

Mr. Vice-Chairman: — Let's bring this meeting to order. I think probably the first order of business is to welcome Mr. Tchorzewski, the member from Regina North West . . .

Mr. Tchorzewski: — North East.

Mr. Vice-Chairman: — North East, pardon me. Kim, if we could get you to sit around the corner, I think we will bring the Department of Health people in, and we'll get them rolling and get on with the business.

Mr. Shillington: — Before we call those in, could we find out what was accomplished last week. What did you do last week in Health?

Mr. Katzman: — We got to page 34, (4) is where we were. I think we just finished (3).

Mr. Shillington: — Okay.

Mr. Katzman: — No, sorry. We were discussing (4) and just getting ready to move to (5).

Mr. Shillington: — You have finished number (4) in your view.

Public Hearing: Department of Health (continued)

Mr. Vice-Chairman: — Okay, I want to welcome back the officials from the Department of Health for a continuation of the auditor's report. Good morning, gentlemen. Anyone who would like to take over from here may start to do so.

Mr. Shillington: — My first question would be to the Provincial Auditor. Did your audit of the affairs of the cancer foundation — I gather we're starting on sub-item 5 — did your audit of the affairs of the cancer foundation, was it forward enough to disclose or tell you whether or not there were any overpayments to doctors, which I assume is the risk, or not. Do you know? Was your audit far enough to tell you that?

Mr. Lutz: — I'm not aware of any overpayments, Mr. Shillington. We are reporting on the system they have in place to monitor this type of transaction.

Mr. Shillington: — My next question then would be to the witnesses. Mr. Podiluk, what response do you have on this?

Mr. Podiluk: — As one of the situations that . . . the dealings between MCIC (Medical Care Insurance Commission) and the cancer foundation, at one point it was considered by officials of both groups that perhaps the amount of documentation that was being provided was unnecessary, so a decision was made to reduce the amount of documentation. I don't think there were any irregularities that occurred at all. Any checking that we have done would suggest there was nothing irregular or inappropriate that happened in terms of the use of public funds, but we are now, as a result of the attention that it has received by the Provincial Auditor, we have once again reintroduced and improved the documentation to

make sure that nothing happens that would not be documented or . . .

Mr. Shillington: — I suppose everybody's got their own idea of what eternity looks like. I think that if you ask most doctors to describe their idea of hell, it's a place where you spend all eternity filling out forms. Doctors don't like paper. I know at the law office we get the doctors to fill out certificates, and they really dislike paper. They want to practise medicine; they don't want to fill out forms. But it is . . . These are public funds.

Mr. Podiluk: — That's right. And I think that this is what we have to be mindful of, and it's important that we have adequate documentation to ensure if any questions arise, that there's no lack of documentation to ensure that the public funds are used properly. So I want to assure you that the system that has been reintroduced and sharpened up is one that should answer the questions and concerns that the Provincial Auditor raised.

Mr. Shillington: — Properly constituted, it shouldn't be that much of a nuisance to the doctors. It's done by bookkeepers and . . .

Mr. Podiluk: — It's done primarily by bookkeepers. It's a matter of MCIC billing the foundation to recover money paid to doctors.

Mr. Katzman: — I have a little concern. It's not referred to here in the report. There are certain drugs given to cancer patients that for some reason MCIC doesn't cover, but you get them through cancer clinics. My concern is, are you then billed for them, or how does that work?

Mr. Podiluk: — The cancer foundation pays for cancer treatment and MCIC then . . . I'm sorry, go ahead.

Mr. McLaughlin: — The cancer foundation would buy the drugs and provide them to the cancer patient.

Mr. Katzman: — And we don't reimburse either on the drug plan or under Health?

Mr. Podiluk: — There's no cost to the patient, so there's no reimbursement.

Mr. Katzman: — What I'm trying to understand is, we get billed by the cancer commission through MCIC. Correct?

Mr. Podiluk: — That's right.

Mr. Katzman: — That's what this refers to.

Mr. Podiluk: — The cancer foundation has a budget of its own, and the cancer foundation provides the treatment and pays the doctors.

Mr. McLaughlin: — MCIC pays the doctors and then bill it back to the cancer foundation.

Mr. Podiluk: — Because the cancer foundation has a mandate . . . this is a mandated responsibility of the cancer foundation. I'm sorry I confused you.

Mr. Katzman: — No, no. My confusion — back to the same point. Are cancer expenses paid through MCIC or isn't it? I don't know the bottom line.

Mr. Krahn: — The physician is paid by MCIC; the foundation reimburses MCIC.

Mr. Katzman: — The physician is paid for by the cancer clinic, and MCIC will reimburse them?

Mr. Podiluk: — No, I'm sorry. MCIC pays the bills because they're set up to pay bills. But the cancer foundation has a budget to cover medical treatment. And so therefore MCIC bills the foundation for all the amounts, the fees that they have paid out.

Mr. Katzman: — There is certain drugs that the cancer clinic people have control of . . .

Mr. Podiluk: — That's right.

Mr. Katzman: — . . . that nobody else basically has control of. Other things now require that drugs — and I'm trying to understand how people get that drug when the cancer clinic is the only one that has the right to dispense it.

Mr. Podiluk: — The drugs for which the drug plan pays are listed in a formulary, and that formulary is determined by people who are pharmacists, both practising pharmacists and pharmacists in the University of Saskatchewan. And so those drugs that appear on that list, as determined by the experts in this area, are the ones for which the dental plan pays.

Now the drugs that you refer to for cancer treatment, of course, are paid out of the budget that is provided the cancer foundation. If that same drug is on the formulary to be used for treatment of some other diseases, then the dental plan will pay for it. If it's not on the formulary . . . the drug plan, I'm sorry; the drug plan will pay for it. If it's not on the formulary list, then they will not. But what drugs appear is controlled by the formulary committee — on the list.

Mr. Katzman: — Okay. Then I've got to be talking about specialty exemption.

Mr. Vice-Chairman: — I have a question about these people who have the double colostomy. The equipment required is fairly expensive. And I was wondering, what has been done about the . . . I think there was further consideration being given for more assistance with . . .

Mr. Podiluk: — This is under review at the present time. I'll let Mr. Loewen comment on it because this is being done under his direction.

Mr. Loewen: — We pay a part of the cost of the supplies for some special situations like that. And there is a review, as Mr. Podiluk has mentioned, of the drug plan under way right now to determine what its future direction should be. There are a number of areas where the public would like us to extend coverage or to add new items, and that's part of the review that's going on right now.

Mr. Vice-Chairman: — I think their biggest concern was with the senior citizens, with the people over 65 who are on limited income. And I think that was a group of people that were looking for . . .

Mr. Podiluk: — The whole policy requires updating due to changing circumstances and changing expectations, And it's being reviewed because of the kinds of concerns that have been expressed to us, similar to the ones that you have identified, and that should be completed in the very near future.

Mr. Loewen: — I should add too that there are extended benefits available to those who are on low income who are eligible under social assistance policies. They would get more extensive benefits in that particular area than would the average citizen.

Mr. Vice-Chairman: — Yes, well there seemed to be a group in there that didn't qualify for social assistance but yet were on limited income.

Mr. Loewen: — Yes.

Mr. Young: — It escapes me why in the world you wouldn't cover that 100 percent. What sort of philosophy would you have in your policy-making that would have you not pay for someone in that circumstances, the bag things that they have to use and dispose of on and on and on?

Mr. Loewen: — Well there are . . . It's a historical policy of the aids to independent living program that some items are not fully covered. And in some areas . . . and this might be an example where part of their nutritional intake is part of the treatment of the illness. And it's been our view that the individual should contribute towards the cost of his nutritional intake, just as you and I would. So that there is an element there of responsibility for the patient to at least contribute in a way that equates to normal food costs, for example.

Mr. Young: — You lost me. You mean they have to have a special diet, these people that have these full colostomies?

Mr. Loewen: — Well I'm not sure. I don't have enough of a technical knowledge to know that this applies in that instance, but that does apply in some of our other benefits under the SAIL (Saskatchewan Aids to Independent Living) program, where part of the . . .

Mr. Young: — But it has nothing to do with these colostomies. No one would have one voluntarily, and I've never heard of anyone having to take . . . Your example's way off base. It's got nothing to do with colostomies, my understanding of colostomies.

Mr. Loewen: — I suspect you're right, that in terms of colostomies that's a different issue, but there are . . . I'm drawing the parallel with other elements of SAIL benefits.

Mr. Podiluk: — But unquestionably, the question that you raised is the question that has been asked and is the kinds of questions that have been raised by the chairman and yourself that are prompting this review. I cannot

predict at the moment. It's too early in terms of what the revisions are going to be, but if those are the kinds of questions that are being raised, have been raised, and which prompted the whole review.

Mr. Young: — Walter, who are the final Gods who decide whether this thing is going to be on the plan or not? Who is this review committee? If it exists, who is it?

A Member: — It will be cabinet that decides.

Mr. Young: — It is the government of the day?

Mr. Podiluk: — We take it to the minister . . . they will not question, and it will have to go to . . . (inaudible) . . .

Mr. Young: — Not MCIC?

Mr. Podiluk: — Oh, no, it may not. It's not MCIC's responsibility at all. It's the SAIL program. If there are cost implications, quite obviously it will be discussed with the minister. It's his decision to make, in terms of where he takes it as far as cabinet is concerned, but if there are cost implications, quite obviously we have to have authorization of treasury board as well.

Mr. Young: — If I can continue on. There are situations where people get sent to, particularly, St. Mary's Hospital in Toronto after they have had treatment of cancer, I believe, and they have to stay in this residence just outside the hospital and go back and forth probably daily to be looked at by their attending physician and have blood tests and all sorts of other things taken. And if you live in Ontario — because that is what the doctor says you have to do and where you have to stay — the Ontario people pay for you to stay in this residence. It's kind of across an alley or something; I've never been there; this is all I've heard. Yet if you come from Saskatchewan, you have to fork out to stay, and it could be weeks on end depending on how you progress, in this just-about-hospital but not-hospital, and then when it isn't part of the hospital, MCIC won't cover it. And if they would attach it, I suppose with a catwalk or something silly like that, then you'd cover it. And it makes no sense to me, and it really concerns me because the person has to stay there . . .

Mr. Podiluk: — The designation of this facility is that of a residence, and it's true that MCIC has not been . . . or SHSP (Saskatchewan hospital services plan), rather, has not been paying for resident charges regardless of where they incurred, whether they are in a home or a motel or some place else, and this not been part of the policy. Although these questions have been raised, there always had been a hesitation to give consideration to payment of residential charges because of the fact that there are such varied examples of this, and it's a matter of how far should the door be open.

With respect to the situation that you identify, it is my understanding the cancer society in Saskatchewan, which is a fund-raising body, does, through application to it, provide the financial support for people who stay in the designated residence of this kind.

However, the question is not closed completely because

it's an issue that comes up from time to time, and we had a discussion with a minister just a very, very short while ago concerning the possibility of some change in our policy and the desirability of making it more liberal. But at the moment it's the cancer society that I understand assumes responsibility to assist people.

Mr. Katzman: — I have a certain interest in this issue. This is the kind of thing that the committee doesn't like to see, and I guess I will start my questions with Mr. Kraus. Have we put a system in, or have they put a system in to correct it?

