

Chapter 3

Section 3.05

Ornge Air Ambulance and Related Services

Standing Committee on Public Accounts Follow-Up on *March 2012 Special Report*

The Standing Committee on Public Accounts (Committee) held hearings on our 2012 Special Report titled *Ornge Air Ambulance and Related Services* in 2012, 2013 and 2014. Staff of the Ministry of Health and Long-Term Care (Ministry) and Ornge were required to give testimony on Committee questions. In June 2013, the Committee tabled an interim report in the Legislature describing issues and observations identified during the 2012 hearings. In October 2014, a second report was tabled. This second report provided an overview of the many subject areas touched on in the hearings in 2013 and 2014. It identified more than 60 “areas of concern” regarding Ornge’s operations and the Ministry’s oversight. The Committee planned to write a third report with recommendations to the Ministry and Ornge to address these concerns. However, the Ornge hearings were discontinued before this third report could be finalized.

Figure 1 summarizes the follow-up work we conducted to determine whether action was taken on key areas of concern that were included in the

October 2014 Committee report. It includes only those concerns where action might be taken by either the Ministry or Ornge to improve a problem or issue. It therefore does not include, for example, concerns with the conduct of witnesses (such as the possibility that the information they provided was misleading or whether the parties conducted themselves in accordance with their applicable professional standards). It also excludes concerns relating to entities other than the Ministry or Ornge. For clarity, we have grouped the Committee’s concerns into key areas.

Overall, we examined 44 of the “areas of concern” that were raised by the Committee and found that either the Ministry or Ornge has taken action to address 39 (89%) of them, with two of them (5%) being in progress and three of them (6%) requiring further action. For example, the Ministry has not appointed members to Ornge’s board, and the Ministry has not obtained staff with expertise in air ambulance services.

Figure 1: Committee Areas of Concern and Status of Actions Taken

Prepared by the Office of the Auditor General of Ontario

Area of Concern	Status
Oversight and Governance	
1. There was a lack of Ministry oversight of Ornge. (concern #5)	Action taken* In July 2012, the Air Ambulance Program Oversight Branch was established by the Ministry to provide oversight of Ornge and monitor compliance with the new 2012 performance agreement. The new performance agreement strengthened oversight by requiring more frequent reporting of results, including call volumes; allowing the Ministry to perform more inspections of Ornge, including unannounced inspections; and requiring Ornge to obtain Ministry approval prior to engaging in certain actions, such as altering its corporate structure.
2. Ministry appointments to Ornge's board of directors should clearly understand that they are the Minister's representative on the board. (concern #6)	Further action required. There is no current plan to make appointments to Ornge's board of directors. The Ministry did not appoint any representatives to Ornge's board, although it did make two appointments to board sub-committees.
3. Segregation of for-profit ventures from core service delivery is critical to protect public sector assets and service levels. (concern #7)	Action taken* In 2012, Ornge's board of directors and senior management team, who were responsible for creating profit-seeking enterprises, were replaced. The new volunteer board of directors and senior management team have worked to simplify Ornge's corporate structure by amalgamating some of the entities within their control. Although two entities within their control remain for-profit entities, they do not engage in for-profit undertakings and only deliver air ambulance and related services to Ontarians.
4. Ornge should be in compliance with all established administrative practices, including compensation levels, salary disclosure, procurement, whistle-blowing, and conflict-of-interest policies. (concern #8)	Action taken* The new performance agreement requires Ornge to comply with requirements of broader-public-sector directives, including salary disclosures and implementation of whistle-blower policies.
5. The Ministry must be aware of red flags and issues such as salary disclosure and investigations. (concern #13)	Action taken* Ornge is now required to publicly disclose salaries in excess of \$100,000. Also, the 2012 performance agreement requires Ornge to immediately notify the Ministry of certain critical events, such as aviation incidents and all complaints that meet the criteria set out in the Ambulance Documentation Standards.
6. The Air Ambulance Program Oversight Branch staff lack the expertise and experience to provide effective Ministry oversight. (concern #16)	Further action required The Air Ambulance Program Oversight Branch has not been staffed with anyone with air ambulance experience and expertise, although the Ministry has access to other types of expertise, such as aviation services, from the Ministry of Natural Resources and Forestry and health services from the Public Health Division and the Chief Medical Officer Health.
7. Ornge lacked a clear conflict-of-interest policy. (concern #58)	Action taken Ornge has implemented a conflict-of-interest policy to ensure employees and board members support Ornge's interests and avoid situations where their personal interests actually or potentially conflict with the interests of Ornge.
8. Ornge should follow the Broader Public Sector Procurement Directive. (concern #60)	Action taken* The performance agreement between Ornge and the Ministry was revised in 2012 to require compliance with the Broader Public Sector Procurement Directive.

