



Alberta Health Services Non-hospital Contracted Surgical Services

October 2017

About This Audit

Surgical services in Alberta can be provided at public hospitals or non-hospital surgical facilities. Most surgical procedures, including all major surgeries, are performed at hospitals, where specialized resources and equipment are available for complex procedures and managing serious complications. However, some other operations may be contracted to non-hospital surgical facilities. These other operations are in the areas of ophthalmology, pregnancy termination, otolaryngology (certain ear, nose and throat procedures), podiatry, dentistry, dermatology and plastic surgery, plus oral and maxillofacial surgery.

In 2001, we completed a performance audit examining the Alberta health system's processes for contracted non-hospital surgical facilities. The audit examined performance standards and monitoring systems for contracted facilities where surgeries are wholly or partially paid for by the government. We concluded that the performance standards and monitoring processes were not satisfactory and recommended they be improved.

Since the initial audit, we have completed several follow-up audits. Most recently, in July 2014,¹ we completed a follow-up performance audit and reported that for full implementation, Alberta Health Services needed to:

- clarify roles and responsibilities for managing performance under non-hospital surgical facility contracts, particularly in the area of service quality and patient outcomes
- define specific quality indicators that:
 - allow for consistent analysis and benchmarking of quality data across surgical facilities
 - are aligned with the requirements of the *Health Care Protection Act*² for the purpose of the public benefit analysis
- establish a formal process to periodically review the performance of contracted facilities, analyze and act on results, and provide the facilities with timely and appropriate feedback

Audit Objective and Scope

The objective of our audit was to determine whether Alberta Health Services (AHS) has implemented our recommendation to strengthen its process to monitor the performance of contracted non-hospital surgical facilities.

Our work was conducted under the authority of the *Auditor General Act* and in accordance with the standards for assurance engagements set out in the CPA Canada Handbook—Assurance.

¹ Report of the Auditor General of Alberta—July 2014, no. 6, page 58.

² RSA 2000, C.H-1.

What We Examined

To perform this follow-up audit we examined:

- changes in the AHS committee structure and terms of reference involving the non-hospital surgical facilities program, including meeting agendas, information provided to the committees, and meeting minutes
- contracts with non-hospital surgical facilities, annual report submissions to AHS, and summary reports provided to AHS oversight committees

We conducted interviews with staff involved with the non-hospital surgical facilities program at AHS, the College of Physicians and Surgeons of Alberta and the Alberta Dental Association and College.³ We conducted interviews with medical directors and executive management representatives from four contracted surgical facilities. We also interviewed Department of Health representatives.

We did not examine processes or procedures at contracted surgical facilities, the College of Physicians and Surgeons of Alberta or the Alberta Dental Association and College.

We conducted our field work from March to May 2017. We substantially completed our audit on June 16, 2017.

Conclusion

We conclude that Alberta Health Services has implemented our recommendation by establishing an oversight process to monitor the performance of contracted non-hospital surgical facilities and improving its processes to record and analyze performance information for these surgical facilities.

Why This Conclusion Matters to Albertans

Maintaining safety and achieving appropriate surgical outcomes are imperative, whether the surgery occurs in a hospital or in a contracted facility. AHS is legislatively responsible for ensuring that all of Alberta's surgical services, including those delivered in contracted facilities, meet AHS requirements. Accordingly, AHS must have systems that monitor and manage surgical performance and patient outcomes in contracted non-hospital surgical facilities.

³ Accreditation and approval of non-hospital surgical facilities is done by two professional regulatory bodies. The College of Physicians and Surgeons of Alberta accredits non-hospital surgical facilities, provides practice standards and guidelines and approves the list of procedures that can be performed at these facilities. Dental surgical facilities must be accredited by the Alberta Dental Association and College. The colleges and AHS require the facilities to report critical incidents. They also carry out regular, comprehensive reviews of procedures and the surgical premises.

Findings

Context

Contracted surgical facilities function as agents of AHS for specified insured services—select surgeries where AHS will pay a prescribed facility fee designed to cover the use of equipment, supplies and nursing staff. The surgeon and any other physicians involved with the procedure (e.g., an anaesthetist) are paid separately by the Department of Health on a fee-for-service basis in accordance with the Schedule of Medical Benefits.

AHS is ultimately responsible for the health outcomes of its patients and must report on the results achieved for the public funds it spends. AHS's surgical contracts with non-hospital facilities are governed by the *Health Care Protection Act*, which sets out specific approval and performance reporting requirements. The standard contract with an operator details matters such as infection prevention and control standards to be met by the facility, the incident management process and mandatory reporting requirements.

AHS has improved the timeliness of its follow up on incidents reported by contracted facilities.

Our follow-up audit findings

Alberta Health Services has implemented our recommendation. We examined records and information obtained from AHS, a sample of non-hospital surgical facilities, the department and the two regulatory colleges. We found that AHS has:

- established a multidisciplinary provincial oversight committee whose mandate includes reviewing annual reports from non-hospital surgical facilities, and related analysis, to ensure the facilities are meeting appropriate outcomes
- developed an online incident reporting system for use by contracted surgical facilities, improving the timeliness and consistency of incident information collected
- improved the timeliness of its follow-up on incidents reported by contracted facilities
- enhanced the quality of the performance analysis completed by AHS's contract management group for internal use and reporting to the provincial oversight committee
- begun sharing its performance information on surgical facilities and comparing it with similar data obtained by the College of Physicians and Surgeons of Alberta and the Alberta Dental Association and College
- improved dialogue with the College of Physicians and Surgeons of Alberta and the Alberta Dental Association and College, which has resulted in discussions about joint inspections of contracted surgical facilities' infection prevention and control procedures

AHS's approach toward implementation of our recommendation was to establish a working group of key stakeholders—representatives from the Department of Health, the College of Physicians and Surgeons of Alberta, the Alberta Dental Association and College, and various AHS standing committees and subcommittees. The working group also considered input from surgical facility operators.

The collaboration involving AHS and the two professional colleges is an important aspect of the work done to implement our recommendation. The new provincial oversight committee is well established in its operations, which we anticipate will continue to evolve as the committee refines its activities in areas such as stakeholder relations and performance metrics for the various types of contracted surgeries.