Mr. Kraus: — Yes, Mr. Katzman. They've advised the five steps that they intend to take to overcome this problem, and certainly if they undertake these procedures, that we will be satisfied. It includes dividing the duties up, I believe, as we would want and as the auditor would like to see.

Mr. Katzman: — When you say, advised they will do . . .

Mr. Podiluk: — Is done.

Mr. Katzman: — Good enough. I accept that.

Mr. Shillington: — This is simply not an area where there are sufficient employees to . . .

Mr. Podiluk: — No, it's not. Look, there's no question that this was an inappropriate course of action and should not have been permitted before. It was not a matter of waiting for the auditor to draw it to our attention.

Mr. Katzman: — Item (8), when you're ready.

Mr. Shillington: — What happened to (7)?

Mr. Katzman: — Sorry. That is (7) I'm talking about.

Mr. Shillington: — No, (7) is at the bottom of page 35, no interest received on funds deposited at the bank. Which bank were they deposited at?

A Member: — Royal Bank.

Mr. Shillington: — All right.

Mr. Podiluk: — I'll ask John McLaughlin to explain the situation as apparently it's more than the Department of Health; it's the system of government that apparently with the banking system where in some instances interest is not charged and in other instances it's not paid. I'm told by central agencies that there's a new banking system in place that is intended to rectify the whole situation. This is something that goes beyond the Department of Health. It was a government arrangement.

John, would you like to elaborate on that? John is the associate director of our administration branch.

Mr. McLaughlin: — There was a formal arrangement with the bank, I believe, that MCIC and SHSP wouldn't receive any interest on their bank floats. It was a formal arrangement, nothing documented. But one of those accounts normally has a large amount of money in it and

the other one is quite often overdrawn. So it's just a trade-off.

Mr. Podiluk: — One offsetting the other, kind of arrangement. But we understand that — and I don't understand the details of the new banking system within government, but that it is intended to rectify these situations occurring.

Mr. Shillington: — It would surprise me to learn that the overdraft . . . that the interest on the overdraft is equal to the interest on the account.

Mr. McLaughlin: — Yes, there's another issue there, Mr. Shillington, and that is that the number of transactions flowing through the MCIC account precluded the MCIC from making any real profit off that bank account. And so the money in the SHSP account was to offset the cost of running those transactions through the bank.

Mr. Kraus: — The Department of Finance had an agreement with the banks whereby transaction costs weren't . . . they didn't incur any cost for processing cheques as you would or I would. And so I think it wasn't considered to be an offset at one time, but the Department of Finance . . . So in some cases they wouldn't give the government interest on surplus moneys; on the other hand they weren't charging them for transactions, so there was considered to be a trade-off.

But there has been a new agreement signed in the last year whereby that's gone by the boards. There is a new banking policy now, and service charges are charged at a minimal rate. Of course there's going to be interest earned on surplus moneys, but more than that, the Department of Finance has begun to control the surplus funds by means of a electronic banking. It's a major step forward for them.

Mr. Shillington: — I was going to say that these may be questions that should be asked of Finance when they return. We didn't quite finish with the Department of Finance, and these are probably questions that should be asked of Finance.

I suspect that what you're following is Department of Finance regulations; am I right? And I don't know to whom this question is addressed, but am I right in assuming that, while the Provincial Auditor's comment has merit, your defence to that might be you were following the practice as was laid down by the Department of Finance? Or am I wrong on that assumption?

Mr. Podiluk: — You'd be correct in that assumption that it was certainly an arrangement that the Department of Finance had made with the banks, and we had no control over the fact that there was no money or interest revenue from deposits in those accounts.

Mr. Katzman: — Could I ask . . .

Mr. Shillington: — Okay. I'm not finished. I was just letting the member from Rosthern know if he wanted to.

Mr. Vice-Chairman: — No, he'll take his turn.

Mr. Shillington: — Do I then assume . . . Mr. Kraus, what's the new system then? The old system doesn't impress me. What's the new system?

Mr. Kraus: — Well, I must say the old system has been here for some time, and . . .

Mr. Shillington: — I'm sure that this government didn't invent it.

Mr. Kraus: — No. And I believe they must have thought they were getting a trade-off — a fair deal, let's put it that way. But it looked at it differently, and it's partly because of electronic banking. And maybe Mr. Benson could just speak briefly to how this new system is going to work and what advantages they think they're gaining from it, because we are involved in the implementation even not involved in the banking policy *per se*.

Mr. Benson: — Okay. Well what has happened over the years is we have a main Consolidated Fund out of which we do most of our business, but in the last 10 or 15 years there's been a proliferation of other bank accounts — MCIC, prescription drug — a number of places where they disburse money. And what was happening, if you look at it on a consolidated basis, we thought we could do a better deal if we consolidated everything, and so we have entered into an agreement with the Royal Bank whereby all our bank accounts are moving over to the Royal Bank. And what they will do electronically is treat all these bank accounts as if they're one. So if there's an excess amount of money, we will get interest on the global balance.

Mr. Shillington: — Okay. You pried loose another question. All of the bank accounts are going to the Royal. What steps were taken to determine that you got a better deal from Royal than you might have got from the Bank of Montreal or the Bank of Commerce?

Mr. Benson: — Well that agreement was entered into between Finance and the Royal Bank. I don't know if there was a tender or what was involved in the selection process.

Mr. Shillington: — It's probably an issue we should be raising with Finance. One further question and I'll let someone else in, Mr. Chairman. Do I take it that there are now no accounts in the credit union or the Bank of Montreal or the Bank of Commerce; they're all the Royal?

Mr. Benson: — No. Actually, we're charged with the implementation. We're only moving them over where there's a cost-effective change-over. So a lot of small communities, where it's more appropriate to maintain the account in the Bank of Montreal or the Bank of Commerce or in a credit union, we're leaving those accounts there. It's only where, through this balance consolidation, we can actually get a good return on the money.

Mr. Shillington: — Could you give us . . . At this point in time do you know which accounts have been transferred to the Royal?

Mr. Benson: — We are currently in the process of the change-over, and we're about half-way through. We expect by fall we will have gone and worked with every department. I think substantially the Department of Health has . . . those accounts have been moved over. But we're currently working, for example, with the Department of Justice and the Department of Parks, looking at all their bank accounts. So it's not . . . while it's a universal policy, we have to really look to each individual situation to see if there's benefit.

Mr. Shillington: — Could you give us a list of the accounts which have been moved to the Royal?

Mr. Katzman: — No.

Mr. Shillington: — Why not? I didn't ask the question of you. I asked the question of . . .

Mr. Vice-Chairman: — Order, order. Are you . . .

Mr. Shillington: — I'm making a specific request for a list of the accounts which have been transferred to the Royal. I am not asking Mr. Benson to comment on the policy; that's for a different forum. I am asking Mr. Benson to supply us with facts, i.e., what has been transferred to the Royal.

Mr. Vice-Chairman: — If I could just interject here. The practice has been in the past for these accounts to be put out to tender. It is done on a cost analysis basis and the tenders are . . . And it would surprise me very much if that was not the case in this instance — where a tender was put out.

And I would just like to go back a little bit here and talk about the offsetting that was done. That offsetting that was done would have been done on, again, a cost analysis basis. It wouldn't be a hit-and-miss thing — like, we're guessing that there is this much money that there's interest being paid on, or there is this much in overdraft that interest isn't being charged on. That would not have been a hit-and-miss thing like what appears to have come out of this meeting.

It would certainly have been done on a cost analysis basis. I just want to make that clear because I've been behind the scenes on those kinds of transactions, and never once have I ever seen a government account go from one bank to another without a tender.

Mr. Shillington: — If I were assured that there were a fair tendering system that everybody had a crack at, then I don't think I'd want the list of the accounts. But Mr. Benson has just been saying he doesn't know whether it is or isn't.

Mr. Kraus: — Well, Mr. Chairman, you have us at a bit of a disadvantage because the banking policy isn't our responsibility. But I did see the tender. In fact, they got submissions from three or four different . . . including — I will say, I believe including the credit union. By far and away the best deal would be electronic . . . (inaudible interjection) . . . Yes, the electronic. Now perhaps that should be confirmed with Finance, but I could almost bet on that.

Mr. Vice-Chairman: — Well I think if you get that confirmed, Mr. Shillington, you . . .

Mr. Shillington: — well I wouldn't necessarily need the accounts that have been transferred.

Mr. Vice-Chairman: — Yes, okay. It would surprise me very much if that wasn't confirmed in the positive.

Mr. Shillington: — Well perhaps for the moment we can simply ask the officials from the comptroller's office to inform themselves of the details of the tendering system and be prepared to give us the answers. There's an enormous amount of money involved here. This is not small potatoes, so I would like the officials to inform themselves and get back to us.

Mr. Vice-Chairman: — Mr. Kraus, would you provide us with 15 copies.

Mr. Kraus: — I think it has to be clear that . . .

Mr. Katzman: — Mr. Chairman, I think . . . I'm concerned about the precedent that we're into here and that's my major concern, Ned. I think we are asking Mr. Kraus to voluntarily, if he can, to give us these documents because they are not in the year under review.

Mr. Shillington: — Ralph, I'm not asking for documents. I am asking for a description of how the tendering system worked. I'm not asking for any bids at this point in time. I might.

Mr. Katzman: — If he's going to file 15 copies of something, it's not under the year under review. I would like the information given to you so we have to . . . it's the same old word, would you please. You had the system before . . .

Mr. Shillington: — Okay, I don't want to get into a fuss about whether it's please or whether it's a command or a request. I think Mr. Kraus is going to do it anyway.

Mr. Kraus: — What you would like to know is whether or not there was a tendering process and did it go to the low bidder?

Mr. Shillington: — I just want to be assured it was a fair tendering system. If it is, then I don't care who's got it.

Mr. Kraus: — I think there shouldn't be any confusion that while there may be some change of bank accounts, I don't believe that's the intention, and it isn't practical around the province that you'd all move to one bank in any way, shape or form. But, of course, the electronic banking part of it is the Royal's.

Mr. Vice-Chairman: — Yes, if I could just interject on that point. It depends on networking as to where a branch is located, and if it means that there are more areas where there is one particular bank, it often facilitates the transfer of funds on an expeditious basis.

Mr. Shillington: — On a networking basis there would really just be two practical institutions. The Royal and the

credit union system is by far the most functional.

Mr. Vice-Chairman: — Yes.

Mr. Shillington: — Yes, I'd hate to say that, but that's probably the truth.

Mr. Katzman: — I didn't know this; I just give it to you from information I've received elsewhere. Over 200 credit unions are not automated yet, which I didn't realize until about three weeks ago.

Mr. Shillington: — Anyway, Mr. Kraus . . .

Mr. Vice-Chairman: — I think that's another matter and let's . . .

Mr. Shillington: — I think we can go on with Health. I think this is . . .

Mr. Benson: — Do you still want 15 copies, or do we just report back?

Mr. Vice-Chairman: — Fifteen copies, just confirming . . .

A Member: — How it works.

Mr. Shillington: — We just want to be assured that the tendering system is fair. If we are, that's the end of my questions.

Mr. Vice-Chairman: — . . . To the committee Clerk.

Mr. Shillington: — To the committee Clerk who will distribute it.

