



Office of the Auditor General of Ontario

COVID-19 Preparedness and Management

Special Report on
Management of
Health-Related
COVID-19 Expenditures



May 2021



Office of the Auditor General of Ontario

To the Honourable Speaker
of the Legislative Assembly

I am pleased to transmit my Special Report on
COVID-19 Preparedness and Management, Chapter 4,
under Section 12(1) of the *Auditor General Act*.

A handwritten signature in black ink, reading "Bonnie Lysyk". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Bonnie Lysyk, MBA, FCPA, FCA
Auditor General

May 2021
Toronto, Ontario

Ce document est également disponible en français.

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Bonnie Lysyk
Auditor General of Ontario

Reflections

Unanticipated emergencies often require unanticipated expenditures of significant public funds. This has been the case with the unprecedented COVID-19 pandemic. The scale of the health and financial impacts on people and business from the COVID-19 pandemic required Ontario to develop a slate of new initiatives and remedies to be implemented quickly.

As such, it has been particularly challenging for those in governance and management to ensure that proper internal controls are in place to authorize initiatives and manage the related distribution of funds to only those eligible to receive the funds; this requires proper tracking, monitoring and reporting of expenditures to decision-makers and to the public.

The initial phases of development, authorization and announcement of initiatives proceeded quickly in Ontario beginning in March 2020. In order to assess whether proper internal controls were in place over the authorization, disbursement, tracking, monitoring and reporting of health-related

expenditures, we examined a sample of 26 initiatives, which were primarily within the responsibility of the Ministry of Health. Of the \$4.4 billion authorized for these 26 initiatives, \$1.3 billion had been spent by June 30, 2020. This report summarizes our observations on each of the 26 initiatives. By December 31, 2020, \$6.8 billion was authorized for these initiatives, and almost \$4.4 billion or 64% was spent.

Overall, we found that appropriate Treasury Board authorization for these new initiatives and the related budget amounts to support Ontarians was initially obtained in almost all cases. However, the Ministry of Health and the Ministry of Long-Term Care did not consistently report back to Treasury Board on actual spending, as had been requested. This was due in part to the lack of a cost-tracking system that could efficiently capture actual spending by approved initiative. As well, there were two instances when we would have expected the Ministry of Health to have sought Treasury Board approval, but it did not, such as overspending

authorized funding without obtaining additional spending approval from Treasury Board.

Our recommendations were provided to ministries starting last fall when issues first came to our attention. We advised them what specific improvements were needed, to ensure appropriate tracking,

monitoring and reporting of COVID-19 expenditures by initiative. We also stressed that timely reporting and accountability to Treasury Board is important to support informed decision-making and accountability.

Sincerely,

A handwritten signature in black ink, reading "Bonnie Lysyk". The signature is fluid and cursive, with the first name "Bonnie" and last name "Lysyk" clearly distinguishable.

Bonnie Lysyk, MBA, FCPA, FCA
Auditor General of Ontario

Management of Health-Related COVID-19 Expenditures

1.0 Summary

This report is one in a series of reports undertaken by our Office on the province's response to Coronavirus Disease 2019 (COVID-19) (see **Figure 1**).

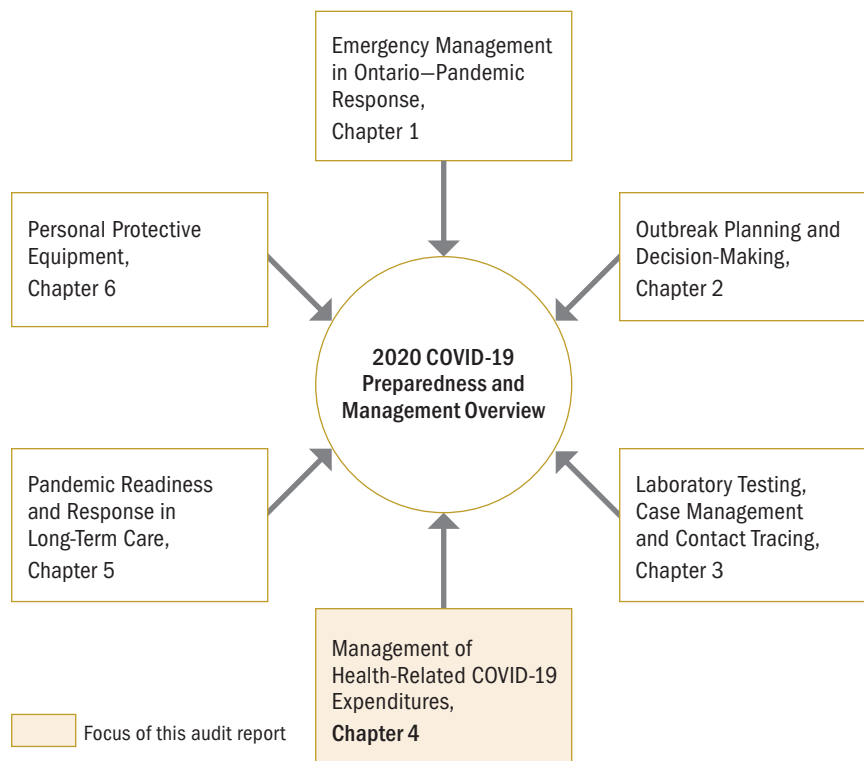
Chapter 4, *Management of Health-Related COVID-19 Expenditures*, looks at 26 health-related initiatives

totalling over \$4.4 billion that were authorized by Treasury Board/Management Board of Cabinet (TB/MBC) between March 16, 2020 and June 30, 2020.

The COVID-19 pandemic has presented a challenge to health experts and government decision-makers around the world that in many ways is unprecedented in its impact and complexity. Ontario health experts and government decision-makers

Figure 1: Six Key Areas of the COVID-19 Audit by the Office of the Auditor General of Ontario

Prepared by the Office of the Auditor General of Ontario



have worked together to respond to the many challenges of the pandemic and its health, economic and social impacts on Ontarians.

Due to the uncertainties brought about by this unprecedented situation and the urgency to act quickly to mitigate the impact of the COVID-19 pandemic, the early stages of the pandemic required many government decision-making processes to be accelerated in order to provide sufficient and timely support to the people of Ontario. TB/MBC, a committee of Cabinet, accelerated their review of business cases for allocating funding to new initiatives.

