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Public Accounts**

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Centre for Health Information

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Public Accounts Committee

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Chair: Jim Bennett, MHA

Vice-Chair: David Brazil, MHA

Members:

Sandy Collins, MHA  
Eli Cross, MHA  
Eddie Joyce, MHA  
Christopher Mitchelmore, MHA  
Kevin Parsons, MHA

Also present:

Calvin Peach, MHA, Bellevue

Clerk of the Committee: Elizabeth Murphy

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Appearing:

**Office of the Auditor General**

Terry Paddon, Auditor General  
Sandra Russell, Deputy Auditor General  
Brad Sullivan, Audit Senior

**Centre for Health Information**

Mike Barron, President and CEO  
Steve Clark, Vice-President Business Services and CFO  
Ray Dillon, Chair of the Board  
Jim Janes, Chair of the Finance and Audit Committee

Pursuant to Standing Order 68, Calvin Peach, MHA for Bellevue, substitutes for Sandy Collins, MHA for Terra Nova.

The Committee met at 9:00 a.m. in the House of Assembly Chamber.

**MR. BRAZIL:** I would like to welcome everybody as we do a hearing for the Centre for Health Information.

For those who do not know, I am David Brazil, Vice-Chair of the Public Accounts Committee. Unfortunately, the Chair is on the missing list. I expect he will show up, so I will vacate the Chair then and he will take over.

What we will do first is I will ask everybody to introduce themselves, particularly the members of the Committee, what district they represent, and then we will go to our witnesses and the members from the Auditor General's office.

We will start with Mr. Joyce.

**MR. JOYCE:** Eddie Joyce, Bay of Islands.

**MR. MITCHELMORE:** Christopher Mitchelmore, The Straits – White Bay North.

**MR. K. PARSONS:** Kevin Parsons, Cape St. Francis.

**MR. PEACH:** Calvin Peach, Bellevue.

**MR. CROSS:** Eli Cross, Bonavista North.

**MR. BRAZIL:** Okay, we will start with the Auditor General's staff.

**MS RUSSELL:** Sandra Russell, Deputy Auditor General.

**MR. PADDON:** Terry Paddon, Auditor General.

**MR. SULLIVAN:** Brad Sullivan, Audit Senior.

**MR. BRAZIL:** The witnesses from the Centre for Health Information, please.

**MR. BARRON:** Mike Barron, Newfoundland and Labrador Centre for Health Information.

**MR. DILLON:** Ray Dillon, Chair Newfoundland and Labrador Centre for Health Information.

**MR. JANES:** Jim Janes, Board Member and Chair of the Finance and Audit Committee.

**MR. CLARK:** Steve Clark, Chief Financial Officer with the Centre.

**MR. BRAZIL:** Thank you.

I am going to ask the Clerk now if she would swear in the witnesses and those who have not been sworn in before. I think some members of the Auditor General's staff have been, and that still stands.

Swearing of Witnesses

Mr. Brad Sullivan  
Mr. Mike Barron  
Mr. Ray Dillon  
Mr. Jim Janes  
Mr. Steve Clark

**MR. BRAZIL:** Now that we have all the witnesses sworn in, I am going to vacate the Chair and turn it over to the Chairperson. We have done our basic introductions so you can just do a little lead-in.

**CHAIR (Bennett):** Thank you very much.

I apologize for being late. My name is Jim Bennett, and I am Chair of the Public Accounts Committee. Fortunately, we have a more-than-capable Deputy Chair. He just proved it.

Even though this is a public hearing, it is a relatively informal hearing. It is not what you would see in any sort of a courtroom cross examination or that type of thing. It is more of a question and answer. This Committee works on the premise that we are primarily interested in how practices and procedures have taken place in different entities.

We do not see ourselves as an entity that chases people or challenges people. We provide an opportunity for the entities that come before us, who have primarily been reviewed by the Auditor General, to explain the background, how certain things were done, and how they took place. We are interested in making sure that we have a good footing in all cases to go forward.

Often when groups come before us, we tend to be satisfied with the types of explanations they provide. Often, many of the questions have already been resolved. Often, any changes in process or procedures have already taken place. That is not unusual for us at all.

The Auditor General, Mr. Paddon, usually starts with his observations or statements. After having had an opportunity, if you want to provide any opening explanation or statement, that is not required; it is simply offered. Then the Committee members ask questions, and we do it in a rotation. Committee members ask questions for up to ten minutes. At the end of ten minutes, it goes to another member, then another member, and then another member. Nobody needs to feel that they are being oppressed or berated. Like I said, it is not like a court type of setting; it is more an informal Q & A.

With that statement, does anybody have any questions before I go to Mr. Paddon?

Mr. Paddon.

**MR. PADDON:** Thank you, Mr. Chair.

Good morning, everybody. I just wanted to take a couple of minutes, not to go through the whole section of this report but just to highlight what I thought were a couple of key more significant items for the Committee's benefit.

First of all, the staff of the Auditor General's office who are here today were introduced. Sandra Russell is the Deputy Auditor General. Brad Sullivan, Chartered Accountant, is an Audit Senior with the office. He was responsible for the review done at the

Newfoundland and Labrador Centre for Health Information.

In terms of the context of our review, it was completed in November 2012. Our report came out in January 2013. The period of the review covered April 2007 to November 2012, a period of four-and-a-half years. The focus of our review when we went in was to look at compensation and recruitment, to look at purchases of goods and services, and to look at governance.

In terms of observations that are in my report, we have observations around compensation and recruitment practices and around governance. We provided eight recommendations overall. I will note that there were no recommendations around the purchase of goods and services.

Just to highlight a couple of things around the compensation and recruitment aspect of the report, in terms of compensation, based on some correspondence we saw from the Department of Health and Community Services to the Centre, we felt that it was an expectation of government that the Centre's compensation policies should be consistent with government. That then formed some of the basis for the recommendations and the findings in our report.

I will also note that on the recruitment side, and it is noted in the report, that the Centre is not covered by the Public Service Commission Act, although we would have sort of expected that they would follow the spirit and intent of that act.

In terms of issues identified in the recruitment and compensation area, there were a number of areas that we highlighted: job competitions, issues around upscale hiring, the pay structure of the Centre, step increases used for retention purposes, issues around reclassifications, pay in lieu of notice, the employment contract of the CEO, salary increases, and the use of external consultants. I do not want to focus on all of those, but I just provide some comment on three areas of those: pay structure, step increases, and the reclassifications, just to highlight those for the Committee members.

In terms of the pay structure, the act that created the centre was proclaimed effective April 27, 2007. That was really the starting point of the Centre. All positions that came over to the Centre at that point in time had previously been classified for whatever system they were in. Upon proclamation, the Centre hired the Hay Group to review all of the positions and to do a new classification. That is fair enough. We do not have any issues with that process. That is something that I think you would normally do.

In January 2008, the Board of Directors approved new classification and the pay structure. This was retroactive back to the start of the Centre, April 2007. That, again, would not be unusual; that would be a normal course of events.

The point we do note in the report is that the new pay structure, the new classification system, was not approved by the Minister of the Department of Health and Community Services.

Once the new structure was implemented, our report notes that there was an increase at that point in time in annual salaries as a result of the classification of about \$203,000. While I do not know what the exact percentage was – probably roughly 2 per cent, in that range - that, in and of itself, I do not think would be an unusual number to see. I guess one of the points that we do make is that of the \$203,000 about 45 per cent of that went to six employees and the rest went to other fifty-two employees. So there seemed to be sort of a weighting towards the more senior people in the organization, in terms of the new classification system.

The other point that we make on the pay structure is the issue of the Hay system itself. The Province of Newfoundland and Labrador uses the Hay Group. It is a consulting group that provides advice and has a system of classification that rates positions. Based on the amount of knowhow, accountability and problem-solving around the job, you would assign a number of points to that job and the points then would equate to a pay level. So generally speaking, your pay is structured around the complexity of your job. The

government uses that system and that is the same group that the Centre used to look at their classification system.

We would have expected that if the number of points assigned to a particular job at the Centre were similar to the number of points that were assigned to a job with the provincial government, you would expect to see similar salaries for similar points. I guess what we found was that for similar point totals at the Centre, the salary levels were significantly higher than similar point totals with the provincial government. In fact, the amount of salaries for similar point totals in the Centre than in government was about \$1.3 million annually higher. If those positions went to the full steps at the top of the scale, it would be about \$1.6 million higher. In a nutshell, if those similarly rated positions were in government, they would have been paid in aggregate \$1.3 million less than at the Centre.

In terms of step increases, the Centre policy does provide the CEO with discretion to adjust salary steps in extraordinary circumstances for retention purposes. The extraordinary circumstances would be for performance issues, so if you were performing at a higher level than expected, or other people, then presumably you would be able to qualify for a step increase; or if there were market pressures, so if you were at risk of losing a person you could adjust them.

While this is Centre policy, and being outside, I presume they can make their own policy, I do not think there is an issue there. We would note that it is inconsistent with government policy. Government policy does not allow for step increases for retention or for performance issues. We found eleven instances during the period of our review where there were step increases for performance or for extraordinary circumstances.

The last point I just want to highlight before I give up the floor is the issue of reclassifications. As I had mentioned, when the Centre first came into existence in 2007, they went through a process of looking at all their positions. They were all reclassified in January to March, 2008, retroactive to 2007. At that point in time, I

would have expected that everybody would have been reasonably satisfied that the classification and pay levels for those positions were appropriate based on the review that was done at the time.

What we did then in the period from March 2008 to October 2012, the end of our review, we looked at forty-three requests for reclassification by employees. Basically, they say: I do not believe I am appropriately classified; I would like to have a review. Generally in government, if you have a reclassification review, it is because the duties of the position have changed since the last time it was reclassified, and that is fair enough. So there would be an independent review by the Human Resource Secretariat and they would adjudicate whether they thought the duties had changed.

What we found in the Centre's case is that, of the forty-three requests for reclassification since every position was reclassified, thirty-eight of those requests were successful, which is about an 88 per cent success rate. We did talk to the Human Resource Secretariat here in government to find out what the success rate in the core civil service is, and it is about 20 per cent. We found that was sort of an unusually high rate in any event, but we thought it was more unusual in the fact that everything had been looked at in 2008 in the first place. I would not have expected to see that kind of level of reclassification in such a short period of time, so that was one of the items that we highlighted.

Other than that, I know everybody has read the report so I will not go through all the other items, but those are three areas that I thought I would just highlight for the Committee's benefit. I will leave it at that.

Thank you, Mr. Chair.

**CHAIR:** Do any members have any questions for Mr. Paddon?

Maybe for clarification, for me, just so that I understand it a little more clearly, when you refer to Hay, you may have said a standard or something of that nature that government uses,

Hay is a consultant, and then you would expect that it would be uniformly applied throughout government entities or agencies. Does that mean like saying – and I know this is really simplistic – if a litre has 1,000 millilitres in government or has 1,000 millilitres everywhere else, a litre is a litre is a litre, so Hay is Hay is Hay with no variation?

**MR. PADDON:** I am not saying that you could not have a variation. The Hay Group is a consulting group that has a methodology for classifying and rating positions in an organization. You look at the complexity of the job, the know-how, the accountabilities that are around that job, and you would assign points for different complexities, so the higher the complexity the higher number of points.

For different point levels, you would assign a salary range or salary level. There is no doubt that you can assign any salary, it depends on your capacity to pay for different points. That is certainly up to the discretion of whoever is using the Hay system. The Province uses it, the Centre uses it, but there are all kinds of other organizations. You would not necessarily expect the salary level – if IBM was using it, for argument sake, the salary levels for different points might be different from government.

All I would suggest is that the Centre is using public money to pay its employees, so one would think that there would be some consistency between the salary levels assigned for a point total at the Centre and the salary total applied to a point level for government.

**CHAIR:** Do I understand you to say that there is some flexibility in arriving at what would be the appropriate point level; or having arrived at the appropriate point level, there is a variation in the salary level applied?

**MR. PADDON:** Yes, I would think the latter. You would think that the point level – obviously there is going to be some subjectivity in measuring know-how and accountabilities and complexity, those sorts of things, but you should be reasonably consistent.

I do not want to single out a particular job, but if it is a job in the accounting department, for argument's sake, in the Centre versus a job in the accounting department in the Department of Finance, one would think that for similar positions doing similar things, you would come up with similar point totals.

Then at that point, fair enough, there is probably some discretion within the organization to say I am going to pay somebody at that point level \$40,000; whereas another organization might say well, I am going to pay them \$42,000. Where both organizations are paid from the public purse, one would think that there would be some consistency in the salary levels.

**CHAIR:** This is not in arriving at what we – I do not want to say the correct point level because different organizations may well have different requirements. I do not know what a point level would be. Let us say, for example, if it is the company accountant – and I will use a company. If the company accountant performs certain services, then somebody determines what does that work out to in points.

Company B might have a company accountant, but a totally different point outcome because that one person may be doing all kinds of payroll, accounts receivable, and whatever. The other one may be just doing straight audit in a bigger company.

**MR. PADDON:** Yes, I think that is a fair statement. You really need to look at the individual jobs. What we did at the end of the day here is say okay, we have a job in government that has a point total of 1,000, for argument's sake, and we have a job at the Centre with a point total of 1,000.

These two jobs have the same point totals. How you get to that, we do not know. Obviously, they have gone through a process of evaluation. Then we say for two jobs in two organizations paid by the same public purse effectively, this job with 1,000 points is paid \$50,000 and this job with 1,000 points is paid \$55,000.

**CHAIR:** Okay. Does that account for years of service? Does that account for hours –

**MR. PADDON:** Years of service is irrelevant. It is not looking at the individual; it is looking at the job itself, the duties, and responsibilities of the particular job.

**CHAIR:** Length of work week and that sort of thing?

**MR. PADDON:** It should not really matter how long you work, as long as you do your work.

**CHAIR:** Okay.

**MR. PADDON:** It is looking at the job, the duties, the responsibilities, the expectations, all those sorts of things, of a particular position. It ignores the individual; it just looks at the job itself. It does not matter who is in the job; it is the job itself.

**CHAIR:** I think this is a bit complex for most people to get their mind around, how this would actually work.

**MR. PADDON:** Well, I have been around here long enough that I am not sure if I have really quite grasped the subtleties of it myself.

**CHAIR:** Okay.

**MR. PADDON:** Sometimes it is a mystery.

**CHAIR:** Does anybody have any questions for Mr. Paddon?

**MR. K. PARSONS:** I just get back to what Jim was just asking about there with the Hay report. Obviously, there is a point system; you are mainly talking about a person coming in as the new position. I would imagine that with years of experience, I know it does not count, but that would put you probably in another step. If you had ten years of experience doing a similar job and a person who starts off with their first year, obviously you would be looking at – I know Hay could look at the particular type of job that you are doing and Hay would say okay, you are doing the same type of work. You say it has

nothing to do with experience, but that step level would be different, right?

**MR. PADDON:** Well, there would be a salary range around that point total. Then you would have, say, twenty-five steps within that range. It is the steps then that the experience moves you up the ladder.

**MR. K. PARSONS:** Okay.

**MR. PADDON:** Theoretically, when you come into a job that has a range of salary from steps one through twenty-five, you would start at step one. I mean, there are circumstances where you might start higher. Then, over the years based on your experience, you would move up the stepladder to account for that experience.

**MR. K. PARSONS:** If you look back at a lot of recruitment that is done today, it is a job to get experienced people and stuff like that, and sometimes you have to pay for the experience. So, you would obviously determine whether that person who has ten years experience versus a person that is just coming in new, then it would be the decision to make where they come to, right?

**MR. PADDON:** There are provisions to upscale higher when you take somebody in at a higher scale than step one. There are some parameters around when you can and cannot do that, but yes, you can account for the experience.

