



# Better Healthcare for Albertans

A REPORT BY THE OFFICE OF THE  
AUDITOR GENERAL OF ALBERTA  
MAY 2017

## **NEWS CONFERENCE**

## **OPENING STATEMENT**

Merwan N. Saher FCPA, FCA  
Auditor General

**CHECK AGAINST DELIVERY**



## **BETTER HEALTHCARE FOR ALBERTANS**

### **MESSAGE FROM THE AUDITOR GENERAL**

*May 25, 2017*

Good afternoon. With me today are Assistant Auditor General Doug Wylie and Audit Principal Sergei Pekh. My comments today will be longer than usual: the topic is of great importance to Albertans; and you haven't had much time to read our work since it was tabled in the Alberta Legislature this afternoon.

Since 1990 the Office of the Auditor General has conducted over 40 audits on aspects of the Alberta health system, including seniors care, mental health and addictions, primary care and chronic disease management. The Department of Health and Alberta Health Services have implemented many of our recommendations for improvement from our previous audits, and are working toward implementing more recent recommendations. Alberta Health Services has also undertaken significant initiatives to improve quality of care.

But as of today 41 recommendations remain outstanding in the health sector, 19 of which have been outstanding for more than three years.

Through all of our audits over the years, we've observed an unfortunate pattern. While Alberta Health and Alberta Health Services report progress on some of the recommendations from year to year, in our follow-up audits we very often have to repeat recommendations. Weaknesses noted in our findings keep emerging, and re-emerging, because their root causes have not been—*or are not being*—resolved.

Today we are presenting a report—*Better Healthcare for Albertans*—to the Legislative Assembly and to Albertans in which we identify opportunities—based on models from other jurisdictions—to take the entire health system to a higher level: to make a quantum leap rather than continuing to make incremental change, reorganize or move in circles.

This report is not an audit in the traditional sense, but rather a report aimed at identifying and overcoming the barriers in the current system that are preventing Alberta Health and Alberta Health Services from being able to effectively act on our recommendations, which in turn is preventing Albertans from having the quality healthcare they are entitled to expect in exchange for their funding.

#### **INTEGRATED CARE IS A PROVEN MODEL**

Let me begin by saying we support the stated government policy direction to have a fully integrated healthcare system. Our audit recommendations over the years all point to an integrated healthcare framework. And integrated healthcare has been the government goal since the 1990s.

Integrated care is a system of care built around the patient—not on administrative needs. It is a framework used by the highest-performing health systems in the world.

## **BARRIERS TO PROGRESS**

Integrated care has been a policy direction in Alberta since the 1990s. But it has not been achieved for three main reasons:

- The fragmented structure of the health system
- The lack of integration of physician services and the services of other care providers
- The lack of sharing and use of clinical information

These challenges affect the entire health system. As a result, Albertans are not receiving the quality of care they could receive.

The formation of Alberta Health Services is a step in the right direction toward creating an integrated care framework. And I want to make it really clear that our report should not be construed by anyone as suggesting AHS should be dismantled.

## **THREE AREAS FOR IMPROVEMENT**

Alberta is well positioned to lead the country in creating a high performing healthcare system focused on quality of care for the patient.

More money is not the solution.

The key building blocks are in place, but there are three elements that must be better incorporated into the framework of the health system if Alberta is truly to achieve integrated care.

First, **structural changes** are necessary within the system itself. By structure, we mean the relationship between the Department of Health, Alberta Health Services and members of the medical profession.

In an improved structure:

- Evidence-based care would become central to decision making.
- Funding would be linked strongly to results—meaning best possible quality of care.
- Accountability for results would become part of normal, accepted process.
- MLAs and cabinet ministers would respect operational boundaries and not make specific demands of the health system or intervene in matters that are the responsibility of healthcare managers.
- And patients would have access to the tools to take an active and responsible role in their own care, including personal healthcare information and treatment options, and to be able to communicate effectively with their care team.

Currently, Alberta's public healthcare does not operate as one system. It is like an orchestra without a conductor—a collection of independently acting providers and professional groups that offer treatment through a series of isolated episodes, each within their own scope of practice.

It's the legacy of a model organized around episodic, hospital-based care, not centred on preventive care in the community. Physicians work independently with little connection to other

healthcare providers. No part of the system is clearly responsible for coordinating the care of individual Albertans as they move from one provider to another.

The healthcare system is not designed to manage the cost of care for individual Albertans over time. The system has evolved around accountabilities for isolated program budgets. No part of the system is clearly accountable for the overall care outcome for individuals or groups of patients. The health system has not evolved to help providers form life-long relationships with patients.

While most providers would argue that they are accountable for the care they provide, it is as if their accountability stops when the patient walks out the door. Consequently, there is a lack of accountability to Albertans, who fund the system, for the combined results of healthcare delivery.

I'll say one last thing on structure before I move on, and that is that healthcare delivery in Alberta has been shaped over the last several decades by the funding needs and negotiating efforts of healthcare providers, the administrative needs of the health bureaucracy, and frequently shifting priorities of the four-year political cycle.

The second area of change is that there must be better **integration of physicians** within the system.

Modern medicine is moving toward team-based care, and more coordination across specialties and care settings.

Expectations for quality and monitoring would be set by physicians themselves, not by administrators or government officials.

Physicians as a group would take part in assessments of the effectiveness of their care in the context of continuous improvement.

Financial incentives for physicians would encourage more attention to health results in a redesigned system.

Physician payment models would promote and encourage accountability for quality of care; they currently do not.

Payment models would also encourage closer integration of physician services with those of other healthcare providers.