Given the financial challenges that Ontario will face as a result of the pandemic, it is important to ensure that as provincial funding continues to flow to address COVID-19, these financial resources are used as intended, as efficiently and effectively as possible.

On March 17, 2020, the province of Ontario declared a state of emergency due to the outbreak of COVID-19. Approximately \$17 billion in initiatives were announced on March 25, 2020 in *Ontario's Action Plan: Responding to COVID-19*. By June 30, 2020, the province of Ontario had authorized a total of over \$19 billion in proposed initiatives to address the immediate health-care and economic impacts of the pandemic. Initiatives were either direct spending, or tax and financial relief initiatives.

Our work was done to obtain an understanding of how expenditures were being handled in the early stages of the pandemic, and focussed on whether appropriate processes were in place for authorizations, payment and oversight of announced COVID-19 expenditures up to June 30, 2020.

In particular, our audit looked at 26 health-related initiatives totalling \$4.4 billion that were authorized by TB/MBC between March 16, 2020 and June 30, 2020. The responsibility for distributing and/or managing these funds was delegated to the following ministries: Health, Long-Term Care,

Seniors and Accessibility, Solicitor General, and Government and Consumer Services ("ministries").

Our audit resulted in a number of recommendations which we shared with the ministries in early November 2020. Our recommendations focused on improving the ministries' processes and reporting on COVID-19 initiatives. We will follow up on the status of these recommendations in our future work.

To gain an understanding of spending throughout the remainder of 2020, we obtained updated expenditure information from the ministries to December 31, 2020. Going forward, we will continue to review COVID-19-related expenditures, including those related to economic stimulus spending.

Overall Conclusion

Our objective was to assess whether the province of Ontario, at these early stages, had appropriate processes in place for authorizations, payment and oversight to manage announced COVID-19 expenditures. Our Office gathered information about 26 initiatives that were implemented early in the pandemic, and the related funding provided up to June 30, 2020. We found that actual spending for these initiatives totalled approximately \$1.3 billion to June 30, 2020, which represented 30% of authorized new COVID-19-related spending for these initiatives to that point.

Subsequent to our audit fieldwork, we obtained information that showed that estimated spending for these initiatives totalled almost \$4.4 billion to December 31, 2020, which represents 64% of the total authorized COVID-19 spending related to these initiatives. The Ministry of Health and Ministry of Long-Term Care do not have a system in place to track actual COVID-19 related expenditures by initiative and did not consistently report actual spending to TB/MBC when required. Instead, these ministries reported both the amounts spent and the amounts committed for future spending in a combined total. Amounts committed for future spending and amounts spent should be reported

separately for clarity. Failure to distinguish between these two amounts can adversely affect decision-making, as a combined total does not give an accurate picture of the actual progress of the initiative. Further, the amounts reported by these ministries were not always at the requested report-back date. This finding is in line with our 2020 report on *Business Case Development in the Ontario Public Service*, which found ministries' report-backs to TB/MBC were often late and did not always contain required information.

Based on our work, we found that in most instances, the province had sufficient authorizations and proper approvals in place for the initiatives we reviewed. We also found that in the majority of cases, internal controls were designed effectively to prevent payments to individuals and organizations that were not eligible under the terms of the initiative, or to prevent overpayments. However, we noted 17 initiatives, highlighted in this report, that did not have strong processes in place to ensure and document the proper use of funds and/or the timely distribution of those funds. For seven of these initiatives, the ministries did not report back to Treasury Board/Management Board of Cabinet (TB/MBC) on their status as expected by the required date.

The issues we found concerned the ministries of Health, Long-Term Care, and Seniors and Accessibility. These initiatives were as follows:

- **Appendix 4.02** – The Ministry of Health provided interest-free advances to eligible OHIP billers (including physicians, optometrists, hospital-based dentists and Independent Health Facilities). By July 2020, the amounts advanced under this initiative exceeded the amount approved by TB/MBC by \$156.3 million. At the time of our audit, the Ministry of Health had not sought approval from TB/MBC for this excess spending. In addition, the Ministry of Health did not report back on this initiative to TB/MBC on a monthly basis as required by TB/MBC.
- **Appendix 4.03** – The Ministry of Health expected 2,400 primary care physicians would use virtual health care tools through the Ontario Telemedicine Network; however, as of June 30, 2020, only 246 physicians, including pre-existing and new physicians, were enrolled. In addition, the Ministry of Health did not report back to TB/MBC on this initiative by the deadline.
- **Appendix 4.04** – At the time of our audit, the Ministry of Health had not developed an evaluation process or criteria for determining how much each hospital should be reimbursed for incremental costs to provide beds to COVID-19 patients and conduct COVID-19 assessments. This increases the risk of inappropriate payments. Hospitals had submitted almost \$743 million for reimbursement of expenditures for the period up to June 30, 2020, of which \$58.1 million related to fiscal 2019/20. The Ministry of Health used \$7.1 million of the approved funding for 2020/21 to pay for COVID-19 expenses from fiscal 2019/20, but did not receive TB/MBC approval to do so. For the remaining amount, the Ministry had not yet determined how much of the claims made by hospitals related to this initiative. As well, the Ministry of Health did not report back to TB/MBC on this initiative by the deadline.
- **Appendix 4.05** – The Ministry of Health entered into a sole-sourced contract with a consulting firm to support expanded COVID-19 laboratory testing to a maximum of \$3.99 million. This arrangement was established prior to receiving approval from TB/MBC as permitted under situations of unforeseen urgency. The contract with this vendor was not signed until six weeks after the work commenced.
- **Appendix 4.06** – At the time of our audit, the Ministry had not yet developed a process for determining how approved funding for costs incurred by ambulances and related dispatch services would be allocated to avoid exceeding the total approved spending limits. Eligible recipients submitted claims totalling \$90.6 million, which exceeds the approved

funding by \$13.6 million. In addition, the Ministry of Health did not report back to TB/MBC on this initiative by the deadline.

