us?

**Mr. Sussman:** We have established a number of—in relation to the financial aspects of the Pharmacare program—a number of the indicators that we have identified and that we track on a regular—on a monthly monitoring of our Pharmacare performance is the number of families, the current and the increase over prior years; the number of prescriptions, the current number and the increase over prior years; the average prescriptions per

family, again, the current and the increase over previous years; our average price per prescription which also includes the dispensing fee, the current and the percentage increase over prior year; the average drug cost per prescription, the current and the increase over prior year; the average dispensing fee, the current and the increase over prior year; and the dispensing fee as a percentage of total cost, current and the increase over prior year.

**Mr. Friesen:** Sounds like an exhaustive list. Now, is that list then static or is there a process by which you revisit it and add and subtract or add to it over time on an ongoing basis?

**Mr. Sussman:** As I said, it's reviewed monthly, but our whole strategic planning process that the department has been engaged in, in the last several years, has this quarterly process where all of the measures, all of the work that has been done in that quarter is reviewed by the branch. It is then reviewed by the division and then it's brought to a departmental-wide review.

And, as part of that, there is projects within the department that are aimed at consistently increasing the performance reporting, both of within the department and within the regional health authorities.

**Mr. Friesen:** Thank you for that response. With respect to the fourth recommendation, it talked about Manitoba Health data relating to how efficiently and effectively Pharmacare is being delivered. It's also a work in process at this point in time. It seems like there was analysis to be undertaken there, and has that analysis been undertaken?

**Mr. Sussman:** Can you clarify the question? Is—it's partly—it seems to me it's part of the same monitoring that we were doing that I mentioned in my previous response.

**Mr. Friesen:** Yes, I believe you might've already covered that. It seems to be there—the talk about performance measurement system be developed, and I think you probably already provided a response that that measurement system has been developed and the question goes on to—or the statement goes on to indicate how efficiently and effectively Pharmacare is being delivered, so I think that's fine in respect to that issue.

If I could just move down the list and ask in regard to the fifth area of inquiry, asking that key aspects of Pharmacare for which to institute performance measurement be identified and a well-

defined protocol be developed for the collection of performance data. Is this something that the minister can also indicate this was an in-progress one? Have those protocols been developed and are they defined?

**Mr. Sussman:** Sorry, we have developed the protocol—we in the report that we are submitting to the Auditor General. Our department views this as completed.

**Mr. Friesen:** Mr. Chair, this area, as well, I noted from going back into the notes that talked about a plan to increase monitoring on non-restricted drugs. Is that all included in the area that you say—that the deputy minister says has been completed at this time? Is that all under that same area?

**Mr. Sussman:** No, that one, the monitoring, we believe is done but it's—we have other mechanisms, the DPIN system at the time of dispensing, it identifies the patient prescription drug history and provides warnings on potential drug interactions and provides notification of an unusual request for narcotics and controls that and it's—that's the responsibility of the pharmacist to make decisions on how to respond to those notifications.

The government did pass amendments to The Prescription Drug Cost Assistance Act, Bill 14, that establishes a Manitoba monitored drug review committee and that committee is looking at trends from the DPIN data that would indicate inappropriate prescribing or dispensing and of narcotics or controlled drugs and could order investigations of that.

We've also launched the improved program in 2011 that is really, it's a program that is expected to improve the safety and health outcomes for Manitobans receiving medications for mental health disorders. The program conducts monthly reviews of the DPIN pharmacy claims they get to evaluate the quality and appropriateness of the prescription of psychiatric and related behavioural medications to identify patients at risk due to inappropriate use. If that—if a pattern of practice that places the patient at high risk or negative health outcome is identified, a feedback alert would be sent to the prescriber.

In addition, if their prescribing is above the norm, they would get a notification asking them to review their prescribing, that their prescribing is above what best practice would be related to this drug or to a combination of drugs.

**Mr. Friesen:** And just so I understand the mechanism, how would they receive that

notification? Is that all electronic and is it automated or how would that?

**Mr. Sussman:** There is a letter that is sent to the physician in—that's involved and the—if there really is an identified high risk, we take a more aggressive approach. If the prescribing is beyond the best practice they would—the physician would be asked to review their prescribing and their practice, so we're trying to look at this as both an educational element to improve physician practice and improve physician prescribing.

**Mr. Friesen:** Recommendation 6 talks about taking corrective action where necessary based on evaluation results. You may have touched on this already but could you, then, just indicate what corrective action would look like if it was needing to be undertaken.

**Mr. Sussman:** In relation to the last point I was talking about, the improved program is mainly focused on education and working with physicians to change their practice. It is less of a—it's really to educate and correct their behaviour through comparing them against their peers. The Prescription Drug Cost Assistance Act and the Manitoba monitored drug review committee, if they identify something and they see it as inappropriate practice they have the authority within the act to refer it to the College of Physicians and Surgeons, to—who would investigate and could take disciplinary action.

**Mr. Friesen:** So, because the recommendation called for that evaluation framework to be at work, to be developed and implemented, would the deputy minister say today that that work has been undertaken and completed?

**Mr. Sussman:** Yes.

\* (19:20)

**Mr. Friesen:** And moving just right along, then, I'm noticing that with respect to No. 7, the report talks about follow-ups on evaluations with a documented plan. It goes into some areas and talks about when we talked about where that corrective act would take place, it talks about which proposals would require further consideration and which ones would not be considered appropriate for implementation.

Could the minister comment a little bit on that No. 7 recommendation and indicate where things are at with respect to that?

**Mr. Sussman:** Sorry, could I just clarify the question? Was it relation to the follow-up and evaluation of the documented plan?

**Mr. Friesen:** I missed part of the deputy minister's question. Can he just repeat that?

**Mr. Sussman:** I actually was asking for clarification of yours, your question.

**Mr. Friesen:** I was just wondering, with respect to that seventh recommendation, I noted that the Auditor General's office had indicated in specific a proposal's not considered appropriate for implementation and the rationale for not proceeding with them.

I was just wondering if the minister could explain both the progress done on this recommendation, but maybe he could just shed a little light as well—I know it's an old report—but indicate, in what cases would there be a rationale to not proceed?

**Mr. Sussman:** I think we've felt that this was part of the program monitoring and evaluation and we think that we are following up on those evaluations and making changes where necessary, and I think we believe that the planning that we've done—been doing that I mentioned earlier, that we report quarterly on to our executive, and these programs as really being the way we've followed up on this.

**Mr. Friesen:** Well, it's a short list, so we can just maybe continue down to these last few recommendations. I'm looking at recommendation 8.

Would the deputy minister care to make a comment just based on that—the recommendation to—that would identify degree of risks associated with non-compliance? Is there anything pertaining to that one in specific he'd like to make a comment on, or would it be much the same as what we've already just discussed?

**Mr. Sussman:** This is the only one that we still think is in progress, and as part of that, we have been identifying a risk framework for the entire department, and each program and each division—or each branch and each division within the department is establishing a risk framework for every part of our operations, and this work has—is working through the entire department. So this one, we are putting together the risk framework for this, and we're in the planning process for that risk framework for the provincial drug program.

**Mr. Friesen:** It sounds like a large undertaking. Can the deputy minister indicate, is there a kind of an end date that they see in mind for this? I know they're still in the preliminary stages of this right now, but how long of a time does he suspect that this process would take to establish these things in the department?

**Mr. Sussman:** In relation to the Pharmacare program, this—it will be completed by the fall.

**Mr. Friesen:** We have two more recommendations on this list, and the one—that No. 17 one, is that periodic price tests be performed. Has that recommendation been adopted, and would the deputy minister care to make a comment on that?

**Mr. Sussman:** Periodic—or period price tests are being done after each bulletin has been effective and has been implemented, and the provincial drug programs randomly checks a number of drug information numbers of products on the bulletin to determine if the pricing and the effective date is correct.

**Mr. Friesen:** The final recommendation there, I wonder if the deputy minister would also care to make a comment about that, just in—it talks about the physicians and pharmacists receiving a real-time notification from the DPIN system in certain cases, and has that been put into effect and do physicians and pharmacists now receive that real-time notification?

**Mr. Sussman:** The pharmacists have real-time access to the information, and physicians that are participating in our electronic medical record for family physician offices have the ability to access the DPIN system. We—the DPIN system is an old system and needs to be renewed, and we have identified that on the list of health IT capital that needs to be updated. But, at present, it hasn't—it's still in process of being the work on what we need in a new IT system.

