HOUSE OF COMMONS
CANADA

MILITARY HEALTH CARE – NATIONAL DEFENCE

Report of the Standing Committee on Public Accounts

Hon. Shawn Murphy, M.P.
Chair

April 2008

Also available on the Parliamentary Internet Parlementaire: http://www.parl.gc.ca

Available from Communication Canada — Publishing, Ottawa, Canada K1A 0S9

MILITARY HEALTH CARE – NATIONAL DEFENCE

Report of the Standing Committee on Public Accounts

Hon. Shawn Murphy, M.P.
Chair

April 2008

STANDING COMMITTEE ON PUBLIC ACCOUNTS

CHAIR

Hon. Shawn Murphy

VICE-CHAIRS

Jean-Yves Laforest
David Sweet

MEMBERS

Hon. Mauril Bélanger
David Christopherson
Brian Fitzpatrick
Mark Holland
Mike Lake
Marcel Lussier
Pierre Poilièvre
John Williams
Borys Wrzesnewskyj

CLERK OF THE COMMITTEE

Justin Vaive

LIBRARY OF PARLIAMENT

Parliamentary Information and Research Service

Alex Smith
Lydia Scratch

THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

has the honour to present its

TWELVE REPORT

Pursuant to Standing Order 108(3)(g), the Standing Committee on Public Accounts has considered the Chapter 4, Military Health Care – National Defence of the October 2007 Report of the Auditor General of Canada. The Committee as agreed to table this Report as follows:

INTRODUCTION

Under the *National Defence Act*, the Department of National Defence is required to provide health care for Canadian Forces members. National Defence provides medical care to more than 63,500 Regular Force personnel on 37 military installations across Canada and abroad, which costs more than $500 million annually. Approximately 3000 health care providers are employed by National Defence, and a private sector firm provides another 540 health care professionals to military clinics.

Several reviews conducted from 1997 to 1999 concluded that military health services had significant deficiencies, such as a lack of continuity of care, a lack of oversight mechanisms, deficiencies in the management of health records, and concern about the access to and timeliness of health care. These findings led National Defence to launch its Rx 2000 reform. This reform involves 22 initiatives that are planned for completion by 2011 with an overall budget of $450 million.

In 2007, the Office of the Auditor General (OAG) conducted an audit of National Defence's management of military health care services.[1] The objectives of the audit were to examine whether National Defence has the necessary structures, policies, and practices in place to provide assurance on the quality of health care that members of the Regular Force receive. The audit also examined the extent to which National Defence ensures that its health care providers are qualified and maintain their clinical skills. The audit did not examine the quality of the care that members receive. The audit also did not look at medical care outside of Canada on deployments such as Afghanistan.

Given the important work performed by Canadian Forces members and concerns about the management of their health care services, the Committee decided to have a hearing on this audit on January 31, 2008. The Committee heard from several officials from the Office of the Auditor General of Canada: Sheila Fraser, Auditor General of Canada; Hugh McRoberts, Assistant Auditor General; and Wendy Loschiuk, Principal. The Committee also heard from two officials from the Department of National Defence: Major General Walter Semianiw, Chief of Military Personnel; and Brigadier General

[1] Office of the Auditor General, October 2007 Report, "Chapter 4: Military Health Care—National Defence."

Hilary Jaeger, Commander Canadian Forces Health Services Group, Director General Health Services and Canadian Forces Surgeon General.

BACKGROUND

On the positive side, the audit conducted by the Office of the Auditor General (OAG) found that the Canadian Forces health care system is committed to providing members with access to a full range of health care services, either through the Forces health care system or through civilian providers. Also, members who walk into their military clinic do not have to wait very long to access primary medical care, and more than 85 percent of those who responded to a patient satisfaction review were satisfied with the health care they received.