Area of Concern	Status
Conduct of Ornge's Former Board of Directors	
9. Ornge and the Ministry should take steps to retrieve funds and pursue directors who failed in their fiduciary responsibilities. (concern #26)	Action taken* Ornge is in litigation with the former President and CEO of Ornge, Dr. Chris Mazza, to recover funds. Ornge is awaiting the resolution of the Ontario Provincial Police investigation to conclude. This investigation is ongoing. No additional action has been taken against any of the other former directors.
10. The former board of directors failed to exercise its fiduciary responsibilities and provide the level of governance required to ensure air ambulance operations operated in compliance with the performance agreement. (concern #45)	Action taken* Ornge's former board of directors has been replaced.
11. Ornge was allowed to encumber the government and taxpayers with a debt offering that is ultimately a provincial responsibility. (concern #53)	Action taken* Revisions in 2012 to the Ministry's performance agreement with Ornge require Ornge to obtain the Ministry's approval prior to borrowing money or incurring debt or financial liabilities.
12. There are concerns that the marketing service agreement with AgustaWestland was done to take money out of the not-for-profit entities and give it to the for-profit entities. (concern #56)	Work in progress to address concern There is an ongoing Ontario Provincial Police investigation into financial irregularities at Ornge.
Corporate Culture	
13. There was a lack of professionalism between Ornge's former board of directors and management. (concern #29)	Action taken* Ornge's former board of directors and key senior management have been replaced.
Performance Reporting	
14. Reliable documentation was needed by the Ministry on a timely basis to assess service levels and cost-effectiveness of Ornge. (concern #1)	Action taken* Revisions to the Ministry's performance agreement with Ornge require more frequent reporting on operations, finances, labour and staffing, and legal issues, including quarterly expense reports, annual zero-based budget, and monthly reports on the number of calls serviced and percentage of calls serviced.
15. Performance measures were needed to provide standardized reporting on all aspects of Ornge's operations. (concern #2)	Further action required. There is no current plan to include a performance measure on the time to arrival at the scene or at a facility* Although many performance measures have been included in the 2012 revised performance agreement between Ornge and the Ministry, including reporting requirements to ensure medical staff are qualified, communications services are available at all times, and the availability of staffed aircrafts, no measures have been included regarding the time from when a call is initially received to when Ornge arrives on site (for emergency or urgent calls).
16. Ornge and the Ministry lacked useful and reliable data to drive evidence-based decision-making. (concern #3)	Action taken* Revisions to the Ministry's performance agreement with Ornge require more frequent reporting on operations, finances, labour and staffing, and legal issues, including quarterly expense reports, annual zero-based budget, and monthly reports on the number of calls serviced and percentage of calls serviced.