- **Appendix 4.08** – As of September 30, 2020, the Ministry of Health had not signed an amended agreement with the Telehealth Ontario service provider to include the impact of COVID-19-related calls, six months after the initiative was announced.
- **Appendix 4.09** – The Ministry of Long-Term Care anticipated that 1,560 additional beds could be made available in existing long-term-care homes, but as of June 30, 2020, only 97 beds in total were made available in 69 long-term-care homes. In addition, the Ministry of Long-Term Care did not report back to TB/MBC on this initiative by the deadline.
- **Appendix 4.10** – For in-home oxygen therapy, the Ministry of Health had not determined when it would reinstate the normal eligibility criteria (such as a test that measures the level of oxygen in a person's blood) and the verification process (including identifying and recovering overpayments made to vendors for deceased patients and verifying vendors' proof of services to patients), both of which had been waived in response to the COVID-19 pandemic. We also noted that the Ministry of Health was not able to track expenditures for in-home oxygen due to COVID-19 versus routine requests.
- **Appendix 4.12** – The Ministry of Health entered into a sole-sourced arrangement to acquire 130 million N95 masks, which filter out at least 95% of airborne particles, through a U.S. based company for \$1.2 billion. Sole-sourced arrangements are permitted in situations of unforeseen urgency. This contract was later cancelled after the supplier missed the delivery deadlines.
- **Appendix 4.15** – Public Health Ontario entered into a sole-sourced arrangement, making a \$10 million deposit to acquire 945,000 COVID-19 test kits from Spartan Bioscience Inc. (Spartan) prior to receiving approval from TB/MBC. This is permitted in situations of

unforeseen urgency. While the \$10 million deposit was refundable if Health Canada approval was not obtained for the test, the Ministry of Health did not specify a time frame for obtaining this approval. The deposit was not returned to the province when Health Canada rescinded its approval of the kits. As of September 30, 2020, Public Health Ontario had also not returned over \$14 million in additional funds for this initiative to the Ministry, as required by TB/MBC. Public Health Ontario informed the Ministry that they had reallocated these funds to pay for other COVID-19 expenses. The TB/MBC report-back did not indicate that the approximately \$14 million had been reallocated. At the time of our audit, the Ministry was waiting to see if Spartan could improve the test kits in order to receive Health Canada's approval before requesting the return of all funds. Subsequent to our audit fieldwork, on November 24, 2020, Public Health Ontario cancelled the agreement with Spartan and was awaiting the return of the \$10 million deposit.

- **Appendix 4.17** – Work began on the Health Data Platform initiative in May 2020. As of June 30, 2020, transfer payment agreements had not been signed with the four entities developing the platform.
- **Appendix 4.18, 4.19 and 4.20** – In April 2020, the province announced that pandemic pay would begin to flow immediately; however, the ministries of Health, Long-Term Care, and Seniors and Accessibility did not distribute funding for pandemic pay until June-July 2020. These ministries did not track when eligible front-line workers received pandemic pay, and did not have plans in place to verify that only those eligible received pandemic pay. In addition, the Ministry of Health did not report back to TB/MBC by the deadline on the pandemic pay initiative.
- **Appendix 4.22** – The Ministry of Health had not determined when it would end temporarily waiving the standard OHIP three-month waiting

period for new OHIP recipients and for people returning to the province after an extended absence.

- **Appendix 4.24** – The Ministry of Health did not communicate to Public Health Ontario until July 13, 2020 and to the 34 public health units until August 21, 2020 which incremental costs would be eligible for reimbursement under the province’s initiative to fund one-time extraordinary costs for monitoring, detecting and containing COVID-19. The Ministry was still in the process of determining the process for the review of reimbursement submissions for the disbursement of funds.
- **Appendix 4.25** – The Ministry of Long-Term Care missed the August 20, 2020 deadline for reporting to TB/MBC on infection control in long-term-care homes. No extension had been granted.

Appendix 2a summarizes our detailed audit findings for authorization, payment and oversight of the 26 COVID-19 initiatives. **Appendix 4** provides more detailed information on each of the initiatives we looked at and also illustrates a template that TB/MBC could use as a starting point for receiving standard report-backs on COVID-19 initiatives in a simplified form. Spending information to June 30, 2020 for the selected initiatives appears in both appendices. Updated estimated spending information to December 31, 2020 is found in **Appendix 2b**, as well as **Appendix 4**.

2.0 Background

COVID-19 is a flu-like respiratory illness caused by the SARS-CoV-2 novel coronavirus which first appeared in China in late 2019. The COVID-19 virus spread quickly and widely across the globe in early 2020. Ontario’s first known case was identified on January 25, 2020. COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020 and a provincial emergency was declared shortly thereafter on March 17, 2020.

The province of Ontario initiated measures to manage the impacts of the pandemic on public health and the economy. Due to the ease of transmission and the potential impacts of the illness, the risk existed that patients suffering more severe impacts of the virus could overwhelm hospitals, which may lack the capacity required.

To decrease the number of Ontarians impacted, deal with illness as it arose and support essential services, the government instructed a number of its ministries to prepare programs and estimates for funding required, initially mainly in health care, in response to the needs of Ontarians.