Mr. Young: — I don't think I'm numbered actually, Mr. Chairman, but a bit of a preamble, Mr. Podiluk. Under The Vehicles Act you're excluded from insurance coverage if you're doing some voluntary, hare-brained things. If you're speeding — Ned will confirm this — or if you're driving while you're intoxicated, there ain't no insurance. You're on your own. Or if you're racing. There's various things you could be doing where you're not covered and similarly you have an insurance, you insure people for getting hurt.

There are certain procedures you could do to yourself that aren't covered. If I want to amputate my arm for some unknown reason to any doctor, I'm on my own; or cosmetic surgery — you don't cover that. But if I were going to, on my jet-powered motorcycle, jump the Snake River Canyon or the Qu'Appelle Valley, you people insure me when I crash and fix me all up and send me on my merry way.

And I'm wondering, do you have any exclusions for coverage. Is a rodeo bucking-horse guy, when he falls off and breaks his head, do you guys fix him up at the taxpayers' expense, or do you go back and get coverage from the exhibition board who had the rodeo? Where do you draw the line on these things? Moto-cross motorcycle guys — there's all sorts of people that have an ambulance sitting there waiting for it to happen, you know.

Mr. Podiluk: — Okay. There's no question that we

provide medical and hospital services for a person that needs it, and those are paid for through MCIC and SHSP. We have an obligation to provide . . . When a person arrives and requires treatment, we have an obligation to provide those treatments without asking: can you afford to pay for it, or are you insured?

Mr. Young: — That's not what I'm talking about.

Mr. Podiluk: — All right. Secondly, in certain instances, under certain conditions, there are of course insurance . . . people have insurance coverage, and then it is possible for MCIC and SHSP, as I understand it, to claim against that insurance coverage in certain . . . To be specific in terms of what they are, I cannot, but that's basically what it is.

Mr. Young: — Okay. Evel Knievel from time to time jumps the Snake River Canyon in Idaho, and I doubt like hell that Blue Cross or anybody is on the line for that one. And I'm wondering, if I'm going to do the same thing here in Saskatchewan on my jet-powered motorcycle, am I covered or not. I'm telling you: I'm going to do it tomorrow. Are you telling me I'm covered?

Mr. Podiluk: — My understanding of the mandate of our program, of SHSP and MCIC, is that we have an obligation to provide you with coverage regardless of how your injury occurred because of the fact the alternative is to let you die. And of course I don't . . .

Mr. Young: — Fair enough. You fix me up when I go into the hospital. But if I am from Alberta and I run into Ned, you fix him up, and then you're chasing me around to get me to pay the bills.

Mr. Podiluk: — That's right.

Mr. Young: — Do you do any of that sort of stuff with these . . . Do you go after rodeo boards?

Mr. Podiluk: — Yes, we do, but . . .

Mr. Young: — You guys went after them, have you?

Mr. Podiluk: — Well I don't know whether specifically we have, but certainly we expect, in certain circumstances — we understand that in certain circumstances involving certain events there are special insurance coverage, and we certainly go after it.

Mr. Loewen: — We often become part of an insurance claim. When Mr. Shillington sues your Alberta insurance company, we become part of that claim.

Mr. Young: — Oh, I'm very familiar with that, but I'm talking about a bucking-horse contest at Swift Current, Saskatchewan. Everybody's local; there's no Wyoming cowboys; they're all Saskatchewan cowboys. Do you go after them, or do you just pay the bills and forget about it?

Mr. Loewen: — If there is another insurer identifiable, we will . . .

Mr. Podiluk: — We explore. In other words, we may try to determine whether there is another insurer involved.

Mr. Young: — No insurer; he's a Saskatchewan resident who lives in Swift Current.

Mr. Loewen: — We pay.

Mr. Young: — Just like that.

Mr. Loewen: — Just like that. It's no different than any self-inflicted injury that arrives at the doorstep.

Mr. Young: — A suspected suicide or something?

Mr. Loewen: — That's right. We must treat.

Mr. Podiluk: — That's the mandate.

Mr. Young: — I know you must treat, but it's the paying part that gets me. You know, emergencies and emergencies.

Mr. Katzman: — Kim, another good example — those football players, for example, that are in here playing football. Young Urness, who's a Saskatchewan resident, will be covered totally. Cowan, or whatever his name, this quarterback that just blew in from somewhere else, I assume the Riders have to get a special policy on him.

Mr. Loewen: — Yes, they do.

Mr. Katzman: — To pay the bills.

Mr. Loewen: — That's right.

Mr. Young: — That's fair. But I'm saying some of these things, like the moto-cross guys and the bucking-horse guys, they have an ambulance sitting there waiting. And I don't know if it's quite right if the taxpayer . . . I mean, it's lots of fun to watch and, if they could take her out of the gate, fine, but . . . wow.

Mr. Podiluk: — But it's considered, I suppose . . . I don't know where one makes the distinctions, and perhaps this is a kind of thing that should be looked at, but it's considered to be a sport in the same way as soccer is and hockey is and football is and something else is. And it's a matter of which one do you exclude, and which ones do you include. In terms of the principle of universality, access — universal access, to medical services, that has been . . . And as a matter of fact, we are partners with the federal government in this respect, and they determine some of the rules in this regard because of the payments we receive. And the principle of universal access has been very clearly articulated, and in terms . . . We would probably be going contrary to the understandings that we have, in the cost payments, if we were to try to place restrictions on access.

Mr. Young: — Don't take me wrong . . .

Mr. Podiluk: — No, I know. I understand.

Mr. Young: — This all should be done, but I'm just wondering where you guys . . .

Mr. Podiluk: — But on the other hand, there's no question

that in terms of determining whether there are . . . or some unusual events perhaps, some extraordinary events, if there's any kind of insurance coverage that exists, certainly that's pursued.

Mr. Katzman: — Let me give you another good example. A race track; fellows from all over. The law says you cannot run a race without an ambulance sitting on the driveway. Okay. Now that doesn't mean that MCI is paying the ambulance.

Mr. Podiluk: — That's right. No, we're not paying that.

Mr. Katzman: — It is the race track people pay for the ambulance.

Mr. Young: — They're paying for the broken head if he's a Saskatchewan jockey, though.

Mr. Katzman: — But if he's a Saskatchewan jockey that gets dumped and broke, then MCI. If he's an American jockey, he's got to have some American insurance.

Mr. Podiluk: — That's right.

Mr. Vice-Chairman: — Any further questions of . . .

Mr. Shillington: — I think we've got lots of other questions. I don't have any particularly on item 8.

Mr. Katzman: — I guess we go all over the place.

Mr. Shillington: — Then we'll go all over the place.

Mr. Katzman: — On item (8), Mr. Chairman, is the . . . This one I have some problems with. An honorarium paid to somebody who was an employee. I guess my problem becomes this: the auditor has pointed it out, and I have an understanding, and I may be in province here, that if a person attended these meetings, day off — I'm going back to my time with the city of Saskatoon now — day off, or on non-working hour wage, puts his full day in and he goes to the meeting in the evening, type thing, and everybody else there gets an honorarium, and he also. Is this the kind of case? Or is it a case where he was getting his wages simultaneously to an honorarium?

Mr. Wendel: — I don't think we make any distinction, Mr. Katzman. The law reads, you're not entitled to it.

Mr. Katzman: — Well I guess maybe . . .

Mr. Lutz: — I would doubt if these board meetings were held on a Sunday, Mr. Katzman. Now we don't know that. But I think in most of these cases you'll find that, as part of the person's duties, he accepts membership on that board. If he is receiving remuneration or . . . Is that wrong, George, or is that right?

Mr. Podiluk: — No, he was appointed. Now the meetings were . . . quite a few meetings were held in the evenings. I have attended some evening ones, but also some during the course of the afternoon. It's not that they were all held in the evenings. I don't know if any were. I don't think any were held on Sundays as such, but there could be a Saturday meeting, a committee meeting.

The person appointed was appointed . . . We have quite a number of appointees to boards from the Department of Health — to hospital boards — by virtue of the fact that the by-laws require that we have a representative from the department, so George Loewen is a member of the Regina General Hospital board, and Dick Bailey is a member of the South Saskatchewan Hospital Centre. They're appointed to these boards by virtue of the position that they have in the department. And we have people in the Cancer Foundation.

This person, at the time of the appointment, the distinction that was made was that he was being appointed, not because he was a representative of Health, not because a Health representative was required, but because of the fact that he was a private citizen who was involved with the Wascana Rehab Centre up to this point, and it was determined at that time that he was being appointed because of the fact that he had something to contribute to the board.

And I'm not saying this is right, but I'm just offering you the explanation of what transpired — what the interpretations were at that time. So therefore, at that time an interpretation was made of section 16 of The Public Service Act that he was there because of his personal kinds of interests and personal involvements and personal expertise, rather than because his appointment was required as an employee of the department.

So the Provincial Auditor has challenged us on this and this interpretation, and certainly his payments have stopped. The decision was made — and we are being challenged on this decision, and I'm not here to argue it — the decision was made that for the period of time, given the kind of understanding that prevailed, for the period of time that he served and received an honorarium, which was in keeping with the honorarium paid to other board members, it would be somewhat punitive to ask him to repay. Indeed, that was the basis of the decision.

We accept the interpretation of section 16; we do not argue it. But I make reference to the fact that the interpretation was because of his personal expertise rather than because of his employment with the department. But the payment has stopped; no question about that.

Mr. Shillington: — Who appointed him?

Mr. Podiluk: — By the minister.

Mr. Shillington: — Well then, I think we should . . . (inaudible) . . .

Mr. Katzman: — The minister appointed him as recommended by somebody else or something?

Mr. Podiluk: — Well the . . .

Mr. Katzman: — When I say recommended, it could be by the local . . . Like the hospital board, or something. For example, the minister appoints 30 people, but one could be from SARM, one could be from SUMA, and that's what

I'm asking.

Mr. Podiluk: — No. There could be representation on the board. On this particular board we have representation on the Workers' Compensation Board by virtue of the fact that they're partners in this operation. So therefore the minister appoints the people recommended by Workers' Compensation Board. But this person was appointed, as there are other members appointed, as private citizens on the board in the same way as they would be on the Regina General Hospital board or any other board.

Mr. Katzman: — I'll allow you a sup, Ned, because I think you've got something you want to ask, and then I'll come back to it.

Mr. Shillington: — Well, I'm wondering who the individual is.

Mr. Podiluk: — He's an employee of the psychiatric services branch or the mental health services branch now, and he has a background in rehabilitation.

Mr. Shillington: — I think there's no question but the payment was improper. The exclusion in section 16 is a blanket exclusion of long standing and for good reason. If you pay the public servants to sit on boards, it'd be an awfully popular way to spend your time.

Mr. Podiluk: — I accept that.

Mr. Katzman: — Can I ask a question, because I don't know the answer, and it's to you, Ned, on your last comment. If you expect them . . . if you give them time off in lieu, or things like that, that's one issue. If we give them no time in lieu of, or any other privilege because they sat on the board, I am starting to become a believer that if you're doing it of your own time, you get treated like any other private citizen, except for exempt staff.

