



Alberta Health

November 2018

Summary

27 Total Recommendations

0 New Recommendations

27 Outstanding Recommendations

17 Outstanding Recommendations Older than 3 Years

4 **READY** for Follow-up Audit

23 **NOT READY** for Follow-up Audit

We issued unqualified independent auditor's reports on the 2017–2018 financial statements for the Ministry of Health, the Department of Health, Alberta Health Services (AHS), Capital Care Group Inc., Calgary Laboratory Services Ltd., Carewest and the Health Quality Council of Alberta (HQCA).

There are no new recommendations to the department, AHS or HQCA in this report. There are 16 outstanding recommendations to the department, 10 of which have been outstanding for more than three years.

There are 11 outstanding recommendations to AHS, seven of which have been outstanding for more than three years.

AHS has implemented the following prior-year recommendations:

- capital project monitoring systems—see below
- information technology control policies and processes—see page 86

We repeat our 2012 recommendation that AHS reinforce its admission policies and review controls and processes over fees and charges to ensure that they were properly designed and consistently applied throughout the province—see page 85.

Findings

Alberta Health Services

Matters from prior audits

Capital project monitoring systems—recommendation implemented

Context

In 2009¹ we recommended that AHS improve the effectiveness of its financial capital project monitoring and reporting systems and processes by:

- implementing common systems, policies and procedures to track and monitor key financial information
- providing relevant, timely and accurate information to executive management and the audit and finance committee

We made this recommendation because AHS did not have effective systems to monitor and report financial information on capital projects promptly to senior executives and the board.

¹ Report of the Auditor General—October 2009, no. 32, page 271.

Our audit findings

Since the date of our recommendation, the Department of Infrastructure has become responsible for the funding and building of major capital projects such as hospitals on behalf of AHS. Most of the projects that AHS directly manages are under \$5 million.

AHS has implemented our recommendation by adopting e-Facilities, which is a province-wide system used to manage capital projects. This system contains information such as project budgets, commitments, and actual and forecasted expenditures for all of AHS' capital projects. Policies and procedures were also developed to track and monitor key financial information.

This information is reconciled to the Oracle system, which is AHS's financial reporting and general ledger system. We selected 10 projects in Oracle and tested whether the information was consistent in e-Facilities. We did not find any errors.

We have assessed this recommendation as implemented because AHS now has complete and accurate capital project information and provides sufficient information on major capital projects to the finance committee.

Information technology control policies and processes—recommendation implemented

Context

Alberta Health Services was formed in April 2009 by consolidating nine former health regions and three agencies. Those entities had a number of outstanding information technology recommendations in areas such as access controls, change management, IT security, risk management, and policies.

The consolidation of the 12 entities provided AHS with the opportunity to improve the maturity of IT controls and standardize policies and procedures across the province. In 2009, with our understanding that AHS would standardize IT policies, we summarized our outstanding recommendations to the former health entities into one recommendation to improve information technology control policies and processes.

We repeated our recommendation in 2014² because AHS still had not:

- adequately documented its risk-management processes
- documented key controls for its four most critical applications
- fully implemented its process to evaluate compliance with key controls
- fixed a number of IT control weaknesses

Our audit findings

AHS has implemented our recommendation by:

- adopting a risk-based IT control framework
- standardizing IT security controls
- monitoring compliance
- standardizing change management, access and password controls

² Report of the Auditor General—October 2014, no. 17, page 138 (originally October 2009, page 262).

Risk-based IT control framework

AHS has incorporated its IT risk management processes into the corporate enterprise risk management process. AHS uses a formal process to identify, document and report IT risks to executive management and the audit and risk committee.

IT security controls

AHS has standardized IT security practices across the province. AHS also benchmarks itself against the International Security Forum's standards of good practice.

Monitoring compliance

AHS has created a Compliance Coordination Committee that tests compliance with key controls quarterly. Each quarter, control compliance is tested for one of the four critical applications, and the results are reported to executive management and the audit and risk committee.

Change management, access and password controls

AHS has standardized these fundamental controls across the province. Through our financial statement audit and a review of the quarterly compliance testing, we have found that these controls are well designed and implemented.

Fees and charges—recommendation repeated**Context**

In 2012³ we recommended that AHS reinforce its admission policies and review controls and processes over fees and charges to ensure that they were properly designed and consistently applied throughout the province. We had concluded that there was inconsistent understanding and documentation of the admissions and billings processes throughout the province.