**CHAIR:** Does anybody else have any questions?

I would like to welcome Mr. Peach. I did not realize he was there sitting in for Mr. S. Collins, I presume.

I think maybe the Centre wants to sort of provide background; please go ahead. Each time you speak, you have to say who is speaking, because the person will be typing it one of these days and will not know who is on first and who is on second, and that is not that helpful for them. It does not take much more time and it is useful. Besides that, all of us

might not have remembered your names immediately.

Please, go ahead.

**MR. DILLON:** Good morning. My name is Ray Dillon and I am the Chair of the Newfoundland and Labrador Centre for Health Information.

On behalf of the Newfoundland and Labrador Centre for Health Information, we are pleased to have the opportunity to address the Public Accounts Committee today regarding the Auditor General's findings and recommendations. We believe that today's discussion will result in further clarification of the items raised in the 2012 report.

By the way of background, the Centre was created in 1996 and subsequently incorporated as a provincial Crown agency in 2007. The organization is responsible for developing a confidential and secure provincial Electronic Health Record, and for providing and ensuring appropriate use of quality health information to support improvements in the health system.

Within this mandate, the Centre has strived to establish itself, and thus the Province, as a leader in health information management. We have developed our operational models based upon industry best practices and sought to attract and retain the best possible people to ensure we are all well positioned to achieve our mandate.

As a result, the Centre is a national leader in health information management and is on the forefront of Electronic Health Record, or EHR, development in Canada. The Province's position is to be among the first three provinces in Canada to establish an interoperable EHR. Once implemented, the EHR will provide more accurate, reliable, and comparable data to support health care policy and decision making, program monitoring, resource allocation, improved accountability and stability in the health system, and enhanced quality and safety in patient care.



Several core components of the EHR are already in place or are currently being implemented, including the client and provider registries; the Picture Archiving and Communication System, or PACS, the provincial digital diagnostic imaging system; and the Pharmacy Network, the provincial drug information system. The Centre is also preparing to implement the iEHR/Labs project, which includes an EHR viewer, a provincial laboratory information system, and a shared health record containing select clinical reports.

The Centre also proudly collaborates with key health system partners, including the Department of Health and Community Services, as well as the regional health authorities, to support other provincial health information systems and initiatives as required. The Centre leads and manages many valuable linkages between these partners at all levels, from frontline to executive teams, to ensure a provincial lens is applied to health information management issues and projects. Examples of Centre leadership include facilitating the provincial Telehealth program, the clinical safety reporting system, and multijurisdictional telepathology projects.

The Centre continues to play a significant and increasing role in health information management and health analytics, including providing analysis and evaluation of health information to support enhanced decision making and policy development within the health care system.

For example, the Centre's Research and Evaluation Department has responded to adverse events in the health system, completing analysis for the Cameron inquiry, supporting the H1N1 epidemic by identifying populations at risk and examining disease rates to inform resourcing and immunization rollout decisions, and examining trends in cardiac conditions and risk factors to support a provincial program determining need for additional diagnostic equipment and physician allocation.

Through these and its many other initiatives, the Centre is delivering valuable work for the

provincial investments provided. The Centre also leverages these provincial investments to secure additional funding from the federal government and other organizations, including Canada Health Infoway commitments totalling \$73 million, of which \$51 million has been received since 2002. The Centre's Research and Evaluation team has also generated \$6.1 million in revenues from additional sources outside of direct provincial government funding from private sector and federal government sources in recent years.

Even with much valuable work completed and currently underway, the e-health and health information fields still hold significant potential for further development and growth, particularly for a Province such as ours with its vast geography and dispersed population. The Centre is equipped, skilled, and positioned to take on more leadership for the benefit of the Province, including strengthening the provincial health analytics framework with a goal of maximizing the data and information already available to us, building on existing partnerships to increase adoption and use of provincial health information systems, and lead identification and prioritization of strategic e-health initiatives and activities for the future.

Changes and improvements that will address recommendations offered by the Auditor General were already underway, including discussions with the Department of Health and Community Services on compensation alignment and implementation of an electronic human resource information system. Since the release of the report, the Centre has taken measures to further these initiatives. One such action was submitting a road map to the Department of Health and Community Services outlining an approach to aligning Centre compensation and related policies with those of government.

I trust today's discussion will provide further clarity to the issues raised by the Auditor General and demonstrate our commitment to strengthening our organization for the benefit of the Province. The Centre remains committed to diligent use of provincial investments, achieving

its mandate, and realizing its vision of improved health through quality health information.

Thank you.

**CHAIR:** Before we start, I am not sure if anybody advised our witnesses that the washroom facilities are behind the door. Ordinarily, we take a break at 10:30 a.m. We have from 9:00 a.m. until noon, if we need that long.

I will ask Mr. Joyce from the Official Opposition to begin to ask questions.

**MR. JOYCE:** First of all, thanks for appearing today. I am sure there are going to be some questions arising here today that are going to answer a lot of – first when we read the report and saw the report, a lot of concerns raised.

The first question – when I read the report and I went through this – is: Who do you answer to? It looks like you are off on your own and you can do what you like. Who do you answer to itself? Who do you have to take direction from? Which department? Is it any department or are you just stand alone?

**MR. DILLON:** We are an entity that exists under its own legislation. We report to the Department of Health and Community Services.

**MR. JOYCE:** It is the Department of Health and Community Services that you are supposed to get all these approvals from, or the Treasury Board?

**MR. DILLON:** The organization itself because the legislation exists that enables its existence; for the most part the organization would look to that legislation, in collaboration with the Department of Health and Community Services.

**MR. JOYCE:** I am just asking general questions before I get into some specific questions. All these pay raises, were they done in consultation with the Department of Health?

**MR. DILLON:** Because the NLCHI has its own legislation, it was the view of the board and just

for clarity – again I am sorry, I did not introduce myself as Ray Dillon, the Chair. I am a relatively recent addition to the board. I began in February. Much of what I can represent would be from board minutes and discussions with previous board members.

The board at the time, understanding the legislation, believed that it was within its rights, duties, and obligations as a board to make these approvals themselves. If you read the strict legislative guidelines, it would fall within their domain to make those decisions.

**MR. JOYCE:** Who appoints the board?

**MR. DILLON:** The government.

**MR. JOYCE:** The government makes their own government appointees. Then the board gets on and follows the direction, without any consultation with the Department of Health.

**MR. DILLON:** I would say that there are many consultations on many areas and many levels, given that we all support the health system. There is a tremendous amount of dialogue and daily interaction with the Department of Health and Community Services.

**MR. JOYCE:** Okay.

The other question and it is very general, once these decisions are made – I know in one case the Auditor General mentioned that the person from the Department of Health was on the board said no, you should not do this without consultation with the minister, but the board went ahead and made the decision anyway.

Do you feel that you have legislation in place in the board or just the separate authority to make decisions even if you do not consult with the department, even with the department's official who is sitting on the board saying no, we should not make the decision; we should consult with the minister? How can you say that you are doing consulting with the minister when you are advised not to do it, but you went ahead and did it anyway?

**MR. DILLON:** The board itself, there are many constituents represented on the board. At that time there was a member from the department that was one of those constituents. Again, not being in the room at the time, but I think the decision was that input was received and valued and weighed, but I guess the board's reading of the legislation, their belief, as a sort of duly formed board, that it was within their mandate to make the decisions as a board.

**MR. JOYCE:** I am just shocked when you read it that they have their own separate entities that you do not have to follow the government guidelines.

Do you feel now that you have to follow the government guidelines and restrictions that are put on everybody in government, every government agency? If you read your own legislation, it is almost like – do you feel that you have to follow government guidelines or you do not –

**MR. DILLON:** I can say as the board that exists today, certainly we have heard loud and clear from the shareholder which is the Department of Health and Community Services that they want us to be in line, and we have given the direction to the CEO and his team that on a go-forward basis we are going to fall in line with the policies and procedures of the provincial government. I cannot speak for what happened in the past but certainly on a go-forward –

**MR. JOYCE:** Is there anybody who could speak to what happened in the past because this is what we are discussing about –

**MR. DILLON:** On a detailed basis, I think on a detailed question, we can. The question that was asked was going forward, do you think – and I guess I just answered that going forward, absolutely.

**MR. JOYCE:** At the time when the decisions were made – and, of course, I am sure the minutes were given to the Department of Health or Treasury Board – at any time did the government or the minister at the time when a lot of these issues were taking place, did they

step in and order a rollback or to stop doing these type of practices? Did the department? Because I am assuming with a representative from the Minister of Health on the board that they would receive copies of these minutes and what was happening.

**MR. DILLON:** To the best of my knowledge there was no order to do any rollbacks. There is certainly an ongoing communication between the department and the Centre around policies and issues certainly in the last year.

**MR. JOYCE:** One can assume that the minister or the government was aware that these practices were taking place?

**MR. DILLON:** I do not know to what extent – Mike?

**MR. BARRON:** I would not have been privy to any conversation between the board Chair and the government at that time. To put it all into context, when the Centre –

**CHAIR:** Excuse me, it is important to identify yourself.

**MR. BARRON:** Oh, I am sorry, Mr. Bennett. Mike Barron, President and CEO, Newfoundland and Labrador Centre for Health Information.

To put all this in the context at the time, the Centre was just beginning to get where it needed to get to avail of all those federal funds that we spoke about, that Mr. Dillon mentioned in the opening comments. It was acknowledged at that time by the board that the Centre was having difficulty recruiting people that they required in order to meet the obligations associated with these funds from the federal government.

These were not grants; these funds were actually investment frameworks and they were gated. We actually had to make sure that we made certain progress in order for us to receive the money that we were booked.

At the time – and the board had good, broad representation – the board was well aware of the

difficulties that the Centre was having in recruiting. As a result of that difficulty in recruiting, the board, through its own consultations and with conversations with government – there is no question they occurred; there was always an ongoing relationship and a contact with government.

The board deliberately and necessarily put in a pay scale system that would allow the Centre to retain and recruit those people required for the Centre for Health Information to fulfill its mandate, as per the legislation. Now, on an ongoing basis, every year the Centre does participate in all the government processes with regard to budgeting. For example, after 2008, the Centre, just like any other government entity, we would have to put our individual positions in to government for budget approval the same as any other entity.

**MR. JOYCE:** The position on the board from the Department of Health, was it an ADM, DM?

**MR. BARRON:** That was an ADM at the time.

**MR. JOYCE:** So an ADM knew that all this discrepancy was going on in the board. I am assuming then put it back to the minister, but there was never anything done by the Department of Health. There was never any direction to say –

**MR. BARRON:** The only direction that I, as CEO, received was from the board Chair to proceed as per the board's recommendation with the new pay scales.

**MR. JOYCE:** With all due respect – and when you go through some of this here and you talk about hiring people – when you just reclassify and move people up to a higher classification, that is not what you call recruitment; that is increasing a pay salary. By any way you want to take it, in several incidents that were mentioned here in the Auditor General's report where people were just reclassified in another position, getting an extra \$40,000 or \$50,000 a year, that is not what you call recruitment; that is what you call just increasing pay.

**MR. BARRON:** With all respect, to put it into the context of the situation at the time, the Centre went from fifty people in 2007 to 150 people in 2010, 2011, or 2012. The complexity of the organization and the complexity of the projects, because we are dealing with a project environment – this was not an established government department or an established government Crown agency that has been around for a long time; we were inventing one. When I say we, I mean the people on the board and the staff of the Centre.

So when you see those big increases, they were not arbitrarily assigned pay increases just because; it was always done, certainly, with our external consulting help. We used Knightsbridge Robertson Surette. We used practices that would be used in the private sector, not only to recruit but to retain people. The economy in the St. John's area at the time, there was significant pressure on the best resources of the Centre to leave, and that would have put multi-million dollar public projects at great risk.

**MR. JOYCE:** If you felt that, you would have went public instead of just taking people internally and just increasing. If you went public, you would see if you could get a better bang for your buck.

**MR. BARRON:** I am sorry?

**MR. JOYCE:** If you felt that, you would have went public with the positions instead of just changing the position title, giving a reclassification; you would have went public to see if you could get a better bang for your buck with the increase in funds.

That is the normal procedure for anybody – if you need the expertise, you would go public to see if you could get a better bang for your buck. By just taking people and just changing their title, increasing their salary by \$30,000, \$40,000 or \$50,000 does give the perception that you are just feeding the people within – right or wrong?

**MR. BARRON:** Yes, we cannot change that perception, but I am trying to give you folks the

context because at the time what happened – we are talking about two specific examples that were outlined in the report. At the time, these positions were not just given new titles and new salaries. These positions were growing as the organization matured and as we continued to go down that path of being a leader in the country on Electronic Health Records and that sub-speciality and the difficulty to maintain and grow an organization.

It was not as simple as changing their title and given them new salaries. Their responsibilities changed as the organization grew, as it evolved. As the organization grew and evolved, our job as an executive, and my job as CEO, was to make sure that we put in a solid team as we moved forward on these large investments.

**MR. JOYCE:** On page 188 of the Auditor General’s report, it says no formal response from the minister regarding the CEO’s contract, and this is just a prime example. I can read it, but there is no need. “...explicitly allows for alterations to existing terms with the recommendation of the Board Chair and approval of the Minister” for changes to the CEO contract. “The Centre was unable to provide a copy of a response to this letter from the Minister. We were informed by the Centre that they had not received a formal response from the Minister.”

“In June 2009, less than three years into the CEO’s contract, and without written agreement from the Minister, the CEO entered into a contract of employment directly with the Centre.” It goes on, the contract “...to begin at \$150,766 annually, which was step 2 on the CEO pay scale. The terms of the contract allowed three steps per year and an annual performance...”.

How can you go ahead with this without permission from the minister? Within the agreement, it says here that you need permission from the minister. Did the minister, at any time, give permission to go ahead with this?

**MR. BARRON:** We would not have been privy to discussions of the board Chair and the minister.

**MR. JOYCE:** Can you produce a letter today saying that the minister – and it says right here the approval of the minister. Can you say here today or can you give us any documentation that the minister approved this?

**MR. BARRON:** The documentation that we would have is that the board Chair met with the minister.

**MR. JOYCE:** So there is nothing on the record.

Who was the board Chair at the time?

**MR. BARRON:** Mr. Bill Fanning.

**MR. JOYCE:** Bill Fanning.

So is there anything on record to say the minister gave approval for this?

**MR. BARRON:** Not to my knowledge.

**MR. JOYCE:** Not to your knowledge, okay, because this is the type of problems that you are running into. In the employment contract where you need approval from the minister, and obviously there is nothing written or there is nothing here to produce to say there was, but you go ahead and do it anyway.

**MR. BARRON:** Well, I act on the directions of the board.

**MR. JOYCE:** Okay.

**CHAIR:** Mr. Joyce, we should move on to another member now. I let you go over a fair bit because you were in particular subject area. Rather than continue on, we can come back.

**MR. JOYCE:** My last point on this, and I will just come back, is I can say there is absolutely no written documentation giving permission to go ahead and do it, but it was just done on the okay of the board Chair.

**MR. BARRON:** Absolutely.

**CHAIR:** Mr. Brazil.

**MR. BRAZIL:** Thank you, Mr. Bennett.

Once again, welcome. A few opening comments there I will make as the Vice-Chair. When I did read the Auditor General's report – we had met with the Auditor General and as a Committee we went through the issues around the Centre for Health Information and some of the concerns, particularly around reclassification, salary increases, and the retention and attraction – a number of issues sort of jumped totally out at me at the time. As a former civil servant, I have been very engaged in the reclassification process and the retention and attraction strategy itself.