**Hon. Jon Gerrard (River Heights):** Just to follow up on the latter, in the comment from the November 23rd PAC meeting, the comment was made that doctors will have access to a DPIN viewer in their office. What proportion of doctors currently have access to a DPIN viewer in their office?

**Mr. Sussman:** Mr. Chairperson, 66 per cent of family physicians have an EMR that would give them the access to a DPIN button, that they could then access that information.

**Mr. Gerrard:** You talked about monitoring of physician prescribing. One of the issues has been that drugs are used on-label or off-label, and it's often the off-label uses which are most of concern from time to time. Is there any particular, you know, extra look at off-label uses of drugs?

**Mr. Sussman:** If it's a family physician using a drug that's on our formulary in—and is part 1, they're—and using it off-label, we don't have a good mechanism for identifying that off-use, off-label. In the hospitals, in PCHs and in the home cancer program, there are P and T committees that review the drug use in those programs and can look at off-label use.

\* (19:30)

**Mr. Gerrard:** You gave us a whole raft of performance measures. I think that's what you were calling them. It seems to me that the system, the Pharmacare system, would probably aim to get the right drug to the right person at the lowest cost. Do you have any measures which assess to what proportion of time you get the right drug to the right person at the lowest cost?

**Mr. Sussman:** I think we have measures now that look at getting—whether we're getting the right drug to the right person. I think we are trying to develop a regular bulletin process so that we are trying to review and develop utilization management agreements with the drug companies for the provision of drugs in a timely way, and that is our balance between trying to do it in a timely way but also trying to get the best and a most appropriate cost.

**Mr. Gerrard:** Can you tell us what proportion of time the right drug gets to the right person at the right cost?

**Mr. Sussman:** I don't know that there is a measure of that. I think our outcomes are consistent with other jurisdictions.

The utilization management agreements that I referenced in one of my previous answers does, in part, as one of the provisions in those agreements, have provisions about appropriateness, and I'm sure you would be aware there is a lot of work going on in all jurisdictions now of looking into ways to improve the appropriateness of both prescribing and interventions.

**Mr. Gerrard:** I mean, it would seem to me that one of the ways of assessing this would be to do random audits of—that would track and give you an idea of

how often you are able to get the right drug to the right person at the right cost.

**Mr. Sussman:** Our Manitoba monitored drug review does give us some ability to review that and to look at trends and patterns in our DPIN data. So that is one of the ways that we are tracking that and it's early days with that committee, but I think that is one of our efforts to try and identify that.

**Mr. Friesen:** I have a question pertaining to the report where the Auditor General found that there was no analysis performed by Manitoba Health in the actual cost savings of the drugs after being added to the formulary as compared to the proposed cost savings. I wonder if the deputy minister could indicate what was done in regard to respond to the Auditor General's concerns in that matter and indicate if there has since been any analysis done, like in those cases to reconcile those costs and say, well, this was our estimate; this is the actual; and then to actually come out with an adjusted amount of savings as a result.

**Mr. Sussman:** The utilization management agreements involve working with the manufacturing company, and as part of that agreement, they do project what the use of the drug will be. And there is an ongoing monitoring of that agreement to see if their projected demand for that drug actually is what's realized and the associated costs related to that.

**Mr. Friesen:** So just so I understand it, though—I mean, I understand the nature of the original OAG report concerns. I mean, they had made the statement that—they had said, although Manitoba Health had processes for assessing which drugs to get onto the formulary, it didn't have the processes that were adequate to ensure that we've managed with due care for cost effectiveness. And what they pointed to is the fact that you would basically have cost savings, but there was a difference between the actual and the proposed. And so just to be clear, then, I'd just like to know again from the deputy minister, then, what was the remedy for that kind of thing? And how did you address it, and what do we do differently now within the formulary to make sure that this doesn't take place where we get this discrepancy?

**Mr. Sussman:** I think, when the—when we—when this article was done, we didn't have that projected demand of what the utilization would be, and there wasn't a framework against which we could review it. We have since developed that and we are



reviewing it, and, I think, it's still early days and that, but I think that is the process that we established.

**Mr. Friesen:** Just one other area I had a concern about and I was hoping the deputy minister could help me out with this. The same Auditor General's report had gone up—on to indicate that, you know, drugs listed on the formulary were assessed for their proposed pharmaceutical and cost effectiveness and some of that work was done, it said, by an independent advisory committee and, of course, we understand that. We—you know, we want to both have drugs on the formulary that people need and also we want to have cost effectiveness.

I just wonder if the minister—the deputy minister could comment. I've done a quick study even in 2011 and I know that this report predates that time, but of—like, the 14 top drugs recommended by the Common Drug Review—and slap it into a quick list to indicate, you know, how many in Manitoba were actually approved and compare that to, let's say, Saskatchewan, New Brunswick and Alberta. And even in 2011 working with those same 14 drugs, Manitoba was at the bottom of the list with five of 14 approved. Alberta has 11 of 14 approved. New Brunswick has approved 10 of 14, and Saskatchewan's approved 11 of 14. So we have about half the agents approved of other provinces.

I come back to the Auditor General's statement that says that we didn't do enough in this province to ensure that Pharmacare was managed with due care for cost effectiveness. This province seems to persist, even past this date, and I'm just wondering if the deputy minister would comment on what is being done to make sure that drugs are regularly and appropriately introduced onto the formulary to save us money.

**Mr. Sussman:** Manitoba does participate in the Common Drug Review that the provinces together are doing with jurisdictions, working together on a review of new drugs and whether they are appropriate for use in a jurisdiction, and there are pan-Canadian and there are quarterly bulletins that come from that review.

And, as a—and I—the minister also committed that we would—the department would—there were time where we weren't doing timely bulletins introducing new drugs onto the formulary. We have committed and we've worked with the pharmaceutical industry that they know there will be quarterly bulletins, and we will be introducing new drugs on a quarterly basis.

I think that's been part of our effort to address the timeliness but, at the same time, give us enough time to do the appropriate analysis, ensure that we're not just getting caught up in the swirl that often—that is often associated with the introduction of new drugs and the pressure to list them quickly, and the result is we often put—pay more than we need to.

**Mr. Friesen:** I thank the deputy minister for that response. I do believe it's very pertinent to this area of discussion.

The deputy minister did mention that Manitoba wasn't doing timely updates to the bulletins, and I would concur with that. When I've done some study of this areas, I found the same: that our bulletins seem to lag behind those of areas like Saskatchewan, Alberta and New Brunswick, just to compare jurisdictions of similar size.

Can the deputy minister indicate what that was owing to, and then what was done behind the scenes to make it different—why we should expect, going forward, we will have more bulletin updates?

\* (19:40)

**Hon. Theresa Oswald (Minister of Health):** I think we might be treading into a policy issue here, and I would be pleased to answer, and then the deputy can provide some other answer.

Certainly, the issue of timeliness of listing of drugs is of great import to all Manitobans. And we want to continue to ensure that, as the Auditor General has pointed out in this very report, that we maintain among the most generous and comprehensive programs in the nation.

What we do know is that there is a council of a federation movement right now, particularly on the front of listing generic drugs, to really drive down price. And this is being tackled by jurisdictions in different ways. Certainly, the effort is to have a pan-Canadian approach, but the fact is that when the rubber hits the road, jurisdictions are handling this in different ways.

Those with larger purchasing power like Ontario or Alberta can approach pricing and listing in one manner. Certainly, the marketplace in Manitoba has to respond in a different manner and ensure that we're negotiating with manufacturers aggressively and appropriately, so that we don't rush to list a drug and end up paying for it three times, four times the price as our neighbours.

We know we have in past been pressured to immediately list a drug. We negotiated for two or three months further and saved a million dollars a year on one drug as a result of taking those extra three months.

So, as a policy, we have said we want to come forward and list more frequently and have committed to quarterly, at minimum, but certainly we're not going to take our eye off the ball in terms of making sure that Manitobans are going to get a fair price.

**Mr. Friesen:** I don't agree with the minister's assessment that somehow the question that was asked was policy in nature or political in nature. I'm referring directly to the Auditor General's report. We talks about—the report talks about the fact that adequate processes did not exist to make sure Pharmacare was managed with due care for cost effectiveness, including the updates to the drugs listed on the formulary. So that was the substance—the content of my question.