On the other hand, the audit also found a number of weaknesses in the management of the military health care system. Briefly, it found that National Defence does not have measures or indicators to demonstrate whether the present accessibility of medical services and the resulting costs are operationally necessary; the Canadian Forces is unable to demonstrate that all of its military health care professionals are licensed or certified or have maintained their qualifications to practice; and National Defence has little information to allow it to demonstrate how well the military health care system is performing or how to assess the quality of care.

The audit includes eight recommendations, and National Defence agreed to all of them. The Committee fully supports the findings and recommendations of the Office of the Auditor General in this audit.

PROGRESS REPORT

Major General Walter Semianiw told the Committee, "We fully embrace and support the recommendations of the Auditor General."[2] He also said, "Our view is that the report is a fair and balanced assessment of the state of a military health care system in transition."[3]

[2] House of Commons Standing Committee on Public Accounts, 39th Parliament, 2nd Session, Meeting 12, 1:00 pm.
[3] *Ibid*., 11:10 am.

Given the department's acceptance of the findings of the audit and support of the recommendations, National Defence should be committed to implementing those recommendations. Indeed, the officials from National Defence brought an action plan with target dates to the hearing. However, the Committee would not accept the distribution of the plan because it was available in English only. National Defence should have known that the Committee operates in both official languages. While National Defence did eventually provide the action plan in both languages after 38 days, the Committee is quite disappointed that National Defence was not better prepared to provide information in both English and French.

The Committee is pleased that National Defence has developed an action plan to address the findings and recommendations of the Office of the Auditor General. The Committee strongly believes that all departments and agencies should develop an action plan in response to audits by the OAG. Action plans demonstrate a commitment by management to fix the identified deficiencies as well as be accountable for making the necessary changes. However, the Committee also believes that action plans should be distributed to the Committee prior to a hearing in order to allow members to study the plans and develop questions.

Action plans are a first step in the accountability process. Initially, it is necessary to set out what actions a department intends to take and the target dates for the completion of those actions. Subsequently, in order to close the accountability loop it is necessary to report on progress on implementing that plan. Hence, the Committee recommends that:

RECOMMENDATION 1

The Department of National Defence provide the Public Accounts Committee a detailed progress report by 31 October 2008 on the implementation of its plan to address deficiencies identified by the Office of the Auditor General in its audit on Military Health Care.

FUNDING

According to the audit, the cost of the military health care system is significantly greater per person than the provincial systems and is increasing. In the 2005–06 fiscal

year, the Canadian Forces health system spent an average of more than $8,600 per person, compared with the Canadian average estimated health care expenditure of about $4,500 per person in 2006, despite the fact that the military population tends to be relatively healthy. The cost of delivering military health care has increased by 50 percent per person over the last five years.[4]

Major General Semianiw gave the Committee the following explanation for the differences in costs:

> Providing a very comprehensive range of services for a relatively small population across national and international boundaries and subsequently meeting the CF needs and expectations as well as those of its personnel when illness and injuries occur costs more than providing a less comprehensive range of services to a more static and more centralized population. A health care system such as the Canadian Forces is therefore more expensive.[5]

However, the Office of the Auditor General provided different factors for the cost of the military health care system. According to the audit, some of the factors may include: there are four times more physicians per 1,000 military members than compared with the civilian systems (though, 40 percent of military physicians are not providing patient care but are employed in administrative or other functions); there is a broad range of workload at military health clinics across the country; National Defence pays for the medical education and ongoing training of some of its medical practitioners; and in order to fill in for staff shortages some civilian health care practitioners have been hired on contract at rates significantly higher than provincial averages.[6]

Major General Semianiw told the Committee that National Defence is committed to providing the resources needed for the military health system. He said, "I would add that the leadership of the Canadian Forces and the department did tell Brigadier General Jaeger in the month of October that she is directed to spend whatever money she needs to get it right for soldiers, sailors, airmen, and airwomen."[7] While it is important to ensure that members of the Forces have access to sufficient health services, it is also important

[4] Chapter 4, paragraph 4.35.
[5] Meeting 12, 11:10 am.
[6] Chapter 4, paragraph 4.36.
[7] Meeting 12, 1:00 pm.