Mr. Shillington: — First of all, I think the legislation is quite clear. If your point was valid, and I don't think it is, but if your point were valid, it would be irrelevant. I think that section is quite clear. But the policy behind your comment, I think you lose . . . you are no longer a private citizen when you become a public servant. For the privilege and the honour and a salary of serving, you give up some things. We all do. Kim and I, as members of the Law Society of Saskatchewan, are not like others. There are some things we can't do that other people can. Everyone accepts some limitations which go with all occupations.

I think if you begin to pay . . . if you begin to say, ah, but I'm not appointing Benson because he's an official of the controller's office, I'm appointing him rather because he is a solid citizen and has a long- and deep-standing interest in Wascana Hospital, then you're going to find an abuse. Then you're going to find that public servants will often be appointed on that basis. The judgements are just too subjective.

You're going to find public servants being appointed because the minister wants to do his public servants a favour and wants to get them some extra money. I think an additional problem of department legislation is that it

just would be impossible to police, and you'd often find public servants being appointed.

I have some personal experience with this. When I was appointed . . . When I was a lawyer in Moosomin to the board of SGI, about the third or fourth meeting I went to work as Roy Romanow's executive assistant. After that meeting I didn't get my cheque for my . . . They send out the cheques each month for going to the board meeting. I didn't get mine. When I inquired, I found that I didn't get it, and that's when I ran into the rule that once you join the public service, you're no longer eligible for any payments of this sort.

I think one other thing with respect to "your own time" argument. These people who are being appointed are usually senior people. They don't have 9 to 5 jobs. They have a job which has responsibilities and they have to carry them out. Some of that time will be spent in the evenings, and some will be spent on weekends. At the level at which these people are being appointed, it's not a 9 to 5 job. It is a job, a managerial position, which carries with it some duties which have to be discharged in the evening or the weekends. It goes with the salary.

Mr. Katzman: — I give you that one, Ned. I give you that point. But let's assume — and this is why I said exempt, I agree, shouldn't qualify because there was no other way to say that managerial is exempt in most cases — but let's assume that you have a rank and file member of government public service somewhere . . .

Mr. Shillington: — Okay.

Mr. Katzman: — I don't care where you want to put him, but somebody who basically is a very rank and file as a job, but has an expertise because of personal involvement in some industry separate from government. And there is a board, say, over in SaskSport, and it's funded by the Department of Youth and Culture, and then you appoint that fellow to that. You're saying, he doesn't get the money . . .

Mr. Shillington: — No, he doesn't get the money.

Mr. Katzman: — But everybody from the Hilltops and the Roughriders will get it.

Mr. Shillington: — Yes.

Mr. Katzman: — Okay. I don't argue that, as long as he is, like the management person, allowed . . . that the department he works for recognizes that with his working conditions. If you say he is not recognized . . .

Mr. Shillington: — I think you'd find it would be. I think you would find that if that gentleman — or lad — had to go to a board meeting at 10 o'clock in the morning and the thing lasts all day, the pay is not docked. He gets his cheque at the end of the month.

Mr. Katzman: — That's my concern. For example . . .

Mr. Shillington: — Whereas you don't, if you work in a steel mill and you leave at 10 in the morning to go to a meeting, you don't get paid for the rest of the day. You

punch out.

Mr. Katzman: — Okay. I want to give you the jury duty point. It's like a jury duty. When you're a government employee and you get jury duty, you get your wages; we don't take it away.

Mr. Young: — Because that's legislation . . .

Mr. Shillington: — There's no legislative requirement that the employee is paid the employee's salary . . .

Mr. Young: — Oh, not paid. Okay, fair enough.

Mr. Muller: — It seems to me that the legislation is quite clear. I think we're arguing over something that we're not going to change anyway, and I don't think that anybody's

Mr. Shillington: — It's a fine philosophical discussion . . .

Mr. Muller: — In this case I have to agree with Ned and not with you, Ralph, and I think we could probably move on to something that's far more constructive or productive than that.

Mr. Katzman: — I don't argue that.

Mr. Vice-Chairman: — Order. What I would like to determine at this juncture is that it would take the Department of Social Services about 20 minutes to get over here. I'm wondering if we should be notifying them to come over, or whether we're just going to go through this today.

Mr. Shillington: — I'll state my view. I think we should ask them to come over. We will try to get to them, at least start them; bite off a piece of the work and get started on it. It will go quicker next week. If we don't, I extend them my apologies, but, Mr. Chairman, we are really behind on the work of this committee, thanks to the tenacity of the government members. I could have said obstinacy, but that would have been provocative. So I say tenacity.

Let me ask some questions then, if I might. With respect to individual purchases, are all purchases made through the purchasing agency? All goods, tangible things which I can see, pass back to you or pick up — all that is purchased through the purchasing agency?

Mr. Podiluk: — As far as I'm aware.

Mr. Katzman: — Whoa, whoa. One more time, Ned?

Mr. Shillington: — Are all goods, tangible goods which appear in these expenses, purchased through the purchasing agency?

Mr. Podiluk: — Except for some petty cash . . . (inaudible) . . . but otherwise, yes.

Mr. Shillington: — A pencil and a ruler, here and there. What about services of laboratories? There are some large expenditures for laboratory services here. Is that purchased through . . . or is that a direct contract with the department?

Mr. Katzman: — That's MCIC.

Mr. Shillington: — Well let me give you an example: Bio-Rad Laboratories (Canada) Ltd., \$52,000.

Mr. Podiluk: — Those are procedures that we don't do here. It's my understanding that we would have other labs do it. Or are those supplies, I wonder?

Mr. McLaughlin: — Those are supplies — laboratory equipment and chemicals and that sort of thing.

Mr. Shillington: — This is not services; these are goods that you're buying from these labs.

Mr. McLaughlin: — These would be goods, and they would be purchased in accordance with purchasing agency.

Mr. Shillington: — So you do all of your own laboratory work yourself? You don't farm any out to the private labs?

Mr. Podiluk: — They're not private labs. There may be some private labs, but the majority of lab work that is not done by us is done in hospital — for instance, University Hospital.

Mr. Shillington: — Okay. The doctors that appear in the . . . Do you have your . . . yes you do, I see you do. Page 242, volume 3. There are some doctors here who have some relatively large . . . This is not what they bill MCIC for services to patients. What are these services here and other expenses? I just picked out the first one, Dr. William K. Ahlijah, \$105,000. What are those for? — about the fourth one from the top.

Mr. Podiluk: — We have contracts and I would have to check . . . We have a contract arrangement with some psychiatrists — and he is a psychiatrist, a contract psychiatrist.

Mr. Shillington: — So the doctors listed under other expenses are psychiatrists?

Mr. Podiluk: — Not only. We have some contracts with dentists and psychiatrists, and which other ones?

Mr. Katzman: — With dentists or with orthodontists?

Mr. Podiluk: — Dentists who work for the department under the dental program. But rather than as employees in the regular sense, we have a contract with them. And this is frequently . . . and this has been a tradition, it seems, with a number of these individuals, that they would prefer a contract arrangement rather than a salaried arrangement.

Mr. Shillington: — What services did Associated Health Planners provide?

Mr. Podiluk: — Associated Health Planners were involved in providing the program planning for the Wascana Rehab Centre, the functional program plan. They were commissioned back in '83 or whatever.

Mr. Shillington: — Dome Advertising and Dome Media Buying Services is in for about 600,000 — a tad over that. What services were provided?

Mr. Podiluk: — That's all the production of various materials, of course, the department had. That's one example of the various materials the department has — health education materials, pamphlets of various kinds. That's handled by them.

I've just been handed a sheet of all the advertising. But in addition to that kind of . . . publication of materials was handled through Dome. But in addition to that, it's all the advertising, and the list includes health cards, chiropody clinics, non-smoking advertising, and more — Safe Grad, and "It's Your Health," alcohol abuse advertising. All these services are handled through Dome Advertising.

Mr. Shillington: — Does that figure include the production and the placement, or just production?

Mr. Podiluk: — The design and production, yes.

Mr. Shillington: — What was spent then on the actual placement on buying the television time and the print space and so on?

Mr. Podiluk: — \$377,000. And that included Weedless Wednesday, non-smoking campaign of \$135,000 with TV, radio, and video; alcohol abuse, 137,000; SafeGrad, 71,000; rural medical practice, newspaper advertising for the rural medical practice study where hearings were held and people being invited, was 18,000. Those are examples of the major items.

Mr. Shillington: — What was your fee arrangement with Dome Advertising? How did you determine how much Dome Advertising was paid for their services?

Mr. Podiluk: — This is a contract. My understanding is that it's an arrangement that is determined centrally, and it's one of the agencies that is assigned to us to provide the services. Those determinations are made in terms of the contract that exists for their services with other departments as well.

Mr. Shillington: — But you're paying the bill. What's the contract?

Mr. Podiluk: — It's part of the bill that we pay for the services of production, and it's not been breaking . . .

Mr. Katzman: — . . . (inaudible) . . . separate amount for doing the work rather than just the work? What I'm saying, is their bill included in their work?

Mr. Shillington: — I want to know . . .

Mr. Podiluk: — It is in their work, but we don't know what the percentage of it is.

Mr. Shillington: — I'd like an arrangement like that. If I can send you a bill and you're not going to check it, just sign at the bottom and pay it.

Mr. Katzman: — No, no, that's not what he's saying.

Mr. Shillington: — I think that is what they're saying. They're saying he doesn't know how the bill is arrived at.

Mr. Podiluk: — The percentage is determined centrally and, of course, is built into the bill.

Mr. Shillington: — And you're not told how that's arrived at?

Mr. Podiluk: — Do we . . . Can we get . . .

Mr. McLaughlin: — I think we can find that out. But offhand, we don't know what the percentage is.

Mr. Podiluk: — But we can get it for you.

Mr. Shillington: — I'd like to know how that bill is arrived at.

A Member: — Okay.

Mr. Katzman: — I wonder if we have the right department for that?

Mr. Shillington: — Well it's in their public accounts.

Mr. Katzman: — No, no, no, but that's not . . . What he seemed to tell me, and I may be misreading it, Mr. Chairman, is that there is an arrangement struck — somebody has struck it, I don't know who, I'm not sure . . .

Mr. Podiluk: — It's central information.

Mr. Katzman: — They said the work, plus maybe 1 per cent or whatever the type of thing is.

Mr. Shillington: — That's what I would like to know.

Mr. Katzman: — Okay. And I'm wondering if this is the right department, or the department who make that deal is the department.

Mr. Shillington: — I think the department to ask is the department which is authorizing payments. In this case it's the Department of Health.

Mr. Podiluk: — We should be able to obtain it.

Mr. Shillington: — You should be able to obtain it and let us know.

Mr. Katzman: — Well I'm not sure if it shouldn't another department who can answer for everybody, as you suggested, Finance, or something else.

Mr. Shillington: — I doubt we should have Finance answer the questions on Health.

Mr. Katzman: — Because it seems it's somebody else's contract.

Mr. Chairman: — Order.

Mr. Podiluk: — We will accept the response of the suggestion that we should have a responsibility to know what the percentage split is. The deal is made by

Executive Council on behalf of government and the agency is determined in that way, on the contract basis, and we use their services and accept the deal that was made. However, I understand what you're saying and we will try to determine that.

Mr. Shillington: — Since you didn't strike the deal, I will not ask you to comment on the deal itself. That's another department. But you are paying the bill, and you must know how the deal is arrived at, if for no other reason than to check the bill. Someone's got to be able to sit down with the bill and decide whether it's over or under.