Nevertheless, I do sense a conflict there between the minister and the deputy minister, because the deputy minister just said that we weren't doing enough to ensure timely updates to the bulletins, and the minister seems to suggest that there's a lot of value in dragging your heels when it comes to updating the formulary, because you can avoid other pitfalls. So I'm not sure about that.

But, if the deputy minister could clarify that, that would be great. And, in addition to that, if the deputy minister could also just indicate if one of the reasons we drag our heels in Manitoba more than in other jurisdictions is can they confirm whether it still takes an order-in-council, basically, work by the Treasury Board, to update—to add new drugs to the Manitoba formulary?

**Mr. Sussman:** The report came out in 2006, and some of the procedures and arrangements that I—the agreements that I talked about were not in place at that time. And we have put in place a process to do a more routine and regular listing on the formulary—on the—more routine quarterly bulletin. It does not require an OIC to be put on the formulary. It is a minister's—ministerial regulation that's required.

**Mr. Friesen:** Now I was under the assumption that it went to Treasury Board—that, in order for drugs to be passed, that it had to go to the Treasury Board. It took an order-in-council in Manitoba. I was trying to compare that to other jurisdictions in Canada. If that's not the case, could the deputy minister just

clarify that. If something changed, and when that change took place.

**Mr. Sussman:** I think we are alone with Québec in it being a ministerial regulation. I think the other—in a number of the other provinces that authority has been delegated to a senior official within their drug program area. That is not a path that we have entertained in Manitoba or recommended to the government to change the ministerial regulation criteria.

**Mr. Friesen:** And then just for clarification, would we be the only province that continues in this way? Do all the other jurisdictions have a different system than the one by which we proceed to introduce drugs to the formulary?

**Mr. Sussman:** Québec also does it the same way.

**Mrs. Myrna Driedger (Charleswood):** Can the deputy just indicate, have we been able to have the formulary updated quarterly at this point in time?

**Mr. Sussman:** We are currently on our fourth bulletin for this year, so we believe we have been able to maintain that. And, again, it is part of the performance reporting within the department that is updated at those—through our peak process that our—or our focus process, sorry. And so we are monitoring that and working with the branch to ensure that we are doing quarterly bulletins. It wasn't the case in 2011; in 2012, we did three, and we're scheduled to do the four this year.

**Mrs. Driedger:** Can the deputy indicate why it appears that generics seem to be slower to get on that formulary than in other provinces? Is that something that he's aware of, or is it just going through the process? It just seems like it takes a long time to get generics on the formulary here.

**Mr. Sussman:** If the generic is part of the pan-Canadian pricing and work across jurisdictions, we're about the same. Sometimes it takes them a marginal amount differently because of the regulation requirement. On the others, I think the other jurisdictions, it is easier for a senior official to just put it on the formulary, and we sign an agreement and put forward the recommendation to the minister. And I think, again, we're trying to ensure that we're getting the best value. We are now weeks instead of months behind.

**Mrs. Driedger:** Can the deputy give us some indication as to the level of bulk purchasing that might go on in Manitoba, and is there bulk

purchasing just within Manitoba through RHAs, or through RHAM, or is there any involvement with other, say, western provinces?

\* (19:50)

**Mr. Sussman:** I think it is important for the committee to understand that, actually, Manitoba—65 per cent of the prescriptions in Manitoba are—use generic drugs. And, according to the Canadian Generic Pharmaceutical Association, that's actually the highest in the country.

In relation to all drugs, the bulk purchasing—hospitals and PCHs—there is bulk purchasing going on. It's through HealthPRO, primarily, but there are a number of bulk purchasing. In relation to cancer drugs, the three western provinces are doing bulk purchasing together. In relation to other drugs, we do pan-Canadian negotiations on price, not—but there isn't bulk purchasing going on.

**Mr. Friesen:** Further to that answer, could the deputy minister explain why Manitoba isn't part of that collaborative effort between the three western provinces to—I guess, to proceed, you know, together and to realize savings by doing so? And is the reason we're not part of that effort because that would fall under the New West Partnership?

**Mr. Sussman:** Manitoba does participate with—it's Manitoba, Alberta and Saskatchewan that are doing the purchasing on cancer drugs, so—

**Mr. Chairperson:** Are there any other questions on this section of the report?

Does the Minister of Finance wish to add to the record? Does the Minister of Finance wish to add to the record?

**Hon. Stan Struthers (Minister of Finance):** We don't have enough time tonight.

**Mr. Chairperson:** Oh, okay. Any other questions on this section of the report, then? Okay.

All right. So I take it, then, we have dealt with section 1 of the Pharmacare program under March 2011 and section 10, the Pharmacare program, part 2, and we'll now move on to the eHealth section?

**An Honourable Member:** Well, we'll do all those.

**Mr. Chairperson:** Sorry, Mr. Friesen?

**Mr. Friesen:** I don't think we had dealt yet with the Pharmacare program, part 2.

**Mr. Chairperson:** Oh, okay, I was—having those together. So, if you wish to ask questions on that one, Mr. Friesen?

**Mr. Friesen:** I did 'sasv'—have some questions pertaining to the part 2 of the Pharmacare program. This is the 2008 December audit report. I noted that the Auditor General had called—there was an ongoing recommendation there, or in progress, that there should be a documented communication strategy, and also that the communication strategy would appropriately address the needs of the client groups. Could the deputy minister comment on those particular recommendations and indicate what progress has been made?

**Mr. Sussman:** The provincial drug program has developed a plan to and is consulting with all of those stakeholders. The communication plan provides an overarching guidance to the department and defines linkages and expectations for communications regarding undertaking some policy efforts within the provincial drug program.

**Mr. Friesen:** Well, it is—well, that the Auditor General's comments have included—there was these individuals that were identified as the client group, and I wonder, is that client group the same as it was back then, or have there been additions or deletions to the indicated, I guess, focus areas?

**Mr. Sussman:** Could you clarify which—

**Mr. Chairperson:** Mr. Friesen.

**Mr. Friesen:** Just to clarify, I'm reading here where it says officials in the Pharmacare program have indicated that that key, that target group, was identifying seniors and low-income earners and middle-income earners with high drug costs. I was just asking the deputy minister whether that was still the target group.

**Mr. Sussman:** Yes.

**Mr. Friesen:** So what information now has been made available in the department's website?

**Mr. Sussman:** We do have a regular communication that's up on—for vendors, and we have also regular updates for pharmacies, and on—and the application and questions about the—applying for Pharmacare are on our website.

**Mr. Friesen:** And are those the same information pieces made available through other means if someone doesn't have Internet access?

**Mr. Sussman:** Yes, we make it available in print form as well.

**Mr. Friesen:** With respect to the sixth recommendation, I just noticed there that there was a call for a formal process to be implemented to ensure policy and procedures are updated, and are those—that formal process now in place?

**Mr. Sussman:** Yes, there is the standardized manual, and it's in the electronic version, which is read-only for staff.

**Mr. Friesen:** The final number of recommendations have, with respect to this second part of the Pharmacare report, talk about a number of professional fee compliances and things like that, and I wonder if the deputy minister could just offer some comments with respect to—because these were the five remaining recommendations. If you could just make a comment on any or all of these and indicate what progress has been made or whether he—the desired outcomes have been achieved.

**Mr. Sussman:** We believe that this has been done. We have completed execution of pharmacy agreements for all community pharmacy vendors, and, under the agreement, they're required to complete a professional key notification form, and that agreement allows us to conduct audits and have their accounts and the records relating to the claims that they've submitted.

**Mr. Friesen:** This—and this may be an answer that the deputy minister already gave at a previous committee, but I was just curious with respect to the process, specifically for prioritizing pharmacies for audits, and I was wondering what goes in to the understanding how an audit would be conducted on a pharmacy.

**Mr. Sussman:** The provincial drug program is currently drafting that audit's policy to support the pharmacy agreement. It's engaging with stakeholders on what that audit policy would be. At this point, we are—we respond if there are complaints and—while the policy is being developed.

\* (20:00)

**Mr. Friesen:** And could the deputy minister indicate when the progress would be complete on this? I heard him say that they're in the process of doing this and I see that the recommendation actually called for Manitoba Health to complete the process of prioritizing pharmacies for audit. So I'm just

wondering what's the completion date that he's pointing to at this point in time?

**Mr. Sussman:** We anticipate that the policy will be completed by the fall and then we will develop the implementation plan for the audit and identify the resources needed to do those audits.

