



Ambulance Services – Department of Health & EM/ANB Inc.

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Why Is This Important?

- Quality of ambulance services matters because health outcomes could be impacted in life or death situations.
- Management of the provincial ambulance service has been contracted to the private sector, including responsibility for a \$110 million annual budget.
- Management fees paid to the private sector contractor, Medavie Health Services New Brunswick (MHSNB), averaged \$3.2 million annually and exceeded \$38 million over 12 years.

Overall Conclusions

- The legislative framework and governance structure chosen by government does not provide sufficient oversight of ambulance services due to numerous inherent conflicts and requires significant improvement.
- Poorly structured contract allowed for questionable payments for paramedic vacancies. This in turn created a disincentive for Medavie Health Services New Brunswick to fix significant operational challenges.
- Contract allowed invalid and excessive use of exemptions, which made 911 response time results inaccurate.

What We Found

Weak Governance and Control Structure

- The CEO position of EM/ANB combined with the role as President of Medavie Health Services New Brunswick (MHSNB) creates a conflict of interest
- Board composition inhibits independence from the Department of Health
- EM/ANB lacks enabling legislation and its mandate is unclear
- EM/ANB is not subject to the *Conflict of Interest Act*
- Conflicts of interest exist with no repercussions
- Contract design compromises the board's influence over its own CEO
- MHSNB employees may be inclined to develop EM/ANB's strategies toward maximizing MHSNB's financial award

Contract Allowed Questionable Basis of Payments

- Paramedic shortages created over \$8 million in payments to MHSNB, providing an incentive to maintain low staffing levels
- EM/ANB's method for budgeting payroll provided the means for questionable payments to MHSNB

Contract Allowed Excessive Use of Exemptions & Ambiguous Performance Measures

- Method of performance measurement put rural and remote communities at a disadvantage
- Contract allowed excessive use of full deployment exemptions, which caused an overstatement of response time performance
- Contract allowed exemptions when actual cause of delay was distance, out-of-service units and driver error