



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

NEW CONTRACT FOR THE ADMINISTRATION OF VETERANS AFFAIRS CANADA'S REHABILITATION PROGRAM

Report of the Standing Committee on Veterans Affairs

Emmanuel Dubourg, Chair

**JUNE 2023
44th PARLIAMENT, 1st SESSION**

Published under the authority of the Speaker of the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Standing Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website
at the following address: www.ourcommons.ca

**NEW CONTRACT FOR THE ADMINISTRATION
OF VETERANS AFFAIRS CANADA'S
REHABILITATION PROGRAM**

**Report of the Standing Committee on
Veterans Affairs**

**Emmanuel Dubourg
Chair**

JUNE 2023

44th PARLIAMENT, 1st SESSION

NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

STANDING COMMITTEE ON VETERANS AFFAIRS

CHAIR

Emmanuel Dubourg

VICE-CHAIRS

Blake Richards

Luc Desilets

MEMBERS

Rachel Blaney

Sean Casey

Terry Dowdall

Wilson Miao

Churence Rogers

Darrell Samson

Fraser Tolmie

Rechie Valdez

Cathay Wagantall

OTHER MEMBERS OF PARLIAMENT WHO PARTICIPATED

John Brassard

Adam Chambers

Marc Dalton

Terry Duguid

Hon. Greg Fergus

Michelle Ferreri

Marilyn Gladu

Tracy Gray

Jasraj Singh Hallan

Peter Julian

Leslyn Lewis

Lindsay Mathysen

Christine Normandin

Francesco Sorbara

Rachael Thomas

Anita Vandenberg

CLERKS OF THE COMMITTEE

Audrée Dallaire

Alexandre (Sacha) Vassiliev

LIBRARY OF PARLIAMENT

Parliamentary Information, Education and Research Services

Jean-Rodrigue Paré, Analyst

THE STANDING COMMITTEE ON VETERANS AFFAIRS

has the honour to present its

ELEVENTH REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied the impact of the new rehabilitation contract awarded by the Department of Veterans Affairs on the role of the case manager and quality of service delivery and has agreed to report the following:

TABLE OF CONTENTS

LIST OF RECOMMENDATIONS.....	1
NEW CONTRACT FOR THE ADMINISTRATION OF VETERANS AFFAIRS CANADA'S REHABILITATION PROGRAM.....	3
Introduction.....	3
Veterans Affairs Canada's Rehabilitation Program	6
Key Clauses of the PCVRS Contract.....	7
Risks of Privatizing Management of the Rehabilitation Program	12
Consultations and Communications with Veterans, Employees and Service Providers.....	14
Redefining the Role of Case Managers	19
Provider Registration with PCVRS.....	25
Evaluation and Follow-up on Results	30
Barriers Encountered During Rollout	31
Conclusion	34
APPENDIX A LETTER TO THE MINISTER OF VETERANS AFFAIRS.....	37
APPENDIX B RESPONSE FROM THE MINISTER OF VETERANS AFFAIRS	41
APPENDIX C CORRESPONDENCE FROM THE COMMITTEE	45
APPENDIX D DEPARTMENTAL FOLLOW-UPS.....	49
APPENDIX E LIST OF WITNESSES.....	55
APPENDIX F LIST OF BRIEFS.....	57
REQUEST FOR GOVERNMENT RESPONSE	59
DISSENTING OPINION OF THE NEW DEMOCRATIC PARTY OF CANADA	61

LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That Veterans Affairs Canada directly inform veterans participating in the rehabilitation program about the changes resulting from the new contract to their relationship with their case manager and the health professionals who will be providing them with services, and that a letter explaining the changes be sent to the participants..... 18

Recommendation 2

That Veterans Affairs Canada communicate regularly with the Union of Veterans Affairs Employees and that it consult the union before making changes to programs affecting the work of departmental employees..... 18

Recommendation 3

That Veterans Affairs acknowledge the lack of communication and consultation it had with Veterans and their families, Veterans Affairs employees and their union, and service providers regarding the PCVRS contract, and that it commit to properly consulting and communicating with them in the future. 19

Recommendation 4

That the Minister of Veterans Affairs commit to meeting regularly with the Veterans, advocates, and experts who make up Ministerial Advisory Groups..... 19

Recommendation 5

That Veterans Affairs Canada acknowledge the gaps in its initial case managers communications strategy and immediately specify which of the case managers' responsibilities will be transferred to PCVRS' rehabilitation service specialists..... 24

Recommendation 6

That Veterans Affairs Canada hire more permanent case managers to limit the number of cases assigned to each case manager to a maximum of twenty-five (25)..... 25

Recommendation 7

That Veterans Affairs Canada, given the importance of institutional knowledge, ensure that the conditions offered to providers registering with PCVRS will support the retention of health care professionals who have experience with the unique services provided to veterans. 28

Recommendation 8

That Veterans Affairs Canada specify the terms and conditions that will allow it to oversee how the rehabilitation program management contract is implemented and ensure the quality of services delivered by PCVRS and its providers. 31

Recommendation 9

That Veterans Affairs Canada provide the Committee with a comprehensive update on the impacts of the rehabilitation contract awarded to PCVRS on service delivery to veterans by November 2023. 31

Recommendation 10

That the Office of the Veterans Ombud be asked to publish a report in one year's time on the affects the contract has had on Veterans, VAC employees, and service providers. 31



NEW CONTRACT FOR THE ADMINISTRATION OF VETERANS AFFAIRS CANADA'S REHABILITATION PROGRAM

INTRODUCTION

On 29 June 2020, Veterans Affairs Canada (VAC) issued a [request for proposals](#) (RFP) for the administration of its rehabilitation program. The RFP was renewed in October 2020. In June 2021, the department announced that the contract valued at \$560 million over an initial 5.5-year term, with the possibility of three 2-year extensions, was awarded to “Partners in Canadian Veterans Rehabilitation Services” (PCVRS), a joint venture between WCG International and Lifemark Health Group. Contract implementation began in November 2022. At the end of the contract, on 31 December 2026, there is a six-month period for PCVRS to phase out and transfer all contracted activities “to VAC or an incoming contractor” (Annex A, Section 9.0 of the RFP).

Since its creation in 2006, the Veterans Affairs Canada (VAC) rehabilitation program has included three components: physical, psychosocial and vocational. Most of the services provided under this program are not covered by provincial health or drug plans. In order to provide these services across the country, the Government of Canada relies on a network of provincially regulated health care professionals.

Rehabilitation program services must be considered separately from the “treatment benefits” provided for the treatment of service-related disabilities. These treatment benefits are governed by the Veterans Health Care Regulations and are not part of the rehabilitation program. In 2021–2022, according to [VAC figures](#), 84,000 veterans were expected to receive all types of treatment benefits, while an estimated 14,470 veterans were expected to enrol in a rehabilitation program. Veterans in the rehabilitation program are assigned a case manager.

Treatment benefits are separated into fourteen “[programs of choice](#)” that set out the eligible expenses that are reimbursable for the treatment of these disabilities. The treatment benefits program is administered by Medavie Blue Cross under the [Federal Health Claims Processing Service](#) (FHCPS). FHCPS administers all health services for VAC, the Canadian Armed Forces and the Royal Canadian Mounted Police under a contract signed with Medavie Blue Cross in January 2014 and effective 1 August 2015. Under the [original RFP](#), the contract was to expire in July 2022 but included extension clauses



to 2026. The Government of Canada initiated a tendering process in October 2022 to renew this contract.

Prior to the start of the contract with PCVRS, services under the physical and psychosocial components of the rehabilitation program were also administered by Medavie Blue Cross through the FHCPS. As a result, there was one bank of licensed providers that served both the treatment benefits program and the physical and psychosocial components of the rehabilitation program. With the signing of the contract with PCVRS, Medavie Blue Cross will no longer be responsible for the rehabilitation program but will continue to administer all health care claims under the treatment benefits program.¹ VAC has withdrawn from FHCPS for the processing of rehabilitation program claims but has remained with FHCPS for the processing of treatment benefits program claims. As a result, there will now be two banks of authorized providers: PCVRS will cover the three components of the Rehabilitation Program, and Medavie Blue Cross will continue to cover the treatment benefits program.

The vocational component of the rehabilitation program had been administered since April 2009 by CanVet, which became Canadian Veterans Vocational Rehabilitation Services (CVVRS), a joint venture between WCG International, March of Dimes Canada and other partners. The last contract between CVVRS and VAC expired in late 2022. That means that WCG International has been part of the joint venture that has been administering the vocational component of the rehabilitation program since 2009 and has now partnered with Lifemark Health Group to administer all three components of VAC's rehabilitation program.

A key benefit of this reorganization is having the three components of the rehabilitation program combined into a single contract. According to Steven Harris, Assistant Deputy Minister of VAC's Service Delivery Branch,

Currently, vocational rehabilitation is administered under one contract, while medical and psychosocial rehabilitation services are delivered through multiple providers through a second contract with Medavie Blue Cross. The expiry of the vocational rehabilitation services contract in December 2022 provided the department with an opportunity to improve upon the rehabilitation program and the way we deliver it.²

1 See for example the VAC [information sheet](#). On the website listing government contracts, there is a two-year \$83.5 million [contract](#) with Medavie Blue Cross for "claims administration/processing (insurance plans)" starting 30 July 2022.

2 ACVA, *Evidence*, 17 November 2022, 1640, [Mr. Steven Harris \(Assistant Deputy Minister, Service Delivery Branch, Department of Veterans Affairs\)](#).

Since the announcement that the contract was awarded to PCVRS, the Union of Veterans' Affairs Employees has condemned the lack of consultation and information. The Union has expressed concerns that the terms of the new contract will not improve the quality of services provided to veterans. They say that VAC employees, especially the case managers most directly affected, have no idea about what changes the new model will bring, even though implementation has already begun. Several service providers authorized under the former Medavie Blue Cross contract have expressed concern about the lack of information received from the department.

VAC says that it has consulted with veterans, its employees and service providers and has kept them informed throughout the transition to the new model. The [VAC website](#) states that

From January to May 2022, we consulted Veterans and their family members with experience in the program on how program delivery updates might affect them. ... VAC consulted Case Managers early in the contract renewal process. Their thoughts, concerns and perspectives have helped shape how the services will be delivered. The union identified several VAC employees to participate in various working groups, most of whom are Case Managers.

From the beginning, VAC has had transparent and regular communication with staff.

The positions are therefore entrenched and incompatible. This radical divergence of viewpoints on the information conveyed and the kinds of consultations conducted by the department is in itself an indication of flawed communications between VAC and the various stakeholders responsible for providing the best possible rehabilitation services to veterans.

This report is divided into seven parts. The first two present the VAC rehabilitation program and the key clauses of the 2021 contract signed with PCVRS. The remaining five parts discuss the key issues raised over the course of this study. Twenty witnesses participated in the five meetings held in November and December 2022. An additional 18 individuals and organizations presented their positions through briefs and emails. The Committee members sincerely thank them for their contributions and hope that the results of their deliberations will do them justice and, most importantly, support the wellbeing of Veterans and their families.



VETERANS AFFAIRS CANADA'S REHABILITATION PROGRAM

On 20 April 2005, the Honourable Albina Guarnieri, Minister of Veterans Affairs at the time, introduced in the House of Commons Bill C-45, *An Act to provide services, assistance and compensation to or in respect of Canadian Forces members and veterans and to make amendments to certain Acts* (short title: *Canadian Forces Members and Veterans Re-establishment and Compensation Act*), which became better known as the “New Veterans Charter.” The legislation came into effect in April 2006 and, after several changes, was renamed the *Veterans Well-being Act* on 22 June 2017.

