



STANDING COMMITTEE ON HUMAN SERVICES

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STANDING COMMITTEE ON HUMAN SERVICES

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Mr. Terry Jenson
Martensville-Warman

Mr. Warren Kaeding
Melville-Saltcoats

Mr. Hugh Nerlien
Kelvington-Wadena

[The committee met at 17:30.]

The Chair: — Welcome everybody to the Standing Committee on Human Services. I am Derek Meyers, and I would just like to introduce the committee members: Ms. Vicki Mowat is here, Mr. Muhammad Fiaz, Terry Jenson, Warren Kaeding. And chitting in is Jim Lemaigre and Steven Bonk.

Pursuant to rule 148(1), the following supplementary estimates no. 1 were committed to the Standing Committee on Human Services on November 29th, 2022: the 2022-23 supplementary estimates no. 1, vote 32, Health.

I would like to table the following document: HUS 13-29, Ministry of Social Services: Responses to questions raised at the April 5th, 2022 meeting.

**General Revenue Fund
Supplementary Estimates — No. 1
Health
Vote 32**

Subvotes (HE03) and (HE08)

The Chair: — Today the committee will be considering the supplementary estimates no. 1 for the Ministry of Health. We will now begin with vote 32, Health. Saskatchewan health services, subvote (HE03) and drug plan and extended benefits, subvote (HE08).

Minister Merriman is here with his officials along with Minister Hindley.

I would ask that officials please state their names before speaking at the microphone. As a reminder, please do not touch the microphones. The Hansard operator will turn your microphone on when speaking to the committee. I would ask officials not seated at the table who wish to speak to take a place at the table prior to speaking.

Minister, please introduce your officials and make your opening comments.

Hon. Mr. Merriman: — Thank you, Mr. Chair. Thank you for the opportunity to speak on behalf of my colleague the Minister of Mental Health and Addictions, Seniors, and Rural and Remote Health, the Ministry of Health, and our partner agencies including the Saskatchewan Health Authority.

I'd like to introduce my officials in attendance here today. From the deputy minister's office I have beside me Tracey Smith, deputy minister; assistant deputy minister, Billie-Jo Morrisette; assistant deputy minister, Rebecca Carter; assistant deputy minister, Norm O'Neill; and acting assistant deputy minister, Ingrid Kirby. I also have Joy Vanstone, executive director of financial services; my chief of staff, David Keogan, and Minister Hindley's chief of staff, Elias Nelson.

Other officials from the ministry will introduce themselves if they need to respond to questions.

With our '22-23 budget, we advanced the work of getting the

health care system back on track. As you know, the budget includes investment in health care priorities that support programs and services for residents across our province. There is a focus on recruitment and retention of health care workers, mental health and addictions, and hospital and emergency care. I'm pleased to provide an update on a few of these important items.

In September we launched an aggressive plan to recruit, train, incentivize, and retain health care workers. Our goal is to simplify processes, remove obstacles, cut red tape so that qualified people can work in Saskatchewan as quick as possible. We are making progress on that front.

Four Ukrainian newcomers have been hired in the health care workforce. Prior to last week's submission, 20 offers had been extended by the SHA [Saskatchewan Health Authority] to candidates from the Philippines for continuing care aide positions and for two medical lab assistant positions.

While in Manila last week, the SHA conducted interviews with several dozen candidates and made conditional job offers to 128 registered nurses and one CCA [continuing care aide] from the Philippines to join our workforce. Dozens more interviews have been scheduled with Filipino health care workers in the days and the weeks ahead.

Nine health care workers have been awarded incentive programs of up to \$50,000 for over three years return-to-service agreement. This is part of the rural and remote recruitment incentive that aims to attract new employees to targeted positions in rural and remote areas.

Progress has been made in implementing new full-time positions and expanding part-time positions to full-time positions in nine high-priority classifications in rural and remote locations experiencing service disruptions. Seventy-five positions have been staffed, and 24 positions are in the hiring process.

We are also continuing efforts to eliminate the COVID-19 surgical backlog. The SHA is ramping up volumes and providing surgeries to patients who need them the most. During the first six months of 2022, the health system delivered 6,500 more surgeries than during the previous six months in 2021 when service had been slowed down.

On the infrastructure side we are pleased to open our new neonatal intensive care unit at the Victoria Hospital in Prince Albert. Construction of Regina's new urgent care centre is now more than 30 per cent complete. Over the winter months the building will be sealed, and mechanical and electrical systems will be installed. Construction is expected to be completed in late 2023, and the Regina UCC [urgent care centre] will be open to the public in early 2024. Recently we announced that Saskatoon-based Wright Construction has been selected to the design and build of the new Weyburn District General Hospital project.