Mr. McLaughlin: — just to clarify that point, Mr. Shillington. What I'm saying when I say that we don't know what the percentage is, I'm sure that we would have that included on the advertising bills. Somebody in the department would know that.

Mr. Shillington: — Someone's got to know the system.

Mr. McLaughlin: — That's right, and we will find that out and get back to you.

Mr. Shillington: — Okay, my understanding of those arrangements are — and this is an irrelevancy since you've undertaken to provide the usual 15 copies to the Clerk — my understanding of the arrangements is it's the cost plus a percentage. That's how I understand ad agencies work in all cases.

Mr. Katzman: — Ned, there's two ways of doing it. There's — and I'm learning this because I'm getting involved in a newspaper — there are certain costs that are paid by the person who places the work . . .

Mr. Shillington: — Lawyers would call them disbursements, yes.

Mr. Katzman: --- . . . and there's certain work done, paid for by the people who received the work done. For example, if a newspaper gets an ad put in it and agrees to pay, it pays the national agency a certain kickback and the client pays nothing. So there's two systems in that advertising business I've discovered.

Mr. Shillington: — Well presumably the witnesses are going to give us that.

Just one further question, I think, with respect to courier services. It's not the biggest item in the world — this pales beside banking interest — but you spent \$14,274.45 on couriers. If you paid the same rate we do, you got 6,000 things delivered or picked up. Have you ever considered trying to cut part of that cost by having an in-house courier system, your own runner?

Mr. Podiluk: — We haven't. We use . . . for intergovernment we use the Supply and Services. But, no, we haven't. I think it's worthy of consideration. I don't know how the costs would break down.

Mr. Shillington: — I know that law offices . . .

Mr. Katzman: — . . . (inaudible) . . . or is it the Regina costs?

Mr. Shillington: — I don't know what the total courier service is.

Mr. Podiluk: — It would be both, but there's a lot, because of the size of the department and because of the contacts we have with residents and then services and agencies and so on, we do use courier services quite extensively. And I don't know . . . we have never considered that alternative, but it's worth exploring.

Mr. Shillington: — Well law offices, I think, find that over a certain volume it's much cheaper to do it yourself. If you're the size of office we are, you get a courier to do it. But if you're the . . . if you have an office the size of . . . we had a representative here last week from McPherson, Leslie and Tyerman. If you're that size, most of it's done by an employee who . . .

Mr. Podiluk: — I appreciate your drawing this to our attention. I'd like to check this one. I'd just like to see what the alternatives are.

Mr. Young: — Would use it for all the blood samples that come in from every small town come to either Saskatoon or Regina? Because I know Kindersley sends in blood samples daily.

Mr. Podiluk: — Oh no, I don't think of this is . . . (inaudible) . . .

Mr. McLaughlin: — Because some of it certainly would be incurred by the laboratory for shipping samples back and forth, but I think one has to look at the entire province when you're talking — how much was it, \$14,000?

Mr. Shillington: — The payment to Zipper courier was 14,000. I assume that's not the only courier you use.

Mr. McLaughlin: — No. But \$14,000, I guess that's all in the city because that's . . . (inaudible) . . .

Mr. Podiluk: — It's all city.

Mr. Katzman: — It could be Saskatoon and Regina?

Mr. Podiluk: — No. Well, it may be in Saskatoon as well, but by far the greatest portion, I would expect, would be right here.

Mr. Shillington: — The other question I have is: how do you determine which . . . the couriers don't charge the same . . . (inaudible) . . .

Mr. McLaughlin: — There's no determination by any central agency, if that's what you're asking.

Mr. Shillington: — Yes. These are not big dollars.

Mr. McLaughlin: — No. These are determined by the individual branches who need to send something from A to B.

Mr. Shillington: — I don't want to pursue this exhaustively, but if you said to the couriers, I want to know what you're going to charge for the department's

business, you'd get it a darned sight cheaper than I'll bet you're paying. If you allow the individual people at the desk to decide who they want to call, that's an awfully expensive way to hire couriers.

Mr. Podiluk: — I accept your comment, and I think we should take a look at it. I know that Zipper has been around before.

Mr. Shillington: — Oh, they've been established . . .

Mr. Podiluk: — I know, but as far as the department is concerned. And I think it's one that we should take a look at.

Mr. Shillington: — I'm not in any sense being critical of Zipper; we use them too. But I know that the person who does the purchasing in our office changes these things. Every few months she'll change couriers because someone else comes in at 25 cents cheaper, and it's a fair amount of money over the haul.

Mr. Katzman: — Ned . . . (inaudible) . . . at University Hospital. He's a friend of mine. And he tells me he draws a circle, and it's so much within this circle . . . (inaudible). And he says every so often somebody else will come in . . . (inaudible) . . .

Mr. Shillington: — If you've got a good purchasing agent in your office, it's worthy of spending a few moments coming to terms with the courier systems. You'll save yourself a fair amount of money. Anyway, I only make the point that if you allow the people in the department to make the decision, you're going to get some expensive courier services.

Mr. McLaughlin: — Can I just make one point? The total courier and messenger service used by the Department of Health for the year was \$20,000 — \$20,010 in total. And I don't think personally, just on face value, that we could employ somebody full time to do that job in the city of Regina for \$20,000.

Mr. Shillington: — But you could develop . . . You're assuming you're going to pay them full time and give them an office, and so on. That's not how the law offices handle it. You pay them so much per parcel, and if the person is acting for one office and they come to know the system of that one office, they can do it cheaper. The offices all find that in-house runners are cheaper. They don't employ them full time. They pay them a dollar and a half an envelope or something.

Mr. Podiluk: — Mr. Chairman, I think that we have a responsibility to try to do things in the most cost-effective manner, as Mr. Shillington points out, regardless of size of the contract. And we will . . . now that these comments have been made, I think that we have a responsibility to examine our arrangements to determine whether we can be doing them and providing them in a more cost-effective manner, and we appreciate that.

Mr. Shillington: — I have a couple of questions which I'd run past. Business forms are purchased through the purchasing agency?

Mr. Podiluk: — I would expect so. John?

Mr. McLaughlin: — Yes, they are.

Mr. Shillington: — Okay. What service did SJM Communications Services provide? And the same question with respect to Tanka Research. Those are my last two questions.

Mr. Podiluk: — SJM provided most of the services related to the consultation program involving long-term care, which was a series of consultative meetings in bringing in 300, 400 people to discuss long-term care issues, and those were held in Humboldt and North Battleford and Yorkton, Prince Albert, Swift Current. SJM had a contract to lay out the program to provide the basis, to provide some of the material that was decided would be in place in terms of distribution to people, invitations. They really developed the whole system of organizing and conducting these workshops. That was primarily SJM's responsibility. Any other charges, I can't . . .

Mr. Shillington: — Did you not have anyone in the department . . . It's \$54,000. Did you not have anyone in the department who could call a meeting, go up for the meeting?

Mr. Podiluk: — Well it was more than a meeting. It was indeed intended as a seminar, structured in a way to provide an opportunity for a diverse group of people to comment. It was a matter of organizational aspects. It was a matter of insuring that there was an opportunity for participation on the part of those that were professionals, as well as for those who were non-professionals, and then a wide cross-section of people. So it was quite a highly structured approach that was used.

Mr. Shillington: — Why couldn't your communication officers have done it?

Mr. Podiluk: — Because we feel that there was a certain special expertise that was required to do this, number one. Secondly, because of the time demands that were required for this particular activity, although our information officers were involved. But the additional demands in terms of time would have required the employment of some person to assume this as a special responsibility, and rather than going that route, it was decided to go on a contract route with SJM Communications.

Mr. Shillington: — Who were the principals of SJM Communications?

Mr. Podiluk: — Some of the people that were involved with whom I had contact included Byron Milton; the man from Toronto, Doug Scott, and another chap. Sorry, there was another person who was considered to be their organizing expert.

Mr. Shillington: — Okay. It would suffice if you would give me that in writing if you want. The . . .

Mr. Podiluk: — I'm sorry, Mr. Shillington. I don't know. If you speak of principals in terms of who's associated with the firm, I don't know. I can give you the names of the

people with whom I had contact with.

Mr. Shillington: — That's all I want. This is my last question. What services did Tanka Research provide?

Mr. Podiluk: — Tanka Research services were really one of developing an effective communications program for more than the Department of Health, and this is really in terms of sort of updating communications, reviewing the current initiatives, and it was a matter of telling the story of health more effectively. And my understanding is that they had that same kind of responsibility as far as other departments are concerned and this was our share of the cost.

Mr. Shillington: — I think your understanding is sound. How was the . . .

Mr. Podiluk: — Oh yes, I'm sorry, they also did a Christmas alcohol advertising program which was . . .

Mr. Shillington: — With respect to both SJM Communications Services and Tanka Research, how would these . . . what was the formula for arriving at the fees?

Mr. Podiluk: — As far as SJM is concerned, there was a determination made that they were going to be providing certain services within certain limits, and there was an exchange of correspondence involving myself, a letter saying, look we want certain information and certain limited that were established.

With respect to Tanka, this was determined by . . .

Mr. Shillington: — Was it an hourly rate? With respect to SJM, an hourly rate?

Mr. Podiluk: — No, it was more of a rate determined on the components of their involvement. Well in some instances it would be an hourly rate because there would be people involved, but in other instances it would be a matter of certain publications or certain activities.

But as far as Tanka is concerned, this was a government-wide initiative, as I indicated, in terms of communications, and this is the portion of the charge that we paid was determined for Health in terms of services provided and certain consultant services provided for Health. The basis of a contract, I can't comment because the basis was not determined by us.

Mr. Shillington: — But the same comment then applies with respect to Dome Advertising. Someone there must have understood the fee arrangement. Presumably you got a bill from Tanka and you paid it. Someone must have been able to know whether it was over or under.

Mr. Katzman: — The other possibility is that they got a bill saying . . . Like the government . . . somebody got a bill. The head lead agency got the bill, and it said, okay, so much is yours, so much is yours, and so much is yours. So they won't have the breakdown of the bill. They will just know their portion of it.

Mr. Shillington: — Okay. Who would you get the bill

from then?

Mr. Podiluk: — The central communications agency would have determined that this is our share of the bill.

Mr. Shillington: — And which department is the central communications agency in?

Mr. Podiluk: — Executive Council.

Mr. Shillington: — So you got a note from Executive Council saying, pay it, this is your share.

Mr. Podiluk: — That was our share.

Mr. Katzman: — Won't universal programs . . . Where the lead agency picks up the bill and divvies it out, that's normal, Ned, for as long as I've been a member.

Mr. Shillington: — These service contracts in every government, particularly this one, are a prime source of patronage. Unlike the supply of nails, boots, and eye glasses, there's no tendering here, and I'm not suggesting that the witnesses here have been any part of this. What I am suggesting though with respect to service contracts, because the arrangements are so loose in many cases, this is a prime source of patronage. I have a suspicion, I believe, well grounded, with respect to any service contract. I want to know how the arrangement was made?

Mr. Katzman: — I'm glad the member indicated that the believes that these are patronages. Even while he was in government, they were patronaged. It's something that you guys did long before . . .

Mr. Shillington: — It's not a system you invented.