We made this recommendation because AHS still collects accounts receivable at individual sites due to the multiple legacy systems and processes. We repeat this recommendation because there has been limited centralization of billings, collections, and consolidation of bank accounts. If AHS employees do not fully understand admissions information flow, there is a risk of inappropriate billing.

Criteria: the standards we used for our audit

Controls in core businesses should be documented.

³ Report of the Auditor General of Alberta—October 2012, page 123.

Our audit findings

Key Finding

- AHS cannot determine if admission policies are being followed and consistently applied

RECOMMENDATION:

Fees and charges

We again recommend that Alberta Health Services:

- reinforce its admission policies to ensure consistent application
- review its controls over the processes that generate fees and charge revenue to ensure they are appropriately designed, consistent across regions, and aligned with current policies

Reinforce its admission policies to ensure consistent application

We found that a new manual has been issued and communicated to staff that outlines the process to be followed when admitting a patient. We found that staff are required to perform training on this process; however, it is not adequately monitored. We noted that 638 employees registered in the training course from January 1, 2017, to December 31, 2017. Of these employees, 497 completed the assessment and 313 employees passed. AHS does not have a process to determine how many employees perform admitting services who would be required to complete the training or whether the employees who did not pass repeated the training.

We found that AHS has not yet identified direct verifiable measures to demonstrate that this process is being followed.

We will consider this portion of the recommendation implemented when AHS has put into place measures to verify that the process is being followed and consistently applied.

Review its controls over the processes that generate fees and charges revenue

AHS has implemented new policies to standardize the process for various billing situations. We found that AHS has also reviewed controls over the processes that generate fees and charge revenue and has created a Billable Goods and Services control framework to outline the relevant controls across the province. As AHS does not have a province-wide process to monitor admissions, this still could lead to incomplete billings prior to entering the fees and charges-control process.

Consequences of not taking action

If AHS employees do not fully understand admissions information, patients may not be billed appropriately.

Recommendations

WHAT	WHEN	STATUS
<p>DEPARTMENT PURE NORTH GRANTS:</p> <p>Improve conflict of interest processes</p> <p>We recommend that the Department of Health improve its conflict of interest processes by:</p> <ul style="list-style-type: none"> improving the supplementary code to clearly outline the disclosure requirements of the deputy minister centrally managing conflicts in the department to ensure adherence to the conflict of interest policies providing advice to department staff on conflict of interest matters when necessary 	February 2018, p. 111	NOT READY
<p>DEPARTMENT PRIMARY CARE NETWORKS:</p> <p>Evaluate PCN effectiveness</p> <p>We recommend that the Department of Health, through its leadership role in the PCN Governance Structure, work with the PCNs and PCN physicians to:</p> <ul style="list-style-type: none"> agree on appropriate targets for each PCN program performance measure, and require PCNs to measure and report results in relation to the targets develop a formal action plan for public reporting of PCN program performance 	October 2017, Performance Auditing, p. 79	NOT READY
<p>DEPARTMENT PRIMARY CARE NETWORKS:</p> <p>Informing Albertans about PCN services</p> <p>We recommend that the Department of Health, through its leadership role in the PCN Governance Structure, work with PCNs and PCN physicians to:</p> <ul style="list-style-type: none"> require PCN physicians to complete the established patient attachment process, and set appropriate timelines for completing this process agree on the best approaches for engaging Albertans as active participants in their own care, and explaining the PCN services available to help them achieve their health goals 	October 2017, Performance Auditing, p. 84	NOT READY
<p>DEPARTMENT HEALTHCARE PROCESSES:</p> <p>Establish a proactive check to ensure that individuals with an Alberta healthcare number continue to meet residency requirements</p> <p>We recommend that the Department of Health improve its processes by establishing a proactive check to ensure that individuals who have been issued an Alberta healthcare number continue to meet the residency requirements specified in the <i>Alberta Health Care Insurance Act</i> and Regulation.</p>	October 2015, no. 12, p. 101	NOT READY