I will say your responses did alleviate some of my concerns, particularly around how you move forward. As much as this is about accountability for the past, to me it is more important about how we move forward and rectify some of the issues. I would think and hope that the Auditor General's concept would be similar around that.

The fact that something has been identified that was an issue may be a challenge for the organization, definitely a challenge for government about how we make the optics and the perception, but as much as the operations, have an even flow and as closely connected to government as possible. I would be hypocritical if I did not say that you guys are a very unique entity. The retention and attraction process that you must go through to be able to make sure you have qualified people there, in itself, is unique.

As somebody who worked in government and worked on a retention and attraction strategy for part of the Province, I do realize the challenges. I do realize it does not fit in a neat little package. Sometimes you have to deviate from what the rest of the world sees as the norm. Sometimes you have to add in some incentives and try to find ways that are creative, yet within the realm of what is acceptable when you are dealing with taxpayers' money to get the best result, and

particularly get the best people to be able to move this forward.

I do also acknowledge that this was a new entity that was trying to move forward and is set out to address in particular improving our health information. With that being said, I feel a lot better now and in the last few weeks, reading your responses and even the opening comments, than I did a few weeks ago after reading the Auditor General's report.

With that being said, obviously there are a couple of things that come to mind right now from my perspective and being somebody who was reclassified in three different occasions in my career, but also was involved in doing a number of reclassifications for a number of my staff as a senior manager, that there are times that the organization does change its responsibilities. Sometimes they change year to year; sometimes it is over the course of new programs and services. I do identify while it may not be with the norm, I think the norm was 23 per cent to 24 per cent of reclassifications are successful.

I have worked in areas where twelve of the fifteen people who we put forward were reclassified. It is not a norm there. I accept that, particularly around a new entity. That clarifies one of the concerns I had about was it that the job descriptions prior to that or the responsibilities were either too lax, they did not meet the needs, or that it was a lot easier to reclassify people to give them the new salary.

Reading your responses, I feel confident that it is more about as the entity grew, as you looked at more responsibilities for staff and the specialities, it made sense that the new responsibilities would put them in a different higher reclassification level. So, I accept that part of it, and that was one of my initial concerns around making sure that the Centre for Health Information is accountable and that it does not have carte blanche freedom to do certain things.

Again looking, I did read the legislation and there probably are some grey areas there. I give credit; in a grey area, as somebody too who was

part of a Crown corporation back in the 1980s, you go with what you think works for the Crown corporation and you leave it to government to determine whether or not it is following the realm of what their interpretation was.

In this case, as I know from discussions with people in the industry and the department, now their concerns and what they have echoed to you guys, and correct me if I am wrong, is that they would like for you guys to stay as close as possible to the system that the government has in place. Again, understanding and accepting that there are challenges for an organization such as yours, that there may be justifiable reasons to deviate from the norm, when we talk about the Hay scale and everything else.

Accepting the fact that the Auditor General must look at the technical parts of it and the policy-related stuff to make sure that things do fall into place, I wanted to get that as part of a concern out there. I have gone through some of the key questions that I might have and I will probably come back to some of the technical ones after you guys have talked about them, but what I would like is a better understanding of where you are as an organization now, keeping in mind that you have to be as accountable as possible for the Auditor General and there will be a follow-up in the two-year process to make sure things are moving.

I would like to know if there are some challenges that you guys think you are going to face because we are going to be around, the Public Accounts, and I would hope that the Auditor General would want to know if we are all going to waste our time or is there a way that we can head it off.

I just throw out the question. Are there some challenges you think you are going to face now to be able to meet the needs and particularly the responsibility of the Centre for Health Information and some of the future challenges, to know whether or not as an Administration, as a government, as an Auditor General, what we can expect in the future?

I know it is a very general, but it would clarify – I will come back later on with some specific ones, but I would like to know a little bit more general, for my own information, if I could, please.

**MR. BARRON:** An answer to that is that we are hopeful that as we move through the process to align with government compensation policies that we are going to be able to maintain and retain those very hard to recruit resources that are currently mission critical to sustaining those systems associated with improving health care and patient safety at large for the Province.

We are working through our process with government, involving the Department of Health and Community Services as well as the Human Resource Secretariat, to completely re-evaluate everybody at the Centre. The outcome of that will take time, but we are working on that road map with government actively. We have already submitted twenty of the twenty-four compensation policies to government where we have aligned our policies directly with government. The other four, the only reason they have not been submitted is because they are pending the re-evaluation process of the individual positions we have.

When I say hopeful, when that process is complete, there are three things that have occurred over the last number of years. First of all, since we put in the pay scales, the new pay scale systems, government has given over 20 per cent effective increases to the government pay scales. Hopefully that will help alleviate some of those challenges we had on the recruitment side with regard to how we compensate our people.

Secondly, the large portion of our business and the organization from when I went to the Centre to now has been largely project based. Of course, projects are very risky. All of these projects become interoperable. They are interdependent. It is a very complex environment. The environment is now starting to switch as we complete this last of the larger projects to a more operational environment. We are hoping that will reduce the impact of a more

aligned salary scale with government. Going from that more complex project base to operational environment one would assume would be less risky. Once again, we are hopeful.

The major thing I would point out is we are working very closely with the department. The board has completely agreed to align with the compensation policies. The third factor I did not mention yet is that government does have a market adjustment policy that we are hoping will be able to meet the requirements and challenges associated with those very hard to recruit specific positions; for example, health information architects and jobs of that nature that are difficult to recruit right across the country, let alone in a place as removed as we are here in Newfoundland and Labrador.

With those three things in mind, we are hopeful that the process will result in the Centre still being able to maintain and sustain those huge investments of the taxpayer and certainly for the good of the health system of the Province.

**MR. BRAZIL:** Okay. That clarifies a number of my concerns. I appreciate that.

One of the other things I was thinking about as I was reading, and part of the opening statements that were made, a proportion of this money is federally related to special projects and special research initiatives. Are there any additional challenges in that, that interfere or have a bearing, or something that we should be aware of, when dealing with accessing the federal money?

**MR. BARRON:** Well, as of right now, Canada Health Infoway, which has been a major contributor to the capital costs of these large-scale projects, are in a bit of a holding pattern now given the current federal government lack of additional funding support. They still have a lot of money leftover from when they were originally funded.

We do not see any huge opportunities at this time to avail of additional money from Canada Health Infoway given the current federal lack of

additional support at this time; however, if funding was provided to Canada Health Infoway down the road, the organization using government pay scales may face some of the similar challenges that it faced back in 2007 with the recruitment and retention of people required to deliver projects in a timely fashion, but as well to meet the requirements of these funding mechanisms.

It is very important to note once again that these projects are not grants. They have specific timelines and they have specific requirements. We have to reach a standard that allows us to get that money back from the federal government. At the same time, we are very much aware that these investments do not go forward without accompanying Newfoundland and Labrador taxpayers' money. We balance both. At the end of the day the provincial government, the people of the Province, are responsible to sustain and maintain these systems once they are in place.

**MR. BRAZIL:** Exactly. That is why I wanted to get that out there. My understanding was recruiting might be a different realm depending on what federal partnerships we have and the salary bases there. I just wanted that on record so people would understand it is not as simple as everybody gets paid this amount of money because it is fifty people looking for that one job or that one position.

Okay, I am fairly clear on that. I think some technical issues there or some administrative ones of how we move forward will come out. I am going to let some of my colleagues ask those questions and I will get back to it again.

Thank you, Mr. Chair. Thank you for your information.

**CHAIR:** Mr. Mitchelmore.

**MR. MITCHELMORE:** I have a number of questions. I guess initially to start, on March 31, 2012 the Auditor General's report states there were 156 employees at the Newfoundland and Labrador Centre for Health Information. Can you provide me with an update on the number of



employees who are currently working for the Centre for Health Information?

**MR. BARRON:** I would not have an exact number because that can change as you can appreciate by one or two or whatever throughout the week. Right now we have approximately 155 to 160 employees.

**MR. MITCHELMORE:** Okay.

The Auditor General's report provided the budgetary items as to how you operated in terms of revenue and expenditures. Has the provincial revenue changed, since the Auditor General's report, that would impact operations?

**MR. BARRON:** This year's budget process allowed the Centre to maintain its budget from the previous year.

**MR. MITCHELMORE:** You have maintained the budget, but has that led to the loss of employees because of –

**MR. BARRON:** No, not at all. Once again, we are in a more complex environment than just the operational budget side of the equation. We are still involved with very large projects that are capital funded and as a result those capital funded projects would not show up on the bottom line of our operational budget; however, there are people who are involved with the operational budget that support and are involved with the project-based initiatives.

**MR. MITCHELMORE:** Throughout the budgetary requests then do you make a submission to the Department of Health and Community Services for your annual operating budget?

**MR. BARRON:** We make a submission the same as any other Crown agency of government.

**MR. MITCHELMORE:** Okay.

I guess I have to ask if you could shed light on why the minister would not have responded to letters on March 4, 2008, regarding a board decision to implement the new salary scales for

the Centre, or again on January 20, 2009, regarding the employment contract of the CEO.

There was a member present from the department sitting on the board. There were letters written to the minister. Whenever a letter is written to the minister, it usually warrants a response. Any letter that I have written to the Minister of Health and Community Services, typically there is a response in a relatively good turnaround. I am wondering why there was no response from the minister. Was there a lack of oversight here, or accountability?

**MR. BARRON:** Once again, all I can speak to is the direction that I received from our board. I certainly would not be party to that discussion.

**MR. MITCHELMORE:** Would you, as a member of the board at the time, being a voting member of the board, have been part of that conversation and that dialogue; or would you have excluded yourself in both of these instances due to conflict of interest?

**MR. BARRON:** Anything involving compensation and/or the financial approval of the financial statements, things of that nature, I would have been in conflict and I would not be party to. In certain cases, I may be in the room. In other cases, I would be excused; for example, the time some of the compensation issues were occurring. I certainly would not have been in the room at any time where the board members were discussing the renegotiation of the CEO contract.

**MR. MITCHELMORE:** Right.

I guess my big concern is that as a board, with the obligations that are there, one would expect that if you issue a letter that you would not take action until a response is received. Was there any attempt from the board to conduct follow-up with the Minister of Health? Maybe someone from the Finance Committee could speak to this, if there was direction.

**MR. JANES:** From my knowledge, there were letters sent and there were meetings between the Chair, Mr. Bill Fanning, and the minister. As far

as I am aware, there was never a response received in writing. There may have been indications between the Chair of the Centre and the minister, but we were never made aware of what those comments or otherwise were.

**MR. MITCHELMORE:** Did Mr. Fanning, as the board Chair, table the motion to accept these salary increases and the CEO's contract on those situations, since he was in discussion with the minister?

**MR. JANES:** He did.

**MR. MITCHELMORE:** So ultimately Mr. Fanning would be the person who is accountable. I guess the other board members had questions pertaining to this? If I was sitting on a board, I would want to see something in writing or have some affirmation that what I am doing is in compliance with the legislation, and this certainly was not.

**MR. JANES:** Indeed, it was a fact that these discussions took place with the board. The board was fully informed. The board was asked to provide their support to the position that the Chair had put forward. I think it is a matter of records in the minutes that everybody, except for the government representative, voted in favour of the new salary scales that were put in place.

**MR. MITCHELMORE:** So the government representative did not make the case on any level, saying this is not something the department is willing or recommends? The board and every other member just said, well, we are going to ignore this type of input from the department?

**MR. JANES:** What I recall was that the member from the department indicated that his preference would be to hear from the minister before he had really anything further to say.

**MR. MITCHELMORE:** What had to expedite this process? Was there cause why the salaries had to be increased, the CEO's contract had to be renegotiated at that time, and that there could not have been a deferral?

**MR. JANES:** The situation regarding the need to recruit somewhere between forty and fifty new staff members was becoming critical because, as the CEO indicated, there were timelines and there were requirements in dealing with Canada Health Infoway that required these things to proceed in a certain fashion. If they did not, there were penalties and other costs associated with being unable to meet the contract. The issue was not necessarily totally expediency, but a need to make sure that we were in a position to complete the contracts.

**MR. MITCHELMORE:** Now, was there any indication that you would have been unable to recruit forty to fifty new staff members without implementing new pay scales? There were no job advertisements. There was no going to competition with the salary range that had already existed. In a number of cases, what actually happened was the senior management had basically increased their salaries quite exponentially in comparison to the general public sector.

**MR. JANES:** These needed positions were advertised. The responses we had received were not permitting the Centre to hire them because, primarily, the salary being offered for the positions was not enough to permit them to be hired. They just were not going for it, and that is the reason why we had forty or fifty positions unfilled.

**MR. MITCHELMORE:** Then I would ask if we could refer to Table 2 on page 180. The Auditor General had talked about the salary increases and said six positions received an average increase in salary of approximately \$15,500 each. These are basically the senior management positions that were already hired, these would have been staff already in place, and the other fifty-two remaining employees received an average salary increase of \$2,100. This seems very marginal in trying to be able to recruit someone. If they are going to take a job or not \$2,000, on average, is not really going to make that big of a difference in a marketplace such as this.

**MR. JANES:** I think Table 2 represents what happened at a point in time. The issue regarding the hiring of the almost fifty people was a separate situation. What salary we were offering was not permitting us to attract the people for those jobs.

**MR. MITCHELMORE:** The Auditor General's report shows that those fifty-two people were, on average, getting just a \$2,000 increase in comparison to a major increase for senior staff.

**MR. JANES:** Yes, and that is what the table shows; that is clear.

**MR. MITCHELMORE:** I wanted to ask: The President and CEO had just made reference to the 20 per cent wage increase that was negotiated between the provincial government and the public sector units as their collective agreement. The Centre for Health Information is not part of this collective agreement. They are not in that type of environment, are they?

**MR. JANES:** No.

**MR. MITCHELMORE:** Were there wage increases during those years of 8, 4, 4 and 4 to the staff?

**MR. JANES:** The process as I understand it was that Lloyd Powell, who was a partner in Robertson Surette, looked at the overall situation for the Centre. He came back with his report. Then recommendations were made into the Finance and Audit Committee as to what type of increase that could be accorded the staff based on cost of living type of situation. The three situations that came to the committee; two of them recommended no increase, and the other one a very nominal increase.

**MR. MITCHELMORE:** Was there an increase over those years as well, and what were those increases?

**MR. CLARK:** There were increases. In 2008, there was a 5 per cent increase; in 2009, 4 per cent; 2010, zero per cent; 2011, 2 per cent; and

in 2012, zero per cent. It was a total of 11 per cent as compared to the 20 per cent.

**MR. MITCHELMORE:** Okay.

**MR. CLARK:** I would like to also point out that there were step increases over this span of time which also account for the increases of the salaries.

**MR. MITCHELMORE:** Okay.

**MR. CLARK:** I would like to point out one other thing if I could. Section 12 of the legislation actually reads as follows, "The centre may employ or engage the services of those persons it considers necessary to attain the object in section 4 and determine their respective duties and powers, their conditions of employment or engagement and their remuneration." I would like to point that out. This is fairly consistent with other Crown agencies, that they do have the legal authority to implement remuneration.

**MR. BARRON:** If I may, to add to that. You mentioned the \$2,500. A lot of those people would have been involved with the reclassification process as the organization continued to grow and evolve.

There were other people who did have increased remuneration as time went on. This all comes down to urgency, as Mr. Janes tried to speak to and spoke to. In 2007, it was urgency.

Another member of our board at the time was the provincial CIO. He is certainly well aware of the government processes and everything else. He fully supported the increase as well. The thing is there is legislation. We followed the legislation and we had a mandate. In order to do that, we had to put that system in place.

I think it is very important for the Committee to also recognize that the pay scales that were put in place by the Centre in 2008 were the same as Nalcor rates at the time, job rates. We use, in Atlantic Canada, 80-20: public, 80; private, 20.