that those services are delivered in a cost effective manner. Brigadier General Jaeger did acknowledge that improvements could be made. She said, "Can I be more efficient in some areas? The answer is yes. But I need management data to tell me where I can make those efficiencies."[8]

The Committee does not wish to tell the Department of National Defence how to manage its health care system or identify areas for improved efficiency. However, it does believe that more transparent information about the costs of the military health care system would allow observers to compare those costs to the provincial systems and to the military health care systems in other jurisdictions. Consequently, the Committee recommends that:

RECOMMENDATION 2

The Department of National Defence provide information in its annual departmental performance report on the aggregate costs of the military health care system, as well as the number of physicians, nurses, dentists, pharmacists, medical technicians, and physician assistants employed in that system.

MENTAL HEALTH CARE

In response to a request for information, National Defence informed the Committee that as of January 31, 2008, there were 4,917 active mental health cases within the Canadian Forces, and these individuals are accessing specialized mental health care services. In 2002, a survey on mental illness in the Canadian Forces found that only 25 percent of respondents who had reported symptoms of mental health problems or disorders considered that they received sufficient help. National Defence has since restructured how it delivers mental health care and began conducting post-deployment screenings of personnel returning from overseas service to detect any resulting physical and psychological effects.

The Committee was surprised to learn that a significant number of personnel returning from overseas deployment to Afghanistan are returning with psychological

[8] Meeting 12, 1:00 pm.

difficulties. Brigadier General Jaeger described the findings from their post-deployment screenings:

> Of course every rotation is a little bit different, but the data we have so far from these four to six month detailed screening follow-ups suggest that about 27% of people coming back have some difficulties. The vast majority, about 16%, have hazardous drinking behaviour. So more than half of that 27%—16% of the total deployed—show hazardous drinking behaviour. But an important number of people are struggling with more serious mental health issues, depression and post-traumatic stress disorder being the two most notable.[9]

While National Defence did have information from their post-deployment screenings, the department does not have overall information on the mental health situation in the Forces because it does not have the necessary information systems in place. This makes it difficult to determine the mental health care needs of Forces members and to direct services to where they are needed most. They can only say that six months after a base gets its personnel back from deployment, their mental health clinic experiences a doubling of their mental health workload.

Given the prevalence of mental health difficulties for military personnel returning from deployments, the Committee believes it is vital that those personnel have access to sufficient mental health services. However, the audit found inconsistent levels of service available. Some base mental health services could not meet demands due to a lack of staff, while others could offer all the services requested. Some bases reported a shortage of mental health professionals to meet needs and relied on services from civilian private practitioners, if and when available.[10] In addition, while there is no legal obligation to provide mental health services to military families, National Defence offers some help to families when it is in support of a member's health, but bases with large numbers of members returning from deployment in Afghanistan were unable to extend care to families due to resource shortages.

[9] Meeting 12, 11:20 am.
[10] Chapter 4, paragraph 4.34.

The Committee recognizes that as part of the Rx2000 reform, National Defence is adding $90 million to mental health services, involving an additional 200 mental health practitioners. Yet, the Committee remains concerned that National Defence's mental health care services may not be meeting the needs of members and their families. As many things have changed since 2002, when the last survey took place, the Committee believes that National Defence needs once again to determine the state of mental health of members in the Forces and the quality of mental health services they and their families receive. Consequently, the Committee recommends that:

RECOMMENDATION 3

The Department of National Defence conduct a comprehensive survey by 30 June 2009 of the state of mental health of Canadian Forces members and the quality of mental health care services they and their families receive, with a special emphasis on those returning from overseas operations.

INFORMATION SYSTEM

One of the more significant findings from the audit is that National Defence does not have an information system that would measure what the health care system is achieving, at what cost, or what needs to be improved in the provision of health care. While some information is available at clinics, National Defence could not provide information on the results and outcomes for the medical system overall. Indeed, the witnesses from National Defence could not provide response to numerous questions from Committee members because they did not have data on the information sought by members. An information system would help National Defence better manage its health care system, identify efficiencies, and direct resources to where they are needed most.