Its main innovation was to create a robust rehabilitation program with medical, psychosocial and vocational components. Prior to 2006, veterans with service-related disabilities had access to health services not covered by provincial plans, but these services, known as “programs of choice,” focused on medical treatment, not rehabilitation or social and vocational reintegration.

Prior to 2006, the Canadian Armed Forces disability insurance plan, the Service Income Security Insurance Plan (SISIP), provided and continues to provide vocational transition services to any service member released for medical reasons, regardless of whether they were related to military service. However, as the Committee reiterated in a 2014 report, it was of limited use without physical and psychosocial rehabilitation at the same time.³

The old system was also ill-suited to the special nature of operational stress injuries:

If members left the Canadian Forces without a medical release and later experienced symptoms associated with operational stress, they could not receive SISIP disability benefits, mental health services or vocational rehabilitation services until they were able to show that their condition was related to their military service, which was often no easy task.⁴

The rehabilitation program implemented starting in 2006 was largely intended to address this gap. One of its achievements was the creation of a system of specialized operational stress injury clinics in partnership with the provinces. According to Steven Harris, VAC's Assistant Deputy Minister of Service Delivery,

The rehabilitation program is designed to support veterans and their families in their transition to civilian life, at home, in their community and at work. The program provides personalized rehabilitation services designed to meet veterans' specific

3 See ACVA, *The New Veterans Charter: Moving Forward*, June 2014.

4 See ACVA, *The New Veterans Charter: Moving Forward*, June 2014, p. 13.

medical, psychosocial and vocational needs. It is one of the programs that provide benefits and services as part of veterans' overall case management plan.⁵

Under section 8(1) of the [Veterans Well-being Act](#), rehabilitation services may be provided to a veteran "who has a physical or a mental health problem resulting primarily from service in the Canadian Forces that is creating a barrier to re-establishment in civilian life." Vocational assistance services may also be provided to veterans' spouses and survivors.

For each eligible veteran, the rehabilitation program first conducts an assessment based on three types of needs: medical rehabilitation, psychosocial rehabilitation and vocational rehabilitation. An individual plan is then developed based on the identified needs. Approval of a rehabilitation plan by VAC qualifies the veteran for the income replacement benefit for the duration of the plan. This benefit guarantees the veteran 90% of their pre-release earnings.

In some circumstances, the income replacement benefit may continue beyond the duration of the plan. This would require a determination that the veteran has a "[diminished earning capacity](#)," which according to the department's policy [document 995](#) on rehabilitation and vocational services and related compensation benefits means that the veteran is "deemed incapacitated by a permanent physical or mental health problem that prevents them from performing any occupation that would be considered suitable gainful employment."

According to [VAC data](#), of VAC's 142,033 clients in December 2021, 14,685 were participating in a rehabilitation plan. As well, 797 non-veterans were receiving case management.

KEY CLAUSES OF THE PCVRS CONTRACT

On the [VAC site](#), in answer to the question "What are the benefits of this update to the Rehabilitation Services and Vocational Assistance Program delivery?", a list of improvements is provided:

- "Services that are customized to each Veteran and family member's unique background and needs, and strive for Indigenous or culturally sensitive approaches and methods.

5 ACVA, *Evidence*, 17 November 2022, 1635, [Mr. Steven Harris \(Assistant Deputy Minister, Service Delivery Branch, Department of Veterans Affairs\)](#).



- Continued access to rehabilitation services in your language of choice.
- 24/7 access to a participant portal, where Veterans and family members can submit claims, manage appointments and access resources and training.
- A trained Rehabilitation Service Specialist (RSS) to support Veterans, family members and Case Managers throughout the rehabilitation journey by coordinating appointments, processing claims for rehabilitation expenses, and gathering documentation for Case Manager.
- Veterans and family members will have the chance to share their experiences and satisfaction with the program—input that will help us make sure that the Rehabilitation Services and Vocational Assistance Program is the best it can be.”

During their appearance, PCVRS officials said that they have the expertise and resources to achieve these goals. According to Tania Bennett of WCG Services, which will manage the vocational component of the rehabilitation program at PCVRS,

We’re the current contract deliverer for the vocational rehabilitation aspect of the rehabilitation program. That’s a program we offer that provides services in French. We’ve been delivering that contract since 2015.⁶

... PCVRS provides Canada-wide coast-to-coast coverage through a network of thousands of medical, psychosocial and vocational rehabilitation services professionals who provide services through in-person care as well as virtual options.

We provide and nurture an inclusive environment that is free from discrimination and that is respectful and considerate of the unique experience of each veteran, spouse, common-law partner or survivor. We have embedded gender-based analysis-plus principles into all aspects of our service to advance equality and inclusion for veterans of all backgrounds. We provide training for our team members to support specific veteran communities, including the indigenous veteran population.⁷

Gilles Chabot from Lifemark, which will manage the medical and psychosocial components of the rehabilitation program, said the following:

6 ACVA, *Evidence*, 17 November 2022, 1715, [Ms. Tania Bennett \(Chief Executive Officer and Executive Sponsor, WCG Services, Partners in Canadian Veterans Rehabilitation Services\)](#).

7 ACVA, *Evidence*, 17 November 2022, 1640, [Ms. Tania Bennett \(Chief Executive Officer and Executive Sponsor, WCG Services, Partners in Canadian Veterans Rehabilitation Services\)](#).

We have in excess of 9,000 practitioners across the country who have experience in providing rehabilitation services. Some of these clinicians who work with us directly include physiotherapists, occupational therapists, psychologists, physicians, chiropractors, massage therapists, kinesiologists, social workers, clinical counsellors and vocational professionals.

We have over 20 years of experience in providing comprehensive rehabilitation services to Canadians, including veterans, across Canada.

We also have over 600 physical locations to help support and provide access for our veterans. We have an extensive affiliate network as well.⁸

According to the contract⁹ tabled with the Committee, VAC will continue to be responsible for assessing veterans' rehabilitation needs. A referral process will then transfer the planning and delivery of rehabilitation services to PCVRS. VAC currently uses a list of providers maintained by Medavie Blue Cross as part of the treatment benefits program. Providers must register with the administrator in order for veterans to be referred to them. One of PCVRS's primary tasks will be to replace this list and "develop and define their comprehensive network of rehabilitation service providers depending on the business model for service delivery".¹⁰ In other words, VAC is delegating management of all rehabilitation providers to PCVRS. The ten outpatient clinics that VAC operates for the treatment of operational stress injuries (OSIs), as well as the residential treatment clinic at Sainte-Anne-de-Bellevue, will have to be incorporated into the provider network that will be established. In addition, PCVRS will be required to provide information to allow VAC to determine whether the diminished earning capacity is sufficient to extend income replacement benefits beyond the duration of the rehabilitation plan.

The primary contracted services outlined in the contract are as follows:

- collaborating with the VAC decision maker throughout the rehabilitation process from referral to closure;

8 ACVA, *Evidence*, 17 November 2022, 1700, [Mr. Gilles Chabot \(Chief Operating Officer, Lifemark, Partners in Canadian Veterans Rehabilitation Services\)](#).

9 The contract states (p. 3) that the statement of work is contained in two documents: Annex A of the contract and Section I of the contractor's technical bid, dated 16 December 2020. As the second document is not part of the contract schedules, the presentation of the Statement of Work is based solely on Schedule A of the contract.

10 Veterans Affairs Canada, "Response 15" to questions posed by bidders in Annex K of the Request for Proposal, p. 46 of the PDF, October 2020.



- conducting intake interviews with each eligible participant;
- developing program rehabilitation plans;
- conducting comprehensive rehabilitation program assessments, including employability earning capacity assessment services in support of VAC's Financial Benefits Program;¹¹
- providing direct rehabilitation services nationally and internationally as required;
- monitoring progress, evaluating and adjusting the rehabilitation plans as required, while communicating and collaborating with VAC decision makers and participants;
- administering, processing and paying eligible rehabilitation program participant claims, related expenses and training costs;
- conducting quality assurance, performance management, outcome and management reporting and other relevant activities as required by program and/or benefit;
- recommending closure by completion of the rehabilitation program, or if warranted, suspension of a rehabilitation service and/or cancellation from the program and providing closure reports; and
- collaborating with VAC to identify and implement innovative improvements to service delivery throughout the contract. (Annex A of the contract, section 1.1.16, p. 25 of the PDF).

According to Mr. Harris from VAC, there are many benefits to bringing together the rehabilitation program's three components under a single provider:

11 In relation to this responsibility, there is an error in the French version of the contract. Paragraph 2.6.8.7 of Schedule A in the French version of the RFP states: "[L'entrepreneur] doit élaborer et fournir le Programme de réadaptation et les produits livrables des avantages financiers requis (évaluations, plans de réadaptation, mises à jour des progrès, plans de formation, etc.) conformément à la section 3.0 du présent [Énoncé des travaux]." This paragraph does not appear in the French version of the contract but does appear in the English version. Immediately following this, in the French version of the contract, clause 2.6.8.8 is identical to clause 2.6.8.9 (page 34 of the PDF of the French version of the contract). The error does not appear in the English version of the contract.

Having a single service provider means having rehabilitation-focused services that are coordinated, nationally consistent, quality-assured, performance-measured and include advanced technological supports.

...

For the first time, veterans will be able to consult and print out a copy of their rehabilitation plan. They will also be able to submit requests for payment online, see the list of their upcoming rehabilitation meetings, and use a secure messaging system to communicate with their rehabilitation services specialist.¹²

The main sources of concern with the contract are as follows:

- the decision to delegate the management of the entire rehabilitation program to a private company in itself threatens the quality of services provided to veterans;
- the VAC consultation and communication process was flawed and as a result, veterans, employees and health care professionals currently providing services have not been treated as partners in the contract implementation;
- some of the responsibilities for planning and developing rehabilitation plans are not clearly defined, resulting in uncertainty about the role of case managers who had these responsibilities within the department;
- approved providers previously registered with Medavie Blue Cross will have to re-register with PCVRS under more restrictive terms and conditions, which may result in the disengagement of professionals who already have experience working with veterans; and
- under the terms of the contract, PCVRS will be responsible for evaluating its own performance to which financial incentives are attached.

Each of these concerns will be addressed based on the positions presented in witness testimony, written submissions to the Committee, and relevant public documents.

12 ACVA, *Evidence*, 17 November 2022, 1640, [Mr. Steven Harris \(Assistant Deputy Minister, Service Delivery Branch, Department of Veterans Affairs\)](#).



RISKS OF PRIVATIZING MANAGEMENT OF THE REHABILITATION PROGRAM

A few witnesses were critical of the very idea of delegating the administration of veterans' services to the private sector. For example, Toufic El-Daher of the Union of Veterans' Affairs Employees (UVAE) is concerned that this transfer will lead to an erosion of the quality of services delivered to veterans. He said the following in light of his experience with previous privatization decisions:

I honestly foresee a negative impact, because veterans are finding it hard to cope with the way the companies hand down their decisions. When their claims are refused, for example, the answers are given in harsh, badly written letters in French and the veterans have a hard time contacting the company's employees.

