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STANDING COMMITTEE ON PUBLIC ACCOUNTS

AMBULANCE SERVICES – AIR

(Section 3.01, 2005 Annual Report of the Auditor General of Ontario)

2nd Session, 38th Parliament
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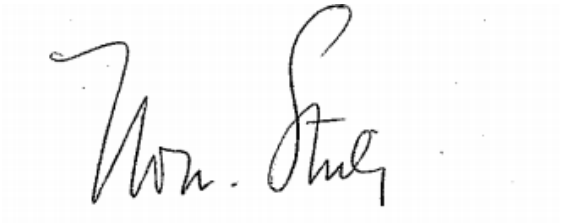
The Honourable Michael A. Brown, MPP
Speaker of the Legislative Assembly

Sir,

Your Standing Committee on Public Accounts has the honour to present its Report and commends it to the House.



Norman Sterling, MPP
Chair of the Committee

Queen's Park
July 2006

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2nd Session, 38th Parliament

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CONTENTS

PREAMBLE

The Standing Committee on Public Accounts held hearings on the Auditor General's report on the Ministry of Health and Long-Term Care's Air Ambulance Services (Section 3.01 of the *2005 Annual Report*) on February 23, 2006. The Committee endorsed the Auditor General's findings and recommendations from the *Annual Report*.

This report consists of introductory information in each section based *directly* on the Auditor's 2005 report, followed by an overview of the hearings, and as appropriate, Committee recommendations.

Acknowledgements

The Standing Committee on Public Accounts would like to thank the Deputy Minister, Ministry of Health and Long-Term Care, and Ministry officials for their attendance at these hearings, and for providing supplementary information on a timely basis. The Committee has acknowledged the assistance provided by the Office of the Auditor General (the Auditor), the Clerk of the Committee, and the Research Officer from the Ontario Legislative Library's Research and Information Services Branch at the hearings and during the subsequent deliberations.

1. AUDIT OBJECTIVES AND MAIN FINDINGS

The audit objective was to assess whether the Ministry had procedures in place to ensure that its expectations for the delivery of air ambulance services, including compliance with applicable legislation and policies, were being met in a cost-effective manner.

The Auditor concluded in 2005 that action was required to ensure that expectations for air ambulance services, including patient care, are being met and to ensure that patient needs are met in a cost-effective manner. In particular, the following matters required attention:

- the Ministry was not monitoring actual dispatch reaction times against standards, and only monitored certain air ambulance-operator reaction times (between 38-67% of the time);
- the Ministry certified air ambulance operators that did not meet requirements, and there was little evidence of follow-up to address deficiencies; and
- improvements were necessary to ensure that air ambulance services are meeting patient needs in a cost-effective manner by monitoring the use of air ambulance resources. Specific matters of concern included:
    - the increasing cancellation rate of helicopters after dispatching, resulting in costs and generally a reduced response capacity for subsequent calls; and
    - the absence of a clear line of authority for delivery to ensure consistent quality in air ambulance services.

2. REQUEST FOR MINISTRY RESPONSE TO RECOMMENDATIONS

The Committee requests that the Ministry of Health and Long-Term Care provide the Committee Clerk with a comprehensive response to this report within *120 days* of the date of tabling with the Speaker of the Legislative Assembly. Under certain circumstances an alternative timeframe may be warranted, which is the case with Recommendations Nos. 1, 7 and 8.

2.1. List of Committee Recommendations

1. The Ministry of Health and Long-Term Care report to the Standing Committee on Public Accounts on the planned implementation of the air ambulance's proposed communication system by the Ontario Air Ambulance Services Corporation. The report should address the system enhancements, for example, dispatch and operator reaction times and progress achieved on the two year implementation schedule.

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 6 months of the date of tabling this report in the Legislature.

2. The Ministry of Health and Long-Term Care report to the Standing Committee on Public Accounts on the implementation of the Ministry/OAASC Performance Agreement with respect to ensuring a competitive procurement environment for Air Ambulance Services. The report should address such matters as the monitoring of procurement to ensure compliance with the Ministry of Government Services' procurement policies.

3. The Ministry of Health and Long-Term Care report to the Standing Committee on Public Accounts on the introduction of financial and other disincentives for non-performance in the provision of air ambulance services. The Standing Agreements with operators should establish a defined maximum permitted refusal rate for operators, and the nature of sanctions when maximum refusal rates are exceeded.

Details on flight refusal should be reported with cancellation statistics and rationale information fields in the new database, analyzed on a regular basis and reported to the Ministry's Director of Emergency Health Services.

4. The Ministry of Health and Long-Term Care report to the Standing Committee on Public Accounts on discussions with all relevant federal and provincial authorities, such as the Ministry of Transportation, to facilitate the expansion of Automated Weather Observation Systems coverage in northern Ontario, including the cost of such an expansion.

5. The Ministry of Health and Long-Term Care report to the Standing Committee on Public Accounts on the following:

- **the collection of full cost recovery for air ambulance services in the case of non-residents in Ontario; and**
- **identification of provincial jurisdictions that do not require full cost recovery for air ambulance services for non residents.**

6. The Standing Committee on Public Accounts recommends to the Ministry of Health and Long-Term Care that a non-resident coming from a province which does not charge full costs, be given the same reductions in cost while he or she is in Ontario that an Ontario resident would get in the non-resident's province.

7. The Ministry of Health and Long-Term Care provide the Standing Committee on Public Accounts with their cost-benefit analysis regarding the decision to take the responsibility for providing paramedics away from the operators and make it the OAASC's responsibility. The Ministry should report to the Committee in 2007-2008 on the number of flight cancellations due to paramedics not being available and the resultant costs.