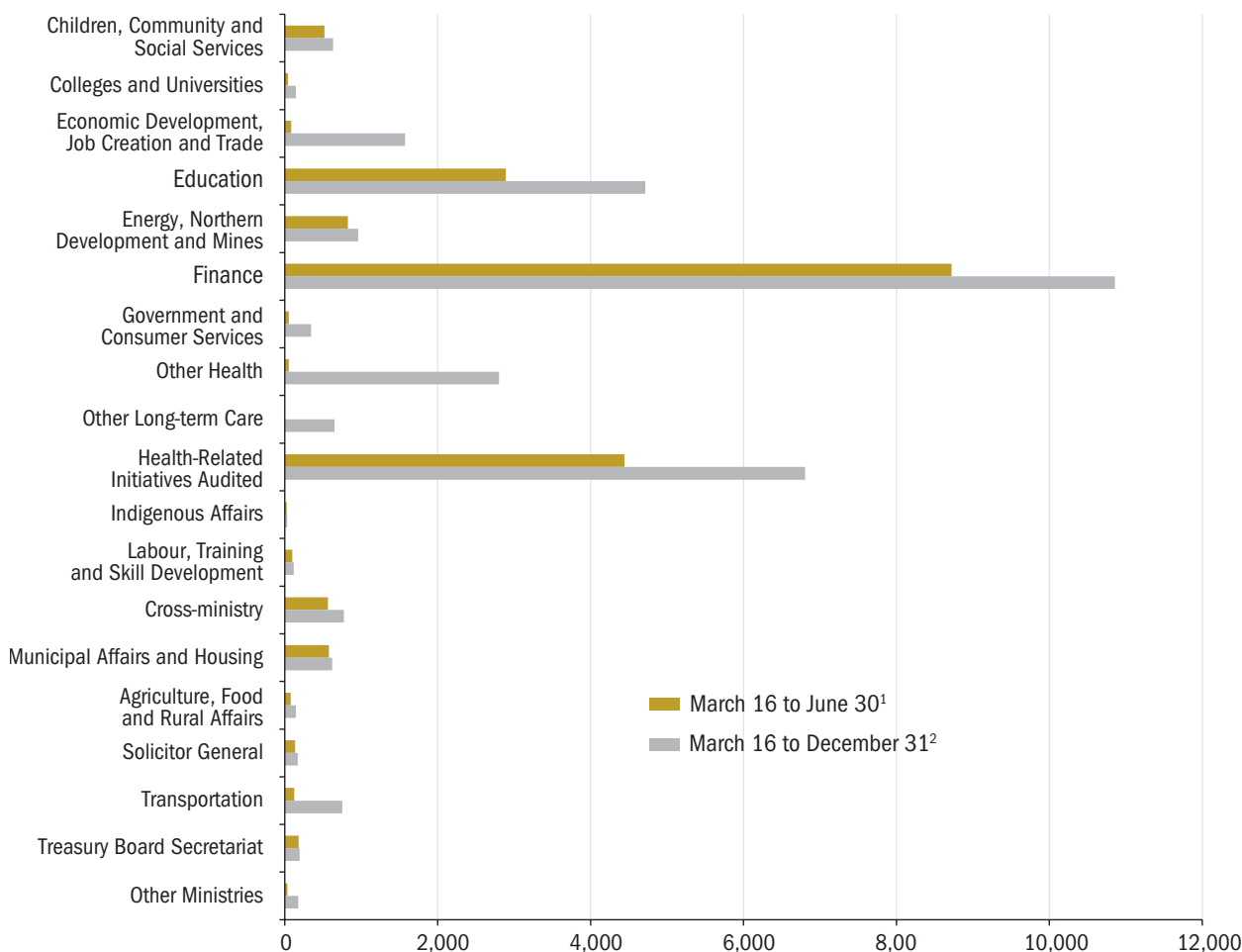
On March 25, 2020, the province issued *Ontario’s Action Plan: Responding to COVID-19*. From March 16 to June 30, 2020, the province approved over \$19 billion in spending initiatives to address the health and economic impacts of COVID-19. As shown in **Figure 2**, health care-related initiatives were a significant portion.

The province approved \$4.4 billion to cover the costs of the 26 health-care-related initiatives we audited to June 30, 2020. As shown in **Figure 3**, much of the approved funding—\$3.1 billion—was unspent as of June 30, 2020. As of December 31, 2020, a total of \$6.8 billion was approved for these initiatives and \$2.4 billion remained unspent.

Between July 1, 2020 and December 31, 2020, the province authorized an additional \$13 billion for all COVID-19-related initiatives.

Figure 2: Authorized Amounts in 2020 for COVID-19 Related Initiatives by Ministry (\$ million)

Source of data: Treasury Board Secretariat



1. Amounts authorized and amounts spent from July to December 2020 are unaudited.

2. Amounts authorized and amounts spent from March to June 2020 are audited.

3.0 Audit Objective and Scope

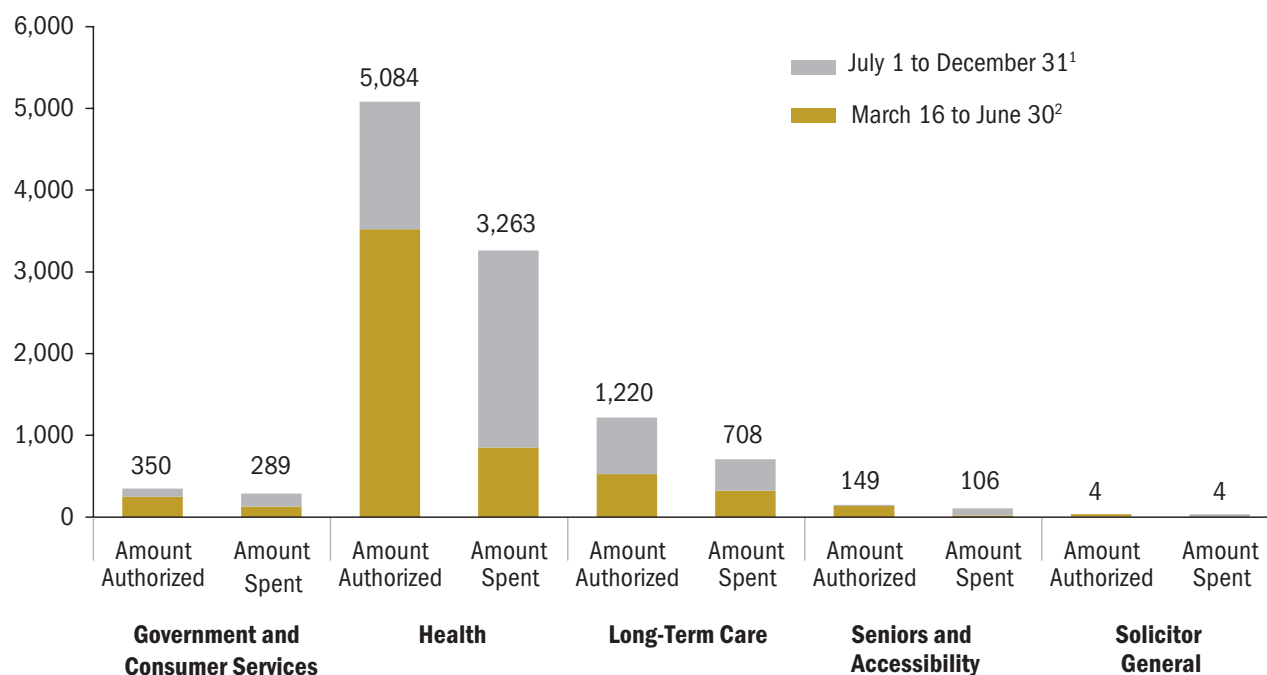
Our audit objective was to assess whether the province of Ontario had appropriate authorizations, oversight and payment processes in place to manage announced COVID-19 expenditures to June 30, 2020. For a listing of authorized COVID-19 related initiatives between March and June 2020, please see **Appendix 1**. Our audit looked at 26 health-related initiatives with combined

approved spending of \$4.4 billion in this period, which represents 23% of total initiatives approved. Our audit focussed on health-related initiatives because of the health impacts of the COVID-19 pandemic. The 26 initiatives we audited are listed in **Appendix 2a**.