Area of Concern	Status
17. There was an absence of explicit performance service standards for areas such as paramedic qualifications for varying levels of calls. (concern #4)	Action taken Revisions to the Ministry's performance agreement with Ornge require Ornge to provide to the Ministry and publicly report an annual Quality Improvement Plan. This plan contains performance service standards including targets on the percentage of the time Ornge is able to staff two paramedics at all bases at a specific level of care.
Service Delivery	
18. The current business model of owning all aircraft directly and employing all pilots, paramedics and support staff may not be the most cost-effective model. (concern #30)	Action taken As part of its 2014-2017 strategic plan, Ornge undertook a review of its business model, which concluded that it continue with the status quo because it did not require an additional capital outlay and was evaluated as safer than the alternatives.
19. Consideration should be given to using an external base hospital for medical oversight instead of handling this internally. (concern #31)	Action taken The Ministry and Ornge considered alternative base hospital configurations and concluded that the current base hospital structure should not be changed, given that Ornge's base hospital is a member of the Ministry's medical advisory committee (providing it with access to evidence-based knowledge to develop appropriate medical directives).
20. Staffing levels may not be meeting established standards, and current training may not be ensuring the staff complement is able to perform required functions at all bases. Also, training may not be provided in a timely and cost-effective manner. (concern #32)	Action taken* Ornge's Medical Advisory Committee has standardized its internal paramedic crew staffing to provide clear standards on the level of care provided by each aircraft or vehicle based on the paramedic crew assigned to each transport. Data for its 2015/16 quality improvement plan indicated that by the third quarter of that year, Ornge was able to staff two critical-care paramedics at each base 72% of the time. Additional data for the period from January 1, 2016, to March 31, 2016, indicated that less than 1% of serviced calls required a hospital medical escort because Ornge could not meet the level of care required. Ornge also partnered with Cambrian College in 2014 to run an advanced-care paramedic training program, which reduced its internal training requirements.
21. Patient safety may have been compromised in certain cases due to the design of the AW139 helicopter medical interiors, understaffing of pilots and paramedics, and dispatch issues. (concern #34)	Action taken The medical interior was changed so that those currently installed in Ornge's AW139 helicopters meet Transport Canada requirements, as evidenced by a 2014 Transport Canada program validation inspection.
22. Inter-facility transfers may not be delivered efficiently, effectively, or on a timely basis to the satisfaction of patients and facility staff. (concern #36)	Action taken Ornge is required by the performance agreement to survey stakeholders annually. Survey results between 2012 and 2015 indicate that patients are generally happy with the overall care provided (overall satisfaction ranged between 70%-80% between 2012 and 2015). In addition, operational monitoring of inter-facility transfers occurs through the monitoring of response times, serviced and not serviced calls, and through oversight by a number of board sub-committees (such as the operations committee and quality of care committee).

Area of Concern	Status
23. Prior to Ornge, contractual arrangements with Canadian Helicopters yielded savings each year. (concern #39)	<p>Action taken</p> <p>As part of its 2014-2017 strategic plan, Ornge undertook a review of its business model to determine whether it had the right number and type of aircraft. Proposals were received from four major helicopter manufacturers and three helicopter leasing companies and operators. Based on Ornge's internal analysis of proposals received, it decided to continue with the status quo business model of owning and operating a fleet of aircraft internally.</p>
24. The current service delivery model must be reassessed. (concern #40)	<p>Action taken</p> <p>As part of its 2014-2017 strategic plan, Ornge undertook a review of its business model to determine whether it had the right number and type of aircraft. Proposals were received from four major helicopter manufacturers and three helicopter leasing companies and operators. Ornge's internal analysis recommended that that it continue with the status quo business model of owning and operating a fleet of aircraft internally.</p>
25. The AW139 medical interiors were not up to preferred standards. (concern #47)	<p>Action taken</p> <p>The medical interior currently installed in Ornge's AW139 helicopters has been in use since February 2013 and meets Transport Canada requirements, as evidenced by a 2014 Transport Canada program validation inspection that found that "all areas of enterprise operation were in compliance with regulatory requirements."</p>
26. There are concerns over the accuracy and reliability of Ornge's dispatch and reporting system, specifically its reporting on resource availability. (concern #49)	<p>Action taken*</p> <p>In June 2015, Ornge implemented a new computer-aided dispatch system in order to improve its dispatch ability, reduce errors, and provide more accurate reporting. The Ontario Internal Audit Division plans to assess whether the new dispatch system ensures completeness and accuracy. A final report is tentatively scheduled for the first quarter of 2017.</p>
27. There is unpredictability and uncertainty surrounding the functionality of the new dispatch system (given phases 2 and 3 of the three-phase rollout have yet to be developed), as well as the timeline for full implementation. (concern #50)	<p>Action taken*</p> <p>The new dispatch system went live in June 2015 and is fully operational.</p>
Standing Agreement Carriers	
28. Standing agreement carriers made numerous attempts to raise issues about Ornge to the Minister, but no action was taken. (concern #10)	<p>Action taken</p> <p>Ornge meets annually with the standing agreement carriers to maintain and improve working relationships and to address any issues as they arise. In addition, the Ministry continues to monitor Ornge's oversight of its standing agreement carriers at the monthly Ornge/Ministry meetings. The Ministry had no reports of any recent complaints from Ornge's standing agreement carriers.</p> <p>In addition, Ornge's CEO communicated to standing agreement carriers that they have a number of avenues to raise concerns, such as meetings with the Ministry and Ornge or through the whistle-blower policy which is facilitated by an external consulting firm.</p>