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 12 months of the date of tabling this report in the Legislature.

8. The Ministry of Health and Long-Term Care report to the Standing Committee on Public Accounts on the basis on which it will be monitoring the operations of the OAASC including timeframes.

The Ministry should provide an update on the status of the two year implementation schedule for this new system, and the overall performance level achieved in service delivery. This Ministry document should provide the Committee with data on the OAASC's overall performance level achieved for fiscal 2006/07 and 2007/08, with comparative information where available for when the Ministry operated the air ambulance system in fiscal 2004/05 and fiscal 2005/06. The data should include all available quantitative indicators, including dispatch and operator response/reaction times, incidents of trip cancellations, overall costs of air ambulance services and cost recoveries.

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 2 years of the date of tabling this report in the Legislature.

OBSERVATIONS AND CONCLUSIONS

3. REACTION TIMES

Air ambulances are dispatched using a central air dispatch centre, with the call taker establishing the call's priority. The Ministry air ambulance dispatch reaction-time (response-time) standards introduced in 2000 were not formally monitored by the Ministry.

3.1. Air Ambulance Operators

Private operators operate under contract providing three categories of helicopter and airplane ambulance service, with contractual reaction times for each category. The audit report focused on the level of monitoring conducted for air ambulance operators' actual reaction times, and related compliance matters. It was noted that penalties were not levied against operators whose reaction times did not meet their contract requirements.

The Auditor recommended that to help ensure that the air ambulance dispatch centre and operators respond to calls in a timely manner, the Ministry should more closely monitor actual reaction times against Ministry standards and contractual requirements and develop a strategy to improve both dispatch and operator reaction times, especially where these reaction times are being significantly exceeded.

Ministry Response and 2006 Update[1]

The Ministry provided an update prior to the hearings in 2006, indicating that in 2005 the province appointed a non-profit body - the Ontario Air Ambulance Services Corporation (OAASC) - to assume responsibility for air ambulance operations. OAASC's responsibilities include medical oversight of paramedics, air dispatch, authorization of air and land ambulance transfers, and the development and implementation of software system technology for dispatching. The Ministry committed to build reaction-time fields into the new air ambulance software system, and to work with the OAASC to monitor performance.

In 2006 the OAASC assumed responsibility for direct service operation of the air ambulance program. It is a requirement of the Performance Agreement that the Corporation implement a new system of communication services. The Ministry indicated that OAASC will be requested to address the Auditor's recommendation in the development of the new communication system.

Committee Hearings

New Air Ambulance Software

In July 2005 the government announced that the OAASC would have the responsibility for all operations, including medical oversight of paramedics and air dispatch.[2] The OAASC Performance Agreement requires OAASC to implement a new system of communication services, which encompasses all aspects of air ambulance dispatch, specifying standards and reporting requirements, with monitoring within two years of the effective date or a date otherwise agreed upon by the parties.[3]

System improvements were necessary for the dispatcher, medical analysts and flight followers, to address the concerns noted by the Auditor General.[4] The Ministry plans to work with the OAASC to integrate standards in the software to assist dispatchers in assembling information and dispatching air ambulances. In addition, the software is to address reasons for cancellation, response times, and compliance with various operational standards as part of the measurement system.

The intent is to have reaction-time fields built into the new software system to permit the reporting and monitoring of response times on emergency calls. The closer monitoring of actual reaction times will assist in the development of a strategy to improve reaction times over the long term.[5]

Committee Recommendation

New Communication System

The Corporation is to implement a new system of communication services under the terms of the Performance Agreement, addressing all components of the air ambulance dispatch. The Committee requires a progress report on the development of the software and the implementation timeframe for the new air ambulance communication system.

The Committee therefore recommends that:

> **1. The Ministry of Health and Long-Term Care report to the Standing Committee on Public Accounts on the planned implementation of the air ambulance's proposed communication system by the Ontario Air Ambulance Services Corporation. The report should address the system enhancements, for example, dispatch and operator reaction times and progress achieved on the two year implementation schedule.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 6 months of the date of tabling this report in the Legislature.**

4. Acquisition of Operators Services

The Ministry follows a competitive process to contract with Standing Agreement, Critical Care, and Preferred Provider air ambulance operators. Standing Agreement operators provide backup services when Critical Care and Preferred Provider operators are unavailable. The Preferred Provider contract was intended to establish a fixed cost for helicopter air ambulance services over a three-year term, with a two-year extension provision. Air ambulance helicopter services were contracted for this category of operators in September 1999 following a Request for Proposal (RFP) process.

Due to claims of reduced profitability attributed to escalating costs, the Preferred Provider indicated that higher fees were necessary, and reported in April 2002 that it would be terminating the contract. The Ministry's review by the Internal Audit Service to determine the validity of the provider's claims of reduced

profitability was inconclusive. Given that there are few providers, the Ministry did not re-tender, but extended the contract for two more years paying additional fees. The Ministry subsequently extended the contract for another year, and then Management Board of Cabinet authorized the Ministry to negotiate an additional contract extension of up to three years with the Preferred Provider.

The Auditor recommended that to better ensure that air ambulance helicopter services are delivered economically; the Ministry should evaluate the risks posed by its significant dependence on one preferred service provider and develop a long-term strategy to encourage a more competitive environment.

Ministry Response and 2006 Update

The Performance Agreement between the Ministry and the OAASC requires a competitive procurement environment for Air Ambulance Services consistent with government requirements. The Ministry is responsible for monitoring procurement to ensure compliance and providing OAASC with information on changes to the Ministry of Government Services' procurement policies.