That is what is worrying me when it comes to new providers. What recourse will our veterans have? Currently, things are going very well with the case managers. There is no need to privatize these services. You simply have to give more resources to Veterans Affairs Canada and all will be well. You won't solve any problems by privatizing the services.¹³

For Whitney McSheffery, a case manager also with UVAE,

Privatizing these services will only serve to further isolate our veterans from their government and their community—and from the public service employees who have their best interests at heart, rather than a bottom line, a policy or a profit. Our veterans already face difficulties trying to relate to others who do not understand their experiences and the residual impacts those experiences have on their social integration, emotional support, self-esteem, identity, sense of coherence and trust. This contract will undoubtedly exacerbate these psychosocial challenges.¹⁴

Master Corporal Kelly Carter (Retired), a 30-year veteran of the Canadian Armed Forces army logistics branch, related his negative experience¹⁵ with CVVRS, the joint venture that included WCG Services and managed vocation rehabilitation services before the new contract with PCVRS, which also includes WCG Services. As well, Sergeant (Retired) Christopher Banks, a veteran with 16 years of service who was deployed to Kandahar

13 ACVA, *Evidence*, 17 November 2022, 1600, [Mr. Toufic El-Daher \(National Executive Vice-President, Union of Veterans' Affairs Employees\)](#).

14 ACVA, *Evidence*, 21 November 2022, 1110, [Ms. Whitney McSheffery \(Case Manager, Union of Veterans' Affairs Employees, As an Individual\)](#).

15 ACVA, *Evidence*, 21 November 2022, 1230, [Master Corporal \(Retired\) Kelly Carter \(As an Individual\)](#).

in 2008, at the height of the conflict in Afghanistan, was also critical of the services provided by CVVRS compared to those he had received through SISIP:

Throughout the pandemic, I completed vocational rehabilitation through SISIP, which, by comparison, was very smooth and stress-free. I was able to complete a university certificate program in public policy in 2021. ...

This year, I hoped to begin the application process for vocational rehabilitation, and applied to the program run by Canadian Veterans Vocational Rehabilitation Services. ...

In April I was contacted by the CVVRS case manager, who blindsided me when she told me that the program I would be approved for was office administration at Algonquin College, full time, online and starting immediately.

Every request I had made for accommodation and every request my psychologist had made for accommodation was ignored. ...

My Veterans Affairs case manager broke the news to me that the policy, indeed, stated that if I refused to participate in the recommendation, I would be deemed as not participating in the rehab program and would be removed. This included my removal from the IRB.

... I became suicidal again. I initiated appeals through Veterans Affairs, but I was told the process would take 12 weeks. I initiated another request for intervention through the veterans ombudsman. Thankfully, the ombudsman stepped in for an intervention ... In a call with my case manager from Veterans Affairs last month, she told me about the new contract, and that her role in my rehabilitation would be lessened.¹⁶

However, the Royal Canadian Legion welcomed the new contract and is looking forward with cautious optimism to the department's commitment to reducing the administrative burden on case managers:

We believe the contract could be beneficial as long as it does improve these services and the overall health and well-being of veterans and their families by allowing the case managers to spend more time with them instead of on administration functions. So far to date, we haven't received any complaints. However, the Legion continuously monitors the quality of services provided to veterans for the impact on those we serve.

We see that this contract may be a positive step in focusing personal efforts on the health and well-being of veterans, and this must be paramount in any arrangements.¹⁷

16 ACVA, *Evidence*, 1 December 2022, 1650, [Mr. Christopher Banks \(Sergeant \(Retired\), As an Individual\)](#).

17 ACVA, *Evidence*, 1 December 2022, 1550, [Ms. Carolyn Hughes \(Acting Director, Veterans Services, National Headquarters, The Royal Canadian Legion\)](#).



Ms. Hughes does not view the contract with PCVRS as a departure or a new model for the way the department has always delivered its services.¹⁸ Without passing a judgment on whether it will improve services, Scott Maxwell, Executive Director of Wounded Warriors Canada, agrees:

I don't like what I'm hearing when people say this is a new model. VAC has been outsourcing. They're not a service provider; they've always done this. We work with hundreds and hundreds of health care providers who service the population who refer to us in this case. That's not new. This is not a new thing. They've just given a contract to a massive provider, and we're expecting better results. I don't see how that changes the outbound side of care.¹⁹

Opinions on privatization are divided, and it will take time for the first results of the contract implementation to become available so that an informed judgment can be made.

CONSULTATIONS AND COMMUNICATIONS WITH VETERANS, EMPLOYEES AND SERVICE PROVIDERS

One of the major criticisms of the new rehabilitation services contract is VAC's lack of consultation and communication with veterans, employees (especially case managers) and service providers.

According to Master Corporal (Retired) Kelly Carter, veterans were not consulted.²⁰ In the words of Ms. Vaillancourt, UVAE President, "When we talk to veterans, they're not sure exactly what's going on. They know that the department sent out a generic letter advising them of the change to the new contractor, but they still have so many unanswered questions."²¹ The UVAE executive was not consulted: "the minister's office has not provided an opportunity to meet with him to discuss the contract whatsoever, no. ... We've had absolutely nothing in regard to the contract."²²

18 ACVA, *Evidence*, 1 December 2022, 1630, [Ms. Carolyn Hughes \(Acting Director, Veterans Services, National Headquarters, The Royal Canadian Legion\)](#).

19 ACVA, *Evidence*, 1 December 2022, 1625, [Mr. Scott Maxwell \(Executive Director, Wounded Warriors Canada\)](#).

20 ACVA, *Evidence*, 21 November 2022, 1235, [Master Corporal \(Retired\) Kelly Carter \(As an Individual\)](#).

21 ACVA, *Evidence*, 17 November 2022, 1545, [Ms. Virginia Vaillancourt \(National President, Union of Veterans' Affairs Employees\)](#).

22 ACVA, *Evidence*, 17 November 2022, 1545, [Ms. Virginia Vaillancourt \(National President, Union of Veterans' Affairs Employees\)](#).

Ms. Aultman was a member of a union local and part of a working group tasked with preparing for the contract implementation:

We were told we could shape what the contract would look like. We were told we would have meaningful consultation in the process. Even as part of the working group, this did not occur. Over the past 18 months, much of our information came from town halls that didn't allow any dialogue. They called it consultation, but it was presentation.²³

Case manager Renée Gamache was also appointed to a working group:

I am a case manager, and I was invited to participate in a working group for regional operations in the fall of 2021. I was asked to attend two sixty-minute meetings (January and March 2022), where we were barely able to talk about anything because we did not know what we were dealing with. Everything was in the very early stages. We were not given clear answers to any of our questions. We never heard anything more about this committee after March 30, 2022. I believe it would be more accurate to say that we were appointed to these committees just so that it could be said that consultation took place, since we were not part of any real discussions relating to the new provider that is being brought in.²⁴

During his appearance, the Minister of Veterans Affairs, the Honourable Lawrence MacAulay, refuted these criticisms:

From January to May this year, Veterans Affairs held two rounds of consultations with approximately 60 veterans and their families with experience in the program about how program updates related to the contract might serve them better. Their feedback helped us develop a strategy to best meet their needs.

For example, they want shorter wait times for services and reports, as well as timely service from case managers and service providers. They also asked for more connection time with their caseworkers. This contract addresses these concerns with nationally consistent, standardized and timely rehab assessments and service to help veterans improve their overall well-being.

A third round of consultations is planned for early 2023 for veterans who are part of the first phase of the migration over to the new contract.²⁵

23 ACVA, *Evidence*, 21 November 2022, 1120, [Ms. Angela Aultman \(Case Manager and President, Local Union 90002, Union of Veterans' Affairs Employees, As an Individual\)](#).

24 Renée Gamache, "email sent to ACVA in response to the meeting of 21 November 2022."

25 ACVA, *Evidence*, 5 December 2022, 1105, [Hon. Lawrence MacAulay \(Minister of Veterans Affairs\)](#).



Minister MacAulay confirmed that all employee groups were involved in the preparatory phase of contract implementation:

I can assure you that the union, the case managers, IT and a number of different groups connected with Veterans Affairs Canada—I had a list—were involved all the way.

As you realize, this contract was signed a year and a half ago, but we want to make sure that people understand this is not a new idea. This is an improved idea to make it better for veterans. That's what we are doing.²⁶

Mr. Harris was also categorical:

Case managers and veterans have told us how they would like rehabilitation services to be delivered, and we have listened.²⁷ ...

Veterans Affairs Canada consulted the case managers, veterans and their families, industry experts and the Union of Veterans Affairs Employees throughout the renewal and contract implementation process. Their opinions, concerns and viewpoints helped us define the new provider's rehabilitation services delivery method.²⁸

Jane Hicks of VAC provided details about the department's consultation process:

There has been significant consultation over the past 18 months. We've had a series of consultations with employees. We've had six town halls over the last 18 months with representation of anywhere between 400 and 800. We've also had communiqués with veterans through "Salute!" magazine. We've had consultations with stakeholders. ... First of all, as we started the implementation period, we set up a series of working groups that had members from the union from various groups, and they've been involved in forming the implementation process. We've also have six town halls.

Most recently, we had six Q-and-A sessions for case managers with about 450 participants in the week of October 31 to share information and provide feedback.

We've also set up a portal for case managers to answer any of their questions. We've had over 300 questions responded to that they've shared with us over the past 12 months.²⁹

26 ACVA, *Evidence*, 5 December 2022, 1150, [Hon. Lawrence MacAulay \(Minister of Veterans Affairs\)](#).

27 ACVA, *Evidence*, 17 November 2022, 1640, [Mr. Steven Harris \(Assistant Deputy Minister, Service Delivery Branch, Department of Veterans Affairs\)](#).

28 ACVA, *Evidence*, 17 November 2022, 1640, [Mr. Steven Harris \(Assistant Deputy Minister, Service Delivery Branch, Department of Veterans Affairs\)](#).

29 ACVA, *Evidence*, 17 November 2022, 1655, [Ms. Jane Hicks \(Acting Director General, Service Delivery and Program Management, Department of Veterans Affairs\)](#).

The Minister referred to UVAE's involvement in the consultation process: "The Union of Veterans' Affairs Employees also identified several employees, most of whom were caseworkers, to participate in various working groups."³⁰

According to Mr. El-Daher of UVAE, this process did not amount to genuine consultation:

We received a copy of the contract a few days before the contract was awarded. We appointed union representatives to various sub-committees but they were seldom invited to the planning meetings. None of our questions and none of the questions asked by case managers were answered.

We wrote to the minister to ask that he meet with us and listen to our concerns. He ignored our request twice. The third time, he declined and referred us to the department which still hasn't answered our questions.

The department initially held townhalls where questions were encouraged from employees. Then, when the department couldn't give any satisfactory answers, they shut off the chat function and stopped allowing direct questions. A few weeks ago, the department held another townhall with case managers. Once again, no chat and no questions.

This is not collaboration or consultation.³¹

Angela Aultman, case manager and president of a union local affiliated with UVAE, was part of such a working group:

We were told we could shape what the contract would look like. We were told we would have meaningful consultation in the process. Even as part of the working group, this did not occur. Over the past 18 months, much of our information came from town halls that didn't allow any dialogue. They called it consultation, but it was presentation.³²

Wounded Warriors, an organization that helps many veterans navigate VAC services, was not consulted:

We were not consulted at all. It's interesting, when we support the population that we do—so many of whom are VAC clients—that there was no consultation on this particular agreement. We heard from the new provider thereafter.

30 ACVA, *Evidence*, 5 December 2022, 1105, [Hon. Lawrence MacAulay \(Minister of Veterans Affairs\)](#).

31 ACVA, *Evidence*, 17 November 2022, 1540, [Mr. Toufic El-Daher \(National Executive Vice-President, Union of Veterans' Affairs Employees\)](#).

32 ACVA, *Evidence*, 21 November 2022, 1120, [Ms. Angela Aultman \(Case Manager and President, Local Union 90002, Union of Veterans' Affairs Employees, As an Individual\)](#).