Using our consultants and using the Hay methodology, that is where the salary scales came from and they happen to be identical to the salaries that were being employed at Nalcor at the time, which certainly gave the board more comfort in the approach they were taking.

**MR. MITCHELMORE:** Thank you, Mr. Barron. I will certainly have the opportunity to pick up on this the next time I get to speak.

**CHAIR:** Mr. K. Parsons.

**MR. K. PARSONS:** I just want to start off, just looking at the report and looking at your responses and the Auditor General's response here this morning, I am trying to figure out where you guys come from to get everything that you have in place, say, for your salaries and for your reclassification and everything else. It seems like, to me, that you were not following anything that government was doing; it was something that you were basically on your own, like Mr. Joyce said there earlier.

I was wondering: Do you do an annual report that you submit to government?

**MR. CLARK:** Yes, we do.

**MR. K. PARSONS:** Okay.

In that report, do you have any recommendations or anything at all to government saying the reasons why you are looking for money? Has the money increased since 2007 that you received?

**MR. CLARK:** We follow the same budget process as any department within government. We submit a budget request every year, and that is for the operations. We do obtain capital monies through other avenues such as Canada Health Infoway, but the budget process is exact same as government. So we submit a budget; it would be very detailed. It would include salaries and so forth. Those items are approved on an annual basis.

**MR. K. PARSONS:** Since 2007, your budget from 2007 to 2012, how much has it increased in total?

**MR. CLARK:** I would have to look at the numbers, but it would be a significant jump.

**MR. K. PARSONS:** You had fifty-two employees, I think you said, in 2007 and now you are up to 156, is it, in that area?

**MR. CLARK:** Yes.

**MR. K. PARSONS:** Most of your revenues obviously come from the provincial government.

**MR. CLARK:** Yes, I think that is fair to say.

**MR. K. PARSONS:** Your mandate – I mean, obviously when I look at this report I look at it and try to figure out why you are not on the same, when I look at reclassification, for example. The provincial government normal reclassification is at 22 per cent, while you guys went and reclassified at 88 per cent.

Can you just explain to me the whole reclassification? I understand you went just through the part where you said we were growing and whatever, but just explain some departments where you did grow and where people had to be reclassified. You grew from fifty-two employees to 156 employees, so just give us an idea of what the mandate obviously with fifty-two employees versus 156.

**MR. BARRON:** Certainly. What that staff increase reflects is the increased capital project funding we were involved with and the capital projects. If you want to see where the money goes or have gone, you take it from the evolution of the Electronic Health Record, which is the bulk of what the Centre uses its funding for. It is for the development and the sustainability of the Electronic Health Record.

The Electronic Health Record is probably among the most complex information systems the Province currently maintains and is building. It started with the client registry, which is a system that connects all the regional health

authorities' systems so that you can properly identify a patient safely as you start to bring information together from multiple systems, which is what the Electronic Health Record is.

It is the creation of a person-specific, comprehensive information base for a patient. It is taking information from multiple places and putting it in one place so that a provider, a physician in Stephenville, will see the information on Mike Barron when I present, instead of the physician in Stephenville, if I am out there for some reason, has no information on me. That is what makes it that complex.

Anyway, it started out with the client registry. From there we built the provincial Picture Archiving and Communication System, which in layman's terms, and I am sure you people already know what it is, is essentially the X rays and the reports. At the time, we were dealing with nine different systems within the regional health authorities, four regional health authorities with their own PAC System. What the PAC System has done now is allow all of those to be in one place.

Now, when you have a patient, for example, in Labrador who has an incident that requires a specialist to view the image, a specialist who may not be available in Labrador, in order for that patient to be properly treated and a proper decision to be made on whether to transport, treat, or whatever those clinical decisions are, that system allows for that image and that information to be exchanged between those two regions. Once again, a large-scale system, very complex, and client registry is tied into this because you need to be able to make sure you identify a patient correctly.

Another aspect is the provincial drug information network. That system, which is currently in process of implementation, is currently in approximately 40 per cent of community pharmacies around the Province. Each individual pharmacy eventually – I mean, you need 100 per cent at the end of the day. Right now we are up to 40 per cent. All that information, once again, goes into that whole complex system environment.

As all these projects are rolled out, they need to be sustained. As part and parcel of needing additional people to undertake the project itself, we also need to keep the people and hopefully have the knowledge transferred within the organization to sustain those systems without having to go out to the market.

Actually, that brings up a point. The cost of external resources in this industry is exorbitant, to say the least. A business analyst can cost you \$1,000 a day. I know at the time at the board when we put the new salary scales in, that was another part of it, we wanted the people of the Province to have their own capacity without having to go out there and pay those big rates.

In getting back to your main question, as this EHR, which is among the most complex systems in the Province, continues to evolve, that is where the growth of the Centre has come from.

**MR. K. PARSONS:** Where do you think we are today? I can understand you are saying in 2007 this is a new entity, we are starting off, and we have a mandate to do this, this, this, and this. Now we are in 2013; are we to the point now where you can see that we have enough employees there now; our mandate, we can meet, that government set out in 2007 for us to do; we are at that point now that we can have the pharmacies, everybody online, and are reporting – where are we?

**MR. BARRON:** Based on the information we have – and there is another piece of the EHR puzzle that is also in progress, which is the iEHR/Labs project that Mr. Dillon referred to earlier. That system is going to bring the lab information together.

In the initial stages that system will have lab results just from Eastern Health's lab system, but it will make those results available right around the Province. Eastern Health provides some of the most complex lab testing in the Province. In a lot of cases, it is the only place where you can get testing.

Instead of that information now going whatever way it used to go, that will go right back. I just

wanted to get it in context. That is your basic EHR. You have your pharmacy, you have your PACS, and you have your labs. There is another system that will probably have things like discharge summary and other things.

In terms of the numbers, we have certainly always said that we felt comfortable at a number between 150 to 190 people who should be able to maintain these systems once they are all in place. A comfort level for the organization, but particularly as we understood that we were a glue. We were not the health system; we supported the health system.

We felt very comfortable that that number of around 160 to another ten or twenty, it depends on what happens over the next year or so, but never did we ever expect to exceed 200 people at any time. At this point in time, I know you will hear it coming out of my mouth as well as certain other people's, that 160 to 170 of the type of people we have is a good number to manage, and that is plenty.

The only time you would consider going beyond that is if the cost of external resources, for example, consultants and external companies got exorbitant and we felt we could build a capacity at a lower cost for the Province, then we would pursue that in consultation with the Department of Health and Community Services.

**MR. K. PARSONS:** Where are we in relation to other provinces in our information that we have out there? Where is Newfoundland when it comes to our health information at this point?

**MR. BARRON:** We are very proud of where we are, and I say we, I mean the people of the health system who have helped build this. It is also important to realize that the 160 people at the Centre are not the only ones involved with these projects. We leverage people at the Regional Health Authorities and we also leverage people at the provider level, whether it is physicians, private physicians, et cetera, for parts of our project.

At this point in time, we are considered in the top three provinces in the country in terms of

developing the Electronic Health Record. Our client registry is considered the standard. Our pharmacy network is leading edge. It is more clinical than other pharmacy systems that have been put in place in the past. As a result, we are currently involved in setting the standard with the private sector, as well as with Canada Health Infoway participation, in making the Newfoundland standard the national standard, just because we have done it. We like to use the expression: we punch well above our weight.

**MR. K. PARSONS:** Okay. That is reassuring to know that our investments are there and we are where we are supposed to be with the rest of Canada, but reading the report – I understand that 2007 to 2012 was a big growing period for you guys and everything else, but when you read the report and you look at other agencies in government and everything else, you must agree with what the Auditor General has come up with. Looking at salary increases that are just unbelievable when you look at...

The Member for The Straits – White Bay North just mentioned about the fifty-two employees, with six of them taking the majority of \$15,000. That is only just a small increase in a short period of time. Out of those fifty-two employees, I know they all had increases, are they the people who originally started with your group? The fifty-two, those who were original, all these people got reclassified. When they first got hired, were they hired above where they were?

**MR. BARRON:** No, what happened was, actually it was an evolution. It was the evolution of a very major success story. If Canada Health Infoway did not come on the scene in the early 2000s, a lot of this would never have happened. Those fifty-odd only became fifty-odd because of success that the Centre had obtaining funding in 2001-2002 for the client registry.

What happened was the government at the time gave the Centre a \$3 million budget, approximately, to put in a client registry. Now we used to call it – it was a bit of a Volkswagen because it was not a lot of money, but we got \$6

million without having any additional money from the provincial government to make our Volkswagen into a Cadillac. That is where the growth started to occur.

Now, of course, once that inertia starts and you are building an interoperable electronic health record which nationally is considered a standard that you need for proper patient safety and good patient care, particularly around large geographic areas much like Newfoundland and Labrador, once that inertia started, that is where the additional funding and where the urgency became evident that we needed the best and brightest to help us keep and maintain and build these systems.

The money that Infoway have was also creating an incredible pressure right across the country on those skill sets. We had people looking from Ontario at our people trying to drag them out of here as well.

**MR. K. PARSONS:** I guess if you look at the whole health care system you would say the same problem occurs with doctors, nurses, and professionals all through the health care system. Sometimes you just cannot have a blank cheque to write that cheque because of recruitment.

**MR. BARRON:** Yes, and certainly the Centre has never had a blank cheque. The Centre –

**MR. K. PARSONS:** My point is that with the increases and upscale and everything else, that you move steps up and everything else, you still have to be in some kind of an alignment with obviously government, I would think. Going forward, where do you see this?

**MR. BARRON:** If you took a snapshot today, excluding the growth period and the complexity, the urgency and all those things that happened between 2007 and 2012, if you took a snapshot today you would see that the salaries at the Centre are very much aligned with other Crown agencies. Particularly if you look at RDC or you look at Nalcor, you can look at the university the same way.

If you took a snapshot you would see we are now in that place where the organization has matured. You will not see a reclassification rate with the success rate that you have seen in the past. That will not happen, because that was part of that growing process.

As we move forward, reclassifications, first of all, will be few and far between because the jobs are now much more established. The deliverables, the requirements, and the clarity around those positions are very much now set. It would be like a Crown agency that has been around for a while, you would not expect them all of a sudden to increase all their salaries, no, but right now if you compared us to other agencies with similar complexities and the need for those specialized skill sets, we are very much in line.

We hope to be able to work with government through that market adjustment process in the future to allow us to hire those hard to recruit positions as we move forward.

**MR. K. PARSONS:** Yes. It will be interesting to see when the Auditor General's report comes back in two years time where we are. If the Auditor General – I know most of the times when you do your report, you look at the recommendations from the report from agencies from the Centre. How do you feel about their responses?

**CHAIR:** Maybe Mr. Paddon could hold that thought and we could take a ten-minute break. He can respond when he comes back if he wants, and then we will go to Mr. Joyce.

**MR. K. PARSONS:** Okay.

**CHAIR:** All three clocks are different. I think each clock is set (inaudible). I am going to go by the one right here that says 10:37 o'clock. See you exactly at 10:45 o'clock.

### Recess

**MR. JOYCE:** I will just go back to some of the things that were brought up earlier. (Inaudible) Who was the minister at the time (inaudible)?

Can we get a copy of those minutes from the board meetings (inaudible)?

**MR. BARRON:** We will make those minutes available to the Committee. What was the other question, I am sorry?

**MR. JOYCE:** Who was the Minister of Health at the time?

**MR. BARRON:** I believe it was Mr. Ross Wiseman.

**MR. JOYCE:** Ross Wiseman, okay. He would not put anything in writing, but according to Mr. Fanning it was agreeable?

**MR. BARRON:** I cannot speak to that. All I can speak to is that Mr. Fanning and the board approved and directed me to put in the new pay scales.

**MR. JOYCE:** I am not sure if you are familiar with it or can remember it. Did he say he spoke to the minister?

**MR. BARRON:** I might have it here.

**MR. JOYCE:** Okay.

**MR. BARRON:** With regard to what particular issue?

**MR. JOYCE:** The issue – I even use the CEO's pay increase.

**MR. BARRON:** I do not know if that is in the minutes. To be honest with you, I do not know. I do not know if there were any.

**MR. JOYCE:** It was said earlier that it was brought back to the board and Mr. Fanning said he was supposed to get permission from the minister. He came back and said he spoke to the minister, and discussion went ahead.

**MR. BARRON:** With the CEO increase, that would have been dealt with by the CEO evaluation committee, which is a subcommittee of the board, and that may not have gone

directly to the board. I will certainly check the minutes for you. I do not have those minutes.

**MR. JOYCE:** You do not even know if there was ever discussion with the minister?

**MR. BARRON:** There was, definitely – we have documentation to show there was discussion with the minister.

**MR. JOYCE:** Can we get that documentation?

**MR. BARRON:** Absolutely. That would also include the benchmarking that the external consulting company used to come up with the new salary for the CEO as well.

**MR. JOYCE:** Also, that there was discussions with the minister to increase this to that level.

**MR. BARRON:** This would be the documentation that was provided.

**MR. JOYCE:** It is strange. The impression that is given here is that there was no permission given by the Minister of Health at the time for that.

**MR. BARRON:** In terms of the protocol for providing that information, would we send that to the Chair?

**CHAIR:** Yes, you can send it to the Committee here and we can follow up with you, the same way as you filed the response. You sent the response forward on June 28, so we would be happy to receive it here.

**MR. BARRON:** We commit to sending that ASAP. When I go back to the office, we will ship it out to you folks.

**CHAIR:** Okay. Thank you.

**MR. JOYCE:** It was mentioned earlier in the discussions about the budget process and that there was a budget process submitted to the Department of Health and Community Services, approved, and came back. In the budget process, was it put that there will be these



massive increases of over 100 per cent for certain employees, and was that approved?

The perception that is given here is that there is a budget process, we submitted these increases to the Department of Health and Community Services, and they came back and said okay. Was that the way it was done? That is the normal procedure for most departments and that is the impression we are getting here today.

**MR. BARRON:** The budget process would be that we submit the request for our operational funding the same as any other Crown agency and that we would provide the details on a position-by-position basis of what the remuneration for those positions was required.

**MR. JOYCE:** Did you do that?

**MR. BARRON:** Absolutely.

**MR. JOYCE:** When you submitted that you were going to increase someone's salary by 100 per cent, was that approved by the department?

**MR. BARRON:** We would submit the positions as they were classified at that time, yes.

**MR. JOYCE:** Also the increases?

**MR. BARRON:** Well, whatever they were at the time. It would be: What would the step increase be for every individual employed to be accounted for in that particular budget year? So, we would submit that on an individual basis.

**MR. JOYCE:** I must be confused because in the Auditor General's report it said a lot of step increases were not followed. The Auditor General can correct me any time, but I am after reading the report. For example, if you were on step twenty-five, there are certain individuals here who received massive increases and were put back to step three so they can go through all these steps again. Am I correct on that?

**MR. PADDON:** I guess you need to understand that the increases that you are talking about of, say, 100-and-some-odd per cent, they did not happen in one year. That happened over a

period of time. What Mr. Barron is saying is that when he does a budget – I do not mean to put words in Mr. Barron's mouth, but when they do a budget request they will say for the upcoming year, given the positions that we expect to have at the Centre, here is how much money we need to fund them. It would not necessarily say that four years ago those positions were at X and this year they are at Y. It would be a point in time kind of analysis.

You are not necessarily going to see, in a budget process, where things have gone over a period of time.

**MR. JOYCE:** Massive increases, okay.

I just want to make it clear; I know I am probably repeating myself. Each time that there was an increase put in, for each different position, it was approved by the Department of Health.

