



News Release

For Immediate Release

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Ontario Overpaying for Assistive Devices: Auditor General

(TORONTO) The Province has consistently and significantly overpaid vendors for ineligible claims of assistive devices since 2009, Auditor General Bonnie Lysyk says in her *2018 Annual Report*, released today.

“We found that in 99% of cases reviewed by the Ministry over the last eight years, overpayments were identified that allowed the Province to eventually recover \$10 million,” Lysyk said after the Report was tabled in the Legislative Assembly.

The Assistive Devices Program (Program) of the Ministry of Health and Long-Term Care (Ministry) helps Ontarians with long-term physical disabilities to purchase basic assistive devices such as mobility devices, hearing aids, home oxygen, and respiratory devices.

Anyone with a valid Ontario health card and a long-term physical disability is eligible for assistance, which is not based on income or financial situation. In 2017/18, the Program provided about \$514 million to help over 400,000 Ontarians buy devices.

Lysyk said in her report that while the Ministry has “enhanced its service delivery” since the last audit in 2009, “several areas relating to oversight and device pricing need improvement.”

Specifically, she said, prices charged by vendors “were not fully monitored to ensure their reasonableness and compliance with Program policies, resulting in significantly high mark-ups and a wide variation of mark-ups from vendor to vendor.”

Among the other issues identified in the audit:

- The Ministry rarely followed up on vendors who overcharged or submitted ineligible claims. For example, one vendor repaid the Ministry about \$250,000 for ineligible claims in 2015/16, but continued to submit claims and received a total of \$5.8 million in 2016/17 and 2017/18—with no follow-up from the Ministry.
- Over the eight years since the last audit of the Program, the Ministry referred 13 vendors to the Ontario Provincial Police for a variety of issues. While the Ministry terminated these vendors in most cases, it only managed to recover \$1,000 (or 0.02%) out of the almost \$5.5 million it estimated it paid them for ineligible claims.
- The Ministry aims to conduct regular pricing reviews of all device categories, but the audit found that, while the Ministry identified variations in retail prices charged for similar device models, it did not adjust Program-approved prices to reflect such differences, meaning the Ministry paid more than necessary for certain device models.
- The audit’s review of a sample of manufacturer and vendor invoices found varying mark-ups, with some exceeding 200%. A main reason for this was that some vendors got volume discounts from manufacturers, but did not pass them on to the Ministry or clients.

- The Ministry requires vendors of certain devices to include serial numbers on invoices to ensure it is not paying for used or returned devices. However, the Ministry's information system is unable to check, before paying a claim, whether a serial number has already been used in another claim, or even if one was entered at all. The audit's review of claim data for 2017/18 identified 7,500 claims that did not list serial numbers and almost 2,300 claims, worth a total of about \$1.5 million, that were paid even though they had duplicate serial numbers.
- Staff did not regularly run a report on the Program's IT system to identify payments made after a client died, even though such reports can result in significant recoveries. Between 2012/13 and 2017/18, for example, the Ministry recovered about \$500,000 from one home-oxygen vendor that had been paid for clients after they died. Had staff not reviewed this vendor, they might never have gotten the \$500,000 back.

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For more information, please contact:

Bonnie Lysyk
Auditor General
(416) 327-1326

Read the [Assistive Devices Program](#) audit report at www.auditor.on.ca

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