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For Immediate Release

Health Coalition Responds to Auditor General's Report on LHINs and Consultants

Toronto – Ontario Auditor General Jim McCarter is releasing his report on use of consultants by the Ontario Ministry of Health, LHINs and hospitals. The Ontario Health Coalition responded with its own findings on overuse, exorbitant costs and redundancy in the use of consultants by the LHINs and the Ministry.

The coalition receives frequent complaints about the overuse and exorbitant costs of consultants. Some hospitals have had repeated “peer reviews” followed by LHIN consultant reviews, followed by provincial appointed investigators or supervisors. The processes are redundant and expensive; each time a review is done more money is taken away from patient care.

Last spring, the coalition conducted cross-province hearings on the future of small and rural hospitals. More than 1,150 people attended the hearings and more than 480 written and oral submissions were received. The coalition's expert panel wrote a report and recommendations, based on the input we received, including an outline of their findings on the misuse of consultants.

“It is widely observed that the Ministry and the LHINs misuse consultants at great expense to the public, in addition to having growing staff teams and high executive salaries. The public sees the use of consultants as unnecessary and their costs as excessive. It is understood that they are taking scarce resources away from needed health care services,” stated Natalie Mehra, director of the Ontario Health Coalition. “Consultants are not seen as independent and have little public credibility. In several areas consultant reports were criticized for misinformation and inaccuracies. In all cases, these reports were seen as biased or their conclusions are believed to be pre-determined by the LHIN. Our expert panel was dismayed to learn of the volume of reports produced by exorbitantly costly and unaccountable consultants rather than by professional accountable (and reasonably paid) public servants.”

Key Findings in the OHC Report:

“Almost without exception, the public cannot see value in the Local Health Integration Networks (LHINs). In every area of the province, the LHINs lack credibility and support. In many areas, the LHINs are the object of extreme public anger. Witnesses conveyed a litany of grievances relating to poor planning, poor management and misspending, including:

- Poor service coordination and worsening gaps in access to care.
- Erratic, inconsistent and unprincipled decision-making.
- Poor public accountability and manipulative or non-existent consultation processes.
- High costs of LHINs compounded by worsening access to hospital care.
- Overuse and misuse of consultants and high cost to the public.
- Biased or inaccurate consultant reports that lack credibility.
- Failure to plan for population need and evaluate consequences of decisions.
- Failure to investigate and respond appropriately to serious complaints.
- Unqualified board members who are seen as political appointees.
- Lack of process to protect local donations and bequests from expropriation.
- Increasing privatization and total lack of democracy.

This panel found all of these observations to be supported by evidence.”

Key recommendations by the OHC expert panel to address this situation include:

1. Impose a hiring freeze on the use of consultants by the LHINs and curtail the use of consultants by the Ministry of Health.

Create a plan, started prior to the next election to plan for and restore the capacity of the professional civil service to conduct planning and evaluation functions in an accountable way.

2. Place a moratorium on hiring PR firms and curb the use of communications programs in the LHINs.

Health care dollars should not be used for political purposes. Communications programs should be limited to functions necessary to inform communities about services and gather public input for planning and evaluation purposes only.

3. Create policy that sets out clear expectations for transparency and public release of information.

Hospital financial data and planning documents should not be withheld from the public who have built, paid for, and need our local hospitals.

4. Contracts involving public funds should not be veiled in secrecy and must be exempted from “commercial confidentiality” provisions.

If the public cannot scrutinize the use of public money based on a notion of “commercial confidentiality” then private companies should not be involved in the sector.

5. Take real measures to contain exorbitant hospital executive costs and set reasonable expectations for remuneration. This cannot be done through new bonus systems.

In many cases hospital executive salaries are in excess of ten times the average wage of the community and are increasing faster than can be justified by any measure. Executives are already handsomely recompensed for their services and do not need “bonus” systems to perform to expectations. Provincial policy makers should recognize that so-called performance measures that support cutting hospital services while giving bonuses to executives will stoke further public outrage.

The full report can be found at: <http://www.web.net/~ohc/hospitalhearingsreport2010.pdf>

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