**Mr. Friesen:** Because the report itself is so old and goes back to 2008, I'm just—I'm assuming from the deputy minister's response that they ran into some obstacles along the way or this received a lesser degree of importance or priority attached to it.

I wonder if the deputy minister could just indicate, were there obstacles to getting this done or is the task itself quite enormous in size and this is the necessary amount of time it takes to get something of this magnitude done?

**Mr. Sussman:** We believe that the scope of the pharmacy agreement was quite large. And I think we have a number of different stakeholders involved. So I think the scope was very large and that resulted in the timeframe.

**Mr. Friesen:** And, then, I noticed that recommendation No. 12, from that same report, has a similar kind of a request to develop but not a process to review the accuracy and validity of claims submitted by pharmacies.

And just, I'm looking for a clarification from the deputy minister whether that was also work that was ongoing or work that was actually complete at this time?

**Mr. Sussman:** It's part of that same process of being completed. It has—still in progress.

**Mr. Chairperson:** Any further questions on the Pharmacare programs?

So we will now move on to Chapter 5—Manitoba eHealth Procurement of Contractors. And I believe the Auditor General has an opening statement on this.

**Ms. Bellringer:** Thank you, Mr. Chair. I do.

So I'll just read into the record a summary of what this audit was about. We examined eHealth's processes for hiring and managing contractors to ensure that eHealth was following its policies and procedures in hiring the contractors and they were properly managing the contractors they hired.

We found that, although eHealth's tendering processes were adequate, there were a number of

departures from the competitive tendering process. Also the reasons for and the process used for hiring contractors were not documented.

Contracts were properly documented but improvements are required in setting the contract completion dates and the payment processes could be strengthened.

Many of eHealth's policies and procedures for the procurement and management of contractors follow those of the WRHA. However, we noted that those processes specific to eHealth were not formally documented and approved.

**Mr. Chairperson:** Thank you to the Auditor General.

Deputy Minister, is there anything further you would like to add or shall we move into questions? Okay.

Questions on the eHealth report.

**Mr. Friesen:** I don't know if I could just ask a quick question of the Auditor General. I was just wondering with such a big mandate and eHealth being as large as it is, could the Auditor General just comment why it was she chose to undertake this particular study as opposed to some of the other ones that she could have undertaken?

**Ms. Bellringer:** This would have fallen into when we do our annual planning it would have been something we selected that took into account the amount of time—of staff time we had available. One of the—we always look to make sure that an audit area is—there's some risk and significance associated with it and it's something that we can add value to the discussion.

And most certainly the eHealth program is a significant one, and there are many other aspects we could have looked at and we may in the future look at. But we chose this fairly narrow approach to get something completed in time to get into our report last year.

**Mr. Friesen:** Question for the deputy minister. Just wondering, it states that the annual capital budget of \$40 million—I'm just wondering, does the deputy minister expect that that number will remain quite consistent over the life of this program, or are we anticipating that the number might increase or decrease?

**Mr. Sussman:** I can certainly respond in what we anticipate. I think, depending obviously on available

resources, eHealth is a large area; there is a large demand. We are trying to address it in a planned and strategic way.

We have identified \$40 million. We are trying, within our budget, to protect that amount so that we have a consistent amount for the eHealth program to plan and to prioritize what initiatives we have to complete in Manitoba. And we have tried to do that on—in a provincial basis, so that we are—and we, I think, are in a unique position in that we can create provincial responses to many of the IT solutions that because of the complexity of delivery in other jurisdictions, it's harder for them to come up with a provincial solution.

**Mr. Friesen:** Does the deputy minister still anticipate it'll be a 13-year deal to complete the program?

**Mr. Sussman:** At this point, as part of our initial plan, that we think it will take that long. As health-care delivery evolves, there will need to be an ongoing investment in health IT, and we are looking at, ultimately, how we bring this into our ongoing planning.

**Mr. Friesen:** Deputy Minister, just remind me what year we're at in the 13-year plan?

*Mr. Vice-Chairperson in the Chair*

**Mr. Sussman:** We're in year 5.

**Mr. Friesen:** And can the deputy minister also comment on what has been spent total to date on capital in eHealth?

**Mr. Sussman:** Could you clarify, or are you asking for the five years that we've implemented to date?

**Mr. Friesen:** That's correct. I'm looking for an estimate of total capital spending within Manitoba eHealth to date.

**Mr. Sussman:** I'd want to confirm and we can get those numbers to the committee. I don't have those numbers tabulated with me.

**Mr. Friesen:** Would the deputy minister have that information available maybe, like, even for the last fiscal year? Would he have capital—be able to be pulling out the capital spending just in one fiscal year instead of combining it year over year?

**Mr. Sussman:** I don't have the exact numbers, but our information is that we—it's about \$34 million and some of that related to some negotiations with Canada Health Infoway.

\* (20:10)

**Mr. Friesen:** And can the deputy minister just clarify, so that would be for the fiscal 2011-12?

**Mr. Sussman:** Mr. Chair, '11-12, it was 40; '12-13 was the 34.

**Mr. Friesen:** And I thank the deputy minister for agreeing to provide that overall information on capital spending for five years, and could he, also, at the same time, provide operating spending broken down by year, but also, then, for the five years, the life of the eHealth program today?

**Mr. Sussman:** This information is available online in eHealth annual reports, but we'll ensure that we include it.

**Mr. Friesen:** Can the deputy minister actually comment though, do all the annual reports remain online or do they graduate off over time or can we find all the annual reports there still at this time?

**Mr. Sussman:** I don't have that information. I'll get you that information.

**Mr. Friesen:** And I'm just wondering in terms of going back to the total envelope for spending that's been allocated to this project, can the deputy minister just give a comment as to how oversight works for a project of this size and of this magnitude over this amount of years? Who provides in terms of oversight for capital and operating spending and how is that undertaken?

*Mr. Chairperson in the Chair*

**Mr. Sussman:** The eHealth program is administratively housed within the WRHA, so it would follow all of the controls within the WRHA and be subject to their internal fiscal controls and their audit by their external auditor. There are other mechanisms for ensuring that we have provincial and regional input into the governance of eHealth. There is a provincial program council that involves the regions and the department and some of the provincial health organizations, and there is an oversight committee that includes the CEO of the WRHA, myself as Deputy Minister of Health, and the Deputy Minister of Innovation, Energy and Mines.

**Mr. Friesen:** And can the deputy minister also state—this information may also be available in the annual reports, but what is the total complement of staff, EFT, 1.0s, within Manitoba eHealth and how has that grown in the five years, the life of the program?

**Mr. Sussman:** We'll provide that information to you. I don't have it in front of me.

**Mr. Friesen:** Auditor General makes a recommendation here that eHealth formally document and approve the procurement procedures, and I'm just wondering if the deputy minister can indicate how often are the procedures reviewed.

**Mr. Sussman:** So Manitoba eHealth and the WRHA logistic services review all procurement procedures related to external contracts and are identifying any procedures that are not documented, and the existing procedures and new procedures will be reviewed and approved by the eHealth and logistic service management as required. And all documented procedures will include a date stamp and we'll re-review on a five-year basis.

**Mr. Friesen:** I note that the deputy minister said they'll be reviewed as required and done so on a five-year basis. I note that the Auditor General indicated that the review of procedures should be done at least every five years, and I wonder if the deputy minister would comment if there would be merit in actually ratcheting up the schedule on which these things are reviewed and perhaps there would be more value in reviewing them more frequently.

**Mr. Sussman:** I may not have been clear. It's a minimum of every five years. We have the ability to do that as necessary and as identified by either the eHealth management or logistics or eHealth logistics management—or logistics services management, sorry.

**Mr. Friesen:** The Auditor General makes a recommendation: No. 2 that eHealth document the reasons, basically, for hiring contractors instead of using employees and then further to require a supervisor to review that decision. I wonder if the deputy minister could just bring us up to speed and indicate what's been done in this regard.

**Mr. Sussman:** We believe this has been completed. It's been—it was implemented in January 2013. All requests for resources under the eHealth vendor of record process require justification as to why the request for external resources 'in' required versus the idea of hiring an employee, and all justifications are reviewed and approved by the director and the CIO prior to the—prior to awarding a contract.

**Mr. Friesen:** Okay, so, who, then, actually does the work of documenting the reasons, to whose authority does that responsibility fall?

**Mr. Sussman:** Staff within eHealth would do the documentation. It would be reviewed and approved by the director of the program and the CIO of eHealth prior to an award.