Area of Concern	Status
29. Contract negotiations with standing agreement carriers must take place in a transparent manner. (concern #42)	<p>Action taken</p> <p>Ornge employs a “negotiated procurement process,” whereby Ornge establishes its requirements and evaluation criteria. Submissions are then evaluated against the disclosed criteria and the highest-ranking proponent becomes the “preferred proponent,” which is then given the opportunity to negotiate a final, binding contract with Ornge (the negotiation process may include negotiation of pricing). All proponents are subject to the process and the same evaluation criteria are disclosed in the RFP.</p> <p>Ornge will re-procure standing agreement carrier services in 2017/18 and is currently in the early stages of developing the procurement process and documents. Ornge will be procuring the services of a fairness adviser to support the process, and anticipates that there will be a negotiation stage.</p>
30. In at least one instance, standing agreement carrier pilots did not receive proper training on the use of equipment. (concern #44)	<p>Action taken</p> <p>Transport Canada Civil Aviation audits air operators via its Surveillance Program. The audits verify compliance with regulatory requirements and confirm effective systems are in place to ensure compliance on an ongoing basis. Pilot training is one aspect of these audits conducted by Transport Canada. A 2014 Transport Canada program validation inspection performed on Ornge’s operations found that “all areas of enterprise operation were in compliance with regulatory requirements.”</p> <p>Ornge has also implemented a process within the flight crew tracking program as part of its dispatch process that restricts the dispatch of a crew member if he or she does not possess the required training requirements.</p>
31. There are concerns over the effectiveness of Ornge’s communication of its whistle-blower policy. (concern #51)	<p>Action taken</p> <p>Ornge issued a news release in December 2012 with details of the whistle-blower policy and also posted information about it on its public website.</p>
Investigations, Inspections, Audits	
32. The resolution of investigations and complaints may not be conducted in a timely manner. (concern #18)	<p>Action taken</p> <p>New time requirements have been set through the amended performance agreement. For example, Ornge is required to notify the Ministry of any incidents that meet pre-set criteria. When the Ministry is notified, a standard process is followed to determine if an investigation is required, including a determination of whether Ornge, the Ministry, or both will conduct the investigation. In cases where follow-up action is required, either a 10-day or 40-day time period is given to Ornge to indicate how it will take corrective action. Ornge’s complaint data is overseen by the Ministry and Ornge’s Operations Committee.</p>
33. A January 2013 Transport Canada Program Validation Inspection identified a number of areas of non-compliance at Ornge. (concern #19)	<p>Action taken</p> <p>Ornge provided a Corrective Action Plan to Transport Canada based on the findings of the inspection, and a subsequent letter was provided by Transport Canada indicating corrective actions were taken that addressed the issues identified.</p>
34. Two Transport Canada inspection reports found Ornge to be out of compliance with night flight training of pilots. (concern #20)	<p>Action taken</p> <p>The results of a 2014 Transport Canada program validation inspection found that “all areas of enterprise operation were in compliance with regulatory requirements.”</p> <p>Ornge has implemented a process within the flight crew tracking program as part of its dispatch process that restricts the dispatch of a crew member if he or she does not possess the required training requirements.</p>