**MR. BARRON:** All positions were approved on an annual basis by the Department of Health and Community Services.

**MR. JOYCE:** Also the increases?

**MR. BARRON:** Whatever the number, we put the actual required compensation for each position in as part of the budget process.

**MR. JOYCE:** Jeepers, because the impression given here is that you are almost like off on your own and doing your own thing and –

**MR. BARRON:** Well, certainly we did have our own policies, which were based on the spirit of Eastern Health and Treasury Board policies. We acknowledge that our pay scales were certainly higher than government's; that was deliberate. That was the strategy of the board to deal with the urgent issue of recruitment in a very tight market. That is not in question.

When you see those increases over periods of time, it always reflected – well, for the most part, there were always external consultants involved with how we set our benchmarks. As we dealt with urgent recruitment and retention

needs in the organization, we used the policies that we had in place to meet the needs of the organization in order for us to fulfill our mandate.

**MR. JOYCE:** On page 174 stating that the Centre “would ‘be submitting a request for exemption from policies the Board determines will negatively impact operations. That submission will be made by September 30, 2012.’ The Minister acknowledged receipt of this letter.

“The Centre did not submit the request for exemption to the Minister by September 30, 2012. Further, in early October, the Centre recommended that the CEO meet with the Deputy Minister of the Department to determine a course of action to address the Treasury Board direction.”

Can you tell me what happened out of that meeting?

**MR. BARRON:** Yes, Sir. What happened first of all was that we had the original communication on June 5, 2012, referred to it at the top of the page.

**MR. JOYCE:** Yes.

**MR. BARRON:** That actually created confusion for the board. It made us unsure and it made the Centre unsure of where we stood. As of 2008 we had our own policies, and we were following that process, the policies that were put in place as of 2008. Here we are now in 2012 and all of a sudden we need to deal with this. Of course the first thing the board was thinking of was how is that going to impact the organization from a risk perspective and in the complex and difficult projects that we were undertaking.

As part of that process we had another legal review to make sure that we were legally sound and that the legislation did allow us to have our own compensation and our own policies. That reflected it and the legal opinion at the time gave us an indication that you really do not need to

apply for an exemption, you already have it because your legislation allows you to do that.

That being said, we understood quite clearly with the discussions that we had with the deputy minister or that I had personally with the deputy minister that the Centre would have to start to undertake activities to align compensation. The board voluntarily accepted that as part of the recommendations of the AG report, as well as the discussions that were ongoing at the time. The board acknowledged that and, as time went on, we are now continuing to work on that process.

**MR. JOYCE:** Okay. Can we get a copy of that legal opinion? Would that be proper?

**MR. BARRON:** Yes, Sir. I will put that in the same package.

**MR. JOYCE:** The same package, yes. I am not sure if that would be proper to give out a legal opinion.

**MR. BARRON:** I will ask the lawyer and I will let you know.

**MR. JOYCE:** It would be nice to have it.

**MR. BARRON:** Oh, absolutely.

**MR. JOYCE:** I have to be honest with you in speaking here today. The impression you get with this is that the entity was tucked away on its own, giving all their buddies an increase somewhere along the line because they felt somebody – but now, from the testimony given here today, the Department of Health was aware of this and approved this.

This was not the perception that I had, personally, of this organization. Of course, now, it falls back on the Department of Health. It is almost like okay, we will give you permission, but we are not going to put it in writing. You guys go ahead and do what you want to do. It is strange, actually.

**CHAIR:** Mr. Joyce, before you go into another area, maybe we should go to Mr. Cross.

**MR. CROSS:** Thank you very much, Mr. Chair.

I guess I will make a few seconds of an introductory comment. Coming into hearings like this and after receiving the reports from the Auditor General's department, we read through these things as lay people in lots of cases I guess. I feel like when I get the document with so many reports that there is a fair amount of confusion keeping them separated and whatever. You get through some degree of clarity as you read through them and get to digest them a little bit. You come to the hearing and you are not really prepared or you do not feel adequately prepared at this point. Probably at the end of the hearing is where I feel that maybe I need to be when I start the whole process. Because at the end of the hearing, I will have some context of this; I think two or three people have referred to putting context to some of the queries that we may have.

I would like to thank the Auditor General's department first for the briefing that we had when the report was presented to us, and that helped get us in the frame of mind of where to look or where to delve into these issues. I would also like to thank the officials who are here this morning from the Centre for Health Information because without your candour and your information, I guess we would still be digging and we would not be getting some of these answers.

I have three or four points I guess that are still sort of sticking out for me as I read through; some of them have been touched on as others have asked questions. Because this uses public money, then I feel we have a right to ask some of these questions. We are all about, and it is mentioned in here, being efficient and effective.

Very much more, in the sense of banter, on page 179, in 2008 there was a decision made by the board that had some concerns raised by board members, especially the government board representative or the department board representative. There were concerns, yet when all of these concerns were raised, the decision was still made to go on and move ahead.

Maybe I can understand some of that, but is this still the way this would operate today or has there been some change through the last four or five years that would bring us to a different modus operandi as opposed to this issue? Because there were concerns raised as well, the board representative from the department voted against that particular motion. How would that work today? Would it still move on or has there been some change?

**MR. BARRON:** Absolutely. That would still be the situation where each individual board member, particularly those who – I mean, it is a consensus board, but if a board member has a particular issue where they feel either they are in conflict, they would abstain, or if they felt strongly against, they would vote against.

The biggest change today, of course, is the board has agreed to align with the government compensation policies on a go-forward basis. Because the state of urgency is over, because that was an urgent situation back in 2007, the board right now would operate in such a way and we have a relationship with the department such that we work with them. The board accepts the fact that we have to align because the government is the shareholder and we will align. Of course, we will work with the government policies to the best we can to protect the investments that have been made over the last ten years.

**MR. CROSS:** Okay.

My next issue was on page 180 with the chart we are looking at. Again, this is from 2008 and there is some growth forward with another chart a little later. At that point, it appeared there were approximately sixty employees in the operation and the major amount of the salary increase was probably garnished by six or seven of the top individuals. Was that done based on percentage, these salary increases, just to draw in line with other agencies, as you had referred?

**MR. BARRON:** As CEO, my responsibility as directed by the board Chair and the board was to put in a leadership team that would lead the Centre into that growth period, into those

complex systems, and the end results of meeting the contractual obligations of Canada Health Infoway and any other organizations we were contractually obligated to.

When you see the increases here at the leadership level is essentially what you are looking at here for the most part. That was the set-up. That was the basis from which the Centre then would grow, begin to build that additional capacity, and get that additional expertise in a subspecialty of a very specialized area, which was health information management and technology as opposed to generalized IT. That is why it shows up the way it does, because the leadership team had to be in place. That was the priority at the time. Once again, that was benchmarked against the Atlantic Canada Hay data. The Centre did not just say: Oh, we are going to give you a raise. That is not the way it works.

We operated like a business. We had several good, private sector people on our board. We employed best practices. Essentially, what you see there is the results of that process to determine what was the best – what was the most appropriate remuneration to put that leadership team in place and keep it there for the upcoming years.

**MR. CROSS:** Okay. That was in 2008. Now, if I jump ahead to page 188, salary increases again. It was during this period of time that the eight-four-four and four for government employees was in place. It was about a 21 per cent salary increase. Again, it is startling or striking that some individuals would have over the same four to five year period, 120 per cent.

Just to get a context again for me in my head, some of that was, in the beginning, adjustment for the competency that you needed and to have the right individual in the position. Is that still growing at that rate or has it slowed down?

**MR. BARRON:** Yes. Once again, to provide context to the committee, the example given, for example, in the report here of the 119, that is essentially three major changes in role responsibility and complexity, and the need and

the urgency of the organization to recruit and retain. It was not like: Hey, you are getting 119 per cent.

Over a period of time as the organization grew, these positions did become more complex. Once again, we are benchmarked against the Atlantic Canada standard. We did not make up these pay scales. We did not invent them. We were using a professional body to come up with those remuneration rates.

When you look at it today, as I mentioned previously, the organization is much more mature now. We have gone through that growth period. I do not know how many people have ever gone through what we went through, but certainly, it was a very difficult time and a very intense time, very complex.

These projects, if you add up the portfolio, the capital funding portfolio of the Centre over those numbers of years, it is close to \$100 million. That is an awful lot of money that we are responsible to make sure that that money is put to good use. At the same time, we are trying to minimize the use of external resources.

Looking at the organization today, that could never happen. If you take a snapshot of where the organization is today, and as I mentioned previously, we are in-line with that Atlantic Canadian average at 80-20 public and 20 per cent private. We are very much aligned with organizations, such as Memorial University, RDC, and Nalcor, as examples.

**MR. CROSS:** Okay. The fourth or concluding part for my ten minutes, I guess. Recommendations on page 191, it says there in the bold area, “The Centre should: conduct and document job competitions for all job postings; ensure compensation policies are consistent...”. I am not going to read through the whole thing.

At this point in time – because some of these things were issues from 2008 forward; in the last five years or four years, how have these grown? Are they implemented now more in-line with these recommendations? How is the operation operating now?

**MR. BARRON:** I apologize; I am missing the specifics of the question.

**MR. CROSS:** In the sense that there are four recommendations here –

**MR. BARRON:** On page –?

**MR. CROSS:** On page 191.

**MR. BARRON:** Oh, I am sorry. Okay, well that is why I was confused.

**MR. CROSS:** Okay. It is probably my –

**MR. BARRON:** Four recommendations, okay.

**MR. CROSS:** Of these four recommendations – I started reading them. I said I do not need to waste my time by reading them all. How close to implementation are these? Are they in-line now? The different picture that you see from 2008 to 2013, would these recommendations be reflected in how you are operating?

**MR. BARRON:** Yes. The first recommendation, “conduct and document job competitions for all job postings”. That is in place. We do that.

Ensuring “...compensation policies are consistent with those of Government”. As I mentioned previously, that is a work in process, where we have already submitted board approved policies pending confirmation from government that they are aligned with their policies. We are currently going through the re-evaluation process of all of our positions. Essentially, yes, that is in process and/or part of it completed.

Ensuring the “...Centre policy is followed regarding: an effort to hire step 1...”. The Centre will be following government policy. If government says you have to make all those extra efforts for step 1 that is what the Centre will do. We will comply and we will align our policies with government. Essentially, whatever government does, we are committed to making sure that we meet that.

Considering “...whether a position vacancy can be filled with a permanent or temporary salaried hire prior to a decision to outsource work...”.

That is really on a case by case basis. Sometimes when you are in the middle of a project you do need to get external resources, and sometimes because it is an expertise that you just do not have.

Second of all, in order for you to have that in-house you would never be able to afford to pay those people what it would take to get them in-house. As a general rule, the Centre has always had a philosophy of trying to develop internal capacity and where possible, hire the expertise required for the operation.

**MR. CROSS:** Okay, thank you.

I defer to Mr. Mitchelmore.

**CHAIR:** Mr. Mitchelmore.

**MR. MITCHELMORE:** Thank you.

I would like to ask if we could have a copy of – when the Centre had met in consultation with the Department of Health and Community Services, it says in the response on page 194 that you would “...develop a road map by March 31, 2013 to address alignment and consistency of Centre compensation policies and practices with those of government.”

Would we be able to have a copy of the road map that the Centre is now following?

**MR. BARRON:** I certainly would not see any reason. It is still in draft. Just to give you a little bit of the history of the road map, we did submit a draft for the March 31 deadline as indicated. A second draft with additional consultation was put in, in June. As recently as only a week or two, it was probably just a couple of weeks ago, we submitted an additional, once again, based on the ongoing consultation with government and further knowledge of employment law.

This is a complex issue in terms of dealing with the current employees. Any new employees coming in will be paid on the new government

re-evaluated scales. What we have here is a complex issue of employment law with the current employees. We are working through a process to minimize the impact to the organization and to the taxpayers' investments of an alignment process.

Once again, that is in progress. I do not know who owns the document officially. We do not see any reason why we would not be able to provide it to the Committee, but it is still in draft.

**MR. MITCHELMORE:** Thank you, Mr. Barron.

I would like to ask Mr. Dillon if it is typical for a board Chair to make a motion for approval at a board table. In many cases, board Chairs would not be putting forward motions for approval in their capacity and in the context of the bylaws of a board and the legislation. Is that standard procedure, that the board can make motions, and is it regular practice?

**MR. DILLON:** I do not know that there is anything precludes that. I do not know if there is any particular legislation. I have been involved in several boards and your point is taken that you do not see it typically, but I do not think there is anything that would stop a Chair, who is a board member who just happens to be Chair, to put forward a recommendation.

**MR. MITCHELMORE:** Okay.

Mr. Barron had noted previously that there was not an actual vote on the CEO increase, which basically was \$65,000 over a six-year period. That was done without the explicit approval of the minister, despite an overall budget going forward to the Department of Health and Community Services, along with other individuals receiving increases. How can something be approved from just an evaluation committee without going to the board? These are fairly large increases.

**MR. DILLON:** I guess if your governance allows you, if you set up a committee that is to make that evaluation and then make that award

that would fall within the guidelines of its existence, of its legislation and bylaws.

**MR. MITCHELMORE:** Were there any documents submitted from this CEO evaluation committee to show that such a wage increase was warranted? I guess these evaluations were done each year as well, or on a regular basis. If we could have maybe some documentation, as a Committee, to show that these types of wage increases were warranted, that the committee had done some thorough work on this and they actually have some basis for the increase.

**MR. DILLON:** Certainly, we can make available some of the outside consultants, the documentation, to the Committee.

**MR. BARRON:** That would be part of the information that we agreed to provide previously.

**MR. MITCHELMORE:** Okay.

In terms of when you were looking at this new salary framework, because there are a number of them there, I guess I would like to ask the more general question about you have been in the role, Mr. Barron, as CEO since its basic inception in 2007 –

**MR. BARRON:** Not since the inception of the Centre, but certainly the inception of the legal entity – it was September of 2006, which was just short of a year previous to the actual proclamation of the act.

**MR. MITCHELMORE:** Right, so during that time in your role since – is it 2006 or 2007 that you have been in this role?

**MR. BARRON:** It was 2006.

**MR. MITCHELMORE:** What is the turnover at the Centre?

**MR. BARRON:** In terms of the employees?

**MR. MITCHELMORE:** In 2006, 2007, and 2008, was there a high level of turnover during that time?

**MR. BARRON:** I do not have the exact figures, but I can certainly provide them to you. I can, as a general statement, say that there was not a big turnover of people at the Centre.

**MR. MITCHELMORE:** I guess my question is: Why would there be a warrant for a new fiscal framework to increase staff 100-plus per cent if there were no turnover? There is certainly not a retention issue.

**MR. BARRON:** I would suggest there was no turnover because we did take the necessary steps to retain those individuals.

**MR. MITCHELMORE:** Were there indication or documents to support that people would have left or resigned on the basis of being unsatisfied with the pay scales that they were receiving?

**MR. BARRON:** You may not find documentation for a lot of those instances, but I personally was in the know of people being recruited from outside agencies. I was personally aware of people potentially being recruited by government at senior levels, ADM, et cetera. The economy of the time, of course, was putting an awful lot of pressure the salaries required to maintain those individuals.

As I mentioned previously, the influx of the \$1 billion-plus that Canada Health Infoway put across this country for health information management and technology expertise certainly upped the ante even more. It was not done arbitrarily. It was done to meet the needs of the organization in order for it to fulfill its legislative mandate.

**MR. MITCHELMORE:** Government lost a big opportunity to leverage funding to help implement the Electronic Medical Record system for the Province. This Infoway Canada that you are talking about –

**MR. BARRON:** Canada Health Infoway.

**MR. MITCHELMORE:** – this \$1 billion fund; across the country, those funds were available, but the government did not make use of them.