Mr. Katzman: — Fair game. As long as you're putting that on the record. You may say, the level is different. That's an argument we can argue about.

Mr. Shillington: — But you didn't invent the system.

Mr. Katzman: — No, you guys did well on the system. I've learned that.

Mr. Shillington: — The system was in place long before anyone here held elected office. Service contracts . . .

Mr. Vice-Chairman: — Order.

Mr. Tchorzewski: — Thank you, Mr. Chairman. Mr. Podiluk, listening to your description of the way the work is allocated for Tanka Research, Dome Media Buying, Dome Advertising Ltd., I would assume, therefore, that you would conclude that you have no way of knowing whether the fees you are paying here are the most cost-effective, because you did not make those decisions. So you're getting budget in the department, but you have no way of knowing whether this is the most cost-effective expenditure.

Mr. Podiluk: — My understanding is that the contract for some of these services is determined centrally, and on what basis it's determined, of course, I would not know. We have a responsibility to know what the breakdown is,

and we do have it. We will be providing it to you.

As far as Dome is concerned, because there is a billing system in place, we insist that the bill . . . and I've seen them, many of them, personally, because they have been discussed with me. I cannot provide you with a specific answer about what rate or what, you know, what percentage, for what purpose. So I can comment on specifics as far as Dome is concerned, because it's a . . . The contract, the arrangements, the rates, or whatever, has been determined centrally, but still we deal with them individually with respect to our individual projects.

With respect to Tanka, it was a different kind of an arrangement. It was a matter of a determination that our share of the cost related to the program that was undertaken was X number of dollars, and we paid for.

However, as far . . . But there is another component to it, and that was the alcohol advertising component. I can provide you with fairly detailed information. At least I have . . . It's 7,500. That was a more direct kind of an arrangement.

So those are the only comments I can make, Mr. Tchorzewski.

Mr. Tchorzewski: — I don't question that. I'm sure that's all you can say. My question is that . . . or comment is, it may have been . . . I guess it would be worth anybody's while to see if maybe there's another advertising firm that might be able to do a better job for less money. But, as you say, that's not your decision. And I'm not critical of your department. I know the system and it has happened.

Can I ask on another topic? Is that how you proceed here?

A Member: — Yes.

Mr. Tchorzewski: — The Saskatchewan dental plan. Can you tell me whether children get a check-up once a year now . . .

Mr. Podiluk: — Yes, they do.

Mr. Tchorzewski: — . . . or more than once a year, or what's the system?

Mr. Podiluk: — Once a year.

Mr. Tchorzewski: — And are you able to meet that objective?

Mr. Podiluk: — Yes, we are. There's no question about it at all. As a matter of fact, the dental plan has really the record . . . The Saskatchewan record with respect to dental, children's dental health, is the envy of the North American continent.

Mr. Tchorzewski: — I agree. It is one of the better programs ever implemented in government, particularly in the field of health. It has done a tremendous preventative job. And when we talk about preventative health care, here is a flagship that I think others could look at.

Is more work being done by private practitioners now and less work being done by dental nurses because of referrals?

Mr. Podiluk: — Really almost only, as far as the high school age. I'm sorry. I'll ask George Loewen to comment, because the dental plan is under his jurisdiction.

Mr. Loewen: — Over the past five years there has been a gradual transition in the 13, 14, 15, 16-year-old group to have private dentists do more . . . provide more of the services to that age group. And at the present time private dentists serve about 75 per cent of that age group. We serve the other 25 per cent because they are in outlying communities and some considerable distance from a private dentist.

All of the children up to the age of 12, we serve fully . . . up to and including the age of 12, we serve fully by dental plan staff.

Mr. Podiluk: — In the city of Saskatoon or the city of Regina, for example — just a bit of a follow-up — the clinics that were established in the elementary schools are there. The high school clinics . . . No, there are no clinics, as I understand, in the high schools because, to a very considerable degree those services are now provided by private dentists under contract arrangement.

Mr. Tchorzewski: — On the Saskatchewan hearing aid plan, what's the average waiting period for a person to get some of these supports and so on?

Mr. Loewen: — Right at the present time it's difficult . . . There isn't an average in the sense that we have the province divided up into districts and some districts have longer waiting lists than others. The minimum, I would suggest, is in the order of two to three months. The maximum is probably in the order of six to eight months.

Mr. Tchorzewski: — Are there any particular items where this long period of wait is.

Mr. Loewen: — It developed more in the South, partly because of the fire that we had at our office building here in Regina and that put us back by about four or five months. Shortages of staff in a couple of other regions have also extended the waiting times there.

What we're now doing — and I think this was mentioned during estimates — we're putting into place a mechanism that over the summer months we hope to reduce those waiting lists and waiting times by quite a considerable amount.

Mr. Podiluk: — We have to take a very special initiative to reduce the waiting list, because there are certain external factors, factors beyond our control, that contributed to this including the fire. But there's another factor at work; there's the demographics changing in our society and our province. And we have to examine our systems, delivery systems. We have to . . . and I'm thinking about the increasing numbers of senior citizens.

So we have to examine our delivery systems. We have to

undertake — and some of this has been undertaken for his summer — but we have to also undertake some special initiatives to ensure that there's a catch-up that occurs. And we want to assure you that those are indeed being pursued at the present time and quite assertively.

Mr. Tchorzewski: — I'm please to hear that because I agree with you. I think there is some catch-up. Just let me redirect my question. Is there any particular devices, supports, that are causing delays? I know the fire and I understand that, but it's not because of supplies or anything else with any particular devices.

Mr. Loewen: — No.

Mr. Tchorzewski: — Okay.

Mr. Young: — How many health inspectors do you have in this province?

Mr. Loewen: — 57 or 58, it's in that neighbourhood.

Mr. Young: — Now they're responsible to go to restaurants, shut them down if they're not up to snuffs. Do they do swimming pools and provincial parks and things like that as well as restaurants?

Mr. Loewen: — Yes.

Mr. Young: — And lakes. Say I want to go swimming in some lake up North, is there somebody been by there this year to take a sample to see that I'm . . .

Mr. Loewen: — I won't guarantee that we've tested every lake, but yes they do — publicly-used lakes or rivers and what not.

Mr. Shillington: — It certainly would have been southern Saskatchewan. You would be saying you test all the lakes in southern Saskatchewan.

Mr. Loewen: — Yes, I would say so.

Mr. Young: — Okay, how often, just very roughly now if I eat dinner in some restaurant on Albert Street South, would you get there once a year to do a restaurant, or how often do these guys get around, do you think?

Mr. Loewen: — My recollection is that it would be more in the order of once every two years, closer to the order of once every two years.

Mr. Young: — So I take it you work on complaints most often. That's the menu of the guy's day, is complaints; I mean, the inspector's day. Like, is that what he's going on?

Mr. Loewen: — Well that certainly affects their work-load. I wouldn't want to suggest complaints are the menu of the day because they have a lot of other facilities. They have milk plants, various other facilities that they're responsible for inspecting. But yes, if more frequent visitation is required, it comes about through complaints. Also, if they find a restaurant that is in shoddy order, there will be a faster re-visit take place.

Mr. Young: — Do they ever shut them down? I've never went to a restaurant and seen a sign that says, this place has been shut down due to health problems. I've never seen that. Maybe they're out there. I know they shut down liquor bars and stuff. They shut them right down, the Liquor Licensing Commission, just to let the folks know that these guys aren't playing by the rules.

Mr. Loewen: — Public health inspectors and medical health officers don't normally shut down restaurants. What we do is offer advice to the local government, and it then becomes their responsibility to declare the building unfit or to declare the restaurant closed. But it's our determination as to whether the restaurant gets a certificate. Normally it would be local action if it requires a closing down of that facility,

Mr. Podiluk: — You'll notice a licence to operate in a restaurant is really issued by the city of Regina.

Mr. Young: — If I'm going to build a swimming pool in some little town, shall we say — the design of the floor plan and the drains and so on and so on, is that approved by you people? Or can I just go and cement one in and then come to you and say, I want approval for this design of a floor plan for a water slide, or whatever it may be?

Mr. Loewen: — Where we can have input beforehand — and we're not always asked — but wherever possible, we would offer comments on the proposed design.

Mr. Young: — You don't have to . . . If the YMCA is going to build a new women's Y in Saskatoon, they don't have to get the floor plan from you in any way, shape or form?

Mr. Loewen: — In that situation it would have to get approved by city officials, and I would expect there'd be consultation between city planning engineers and city health officials on something like that.

Mr. Young: — A little town doesn't have a health department.

Mr. Loewen: — Yes, I'm thinking more of a small community that may go ahead on its own. Generally they will consult with our staff in the planning process, but there have been occasions where they've gone ahead and built and put into place facilities without our prior approval.

Another example could be a motel that's building a swimming pool. And it may not come to our health inspectors in the planning phase, and we then have to comment once it's . . .

Mr. Young: — On that swimming pool, how often would you get around to a swimming pool in a motel to test like for urine, or whatever you test for in the water of the pool? Do you get there every two years or what?

Mr. Loewen: — Oh on swimming pools I'm sure we are there every year and perhaps more often if indicated. On swimming pools I'm sure this is . . .

Mr. Shillington: — It's so easy to check. You see those little tubes and they pour chemicals in it, shake it . . .

(inaudible) . . .

Mr. Young: — That's it.

Mr. Shillington: — I have one quick question I want you to comment on, and that has to do with . . . You have how many people doing research in the Department of Health now? — in the year under review, if you like, but it doesn't matter.

Mr. Podiluk: — Pardon?

Mr. Shillington: — In the year under review, if you prefer, but how many people do you have?

Mr. Podiluk: — The policy research and management services branch will have the number.

Mr. Shillington: — While he's looking that up, my impression in visiting hospitals — and I make this comment about the larger city hospitals, because some smaller hospitals do in fact provide a kind of nursing home service in a way. But my impression in city hospitals is that there is a very large number of older people who appear to me should be in a nursing home and not in a hospital.

I am wondering if we don't have an awfully expensive nursing home system in this province; consists of using level 6 beds for level 4 beds. That's just my impression, is that there is . . . it's a personal observation. It's also an observation that . . . The member from North East and I were traipsing around the province trying to cause trouble for Tories. And we . . . perhaps I missed this earlier, but it struck me that we have — and the nurses said this — that the shortage of nursing homes has backed up into the hospitals. And one of the reasons why we have congestion in the hospitals is because we are in fact using level 6 beds for level 4 beds.

I wonder if you have done any research into this; whether or not you know whether or not there might be savings by (a) putting more money into home care at the higher end, the people who are better able to look after themselves; and putting more money into the nursing homes at the other end, the people who are gone beyond that point and they will never look after themselves again.

Is there not, as nurses tell me, a waste of money by keeping really what are nursing home patients in the hospitals? I've walked around the hospitals and you see bed after bed after bed, all the way down the halls. It really looks like a nursing home.

Mr. Podiluk: — Long-term care is in a period of transition and a redirection — unquestionably. It's not only occurring in Saskatchewan; it's occurring elsewhere. One of the things that has to be enhanced, unquestionably, is a program of support services, because senior citizens themselves are saying to a greater and greater degree, we want to avoid institutionalization for as long as possible. There is a different attitude that prevails today as compared to what existed at one time. And that, as I say, is being expressed by the people themselves.