Committee Hearings

Types of Ambulance Operators

There are two types of air ambulance operators providing services throughout the province; namely rotary-wing, and fixed-wing operators.[6] The current arrangement is as follows:

- Fixed-Wing Air Services - eight fixed-wing operators contracted under Standing Offer Agreements. They are in use across the province (primarily in the north) providing 25 aircraft for air ambulance services at any point in time. Organ retrieval is handled by approximately 80 aircraft that are available at any time. Fixed-wing Standing Agreement operators provide services in a competitive environment with suppliers entering and leaving the business on a regular basis. Four dedicated fixed wing aircraft are also contracted under a Critical Care Provider Agreement; and
- Rotary-Wing Helicopter Services - the rotary wing operator is a specialized and expensive business to enter. However, in the last competition there were several competitors submitting RFP proposals. Currently there are 11 helicopters in the system provided by one operator and stationed throughout Ontario. The service is comprised of dedicated critical care transfer services and a preferred provider.[7] (Note: these two contracts are with the same company.)

Rotary-wing and selected fixed-wings aircraft (located in Timmins and Sioux Lookout only), contracted through the critical care and preferred provider agreements, to the OAASC, provide aircraft and crews full-time, throughout the year. In the case of "On-Call Contracts" for fixed-wing Standing Agreement operators, payment is based on usage.[8]

Procurement Procedures

The Committee enquired about the level of competition in the acquisition of air ambulance services and the potential for savings. The Ministry acknowledged the need for a more competitive procurement environment, and noted the limited

expertise and experience in this sector within the province.[9] Few companies in Ontario provide rotary services which may be attributed in part to the significant start-up and maintenance costs, staffing requirements, and servicing challenges over a diverse area.

There has been competition for these contracts in former RFPs and there is a commitment to look elsewhere in North America for potential operators for the rotary-wing services.[10] The objective is to achieve a more competitive environment under the Ontario Air Ambulance Services Corporation, using alternative procurement methods.[11] Services are to be provided on a contract basis through external operators, with the expectation that this approach will be more effective and efficient.[12]

Under the Ministry/OAASC Performance Agreement the OAASC is required to comply with standard procurement procedures to ensure a competitive process, and report to the Ministry with monitoring results.[13]

Committee Recommendation

Competitive Procurement Environment

The Committee indicated the importance of transparency and accountability in the procurement of operator services. Although a competitive market is important, the Committee is cognizant of the specialized nature of this sector and certain factors contributing to the unique service challenges. Most notable are the significant equipment costs and staffing requirements, factors of travel time/distance particularly in northern Ontario, and specialized equipment servicing needs — all of which are considerations in entering this market.

The Ministry has assured the Committee of its intention to increase competition through alternative procurement methodology, and ensure compliance with standard procurement procedures, as set out in the Ministry/OAASC Performance Agreement.

The Committee therefore recommends that:

> **2. The Ministry of Health and Long-Term Care report to the Standing Committee on Public Accounts on the implementation of the Ministry/OAASC Performance Agreement with respect to ensuring a competitive procurement environment for Air Ambulance Services. The report should address such matters as the monitoring of procurement to ensure compliance with the Ministry of Government Services' procurement policies.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.**

5. CANCELLED CALLS

Once dispatched, an air ambulance may be cancelled for legitimate reasons (e.g., changes in a patient's condition, and weather conditions). The percentage

of helicopter calls cancelled after dispatch increased from approximately 27% in the 2003/04 fiscal year to 33% in 2004/05 (approximately 42% of the cancellations occurred after the helicopter was airborne). The Auditor concluded that cancellations warranted a formal Ministry follow-up to ensure that resources are used appropriately.

The Auditor recommended that to better ensure air ambulances are available to meet patient needs and are used in a cost-effective manner, the Ministry should periodically review the level of cancelled calls; where the level of cancelled calls is high, analyze the reasons for cancellations especially those occurring after the helicopter is airborne; and take action to minimize unnecessary dispatch of aircraft.

Ministry Response and 2006 Update

The *Helicopter Utilization Guide* and training materials are used to ensure that on-scene responses are requested and undertaken appropriately. The Ministry will work with the OAASC to include cancellation statistics and rationale information fields in a new database. The call cancellation data is to be analyzed regularly and reported to the Director of the Emergency Health Services Branch. The Ministry committed to request that OAASC address the Auditor's recommendation in the development of the new communication system.

Committee Hearings

Flight Cancellations

The Auditor General's concerns with cancellations have been primarily with rotary-wing aircraft rather than fixed-wing.[14] The Ministry explained that in the case of rotary-wing flights there are usually multiple legs to a given trip.[15] In a sample of 17,000 legs for 6,000 flights the cancellation figure affected 6% of the legs, with the majority of cancellations occurring prior to leaving the ground.[16]

The Ministry explained that several variables contribute to cancellations which are seen as systemic within the air ambulance program. Factors such as staff performance and improper procedures or operational inefficiencies may also have a bearing.[17]

The Committee considered these various factors and encouraged the Ministry to consider the benefit of the Automated Weather Observation Systems (AWOS) in relation to weather-based cancellations. The Committee noted that areas in northern Ontario do not have the benefit of AWOS to assist pilots in assessing a decision to take a flight, which could in turn reduce the number of cancellations.[18] The Ministry committed to address this matter with Ontario Air Ambulance Services Corporation, and relevant authorities.[19]