Can you explain or shed some light on the circumstances for this huge opportunity lost?

**MR. BARRON:** Certainly, the opportunity is not completely lost. There are funds still available for the Province to avail of should an approved what we would call a physician office system program be put in place similar to what other provinces have.

Over the last number of years we have worked very closely with the department and actually in consultation as well with the medical association on ideas to put forward a strategy for the Province to undertake such an initiative. My latest information that I can provide to the Committee is that is still on the table as a possibility on a go-forward basis for us to avail of those funds for the Electronic Medical Record.

**MR. MITCHELMORE:** It is my understanding that the Centre for Health Information had been planning a conference to bring together health care providers and had received private funding to go ahead with the conference to bring in all these stakeholders and to have that type of consultation. This was a project, a conference, that was axed either by your Centre or the Department of Health and Community Services. Just weeks after that, the Premier had taken Ovarations and had done this conference with private funds and things like that.

Why would you not move ahead with such a conference to bring forward these health professionals who are certainly needed?

**MR. BARRON:** The conference that the Centre was spearheading, it was not specifically Electronic Medical Record. It had a broad, comprehensive agenda that included Electronic Health Records. It included Electronic Medical Records. It also included health information analytics. It included a health research agenda as well.

That particular conference, we managed to get our private sector partners to put forward an amount of money that would allow us to

undertake that with minimal cost to the Centre and to minimize the cost to any of the private sector participants or attendees at the time.

Just prior to the conference occurring – keeping in mind that this is somebody else’s money that we have been lucky enough to earn and get them to commit to – we got to a date and time where, because of the government’s financial position, austerity measures were put in place that certainly did not make travel an accepted thing at that time, or the attendance of conferences.

That is about as simply as I can put it. What we tried to do, we tried to make it more amenable to the regional health authorities – because that is who your main attendees would have been; it would have been from the four major regional health authorities. Even after our efforts to help underwrite the cost associated with attendance, we still could not confirm much more than ninety to 100 people attending. When we had the commitment from those private sector companies to provide that money, their understanding was that we would have in excess of 200 people in attendance.

The decision to stop the conference was made by the Centre because we could not, in good faith, take that money from those people if we only had 100 people who were going to show up. It needed to be that 200 people that we gave them the indication they would have before.

**CHAIR:** Mr. Mitchelmore, we need to move on to Mr. Peach.

**MR. PEACH:** Thank you, Mr. Chair.

First of all, I want to say it is a pleasure for me to be here today as a Member of this Public Accounts Committee. I will say that I was not at the briefing that they had with the Auditor General, but I did read the Auditor General’s report last night; I went through it thoroughly and there are some questions that I have. There are some questions that have already been answered, but there are still some questions that I have for clarification and understanding, in your response, and also to the Auditor General’s report.

I will say that I will commend you, your committee, and your board on the efforts that you have in moving forward on the recommendations. From the response that I read and from the Auditor General’s report, there were some recommendations there and you have moved forward on some of these recommendations, and I want to commend you for that.

It seems that almost all of the recommendations have been acted on in some way or form. I have to ask: Am I reading it right? There is still work to be done and there will always be work to be done, but on the recommendations it seems that most of them have been looked at. Is that a fair statement?

**MR. BARRON:** Absolutely.

**MR. PEACH:** I want to ask the Auditor General, as well. Mr. Auditor General, I am just wondering, moving forward from the report, are you satisfied with the progress that has been made so far by the board?

**MR. PADDON:** At this point, I can only say I am neither satisfied nor dissatisfied because we would have to go back and actually look at how the Centre has implemented the recommendation. Typically, our process is two years after we report we would go back and do an evaluation as to where a particular department, agency, or entity is with the recommendations, and then we would do a follow-up report to the Legislature.

At this point, in the absence of us actually going back and having a look, clearly we accept the Centre’s responses and the statements they make here today, but we would actually go back and have a physical look to ensure that what they have said they have done has been done.

**MR. PEACH:** Thank you.

Another part of the Auditor General’s report, on page 168 under the report there is a chart that shows Expenses and Employees. The chart shows that salaries and benefits increased from \$2.6 million while the number of employees has



increased from fifty-four to 156. Are the doctors and the nurses included in the employees? That is more or less for clarification.

**MR. BARRON:** The Centre probably only has a half-dozen people who would be registered nurses on staff. Any physicians we have would not be physicians that are out practicing in the general public.

For example, we have a couple of individuals who came from other countries who just happened to have an interest in health information management and they sit there. We really do not employ clinical providers. We employ enough clinical expertise to provide the means to co-ordinate and to get the input required from those larger groups, whether it is the nursing association or from the Medical Association, medical board. We have what we call clinical advisory groups.

Through the Infoway funding, the funding allows us through Infoway to fund those people to attend meetings where we run sessions to show how the systems will work and whether or not it will work for them. One of the philosophies at the Centre is: Do not build it and expect them to come. We want to work with the people who are actually going to be using the systems, so that when the systems are developed they are already in a place where they are useful.

As a result, most of our clinical expertise comes from the relationships we have at the regional health authorities, as well as with the individual practitioners who participate in our clinical advisory committee structures.

**MR. PEACH:** Thank you.

Also, following down from that paragraph it said in addition, consulting fees increased from \$2.9 million to \$4.8 million. Then the question came to me as to who is included into that cost?

Also, another question that came out of that, that I wanted clarification on is: When your in-house consulting left, why did the consulting go on so long? Why didn't you just hire another in-house consulting? Why did you go outside?

**MR. BARRON:** The Centre will always require a degree of external consulting. Always, because you can never get all the expertise you need by placing a job ad in the paper or on Career Beacon or wherever we put it. That expertise is not always there. There are certain actual competencies that we would be lucky to get them in Canada, let alone try to hire them from here.

When you look at the percentage of external consulting, I can say – and I will provide this to the Committee as we speak because I asked the same question myself, and certainly the board. One of the reasons we needed to put in our own salary structure was to decrease the dependency on those external consultancies. Never to eliminate it, because you could never have all the pieces of knowledge that you need to have. No more than Nalcor could have all the information they need to build Muskrat Falls or somebody to build. We still have the Norwegian people helping us with the rigs. It is just very complex and it is a very narrow bunch of people in the country who know those skill sets.

In 2007, 53 per cent of our total salary costs were consultants. In 2008, it went to 26 per cent. Of course, this reflects – as you notice in the chart, our totals went down a bit because that was a period in between starting another major initiative. Go to 2009, it was 45 per cent.

In 2010, as we started gearing up the IHR labs project, it went down to 31 per cent. In 2011, it was 35 per cent, and in 2012 it sits at 29 per cent. What that does, it certainly give me, as a CEO, an indication that our ability to create that internal capacity has reduced our reliance on the external consultants.

**MR. PEACH:** Okay. Thank you.

**MR. CLARK:** Could I just add something, please?

**MR. PEACH:** Yes.

**MR. CLARK:** I just want to point out that in the spirit of continuous improvement we are going to follow up on the Auditor General's

recommendations and post temporary positions for some of these initiatives. Hopefully we are successful, and where not, we will pursue the consulting. That is one of the areas we are going to improve upon. I just wanted to get that point across.

**MR. PEACH:** In your series of questions and responses, in your response under number four of the responses, one of the questions asked was: Did the department seek their legal advice from the Department of Justice or from outside counsel? In your response you say you used outside counsel. I am just wondering why you chose outside counsel? Why didn't you choose the Justice Department?

**MR. BARRON:** As a free-standing independent agency, the Centre operates as a business. In terms of the expertise required, and this was just a mode of practice and best practices that we followed, we tender as per the Public Tender Act. We tender professional services.

We have three law firms, each one specializing in three different areas that the board and I, as CEO, rely on for the expert advice related to contracts. There are certain issues that come up that may actually involve questions as to how we relate to government. So it was important for us to have that independent counsel in order for us to truly be an independent agency.

**MR. CLARK:** That is not uncommon for other Crown agencies – that approach – either.

**MR. PEACH:** Thank you.

I just have one more question that I am wondering about with regard to clinics. Does your board mandate include clinics as well, like the Whitbourne clinic and things like that, or is it the overall health board of the Province? Are they assessed by the hospital? Like in Carbonear, for instance, they cover the clinic there in Whitbourne as well.

**MR. BARRON:** The initiatives at the Centre, particularly those around the electronic health record, part of the most recent project involve what is known as an EHR viewer. That viewer

will allow the information from the pharmacy system, from the PAC system, and from the lab system to be available everywhere in the Province that people have the bandwidth required. Most people do, because we even have PAC systems that connect Labrador. As you all know, there are some issues with bandwidth in Labrador.

That viewer will be made available through a change management process to individual clinics, regional health authorities. Anybody associated with the health system who is an appropriate user and who requires that information to provide value to the health system and to the public at large will eventually have access to that viewer.

**MR. PEACH:** Thank you, Mr. Chair, and thank you for your responses.

**CHAIR:** Mr. Joyce, I think.

**MR. JOYCE:** Yes, I just had a few more questions.

On page 179 – I know an important member here mentioned it before - at the top of 179, there are a few questions here. “At a Board meeting January 16, 2008, the Board considered the new classification and salary scales...”. “Despite the concerns raised by the Board representative from the Department... the Board approved” new salaries.

I have two questions on that. Why was it made retroactive to April 27, 2007? You look at the top of page 179.

**MR. BARRON:** Certainly, to my recollection, that would have been done because as a part of the practice of getting our new benchmarks, people were re-benchmarked long before the actual approval went in place. Their duties were already into that complex zone, or to that zone that required the additional salaries, and a decision was made by the board at that time that in fairness to those people who have been carrying that load, certainly, that it would be retroactive as part of the pay scale.

**MR. JOYCE:** Can we get a copy of those minutes? It is strange that you hire somebody and you go back seven or eight months later, have a board meeting and say okay, we are going to increase your pay and we are going to make it retroactive, even though that is what you were hired on for. It seems –

**MR. BARRON:** Yes, that is consistent with what happens in government. If you go in for a reclassification within government and the reclassification process is not bullet-quick, because there are a lot of people, 30,000 civil servants, whatever it is, and a good portion of them may be going for reclassifications at different times. The classification process allows for it to be retroactive to the point in time that the classification was made.

**MR. JOYCE:** So, did you put in a reclassification for those positions? Can we get a copy of the request for reclassifications?

**MR. BARRON:** I will provide you with any information that we have that pertain to how the benchmarking occurred for the 2007. We will provide whatever we have, in terms of documentation.

**MR. JOYCE:** So there were reclassification requests (inaudible)?

**MR. BARRON:** The entire organization was reclassified. As I discussed earlier –

**MR. JOYCE:** I am sorry about that, but it seems a bit like okay, we are going to reclassify everybody, including the CEO – because usually in government, it goes position by position or position across the board, but not just a total –

**MR. BARRON:** This is a new entity, a new organization, and certainly once again, using the external consultants and the Atlantic Canada 80-20, and the setup of the new pay scales, it was very consistent with best practice at the time, and certainly that is it.

**MR. JOYCE:** Anyway, we have a difference of opinion.

In the next paragraph down, “In a letter dated March 4, 2008, the Chair of the Centre informed the Minister that a special meeting of the Board was called that morning, and that the Board reviewed its decision of January 16, 2008. The meeting resulted in the affirmation by the majority of the Board members to proceed with implementation of the new salary scales.”

Why did you have a special meeting then? Was there any reason for it? If you already approved it up here on January 16, why did you have to re-approve it on March 4?

**MR. BARRON:** I do have the answer to that. The issue at the time, and certainly this is the set of minutes from the board meeting of January 16, which we will provide –

**MR. JOYCE:** Yes.

**MR. BARRON:** Once the decision was made in January, the board Chair consulted with the minister, to our knowledge. In waiting for the response from the minister, or whatever the board Chair was waiting for, it was noted that they would have to wait a few more days to get the response required from Minister Wiseman. He was dealing with a personal issue over the past few days it says here in the minutes. Once again that would be between the board Chair and the minister.

I would suggest that when the board approved it, the minister would have been apprised by the board Chair. The board Chair, because of the concerns expressed at that meeting, came back – and, of course, I was not at that meeting. The board Chair came back and just reaffirmed that they would proceed with the new –

**MR. JOYCE:** This was Billy Fanning again speaking to Ross Wiseman at the time, the minister.

**MR. BARRON:** Absolutely.

**MR. JOYCE:** Will you provide us any documentation of what was said at that board meeting by Billy Fanning and what the minister said?

**MR. BARRON:** We can provide you with a copy of the official minutes of January 16.

**MR. JOYCE:** Yes.

**MR. BARRON:** We do not have a copy of minutes for the special meeting. The special meeting I do not believe was considered an official board meeting as much as an affirmation of a go forward.

**MR. JOYCE:** Any board Chair or any decision made by any board with proper governance does have the minutes of what was discussed at the meeting (inaudible).

**MR. BARRON:** I can only tell you that the Centre does have a pretty comprehensive, complete set of minutes for every subcommittee, as well as board meetings. That meeting was not considered – where it was a special board meeting for some reason, they did not have minutes.

**MR. JOYCE:** Okay. I do not mean to be picky on this, but most of these pay increases, including your own, is Billy Fanning going up and having a meeting with Ross Wiseman, the minister at the time. Having a little personal chat, coming back and saying no, everything is fine, let's go ahead and give all these pay increases.

**MR. BARRON:** I do not know what transpired between Mr. Fanning and the minister.

**MR. JOYCE:** There were no letters to confirm that the minister agreed or disagreed with any of those pay increases at the time.

**MR. BARRON:** My documentation would be my direction from the board to proceed.

**MR. JOYCE:** It is amazing actually – anyway, Ross Wiseman, again, no letters written to the board.

Anyway, I will just go back to something that you mentioned. I do not mean to be picky at it, but I guess it is our duty. You mentioned that it is consistent when you go back and make things

retroactive; it is consistent with government policy. So what I find is you use the government policy when it is consistent to make it retroactive, but you do not use government policy when you want to implement something that you feel that you want to do; it is a different usage of government policy.

I will go to page 181, if you read what the Auditor General said there – you mentioned that you went back to the Hay Group, with the increases through the Hay Group. If you look at what the Auditor General said when you did follow the Hay Group, “In total, positions filled at the Centre were being paid in the range of \$1.3 million to \$1.6 million higher annually than the salaries that would result if the Centre used pay rates that were consistent with Government pay rates for the same Hay point totals.”

You are saying in one way that it is government policy to make it retroactive, so we are following the Hay system; but when the Hay system comes in, we are going to pay people hired on the point system that the government –

**MR. BARRON:** Just a point of clarification, I believe, and maybe it did not come across this way, I used the government policy as an example that government does that. That is not why we did it. We did it because it was best practice. So we were not picking and choosing government policies that suited us; we were following our own set of compensation policies and best practices.

The other thing to remember is that when you go retroactive to those positions, you have to keep in mind the context that the Centre was now about to hire an awful lot of people. With the new pay scales, you cannot just put those new pay scales out on the street and then expect your current employees to be paid less for the same positions, as well, given their experience, their knowledge, and their expertise. So just to clarify, we were not just picking and choosing government policy as we wished.

As mentioned by Mr. Paddon earlier, and certainly I have been in the public service myself for twenty-nine years, it is not real

simple to explain how the Hay methodology works. I can definitively say that the Hay methodology that the Centre employs is very similar to government's; however, how you apply the Hay methodology is not always the same. As a result, once again, government does not compare itself to the Atlantic Canada 80-20 rule, which is what we were trying to use as our benchmark for recruitment purposes, which resulted in our pay scales being the same as Nalcor's.

Government, I believe, compares itself to itself, but once again I am not an expert on the Hay level as it is presumed to be used by government. In laymen's terms, it is difficult to compare points to points unless you also get into the guts of how the methodology itself was applied and to what scales.