What's that relationship going to be like going forward? I find it interesting that we have heard from Lifemark and folks now, whom we've never heard from before.³³

Ms. Hughes said that the Royal Canadian Legion was not consulted either.³⁴ According to Bruce Moncur, even the Minister's Advisory Group on Service Excellence, on which he and Ms. Hughes sit, was not consulted:

I serve on the service excellence committee, and this falls directly under our mandate letter.

This would have been years in the making, and not once were we told about it. ... I can tell you empathically that not once were we told about this until we heard it with the rest of the public.³⁵

According to a document dated 5 December 2022 filed with the Committee, VAC representatives claim to have consulted the group that includes Ms. Hughes and Mr. Moncur. Such contradictory perspectives on the quality of the consultations conducted by VAC suggest that the department's communications surrounding the implementation of the new contract were not adequate. Indeed, the quality of these communications must be judged by the people for whom they are intended, and in the context of this study, that judgment was negative. The Committee therefore recommends:

Recommendation 1

That Veterans Affairs Canada directly inform veterans participating in the rehabilitation program about the changes resulting from the new contract to their relationship with their case manager and the health professionals who will be providing them with services, and that a letter explaining the changes be sent to the participants.

Recommendation 2

That Veterans Affairs Canada communicate regularly with the Union of Veterans Affairs Employees and that it consult the union before making changes to programs affecting the work of departmental employees.

33 ACVA, *Evidence*, 1 December 2022, 1555, [Mr. Scott Maxwell \(Executive Director, Wounded Warriors Canada\)](#).

34 ACVA, *Evidence*, 1 December 2022, 1555, [Ms. Carolyn Hughes \(Acting Director, Veterans Services, National Headquarters, The Royal Canadian Legion\)](#).

35 ACVA, *Evidence*, 1 December 2022, 1710, [Mr. Bruce Moncur \(Corporal \(Retired\), As an Individual\)](#).

Recommendation 3

That Veterans Affairs acknowledge the lack of communication and consultation it had with Veterans and their families, Veterans Affairs employees and their union, and service providers regarding the PCVRS contract, and that it commit to properly consulting and communicating with them in the future.

Recommendation 4

That the Minister of Veterans Affairs commit to meeting regularly with the Veterans, advocates, and experts who make up Ministerial Advisory Groups.

REDEFINING THE ROLE OF CASE MANAGERS

Several services identified as PCVRS's responsibility under the new contract, including the planning and development of the medical and psychosocial components of rehabilitation plans, used to be delivered by VAC employees. According to some witnesses, details about which services are to be provided by PCVRS and which ones will remain with the department are not specified in the contract, resulting in uncertainty about the role of some employees, particularly case managers.³⁶

The responsibilities of the "Rehabilitation Services Specialists" (RSS) and those of VAC case managers highlighted in the contract appear to overlap. The contract uses the term "VAC decision maker" to clarify that it is not always case managers who monitor rehabilitation plans. It states: "A rehabilitation plan is developed by the contractor's assigned Rehabilitation Service Specialist (RSS) in consultation with the participant and VAC Decision Maker to achieve their individual needs and goals for the Rehabilitation Program."³⁷ The responsibility of "VAC decision-makers" in the development of rehabilitation plans is thus presented as advisory.

It is further stated that the VAC decision-maker "collaborates with the Participant and Contract in the development of the Rehabilitation Plan, goals and any ongoing Rehabilitation Services to be coordinated, delivered and administered by the Contractor."³⁸ The VAC decision-maker, however, remains "primarily responsible for the comprehensive and holistic management of the participant's case." Once the veteran's

36 See for example [Ms. Angela Aultman \(Case Manager and President, Local Union 90002, Union of Veterans' Affairs Employees, As an Individual\)](#) and [Ms. Whitney McSheffery \(Case Manager, Union of Veterans' Affairs Employees, As an Individual\)](#), ACVA, *Evidence*, 21 November 2022, 1135–40.

37 Section 2.2.2 of Annex A of the contract, p. 26 of the PDF.

38 Section 2.6.10.5 of Annex A of the contract, p. 34 of the PDF.



eligibility for the Program has been established by the VAC decision-maker and the referral is made to the contractor, his or her role appears to fade from ongoing case management until the RSS sends assessments of the participant's progress.³⁹

The responsibilities of the RSS cover the regular management of the rehabilitation program, and the intervention of VAC decision-makers appears to be more ad hoc and linked to the eligibility and referral stages. The procedures for assessing the capacities and needs (follow-up of service providers' interventions, aptitude tests, medical and psychosocial assessment, etc.) of veterans seem to be the responsibility of the RSS. The latter reports to VAC decision-maker. Other than in exceptional cases, decision-makers are not involved in the management of assessments by providers, since once the referral is made, all necessary assessments are pre-approved.⁴⁰

In sum, eligibility, referral and approval of services to be included in the rehabilitation plan are the responsibility of VAC decision-makers, while regular follow-up with Veterans appears to be the responsibility of the RSS. The latter must report to the VAC decision-maker at least every 60 days.⁴¹ The closure of the plan is initiated by the RSS in a discussion with the veteran.⁴²

These general parameters may raise doubts about what will happen to interactions between veterans and case managers if the latter are relieved of some of the regular case management. The wording of some elements of the contract sometimes maintains these ambiguities. For example, it states, without further clarification, that “responsibilities [are] shared appropriately between the Contractor, RSS, Rehabilitation Program Participants and VAC Decision Makers.”⁴³

At first glance, therefore, the responsibilities of the RSS appear to be very broad and overlap with many of the responsibilities for the regular case management of

39 Section 3.3 of Annex A of the contract.

40 Section 3.3.4.5 of Annex A of the contract. P. 43 of the PDF.

41 Section 3.4.6.5 of Annex A of the contract. P. 54 of the PDF.

42 Section 3.4.8 of Annex A of the contract. P. 54 of the PDF.

43 Section 2.6.2 of Annex A of the contract. P. 30 of the PDF.

rehabilitation plans with veterans. The contract also stipulates that there must be a minimum of two RSS per province.⁴⁴

Steven Harris of VAC sought to reassure case managers about their employment: "There is no job loss as a result of this contract. In fact, the commitment to case management is key for the minister, including his recent announcement of \$43 million of additional funding" for temporary positions of case managers.⁴⁵

Mr. Harris added that the new contract will help reduce the administrative burden on case managers:

The current program delivery, with two distinct contracts, places a heavy administrative burden on case managers. Time is spent finding multiple providers for each veteran, educating them on the program, gathering reports and scheduling appointments. Case managers have identified that spending more time directly working with veterans and their families is a priority. A 2019 survey from the audit and evaluation of case management services reports that approximately 73% of case managers spend 50% or more of their time working on administrative tasks.⁴⁶

Some witnesses questioned the government's genuine desire to reduce this administrative burden. According to Ms. McSheffery,

The promise that our administrative burden will be lowered by this contract, I believe, is false, because in the one Q and A we got, back in August, it specifically stated that the contractor is not even able to do letters, which is what they initially sold us on to try to get our buy-in on this contract. They said, "You will be doing less letter writing in terms of the resources you're putting in for veterans." In fact, that's not the case, because the contractor does not have the delegated authority of case managers.⁴⁷

One year after the contract announcement, the Union of Veterans' Affairs Employees (UVAE), a Public Service Alliance of Canada affiliate, expressed concern about the role of case managers under the new service delivery model and the impact that this

44 Section 4.5.13.2 of Annex A of the contract, p. 59 of the pdf. The estimated proportion of rehabilitation services by province is: 1% for Prince Edward Island, 2% for Saskatchewan, 3% for Manitoba, 4% for Newfoundland and Labrador, 9% for New Brunswick, 10% for Alberta and British Columbia, 13% for Nova Scotia, 19% for Quebec, and 29% for Ontario. The territories are included in the Ontario and Alberta data (see Appendix B of the call for proposals).

45 ACVA, *Evidence*, 17 November 2022, 1640, [Mr. Steven Harris \(Assistant Deputy Minister, Service Delivery Branch, Department of Veterans Affairs\)](#).

46 ACVA, *Evidence*, 17 November 2022, 1640, [Mr. Steven Harris \(Assistant Deputy Minister, Service Delivery Branch, Department of Veterans Affairs\)](#).

47 ACVA, *Evidence*, 21 November 2022, 1130, [Ms. Whitney McSheffery \(Case Manager, Union of Veterans' Affairs Employees, As an Individual\)](#).



could have on the quality of services provided to veterans. According to a 17 July 2022 union [news release](#):

The Union obtained confidential surveys carried out by the Department that showed employees, mostly Case Managers are becoming more skeptical the more they find out about the new Rehab contract. They are particularly worried that the new contractor won't be able to deliver services to Veterans as promised and that they will suffer more as a result. They are also worried about staff burnout and have little confidence that this new contract will make their jobs easier as promised.

According to UVAE President Virginia Vaillancourt, some functions that involve counselling veterans will be delegated to PCVRS, which could threaten the quality of the relationship between case managers and veterans:

Under the new contract, the contractor will be the lead in providing advice and guidance to veterans who require rehab services, not the case managers who have built relationships of trust with the veterans. The contractor may find them service providers, but who will answer the questions? Who will sit with them and their families to hear their stories and address their fears? Who will they turn to if things don't work out?⁴⁸

Mr. El-Daher of UVAE said that “none of the case managers’ questions about their roles and responsibilities or how this contract would actually work have been answered. The case managers have not even been fully trained on how to implement this contract.”⁴⁹ According to Ms. Vaillancourt, “we’ve been talking to case managers for a number of months, specifically in and around the contract. We’ve been holding town halls. They don’t know exactly what their role is going to look like when this contract kicks in on Tuesday next week.”⁵⁰

The case managers who appeared before the Committee all expressed the same concerns. Amanda Logan, case manager and president of a UVAE local, said the following:

I am afraid that this new contract will reduce the role of a group of workers who are an experienced, well-trained group of professionals who want to serve our veterans and their families. We have knowledge, integrity and commitment to service. We take pride in our role as public servants. We can make effective decisions and are accountable for our work to our employer and, most importantly, to our veterans

48 ACVA, *Evidence*, 17 November 2022, 1535, [Ms. Virginia Vaillancourt \(National President, Union of Veterans’ Affairs Employees\)](#).

49 ACVA, *Evidence*, 17 November 2022, 1540, [Mr. Toufic El-Daher \(National Executive Vice-President, Union of Veterans’ Affairs Employees\)](#).

50 ACVA, *Evidence*, 17 November 2022, 1545, [Ms. Virginia Vaillancourt \(National President, Union of Veterans’ Affairs Employees\)](#).

and their families. Just imagine how well we could do this work if we had appropriate resources and permanent funding in place.⁵¹

Paulette Gardiner Millar of PCVRS confirmed that veterans' eligibility would be determined by case managers, but that the rehabilitation plans themselves would be developed in conjunction with the "rehabilitation service specialists" and that implementation would require PCVRS approval:

After the VAC case manager confirms eligibility, then the referral would come over to PCVRS at that point. The veteran will be assigned an RSS, a rehabilitation service specialist. We'll do the initial assessment to determine what the barriers are and what the needs are, and then the participant, the VAC case manager and the RSS will work together to build the rehabilitation plan.

If there are any consultations required in order to do that—medical assessments, vocational assessments and so on—those will be provided and then worked into the decision-making in terms of moving forward. At that point, if everybody agrees on the rehabilitation plan, then the care will be provided to the veteran.⁵²

According to Ms. Vaillancourt, "the role of the new RSS, the rehabilitation service specialist, is very close to and very similar to what the case manager's job is right now. There is a lot of uncertainty about what their role is going to look like and what duties they are actually going to be doing."⁵³ Sergeant (Retired) Chris Banks raised the same concern: "We don't know what [the case managers are] going to do. We don't know what their role is going to be. We don't know how it's going to impact it. That in itself is part of the scary part. There's such a big element of the unknown that it's leaving us to just assume that it's going to be more par for the course."⁵⁴

After the 21 November 2022 meeting, UVAE invited case managers to express agreement with what their colleagues said in committee. In response, the Committee received 14 emails of support.