The Ministry acknowledged the need for an improved method for monitoring and recording cancellations. The intention is to include call cancellation statistics and rationale information fields in the new air ambulance database.[20] As noted, cancellation information is to be analyzed by the OAASC and reported to the Emergency Health Services Branch.[21] Under the terms of the Standing Agreements, the Corporation is charged for cancellations.[22]

Committee Recommendations

Operator's Service Refusal Rate

The Committee concluded that the application of sanctions against Standing Agreement operators, who refuse to provide air ambulance service, would help to improve aircraft availability. The Ministry committed to give consideration to such a provision, which would stipulate a permitted operator refusal rate for the provision of air ambulance services. Therefore, sanctions may be applied when the defined maximum refusal rate is exceeded.[23]

The Committee therefore recommends that:

> **3. The Ministry of Health and Long-Term Care report to the Standing Committee on Public Accounts on the introduction of financial and other disincentives for non-performance in the provision of air ambulance services. The Standing Agreements with operators should establish a defined maximum permitted refusal rate for operators, and the nature of sanctions when maximum refusal rates are exceeded.**
>
> **Details on flight refusal should be reported with cancellation statistics and rationale information fields in the new database, analyzed on a regular basis and reported to the Ministry's Director of Emergency Health Services.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.**

Automated Weather Observation Systems (AWOS)

Various factors have a bearing on a decision to cancel a flight. Safety is a priority and weather is of paramount importance in reaching a decision to provide air ambulance services. AWOS provides important weather information for certain parts of the province; however, northern Ontario does not benefit from uniform AWOS services. The Ministry committed to address this matter with the Ontario Air Ambulance Services Corporation and relevant authorities.[24]

The Committee therefore recommends that:

> **4. The Ministry of Health and Long-Term Care report to the Standing Committee on Public Accounts on discussions with all relevant federal and provincial authorities, such as the Ministry of Transportation, to facilitate the expansion of Automated Weather Observation Systems coverage in northern Ontario, including the cost of such an expansion.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.**

6. PATIENT BILLINGS

Individuals not covered under the Ontario Health Insurance Plan (OHIP) are generally billed for air ambulance costs. In 2004 the Ministry changed the billing

for air ambulance trips to “reasonable costs”, which is defined as 150% of the costs associated with the amount of time that the patient spent on board the aircraft, or the distance travelled (in the case of Standing Agreement contracts). This decision decreased charges to patients. In the case of Critical Care and Preferred Provider operators, the charges decreased by an average of 59%. In the case of Standing Agreement operators, the decrease was on average 46%, less than the total actual costs of providing the service.

The Auditor recommended that, to help ensure that the costs of air ambulance services are recovered in those circumstances where the Ministry has determined recovery is appropriate, the Ministry should consider billing actual costs similar to other Ontario health program billing practices (e.g., hospitals).

Ministry Response and 2006 Update

In 2005 the Ministry was recovering the estimated cost of transporting a patient, and in 2006 committed with the OAASC to review charging costs to patients not covered by OHIP, and/or establishing a maximum recoverable amount. The Ministry was concerned that the Auditor’s recommendation might entail charging patients for costs associated with repositioning aircraft (travel to pick-up and return to base location).

Committee Hearings

Patient Billings

The Committee enquired about billing patients without OHIP coverage, which would include out-of-province patients, for actual costs incurred in the delivery of air ambulance services.[25] In 2004-05, for example, such billings represented less than 1% of more than 18,000 patients.[26] Presently billing practices for Ontario residents with health insurance coverage are the same for air and land, and according to the Ministry, this approach is seen to be reasonable.[27]

Under an actual billing model, patient cost would be significantly higher, as patients would be charged for the aircraft repositioning costs.[28] The Ministry and the OAASC have committed to review the reasonableness of charging such costs to patients, considering various options, such as establishing a maximum recoverable amount.

Committee Recommendations

Air Ambulance Cost Recovery

As noted, in 2005 the Ministry was recovering the estimated cost of transporting a patient. The Auditor’s recommendation would entail considering charging patients for the actual cost of the flight including costs to travel to pick-up the patient and to return the aircraft to base.

The Committee acknowledges the province’s responsibility to provide air ambulance services to visitors in emergency circumstances. This understanding is based on the assumption that Ontario patients in other provinces would receive such services. In 2006 the Ministry committed with the OAASC to review such costs to patients without OHIP coverage, and establish a maximum recoverable amount.

The Committee therefore recommends that:

> **5. The Ministry of Health and Long-Term Care report to the Standing Committee on Public Accounts on the following:**
>
> - **the collection of full cost recovery for air ambulance services in the case of non-residents in Ontario; and**
> - **identification of provincial jurisdictions that do not require full cost recovery for air ambulance services for non residents.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of tabling this report in the Legislature.**

Financial Arrangements for Non-Residents

> **6. The Standing Committee on Public Accounts recommends to the Ministry of Health and Long-Term Care that a non-resident coming from a province which does not charge full costs, be given the same reductions in cost while he or she is in Ontario that an Ontario resident would get in the non-resident's province.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 120 days of the date of the tabling of this report in the Legislature.**

7. AIR AMBULANCE CONSOLIDATION

7.1. A New Management Framework

The Commission on Accreditation of Medical Transport Services reviewed the Ontario air ambulance system and recommended clear lines of authority. Subsequently in 2005 the province appointed the OAASC, which is a non-profit body, with responsibility for air ambulance operations. [29] The Ministry's decision to consolidate the air ambulance services is a move away from direct operational service delivery to the role of strategic manager.[30] The Ministry described this change in organization as follows:

> - … using a non-profit transfer payment agency and accountability agreement clarifies who is responsible for the service performance. The Ministry's role in the future…is really to take a much larger role in the oversight and the monitoring….[31]

Therefore, the Ministry has a reduced role in service delivery and maintains responsibilities for setting the strategic directions and provincial priorities; developing legislation, regulations and standards, and policies and directives; monitoring and reporting on overall performance; and establishing funding for health care.[32]

Ontario Air Ambulance Services Corp. – Role and Mandate

In 2006 the OAASC assumed responsibility for direct service operation of the air ambulance program, which includes medical oversight of paramedics, air dispatch, authorizing of air and land ambulance transfers, and the development and implementation of software system technology for dispatching. The new approach is to provide for the coordination of the province's air ambulance system, replacing a fragmented system with a streamlined model to improve emergency coverage province-wide, particularly in northern and rural communities.[33]

The OAASC has responsibility to operate as the overall service provider for air ambulance including dispatching and managing transport.[34] Related responsibilities include managing RFPs for the aircraft (dedicated and standing offer arrangements), and the development and management of air ambulance service contracts.[35] The Ministry provided a comprehensive list of the OAASC's responsibilities (see Appendix), for example:

- ensure or deliver air ambulance dispatching services, and ensure the operation of the air ambulance communications services;
- utilize decision support software and professional judgement to ensure all Communications Officers document all calls and assess the needs of the caller;
- ensure Communications Officers have the technical capacity to communicate with other service providers;
- ensure the provision of Base Hospital services;
- establish the type of supplies and medical equipment used by medical staff for clinical practice, and the purchase of such equipment;
- ensure the provision of all air ambulance services required for the delivery of the air medical transport services, including procurement;
- act as an agent for the Ministry to provide maintenance and repair to helipads; and
- authorize interfacility patient transfers, organ recovery services; and provide related aeromedical services.

▪ The Committee questioned whether the new system would be more expensive.[36] According to the Ministry, the agreement with the OAASC is based on the same funding allocation for air ambulance, and therefore it will not increase expenditures for these services.[37] The Ministry acknowledged that the OAASC will have to consider all aspects of operations and decide on the ideal efficient and least costly method for providing services going forward.[38]

7.2. OAASC Benefits and Evaluation

7.2.1. Anticipated Benefits of System Consolidation

The roles of the Ministry and service providers were clarified through the creation of the OAASC, which affected dispatch, the provision of aircraft services and medical supervision, and training of paramedics. The objective was to improve the organization of responsibilities under one governance authority.[39] The

Ministry provided a detailed list of “anticipated benefits” expected to result from consolidation, which would accrue to the various stakeholders; namely, patients, the public, air ambulance service providers, the health care system, the Ministry of Health and Long-Term Care, paramedics, and the OAASC (see Appendix).

The Ministry outlined public benefits in this new model, for example, improved service delivery through various means including a new medical dispatch protocol, and greater access to air ambulances in the north. In addition, benefits are to accrue to health care, through the integration of clinical expertise and operational responsibility. Other benefits include:

- continuation of existing service provider contracts;
- Ministry control of hangars (fixed-wing and rotary) which is integral to the provision of air ambulance services;
- an opportunity to address broader health issues, for example, expanded opportunities for research to further evidence-based health care decision-making;
- clarified lines of authority and responsibility, allowing the Ministry to focus on stewardship and oversight of air ambulance systems (e.g., setting air ambulance policy and standards, certifying and monitoring, inspecting air ambulance operators and paramedics, investigating incidents and complaints, and ensuring accountability objectives and a stable funding program under the Ministry/OAASC Agreement); and
- a training plan for paramedics, including educational programs and a career focus. Also, there is to be enhanced flexibility to deploy paramedics province-wide.[40]

It is the Ministry’s expectation that the Corporation will improve access to services, ensure quality services, and assist in the alignment of health resources through the integration of these services.[41] The OAASC is seen to provide extra flexibility by maintaining a roster of medical personnel, moving them to meet various requirements.[42]

7.2.2. Patient Benefits

The anticipated benefits for patients from the consolidation provided by the OAASC include:

- organizational consolidation - improved patient care, given that the OAASC becomes the sole employer of paramedics, for example, suitable aircraft and medical oversight (doctors are in the same area, working for the same organization as the paramedics and dispatchers);
- management flexibility - greater flexibility to ensure the right care is available on all flights (patients receive the correct paramedic care level and aircraft based on ongoing analysis);
- incoming calls - the medical analyst takes all necessary information on calls within a five minute timeframe; and
- reaction times - medical analyst to assess needs, for example, the type of paramedic required and aircraft, with the flight planner determining the location of the necessary aircraft. [43]

Management of Paramedics

Paramedics fall into three categories; namely, primary care staff providing basic care, the advanced care paramedic with primary care and related skills, and critical care staff.[44] The majority of the paramedics in the air ambulance system are advanced care or critical care.[45] The OAASC has taken responsibility for the services of paramedics – where previously this was the operators' responsibility. In the future all medical personnel will be employees of the OAASC.[46]

The Committee noted that the province is assuming responsibility for paramedics and questioned whether a financial benefit would be accruing to the province for assuming this responsibility.[47] The status of existing contracts with providers was addressed during the hearings in relation to financial concessions, based on the decision to relieve operators of responsibility for providing paramedics.[48] The Ministry explained the new approach:

> … prior to the OAA, prior to January, the government was funding the carriers dedicated both for the provision of aircraft and paramedics. Subsequent to the OAA assuming responsibility last month, the government is paying the OAA the total cost of it. The OAA, of course, is paying less, as you indicate, to the aircraft provider and they're assuming the cost directly of paying the paramedics.[49]