There are people today who used to be in nursing homes, and you had to get around with a walker, are living in their own homes. So therefore there's no question that we are developing a program and supporting programs of supportive services to a far greater degree than has existed before.

Number two, as far as nursing home beds are concerned, there is a deliberate and planned program to reduce the use of level 6 beds for level 4 purposes. The initiative that will have the greatest impact is occurring right in Saskatoon where about 50 were removed from level 4, from acute care facilities, as a result of the new home that was opened by the Circle Drive Alliance people. And that was constructed with that mandate, that it had to reduce a blockage at the level 4 area.

The other factor that is going to quite obviously contribute to some relief in the situation that you indicated is the construction of nursing homes in smaller communities, because quite a number of these people are people who have come from smaller communities and wind up in the larger base hospitals. And this is a deliberate aspect to try to provide for.

As far as the number of nursing home beds, we have had some very important, I feel, consultations with geriatricians — a word I have difficulty with. And we have a responsibility to examine alternatives to institutionalization because of the fact that, apart from the attitudinal things, apart from expectation, there are also other factors to be taken into consideration, such as a desire for privacy and independence that is greater than has existed.

I think the flagging of the issues that you've done, I think, are the ones that are of very considerable significance today. And they don't belong in the numbers than may be, that there's a potential for them being, in acute care facilities, I agree.

Mr. Shillington: — I think it's the single most serious problem we have with health care today, is this whole problem. I appreciate your comments; you've been very informative. My initial question was: what research is being done on this by your research people? What resources are you committing to try to find an answer to this problem?

Mr. Podiluk: — Really quite a considerable amount. To be very specific, I can't speak in person-hours, but a very considerable amount. This is the focus. This is an area that is being given a considerable amount of attention — as a matter of fact, set up the capacity to investigate in a special kind of a way the potential for the establishment of integrated facilities.

The Saskatchewan scene is very unique. We have more hospitals than any place else, but they're all over the place, and some of them are not used for the purpose that they were designed. We have to consider alternatives in order to increase the effective use, and maybe that will have an impact. That is being done by a person that was just assigned very recently to carry out that kind of research, but there are other people who are involved. But I'm sorry, I can't answer it in terms of, you know, the

sort of the person-hours that would be assigned. But it is receiving attention, I can assure you.

Mr. Katzman: — Well, two things. I guess it was item (2) under page 34 indicated the other day that the level 4 beds . . . (inaudible) . . . that you're talking about, Ned. And the one issue that did come up which I was glad to see is: some of the smaller-town hospitals are where some of the level 4 beds are; and, without those level 4's in those small hospitals, we couldn't keep them open.

So that's an important function that we must . . . And we hope when you do your study . . . You know, they need the doctor; they need the level 4. Some small towns, if they didn't have four or five level 4 beds with it — but we pay for them as level 4 rather than level 6, I understand.

Mr. Podiluk: — This whole area is receiving a special kind of consideration in terms of funding arrangements, in terms of responsibilities, in terms of support services, in terms of the utilization of some of the services that are in place — increased utilization. We have an assistant deputy who is particularly keen on this and is attending a special meeting this week, today and tomorrow, on these very issues and sort of examining it from a national perspective as well.

Mr. Katzman: — I think that the second point of the comment, I think the deputy minister made it when Reverend Bolt and his group, Alliance Church, opened their new bed. One of the mandate conditions was that they have to take the people out of the hospitals first who were covering hospital beds. I understand that's also one of the conditions for the other one that's being built in Saskatoon?

Mr. Podiluk: — The new Fairhaven facility is going to have quite a profound effect on the blockage, most particularly at St. Paul's.

Mr. Katzman: — And what about that other one in Saskatoon, Lutheran . . .

Mr. Podiluk: — Lutheran is expanding, yes.

Mr. Katzman: — And they will also . . .

Mr. Podiluk: — Oh sure.

Mr. Katzman: — So we should . . . How many new beds in Saskatoon will actually, calculated, take people out of hospital beds, for lack of a way of putting it other than that.

Mr. Podiluk: — Oh, hospital beds themselves, I would say — I'd be guessing a bit — but my feel is that it would be certainly 50 and 30 . . . 80 to 100.

Mr. Katzman: — So 100 beds in Saskatoon would be cleared up because of these new homes being built, and that's not including the big one, of course.

Mr. Podiluk: — No, it's including the big one. It's including the big one.

Mr. Vice-Chairman: — St. Joseph's, does it figure in that

too? There's an expansion going on there.

Mr. Podiluk: — No, not at St. Joseph's.

Mr. Katzman: — Expansions don't work that way yet, I don't think.

Mr. Podiluk: — St. Joseph's is a Ukrainian Catholic home and it's not . . . Oh, but the Ukrainian Catholic community is building a facility, but it's building an enriched housing facility.

Mr. Vice-Chairman: — Thank you very much, gentlemen.

Mr. Podiluk: — Thank you. We have appreciated the questions you've raised with us, and I think that's one of the things that is important, for us to hear the comments that are made by the legislators because it contributes to our sensitizing us to certain issues. We appreciate those.

Election of Committee Chairman

Mr. Shillington: — I would like to begin, Mr. Vice-Chairman, by asking the member from Rosthern to tell us what he thinks the sterling qualities of the member for North West are and why he nominated him for chairman. I want to hear your nomination speech, Ralph.

Mr. Vice-Chairman: — Order. It is not part of this deliberation. Let's carry on here so we can make some progress.

Mr. Shillington: — I have a nomination to place before you, that of the member for Regina North East.

Mr. Vice-Chairman: — Okay, that means we have two nominations before us — one from the member of Regina North West and the other for Regina North East.

Excuse us gentlemen, just till we get our little business over with here. I think that since — I don't think we need to go by ballot in here. We need a mover for the motion that is before us.

Mr. Shillington: — Which motion is before us?

Mr. Vice-Chairman: — You nominated . . .

Mr. Shillington: — Oh, I'm the mover. I'll move that.

Mr. Vice-Chairman: — You move that, yes. You don't need a seconder. Oh, we don't need a seconder. Okay. Since . . .

Mr. Katzman: — Mr. Chairman, on the nominations now, I believe the recommendation of the 1964 committee and the subsequent committee, somewhere around '78 to '82, recommended that the chairman of the Public Accounts Committee should be a member of the opposition. Courtesy and tradition of this House says normally that the member should represent the official opposition party.

Last week the official opposition party refused to allow any names to stand. That would indicate that we have no

choice but to go to the next opposition party bylaw of this province, which is Mr. Sveinson and group. Now that the official opposition has reconsidered and got its sanity back, we would assume that they have now put a name forward and are not attempting to blackmail this committee any more. So obviously the nomination of Mr. Sveinson would be opposed to the traditions of this House and was only required because of their refusal to put a name forward to follow the traditions.

And, Mr. Chairman, under that point, and because Mr. Sveinson is not here to accept or to decline a nomination, obviously, his name can't be put forward if he cannot accept. So obviously now that the opposition has come to their senses and are going to follow the traditions, we can obviously only have one candidate. Therefore, it is obviously a unanimous nomination, an election.

Mr. Young: — If I could speak on that. I would take it that Mr. Tchorzewski isn't going to be so silly as to put pre-conditions onto his acting as chairman as was the case with Mr. Shillington and Mr. Engel. That being the case, I certainly have no problem, but if he's going to run that route as those other two people did, then he's not going to get my support.

Mr. Shillington: — If the members want to get into this . . . if the members want to carry that on for a third week, I'll be happy to get into it.

Mr. Katzman: — No. It's past history.

Mr. Shillington: — Perhaps I can close off what has not been . . . what I think is an unfortunate episode in the life of this committee, by congratulating the member from Rosthern. And I also want to congratulate whoever it was that sharpened his skates. He did a nice job of skating out of a difficult position, that of nominating a member of the Western Canada Concept Party for chairman. So my congratulations to the member from Rosthern and to the member who sharpened his skates. I, for my part, would prefer to let it go at that, and not re-open the argument as to whether or not . . . who was right in the controversy which has ensued. Ultimately the public, I think, would make that decision.

Mr. Vice-Chairman: — I take it then that it is unanimous that the . . .

A Member: — . . . a seconder?

Mr. Vice-Chairman: — We don't need one.

Mr. Shillington: — Have you any idea . . . Maybe we ought to find out whether or not the member will stand.

Mr. Tchorzewski: — I thought I should indicate whether I would stand. And, yes, I will. I want to put aside any misconceptions that may exist. I still want to make it very clear that in my view, as an individual member of this Assembly, it is the right of this committee to ask questions, appropriate questions, and it is particularly the right of the opposition to scrutinize expenditures of the government, make comments on and ask questions about anything that the auditor may provide in the form of his report. If you so choose that I should be the chairman, I can assure

you that I shall try very diligently to allow that to happen, and on those basis I want to . . . because I think this is one of the most important committees of government, quite frankly. There can't be anything more important than scrutinizing the expenditure of taxpayers' dollars, and I think, therefore, this committee has to continue to work effectively.

Having said that, I indeed am willing and honoured to take this job as the chairman of the committee.

Mr. Vice-Chairman: — It has been moved by Mr. Shillington:

That Mr. Tchorzewski be chairman of this committee.

I put the question before you. All in favour?

Mr. Katzman: — Mr. Chairman . . . okay, go ahead. I was going to say, there is no other nomination, so it's an automatic.

Mr. Shillington: — Make it a motion to the effect that Mr. Tchorzewski be the chairman. Presumably you could all vote against it, and we'd still have no chairman.

Mr. Katzman: — No, we're just nowhere. You're right.

Mr. Vice-Chairman: — We have a motion. All those in favour? Agreed.

Agreed

Mr. Vice-Chairman: — All right. You have the Chair.

Mr. Shillington: — Could I suggest to the Chair that he take a broad axe to that clock and get one that works. That thing is confusing. I thought when we called Social Services over, had that clock been working, I would not have called Social Services over. I thought we had more time than we did.

Mr. Katzman: — It seems to run five minutes every 25.

Mr. James: — Is it battery or electric?

Mr. Katzman: — It's battery.

Mr. Chairman: — Order. Now that we have established that the clock needs fixing, I think probably we should look after that. We can proceed to the Department of Social Services.

May I just say that I appreciate the nomination and the unanimous support of all members, and I think we do not have a great deal of time. It is my understanding that you adjourn at 11. Am I correct, committee?

A Member: — Yes.

Public Hearing: Department of Social Services

Mr. Chairman: — Okay. Maybe we should begin with Social Services so we can get it on the way and open it up for the next meeting. Okay. I have here a list of officials,

but may I ask the deputy to introduce his officials. Mr. Hnatiuk.

Mr. Hnatiuk: — Thank you, Mr. Chairman. Sitting to my left is Dan Cunningham, the assistant deputy minister; to his left, Graham Craig, comptroller and assistant director of our administrative services branch; and to my right, Art Uhren, acting executive director of income security.

Just a brief comment. It's very disconcerting for an official to sit here watching time stand still before such an onerous committee.

Mr. Katzman: — Mr. Chairman, I realize you're new. Could the Clerk give you that script, please, that you read to each new . . .

