



# News Release

For Immediate Release

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## **ELECTRONIC HEALTH RECORD: RUNNING LATE, TOO MANY CONSULTANTS**

(TORONTO) In a Special Report to be tabled today in the Legislative Assembly, Ontario Auditor General Jim McCarter describes Ontario's almost decade-long, \$1-billion initiative to create an Electronic Health Record (EHR) as "lacking in strategic direction and relying too heavily on external consultants." McCarter concludes that "Ontario taxpayers have not received value for money for this \$1-billion investment."

The Legislative Assembly and the media have in the last several months questioned contracts awarded by eHealth Ontario—the recently created agency that took over responsibility for creating EHRs to deliver better, more cost-effective health care to Ontarians—charging they were often awarded without an open competitive process. McCarter said this was "undoubtedly" the case. He also found evidence of "questionable procurement practices" in the Ministry of Health and Long-Term Care (Ministry) and at the Smart Systems for Health Agency (SSHA).

The 50-page report, entitled Special Report: Ontario's Electronic Health Records Initiative, examines efforts by the Ministry and its agencies to create an EHR—essentially a system of computerized medical records for all Ontarians. Health-care professionals would use EHRs to deliver services more efficiently than at present. All 10 provinces and three territories are working to create EHR systems, which one study says could save Canada's health-care system \$6 billion a year.

Among the findings in the Auditor General's Special Report:

- Of the \$1 billion spent so far on the EHR initiative, \$800 million was spent by the SSHA primarily to build a computer network for health-care providers that is expensive to operate and significantly underutilized, mainly because of a dearth of available applications. Specifically, it is costing \$72 million annually to operate the network; and, on average, users are utilizing less than 1% of the network's available bandwidth (or system capacity), with peak usage averaging only about 16% of available bandwidth.
- Allegations earlier this year that eHealth Ontario awarded contracts to certain companies without giving other firms a chance to compete were "largely true," as were allegations of "favouritism" in the awarding of such contracts. For example, one firm that bid 500% more than the next qualified bidder was invited to bid again, the only company offered such an opportunity, and, after lowering its bid significantly, won the contract. Another firm that was awarded untendered contracts on the first phase of several projects was awarded many subsequent contracts worth about \$7 million to work on successive phases of those projects.

- There was a heavy, and in some cases almost total, reliance on consultants. By 2008, the Ministry's eHealth Program Branch had fewer than 30 full-time employees but was engaging more than 300 consultants, a number of whom held senior management positions.
- The recent replacements of the eHealth Ontario board chair and CEO mark "the fourth such overhaul of leadership at eHealth Ontario and its predecessor" and each of these overhauls brought with it its own period of transition where progress on the initiative's objectives was slowed or, at times, virtually halted.
- Ontario is near "the back of the pack" in the development of EHRs compared to the other provinces.

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For more information and to view the full special report, please visit [www.auditor.on.ca](http://www.auditor.on.ca).