National Defence is developing a system that will collect performance information, called the Canadian Forces Health Information System. This database is expected to capture information on health indicators, costs, and trends. Development of the System began in 1999, and it is scheduled to be completed by the end of 2011 at a planned cost of $108 million. Brigadier General Jaeger assured the Committee that the system was on schedule. She said:

> When will the automated system be in place so that we don't have to rely on that base-by-base, case-by-case reporting? Well, that depends on Treasury Board approval of increased third phase funding for the Canadian Forces Health Information System. We are supposed to, if all goes well, begin implementation in May of this year. It will be substantively complete by 2010, and we'll have the dotting of the i's and the crossing of the t's on the project done by 2011.[11]

However, the audit found that National Defence had excluded due to lack of funding the possibility of following the Canadian Institute for Health Information's guideline on medical information management.[12] The OAG was concerned that progress on the system since 1999 was slow.

The Committee has expressed its concerns with the development of large information technology projects in a previous report. These projects have a history of overspending, delays, and performance shortfalls. Given the importance of the Canadian Forces Health Information System to the management of the military health care system, the Committee would like to have more public reporting about the status of this system as it develops. The Committee recommends that:

RECOMMENDATION 4

National Defence report in its annual departmental performance report on the status and implementation of the Canadian Forces Health Information System, including whether the system is on budget and on time.

[11] Meeting 12, 12:00 pm.
[12] Chapter 4, paragraph 4.29.

SKILLS

The audit found that National Defence does not adequately monitor its health care practitioners to ensure that they maintain their licenses or certification. National Defence estimated in 2006 that as many as 20 percent of practitioners may have not been licensed.[13] The OAG could only confirm that 69 percent of physicians and 75 percent of nurses were licensed. Not all medical technicians pursued certification following their training because it was not mandatory, and a large portion of physician assistants have not been certified to the new standards.

Additionally, many practitioners do not get exposure to a full scope of practice. The audit found that some physicians were not licensed in the province in which they practiced and thus could not take advantage of opportunities to work in civilian facilities to gain experience for maintaining the full scope of their skills. While the Department has implemented a Maintenance of Clinical Skills Program, few take advantage of the mandatory program because they believe they cannot be spared from their regular duties.

Major General Semianiw told the Committee that the Department has taken steps to document the status of its health care providers:

> As part of the Rx2000 reforms, it was decided to reinstitute external accreditation of CF health services. As part of this process, a Canadian Forces national credentialing cell was recreated in mid-2007. To date the cell has achieved license verification for 100% of physicians and dentists, 96.7% of pharmacists, and 79.9% of nurses. A new Canadian Forces credentialing policy is set for release in February 2008.[14]

However, this does not specify whether or not these licenses are in the provinces in which they are practicing, nor does it address the issues with medical technicians and physician assistants.

In response to the OAG's recommendation to ensure that gaps in the clinical skills are identified and closed in a timely manner, National Defence responded that, "attainment of the required levels of skills maintenance remains problematic due in large

[13] Chapter 4, paragraph 4.45.
[14] Meeting 12, 11:15 am.

measure to the current operational tempo and shortages of clinicians."[15] Indeed, Brigadier General Jaeger confirmed that National Defence continues to have difficulties with staffing:

> We don't have enough uniformed bodies to really make the program work the way it was intended to—we have focused on identifying those people who are coming to deployment in the next year or so and pulling out all the stops we can to make sure that they get brought up to speed in time for their deployment. That has resulted in relatively less effort for those who stay behind.[16]

As the Committee believes that it is very important that National Defence ensures that its health care practitioners are licensed and maintain their skills, the Committee would like to have ongoing information about the department's progress in this area. Consequently, the Committee recommends that:

> **RECOMMENDATION 5**
>
> **National Defence confirm in its annual performance report that all physicians, nurses, dentists and pharmicists are licensed to practice, and that all medical technicians and physician assistants are certified. National Defence should also report the number of practitioners who take advantage of the Maintenance of Clinical Skills Program.**

GOVERNANCE

The audit found that there is little oversight of the military health care system to ensure that patient needs are met and services are provided in a cost-effective manner.[17] There is no mechanism to monitor the system's ability to deliver services or means for users to challenge the quality and nature of the services available.