WHAT	WHEN	STATUS
<p>DEPARTMENT HEALTHCARE PROCESSES: Enhance processes to check for receipt of services for which physicians billed</p> <p>We recommend that the Department of Health enhance the processes it uses to check whether:</p> <ul style="list-style-type: none"> patients received the medical services for which physicians billed the department payments are being made in accordance with the provisions of the <i>Alberta Health Care Insurance Act</i> 	<p>October 2015, no. 13, p. 102</p>	<p>NOT READY</p>
<p>DEPARTMENT SYSTEMS TO MANAGE THE DELIVERY OF MENTAL HEALTH SERVICES: Use action plan and progress reporting to implement strategy</p> <p>We recommend that the Department of Health:</p> <ul style="list-style-type: none"> use an action plan to implement the strategy for mental health and addictions monitor and regularly report on implementation progress 	<p>July 2015, no. 6, p. 63</p>	<p>NOT READY</p>
<p>DEPARTMENT CROWN'S RIGHT OF RECOVERY OF HEALTHCARE COSTS FROM MOTOR VEHICLE ACCIDENTS: Clarify objectives of collecting revenue and prepare supporting rationale</p> <p>We recommend that the Department of Health:</p> <ul style="list-style-type: none"> publicly articulate its objectives in setting the aggregate assessment report the extent to which the aggregate assessment recovers the department's calculation of healthcare costs caused by motor vehicle accidents <p>We also recommend that the Department of Health obtain additional information to demonstrate that the amount proposed for the aggregate assessment is the appropriate amount that should be charged given the competing objectives.</p>	<p>October 2014, no. 3, p. 37</p>	<p>READY</p>
<p>DEPARTMENT CROWN'S RIGHT OF RECOVERY OF HEALTHCARE COSTS FROM MOTOR VEHICLE ACCIDENTS: Calculating the aggregate assessment</p> <p>We recommend that the Department of Health review the methodology it uses in the calculation of the aggregate assessment and put a process in place to periodically check whether the estimate calculated is a reasonable approximation of the Crown's associated healthcare costs.</p>	<p>October 2014, no. 4, p. 38</p>	<p>READY</p>
<p>DEPARTMENT SENIORS CARE IN LONG-TERM CARE FACILITIES: Oversight at the provincial level</p> <p>We recommend that the Department of Health:</p> <ul style="list-style-type: none"> clearly define and separate its role and responsibilities from those of AHS in monitoring and managing long-term care service delivery improve public reporting on what results the provincial long-term care system is expected to achieve and whether it is achieving them finish the review of the continuing care health service standards implement a mechanism for timely analysis and action on the accommodation cost data 	<p>October 2014, no. 13, p. 91</p>	<p>READY</p>

WHAT	WHEN	STATUS
<p>DEPARTMENT CHRONIC DISEASE MANAGEMENT:</p> <p>Improve delivery of chronic disease management services</p> <p>We recommend that the Department of Health improve the delivery of chronic disease management services in the province by:</p> <ul style="list-style-type: none"> defining the care services it expects physicians, Primary Care Networks and Alberta Health Services to provide to individuals with chronic disease requesting family physicians to deliver comprehensive team-based care to their patients with chronic disease, through a Primary Care Network or appropriate alternative establishing processes to assess the volumes, costs and, most importantly, the results of chronic disease management services delivered by the healthcare providers it funds facilitating secure sharing of patients' healthcare information among authorized providers strengthening its support for advancing chronic disease management services, particularly among family physicians where the need for better systems and information is most critical 	September 2014, no. 1, p. 11	NOT READY
<p>DEPARTMENT CHRONIC DISEASE MANAGEMENT:</p> <p>Improve delivery of pharmacist care plan initiative</p> <p>We recommend that the Department of Health improve the delivery of its pharmacist care plan initiative by:</p> <ul style="list-style-type: none"> establishing a formal process to ensure pharmacists integrate their care plan advice with the care being provided by a patient's family physician and care team strengthening claims administration and oversight, including requiring pharmacists to submit diagnostic information showing patients qualify for a care plan, and making care plans subject to audit verification by Alberta Blue Cross setting expectations and targets for pharmacists' involvement in care plans and evaluating the effectiveness of their involvement on an ongoing basis 	September 2014, no. 7, p. 32	NOT READY
<p>DEPARTMENT CHRONIC DISEASE MANAGEMENT:</p> <p>Strengthen electronic medical records systems</p> <p>We recommend that the Department of Health strengthen support to family physicians and care teams in implementing electronic medical record systems capable of:</p> <ul style="list-style-type: none"> identifying patient-physician relationships and each patient's main health conditions and risk factors tracking patient care plans and alerting physicians and care teams when medical services are due, and health goals or clinical targets are not met appropriately and securely sharing patient health information between authorized healthcare providers reporting key activity and outcome information for selected patient groups (e.g., diabetics) as the basis for continuous quality improvement 	September 2014, no. 8, p. 37	NOT READY