During his appearance, the Minister of Veterans Affairs, the Honourable Lawrence MacAulay, stressed that the contract's primary objective was to reduce the administrative burden on case managers and that this objective was established in

51 ACVA, *Evidence*, 21 November 2022, 1115, [Ms. Amanda Logan \(Case Manager and President, Local Union 60006, Union of Veterans' Affairs Employees, As an Individual\)](#).

52 ACVA, *Evidence*, 17 November 2022, 1700, [Ms. Paulette Gardiner Millar \(Contract Manager, Partners in Canadian Veterans Rehabilitation Services\)](#).

53 ACVA, *Evidence*, 17 November 2022, 1545, [Ms. Virginia Vaillancourt \(National President, Union of Veterans' Affairs Employees\)](#).

54 ACVA, *Evidence*, 1 December 2022, 1730, [Mr. Christopher Banks \(Sergeant \(Retired\), As an Individual\)](#).



consultation with these case managers. He confirmed that administrative responsibilities were being delegated to PCVRS, but he also suggested that more core tasks will be transferred: “[Case managers] will no longer have to ... write rehab plan goals,”⁵⁵ which would confirm the responsibilities of the RSS in the development and implementation of the rehabilitation plans prepared for each veteran in the Program.

Nathalie Pham of VAC seemed to suggest that the most important aspects of a case manager’s role will be retained:

The purpose and primary role of case managers remains unchanged. They will work with veterans on the department’s behalf, and continue to make assessments, and plan and coordinate needs. They are also the ones who make the decisions.

As to our partners, they will be specialists.

The case manager oversees everything. We will bring in specialists to help us support veterans, but it is still the case manager’s responsibility.⁵⁶

Since contract implementation is still in the earliest stages, it is difficult to anticipate whether these problems will be smoothed out after an adaptation period. It is possible that the contract terms will relieve case managers of some of their administrative tasks so that they can spend more time delivering services to veterans. However, it is still concerning to see that a large number of these case managers do not appear to have a clear understanding of the scope of their responsibilities and whether they will be able to maintain this special relationship they have with the 15,000 veterans participating in the rehabilitation program. These are the veterans with the most complex health issues and who require special attention. The Committee therefore recommends:

Recommendation 5

That Veterans Affairs Canada acknowledge the gaps in its initial case managers communications strategy and immediately specify which of the case managers’ responsibilities will be transferred to PCVRS’ rehabilitation service specialists.

55 ACVA, *Evidence*, 5 December 2022, 1105, [Hon. Lawrence MacAulay \(Minister of Veterans Affairs\)](#).

56 ACVA, *Evidence*, 17 November 2022, 1705, [Ms. Nathalie Pham \(Senior Director, Operational and Strategic Affairs, Department of Veterans Affairs\)](#).

Recommendation 6

That Veterans Affairs Canada hire more permanent case managers to limit the number of cases assigned to each case manager to a maximum of twenty-five (25).

PROVIDER REGISTRATION WITH PCVRS

These concerns were echoed by providers as well. Patricia Morand is a clinical care manager and has been providing services for VAC for over 20 years. The department contracts out services to her when certain veterans have particularly complex needs.⁵⁷ “I still do not have an understanding of what [PCVRS’s] format will be, or, again, whether there will be an OT or clinical care manager role. I’m not sure. I don’t know.”⁵⁸ A long-standing VAC-approved Medavie Blue Cross provider, she is reluctant to complete the PCVRS provider registration form. She said that the provider fee structure has also not yet been set.⁵⁹

Kristen Veinott, a self-employed clinical social worker, outlined some of the details about PCVRS’s policies regarding payment to providers:

The difference with Bluecross and Lifemark regarding payment is this: service providers in private practice can direct bill Bluecross and receive payment the following week, whereas Lifemark has advised service providers can expect payment in 45–75 days. At best, I can expect to be paid a month and half after I provide a specialized mental health service. At worst, it will take nearly three months or a season. This is unacceptable and limiting to both service providers and Veterans. Some service providers may not be able to afford such a delayed payment and therefore, may not put their name on Lifemark’s provider list.

... The recommended rate for registered private practice social workers in Nova Scotia is currently \$175 per 50–60 minute session. This rate is recommended by the provincial regulatory body of the profession. Previous to the contract with Lifemark, VAC paid social workers \$160, which is \$15 less than the provincial rate. During my experience as a

57 ACVA, *Evidence*, 1 December 2022, 1545, [Ms. Patricia Morand \(Occupational Therapist and Clinical Care Manager, As an Individual\)](#).

58 ACVA, *Evidence*, 1 December 2022, 1620, [Ms. Patricia Morand \(Occupational Therapist and Clinical Care Manager, As an Individual\)](#).

59 ACVA, *Evidence*, 1 December 2022, 1625, [Ms. Patricia Morand \(Occupational Therapist and Clinical Care Manager, As an Individual\)](#).



Case Manager, there were many social workers willing to accept the discounted rate, as per their interest in supporting Veterans' rehabilitation. Now with the new contract between VAC and Lifemark, the agreed upon rate is \$150. This is now \$25 less per hour. For service providers that remain willing to accept the discounted rate for Veterans, they will be paid less and pay day will come 45–75 days after providing mental health care.⁶⁰

What is provided for in the contract for the payment period for providers is more reasonable than what was presented by some witnesses. It states that reimbursement to providers must be made within 23 business days of receipt of a claim and that providers must submit their claims once a month.⁶¹ Such a discrepancy in the understanding of some terms of the contract suggests that VAC has not communicated properly with service providers. As for the rates of pay for the various services, it was not possible to establish them, as these sections of the contract are redacted.

A group of mental health clinicians working with veterans in Renfrew County and Ottawa-Carleton submitted a brief to the Committee expressing concerns about “the program expectations described to some of us in conversations with representatives of Lifemark and from contracts/letters of understanding recently received.”⁶²

They claim that Lifemark does not appear to consider the complex nature of the cases and the specialized expertise needed to properly treat them. Lifemark is asking for cases to be handled and resolved in a time frame that does not support the therapeutic alliance between clinicians and veterans:

The expectations of Lifemark's pace present a complicated and delicate predicament as most Veterans who suffer from Operational Stress Injuries also endure considerable guilt and shame; thus, they tend to isolate themselves from friends and family. Additionally, they struggle to forge trusting relationships with others, so slowly building relationships of trust and comfort within this psychotherapy process is an essential means

60 Kristen Veinott, self-employed clinical social worker, “Brief submitted to ACVA,” 30 November 2022.

61 Section 7.5.5.4 of Annex A of the contract. P. 96 of the PDF.

62 Alisha Henson, Ph. D., C. Psych. (Supervised Practice), Shannon Rutledge, MSW, RSW, Marie-Josée Hull, MSW, RSW, “Brief from mental health clinicians on 5 December 2022 submitted to ACVA,” p. 1. The brief is supported by 20 other providers.

for helping Veterans to engage with and enter into other relationships and nurture their relationships in healthy, meaningful ways.⁶³

According to this group of providers, the rate of pay is too low to provide the level of experience and expertise that will ensure proper interventions and may exacerbate the risk of sanctuary trauma. The service model appears to be based on employee assistance programs that involve standardized short-term interventions and is not appropriate for the complexity of the interventions required to treat veterans. They are also concerned that the administrative burden to be removed from case managers will fall on service providers:

The administrative requirements prescribed by Lifemark, particularly the reporting and potential waiting for additional authorization, will interrupt the flow of therapy. The need for frequent reporting is not a client-centred approach and appears to indicate that Lifemark lacks awareness of this client population and its unique needs.⁶⁴

During her appearance, Ms. Bennett of WCG Services emphasized the qualifications of its service providers, but did not say anything about their experience working with veterans:

In terms of the qualifications, the rehabilitation services specialists who will be working with veterans are regulated health or vocational rehabilitation professionals who have experience in coordinating and delivering medical, psychosocial or vocational rehabilitation services. They're experienced professionals who are regulated and who have the appropriate designations and credentials. Typically we'll have social workers and other health professionals.⁶⁵

Scott Maxwell of Wounded Warriors said that case managers and providers need an appreciation of the unique aspects of working with veterans: "To me, if you're going to put civilians in front of this population, training has to be at the forefront of their role.

63 Alisha Henson, Ph. D., C. Psych. (Supervised Practice), Shannon Rutledge, MSW, RSW, Marie-Josée Hull, MSW, RSW, "Brief from mental health clinicians on 5 December 2022 submitted to ACVA," pp. 1–2.

64 Alisha Henson, Ph. D., C. Psych. (Supervised Practice), Shannon Rutledge, MSW, RSW, Marie-Josée Hull, MSW, RSW, "Brief from mental health clinicians on 5 December 2022 submitted to ACVA," p. 2.

65 ACVA, *Evidence*, 17 November 2022, 1650, [Ms. Tania Bennett \(Chief Executive Officer and Executive Sponsor, WCG Services, Partners in Canadian Veterans Rehabilitation Services\)](#).



Unfortunately, it's not been the case. I have not seen it to be the case in 10 years. I would suggest for the department that it be the focus for today going forward."⁶⁶

According to Paulette Gardiner Millar of PCVRS, training modules have been mandatory since November 2022 for anyone who will be working directly with veterans:

We've had great feedback from veterans we've had take a look at it.

I agree with you that this population has specific needs, so some of the areas we've included in our training are unique to military culture, including things like barriers and how to support transition to post-service life; certainly mental health awareness, including understanding the mental health continuum, moral injury and operational stress injury, mood disorders and anxiety- and trauma-informed disorders like post-traumatic stress disorder, which we heard about earlier today, as well as substance-related disorders.⁶⁷

Although such training efforts are welcome, it will take time for them to replace the experience already gained by the providers who were working with veterans. These comments, together with those of the health care professionals, are concerning since these health care professionals are the ones directly providing services to veterans. If the terms of the contract with PCVRS end up discouraging experienced providers from registering, the quality of these services may suffer. The Committee therefore recommends:

Recommendation 7

That Veterans Affairs Canada, given the importance of institutional knowledge, ensure that the conditions offered to providers registering with PCVRS will support the retention of health care professionals who have experience with the unique services provided to veterans.

Over the course of this study, one frequently raised point concerned the number of providers that veterans would have access to with PCVRS compared with Medavie Blue Cross. For example, Ms. McSheffery said that "the promise of 9,000 providers is very small in comparison to the number of providers we have access to through the regular

66 ACVA, *Evidence*, 1 December 2022, 1600, [Mr. Scott Maxwell \(Executive Director, Wounded Warriors Canada\)](#).

67 ACVA, *Evidence*, 17 November 2022, 1650, [Ms. Paulette Gardiner Millar \(Contract Manager, Partners in Canadian Veterans Rehabilitation Services\)](#). See also section 5.11 of the contract.

Medavie Blue Cross providers right now, many of whom decided not to register for this contract because the pay is lower and it takes them longer to get paid.”⁶⁸

In October 2022, the FHCPS administered by Medavie Blue Cross had 283,739 healthcare service providers of all kinds: doctors, dentists, physiotherapists, psychologists, etc., but providers can also be legal persons, such as clinics offering specialized care.⁶⁹ Of this number, 7,748 providers offered medical and psychosocial rehabilitation services to veterans enrolled in the VAC program prior to the new contract coming into effect in October 2022.⁷⁰ The Committee tried twice to obtain clarifications from the Minister of Veterans Affairs on how many rehabilitation professionals provided services to veterans before the new contract came into effect, and how many provided these same services since the contract came into effect.