**MR. JOYCE:** Then again, it just seems odd that it is used in reference in one part of the Auditor General's report, then it is used in how you see fit in the other parts. It looks inconsistent from my point of view, I have to say.

They mention in the Auditor General's report too – and you are always talking about the best candidate. The Auditor General mentioned, in many instances, where they do not know if the best candidate was picked. Usually there are three people sent up for recommendations; in many cases, there was only one. Why was that?

**MR. BARRON:** The Centre's policy did not stipulate that the CEO needed to be informed of the three best candidates. The job of the people who recruit at the Centre just based on the best practice, using to the best of our knowledge what best practice would be, is that you obtain or you try to identify the best possible candidate, period. That certainly is what the directions would be given to our recruitment people.

That is what would have been provided to me as CEO. The lowest cost does not always identify the best resource.

**MR. JOYCE:** You did not follow the government policy of having three?

**MR. BARRON:** We had our own policy.

**MR. JOYCE:** That is obvious.

**MR. BARRON:** No, no, but our legislation allowed us to have our own set of policies. We followed our policies. Now, once again, post the report of the Auditor General and the consultations we have had with the department, in the future the Centre will be doing exactly the same as the government policy dictates. We are aligning our policies with government.

**MR. JOYCE:** If you had our own policy – and I do not mean to be argumentative. This is the last time I will ask this. If you had your own policy, why did you want permission from the minister to give the CEO such a massive increase, if you could do it on your own?

Here you are saying we had our own policy for hiring but when it comes to pay increases for the CEO, you went to the minister to seek permission to do it. The same thing when you gave the other increases, the board went to the minister.

**MR. BARRON:** I feel a bit uncomfortable talking about my own contract. Keep in mind that Mr. Fanning – and the documentation will clearly show that – went through a process with the consulting company to identify what the appropriate remuneration would be for a CEO in a position such as required by the Centre to continue.

**MR. JOYCE:** Okay, but why did you have to go to the minister for approval?

**MR. BARRON:** I cannot say that is what Mr. Fanning was doing. I just know that Mr. Fanning was probably – and once again, I cannot speak factually; I do not know it. I do know that Mr. Fanning, certainly as a courtesy, as a minimum, would want to apprise the minister of what he was doing.

**MR. JOYCE:** Okay – I do not know.

**CHAIR:** Mr. Joyce, before we go into another area with you, probably we should move to somebody else.

**MR. JOYCE:** Okay.

**CHAIR:** I am cognizant of time and I do not think we are going to be finished this morning. Just because the file was relatively thin does not mean there is not a lot of stuff, not a lot of information. Many people have bookings for the afternoon, presumably, including the witnesses, because we thought it would be – or at least I thought it would be somewhat shorter. So, if we press on until 12:30 we may need to come back. We have some dates available, and Ms Murphy can co-ordinate with people for dates to come back.

I think we will want to do a full hearing, a comprehensive hearing, instead of rushing at the end. I do not think that is good for the Centre, and certainly not good for the Committee. So let us just carry on. I think Mr. Brazil is next, but I suspect at 12:30 p.m. or 12:25 p.m. I would probably have ten or fifteen minutes of questions in a subject area we have not even gone into. We do not have a lot of time, so we should make the time at 12:30 p.m. and we will arrange it thereafter.

Mr. Brazil.

**MR. BRAZIL:** Okay, thank you.

I do not have any particular questions. I have a couple of comments, and I just want to clarify it for my colleagues here particularly and on the record.

The way I understand it is that the Centre was not by law entrenched of having to follow – and the Auditor General can correct me on that – the government policy around hiring. Am I right or not? You are saying they did not, but there was nothing there that told that they had to.

**MR. PADDON:** Initially, I think it is fair to say that their legislation provided them with flexibility.

**MR. BRAZIL:** Yes.

**MR. PADDON:** They had a point in time when the minister wrote the Centre in June of 2012. There was clearly a different direction being given, that the government wanted the Centre to follow compensation policies of government.

**MR. BRAZIL:** Exactly, thank you. That is key to my point about – and I mentioned at the beginning – going forward as part of that process. So, I do thank the witnesses for the information that they have shared here. I do understand the challenges that you guys fit, particularly as an entity that is being created to getting it to where it is efficient; I accept that.

I may not totally agree with the process when it came to the reclassification and these types of things, but because of what you have explained on how you are going to go forward, I can hold my nose on that one and say it is acceptable and we can see improvements from that point of it.

I do applaud the outline that you have there. I do see vision there. I do see how it will also complement what is being done in government and bridge that divide there between the policies that are followed by line departments within government.

With that being said though, I do again – and I want to reiterate this – understand that you cannot fit in that neat little box because that is not what you are set up to do. Line departments are set up to do what line departments do. An entity such as yours where you go outside and you engage the private sector and you engage other funding sources, particularly the federal government and agencies like that, you may need some flexibility. I would think that as that review is being done, that dialogue with the minister's office and the department would probably give you those little idiosyncrasies that you may need to do to make things be more efficient and work as part of that process.

Again, going through it, there has been a lot of discussion and good, relevant points being brought forward by all of the colleagues here, but I am looking forward to the next two years

and how this proceeds forward. I am pleased with the fact that the minister has made it clear, where she fits, when it comes to the process and the umbrella that you guys should fit under to access reclassification, retention and attraction, and moving the whole agenda items that you have under the Centre forward.

Once again, thank you for your patience and time. Hopefully, we can convene. If not, I guess we will be back again for another hearing in the near future.

Mr. Chair.

**CHAIR:** Mr. Mitchelmore.

**MR. MITCHELMORE:** Thank you, Mr. Chair.

I would like to ask why the Centre for Health Information has said repeatedly it is benchmarking itself to Nalcor. What mechanism – because Nalcor is a Crown corporation, that the Centre deems that it should and it is comparable to what Nalcor is doing?

The Centre, in recent years, has had an operating budget or revenues of \$26 million or \$27 million, where Nalcor is in the billions of dollars in terms of what they are administering, as well as the number of employees at Nalcor and its subsidiaries are in the thousands versus the 150 employees at the Centre for Health Information. So I just question why that approach.

**MR. BARRON:** I just used Nalcor as a reference point so that the Committee understands that the pay scales that were obtained through the external advice and the consultants, the 80-20 Atlantic Canada split show that there was already a comparator in place. I could have used any number, potentially, of organizations besides Nalcor. It could be RDC. There are certain aspects of Memorial University the same way. It is just a reference point. We based our salary scales on what came back to us from the consultant, based on the 80-20 Atlantic Canada average.

**MR. MITCHELMORE:** Who did the terms of reference for the consultant? Was it the board, or was it yourself as the CEO, or did it come from the Department of Health and Community Services?

**MR. BARRON:** That would have been done by the board in consultation with our human resources expertise in-house.

**MR. MITCHELMORE:** Okay. Can we have a copy of the terms of reference for the salary increases?

**MR. BARRON:** We will see what we can provide with regard to what was documented at the time with the consultant, absolutely.

**MR. MITCHELMORE:** Okay.

On page 186 – because Mr. Joyce had talked a lot about retroactive pay, and rightfully so – it says here on May 8, 2009, the CEO informed of an employee due to reclassification in this case and, “This salary adjustment was retroactive on December 1, 2008.” You can see that in this case the person had received basically about a four-month retroactive pay.

In a following scenario, another job reclassification was done on August 30 and their retroactive pay was to April 1. I am just wondering, why the policy of making retroactive pay back a number of months and not making it consistent?

**MR. BARRON:** Can you please refer to the pages, please?

**MR. MITCHELMORE:** Page 186.

**MR. BARRON:** Page 186 and specifically, please? Right here, okay.

**MR. MITCHELMORE:** Those two cases there were retroactive. Because of reclassification they were given retroactive pay for a varying number of months. One person was given more than five months and the other one was five months. Is five months the benchmark for doing

retroactive pay for reclassification with your organization?

**MR. BARRON:** No. Actually, when you look at the first example, which was 2009, that particular example would have been retroactive to the point in time where the reclassification process was initiated. The same thing goes for August 30, 2012. Once the pay scales were put in place, anything that happened after that, your retroactive pay would be based on the initiation of the process for reclassification.

**MR. MITCHELMORE:** Okay, so it typically takes five months to go through the process?

**MR. BARRON:** It can take longer, it can take shorter, depending on the situation, and of course the urgency and whatever is involved with the organization at the time.

**MR. MITCHELMORE:** Before I run out of time, because I have a lot more questions. I wanted to go back to the statement you made about the Electronic Medical Records. Right now, we certainly have a lack of Electronic Medical Records system in the Province. We do not have the basic infrastructure that is available to so many Canadians.

If I go to a clinic on the Northern Peninsula, they open up a paper-based system, a file. If I go to the other clinic across country, it is the same thing. It is not compiled under one file. There are different records at different hospitals. It can create a real problematic and they are still based on a paper-based system. You had mentioned in order to lever funds from Infoway Canada that you needed to have a consistent physician office system.

**MR. BARRON:** A physician office system program would be the usual way that a jurisdiction would put in place incentives to the physician community, to put in Electronic Medical Records. It is also – just to clarify, because this is an industry full of acronyms and it does not help clarify the situation. We have less than 10 per cent of the physicians in this Province who currently, to our knowledge, have Electronic Medical Record systems. That does

not mean less than 10 per cent of the physicians have access to electronic health information.

For example, in a lot of cases a regional health authority, Eastern for example, would make their lab results internal to their organization. It would be available to physicians in their private offices without the physician having to have an Electronic Medical Record.

The other thing about Electronic Medical Records nationally, it is very important that there has not been a lot of success with the interoperability of those Electronic Medical Records to receive information from the large-scale systems, such as the electronic health record.

**MR. MITCHELMORE:** In terms of a health authority, like Labrador-Grenfell Health, they do not have Electronic Medical Records.

**MR. BARRON:** They have a Meditech system which would provide them with the information required to treat their patients in the clinics they are responsible for, as well as the acute care part of their operation. They do have, if you want another acronym, an electronic patient record. So there are three different acronyms that we are dealing with that need to interoperate in the big picture.

**MR. MITCHELMORE:** How is the Centre for Health Information ensuring there is a consistency across health authorities, for example, to ensure that they have the Electronic Medical Records systems and implementation of those beyond looking at the private physicians who are out there? Without having the health authority and the hospitals actually having a fully operational system, then it is almost useless to try and go forward from a private physician point of view as well.

**MR. BARRON:** One of the roles of the Centre, historically, over the last number of years we provide the co-ordination and alignment of information management standards right across the Province.



We recently undertook work, for example, two or three years ago about how we consolidate all of those regional Meditech systems into one so that everybody is dealing off the same standard basis. For example, a complete blood count in Corner Brook may not be comprised of the same information in Eastern that is a complete blood count.

The Centre's role has been to encourage and to promote the standardization of the nomenclature required to make these systems interoperable at the end of the day. Part of that process has been the development of the client registry.

For the information of the Committee, the client registry connects with every regional health authority, Meditech system in the Province, to the point that it is seamless. When you go into St. Anthony and you go to register, it looks like you are looking at Meditech but you are looking at the client registry, which is the provincial source of truth for your demographic information and your identification.

It is a very complex exercise that the Centre has been continuing to grow its involvement, its responsibility, its participation. Certainly, the Department of Health and Community Services welcomes that because strategically, that was one of the better reasons why we need it in this Province, an entity to co-ordinate those other regional health authorities.

We involve people. We talk about the lab system. We talk about the provincial picture archiving communication system. All those systems would never be able to be put in place without significant involvement and engagement of the people from those regional health authorities. So, when you talk about that big picture and what we are doing, we are providing leadership. We are providing a co-ordination mechanism.

In the last couple of years we have set up an executive oversight committee that includes the CEOs of the four regional health authorities, myself and the deputy minister, as a group that oversees the real working group of vice presidents of the regional health authorities and

the ADMs from the department, and a couple of my vice-presidents. Those groups are the people who are strategically leading and providing direction to the very things that one would be concerned about in trying to provide comprehensive information Province-wide to those people who need it for purposes of providing better health care.

**MR. MITCHELMORE:** Is it a budgetary item, though, in terms of the health authorities not having funds to fully implement a standardized system to move forward on Electronic Medical Records? Because there is no co-ordinated policy from the Centre for Health Information to standardize all the health authorities and the private offices. There has been no meeting taken place to ensure that this can happen and we can lever the federal funds that are needed to ensure that we have Electronic Medical Records.

I would see that as a big role of the Centre for Health Information, and it seems like it is not done its job in that role. With that, it begs me to question why all of the salaries were jumped up quite a bit, when this was listed as a core mandate of the Centre and it has not moved forward.

**MR. BARRON:** In fact, the Centre has been very successful in putting in an infrastructure that will make the Electronic Medical Record systems in this Province – once a decision is made to provide those incentives to physicians to do so, we have put in an infrastructure, and as part of our requirements of the Infoway technical blueprint, to make our Electronic Health Record completely interoperable with the Electronic Medical Record.

Now, going down the road, and I can assure you no matter how much progress you hear from other provinces, there is not any province that is doing a real good job of making their Electronic Medical Records interoperate with their Electronic Health Record infrastructures and/or their regional hospital information systems.

What we have done is provided an architecture that down the road when – not if, when a plan is put into place for physicians to standardize on a

core Electronic Medical Record vendor or two, whatever that decision is made at that time, those systems will eventually allow for the interoperability to the extent that pharmacists will be able to receive electronic prescriptions from those EMR systems, once they are put in place. That is not prevalent across this country. In fact, in some provinces – Alberta is a prime example; they had a very high percentage of physicians at one point with Electronic Medical Records. They have had to reinvent it because of the lack of interoperability between these systems.

What these EMR systems initially did and provided value to the physician for was for them scheduling their patients and for them managing their internal records. When you go into you physician's office and see all those filing cabinets, the EMRs, in most cases in the country, were just making those records electronic. They did not have that great interoperability with the hospital information systems that they need to.

This chart summary is coming from regional health authorities; they are not seamlessly being provided through these EMRs. That is what the Centre's leadership and our infrastructure is going to allow to happen as we move forward on this agenda. Certainly, we have worked very hard with government to identify what is required strategically, technically, and with the down-the-road thought of where this is all going, what is required to make sure that we make that investment – an investment that pays off the dividends that it really should pay off.

So, the Centre has been nothing but a provider of great leadership, in terms of what we need to do here. Right now, the question would be: In a fiscally restrained environment, what can we do to provide incentives to the physician community to allow a strategic Electronic Medical Record/physician office system program to proceed.

So, we are working towards exactly – and I acknowledge what you say, we do need this; we are working towards that.

**MR. MITCHELMORE:** Mr. Bennett, I recognize my time likely has expired. I have a number of other questions in terms of governance and payouts that have been listed in the Auditor General's report. If I do not get the chance to speak again, I certainly ask that the Committee would look at reconvening at another time to discuss those, because I do not feel all my questions have been answered.

**CHAIR:** Mr. K. Parsons.

**MR. K. PARSONS:** It is very interesting this morning. I am after finding out a lot about what you guys actually do, and I must say it is very informative. I think that understanding your role and what you are doing here in the Province is to be applauded, actually.

Obviously, our medical system in the Province, I think it is 40 per cent of the total budget of what we are paying out. When you look at different things like where we are to with the Canadian average, paying more per capita than anywhere else in Canada that we have to start getting the best bang for our buck, or else we are never going to be able to continue with what we are doing, because it is rising every year. It is a problem right across the country. We are no different than any other province when it comes to our medical expenses. Everyone is in the same boat; doctors' salaries and everything else has risen.