- In terms of the administration and the responsibility of ensuring that paramedics are in place for service delivery, the province has relieved private operators of a significant responsibility. According to the Ministry, the overall cost to the province is unchanged:

> There is a cost associated with providing paramedics…. You're right, there are difficulties associated with it and, you're right, it's being removed from the dedicated operator and given over to the OAA who now must incur those costs and, as you said, those headaches.[50]

- At issue is whether there may be conflicts arising with respect to ensuring that paramedics are available when the air ambulance equipment is prepared to deliver services.[51] In a worst case scenario the operator may be prepared to fly, without paramedics on site.[52] The Committee's concern is that the government may incur additional costs and administrative problems by committing to manage paramedics.[53]

Committee Recommendation

OAASC Management of Paramedics

The Committee noted that the management responsibilities associated with providing paramedics are being removed from the dedicated operator and being assumed by the OAASC. The Committee questioned this management arrangement as to whether the province may be liable under its expanded

management role for operators' costs due to flight cancellations, if it is unable to provide paramedics.[54]

The Committee therefore recommends that:

> **7. The Ministry of Health and Long-Term Care provide the Standing Committee on Public Accounts with their cost-benefit analysis regarding the decision to take the responsibility for providing paramedics away from the operators and make it the OAASC's responsibility. The Ministry should report to the Committee in 2007-2008 on the number of flight cancellations due to paramedics not being available and the resultant costs.**
>
> **The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 12 months of the date of tabling this report in the Legislature.**

7.3. Accountability and Monitoring Performance

The Ministry, in partnership with the OAASC, is responsible for building reaction-time fields into the new air ambulance software system to monitor performance. The Ministry described the enhanced accountability framework under the OAASC as follows:

> - This corporation [OAASC] will be fully accountable to the provincial government, to the patients who make use of its services and to the broader health community. However, while the corporation will manage and operate the air ambulance system under a Performance Agreement with the ministry, the ministry will continue to consult with all stakeholders to set and ensure that policy and standards are current. And the ministry will continue to certify and inspect air ambulance operators and conduct any investigations. The end result will be improved care, improved access to service, increasing effectiveness and efficiency of the delivery of service, and the assurance of greater fiscal and medical accountability.[55]

The framework includes the responsibilities related to the operation of an air ambulance service by a certified operator as set out in Regulations and the *Ambulance Act.* The Ministry /OAASC Performance Agreement will specify standards and reporting requirement, define responsibilities, set out key performance indicators, funding arrangements, and the basis for the termination of the Agreement by the Ministry.[56]

Performance Criteria

The Ministry provided a list of twenty-two performance indicators which will provide the basis for evaluating the OAASC. Selected measures from the attached list are as follows (see Appendix for complete list):

- OAASC shall ensure that the air carriers meet the aviation standards of the Canada Transportation Agency and the Ministry of Natural Resources.
- Once a balanced score card has been developed by the OAASC, it will prepare and provide the Ministry on an annual basis a report on the measures contained therein.
- Each request for air ambulance services will be documented in the manner set out in the Performance Agreement.
- Each call relating to the request for air ambulance services will be recorded and retained for a period of not less than seven years.
- A record of each financial transaction in relation to each patient transport will be maintained for a period of not less than seven years.
- An incident report consistent with the requirements of the Regulation will be faxed or provided electronically to the Ministry within five business days of each Significant Adverse Event.
- The OAASC will develop a new policy and procedure manual over the course of the first 18 months of the Term.
- The OAASC will develop a method by which it may summarize each physician's performance in the provision of on-line medical control, through physician-driven quality assurance activities.
- Within 90 days of the effective date, OAASC shall develop an implementation plan in respect of the direct hiring of the paramedics currently employed by the air carriers.
- OAASC shall deliver a report to the Ministry annually setting out the critical success factors and milestones, and its success in meeting each and attaching current drafts of all of the reports and plans to be prepared pursuant to the Agreement.

7.3.1. Funding and Termination for Cause

The Ministry provided the following information on funding and termination for cause:

- The Ministry and the OAASC will meet annually after the first five fiscal years to assess the resources required to provide the services in the next fiscal year, the OAASC's compliance with the Performance Agreement, and any other relevant factors.
- The Ministry and the OAASC acknowledge that the Ministry is under no obligation to provide funding in addition to that initially committed for a particular fiscal year. Funding may be adjusted at the discretion of the Ministry where service costs are shown to have increased.
- In the event of a provincial emergency where the OAASC is requested to render an additional level of service by the Ministry, the Ministry will provide additional Grant funding to cover all such approved and documented costs resulting from the increased level of service.
- The Ministry may terminate the agreement without liability, cost or penalty if the Ministry believes that the acts or omissions of the OAASC represent a significant risk to public health or welfare, or if the OAASC fails to meet key

performance indicators and does not remedy such failure in the time specified in the Performance Agreement.[57]

Committee Recommendation

OAASC Performance Evaluation

The Ministry and the OAASC have committed to meet on a regular basis to assess the OAASC's compliance with the Performance Agreement. The Ministry provided supplementary information on corporate responsibilities, anticipated benefits, and performance indicators which would be of significance in such a process.

The Committee is encouraged by this approach and is of the opinion that performance evaluations are required on a regular basis to provide a clear definition of the level of accountability demonstrated, corporate performance in relation to defined responsibilities, and achieved benefits.

The Committee therefore recommends that:

8. The Ministry of Health and Long-Term Care report to the Standing Committee on Public Accounts on the basis on which it will be monitoring the operations of the OAASC including timeframes.