WHAT	WHEN	STATUS
<p>DEPARTMENT CHRONIC DISEASE MANAGEMENT: Provide individuals access to their personal health information</p> <p>We recommend that the Department of Health provide individuals with chronic disease access to the following personal health information:</p> <ul style="list-style-type: none"> • their medical history, such as physician visits, medications and test results • their care plan, showing recommended tests, diagnostic procedures and medications, including milestone dates and targets set out in the plan 	<p>September 2014, no. 9, p. 41</p>	<p>NOT READY</p>
<p>DEPARTMENT ELECTRONIC HEALTH RECORDS: User access management</p> <p>We recommend that the Department of Health ensure that its user access management policies are followed and that user access to health information is removed when access privileges are no longer required.</p>	<p>October 2009, p. 80</p>	<p>NOT READY</p>
<p>ALBERTA HEALTH AND ALBERTA HEALTH SERVICES CHRONIC DISEASE MANAGEMENT: Improve support of patient-physician relationships</p> <p>We recommend that the Department of Health improve its support of patient-physician relationships by:</p> <ul style="list-style-type: none"> • requesting all family physicians establish a process to identify their patient panels and which of those patients have chronic disease, and providing them with healthcare data to help them do so • determining what it considers to be an effective care team size and composition, and working with family physicians, Primary Care Networks and other providers to help build teams to this level <p>We recommend that Alberta Health Services identify individuals with chronic disease who do not have a family physician and actively manage their care until they can be linked with a family physician.</p>	<p>September 2014, no. 2 & 3, p. 18</p>	<p>NOT READY</p>
<p>ALBERTA HEALTH AND ALBERTA HEALTH SERVICES CHRONIC DISEASE MANAGEMENT: Improve physician care plan initiative</p> <p>We recommend that the Department of Health improve its physician care plan initiative by:</p> <ul style="list-style-type: none"> • defining its expectations for what care plans should contain and how they should be managed by physicians and care teams • setting targets for care plan coverage and evaluating the effectiveness of care plans on an ongoing basis • strengthening care plan administration by ensuring that claims identify qualifying diagnoses, and that care plan billings by individual physicians are reasonable <p>We recommend that Alberta Health Services coordinate its services to patients with chronic disease with the care plans developed by family physicians and care teams.</p>	<p>September 2014, no. 5 & 6, p. 26</p>	<p>NOT READY</p>

WHAT	WHEN	STATUS
<p>ALBERTA HEALTH SERVICES REPORT OF THE AUDITOR GENERAL OF ALBERTA—NOVEMBER 2018: Fees and charges</p> <p>We again recommend that Alberta Health Services:</p> <ul style="list-style-type: none"> reinforce its admissions policies to ensure consistent application review its controls over the processes that generate fees and charges revenue, to ensure they are appropriately designed, consistent across regions and aligned with current policies 	<p>Repeated November 2018, Financial Statement Auditing, p. 88</p> <p>Originally reported October 2012, no. 25, p. 123.</p>	<p>NOT READY</p>
<p>ALBERTA HEALTH SERVICES DISASTER RECOVERY PLANNING: Develop a detailed plan for implementing risk-based disaster recovery processes</p> <p>We recommend that Alberta Health Services develop and follow a comprehensive plan for implementing risk-based disaster recovery processes, including the necessary IT infrastructure.</p>	<p>October 2015, no. 14, p. 104</p>	<p>NOT READY</p>
<p>ALBERTA HEALTH SERVICES SYSTEMS TO MANAGE THE DELIVERY OF MENTAL HEALTH SERVICES: Integrate mental health service delivery and eliminate gaps in service</p> <p>We recommend that Alberta Health Services for its own community and hospital mental health and addictions services:</p> <ul style="list-style-type: none"> work with physicians and other non-AHS providers to advance integrated care planning and use of interdisciplinary care teams where appropriate for clients with severe and persistent mental illness who need a comprehensive level of care improve availability of mental health resources at hospital emergency departments improve its system to monitor and ensure community mental health clinics comply with AHS's expectations for treatment planning and case management improve its process to identify and evaluate good operational practices used by local mental health and addictions staff, and deploy the best ones across the province 	<p>July 2015, no. 7, p. 67</p>	<p>NOT READY</p>
<p>ALBERTA HEALTH SERVICES SYSTEMS TO MANAGE THE DELIVERY OF MENTAL HEALTH SERVICES: Improve information management in mental health and addictions</p> <p>We recommend that Alberta Health Services make the best use of its current mental health and addictions information systems by:</p> <ul style="list-style-type: none"> providing authorized healthcare workers within all AHS sites access to AHS mental health and addictions clinical information systems strengthening information management support for its mental health treatment outcomes measurement tools 	<p>July 2015, no. 8, p. 75</p>	<p>NOT READY</p>