**Mr. Friesen:** And when the deputy minister says, staff, would he be meaning a resource manager or what staff in specific?

**Mr. Sussman:** It wouldn't—it would be staff within eHealth, like a project manager for an individual project. It wouldn't be the resource manager.

**Mr. Friesen:** There are a few recommendations in the auditor's report that talk about strengthening the conflict of interest policies, requiring declarations to be completed and signed each year and then there's actually a similar recommendation to have somebody independent that would also help to evaluate and select those contracts, someone who was—who would be unbiased. And I noted in the statement of the deputy minister's response that he seemed to indicate that somehow that's already being covered over. I wonder if he would just expand on that and indicate whether in fact there is an implementation of the recommendation as proposed by the Auditor General, and, if not, what is the framework that the deputy minister has in place in eHealth that already sees to this kind of thing?

\* (20:20)

**Mr. Sussman:** So—one of the recommendations—the recommendation that recommends at least one more person that's not directed—directly involved in the project help evaluate and select; that has been completed. There are two senior employees perform that evaluation.

As far as the conflict of interest, we are working with the WRHA. There was a meeting that was scheduled towards the end of May, in the beginning of June to look at the conflict of interest policy within the WRHA. There is a view that it does need to be—that it does require some amendments to strengthen the contractor issue, and so that process is under—that is ongoing with—between eHealth and the WRHA.

And, under the current policy, the CIO and all his direct reports must file a conflict of interest form annually. And, currently, all of the requests for resources contracts sign a conflict of interest prior to the start date of their engagement. And it would be a formal—this would like—this would take place following a formal RFP that's covered under a separate contract.

**Mr. Friesen:** With respect to recommendation 4, in specific, the department response basically indicates that an independent additional person would review, where appropriate, and I wonder why the deputy minister chose to indicate where appropriate. Why would that independent additional person not be added to that on an ongoing basis in every case?

**Mr. Sussman:** We do have a second person involved in every case. The—we have used a fairness officer in more highly complex and sensitive RFPs. So we feel that the process is unbiased and the contract specialist plays an independent role during the competitive bid process.

**Mr. Friesen:** To ask the Auditor General to just comment on recommendation 4 and recommendation 5—and just indicate for committee whether she feels that the departmental response goes far enough to satisfy her concerns when it comes to providing that unbiased individual to assist in the process with reviewing procedures and evaluations.

**Ms. Bellringer:** With the recommendation to have one, at least one person not directly involved in the project do the evaluation and select the contractors, it was directly linked to our recommendation around the conflict of interest declarations. And part of it is just to be able to have a very—a demonstration of a selection that's unbiased. And, you know, I appreciate—this was, certainly, it was based on what we had seen. And we—in the sample that we had looked at, we were not seeing—we had not seen the conflict of interest declarations. And they—the people that were making the selections were directly involved in managing the projects.

**Mr. Friesen:** Recommendation 5 indicates that eHealth should be explaining the debriefing process to unsuccessful contractors. I'm wondering if the deputy minister could just explain what the debriefing process would comprise. What would that process look like, and how is that conveyed?

**Mr. Sussman:** For all of our RFR processes, all unsuccessful bidders receive a regret email giving unsuccessful respondents an opportunity for a debriefing by contacting the contract specialist. For non-RFR unsuccessful bidders, current processes include a debriefing statement in their regret letter.

**Mr. Friesen:** So, at this point in time, if a contractor is unsuccessful in getting a contract, it says that they should be receiving this in writing. That—I might have just missed that part. So this is a—it's a letter sent out to every contractor who bid on the process?

**Mr. Sussman:** For RFR, for a request for resources process, they receive an email. For non-RFR, they get a letter.

**Mr. Friesen:** I want to back up just for a moment. I was looking back at those questions having to do with conflict of interest and talking about those comments where the contradict—the conflict of interest forms are not signed by contractors and managers and, as the deputy minister has said, it's because employees are doing it on an annual basis in any case. Was there any concern by the deputy minister that there could've been a breach, that there could've been an issue there? They were signing on an annual basis, but was he completely satisfied that there would've been no case in which a conflict might have been actually in effect that somehow their procedures didn't capture because they were only signing on an annual basis?

**Mr. Sussman:** We're not aware that any of the staff or the CIO and his direct reports who filed this conflict of interest annually—we're not aware of any problems or issues that have been identified that could be perceived in any way as a conflict of interest. And, as I mentioned, all of the RFR resources sign a conflict of interest prior to the start date of their engagement.

**Mr. Friesen:** And a question to the Auditor General. I'm just wondering from her perspective, in identifying this as an area that she wanted to see strengthened within eHealth, I was just wondering if there was any suspicion or any concern about actual issues arising because of a conflict of interest or whether this was just an appropriate kind of a loophole that she wanted to see closed.

**Ms. Bellringer:** No. We don't have any—there is nothing specific. I'd say we certainly have had people come to us who—and not related specifically to this audit—but, in general, there will be people who come on contract issues from time to time and they worry that, you know, there's been some bias. So what—the distinction here is the difference between waiting for someone to declare a conflict versus requiring a conflict declaration each year and, in our view, it makes a huge difference.

And if somebody is required each year to sit down with a pen in their hand and say, I do not have any conflicts, there's a difference in the rigour that's attached to that as contrasted with when you're employed, you sign something and then if something were to come along 20 years later you're going to remember that you didn't have it in that original

declaration and now you're going to tell your supervisor. In something where the contracts are significant, we would recommend that it be something that's signed and a declaration be made each year, even if there's no change to it.

**Mr. Friesen:** I thank the Auditor General for her response. I find myself agreeing with her. I think it creates a higher threshold and I would invite the deputy minister's comments back just to how he would respond to the comments made by the Auditor General, whether he feels that there'd be more value in it on an ongoing basis of requiring that declaration, not on an annual basis but on a project basis.

**Mr. Sussman:** So we are doing them on an annual basis with the CIO and all of his direct reports, and there is—as we bring on a new resource, we are asking them to explicitly identify any conflicts of interest.

**Mr. Friesen:** Recommendation 6 talks about the fact that eHealth should improve its method of setting contract completion dates to ensure that they're obtainable, and I noted that the auditor talked about the fact that they examined 50 contracts and 32 of those were not completed by the approved completion date, and then out of those 32, there were 14 in addition not completed by the option to extend date. There seems to be a lot of projects that were not completed within the time period allotted to it.

Can the deputy minister indicate whether he accepts this recommendation and, then, what, in fact, is being done to turn this around?

\* (20:30)

**Mr. Sussman:** We have communicated, and eHealth's management has communicated, to their project management office the importance of this process of establishing—we—it's in our interests, in eHealth's interests, for the project to be done on time, and we are reviewing the reasons why different contracts have not been on time and trying to see if there are trends or things that we can identify up front to resolve this with the health project management staff.

**Mr. Friesen:** So could the deputy minister indicate what might some of those trends or things be? Do they have suspicions? In what direction are they moving? I guess one basic question could be asked is that, you know, whether the responsibility of this actually lies with Manitoba eHealth and the way it procures contractors or whether we have a bunch of



contractors who just can't finish on time for the—for this area.

But I guess that would be the first question to ask: Is there an ownership here that there is something that could be improved on on Manitoba eHealth's end, and where are you going looking to find—or where is the deputy minister going looking in exploring what could be done getting contracts completed on time?

**Mr. Sussman:** We have implemented a PRINCE2 methodology in project management, and we—it's our belief that this—now that it has been done with a bit more routine it will improve timeliness. It has a much stronger rigour to its project management basis.

**Mr. Friesen:** And when was the PRINCE2 approach adopted?

**Mr. Sussman:** The PRINCE2 was implemented prior to this audit. We don't—we're—we can provide the exact date, but I think what I was alluding to in my previous response was the staff and the project management staff and the management within eHealth are much more comfortable, much more trained in its processes, and we believe that it will have the needed effect. And we are monitoring it on an ongoing basis to ensure that it does.

**Mr. Friesen:** Speaking of monitoring, I was thinking—I am no project co-ordinator. I'm not a project manager by background, but I do understand how important it is to be continuing in collaboration with a contractor, and I wondered, to what extent do the remedies that the deputy minister talks about, to what extent are they able to ensure that that ongoing collaboration is taking place and that there is an ongoing negotiation and interface between the contractor and the organization to maintain—to ensure that progress is being appropriately made as the contract continues along?