In planning for our work, we identified the audit criteria (see **Appendix 3**) we would use to address our audit objective. These criteria were established based on a review of applicable legislation, policies and procedures, and best practices. Senior manage-

Figure 3: Comparison of Amounts Authorized and Amounts Spent in 2020 for 26 COVID-19 Health-Related Initiatives by Ministry (\$ million)

Source of data: Treasury Board Secretariat and ministries



1. Amounts authorized and amounts spent from March to June 2020 are audited.

2. Amounts authorized and amounts spent from July to December 2020 are unaudited.

ment reviewed and agreed with the suitability of our objectives and associated criteria.

Our audit work was conducted with the ministries of Health, Long-Term Care, Seniors and Accessibility, Solicitor General, and Government and Consumer Services, as well as Treasury Board Secretariat.

We conducted our audit between July and September 2020. We obtained written representation from management of the Ministries that, by May 3, 2021, they had provided us with all the information they were aware of that could significantly affect the findings or the conclusion of this report.

We conducted our work and reported on the results of our examination in accordance with the applicable Canadian Standards on Assurance Engagements—Direct Engagements issued by the Auditing and Assurance Standards Board of the

Chartered Professional Accountants of Canada. This included obtaining a reasonable level of assurance.

The Office of the Auditor General of Ontario applies the Canadian Standard on Quality Control and, as a result, maintains a comprehensive quality control system that includes documented policies and procedures with respect to compliance with rules of professional conduct, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

4.0 Detailed Audit Observations

Appendix 2a summarizes the 26 COVID-19 health-related initiatives that we examined, highlighting the amounts authorized by TB/MBC and total actual expenditures up to June 30, 2020. It also summarizes the results of our work on the authorization, payment and oversight of the 26 COVID-19 health-related initiatives. The following subsections provide an overview of those findings. Detailed information on each of these health-related initiatives is provided in **Appendix 4**.

4.1 Funds for Almost All Initiatives Authorized and Approved Before Implementation

We noted that proper authorizations and approvals were in place for nearly all initiatives that we audited. However:

- **Appendix 4.02** – Spending under OHIP Advance Payments exceeded TB/MBC approval by \$156.3 million. In total, \$642 million was advanced under the program, exceeding the maximum spending limit of \$485.7 million. At the time of our audit, the ministry had not yet sought approval from TB/MBC for this excess spending. Amounts were advanced to eligible OHIP billers, including physicians and other practitioners (such as optometrists, hospital-based dentists, chiropodists and Independent Health Facilities). The amounts advanced are interest-free and are to be offset against their future billings for OHIP services from April 2021 to September 2021. The excess amounts advanced may require additional collection efforts from the Ministry of Health.
- **Appendix 4.04** – The Ministry of Health did not receive TB/MBC approval for its plans to use the

2020/21 approved funding to cover expenses of the prior fiscal year. TB/MBC approved funding for the 2020/21 fiscal year to increase hospital capacity and open assessment centres.

- **Appendix 4.05** – The Ministry of Health exercised its ability to engage a vendor prior to receiving approval from TB/MBC as permitted under situations of unforeseen urgency. The approval was obtained about two weeks after the vendor commenced work on this initiative. The contract with this vendor was not signed until six weeks after the work commenced.
- **Appendix 4.15** – The Ministry of Health exercised its ability to contract with a vendor prior to receiving the approval of TB/MBC, as permitted in situations of unforeseen urgency. We noted that approval from TB/MBC was received shortly after the purchase order was issued.

RECOMMENDATION 1

To reduce the risk of uncontrolled spending, we recommend that the Ministry of Health:

- obtain TB/MBC approval prior to disbursing funds in excess of approved amounts;
- return to TB/MBC for retroactive approval when overspending has occurred; and
- finalize agreements with service providers on a timely basis.

MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the recommendation.

The Ministry of Health will ensure the rigors that are in place are applied to all spending. In the extenuating circumstance where this does not occur, the Ministry will seek subsequent approvals in a timely manner.

4.2 Eligibility Controls Not Always Rigorous

4.2.1 No Timeframe for Reinstating Eligibility Requirements Temporarily Waived for Certain Programs Provided with Increased Funding

We found that eligibility requirements for the following two initiatives were waived due to COVID-19. However, the Ministry of Health did not define the duration of these changes.

- **Appendix 4.10** – The province approved \$6 million to fund the use of in-home oxygen therapy for patients with COVID-19 and/or complications from it, and for patients who might need home oxygen therapy after being moved out of hospitals to make beds available for COVID-19 patients. The Ministry temporarily waived eligibility criteria (such as waiving the requirement for a blood test that measures the levels of oxygen and carbon dioxide in the blood) due to the pandemic. While waiving the requirement can expedite the receipt of important medical treatment, it also increases the risk that the province will be required to cover the costs of in-home oxygen therapy, even if this treatment is not medically required. At the time of our audit, the Ministry has not determined when it will reinstate normal eligibility criteria for home oxygen therapy.
- **Appendix 4.22** – Effective March 2020, the Ontario Health Insurance Plan's (OHIP) three-month waiting period was waived for new OHIP recipients and for people returning to the province who would normally be eligible for OHIP coverage. This initiative was intended as a temporary measure to help people access COVID-19 screening and treatment as needed. The government has stated its intention to reinstate the three-month waiting period at a future date. However, the Ministry did not determine when it would be appropriate to end this waiver.

RECOMMENDATION 2

For funds to be directed to those recipients most in need of it, we recommend that where program eligibility requirements were modified or waived temporarily due to the pandemic, that the Ministry of Health establish a suitable time or milestone to reinstate normal eligibility requirements.

MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the recommendation.