The Ministry of Health and the SHA have been working diligently to ensure the best care is provided to Saskatchewan residents when they need it and where they need it. However our health system is facing growing costs, many of them mirroring the inflationary pressures that we are seeing across the economy.

Mid-year reports show that a \$61.4 million increase in health spending compared to budget for prescription drug plan pressures and SHA inflationary costs.

Today I'm requesting funding to address these pressures, as well as \$13.1 million for the SHA's purchase of Extendicare's assets. In total the Ministry of Health requires an additional \$74.5 million to address these pressures.

I am pleased to share further details. Of the 74.5 million that is being requested, 41.4 million is required to address the increased costs in the drug plan. The plan supports drug therapies that are most effective and target residents who need them the most. It is an investment in Saskatchewan health care residents. The additional financial pressures, as a rise in prescriptions, increasing from high demand of high-cost drugs and new treatments now added to the provincial formulary. New drugs are added to the Saskatchewan formulary based on advice received from the national and provincial drug review process in conjunction with the pan-Canadian Pharmaceutical Alliance negotiation.

The drug plan is seeing the rising cost of new drugs listing, increased use of already listed medications, and expanded criteria for medications. For example, we expanded the coverage of Trikafta. Trikafta was added to the formulary in October of 2021 for cystic fibrosis patients over the age of 12. We are pleased to be able to expand coverage starting August 1st to CF [cystic fibrosis] patients age 6 and older who meet the medical criteria. We know that Trikafta has been shown to improve the quality of life for patients, and this expanded coverage will help children with cystic fibrosis and their families for years to come.

The drug plan is also facing rising acquisition costs for the increased use of high-cost drugs, such as biologics which are used to treat conditions such as Crohn's or colitis, rheumatoid arthritis, and diabetes. Last month the Ministry of Health introduced a biosimilars initiative to help address some of these pressures. Biosimilars are versions of drugs that are made when an original biologic drug, known as a reference drug, no longer has a patent protection. Biosimilars work in the same way that original drug but less expensive. This initiative ensures that patients have access to high-quality medications at a lower cost. Patients will transition using a biosimilar version of their biologic medication by April 30th, 2023.

The Ministry of Health estimates that the province will see annual savings of approximately \$20 million once patients complete the transition to biosimilars. This initiative will ensure that high-quality, essential medications for Saskatchewan residents remain sustainable into the future. The savings will be reinvested in the Saskatchewan drug plan to support patients' access to drug coverage and new drug benefits.

Before going into further detail on the funding required to cover the SHA operating pressures, I'd like to take this opportunity to extend my sincere appreciation to the SHA staff for their ongoing dedication and care for Saskatchewan residents.

Our supplementary estimates funding request also includes \$20 million for inflationary pressures at the SHA. There are some of the rising costs that we will see across our economy. As the funding request shows, the SHA is not immune to these external

pressures, and I believe that we can all agree that patient care should not be sacrificed at the expense of rising prices.

Finally, an additional \$13.1 million of funding is required for the SHA purchase of Extendicare assets. On October 9th the SHA finalized an agreement with Extendicare to assume operations and the delivery of long-term care services at all five Extendicare homes in Saskatchewan. This was a complex process first announced in October of 2021.

Over the past year, the SHA and Extendicare have worked on a process to ensure a smooth transfer of operations and staff for residents and families. This was work that was done with the health and well-being of residents as our priority. The goal, as the SHA worked through the transition, was to provide safe, consistent quality of care for residents and families while maintaining stability in staffing at the homes.

The transition involved the purchase of five homes — three in Regina, one in Saskatoon, and one in Moose Jaw — and other physical items. The homes provide approximately 550 long-term care spaces in total. Nearly 1,300 Extendicare staff transitioned to the SHA.

In closing, I'd like to thank you for considering these requests for essential funding through the supplementary estimates process. And my officials and I and Minister Hindley would be happy to answer any questions. Thank you.

The Chair: — Thank you very much, Mr. Minister, and if there's any questions? Mr. Love.

Mr. Love: — Yeah, I'll get started. Thank you, Minister, for your opening remarks. I'll focus a few of my questions on the Extendicare dollars in here before I turn things over to my colleague on the other health matters.

Thanks for providing some clarity on some of the dollars here, but I'm curious if you can provide more specifics on how that 13.1 million is broken down for each facility of the five Extendicare facilities. What was negotiated for each facility? And what do you get for the 13.1? Is it the land, the facility, all the fixtures? Just if you could provide more detail on specifically how the 13.1 million is broken down.

Hon. Mr. Merriman: — Just to answer the second part of the question first, it would be all the assets that Extendicare had, so that would be the land, the building, and any inventory. And that's why we didn't have a final number until we actually went through and did the physical inventory. As far as the breakdown from each facility, I'll have to see if my officials have that.