The minister's response reveals that as of March 2023, 11,984 “rehabilitation professionals” were part of the PCVRS network. However, it is unknown how many of these professionals provide medical services, how many provide psychosocial services, and how many provide professional services. The Committee is therefore unable to compare the extent of rehabilitation services offered until October 2022 to what is now being offered under the new contract. It is also learned that under the previous contract, only 32 “providers” offered professional rehabilitation services. This small number of providers suggests that they are legal persons, whereas to be able to compare the old and new contracts, it would have been necessary to know how many “rehabilitation professionals” worked for these 32 providers. The Committee therefore believes that VAC has not answered its questions. It is therefore impossible to determine whether the number of “rehabilitation professionals” will increase or decrease with the new contract, or to know in which areas of the rehabilitation program this increase or decrease will primarily be found.⁷¹

68 ACVA, *Evidence*, 21 November 2022, 1135, [Ms. Whitney McSheffery \(Case Manager, Union of Veterans' Affairs Employees, As an Individual\)](#).

69 Response to Question 1374 submitted by Mrs. Blaney (North Island-Powell River) tabled by the Minister of Veterans Affairs and Associate Minister of National Defense, Hon. Lawrence MacAulay, 29 March 2023.

70 Response to Committee Questions deposited by the Minister of Veterans Affairs and Associate Minister of National Defense, Hon. Lawrence MacAulay, 2 May 2023.

71 See Committee questions and Minister's responses in the Appendix.



Minister MacAulay also said that “there are more francophone specialists available in Quebec and more francophone specialists available outside of Quebec with this contract. I wanted to make sure of that.”⁷²

EVALUATION AND FOLLOW-UP ON RESULTS

Ms. Vaillancourt raised one aspect of the contract that appears to suggest that PCVRS would be responsible for evaluating its own performance in achieving the VAC-established outcomes:

The contractor will be doing their own quality assurance. It is really concerning when you have a contractor doing the quality assurance of their own work. ... They have the quality assurance. We have documentation from the department, from one of the town halls, that specifically states that the contractor “will oversee the service delivery to ensure adherence to the contract requirements, accountability and service excellence.” This includes “accessibility, timeliness, adherence to program intent, parameters, legislation.”⁷³

This was confirmed by Mr. Harris:

That is one element of it. Of course, they would provide quality assurance of their own services, and there are metrics that they have to provide back to the department in terms of quality assurance that we would also be reviewing. Of course, as part of their own internal work, they do quality assurance to ensure that their staff are delivering quality services. There are also metrics and measures and performance measures that they need to give back to us as the department to be responsible for the oversight and provision of the contract.

... Under the contract, there will definitely be performance reviews, which will be reported, and the Department of Veterans Affairs will ensure that everything is in order. Should any issues arise with the contract, veterans may contact our department to ensure they are resolved.⁷⁴

These statements have raised some concerns because they suggest that the quality of services provided will depend on feedback from veterans who will contact it as needed. However, if one reads the terms of the contract, the reporting requirements seem demanding. The raw data from all evaluations conducted by the contractor must be submitted to VAC, along with a long list of reports detailing all dimensions of the services

72 ACVA, *Evidence*, 5 December 2022, 1125, [Hon. Lawrence MacAulay \(Minister of Veterans Affairs\)](#).

73 ACVA, *Evidence*, 17 November 2022, 1605, [Ms. Virginia Vaillancourt \(National President, Union of Veterans' Affairs Employees\)](#).

74 ACVA, *Evidence*, 5 December 2022, 1715, [Mr. Steven Harris \(Assistant Deputy Minister, Service Delivery Branch, Department of Veterans Affairs\)](#).

provided. All of this data must allow VAC “to objectively evaluate Participant and Program outcomes, performance and experiences, to jointly optimize Rehabilitation Program performance and improve the quality of the Participant experience and outcomes.”⁷⁵ In order to better align the perceptions of the different stakeholders on these issues, the Committee recommends:

Recommendation 8

That Veterans Affairs Canada specify the terms and conditions that will allow it to oversee how the rehabilitation program management contract is implemented and ensure the quality of services delivered by PCVRS and its providers.

Recommendation 9

That Veterans Affairs Canada provide the Committee with a comprehensive update on the impacts of the rehabilitation contract awarded to PCVRS on service delivery to veterans by November 2023.

Recommendation 10

That the Office of the Veterans Ombud be asked to publish a report in one year's time on the affects the contract has had on Veterans, VAC employees, and service providers.

BARRIERS ENCOUNTERED DURING ROLLOUT

Witnesses highlighted various issues that could interfere with a smooth transition to the new contract. For example, a group of mental health clinicians working with veterans submitted a list of questions that remained unanswered about the transition from the previous contractor to the new one.⁷⁶ Also, in an email sent to the Committee, Ms. Vaillancourt criticized the fact that “[t]he contract date has been moved but they notified the Case Managers the day after the Go Live Date was originally scheduled.” Mr. Harris stated the following:

It wasn't the start date of the contract that was pushed back, but rather that of part of a system that supports both veterans and Veterans Affairs Canada employees. It's a new system module that they're already using.

75 Section 6.1.2 of Annex A of the contract. P. 71 of the PDF.

76 Alisha Henson, Ph. D., C. Psych. (Supervised Practice), Shannon Rutledge, MSW, RSW, Marie-Josée Hull, MSW, RSW, “Brief from mental health clinicians on 5 December 2022 submitted to ACVA,” pp. 2–4.



We wanted to be sure of the quality of the module and to ensure that everything would work right from the start. So we delayed the rollout of that module by seven days.⁷⁷

The union also sent the Committee photos of a flipchart that were taken during a presentation on the transition to the new contract. According to the union, the information in these photos shows that certain services were unavailable between 25 October and 21 November 2022, a period that was then extended by a week. Ms. Vaillancourt stated that “[t]he case managers were advised, for 25 October to 21 November, not to implement new medical or psychosocial resources, whether the veteran was on the current vocational rehabilitation, whether they were new rehabilitation applicants or whether they were already with the case managers being shifted.”⁷⁸

The same information can reportedly be found in a document describing the process for migrating to the new VAC client management system. Ms. Pham, a VAC representative, sought to clarify the information reported by the union:

For veterans who already use the rehabilitation program, medical and psychosocial rehabilitation services were extended during the migration and transition period. So no veterans who already had access to those services will be without them.

As to veterans who are newcomers to the program, I would point out that the role of the case manager has not disappeared. Case managers decide on eligibility and assess case management needs. If veterans have medical or psychosocial needs, they will have access to them, in accordance with their health care coverage. That will not change. It is only rehabilitation services that will be on hold for a few weeks while we start up the contract and conduct a rehabilitation assessment.

...

Information was sent to case managers to reassure them that the existing resources had been extended. For those few weeks, they were asked not to focus on rehabilitation services, but to focus instead on other medical and psychosocial needs.⁷⁹

77 ACVA, *Evidence*, 5 December 2022, 1150, Mr. Steven Harris (Assistant Deputy Minister, Service Delivery Branch, Department of Veterans Affairs).

78 ACVA, *Evidence*, 17 November 2022, 1625, Ms. Virginia Vaillancourt (National President, Union of Veterans' Affairs Employees).

79 ACVA, *Evidence*, 17 November 2022, 1705, Ms. Nathalie Pham (Senior Director, Operational and Strategic Affairs, Department of Veterans Affairs).

Minister MacAulay subsequently confirmed that “there has been no gap in services between the old contract and the new contract.”⁸⁰ Mr. Ledwell clarified that “no veteran was denied service during that period of time. Any veteran who came forward with a need for service—mental health, psychosocial supports—was provided with those services. That communication was about the transfer of files.”⁸¹

Lastly, Ms. Vaillancourt sent the Committee a document listing the following concerns that employees had expressed about the new contract:

- backlogs have developed in relation to accessing services and vocational assessments;
- the migration to the new contract caused delays in the processing of the reports that are needed to access vocational assistance services;
- the migration to the new contract led to longer wait times for diminished earning capacity determinations;
- letters sent by VAC to announce the rollout of the new contract caused veterans anxiety;
- some veterans stated that there are still many unknowns with regard to what services will be available to veterans under the new contract;
- rehabilitation service specialists (RSSs) and case managers are having a hard time understanding their respective responsibilities, leading to duplication, which is frustrating for veterans;
- case managers feel like VAC is pressuring them to close files quickly;
- communication between employees and VAC is slow and contains conflicting information; and
- there is no system for distributing complex files fairly among the case managers.

This list includes several of the concerns addressed in this report, as well as others related to the disruptions caused by the rollout of the new contract. The Committee will

80 ACVA, *Evidence*, 5 December 2022, 1145, [Hon. Lawrence MacAulay \(Minister of Veterans Affairs\)](#).

81 ACVA, *Evidence*, 5 December 2022, 1145, [Mr. Paul Ledwell \(Deputy Minister of Veterans Affairs\)](#).



ensure that follow-up is done regularly and that VAC develops solutions to the problems listed in the union's communications.

CONCLUSION

The coming into force of the Veterans Affairs Canada (VAC) Rehabilitation Program in 2006 was the centrepiece of the biggest reorganisation of services for Canadian veterans since the Second World War. The veterans participating in this program are those whose needs are the most complex and who require coordination by a case manager. For the duration of the program, they can receive the income replacement benefit, which guarantees them 90% of the income they were earning when they were released from the Canadian Armed Forces. Around 15,000 veterans are currently taking part in a rehabilitation program.

The program has three components: medical rehabilitation, psychosocial rehabilitation and vocational rehabilitation. For the medical component, when it came into effect, the federal government was already responsible for providing health care to members of the CAF and the Royal Canadian Mounted Police (RCMP). VAC, for its part, coordinated the provision of treatment benefits to veterans whose disability was linked to their military service. The Department could therefore rely on an already established list of professionals for health services.

For the psychosocial component, VAC had to draw up a list of authorized providers, in particular to be able to meet the demand for mental health care. Subsequently, all health care and rehabilitation providers were integrated into the Federal Health Claims Processing Service (FHPCS) administered by Medavie Blue Cross. The difference between the Rehabilitation Program and the Treatment Benefits Program is in their purpose and duration. Treatment benefits are designed to treat disabilities related to military service over the long term, whereas rehabilitation is a time-limited intervention designed to bring veterans back to their optimal level of physical, psychosocial and professional health. Compared to the 15,000 veterans taking part in the rehabilitation programme, around 85,000 are receiving medical benefits.

The third component of the rehabilitation programme, the vocational component, has been contracted out since the beginning. This contract was due to expire at the end of 2022, at the same time as the government launched a new call for tenders for the FHPCS contract previously administered by Medavie Blue Cross. VAC saw an opportunity to integrate the three components of its rehabilitation programme into a single new contract, and to separate from it the providers previously enrolled in the FHPCS. It therefore launched a tender in the summer of 2020 for the administration of its entire

rehabilitation program. The contract was awarded in June 2021 to Partners in Canadian Veterans Rehabilitation Services (PCVRS) for \$560 million over five and a half years.

According to the Department, the main benefit of this new program is the coordination and standardization of services at the national level, as well as the integration of technological platforms throughout the rehabilitation program. Among other things, these changes should enable professionals and veterans to keep in touch with each other as they monitor rehabilitation progress. We will have to wait for the results of the contract's implementation to know whether these benefits will materialise.

The Union of Veterans' Affairs Employees denounced VAC's lack of consultation and information. Its concerns relate in particular to the ambiguity of the redefinition of the role of case managers currently employed by the department. A number of service providers, who were registered under the previous contract, also expressed their concern and deplored the lack of information received.