Mr. Chairman: — I'm informed, and I assume the officials probably already know, but I think it's appropriate that it so be informed that although this committee is public, it needs to be understood that nothing that is reported here — because you have to be totally frank and direct — can be used in any way against any individual. And I think it's important that that be stated, and so it has now been done. And if we may proceed, Mr. Katzman.

Mr. Katzman: — Basically you have the same coverage as the members in the House do from anything that you say.

Mr. Shillington: — I just want to lead off the questioning. The Provincial Auditor's report — it starts at 45 — contains a number of items about a recurring . . . and I think the item on which the auditor places the most significance is the question of whether or not your systems are adequate to ensure that nobody bills the Department of Social Services. You'll never get 100 per cent prevention of that. I think the Provincial Auditor's comments are that you're not achieving the maximum percentage which you could, and equally important, that nobody's denied that to which they're entitled.

This has been in the Provincial Auditor's report ever since I've been a member, and probably for a great deal longer than that. I would appreciate a comment from the witnesses with respect to your efforts to assure that the Social Services' dollar goes to those who need it and, just as important, doesn't go to those who don't.

Mr. Hnatiuk: — Mr. Chairman, the Department of Social Services recognizes this long-standing problem. In 1984-85 we took some measures . . . We have a verification unit that used to do random sampling of public assistance files, and that random sampling was deemed at that point in time not to be a sufficient enough measure to give the kind of insurance and assurance that you're describing.

As a result of that, the verification unit was redeployed in this fiscal year to do third-party referrals. In other words, to take referrals from third parties — whether it be workers or complaints from the community — to follow up on cases, and gave their entire attention to both pre-auditing files before a cheque went out, and to following up on third-party referrals.

At the same time, that was the final year of the developmental phase of the Saskatchewan assistance plan automated system. One of the problems in ensuring that assistance goes to the people who should be getting it and in the right amounts, is the business of keeping up with an annual review which is prescribed in legislation by both the Canada Assistance Plan and the Saskatchewan Assistance Act.

We have been behind in the annual reviews. We now are building in a system which the annual reviews could be guaranteed and are catching up on that, and we have implemented some measures in June of 1985 in terms of mandatory reporting and cheque pick-up to give those kinds of assurances.

Mr. Shillington: — Three years ago when we were in this committee, we estimated — not a very scientific estimate — but we arrived at an estimation that as high as 3 per cent of the funds which are paid out, which you misdirected . . . What steps are you taking to find out what the error rate is, the actual error rate is? What steps do you take to find out the size of the problems?

Mr. Katzman: — Ned, can I just . . . Did that include the ones that we . . . (inaudible) . . . so when you said the 3 per cent?

Mr. Shillington: — The which?

Mr. Katzman: — Remember we found a bunch of . . . (inaudible) . . . who had to pay back.

Mr. Shillington: — I don't think it did. I don't think the 3 per cent did. And I don't think it was very scientific.

Mr. Katzman: — No.

Mr. Shillington: — It was done here in private conversation with the Provincial Auditor.

Mr. Katzman: — Around the table, some of it.

Mr. Shillington: — Right.

Mr. Hnatiuk: — Mr. Chairman, the comptroller's office has worked with us to establish a random sampling procedure, and based on 30,000 cases, we're advised that we have a 95 per cent confidence level on a sample review of 305 cases.

Now in '84-85, as I previously mentioned, the verification unit did not do an adequate sampling. We redeployed the efforts of the verification unit. In '85-86 we will have accomplished that particular sample of 305 cases to get the 95 per cent confidence level in establishing the error rate.

So we do not have for '84-85, the fiscal year in question, an accurate error rate because of the redeployment of the verification unit. We will have that in '85-86.

Mr. Shillington: — What was the total amount that you spent on social . . . What was the total amount which went to social service recipients? Just give it to the nearest million.

Mr. Hnatiuk: — 190 million.

Mr. Shillington: — All right — 190 million.

Mr. Hnatiuk: — I believe it's 194 actually, with the supplemental estimates, if I can recall estimates from the night before.

Mr. Chairman: — 196.

Mr. Hnatiuk: — Yes, you're right.

Mr. Shillington: — To put it then in another way, your lack of confidence level is a \$10 million item; 5 per cent of 194 million comes very close to \$10 million. That's what the sum that your research, such as it is, suggests might well be misdirected. Is that my . . . I see Mr. Benson is shaking his head. What's wrong with my assumption?

Mr. Hnatiuk: — Well I'm not sure that I understand the question.

Mr. Shillington: — You said you have a 95 per cent confidence level.

Mr. Hnatiuk: — No. What was said was that when we do a random sampling of 305 cases, we will have a 95 per cent confidence level.

Mr. Shillington: — Well what does a 95 per cent confidence level give you then? What do you know? I mean, I don't understand that clause.

Mr. Hnatiuk: — What we'll know is that the error rate that's established by that sampling should be accurate to within 5 per cent either way.

Mr. Shillington: — Ah, but you don't know what the error rate is yet?

Mr. Hnatiuk: — No, we don't know because we redirected the verification unit to do the pre-auditing before the cheque went out, as opposed to doing the verification on this inadequate sampling, as well as take third-party referrals. And I can give you some statistics and comments on what happened with the third-party referrals.

Mr. Katzman: — Please do.

Mr. Hnatiuk: — In January of '84, we conducted the pre-audit process. However, the referral mechanism proved to be so successful that we continued it through the entire year. We looked at 266 referral case — in other words, we investigated — with an error rate of 76 per cent.

Now, because they're third-party referrals . . . These are the ones that workers or somebody said that this is in error; somebody's not reporting income or their circumstances changed. So what we would have expected to detect is a very, very high percentage of them. And that's where we thought we would get the biggest bang for our dollar, in terms of the investment of staff time, etc.

As a result of that, we then proceeded to implement the cheque pick-up and the mandatory reporting. The error rate that we detected through that effort represented, in that year, \$1,023,880, was discovered by these 266 cases that were referred.

Mr. Shillington: — I don't mean to minimize the extent of your problem. You send out an enormous number of cheques, probably more than any other department except Health. So it's a very large problem to try and . . . Do you have any way of estimating what percentage of the \$194 million might be misdirected? You have none, I guess.

Mr. Hnatiuk: — Not in 1984-85.

Mr. Shillington: — It strikes me that might be worthy of some time and effort to find out the size of the problem. If we're right and it's 3 per cent, it's well worth your while hiring some people to knock that problem over the head. If it's a piddlingly small sum that no amount of effort would ever reduce . . . It strikes me it's worthy of some of your time and effort to try to find out what the size of the problem is and whether or not it's solvable.

Mr. Katzman: — Ned, on your 5 per cent, though . . .

Mr. Shillington: — No, I now know that that figure was . . . (inaudible) . . .

Mr. Katzman: — Okay, but let me ask the question. I'm assuming, when he says that . . . Let's just pick a number out of the air for a point of argument. Let's assume 80 per cent of the cheques are perfectly right and the other 20 are not perfectly right. But the error may only be 5 or \$10 over the year on that 80 per cent, so that's . . . So when you're looking at your number you've got to find out if it's a \$20 overpayment for the year and we catch it in the end of the year, or if it's a \$5,000 — that's a different problem. That's when staff becomes . . . how much do you put in.

Mr. Vice-Chairman: — Order. I'm going to have Mr. Hnatiuk respond to Mr. Shillington, and then I'll entertain the question as to whether you want to go long past the hour of adjournment or not. But go ahead, Mr. Hnatiuk.

Mr. Hnatiuk: — Thank you. Mr. Chairman, the process and the comment Mr. Shillington made is the correct one — it is worth our endeavour to make some investment because of the size of the budget, the number of cheques. And even if you have a very low percentage, it does amount to a significant dollar amount.

Now previous to this fiscal year we had a regular application process, and then your internal check and review by clerical people, and then your random sampling of cases — okay?

What we will have in '85-86 is a full-grown program with additional staff. So we'll have the regular application process; the pre-audit process, the third-party referrals I described it, 266 cases — cheque pick-ups and mandatory reporting; verification on the random sampling, a full random sampling of 305 cases.

And we've now developed an accounts receivable unit that pursues the overpayments which before were simply posted, and if a client remained on assistance or came back it was recovered from his entitlement. We now are pursuing collection of these overpayments. But the effort is considerably greater in late '85 into '85-86 than it was for the fiscal year under review.

Mr. Chairman: — Thank you, Mr. Hnatiuk. I indicated I would ask the committee, what is your wish? Do you . . .

A Member:--- . . . (inaudible) . . . under quorum anyhow, so it doesn't matter.

Mr. Chairman: — We have four.

Mr. Shillington: — No, you don't. There's still four of them after you go, Kim. But I think we should adjourn anyway. I've got to go. We're a long way from finishing.

Mr. Chairman: — I think we should. Can you wait with your question until next week?

Mr. Katzman: — Mr. Chairman, I just want to comment: who will stand by next week?

Mr. Shillington: — Good question.

Mr. Chairman: — I am at your . . .

Mr. Shillington: — Where's that list? In which volume of this thing does that list appear?

Mr. Katzman: — Second page, 218 of this thing. It's updated constantly, Ned.

Mr. Shillington: — Why don't we knock off . . . I think we have decided, more or less, that we want to knock the most important departments over the head first, because I think this committee's going to be hard to get together once the legislature adjourns.

Mr. Katzman: — The witnesses can be excused, I believe, Mr. Chairman.

Mr. Chairman: — Yes, thank you. Our apologies for keeping you waiting, but thank you for being here. We'll see you next week.

Mr. Shillington: — I would therefore suggest we go from the most important to the least important. I think another key group is the forest products and Tourism and Small Business entanglement.

Mr. Glauser: — Well there's a problem with forest products. The manager passed away last week. There's no one that has replaced him. it may be difficult to pursue that.

A Member: — They must have other officials.

Mr. Shillington: — I mean, someone's got to come and try. I mean, we'd have to understand, but someone's got to come and try.

Mr. Chairman: — I think other officials who are senior

officials will probably be able to handle that. We can check with them . . .

Mr. Katzman: — What's the problem with forest products?

Mr. Shillington: — Oh remember, there was that whole problem dropped between the chairs when the responsibility was transferred from northern Saskatchewan to . . . (inaudible) . . .

Mr. Katzman: — Oh, that one area.

Mr. Chairman: — Why don't we try that. Continue with Social Services and have the Clerk check with forest products . . .

Mr. Katzman: — No. Mr. Chairman, I would vehemently disagree. These are out-of-town people, the forest products people. And you don't want them on stand-by, you want them first, because they're out-of-town people. So I would prefer the stand-by group be a Regina group of some kind.

Mr. Chairman: — Whatever is your wish. Mr. Shillington?

Mr. Shillington: — How about Agriculture then.

Mr. Katzman: — I have no problem with that.

Mr. Shillington: — Agriculture, in the bullpen.

Mr. Chairman: — Agriculture. Is that okay with the committee?

Mr. Katzman: — Sure. They're Regina.

Mr. Chairman: — We will ask Social Services to come forward and we will have Agriculture on stand-by.

Mr. Shillington: — They have to declare a national holiday for grasshoppers or something while we get these farmers . . . (inaudible) . . .

Mr. Chairman: — Unless they're out there spraying.

Mr. Katzman: — Fifteen minutes notice or 20 minutes notice for them.

Mr. Chairman: — We are now adjourned.

The committee adjourned at 11:10 a.m.