My thing here this morning, I think that the Committee understands the role that you are playing, and I know as a Committee member I appreciate the role that you are playing. It is important that we do get the best bang for our buck and make sure that our residents get what they deserve when it comes to medical care.

I just have a couple of little questions with the internal workings of your Centre. The Auditor General mentioned a lot about job postings. It seems like he wanted to know how you conduct your job postings and what you do to document how you post these jobs and everything else. If you could explain to me this morning – I know that the Auditor General had a major concern there with what you were doing with a lot of

your job postings. Have you changed anything since the Auditor General's report, and where do you go to in the future?

**MR. BARRON:** I am looking for the section now that the Auditor General mentioned with regard to – are you referring to the assessment (inaudible) –

**MR. K. PARSONS:** Yes.

**MR. BARRON:** What is the page on that?

**WITNESS:** Page 176.

**MR. BARRON:** Thank you. It is page 176.

With regard to the screening assessments concern that the Auditor General mentioned, there is no doubt there was no documentation of that preliminary assessment. If 150 applications come in for a job, there was not a piece of paper that said oh, that did not happen; however, going forward with government policy, that will happen.

In the past, that is not to say the assessment is not done, but the assessment is not documented. Once again, when you are doing a significant amount of recruitment, we would have needed another two or three staff just to document all those assessments on a go-forward basis.

**MR. K. PARSONS:** You understand what the perception is when you do not document.

**MR. BARRON:** Yes. Well, the other important thing to remember is that we document a lot of our recruitment activity. It is just that the front-end assessment there, that was not there. As well, the other thing was the applicant assessments, resulting from the short list, were not always documented; the Auditor General mentioned that as well.

Typically, when the smaller group of people are chosen as successful interviewees, the Centre puts in a board that would include one person from HR as well as the manager involved, or it could be up to four people. It could be two people from HR and two people from

management, depending on the nature of the position and the expertise required to make sure that we hire the best possible candidate once again.

No question; when that process was complete, yes, I have the documentation about here we want to hire this person, here is what we want to hire them at, here is why, I would get all of that. The documentation was not always there for applicant assessments, but the assessments were indeed completed. They were not taken off the piece of paper that the recruitment board would have and put into a file. Certainly from here on in, of course, given government policy, that will be done. Just to meet the needs of the government policy, we will do that.

**MR. CLARK:** If I could add, with respect to the first bullet there, screening assessments, that is already in place. I have a sample of one here, so we are doing that already.

With respect to the second bullet, the applicant assessments, I have that one here as well. So we are doing that one. We recognize that there was a: Could do better there, and in the spirit of continuous improvement we have implemented both of those items.

**MR. K. PARSONS:** You do understand the perception whenever that – the way you do it?

**MR. CLARK:** Yes. As Mike alluded to, it is not that it did not occur but it was verbal, which it was a no-no, and it should have been documented, absolutely.

**MR. K. PARSONS:** Yes, it is very important. Even with our roles as MHAs, how important it is that we have documentation on everything that we do –

**MR. CLARK:** I fully understand.

**MR. K. PARSONS:** – because there is the perception out there that if you do not have it, then you did not do it.

**WITNESS:** That is part of our learning process for documentation, yes.

**MR. K. PARSONS:** Yes, okay.

I do not have much more. I would just like to thank you guys for coming here this morning and answering all the questions and giving us a lot of info on what you do. I appreciate your time here today, and I appreciate the Auditor General's and your staff also down here today. That is it for me for questions.

**CHAIR:** Mr. Joyce.

**MR. JOYCE:** Thank you again.

I will just go back – and I am sorry to be going over a lot of this stuff but I just cannot comprehend it, dealing with government and some of the processes that I had to go through as an MHA with some of the issues that are here.

I will go back to page 189. First of all, I will ask for the information request. “The VP of Business Services and Chief Financial Officer was being paid \$73,465 as the Manager of Financial Operations before the implementation of the new pay structure. As a result of a reclassification, this employee became the Director of Finance and PMO, and subsequently had an executive title change making them a Vice President, with a resultant salary, as at November 2012, of \$149,350.” Is this correct?

**MR. BARRON:** That is absolutely correct, Sir.

**MR. JOYCE:** I have to ask a question. If you go out and have a pay scale of \$73,000 and say: okay, we are going to go out and do the interview process. When people come in and say: Well, what is your pay scale rate? People with the most expertise will say: No, I am well worth more than that.

If that is absolutely correct, increase the position and give a 100 per cent pay increase because you changed the titles, would it not be prudent and would it be best practice if you go out and advertise to try to get a much better qualified person who came in at that level?

It is beyond me how you can apply at a lower level, that much more qualified people would

not accept, but the minute you double the rate you would not go qualify and advertise for that position.

**MR. BARRON:** That did not occur. What would happen in a situation like this – once again, we have to reiterate the growth and the responsibilities of the people involved need to be –

**MR. JOYCE:** I just asked, what never happened?

**MR. BARRON:** I am sorry?

**MR. JOYCE:** You said that never happened.

**MR. BARRON:** It was not just the changing of title.

**MR. JOYCE:** Okay.

**MR. BARRON:** It was not just a change of title. We are talking about a significant increase in the responsibilities associated with these positions.

Once again, the Centre did not determine what these salary rates were. We used an outside consulting firm with the Atlantic Canadian benchmark to create the salaries based on the responsibilities associated with those positions.

**MR. JOYCE:** If you hired a person, and I am using government. If you hire someone who is just coming off the street, it is business as compared to a deputy minister who has twenty-five, thirty years, or an ADM, twenty-five years, that person is going to be paid that amount because of his experience. If you have this lower-end person who is coming in on an entry level in your system, but if you double the pay scale, would you not think that more qualified people may be interested because there are additional responsibilities which they may be qualified for?

Shouldn't you at least put it out in the public so the more qualified – if you want the best system going, would you not think you would put it out in the system and say: okay, let's advertise and see if we can get someone more qualified than

the person we got at the low-entry scale? That is just best practices that government follows because the government is not going to take someone off the street and put them in as deputy minister, unless they have the experience.

**MR. BARRON:** Certainly, our best practice would be to make sure that we retain those people who have learned the business. Because this is not the government, it is very important to note. It is taxpayers' money, absolutely, but it is not the government. It is not an entity that has been around for a long time. It is still growing. It is still getting very complex.

We have expertise that we have now learned through the project management of projects that are in excess of \$30 million a pop. As CEO, that person would never be kept in that position if I was not confident they could meet the requirements of the Centre. The board itself supported these changes for the very same reason.

It would be hard for us to argue, there is no doubt, if you put out a salary you will get ta-da, ta-da, ta-da; however, we have a retention of current expertise - expertise that is not on the street - that we and the board, and certainly the board agreed with it, that we needed to maintain these people.

If you look at the financial management of the Centre as it grew from - well, initially it was \$2 million, now we are up to over \$30 million in terms of its total actual business. Our external auditor has not found any significant issue in five years. Essentially, we have the best candidates. We are very lucky to have been able to be put in a position where we could maintain and groom and develop the expertise required to make the Centre what it is today, which is a national leader.

**MR. JOYCE:** Can you provide the Committee with what the duties were of this person at \$73,000 and what duties were given to him to increase, say 100 per cent increase in salary?

**MR. BARRON:** Yes, we can certainly provide any documentation we have from the file, and it

is not just duties. It is also the magnitude as well and the complexity. Sometimes those duties may look the same for a \$10,000 job as a \$50,000 job but the duties and the complexity within that, with the growth of the Centre and the fact that we were managing these investment-gated funding mechanisms with Canada Health Infoway and managing a matrix organization as it grew.

We are not talking about a twenty-five person or forty person organization, we are talking about a nation leading organization that has the people and the parts to be what it is today.

**MR. JOYCE:** If you feel that, which I am sure you do, I would suggest that the best thing to do is if you are going to increase 100 per cent of salary, that you go and get the best qualified. It is easy to say we have them in here but until you go out and actually search, you do not know, and that is common practice all throughout government.

When you say you are not government, when it comes to taxpayers' money you should follow the rules and the procedures within government. That is just my opinion, because within government we are all responsible to the taxpayers.

If you could provide me with the list of each person who was - "...the VP of Human Resources and Strategic Planning was being paid \$57,406...", then it was increased to \$125,000. You tell me there are a lot of qualified people who could not handle VP of Human Resources, who would have loved to be able to - who have more expertise than someone coming in at a low entry level? I think there would be.

**MR. BARRON:** Certainly, that is what would be the case today. As I have mentioned to the Committee previously, if you take a snapshot of the Centre today you will see the result of the urgency, the rapid growth, and the success of the Centre in obtaining external funds from the Province as well as leveraging the funds that were provided in the Province. Given that we are now aligned with government policy that is

what would happen. If any of these individuals left tomorrow there is not a manager underneath who is immediately going to get their jobs, no. That will be posted, Sir.

**MR. JOYCE:** Yes.

**MR. BARRON:** Absolutely.

**MR. JOYCE:** Can we get what duties changed, just those three positions alone?

**MR. BARRON:** Yes.

**MR. JOYCE:** Okay.

On page 190, there were external consultants hired. Can we get a copy of the proposals that went out asking for consultants? I am sure there was a terms of reference that was sent, and who applied for it. I am assuming you just did not pick a consultant, it was sent out.

**MR. BARRON:** Yes. We follow the Public Tender Act, and the only – well, we follow the Public Tender Act, so we tender for those services.

**MR. JOYCE:** Did you send it out and you get the Request for Proposals coming in?

**MR. BARRON:** Well, it depends on the nature of the expertise that is required. It would not always be a Request for Proposals; sometimes it would be a tender. Depending on the amount of money, it would be a three-quote situation. Yes, we follow –

**MR. JOYCE:** Can we get a copy of all the tenders that were sent out, that were requested, because it is a lot of money? It is over \$4.8 million for consulting fees.

**MR. BARRON:** Yes.

**MR. JOYCE:** We will just go down; the Auditor General mentioned a few consulting fees. One was "...paid between \$293 and \$382 per day. The Centre hired a consultant at a rate of \$980 per day for 124 days to perform the duties of the resigned employee. The Centre

waited approximately 4 months before posting a position to attempt to backfill the vacant position. The cost of the consultant during this 4 month period was approximately \$78,400." What happened there?

**MR. BARRON:** That kind of situation happens all the time. That situation happens when you are in the middle of a project that has very significant time sensitivities and interdependencies, and when you lose a certain expertise, it is the job of the project management team to get that expertise filled as soon as possible. I can assure you, it is not as simple as just putting an ad out and hoping somebody is going to come in for four months and do that. People with those skill sets are employed full-time at very high rates with those consulting companies, typically.

It is not like we were going out and hiring an accounting clerk. We are talking about expertise that is not readily available, and that the contracts required in order to mitigate the risks associated with any impacts on the project delivery.

**MR. JOYCE:** Just go to the next one then, Business Analyst. I am sure there are business analysts in this Province who would love to – for example, here in this one year \$172,000 without being filled. When the Auditor General said the pay between the business analysts is \$57,000 to \$74,000 it went to in one year, and you tell me there are no business analysts in Newfoundland and Labrador?

**MR. BARRON:** There are business analysts in Newfoundland and Labrador. As a matter of fact, we have some very good ones at the Centre. Once again, time sensitivities of the project. Not all business analysts are created equal as well. Plus, when you are recruiting for temporary positions, first of all, you almost have to go through – I mean you do have to go through the same as if you were hiring somebody full time for an extended period of time.

In the cases that you see here, these were typically positions that needed to be filled as part of a specific project need and were not

necessarily going to be a full-time person at the Centre. Now, once again, we have tried to build as much internal capacity as possible to mitigate the use of external consultants, but if you go through government itself, with the OCIO and ourselves, you will always have, periodically, to fill project delivery needs with temporary resources, and they are not cheap.

**MR. JOYCE:** Were they temporary, because it says here “recent resignation and transfer of two experienced business analysts.” No two experienced business analysts are going to be there on a temporary basis, so they had to be permanent positions.

**MR. BARRON:** Yes, but in order to replace their expertise for the project purposes. It is a moving target with these projects, too.

**MR. JOYCE:** Very honest.

**MR. BARRON:** The other thing to remember here is that a lot of these resources are not just on a project. These resources are moving from project to project and/or are working on two or three projects at the same time and providing their expertise.

**MR. JOYCE:** My question – and I do not mean to be harping on it, but to me it is important. How do you know there is no one out there if you did not advertise?

**MR. BARRON:** You do not know if you have not advertised; however, when you are in an organization that grew from that big to that big, you have an awful lot of experience of knowing what is out there because you already have gone through recruitment processes for similar positions.

**MR. JOYCE:** Yes, but a lot of these positions that had big increases you did not go re-recruit. You just keep moving them up and increase their salary and say: okay, you are qualified. Yet, for other positions you did not.

**MR. CLARK:** We did try. We did advertise for these positions. I guess Mike’s point too, is that many of these are tied to project timelines with

hard deliverables and due dates. Sometimes the recruitment process will not meet that timeline so you have to go get a business analyst, but we absolutely did try to recruit for many positions such as (inaudible).

**MR. JOYCE:** Can we get a copy of the job posting that was sent out for these positions?

**MR. CLARK:** Yes, absolutely.

With respect to the previous one, the Security Architect, your question Mr. Joyce in the Public Accounts Committee questions, question four we provided a full response on that, and I believe it satisfies your question.

**CHAIR:** It is not necessarily a bad thing because I think all of us are getting an education on what the Centre does that we would not have had just with numbers, dollars and cents, which is helpful I think for the Committee.

We have dates in August, but Mr. Mitchelmore is away in August and I do not think it is fair for him to start and not finish a hearing that he is in. The other date that we have available left in September is the twelfth. I do not know if people could check their calendars, if they would be available.

We have the twelfth. Other than that, we are booking other organizations in October. We have tried not to go there because we need to do a written report. You folks were quite accommodating; you came on very short notice. We were able to use this July date and maybe had we estimated a whole day, we would be concluding today.

If people could check and see if July 12 is available and then we can select it –

**WITNESS:** (Inaudible).

**CHAIR:** Oh, I am sorry, September 12.

**WITNESS:** (Inaudible).

**CHAIR:** Yes, that was a date that we previously blocked back in May to use for Public Accounts,

so we know that we are available. Is it a good date?

**WITNESS:** (Inaudible).

**CHAIR:** Okay, then, let's commit to September 12. Does anybody have a preference for morning or afternoon, on the assumption that we only need half a day? Will half a day be sufficient to conclude? I would think so.

Does anybody have any issues with –

**WITNESS:** (Inaudible).

**CHAIR:** We are good. Well, then, let's say morning. It is better to get started earlier than later, the same time.

We can adjourn now and Mr. Brazil can start when we come back, or the government can start when we come back, or we can have a government member use up the next ten minutes before we finish and have Mr. Mitchelmore start when we come back.

**MR. BRAZIL:** (Inaudible) because I need to be at an appointment at 12:30 p.m.

**CHAIR:** Yes, I recognize that people have commitments. Mr. Parsons had to leave for a commitment out in Portugal Cove a few minutes ago.

I would like to thank everybody for coming, and we stand adjourned until –

**CLERK (Ms Murphy):** We need to adopt the minutes of our last meeting.

**CHAIR:** Oh, yes, and we need a motion to adopt the minutes of our last meeting.

**MR. BRAZIL:** So moved.

**CHAIR:** Seconded?

**MR. MITCHELMORE:** Seconded.

**CHAIR:** Moved by Mr. Brazil, seconded by Mr. Mitchelmore.

On motion, minutes adopted as circulated.

**CHAIR:** I thank the representatives from the Centre for Health Information for coming. I think we are getting an education in health information.

On motion, the Committee adjourned to September 12, 2013.