On the other hand, VAC representatives stated that they had held consultations with veterans, employees and service providers, and had kept them informed throughout the transition process to the new provider. In the Committee's view, this radical difference of opinion is in itself indicative of poor communications on the part of VAC. The Committee members are concerned about the effects of this divergence and the confusion it could cause among veterans. They therefore asked VAC to improve its communications with veterans and departmental employees.

As for the content of the contract itself, the case managers who participated in this study deplored the vagueness of the clauses surrounding the planning and development of rehabilitation plans. VAC must therefore specify which functions were the responsibility of the case managers and which will be delegated to PSRVC rehabilitation specialists.

As for rehabilitation professionals, the testimony heard suggests a risk of disengagement on the part of professionals with long experience working with veterans. The Department must ensure that the conditions offered to providers registered with PCVRS foster the retention of professionals who have experience with the specific characteristics of services offered to veterans.

Finally, despite demanding accountability clauses, the new contract leaves PCVRS responsible for evaluating its own performance, to which financial incentives are attached. VAC must ensure that it is able to monitor the implementation of this new contract and guarantee that it will make it possible to improve the quality of services offered to veterans.

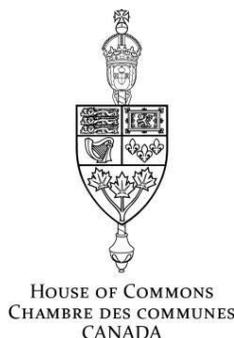


HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Rehabilitation is at the heart of the services offered by VAC to Canadian veterans. It embodies the Government of Canada's commitment to do everything possible to support the well-being of people who, in the fulfillment of their duty to defend the freedom of all Canadians, face challenges that create barriers to the optimal use of their capacities. We are all responsible for these limitations, whether physical, mental or professional. These injuries are honourable, and so must be the quality of the services offered to veterans on behalf of the people of Canada.

**APPENDIX A
LETTER TO THE MINISTER OF
VETERANS AFFAIRS**

**STANDING COMMITTEE ON VETERANS
AFFAIRS**



**COMITÉ PERMANENT DES ANCIENS
COMBATTANTS**

March 28, 2023

The Honourable Lawrence MacAulay
Minister of Veterans Affairs and Associate Minister of National Defence
Veterans Affairs Canada
PO Box 7700 Charlottetown, PEI
C1A 8M9

By email

CONFIDENTIAL

Subject: Request for documents

Dear Minister MacAulay,

On March 23, 2023, the Standing Committee on Veterans Affairs met to discuss the draft report for its study on the *impact of the new rehabilitation contract awarded by the Department of Veterans Affairs on the role of the case manager and quality of service delivery*. During their review of the draft report, committee members concluded that essential information was missing from the department that was required to complete the report. Therefore, the committee is requesting that the department provide the following information as soon as possible.

When you appeared as part of this study, representatives of Veterans Affairs Canada and yourself said that, under the new contract for rehabilitation services signed in 2021 with Partners in Canadian Veterans Rehabilitation Services (PCVRS), veterans participating in the rehabilitation program would have access to a network of 9,000 health care professionals across the country.

How many health care and rehabilitation professionals were available to provide services to veterans participating in Veterans Affairs Canada's rehabilitation program before the contract was signed with PCVRS?

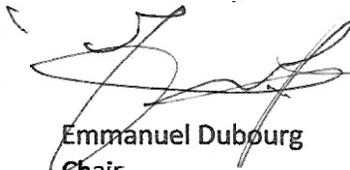
- Please include the number of service providers for the three areas of the rehabilitation program: medical, psychosocial and vocational.

- Please make a distinction between this number and the number of health care professionals registered with Medavie Blue Cross to provide health care services through Veterans Affairs Canada's Treatment Benefits Program.

This information is required as part of the committee's ongoing study, specifically for the draft report on the *impact of the new rehabilitation contract awarded by the Department of Veterans Affairs on the role of the case manager and quality of service delivery.*

The committee looks forward to the Minister's timely co-operation on this matter.

Yours sincerely,



Emmanuel Dubourg
Chair

Standing Committee on Veterans Affairs

APPENDIX B
RESPONSE FROM THE MINISTER OF
VETERANS AFFAIRS

April 28, 2023

Emmanuel Dubourg, M.P.
Chair of the Standing Committee on Veterans Affairs
House of Commons
131 Queen St., Room 4-10
Ottawa ON K1A 0A6

Dear Mr. Dubourg,

Thank you for your letter of March 28, 2023, seeking additional information in support of the Committee's study on the Impact of the New Rehabilitation Contract Awarded by the Department of Veterans Affairs on the Role of the Case Manager and Quality of Service Delivery.

Veterans Affairs Canada does not register health care professionals by specific program area. As of October 2022, 283,739 Health care professionals were available to provide services to Veterans through all programs and services that Veterans Affairs offers.

As of March 2023, Partners in Canadian Veterans Rehabilitation Services (PCVRS) has 11,984 Rehabilitation professionals across Canada and this number continues to grow. In comparison, Medavie Blue Cross, as of October 2022, had 7,748 providers delivering medical and psycho-social services to rehabilitation participants.

In addition to the growing number of Rehabilitation professionals available through Partners in Canadian Veterans Rehabilitation Services (PCVRS), we've also grown the number of locations from 600 to nearly 800 locations across Canada.

Making sure that our Veterans and their families have the support they need where and when they need it as they make the transition from military to civilian life is absolutely vital. Veterans Affairs Canada is committed to ensuring that Veterans have access to innovative and nationally-consistent Rehabilitation services.

I look forward to receiving the Committee's report and recommendations. My officials and I remain fully committed to providing support and any available information necessary to allow the Committee to continue its important work.

Sincerely,

A handwritten signature in black ink that reads "Lawrence MacAulay". The signature is written in a cursive style with a large initial "L" and "M".

Hon. Lawrence MacAulay, P.C., M.P.
Minister of Veterans Affairs and Associate Minister of National Defence

APPENDIX C
CORRESPONDENCE FROM THE COMMITTEE

Please find below a correspondence from the committee:

After reviewing the letter from the Minister, the committee needs further clarification. The response states:

“Medavie Blue Cross, as of October 2022, had 7,748 providers delivering medical and psycho-social services to rehabilitation participants”, but there are no comparable numbers for PCVRS. This number does not include the number of professionals from the previous contractor who were providing vocational services to veterans registered with VAC’s rehabilitation program. Therefore, the following complementary information is urgently needed for the committee to complete its study:

1. In comparison with the 7,748 providers who were delivering medical and psycho-social services to rehabilitation participants as of October 2022, how many PCVRS providers are currently delivering medical and psycho-social services to rehabilitation participants?
2. Apart from the 7,748 providers who were delivering medical and psycho-social services to rehabilitation participants as of October 2022, how many providers were delivering vocational services to rehabilitation participants under the previous contract?

The number provided as the answer to question 2, added to the 7,748 medical and psycho-social services providers, will provide a comparison to the 11,984 Rehabilitation professionals registered with PCVRS.

Once again, this information is required as part of the committee’s ongoing study, specifically for the draft report on the impact of the new rehabilitation contract awarded by the Department of Veterans Affairs on the role of the case manager and quality of service delivery. The committee expects the Department to provide the information to the committee prior to its draft report review scheduled on Monday, May 15, 2023.

Vous trouverez ci-dessous la correspondance du Comité :

Après avoir examiné la lettre du ministre, le Comité a besoin d’éclaircissements. La réponse indique ce qui suit :

« Croix Bleue Medavie, en date d’octobre 2022, comptait 7 748 fournisseurs de services médicaux et psychosociaux destinés aux participants à la réadaptation », mais il n’existe pas de nombres comparables pour le PCVRS. Ce nombre ne comprend pas le nombre de professionnels de l’ancien fournisseur qui offraient des services professionnels aux anciens combattants inscrits au Programme de réadaptation d’ACC. Par conséquent, le Comité a besoin de toute urgence des renseignements complémentaires suivants pour mener à bien son étude :

1. Par rapport aux 7 748 fournisseurs qui offraient des services médicaux et psychosociaux aux participants à la réadaptation en date d’octobre 2022, combien de fournisseurs du PCVRS offrent actuellement des services médicaux et psychosociaux à ces participants?

2. Outre les 7 748 fournisseurs qui offraient des services médicaux et psychosociaux aux participants à la réadaptation en date d'octobre 2022, combien de fournisseurs offraient des services professionnels à ces participants dans le cadre du précédent contrat?

Le nombre fourni en réponse à la question 2, ajouté aux 7 748 fournisseurs de services médicaux et psychosociaux, permettra d'établir une comparaison avec les 11 984 spécialistes en réadaptation professionnelle enregistrés auprès du PCVRS.

Une fois de plus, le Comité a besoin de ces renseignements dans le cadre de l'étude qu'il mène actuellement sur l'impact du nouveau contrat de réadaptation accordé par le ministère des Anciens Combattants sur le rôle des gestionnaires de cas et la qualité de la prestation de services, en particulier pour le rapport préliminaire. Il demande au Ministère de les lui fournir avant l'examen du rapport préliminaire prévu pour le lundi 15 mai 2023.

APPENDIX D
DEPARTMENTAL FOLLOW-UPS



Standing Committee on Veterans Affairs

Comité permanent des anciens combattants

Impact of the Rehabilitation Contract
Awarded by the Department of Veterans
Affairs on the Role of the Case Manager and
Quality of Service Delivery

May 2, 2023

Impact du nouveau contrat de réadaptation
accordé par le ministère des Anciens
Combattants sur le rôle des gestionnaires de
cas et la qualité de la prestation des services

Le 2 mai 2023

Question

- In comparison with the 7,748 providers who were delivering medical and psycho-social services to rehabilitation participants as of October 2022, how many PCVRS providers are currently delivering medical and psycho-social services to rehabilitation participants?
- Apart from the 7,748 providers who were delivering medical and psycho-social services to rehabilitation participants as of October 2022, how many providers were delivering vocational services to rehabilitation participants under the previous contract?

- Par rapport aux 7 748 fournisseurs qui assuraient des services de réadaptation médicale et psychosociale aux participants en réadaptation en octobre 2022, combien de fournisseurs de PSRVC assurent actuellement des services de réadaptation médicale et psychosociale aux participants en réadaptation?
- Outre les 7 748 fournisseurs qui assuraient des services de réadaptation médicale et psychosociale aux participants en réadaptation en octobre 2022, combien de fournisseurs assuraient des services de réadaptation professionnelle aux participants en réadaptation dans le cadre du contrat précédent?



Response / Réponse

In October 2022, there were 283,739 Medavie Blue Cross providers, including health professionals such as acupuncturists, hearing aid dispensers, pharmacies, audiologists, dentists, physiotherapists, massage therapists, psychologists, etc. The providers are registered to provide services based on their specialty, not for specific VAC programs. New providers are regularly added, and the list is reviewed periodically to remove providers that are inactive. The availability of these providers for treatment benefits should not be impacted by the new Partners in Canadian Veterans Rehabilitation Services (PCVRS) contract.

Prior to the implementation of the new PCVRS contract, in October 2022, there were 7,748 Medavie providers that were providing medical and psychosocial services to Veterans who are Participants under VAC's Rehabilitation Program. In addition, Canadian Veterans Vocational Rehabilitation Services (CVVRS) had 32 providers offering vocational rehabilitation services for Veterans. As of March 2023, PCVRS has 795 clinics and 11,984 Rehabilitation professionals in their network which continues to expand. With the implementation of the new PCVRS contract and Rehabilitation Services and Vocational Assistance Program (RSVP), the service delivery model changed. All rehabilitation services (medical, psychosocial, and vocational) will be provided through a single contractor.