**Mr. Sussman:** So I think this has been an ongoing process with Manitoba eHealth staff and the contractors. It's really been a maturing process. We are trying to be clearer in the statement of work that we set out, and in the scope that we're asking projects to do, we're trying to ensure that the scope is very well defined. I think one of the reasons that we've identified in the past were, if it was improperly defined, it had a tendency for scope drift. And we want to—and the process, as it's matured, is ensured that the project plan is much clearer.

**Mr. Friesen:** Because this isn't my area of expertise, I guess the question that I would logically next pose, and it may not be a valid one, is to say then: in so many cases, and I understand that, you know, all parties are committed to driving down those—or to driving down the completion date to get inside the contract allowance, but in how many cases, then, does this kind of thing result in cost overruns, or is that negotiated in contract and does not allow for cost overruns to take place, or is that part of what the Auditor General refers to in the next recommendation, where they talk about necessary approvals in order to get additional work done?

**Mr. Sussman:** So Manitoba eHealth has policies related to requesting approval for—and a prior approval for before commencing additional work. We've been trying to put more rigour—Manitoba eHealth has put more rigour to ensure that its staff are aware of those policies and procedures for getting prior approval, and they are continually sending email communication to staff regarding where the posting of that information—and the policies are in place and, where we identify where there isn't compliance, we're re-communicating with them to make sure that they are aware.

**Mr. Friesen:** I notice that included in the deputy minister's response there wasn't a comment there about cost overruns. Now, if we look down at the Auditor's report, still on page 186, and the report refers to the 50 contracts that were examined, and 38 of those were extended beyond the original completion date, and, yes, the Auditor General does—makes reference to the fact that, yes, you need to follow the policies and procedures to make sure that if you're commencing additional work everything is in order. But, in those 38 cases, then, if a project is extended, is that, then, a place where additional costs can be incurred because it's almost like you've entered into a new contract now subsequent to the original one. Is that where one would look for cost overruns on contracts?

**Mr. Sussman:** I think if there is an extensive overrun in the time estimation, it is quite likely that there will be an increase in the cost, and that has been identified as one of the challenges, and I think that does relate specifically to us trying to be clear about the scope, about the statement to work to ensure that—that is clear, and that any—and that project management and the risk management is identified.

**Mr. Friesen:** Would it be possible to capture the amount of monies paid in terms of additional costs incurred, let's say, for the last completed fiscal year when it comes to contracts that were extended beyond the original completion date or amended? I would be interested in receiving information to know what the cost was to Manitoba eHealth for contracts extended past the original date or amended. Is it possible to supply that information?

**Mr. Sussman:** We would have to pull that information together, but we can provide it.

**Mr. Friesen:** Just clarifying: And did—the deputy minister said he could pull it out and provide it?

**Mr. Sussman:** Yes.

**Mr. Chairperson:** Mr. Deputy Minister, can you give us the date as to when that might be available?

**Mr. Sussman:** As soon as we can. Without looking at the full scope of what's required, I hesitate to give a date 'til we—but we will certainly do it as quickly as we can.

**Mr. Friesen:** There's also a recommendation I noted that talks about the mitigating the risks when contractors manage other contractors, and I do note the scope of that concern was not—it did not extend to filling executive roles in eHealth, and I appreciate that clarification made by the Auditor General's office.

But in how many cases would this actually be a concern when contractors manage other contractors with regard to projects undertaken by Manitoba eHealth? Is this quite common?

\* (20:40)

**Mr. Sussman:** There are contractors that within Manitoba eHealth that manage other contractors. Part of the responding to this recommendation is Manitoba eHealth is developing policies around that. There is a policy that prohibits contractors from fulfilling executive roles in Manitoba eHealth, and Manitoba eHealth has never hired a contractor to fulfill an executive role. But this is part of the work in process for us to develop those policies.

**Mr. Friesen:** I just have a few more questions with regard to this report. Recommendation 9 talks about tracking all payments for each contract and formalizing the process to do so and establish the controls. I think we've already talked about this, because we were talking about ensuring that contracts do not exceed budget. It seems that that's a

little different than the former discussion. I think the former one was more about making sure that it was an appropriate amount of time or resources that have been allocated to a project.

Could the deputy minister just comment here and indicate the progress that has been made to ensure that, I guess, the—what's been done to track all payments for contracts and establish those controls?

**Mr. Sussman:** The WRHA has a new SAP system that will provide the required controls to ensure that POs cannot be issued in excess of the contracted value.

**Mr. Friesen:** The last—

**Mr. Chairperson:** Oh, sorry. Mr. Deputy Minister.

**Mr. Sussman:** Sorry, the current RFR contracts utilize POs to ensure controls are in place.

**Mr. Friesen:** Last recommendation that I want to address was the 10th one. I just wondered if the deputy minister could give me a clarification. It talks about contractors not being able to enter time in eHealth's time-tracking system. I think it refers to the fact that the contractors might be working offsite where it's not co-ordinated through what they call the PMO, which is not the Prime Minister's office, I realize, but the project management office, so it's a good clarification to make. But I wondered if the deputy minister could just indicate what's been done in that regard. I was wondering if, actually, technology could play a role here and whether there is a simple—maybe there's an app for that whereby they can simply have entries into the time-tracking system remotely. Or what's been done to cover over this?

**Mr. Sussman:** This is one of the—it—recommendations that remains in process. We in—Manitoba eHealth is establishing procedures to put in place. Those aren't—those procedures are in process right now.

**Mr. Gerrard:** Yes, you had mentioned—I think it was a PRINCE system or approach. Yes, could you tell us what that is and how it works?

**Mr. Sussman:** Mr. Chair, the PRINCE2 is a project-management methodology that's—has high regard academically and is used extensively across industries. Its methodology is very prescriptive about what policies need to be in place and from the original concept of the project to the ongoing implementation and the evaluation, and it has a strict monitoring system along with it.

**Mr. Gerrard:** Yes, one of the things I was a little surprised about was the fact that 30 per cent of the contracts were sole sourced. And perhaps you could help us understand, you know, why so many were sole sourced.

**Mr. Sussman:** Could you point to where you're getting that?

**Mr. Gerrard:** The things—it was one of the points that the Auditor General had made and that would make—maybe the Auditor General can help me quickly—30 per cent of the contracts were sole sourced that you looked at.

**Ms. Bellringer:** On the top of page 184, it's in the section where we were looking at the departures from competitive tendering and it's the calculation of the numbers. So of the 50 we examined 15 required a single, sole-sourced form.

**Mr. Sussman:** It would usually involve the—either you're working on an existing system and you have a unique skill set or another part where it's a very specific skill set, and that would be why we would do sole sourcing.

**Mr. Gerrard:** Is there a limited pool of potential people who could complete the IT work on these?

**Mr. Sussman:** IT is a very competitive environment. It is part of the reason that contractors are used as extensively are—as they are because the projects are often very different and there is high demand across all industries for IT professionals. So often there are very limited pools of resources to go to.

In some situations, that's not the case where you could put an RFP in and there would be a number of applicants. But, in a number of these very specialized applications, there's a very limited pool.

**Mr. Gerrard:** Yes. Can you tell me whether the, you know, the high rate of contracts which weren't completed on time whether the sole source contracts were more likely or less likely to be completed on time?

\* (20:50)

**Mr. Sussman:** We'd have to—I'd have to get you that information.

**Mr. Gerrard:** If we can have that as one of the things that you follow up on, that would be helpful.

In the 64 per cent of projects which were not completed on time, in, you know, my experience with IT projects that it makes a huge difference if the

people who are involved in supervising the project and who are involved in making decisions on the contract and the tendering have a highly sophisticated knowledge of information—of the particular area that is being dealt with, I mean it can be quite complex if you are not familiar with this area. Perhaps you could tell us a little bit about your eHealth team who was involved in setting up the contracts and monitoring them and who was on the team and what kind of IT experience they had.

**Mr. Sussman:** The staff of eHealth is pulled together from a variety of backgrounds. I think we do have a very skilled team within eHealth, and they've been pulled together from, as I say, from a variety of different industries and a number from the health care sector as well. And it's—I think the team has really been able to move forward the eHealth agenda within Manitoba, and I sit on the board of Canada Health Infoway, and one of the unexpected, frankly, things that I've found, there is at a routine update on the performance by provinces that goes to the Canada Health Infoway board. During my tenure, which has been the last two years on that board, we have been consistently green. We're meeting our objectives, and progress on all of those projects are on track and on budget. And I would—I'm actually quite proud to say that we're probably one of the only provinces that is consistently—that has been consistently all green.