The Ministry should provide an update on the status of the two year implementation schedule for this new system, and the overall performance level achieved in service delivery. This Ministry document should provide the Committee with data on the OAASC's overall performance level achieved for fiscal 2006/07 and 2007/08, with comparative information where available for when the Ministry operated the air ambulance system in fiscal 2004/05 and fiscal 2005/06. The data should include all available quantitative indicators, including dispatch and operator response/reaction times, incidents of trip cancellations, overall costs of air ambulance services and cost recoveries.

The Committee requests that a written response to this recommendation be provided to the Committee Clerk within 2 years of the date of tabling this report in the Legislature.

APPENDIX NO. 1

Ontario Air Ambulance Responsibilities

- Ensure or deliver air ambulance dispatching services, including providing advice, direction and instructions to callers; redirecting calls as required; and providing other dispatching services as required.
- Ensure the operation of the air ambulance communications services on a 24/7 basis.
- Ensure communications services are only performed by qualified Communications Officers.
- Utilize decision support software and professional judgement to ensure all Communications Officers document all calls and assess the needs of the caller to determine the appropriate course of action, including: location and level of care required; attendance by local fire, police, ambulance or other health professionals; provide pre-arrival instructions; consult with Base Hospital physicians.
- Ensure Communications Officers have the technical capacity to communicate with land ambulance communications centres; health facilities and related services, the medical director and others at the Base Hospital; and other service providers.
- Ensure the provision of Base Hospital services, through which the OAA shall be responsible for approval of medical training, education and research programs; medical delegation of controlled acts; medical qualification and certification of medical staff; and insuring quality patient care is delivered.
- Establishing type of supplies and medical equipment used by medical staff for clinical practice, and the purchase of such equipment. In addition, the OAA will monitor: the amount of supplies and medications used at each air ambulance base; all medical equipment used for patient care; the training for use, maintenance and repair of such equipment.
- Ensure the provision of all air ambulance services required for the delivery of the air medical transport services, including the procurement necessary to deliver this service.
- The OAA shall also: act as an agent for the ministry to provide maintenance and repair to helipads; authorize interfacility patient transfers (Provincial Transport Authorization Centre services); provide organ recovery services; provide other aeromedical services, such as the transport of medicine, as required by the ministry.

Source: Letter from the Deputy Minister, Ministry of Health and Long-Term Care to the Committee Clerk - *Re: Air and Land Ambulance Services Activity*, dated May 3, 2006.

APPENDIX NO. 2

Anticipated Benefits from Air Ambulance Consolidation

Stakeholder	*Benefits*
Patients	▪ Improved patient care resulting from OAA becoming sole employer of paramedics, as it creates greater flexibility to ensure the required level of care is present on all flights. ▪ Patients receive the right paramedics (level of patient care), the right aircraft, at the right time. ▪ Improved patient care from closer medical oversight of flight planning and field operations.
Public	▪ Ensures all Ontarians continue to be served by the Air Ambulance Program. ▪ Improved service delivery with implementation of a new medical dispatch protocol over the next year; a new integrated air dispatch system; and a performance agreement between the ministry and the Ontario Air Ambulance (OAA). ▪ Greater access to air ambulance services in the north, by integrating air ambulance services and resources more effectively in northern communities. ▪ Current program funding level to be maintained in accordance with the Performance Agreement.
Air Ambulance Service Providers	▪ Continuation of existing contracts and use of ministry hangars. ▪ Greater opportunity for more streamlined and direct operational interaction between providers and the integrated system.
Health Care System	▪ Increases front-line services through consolidation of management, administrative and support. ▪ Reduces significant recruitment/retention problems related to air ambulance paramedical services by creation of an integrated workplace for all air ambulance paramedics. ▪ Integrates clinical expertise, operational responsibility and administrative authority necessary to deliver consistent programs and services as recommended by the CAMTS Report. Provides economies of scale and integrated IT platform necessary to introduce new technology to improve services and reduce costs. ▪ Greater opportunity for research in emergency transport and aero-medicine to further evidence-based healthcare decision-making. ▪ Clarified lines of authority and defined areas of responsibility.

Stakeholder	*Benefits*
Ministry of Health and Long-Term Care	▪ Enables Minister of Health and Long-Term Care to fulfill his obligations under the *Ambulance Act* to ensure the provision of air ambulance service. ▪ Mechanisms to ensure accountability through provisions under the Ambulance Act and the Performance Agreement including, but not limited to monitoring, reviews, investigations and remedial actions including penalties. ▪ Publicly demonstrates the government's commitment to support an integrated, publicly funded health care system. ▪ Enables the government to respond to concerns expressed by CAMTS, coroner's inquests and others about need for integration of air ambulance services. ▪ Allows the ministry to focus on stewardship and oversight of the air ambulance service such as setting air ambulance policy and standards, certifying, monitoring and inspecting air operators and paramedics, investigating incidents/complaints and ensuring accountability objectives. ▪ Stable program funding.
Paramedics	▪ Training plan which focuses not only on clinical competencies but also on career training. ▪ Scholarship for educational programs. ▪ Programs to allow paramedics to pursue their studies while continuing to work. ▪ Programs that meet or exceed the competencies required for Canadian Medical Association accreditation of paramedic programs. ▪ Rewards and promotions linked to cross-training under pay-for-performance model.
Ontario Air Ambulance Services Corporation	▪ Ministry funding to fulfill its responsibilities under its performance agreement with the ministry. ▪ As the employer of air ambulance paramedics, it provides greater flexibility to deploy paramedics where and when required to ensure the required level of care is available for all flights. ▪ Flexibility and opportunity to pursue and undertake research and initiatives for advancing the quality and range of air ambulance services in Ontario. ▪ Certification as an operator.