As of April 26, 2023, 4,574 of the approximately 10,000 current Rehabilitation Participants have transitioned to PCVRS. The migration of the initial cohort of Participants, those with a vocational component to their rehabilitation plan, was completed in December 2022. The remaining participants, those with medical or psychosocial needs but not registered into a vocational training program, will be completed by August 2023.

Many Rehabilitation Program Participants continue to receive services from their existing Medavie providers to ensure continuity of care even after they transition to PCVRS therefore it is not possible to do a direct comparison of service providers before and after implementation of the new contractor as, not only is it a different model, VAC is still in the process of migrating Veterans to the new contractor, and some Veterans receive services through Medavie as they transition.

En octobre 2022, Croix Bleue Medavie comptait 283 739 fournisseurs, y compris des professionnels de la santé comme les acupuncteurs, les distributeurs d'appareils auditifs, les pharmacies, les audiologistes, les dentistes, les physiothérapeutes, les massothérapeutes, les psychologues, etc. Les fournisseurs sont autorisés à fournir des services en fonction de leur spécialité, et non pour des programmes particuliers d'ACC. De nouveaux fournisseurs sont régulièrement ajoutés, et la liste est revue périodiquement pour supprimer les fournisseurs inactifs. La disponibilité de ces fournisseurs d'avantages médicaux ne devrait pas être touchée par le nouveau contrat avec Partenaires des services de réadaptation aux vétérans canadiens (PSRVC).

Avant la mise en œuvre du nouveau contrat avec PSRVC, en octobre 2022, 7 748 fournisseurs de Medavie offraient des services de réadaptation médicale et psychosociale aux vétérans qui participent au Programme de réadaptation d'ACC. De plus, les Services de réadaptation professionnelle pour les vétérans canadiens (SRPVC) comptaient 32 fournisseurs offrant des services de réadaptation professionnelle aux vétérans. En date de mars 2023, PSRVC comptait 795 cliniques et 11 984 professionnels de la réadaptation dans son réseau, qui continue de s'élargir. Avec la mise en œuvre du nouveau contrat de PSRVC et du Programme de services de réadaptation et d'assistance



professionnelle (PSRAP), le modèle de prestation de services a changé. Tous les services de réadaptation (médicale, psychosociale et professionnelle) seront fournis par un seul entrepreneur.

En date du 26 avril 2023, 4 574 des quelque 10 000 participants actuels au Programme de réadaptation étaient passés à PSRVC. La migration de la première cohorte de participants, ceux qui ont un volet professionnel dans leur plan de réadaptation, a pris fin en décembre 2022. Les autres participants, ceux qui ont des besoins médicaux ou psychosociaux, mais qui ne sont pas inscrits à un programme de formation professionnelle, passeront à PSRVC d'ici août 2023.

De nombreux participants au Programme de réadaptation continuent de recevoir des services de leurs fournisseurs actuels inscrits auprès de Medavie afin d'assurer la continuité des soins même après leur transition vers PSRVC; il n'est donc pas possible d'effectuer une comparaison directe des fournisseurs de services avant et après la mise en place du nouveau entrepreneur puisque, non seulement s'agit-il d'un modèle différent, mais ACC est toujours en train de transférer les vétérans au nouvel entrepreneur, et certains vétérans reçoivent des services par l'entremise de Medavie pendant leur transition.

APPENDIX E LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
<p>Department of Veterans Affairs</p> <p>Steven Harris, Assistant Deputy Minister, Service Delivery Branch</p> <p>Jane Hicks, Acting Director General, Service Delivery and Program Management</p> <p>Nathalie Pham, Senior Director, Operational and Strategic Affairs</p>	2022/11/17	25
<p>Partners in Canadian Veterans Rehabilitation Services</p> <p>Tania Bennett, Chief Executive Officer and Executive Sponsor, WCG Services</p> <p>Gilles Chabot, Chief Operating Officer, Lifemark</p> <p>Paulette Gardiner Millar, Contract Manager</p>	2022/11/17	25
<p>Union of Veterans' Affairs Employees</p> <p>Toufic El-Daher, National Executive Vice-President</p> <p>Virginia Vaillancourt, National President</p>	2022/11/17	25
<p>As an individual</p> <p>Angela Aultman, Case Manager and President, Local Union 90002, Union of Veterans' Affairs Employees</p> <p>Kelly Carter, Master Corporal (Retired)</p> <p>Amanda Logan, Case Manager and President, Local Union 60006, Union of Veterans' Affairs Employees</p> <p>Whitney McSheffery, Case Manager, Union of Veterans' Affairs Employees</p>	2022/11/21	26

Organizations and Individuals	Date	Meeting
As an individual	2022/12/01	29
Christopher Banks, Sergeant (Retired)		
Christine Gauthier, Corporal (Retired)		
Bruce Moncur, Corporal (Retired)		
Patricia Morand, Occupational Therapist and Clinical Care Manager		
The Royal Canadian Legion	2022/12/01	29
Carolyn Hughes, Acting Director, Veterans Services, National Headquarters		
Wounded Warriors Canada	2022/12/01	29
Scott Maxwell, Executive Director		
Department of Veterans Affairs	2022/12/05	30
Steven Harris, Assistant Deputy Minister, Service Delivery Branch		
Paul Ledwell, Deputy Minister		
Hon. Lawrence MacAulay, Minister of Veterans Affairs		

APPENDIX F LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

Veinott, Kristen

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 25, 26, 29, 30, 32, 42, 43, 48, 52 and 56](#)) is tabled.

Respectfully submitted,

Emmanuel Dubourg
Chair

Supplementary Report of the New Democratic Party (NDP)

New Democrats are concerned Veterans and their families are not being properly served by Veterans Affairs Canada (VAC) through the outsourcing of the rehabilitation program to Partners in Canadian Veterans Rehabilitation Services (PCVRS). The implementation of this contract has been problem-plagued from the beginning, including rollout delays, alarms raised by Veterans Affairs case managers, and mass confusion of service providers. There have been numerous media reports of Veterans upset that VAC is not heeding their concerns, expressing their fears and apprehensions about the rollout of the outsourced rehabilitation program.

When Veterans, service providers, and VAC workers say the same thing, the Minister and the department must listen.

PCVRS is a joint venture between WCG International, an Australian owned job-training corporation, and Lifemark Health Group, owned by Loblaw's Companies Ltd. At the heart of both companies is profit-making, not service delivery. With this contract, the Liberal government has chosen profits over people. Awarding \$560 million to a private for-profit company to deliver services to Veterans is more important to the Liberals than building up the resources within the department and addressing the worries of Veterans.

Consider the poor investments VAC has made in its human resources. As Virginia Vaillancourt, president of the Union of Veterans Affairs Employees (UVAE) testified,

“The latest report from Veterans Affairs Canada shows that there are a total of 494 case manager positions on the payroll. Of those, 441 are indeterminate, and there are 53 term positions. However, positions are not people. From May 3 to August 30, 2022, VAC hired 13 case managers. During the same time period, 24 case managers left the department due to retirement or resignation, or moved to other departments. Yes, VAC hired case managers but still ended up with a net loss of 11 people.

Another 90 case managers are on some form of disability, long-term sick leave or other leave. That means we have fewer than 400 case managers to serve the needs of almost 15,000 veterans and their families. It shouldn't come as any surprise that we have lengthy backlogs, frustrated veterans and psychologically wounded and demoralized staff.”¹

For years, the Union of Veterans Affairs Employees (UVAE) has been asking the department to develop a plan to attain a caseload ratio of 25:1 for each case manager. Yet the Liberals are more focused on helping their corporate friends than they are in setting up a service delivery model for Veterans that meets their needs. Testimony from the union indicated that this outsourced contract is costing taxpayers 25% more than if VAC had hired more case managers.

¹ House of Commons, Standing Committee on Veterans Affairs (ACVA), Evidence, 17 November 2022, Virginia Vaillancourt.

As well, the contract has no penalties for non-compliance, and the contractor will be doing its own quality assurance.

VAC's rollout of this contract has been marked by a lack of preparedness for the change in services. The department has done a poor job of communicating the changes to everyone involved in this process. Computer systems were not ready so the rollout had to be delayed by a week, staff had not received training on critical components of the rollout even as the rollout had begun, Veterans were not made aware of the new process, and service providers were not receiving answers to their questions.

Amanda Logan, a case manager at VAC, told the committee about her concerns,

“Right now we are under tremendous pressure to meet deadlines for the transition of case management services to the third party contractor. We are doing this at the same time as we are trying to help veterans and their families. Since June, we have asked questions about the implementation of the new contract, only to be told that this information is forthcoming—a time that has not yet come.

There has been no meaningful consultation with case managers. We've been instructed to adhere to the changes and to do it quickly. We have not been properly trained on this new rehabilitation contract.

I am afraid that veterans will be forced to adhere to rehabilitation plans that are guided by specific and hard timelines, and that their rehabilitation plan will be prescribed by a contract that was awarded through a tendering process, not developed from the veteran's physical and mental health needs. I am afraid that if they are not able to participate in the streamlined process, they will face cancellation of the program and file closure, a financially and emotionally devastating measure.”²

The contract was already being rolled out when a service provider with over 20 years of experience with VAC and Veterans testified,

“As a clinical care manager (CCM), I work in conjunction with other people working with the veteran, including psychologists, social workers, family physicians when needed, and in the past with the March of Dimes vocational staff when needed, and case managers and those who may be involved with the veteran through community agencies or community services. To date, I have not been able to identify how the CCM role, and subsequently my role as this provider, may be impacted by the new contract.”³

And worries about the outsourcing were expressed by a Veteran who testified,

“I had asked my psychologist if she had any information about the new program provider, as she had a lot of experience with other veterans going through what I am

² House of Commons, ACVA, Evidence, 21 November 2022, Amanda Logan.

³ House of Commons, ACVA, Evidence, 1 December 2022, Patricia Morand.

going through. She told me she had already attempted to contact the PCVRS for another client, had left voice mails and emails, and had received no reply to her queries.

Last week, I received a letter from the PCVRS telling me that I am being enrolled. I went out for information myself, and all I could find was what limited information was put on the website, but every bit of information I'm hearing says it's going to be more of the same, maybe a little worse.

I want to leave it at this. I'm scared. I'm scared I'm going to be forced into another program that will not help me succeed, and will only put me at new risk. The obscurity in this new contract, and the gradual removal of case managers from the process who, in my experience, have been the only people who truly care about us, leads me to believe that this is just another predatory company taking advantage of a vulnerable group in order to make a profit at the expense of veterans.”⁴

New Democrats are severely disappointed that VAC and the Minister responsible have not listened to the fears and worries expressed by many involved in the rollout of this contract. Not addressing these concerns sends a message to Veterans, VAC workers, and service providers that their uncertainties and distress do not matter.

That is why, the NDP recommends the following:

That, in light of the ongoing and persistent concerns about the contract by Veterans, case managers and service providers, Veterans Affairs cancel the outsourcing of the rehabilitation program to PCVRS.

In addition, New Democrats believe the relationship between case manager and Veteran is critically important to the health and well-being of the Veteran and their family. That is why we recommend:

That Veterans Affairs follow the advice of the Auditor General and the union to develop a plan to establish a permanent, stable workforce at VAC to meet the needs of Veterans and their families.

When Veterans, service providers, and VAC workers say the same thing, the Minister and the department must listen.

⁴ House of Commons, ACVA, Evidence, 1 December 2022, Sergeant (Ret'd) Christopher Banks.