Here's the breakdown. We don't have it broken down by facility because it was a package deal that Extendicare presented to us.

Land was 11.01 million. We have furniture, fixtures and equipment, machinery, tools, office equipment, and other tangible personal property was \$100,000. Vehicles, \$50,000. And we also had inventory supplies not for resale — that would be medical and medical supplies — at \$487,269. And we have other as \$1. Not sure what that one is. We'll investigate.

Mr. Love: — Yeah, I'd like to get to the bottom of that \$1,

please, if we can. I mean, this is a serious committee, Minister.

Okay, I'm wondering if you have any comment on one of the major concerns, and I imagine it created some challenges at the ministry, was that these are very old facilities. Can you provide any comment on how the age of these facilities supports both the guidelines for special care homes in Saskatchewan as well as the plans for the ministry moving forward to continue operating these as long-term care facilities well into the future, given the \$13.1 million investment?

[17:45]

Hon. Mr. Hindley: — Thanks. Yeah, in terms of . . . We don't have current FCI [facility condition index] ratings for these facilities. What we have, I think, are several years old right now. So we're just in the process now that, you know, we've now taken on these five facilities. We're now in the process of kind of redoing that to see what the actual condition is and then how that fits into all the other facilities that we have as part of . . . that Health owns and operates right now.

And then in terms of the maintenance plans, that would be something that would be, just like the rest of our health facilities, would be considered as part of our annual budgeting for capital maintenance improvements. And so now these would be part of that going forward.

Mr. Love: — So even just anecdotally, Minister, you'd be well aware from the outbreaks. I think each one of these facilities had an outbreak. You know, many homes did. Do you have any concerns that the age of the facilities that would be very different from anything built by today's standards to continue . . . You know, 550 long-term care spaces is a lot. Are there any discussions to replace these facilities and to bring them up to more modern, current expectations in the sector?

Hon. Mr. Hindley: — You know, the facilities would be . . . The five Extendicare facilities would be in various states of, you know, condition — I guess is probably the best way to put it — until we do a further assessment of exactly what condition they're in and how that compares to other facilities.

I guess what I would say, you know, as an example, here in Regina we're going through the process of adding more long-term bed capacity into the overall number of beds that we have here. So that's part of what we're doing to, you know, to add capacity to the system when it comes to long-term care beds here in Regina.

Mr. Love: — And do you anticipate that . . . Will there be any further expenses related to this transition from Extendicare to the SHA, or is this the end of the spending?

Hon. Mr. Hindley: — Yeah, just clarifying. And you know, this is the end of the negotiations with Extendicare. So there's no further expenses towards the Extendicare company in terms of what, you know, the final settlement was.

Ms. Mowat: — Thank you, Mr. Chair and to the ministers and officials, for being here this evening. The minister mentioned some of the dollars that were being appropriated for the drug plan. It strikes me that this is a fairly large amount of money to

be deviating off of budget. I wonder if you can speak to what happened here and what the . . . You spoke to a little bit about the pressures, but in terms of why the budgeting was off is what I'm looking for in particular.

Hon. Mr. Merriman: — Maybe I'll just start. My deputy minister is just going to check on a couple things. Obviously the increase in population is something that we have seen over the last year. The higher cost of drugs: the inflationary pressures are not just into food and gas. They're also into drugs.

And there's a lot of new listings that have come onto the market. You know, certainly covering Trikafta, which I know the opposition called for, was one of the measures that they had called for that we did. So all of these things that were not in the budget from the spring of 2020 and the increased cost that is going across the board in all areas of health and all areas of the economy are reflected in this.

Ms. Mowat: — In terms of other operating pressures, I think you had provided a dollar amount there, but can you expand on where these dollars are being allocated and if there is a list per item or per category, as we are talking about a fairly large sum of money?

Hon. Mr. Merriman: — Yeah, as I had mentioned there was \$41.4 million in the drug plan, \$20 million from the Saskatchewan Health Authority. This includes also that \$13.1 million for Extendicare. And there are some breakdowns of the \$20 million, if you would like that. Okay.

Seven million dollars for utilities and fuel costs, including \$2.8 million for EMS [emergency medical services] operators, \$7 million for drugs and supplies, and \$6 million for food costs. And we went through the Extendicare. And the drug plan one is various drugs for that \$41 million. And we kind of touched on that one.

Ms. Mowat: — Can you walk me through the surgery dollars in terms of what has been allocated and what has been spent? In terms of . . . I remember there was a commitment from the federal government, I think, that was \$60 million. And provincially I think it was 20 million.

Can you walk us through what spending has taken place in terms of surgeries?