Changing the pay model does not require having the money come from a different source. It does mean finding ways to pay based on results rather than on the volume of services performed.

Contrast what is needed with the state of physician integration today.

The government, on behalf of Albertans, spends over \$4.6 billion annually on physician services and support programs. However, physicians' impact on cost is much broader than the fees they charge. They direct patients' use of services across the healthcare system: through hospital

admissions, lab tests, diagnostic images, prescriptions, etc., yet their relationship with AHS is not sufficiently integrated.

There is a limited connection between AHS and primary care physicians who work independently of AHS. The lack of integration between primary care and AHS is a fundamental challenge because there is universal consensus that effective primary care is the foundation of a high performing healthcare system. An effective primary healthcare system treats patients' diseases early, improving health and reducing the need for expensive hospitalization.

For example, timely intervention and appropriate treatment by a family physician in primary care can prevent higher-cost emergency visits or hospital admissions in AHS's facilities, particularly for patients with one or more chronic diseases.

Alberta's healthcare system is not optimizing the effectiveness of primary care in reducing patients' use of emergency and in-patient services.

Turning to compensation—the way physicians are compensated in Alberta is not aligned with integration of frontline service delivery. The majority of the province's physicians are compensated through fee-for-service, a model in which physicians are paid for each service they provide to a patient. Fee-for-service pays physicians for the volume and complexity of services they provide, but doesn't consider the quality of these services and their impact on total healthcare costs.

Alberta Health does not set clear expectations for the money it spends on physician services. The current compensation model provides little incentive for physicians to provide continuity of care to patients. As a result, most physicians do not monitor a patient's health status between visits or proactively contact patients to remind them when tests, procedures or medication reviews are due. Other service providers are able to offer such services. Car dealerships routinely notify customers when their vehicle is due for an oil change, a vet will remind pet owners that their family pet is due for a vaccination. Yet, Albertans seldom receive the same level of service from our healthcare system.

Finally, physician oversight. Alberta does not have a framework to oversee and manage key aspects of care quality achieved by publicly funded physician services. Oversight of physician services is currently fragmented between the department, AHS and the College of Physicians and Surgeons of Alberta. Each monitors some aspects of the inputs and outputs of physician services, but none assess the care outcomes achieved for patients over time.

The third area that must be improved if we are to have a successful integrated care system in Alberta is around **clinical information systems**.

Ensuring that the right information is provided to the right people, in the right place and at the right time is crucial to integrating healthcare services.

Alberta Health Services has done a good job of managing administrative information.

Improving the use and sharing of health information between the various healthcare providers and organizations has proceeded more slowly.

Sharing of patient records with all relevant staff—and with the patients themselves—is necessary for everyone to play an effective role in care.

That means information generated at all levels must be seamlessly available for use at all levels—patients, physicians, care teams, care programs and executive management.

Full and rapid access to information acts as a crucial tool for physicians and other professionals at the point of care.

It helps providers make better treatment decisions through electronic support tools that provide recommendations for treatment and warnings about potential harm.

It also helps managers know what programs and treatment approaches work best.

Alberta has the opportunity to lead the country in this area, as more key elements of a full information system are in place here than in any other province.

### **ACTION IS REQUIRED NOW**

Through our analysis we have determined the root causes and impediments to progress and offered solutions and action items based on concrete examples from other jurisdictions with some of the highest quality of healthcare in the world.

What we now need is for all the people in the system—the Minister, the government, all MLAs, healthcare providers and professionals, and individual Albertans—to act immediately if we are going to make a difference in the lives of Albertans.

Real change would see them all taking specific action.

We owe it to ourselves and future generations to not make do as we have.

The **government** must provide leadership to make integrating care a priority and hold others in the system accountable for results around the quality of care and health of Albertans.

Government administrators should not be making care decisions on individual Albertans. Their role is to ensure the experts they have entrusted to provide that care are held accountable to ensure the quality of care they are providing patients.

**All Members of the Legislative Assembly** must think for the long term, not from the perspectives of short-term politics, election cycles, isolated controversies and lobbying of local interests.

**Healthcare providers and medical professionals** must change how they work, break down the silos, integrate services, and align data and funding flows around the care needs of patients.

But perhaps the biggest change needed is for **individual Albertans** to get more involved.

To succeed we need to update the mindset of every citizen in Alberta to be an active participant in the system.

Individual Albertans must take a more active role and interest in managing every aspect of their health and their healthcare. It is government's role to ensure they have the tools they need to do it effectively and to focus on the quality of care.

## **CONCLUSION**

Alberta has a chance to build on what has been shown to work best.

Our province is well positioned to lead the country provided we all change our approach and preconceptions about the healthcare system.

Alberta has some of the best healthcare professionals in the world.

But the strength of the healthcare system does not rely solely on the competence of its healthcare providers—it depends on their ability to work together to manage quality results and cost of care for their patients.

Nothing in this report is a new thought to healthcare professionals. It is an attempt by us to use our skills as auditors to help the government better deal with our recommendations over the years, all of which point to integrated healthcare.

By identifying and better understanding the root causes to what is impeding the system from achieving fully integrated care, we can move toward it more rapidly and more effectively.

We present this report as an encouragement and guide for all the participants in the health system on how they must work together if we are to ever succeed in successfully achieving integrated and best quality healthcare in Alberta.

I urge everyone to read our report—*Better Healthcare for Albertans*—and every Albertan to act on it.

Based on our work, I want to leave no doubt in the minds of Albertans that improvements in our healthcare system are not only necessary and overdue, but entirely achievable.

You are paying for the best. Why would you not demand the best?

Thank you.