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35. Up-to-date records are needed to ensure pilots and paramedics do not exceed the maximum number of work hours allowed under Transport Canada rules. (concern #21)	Action taken Ornge has an internal system to monitor pilots' compliance with Transport Canada duty regulations. The current system, implemented in 2011, allows for the continual review of flight hours and automatically flags any flight and duty time that exceeds the maximum number of hours prior to assignment of a flight. Ornge also tracks hours worked by pilots in non-Ornge aircraft.
36. Ministry audits may be inconsistent and not conducted on a regular basis. (concern #22)	Action taken Ambulance service reviews are conducted every three years and are scheduled no less than six months prior to certificate expiry. This provides time for the review process to be completed prior to certificate renewal being issued.
37. There may still be outstanding issues from the Ontario Internal Audit Division's 2013 audit of Ornge related to board governance, compliance with directives, and Ornge's reporting to the Ministry. (concern #24)	Action taken As of October 2016, the Ministry reported that Ornge had implemented almost all of Internal Audit's recommendations, with most others to be implemented by early 2017.
38. The actual standard-of-care results are less than reported. (concern #35)	Action taken Ornge implemented a new dispatch system in June 2015 to enhance the accuracy, quality and type of data available to Ornge and ensure more accurate reporting. The Ministry's Internal Audit Division plans to assess whether the new system supports more complete and accurate reporting. A final report is tentatively scheduled for the first quarter of 2017.
Salaries and Payments	
39. Non-disclosure of salaries at Ornge should have been a red flag to the Ministry. (concern #12)	Action taken The revised performance agreement requires Ornge to comply with the <i>Public Sector Salary Disclosure Act</i> . Ornge discloses all employees who earned more than \$100,000 and worked for one of their non-profit entities. Ornge's two for-profit entities that employ aviation staff are not subject to this legislation, but Ornge still publicly discloses these positions and related salaries, although these individuals' names are not disclosed.
40. Excessive compensation was paid to board members of a public sector enterprise, and apparent conflicts of interest existed. (concern #46)	Action taken The entire board of directors was replaced in 2012, and a new conflict-of-interest policy was implemented in November 2012. Ornge board members do not receive any compensation for their services. They are reimbursed for expenses incurred in accordance with Ornge's Travel, Business Expense & Hospitality Reimbursement Policy and Board Service Policy. Expenses typically include travel, accommodation and meals incurred for Ornge business purposes. The expenses paid to board members and executives are posted on Ornge's public website on a semi-annual basis. Information posted includes date of the claim, amount claimed and description of the expense in accordance with the requirements of the broader public sector directives.
Other	
41. The committee questions the integrity of Argus' business practices and ethics, and believes Ornge should reassess its business relationship with Argus. (concern #23)	Further action required Ornge informed Argus in 2012 to stop the business practice of soliciting standing agreement carriers for additional work, and Ornge is reviewing options beyond 2017 upon the expiry of their contract with Argus.

Area of Concern	Status
42. There are concerns about the effectiveness of Ornge's training model, the implications of Ornge's control over flight paramedic training, and the dependence on Ornge for training. (concern #43)	Action taken Ornge is facilitating an accelerated program for Ornge paramedics who have not yet achieved Advanced Care or Critical Care certification. In September 2014, Ornge established a partnership with Cambrian College to train paramedics to the Advanced Care Paramedic Flight level. Further partnerships are being explored by Ornge.
43. The Committee would like an update on the outstanding recommendations in the Special Report. (concern #67)	Action taken* Our follow-up on the 2012 Special Report accomplishes this.
44. Budget pressures due to financial commitments, including staff bonuses, must not compromise air ambulance core services. (concern #54)	Action taken The revised performance agreement requires that Ornge submit a zero-based budget annually, which allows the Ministry to identify and analyze detailed program expenditures to ensure that the funding provided reflects the services delivered.

* Refer to Chapter 2, Section 2.02 in this Volume of our Annual Report.