Hon. Mr. Merriman: — So as you may recall, there was 20 million that was budgeted pre-COVID for surgeries and an additional 20 million in this, which added up to the 40 million.

We are currently at about 91 per cent of our target. Most of the surgical backlog was back-end loaded towards the end of the year because at the beginning in the first quarter, we were still managing with COVID. So the surgical backlog is mostly back-end loaded for the tail half of '22-23 fiscal that we'll be able to meet our target of 97,000 surgeries.

Ms. Mowat: — Can you clarify how many surgeries have taken place to date if the target is 97,000?

Hon. Mr. Merriman: — As of three weeks ago, we were at just over 43,000 surgeries completed.

Ms. Mowat: — Thank you. Last I saw, the wait-list was still around 36,000 people waiting for surgery. But I think that was as of June 2022. So do you have a current update on what the wait-list looks like?

[18:00]

Hon. Mr. Merriman: — As I had mentioned before, when we knew that the surgical list was — and you said — around 36,000 and that, we knew that there was a lot of people that hadn't been able to get in and see their specialists. And we knew that there was people that were in the queue.

Right now the surgical backlog, waiting on the surgical list, is 34,435. And that was probably as of sometime last week.

Ms. Mowat: — Thank you. It's good to know that there is a concise number here. Can you speak to why that isn't being updated on the public website as it has been in the past?

Hon. Mr. Merriman: — It's consistent with what we have done before, that this is updated on a quarterly basis because the number is always moving from day to day, so it's best to report that out on a quarterly basis, when we actually have all of the information. We make sure that it's verified by the SHA and by the ministry.

Ms. Mowat: — In terms of public reporting, recently there was a change made to stop reporting on which family doctors are accepting new patients as was posted online previously. Can you speak to why this decision was made?

Hon. Mr. Merriman: — Well I'm not sure what this has to do with supps, but I'll answer the question. The answer is the doctors have no obligation to report to the SHA whether they can take patients. So it wasn't completely accurate of doctors that could take patients because there's no obligation for them. There could be a brand new doctor that has wide open patients and just doesn't let the SHA know. So it's not accurate information.

When it was stated that there are no physicians in Saskatoon accepting patients, that was actually inaccurate because there were . . . I believe, the information I had was, as of November 1st, there was seven doctors accepting new patients. So just because it's not on the website doesn't mean that there aren't doctors because each doctor's clinic is independent and doesn't report in directly to the SHA. They are independent businesses.

Ms. Mowat: — But it could conceivably be someone's job to phone around to all of the offices, say once a month, to get updated information and publish it on that website.

Hon. Mr. Merriman: — They're all independent businesses. They have no obligation to report to us. This is private practice. There's no obligation to report to the government on whether they have patients available or not.

Ms. Mowat: — But that hasn't changed since . . . Sorry, Mr. Chair, this will be my last question. None of that has changed over the last month, so I just struggle to understand what has changed between last month and this month while people are still very much struggling to find family doctors. The intent here is to get patients access to the care that they need.

Hon. Mr. Merriman: — Understanding that, and as I've stated, each doctor's clinic or each health care facility is independent and has no obligation to report back to the SHA or the ministry whether they are accepting patients or not. These are all independent, private businesses run by doctors or run by groups. Most of them are on a fee-for-service, so there's no obligation for them to report back to us. So when it was quoted that there were no more doctors, like I said, that was not accurate. There was actually doctors that were accepting patients.

The Chair: — Thank you very much. Vote 32, Health. Saskatchewan health services, subvote (HE03) in the amount of \$33,100,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Drug plan and extended benefits, subvote (HE08) in the amount of 41,400,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Health, vote 32 — 74,500,000. I'll now ask a member to move the following resolution:

Resolved that there be granted to His Majesty for the 12 months ending March 31st, 2023 the following sums for Health in the amount of 74,500,000.

Mr. Kaeding. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would now like to ask the minister if he had any closing comments.

Hon. Mr. Merriman: — Thank you, Mr. Chair. No, just thank the committee members, my officials, and thanks to the opposition for the respectful questions. And appreciate everybody's time this evening.

The Chair: — Ms. Mowat, any closing comments?

Ms. Mowat: — Just thanks to the ministers and the officials for their time tonight. Thank you.

The Chair: — Committee members, you have before you a draft of the fourth report of the Standing Committee on Human Services. We require a member to move the following motion:

That the fourth report of the Standing Committee on Human Services be adopted and presented to the Assembly.

I believe Mr. Jenson will move that:

That the fourth report of the Standing Committee on Human Services be adopted . . . of the Assembly.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. That concludes our business for today. I would now ask a member to move a motion of adjournment. Mr.

Bonk has moved. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned to the call of the Chair. Thank you.

[The committee adjourned at 18:09.]