**Mr. Gerrard:** This 64 per cent of projects which weren't completed by the contract completion date, can you give us an update in the time period since then of whether that number has gone down?

**Mr. Sussman:** I'd have to provide that to him. We are monitoring and since the audits came out, we have taken these recommendations quite seriously and have put in processes to improve our performance in those areas.

**Mr. Gerrard:** Thank you, if you could provide that, that would be very helpful in you know, having an assessment of whether there's progress. Yes, that completes my questions. Thank you.

**Mr. Chairperson:** Any other questions on the eHealth section?

So we will now move forward onto Auditor General's Report—Follow-Up of Previously Issued Recommendations, dated January 2013. Section 11—Personal Care Homes Program.

**Mr. Friesen:** This is—

**Mr. Chairperson:** Maybe give the deputy minister a moment to change staff.

**Mr. Friesen:** This is also an older report. I know that this is from the November 2009 audit report. I just have a few questions pertaining to this. I know a lot has been asked and answered already and provided in the context of committee by the deputy minister, and I've read through some of those responses and I think in the interest of trying to clear away the old work to try to concentrate on the new, there is a number of things in here I understand have been accomplished. Some of these things I've been able to actually bring to the minister in the context of Estimates. We've had a good discussion in that context.

I just wondered if the deputy minister could comment briefly on that fourth recommendation that was still in progress and just say, with respect to those interim personal care beds, first of all, are they only at Misericordia, or are there interim personal care beds at other facilities as well and those centres—visits, do they now also occur at the interim personal care home beds?

**Mr. Sussman:** The only interim beds rights now are within Misericordia Health Centre, and there have been ongoing work with the WRHA on the next steps of licensing interim beds. There is an informal standards review that will occur in September to really try and work through which of the standards apply and which, because the—Misericordia wasn't purpose built as a PCH may not apply and what needs to be modified within that context. So we have arranged an—a draft kind of standards review. And then we'll be working between the department and the region on ensuring that the standards are appropriate.

**Mr. Friesen:** I could understand how that could be the case, having read through the standards and things. I would understand how some of those might not easily translate to a facility in which there was an interim arrangement for a personal care home beds in there. Just so I can understand it. I know it might be slightly outside of the purview of this, but, then, do those interim beds operate as a kind of a waiting placement unit, where they there—are they created, are they meant to temporary, or are they becoming part of the system at this point in time. I know we're still applying the word interim to them, but it's been a bit of time now. Are there plans to actually close that off and then repurpose that part of the facility, and to gain this bed capacity at a permanent facility?

**Mr. Sussman:** These aren't considered a waiting placement. They are considered placements. They would be the initial—if a person couldn't access their first care—their first home of choice, they might go to the interim beds. And then when a bed became available in one of their preferred personal care homes, they would then move to that personal care home. I think when they were originally established, the thought was that we would transition these beds to something else. I think we are well aware that—that there is a demand for increased number of personal care home beds. We have committed to building those, so, in the short term, we're going to need those beds.

**Mr. Friesen:** I noticed that the recommendation 7, which was also reported as in progress, talks about verifying corrective actions and in using both risk-based follow-up visits and signed declarations of verification from the RHAs. When do you use the risk-based follow-up visits? When do you use verification through the RHAs? Is it a combination always, or do you prefer one?

**Mr. Sussman:** We now require that the region sign off on the steps taken to address the issues. And the risk-based would be if there were any concerns that were identified either by complaint—

**Mr. Chairperson:** Excuse me, Mr. Deputy Minister.

We have now reached 9 o'clock, and what is the will of committee? We said we would revisit it at this time.

\* (21:00)

**Mrs. Driedger:** Thank you. We would just ask the committee's indulgence to let us see about another 15 minutes of the clock, so that we can, hopefully, get through the rest of this, and re-evaluate again at 9:15.

**Mr. Chairperson:** Is that the will of the committee? *[Agreed]*

Sit 'til 9:15.

Mr. Deputy Minister, please continue.

**Mr. Sussman:** The risk phase would really be identified if there was a complaint or if in—there were any observed issues that raised a concern with either the region or the department.

**Mr. Friesen:** This recommendation No. 8 talks about the department periodically summarizing and reviewing the province-wide results on the level of compliance with PCH standards. I noticed that

there's been some chatter more recently about actually publishing the results in some kind of a comprehensive format. I've heard some discussion about that. I'm wondering is—does the department have plans to make available to the public, or to require personal care homes to publicly report where they are in compliance with the standards and where they are not? And I imagine what would be needed with that would be some kind of a framework that would make it comprehensible to the public. Is that a direction in which the department is going?

**Mr. Sussman:** Right now some facilities are actually choosing to post the results on their website. The department has asked the Manitoba Centre for Health Policy—we have established that deliverable. We have contracts with the Manitoba centre to create a public accounting template for long-term care quality indicators. So we were looking at combining the standards and other quality-care indicators and developing that template.

Our desire to have that deliverable with the centre was really based on this report and our desire to make our process more transparent.

**Mr. Friesen:** I can corroborate. I have actually gone to some of the websites of those personal care homes. I can indicate that I'm none of the wiser for having tried to read through those standards. It's pretty technical language, and I understand that departmental people and people in personal care homes will understand intuitively what's in those. But it's probably of no great value to the public because we don't know how to read that, so it's probably important work to undertake to get it in a format that would be comprehensible to the public.

And there's probably merit in doing that. I probably did skip ahead. I wonder if the deputy minister would also just comment to say: Is the department, indeed, now summarizing and reviewing those results on an ongoing basis and responding to the trends and improving results as a result?

**Mr. Sussman:** The department did review the '11-12 results. And we'll be doing it on a yearly basis.

**Mr. Friesen:** Recommendation No. 12 talks about tracking and monitoring wait times for personal care homes. We understand that's going on because that information is available, I believe, on probably a weekly basis updated on the WRHA website. I'm wondering with respect to areas outside the WRHA:

Is there an intent within the department to actually track, monitor but also report publicly on a website.

I would assume that the information is being regularly captured because we do request for it as well. But is there a way to actually publish that information so other Manitobans outside of the greater Winnipeg area would have access to know what the wait times look like?

**Mr. Sussman:** That is our intent, and that is the direction that we are moving in.

**Mr. Friesen:** Will that be an area of focus for the new RHAs to bring that—to be information that would be reportable on their websites?

**Mr. Sussman:** It is part of our blueprint for advancing continuing care within Manitoba, so, yes, that is an expectation that we would be placing.

**Mr. Friesen:** I'm going to steer away from the overtly political aspects of the number of seniors waiting for personal care home admission. I think we all recognize there is challenges related to that in the province of Manitoba.

What I'm wondering about in specific, though, is with respect to this recommendation, is the department also tracking and monitoring seniors who are in an acute-care facility, who may be awaiting panel? So they're in hospital, they have not yet been panelled and placed. Are we tracking that side of the equation?

**Mr. Sussman:** Could I clarify? Were you talking about people who have been panelled, waiting to get into personal care homes, or people who what our folks would call in alternate levels of care days within a hospital.

**Mr. Friesen:** I'm seeking information just to ascertain whether the department is tracking individuals who will be in an acute-care facility, not yet panelled and awaiting placement, but having target to be panelled; they're in that first part of the process. They're waiting to be panelled. And they could either actually be in a facility or they could be in community. Are those numbers the department tracks?

**Mr. Sussman:** Our current tracking are those who have been panelled. We also, though, are tracking the alternate level of care days and many or some of those people would be waiting for the panelling process. There's a variety of reasons why someone

might be in hospital beyond what would be anticipated as their length of stay.

**Mr. Friesen:** Would the deputy minister concur that there might be great merit in extending that measurement to include that other area of individuals who would either be in community or in hospital, but awaiting a panelling?

**Mr. Sussman:** I think it's worth our department looking at it. I don't know the specifics about how prevalent it is and what we'd have to look at what the wait time, from when they're waiting to be panelled—to be panelled to see if that was significant wait or if it was just a matter of days.

**Mr. Friesen:** I'd invite the deputy minister to comment, just generally, in terms of the 13 and 14 recommendations. I think it talks about putting in place a long-term capital plan. I wonder if he could just comment generally and briefly, in terms of the progress that has been made in order to meet this recommendation.