WHAT	WHEN	STATUS
<p>ALBERTA HEALTH SERVICES SYSTEMS TO MANAGE THE DELIVERY OF MENTAL HEALTH SERVICES: Complete assessment and develop wait-list for Albertans who need community housing supports</p> <p>We recommend that Alberta Health Services in supporting the work of the cross-ministry housing planning team established under the mandate of the Minister of Seniors:</p> <ul style="list-style-type: none"> • complete its assessment and report on gaps between supply and demand for specialized community housing support services for mental health and addictions in the province • develop a wait-list management system to formally assess the housing support needs of AHS’s mental health hospital and community patients and coordinate their placement into specialized community spaces funded by AHS 	<p>July 2015, no. 9, p. 79</p>	<p>NOT READY</p>
<p>ALBERTA HEALTH SERVICES SENIORS CARE IN LONG-TERM CARE FACILITIES: Monitoring care at the resident level</p> <p>We recommend that Alberta Health Services improve the design of its current monitoring activities. AHS should:</p> <ul style="list-style-type: none"> • develop a system to periodically verify that facilities provide residents with an adequate number and level of staff, every day of their operation • develop a system to periodically verify that facilities deliver the right care every day by implementing individual resident care plans and meeting basic needs of residents 	<p>October 2014, no. 11, p. 84</p>	<p>READY</p>
<p>ALBERTA HEALTH SERVICES SENIORS CARE IN LONG-TERM CARE FACILITIES: Managing performance of long-term care facilities</p> <p>We recommend that Alberta Health Services improve its system to monitor and manage performance of long-term care facilities. AHS should:</p> <ul style="list-style-type: none"> • clearly define which program area within AHS is responsible for managing performance of individual facilities • establish a formal mechanism to use all available compliance data to review periodically the overall performance of each facility, and initiate proactive compliance action with facilities based on the level of risk to health and safety of residents • establish a formal mechanism to escalate compliance action for higher risk facilities 	<p>October 2014, no. 12, p. 88</p>	<p>NOT READY</p>
<p>ALBERTA HEALTH SERVICES CHRONIC DISEASE MANAGEMENT: Improve AHS chronic disease management services</p> <p>We recommend that Alberta Health Services improve its chronic disease management services by:</p> <ul style="list-style-type: none"> • assessing the total demand for chronic disease management services across Alberta • developing evidence to support decisions on how services provided by Alberta Health Services, family physicians, Primary Care Networks and Family Care Clinics should be integrated • setting provincial objectives and standards for its- chronic disease management services • establishing systems to measure and report the effectiveness of its chronic disease management services 	<p>September 2014, no. 4, p. 22</p>	<p>NOT READY</p>

WHAT	WHEN	STATUS
<p>ALBERTA HEALTH SERVICES AHS CONTROLS OVER EXPENSE CLAIMS, PURCHASING CARD TRANSACTIONS, AND OTHER TRAVEL EXPENSES:</p> <p>Controls over expenses</p> <p>We recommend that Alberta Health Services tighten its controls over expense claims, purchasing card transactions and other travel expenses by:</p> <ul style="list-style-type: none"> improving the analysis and documentation that support the business reasons for—and the cost effectiveness of—these expenses improving education and training of staff on their responsibilities for complying with policies monitoring expenses and reporting results to the board 	<p>February 2013, no. 1, p. 24</p>	<p>NOT READY</p>