Major General Semianiw told the Committee that he has raised the level of the review committee which makes health care entitlement decisions. He said:

[15] Chapter 4, response to recommendation 4.61.
[16] Meeting 12, 11:45 am.
[17] Chapter 4, paragraph 4.65.

> Having the Armed Forces Council, the leadership of the Canadian Forces—the Chief of Defence Staff, the Vice-Chief of Defence Staff, the Chief of the Air Staff, the Chief of the Maritime Staff, and the Chief of the Land Staff—make decisions about Canadian Forces personnel health care entitlements will help Canadian Forces health services ensure that costs incurred are indeed related to patient requirements and operational needs.[18]

While the Committee agrees that the involvement of senior leadership is vital in making decisions about the military health care system, National Defence also needs to have input from Canadian Force members using the services, as well as health care providers delivering the services. National Defence needs to have a mechanism to bring together these three groups to provide the necessary oversight, guidance, and accountability to the military health care system. Thus, the Committee recommends that:

RECOMMENDATION 6

National Defence develop a governance framework for its military health care system that involves senior leadership, health care providers, and Canadian Forces members using the system.

HEALTH CARE FOR RESERVISTS

On April 3, 2008, the Interim Ombudsman for the Department of National Defence and the Canadian Forces released a special report entitled "Reserve Care: An Investigation into the Treatment of Injured Reservists." According to the report, Ombudsman investigators found that Canadian Forces Reservists who are injured in the course of their duties face a host of challenges in accessing timely, adequate and ongoing medical care that Regular Force members do not. The Ombudsman concluded that the Canadian Forces regulations and policies relating to the health care entitlements of reservists are obscure, complex and confusing.

The Committee is quite concerned by the inconsistent and unpredictable standards of care provided to Canadian Forces Reservists who should be treated fairly and equitably. The Committee trusts that the Department of National Defence will take the

[18] Meeting 12, 11:15 am.

report of the Ombudsman very seriously and seek to ensure that Reservists receive quality health care in a timely manner.

CONCLUSION

Members of the Canadian Forces serve their country honourably by being willing to put their lives at risk, and many are currently doing so on a daily basis on deployment in Afghanistan. In return for their willingness to sacrifice their health and safety, they have a reasonable expectation that they will receive quality health care services. Consequently, the Department of National Defence must have the systems and practices in place to ensure that the military health care system is providing quality services. However, the audit by the Office of the Auditor General found that the Department does not have the information available to provide that assurance. National Defence is working to fix the deficiencies identified by the audit and developed an action plan in order to demonstrate its commitment. The Committee believes that it is necessary to hold the Department to account to fulfilling those commitments by having the Department provide a progress report and by publicly reporting information in its departmental performance report. Providing such information will help assure Canadians and Regular Forces members that the military health care system is meeting its goals.

APPENDIX A
LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
Department of National Defence	1/31/08	12
Hilary Jaeger Commander of the Canadian Forces Health Services Group, Director General of Health Services and Canadian Forces Surgeon General		
Walter Semianiw, Chief of Military Personnel		
Office of the Auditor General of Canada		
Sheila Fraser, Auditor General of Canada		
Wendy Loschiuk, Assistant Auditor General		
Hugh McRoberts, Assistant Auditor General		

REQUEST FOR GOVERNMENT RESPONSE

In accordance with Standing Order 109, the Committee requests that the Government table a comprehensive response to the report.

A copy of the relevant *Minutes of Proceedings* (Meetings Nos. 12, 18, 26 and 28 including this report is tabled).

Respectfully submitted,

Hon. Shawn Murphy, M.P.
Chair