For instances where normal program eligibility was modified to support the province's pandemic response, the Ministry of Health monitors the provincial pandemic to determine when returning to regular eligibility requirements is feasible and will consider the feasibility of establishing suitable milestones to reinstate normal eligibility requirements.

4.2.2 Eligibility Requirements for Certain Initiatives Not Well Defined

For 24 of the 26 initiatives we examined, the ministries had adequately defined the type of expenditures that would qualify for funding, and the duration of the eligibility period. For the other two initiatives, we found that the Ministry of Health had not adequately defined eligibility requirements. Specifically, the Ministry of Health did not define the type of expenditures that would qualify for funding. The two initiatives were:

- **Appendix 4.04** – In March 2020, the province committed up to \$341 million to cover incremental costs (such as opening additional beds) incurred by hospitals in assessing and treating COVID-19 patients. At the time of our audit, the Ministry of Health had not developed an evaluation process or criteria for determining how much each hospital should be reimbursed for incremental costs to provide beds and assessments to COVID-19 patients. Hospitals

had submitted almost \$743 million for reimbursement of expenditures for the period up to June 30, 2020, of which \$58.1 million related to fiscal 2019/20. While all five health regions in Ontario (the 14 Local Health Integration Networks—LHINs—were clustered into five health regions in December 2019 to streamline oversight by Ontario Health) were responsible for reviewing the claims submitted by hospitals, two of the five refused to sign an attestation that they had reviewed and approved the expenses for reimbursement, on the basis that the Ministry did not provide specific criteria to assess eligibility for reimbursement. The absence of eligibility criteria increases the risk of the Ministry reimbursing ineligible expenses or incorrect amounts.

- **Appendix 4.24** – The province committed up to \$100 million in funding to reimburse public health units and Public Health Ontario for one-time extraordinary costs for monitoring, detecting and containing COVID-19 in the province. We found that the Ministry of Health did not communicate to Public Health Ontario until July 13, 2020 and to the 34 public health units until August 21, 2020 which incremental costs would be eligible for reimbursement under this initiative. At the time of our audit, the Ministry was still determining the process for the review of reimbursement submissions for the disbursement of funds.

RECOMMENDATION 3

For funds to be directed to those recipients most in need of it, we recommend that the Ministry of Health develop and communicate criteria that clearly define the types of costs eligible for funding.

MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the recommendation.

The Ministry of Health has now developed criteria for the programs highlighted by the Auditor General. The Ministry will use its existing transfer payment agreements with these entities to ensure reconciliations and recoveries occur.

4.2.3 Controls in Place Do Not Always Prevent or Detect Payments to Ineligible Recipients or Overpayments

Eligibility controls are important to prevent payments to recipients that are not eligible for funding, and to prevent, or to detect and recover, overpayments to recipients. We found in the following five initiatives, the ministries did not have robust eligibility controls in place.

- **Appendix 4.06** – In March 2020, \$77 million was approved to fund extraordinary costs related to COVID-19 incurred by ambulances and related dispatch services. Eligible recipients, such as municipalities, initially submitted expense estimates to the Ministry of Health totalling \$97.4 million. Subsequently, they submitted revised estimates totalling \$90.6 million. This exceeded the approved funding by \$13.6 million. At the time of our audit, the Ministry of Health had not yet developed a process for determining how the approved funding would be allocated to eligible recipients to avoid exceeding the approved spending limits.
- **Appendix 4.10** – We noted that the Ministry of Health paused the normal post-payment verification processes for the in-home oxygen program. For example, the Ministry no longer identifies and recovers overpayments made to vendors for deceased patients, and no longer verifies vendors' proof of services to patients. These processes were paused in addition to the waiving of the normal eligibility criteria for this program, as discussed in Section 4.2.1.
- **Appendix 4.18, 4.19 and Appendix 4.20** – In April and June 2020, the province approved over a combined \$1.2 billion for a temporary wage increase for eligible front-line workers due

to COVID-19 (“pandemic pay”) in the health-care and long-term-care sectors and retirement homes. These ministries asked employers to provide summaries of the pandemic pay earned using a pre-approved format. Employers were also required to maintain records (for example, pay statements) showing the amount of pandemic pay paid and make these available at the request of the respective ministry. However, the ministries had not determined the extent to which they would review pay records to verify that funding only went towards pandemic pay for eligible front-line workers, in accordance with the terms of this initiative. We also noted:

- Long-term-care homes will be required to report the amount of pandemic pay paid in their annual report to the Ministry of Long-Term Care, which will be subject to an external audit. However, due to the inherent limitations of such an audit, this is not sufficient to establish that payments were only made to eligible front-line workers. The ministries of Health, and Seniors and Accessibility had no such requirements.
- The Ministry for Seniors and Accessibility put in place a process to identify those retirement homes most at risk for misuse of pandemic pay funding, and implemented additional monitoring procedures for those retirement homes. At the time of our audit, 19 out of the 750 retirement homes that requested payment had been subject to additional scrutiny.

RECOMMENDATION 4

For funds to be directed to recipients most in need, we recommend that the Ministry of Health, the Ministry of Long-Term Care, and the Ministry for Seniors and Accessibility put processes in place to provide funding for eligible purposes only, and to identify and recover overpayments.

MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the recommendation.

The Ministry of Health balances the pressures of providing funding as quickly as possible to organizations directly responding to the pandemic with the need of a fully established and detailed program framework which can delay the disbursement of funding for critical services and programs. In instances when such funding is provided, the Ministry uses Transfer Payment Agreements to support reconciliations and recoveries and will review the feasibility of implementing post-payment verification processes in areas of higher-risk.

MINISTRY OF LONG-TERM CARE RESPONSE

The Ministry of Long-Term Care accepts the recommendation.

Given the impact of the COVID-19 pandemic, the Ministry is prioritizing high-risk areas within the long-term-care home sector. The ministry will review this recommendation in the context of the ongoing pandemic response.

MINISTRY FOR SENIORS AND ACCESSIBILITY RESPONSE

The Ministry fully agrees with the importance of ensuring funds under the pandemic pay initiative are directed to eligible front-line workers.

The Ministry will continue to assess and strengthen its oversight and verification processes related to the pandemic pay initiative.