Source: Ministry of Health and Long-Term Care submission to the Standing Committee on Public Accounts, dated April 12, 2006.

APPENDIX NO. 3

Ontario Air Ambulance's Key Performance Indicators

- The OAA shall ensure that the Medical Director, Associate Medical Directors and Base Hospital Physicians are duly qualified to delegate Controlled Acts and to provide medical direction.
- The OAA shall ensure that the medical staff are duly qualified to provide patient care to persons receiving air ambulance services.
- OAA shall ensure that the air carriers meet the aviation standards of the Canada Transportation Agency and the Ministry of Natural Resources.
- Access to the Communications Services shall be available at all times.
- The OAA will take action on an allegation or suspicion of Conflict of Interest.
- Except in circumstances where there is an outbreak, including by reason of an epidemic, quarantine or other extraordinary circumstance (e.g. SARS), OAA will provide the following services:
    - For scene calls, the Caller will be advised within ten (10) minutes of receipt of each call on the status of the OAA's ability to dispatch an aircraft;
    - For acute care air transfer, the Caller will be advised within 20 minutes of each call on the status of OAA's ability to dispatch an aircraft; and
    - For the screening of transfers for febrile respiratory infections, the OAA will provide an MT number within ten 10 minutes of the request, where appropriate, for 90% of transfer requests.
- The OAA will ensure that each call is responded to.
- Once a balanced score card has been developed by the OAA, the OAA will prepare and provide the ministry on an annual basis a report on the measures contained therein.
- Each request for air ambulance services will be documented in the manner set out in the Performance Agreement.
- Each call relating to the request for air ambulance services will be recorded and retained for a period of not less than seven (7) years.
- A record of each financial transaction in relation to each patient transport will be maintained for a period of not less than seven (7) years.
- Communications service decision support software will be maintained in good working order.
- The OAA will develop and implement a Business Continuity Contingency Plan.
- The OAA shall maintain and test its Business Continuity Contingency Plan on an annual basis.
- The OAA shall maintain a manual system for documenting each call during periods when electronic documentation is not available.

- An incident report consistent with the requirements of the Regulation will be faxed or provided electronically to the ministry within five (5) business days of each Significant Adverse Event.
- The OAA will develop a new policy and procedure manual over the course of the first 18 months of the Term.
- The OAA will develop a balanced score card approach to reporting its activities and accomplishments to the ministry within 18 months of the effective date.
- The OAA will develop a method by which it may summarize each physician's performance in the provision of on-line medical control, through physician-driven quality assurance activities.
- The OAA will develop an implementation plan relating to the new system and implement such plan within the time periods prescribed.
- Within 90 days of the effective date, OAA shall develop an implementation plan in respect of the direct hiring of the paramedics currently employed by the air carriers.
- OAA shall deliver a report to the ministry annually setting out the critical success factors and milestones, and its success in meeting each and attaching current drafts of all of the reports and plans to be prepared pursuant to the Agreement.

Source: Letter from the Deputy Minister, Ministry of Health and Long-Term Care to the Committee Clerk - *Re: Air and Land Ambulance Services Activity*, dated May 3, 2006.

NOTES

[1] Ontario, Ministry of Health and Long-Term Care, *Implementation Status Report*, submitted to the Standing Committee on Public Accounts, February 2006.
[2] Ontario, Legislative Assembly of Ontario, Standing Committee on Public Accounts, Official Report of Debates (*Hansard*), Second Session, 38th Parliament (23 February 2006): P-30.
[3] Ibid., P-34 and 35.
[4] Ibid., P-34.
[5] Ibid., P-30.
[6] Ibid., P-33.
[7] Ibid., P-34.
[8] Ibid., P-40.
[9] Ibid., P-33.
[10] Ibid.
[11] Ibid., P-33 and 34.
[12] Ibid., P-40 and 41.
[13] Ibid., P-31, P-32, and P-41.
[14] Ibid., P-38.
[15] Ibid.
[16] Ibid.
[17] Ibid., P-31.
[18] Ibid., P-37 and 38.
[19] Ibid., P-38.
[20] Ibid., P-31.
[21] Ibid.
[22] Ibid., P-41.
[23] Ibid., P-47.
[24] Ibid., P-38.
[25] Ibid., P-35.
[26] Ibid.
[27] Ibid., P-36.
[28] Ibid., P-31.
[29] Ibid., P-45.
[30] Ibid., P-29.
[31] Ibid., P-33.
[32] Ibid., P-30.
[33] Ibid., P-39.
[34] Ibid.
[35] Ibid.
[36] Ibid., P-42.
[37] Ibid.
[38] Ibid.
[39] Ibid., P-33.
[40] Ibid., P-45.
[41] Ibid., P-29.
[42] Ibid., P-42.
[43] Ibid., P-45.
[44] Ibid., P-44.
[45] Ibid.
[46] Ibid., P-41.
[47] Ibid., P-42.
[48] Ibid.
[49] Ibid.
[50] Ibid., P-42 and 43.
[51] Ibid., P-42.
[52] Ibid., P-43.
[53] Ibid.
[54] Ibid.
[55] Ibid., P-29.
[56] Letter form the Deputy Minister, Ministry of Health and Long-Term Care to the Committee Clerk - *Re: Air and Land Ambulance Services Activity*, dated May 3, 2006.
[57] Ibid.