



Oversight of the Employee Health and Dental Benefit Plan – Department of Finance and Treasury Board

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Why Is This Important?

- The Plan spent \$752 million on claims related to health and dental treatments between July 2011 and June 2021
- The Health and Dental Benefit Plan is large, with 30,000 employees, and their families, eligible for coverage
- The health component has been in a deficit since 2016 with a June 2021 deficit position of \$6.9 million
- Lack of oversight can lead to increased costs and risks

Overall Conclusions

We concluded:

- The Department of Finance and Treasury Board (FTB) did not have effective oversight over the Plan because its governance structure has significant weaknesses
- Plan administration functions are fragmented with multiple parties involved in a complex operational structure
- Cost containment efforts could be improved to ensure long term sustainability of the Plan

What We Found

Poor Documentation of Roles and Responsibilities

- The Plan's operating structure has not been updated for over 30 years
- Third parties' roles and responsibilities are inadequately defined and documented, leading to unclear accountability

Inadequate Planning and Risk Management

- No documented strategy to address the growing deficit related to the health component
- The Province paid \$8.8 million to finance the Plan's deficit
- No formal process to manage Plan risks

Weak Contract Management

- FTB does not know if amount paid for Plan administration is best value for money
- \$1.4 million in Plan administration costs were paid to Vestcor without auditing supporting financial records
- Vestcor appointed without tendering

Limited Monitoring, Evaluation and Reporting

- Administrative-services-only (ASO) arrangement not evaluated in over 30 years
- No performance objectives developed to assess Plan performance
- Third-party performance not evaluated against targets
- Conflict of interest policies not obtained from third parties on a regular basis