4.3 Pandemic Pay Not Received by Front-line Workers Months After It Was Announced

Appendix 4.18, 4.19 and 4.20 – On April 25, 2020, the province announced the pandemic pay initiative

(see **Section 4.23** for details). The announcement stated that the additional compensation would begin to flow to eligible front-line workers immediately. As shown in **Figure 4**, funding to employers of eligible front-line workers did not begin to flow until the middle of June. While employers were responsible for paying pandemic pay to front-line workers, the delay of approximately two months between the date of the announcement and the dates that the ministries began to flow funds to employers had an impact on the timing of payments to eligible front-line workers.

We also noted that these ministries did not track and were not able to advise us when eligible front-line workers actually began to receive pandemic pay.

RECOMMENDATION 5

To be responsive to recipients of announced funding such as pandemic pay, we recommend that the ministries of Health, Long-Term Care, and Seniors and Accessibility implement processes to meet announced commitments in a timely way.

MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the recommendation.

Ministry of Health is working closely with LHINs and other eligible organizations to ensure that only eligible individuals receive the Pandemic Pay premium as per the announced eligibility criteria.

Additionally, the Ministry of Health reviewed the payment disbursement processes that have traditionally been followed to determine where, in extreme circumstance, an accelerated process can be taken to provide funding to organizations in a timely way.

MINISTRY OF LONG-TERM CARE RESPONSE

The Ministry of Long-Term Care accepts the recommendation.

In the future, the Ministry will look for process opportunities to more efficiently and effectively meet commitments in a more expedient manner.

MINISTRY FOR SENIORS AND ACCESSIBILITY RESPONSE

The Ministry fully agrees with the Auditor General on the importance of being responsive to recipients on the announcement of the pandemic pay initiative. Throughout the design and implementation of this program, MSAA balanced a timely response to the licensed retirement home sector with established government directives and controls related to transfer payments.

MSAA did not have a direct pre-existing funding relationship with licensed retirement homes, since they are not directly funded by the province of Ontario. As a result, the Ministry was required to complete extensive outreach to the sector to design and implement this initiative, including establishing transfer payment agreements with each of the 771 licensed retirement homes. This took time for MSAA to carry out and implement, which resulted in the retirement homes receiving pandemic pay funding commencing on July 2, 2020.

Since MSAA now has established funding relationships with licensed retirement homes, funding can be flowed more efficiently for similar future initiatives.

Figure 4: Pandemic Pay Funding Distribution

Source of data: Ministry of Health, Ministry of Long-Term Care and Ministry for Seniors and Accessibility

Organization	First Payment
Long-term-care homes	June 15, 2020
Emergency medical services	June 18, 2020
Public health units	June 24, 2020
Hospitals	June 30, 2020
Retirement homes	July 2, 2020
Home care and community supports	July 2, 2020
Mental health and addictions	July 9, 2020

4.4 Monitoring and Reporting Procedures on COVID-19 Expenditures are Insufficient

4.4.1 Ministry of Health Not Consistently Tracking Cost of COVID-19 Impact on Existing Program

For one initiative, the Ministry of Health was not tracking the use of funds for COVID-19-related expenditures separately from routine expenditures.

Appendix 4.10 – We noted that the Ministry of Health was not able to track expenditures for in-home oxygen required due to COVID-19, versus routine requests.

RECOMMENDATION 6

We recommend that the Ministry of Health put mechanisms in place to track and report spending that resulted from the increased utilization of programs due to the COVID-19 pandemic.

MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the recommendation.

The Ministry of Health uses a code in the Province's Integrated Financial Information System to track funding that the Ministry flows to organizations for COVID expenses. For the specific initiative noted, the Ministry oversees the program and will oversee the program spending related to this COVID-19 initiative.

4.4.2 Ministry Missing Deadlines for Reporting Back to Treasury Board on Status of COVID-19 Initiatives

As of June 30, 2020, the Ministry of Health did not have a central mechanism for tracking COVID-19-related expenditures. To obtain this information, we contacted the responsible program areas within the ministry as well as ministry agencies, including Public Health Ontario, and Ontario Health and its five regional offices, as shown in **Appendix 2a**. Timely reports to TB/MBC

are important to provide good information for decision-making.

TB/MBC required that ministries report back on the status of their COVID-19-related initiatives. TB/MBC received a report back on a timely basis for 15 of the 26 initiatives we examined. For the remainder, we found that:

- in seven instances, at least one deadline to report as required to TB/MBC was missed and no extension had been granted, including:
 - **Appendix 4.02** – OHIP billing advance payment
 - **Appendix 4.03** – Virtual health care tools
 - **Appendix 4.04** – Hospital beds – capacity increases
 - **Appendix 4.06** – Emergency services – capacity increases
 - **Appendix 4.09** – Long-term-care homes – emergency – capacity increases
 - **Appendix 4.18** – Pandemic pay (health care)
 - **Appendix 4.25** – Infection control, long-term-care homes
- in two instances, the ministries were provided with an extension to submit their reports at a later date and the ministries reported before the new deadline; and
- in two additional instances, no deadline for reporting was given.

Appendix 4 of this report provides succinct summaries of the initiatives we looked at. This format could provide a starting point for the development by TB/MBC of a standard summary reporting template on the status of COVID-19 initiatives. Subsequent to our audit fieldwork, TBS implemented a summary template for ministries to use when reporting back on COVID-19 initiatives.

RECOMMENDATION 7

To support timely reports to Treasury Board/Management Board of Cabinet (TB/MBC) for decision-making and monitoring purposes, we recommend that:

- TB/MBC develop a summary reporting template that can be used for standard status reporting on COVID-19 initiatives; and
- the Ministry of Health and Ministry of Long-Term Care report required information before reporting deadlines.

TREASURY BOARD SECRETARIAT RESPONSE

Treasury Board Secretariat (TBS) appreciates the work of the Auditor General and welcomes the advice on how to support timely reports to Treasury Board/Management Board of Cabinet for decision-making and monitoring purposes.

The Ministry currently does have a reporting template for line ministries to report back on requirements for programs through quarterly reporting; however, TBS does recognize the need for more robust reporting and will leverage the work of the Office of the Auditor General of Ontario to inform an updated template.

MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the recommendation. The Ministry of Health acknowledges that, due to the Pandemic, the normal TB/MBC report backs were not all completed at the original, minuted report-back timeframes.

In many instances, the Ministry of Health communicated this to Treasury Board Secretariat (TBS) and requested an alternate timeline to meet the report back requirements, which were accepted by TBS. These report backs were then accomplished at a later TB/MBC meeting or through the quarterly reporting process.