**Mr. Sussman:** We are actively doing that. There are—current capital planning is engaged in the design and development of personal care homes in Lac du Bonnet, Morden and Niverville and in Winnipeg of Holy Family. Those four would increase capacity by 172 beds. The WRHA and capital planning are collaborating on this—as many—on developing as many as 240 new PCH beds in Winnipeg and requests for qualifications was issued for the WRHA for two new PCHs on March—on May 31st, and it closes on July the 4th. And we are looking at a further 280 net new PCH beds for rural Manitoba.

**Mr. Friesen:** Can the deputy minister also indicate how many seniors would there be, at this time, in Manitoba waiting for personal care home placement?

**Mr. Sussman:** As of May 31st, there—province-wide, combination of in community, in hospital and in interim beds, were 1,502.

**Mr. Gerrard:** Yes, let me pick up on that 1,502, which is up from 1,369 in March 31st, 2012. So the number is going up instead of down. Is that correct?

\* (21:10)

**Mr. Sussman:** As of May 31st, we were trending up. I think, again, if you look this month, the number is starting to go down, and it is part of the—part of the issue that is resulted in us committing to the development of new personal care home beds and a much broader continuing care blueprint, because we know that there are a number of other kinds of

measures, the—we've engaged the Manitoba centre to look at what the needs were, but they identified that the needs were equivalent to personal care homes. And we know that—sorry, I—if I could correct, it was March 31st, not May 31st—yes. And so I apologize.

So it has been trending down, but we have initiated a continuing care blueprint, and a number of the strategies in that blueprint are really aimed at looking at alternates to a personal care home, at enhancing home care, at looking at hospital home teams as ways of keeping people living in the community, providing the appropriate level of supports and only using a personal care home when that's really the appropriate facility for a person.

**Mr. Gerrard:** In March 31st, 2012, of the 1369 people waiting for personal care home beds, 408 were waiting in a hospital. I presume that's an acute-care bed. What would be the number as of March 31st in 2013?

**Mr. Sussman:** Mr. Chairperson, 477.

**Mr. Gerrard:** Four hundred and seventy-seven is the number? Thank you.

In—it was anticipated that there would be, to check up on the personal care homes, 25 unannounced visits to be made in 2012. Was that number met?

**Mr. Sussman:** In 2012, there were two—28 unannounced visits, unannounced reviews completed. And of those, two were during the evening.

**Mr. Gerrard:** And what's the plan in terms of 2013?

**Mr. Sussman:** So we have committed an intent to do one third of the visits would be unannounced. And the other unannounced visits would be risk-based, and so it's really identified by either a concern that the region has identified, a family member might have identified or a visitor to a personal care home. And then we would investigate, as needed, so.

**Mr. Chairperson:** It being 9:15, we agreed to revisit at this point. What is the will of committee?

**Mr. Gerrard:** My questions are completed, so.

**Mr. Friesen:** Let's see—all we would require at this point is enough time to consider the reports and consider passing certain reports.

**Mr. Chairperson:** So would I take a suggestion to sit until 9:30 or until we can conclude business?  
[Agreed]

We do have one report that we have not discussed: Section 12–Winnipeg Regional Health Authority–Administration of Value-Added Policy. Are there any questions for that report?

**Mr. Friesen:** I have a very quick question pertaining to that report on the value-added policy. I wonder if the deputy minister would just indicate whether the WRHA has, in fact, developed a coding protocol and implemented it on all sites as requested by the Auditor General.

**Mr. Sussman:** Would you repeat that, please.

**Mr. Friesen:** There was a work in progress that the WRHA develop a coding protocol to make sure that there was consistency between matching of contracts and related payments that did not exist prior, and it created a lot of work and it kind of lacked logic, and I wondered if progress had been made and you could report, at this point in time, that the work had been done.

**Mr. Sussman:** This recommendation has been implemented, in part, at this time. The WRHA has implemented a coding protocol that would enable the matching of contracts for–contracts and related payments for the WRHA corporate and community sites. This is part of that phase 1 of the SAP implementation that I mentioned related to another audit.

And it–so it does allow that for WRHA corporate, community, Pan Am and Manitoba eHealth. So the WRHA can now print a report that links purchase orders and contracts, and they've now implemented a process for all new requests for resources that end in contracts for the consultants that will link a contract to the PO for the consultant's time. The future phases of the SAP would allow other sites to implement this.

**Mr. Friesen:** Future phases will be implemented when?

**Mr. Sussman:** The next phase of the SAP is scheduled to start very quick, shortly, and it is really–the next phase is really to increase some of the SAP functionality within the program. And the intent is that the SAP would roll out throughout the region. It would be a longer term plan because there is a significant cost and that number of resources to implement it throughout the region.

**Mr. Friesen:** Because the Auditor General's recommendation was that the development of a coding protocol to be implemented at all sites, could

the deputy minister just indicate at what point in time will that work be accomplished that at all sites there will be that matching of contracts and related payments?

\* (21:20)

**Mr. Sussman:** So this recommendation did come out of the value-add audit and it was–that is a process that the WRHA has stopped doing and stopped accepting. We are trying to roll this out, and it is a reason why it's still in progress. It is our–it's the view of both the WRHA and the department that it's not really–a manual system would not be manageable and–or an effective tool to manage those–to monitor compliance. And it is part of the regional role of the SAP project.

**Mr. Friesen:** I don't want to disrespect the goodwill that has been put forward by committee, but I do want to just ask the Auditor General if she would comment on the response provided.

I just seem to be in a situation here where I see that the recommendation made was to implement a coding protocol at all sites, and it seems to be, now that we're receiving answers to say, it could be some considerable time, this report goes back to 2010.

Does this response satisfy the Auditor General's concerns?

**Ms. Bellringer:** So I have to admit I didn't quite catch all of the answer. I couldn't hear it all.

But this was to do with the construction contract, so it–I mean, while we did it, while we were doing the value-add audit, it had nothing to do with the actual value-adds. And it's a pretty technical issue around how you just match documents so that you can make sure that they're filed appropriately and so on.

And we did note, when we did the follow-up, it–what we found was consistent with what the deputy minister said, that it was implemented for WRHA but it was still in progress for the other sites. So we didn't have any indication of the timing on that, but we did have some–the other information we had was an 18-month period, but I don't think that covered the other sites. It's something we'll be following up again when we do the next year's report.

**Mr. Friesen:** Does the minister–deputy minister have any comments at lightning speed that he'd like to make with respect to recommendations 7 or 8, either about the formal policy for capital project

tendering or about selecting project consultants using a competitive tendering process.

**Mr. Sussman:** We believe both of those have been implemented in full and we'll be providing that information to the Auditor General.

**Mr. Chairperson:** All right. Seeing no further questions, does the committee agree that we have completed consideration of Section 1–Audit of the Pharmacare Program, in the Auditor General's Report–Follow-Up of Previously Issued Recommendations, dated March 2011? *[Agreed]*

Does the committee agree that we have completed consideration of Chapter 5–Manitoba eHealth Procurement of Contractors, in the Auditor General's Report–Annual Report to the Legislature, dated January 2013?

**Some Honourable Members:** Agreed.

**An Honourable Member:** No.

**Mr. Chairperson:** I hear a no. All right, so that one is—we've not completed consideration of that chapter 5.

Does the committee agree that we have completed consideration of Section 10–Pharmacare Program–Part 2, of the Auditor General's Report–Follow-up of Previously Issued Recommendations, dated January 2013? *[Agreed]*

Does the committee agree that we have completed consideration of Section 11–Personal Care Homes Program, of the Auditor General's Report–Follow-up of Previously Issued Recommendations, dated January 2013? *[Agreed]*

Does the committee agree that we have completed consideration of Section 12–Winnipeg Regional Health Authority–Administration of the Value-Added Policy, of the Auditor General's Report–Follow-up of Previously Issued Recommendations, dated January 2013? *[Agreed]*

All right. That concludes the business before us.

Thank you to the minister and the deputy minister and staff for being with us this evening and committee members for taking time out of your busy schedule, especially to the Auditor General for flying in to meet us—with us tonight and her staff that she had with us and to the clerks and the page.

So, this hour being 9:24, what is the will of committee?

**An Honourable Member:** Rise.

**Mr. Chairperson:** Committee rise.

Okay, before we rise, please leave back any unused copies of the reports so they may be collected and reused the next meeting. Committee rise.

**COMMITTEE ROSE AT: 9:24 p.m.**



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