The Ministry of Health will work with TBS to identify all instances where the report back timelines won't be achieved and will propose revised report back timelines.

MINISTRY OF LONG-TERM CARE RESPONSE

The Ministry of Long-Term Care accepts the recommendation.

Due to the Pandemic, the normal TB/MBC report backs were not all completed within the original, minuted report-back timeframes.

In most instances, the Ministry of Long-Term Care communicated this to Treasury Board Secretariat (TBS) and requested an alternate timeline to meet the report back requirements which were accepted by TBS. These report backs were then accomplished at later TB/MBC meetings or through the quarterly reporting process.

The Ministry of Long-Term Care will continue to work proactively with TBS to identify instances where the report back timelines won't be achieved and propose revised timelines to meet the report back requirements.

4.4.3 Ministry of Health and Ministry of Long-Term Care Not Tracking Actual Spending by COVID-19 Initiative

The Ministry of Health and the Ministry of Long-Term Care did not always report back, where required, on actual spending by COVID-19 initiative to Treasury Board/Management Board of Cabinet.

Subsequent to our audit fieldwork, TBS implemented a template for ministries to use when reporting back on COVID-19 initiatives to Treasury Board/Management Board of Cabinet, based on our draft recommendation shared in November 2020 (**Recommendation 7**). For each initiative requiring report-backs, ministries were to complete the template, including total actual spending to date, beginning with the period ending December 31, 2020.

The Ministry of Health and Ministry of Long-Term Care generally did not report actual spending as required by TB/MBC. These ministries submitted amounts spent and amounts committed to be spent

in one total without differentiating between what was spent and what was committed for spending. Further, the amounts reported by these ministries were not always at the requested report-back date – for example, reporting as of January 21, 2021 instead of December 31, 2020. By not reporting back actual spending as required, TB/MBC did not receive an accurate account of the status of an initiative. Actual spending shows that an initiative with expected benefits to Ontarians is underway at a point in time, while a commitment to spend by itself may show little to no actual progress. If ministries do not provide a clear understanding of the actual expenditures for each initiative at the reporting dates, it may lead elected officials to interpret such information as actual spending and may hinder their ability to make good decisions.

A special code was implemented in the province's Integrated Financial Information System (IFIS) to assist in tracking COVID-19 related expenditures. For the initiatives we selected, we noted that the Ministry for Seniors and Accessibility, Ministry of the Solicitor General and the Ministry of Government and Consumer Services were able to use the IFIS system to track COVID-19 related expenditures by initiative, in part due to the limited number of initiatives. While the Ministry of Health and Ministry of Long-Term Care have systems in place to track total COVID-19 spending overall, they do not have a system in place to track actual expenditures by initiative. To obtain information on actual spending by initiative, ministry staff need to review a listing of anticipated COVID-19 related payments maintained in the Transfer Payment Allocation System and manually identify the expected payment(s) related to the particular initiative, based on their knowledge of the planned expenditures for that initiative. The expected payments identified in the Transfer Payment Allocation System must then be traced to IFIS to determine if an actual payment was made. COVID-19 related costs incurred by transfer payment recipients such

as hospitals are not included in expenditures until they have been reimbursed by the Ministry.

RECOMMENDATION 8

To support monitoring and decision-making by Treasury Board/Management Board of Cabinet (TB/MBC) through transparent and timely information, we recommend that:

- the Ministry of Health and Ministry of Long-Term Care track actual spending for each COVID-19 initiative using the province's Integrated Financial Information System (IFIS) and report this information to TB/MBC at least quarterly; and
- TBS require that ministries report actual COVID-19 related spending and report those amounts separately from amounts committed to be spent.

MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the recommendation.

The majority of COVID-19 related payments are tracked overall through one code. Exceptions are claims-based initiatives. For the future, the Ministry is exploring opportunities where possible to track actual spending for individual initiatives through specific codes in IFIS.

In some instances, the Ministry relies on external agencies/organizations to report back on actual spending for initiatives. The timing of this reporting may not necessarily align with the report back deadlines.

The ministry is in the process of establishing a report to support more timely compliance with minuted report back requirements to TB/MBC. In circumstances where actual spending information is not available, the ministry will communicate this to TBS.

MINISTRY OF LONG-TERM CARE RESPONSE

The Ministry of Long-Term Care accepts the recommendation.

The majority of COVID-19 related payments are tracked overall through one code. Exceptions are claims-based initiatives. For the future, the Ministry is exploring opportunities where possible to track actual spending for individual initiatives through specific codes in IFIS.

In some instances, the Ministry relies on external agencies/organizations to report back on actual spending for initiatives. The timing of this reporting may not necessarily align with the report back deadlines.

The Ministry is in the process of establishing a report to support more timely compliance with minuted report back requirements to TB/MBC. In circumstances where actual spending information is not available, the Ministry will communicate this to TBS.

TREASURY BOARD SECRETARIAT RESPONSE

Treasury Board Secretariat (TBS) updated the quarterly reporting template for ministries to use when reporting back on COVID-19 initiatives to Treasury Board/Management Board of Cabinet based on the draft recommendation shared in November 2020 (**Recommendation 7**). For each initiative requiring report-backs as part of quarterly reporting, ministries were to complete the template, including total actual spending to date, beginning with the period ending December 31, 2020. TBS will work on further refining the template to require ministries to report actual COVID-19 related spending separately from amounts committed to be spent for implementation as part of 2021-22 quarterly reporting.

4.4.4 Funds Not Returned when Initiative Stalled

Appendix 4.15 – The province transferred \$24,188,314 to Public Health Ontario for the acquisition of COVID-19 test kits from Spartan Bioscience Inc. (Spartan). Of this amount, \$10 million was paid on March 26, 2020, to Spartan as a deposit. The procurement was paused when Health Canada rescinded its approval of the test kits for clinical use on May 3, 2020. As of September 30, 2020, Public Health Ontario had not returned \$14,188,314 to the Ministry of Health, as required by an April 7, 2020 TB/MBC decision. Public Health Ontario informed the Ministry that they had reallocated these funds to pay for other COVID-19 expenses as the Ministry had not yet flowed funding for these expenses. The Treasury Board/Management Board of Cabinet (TB/MBC) report-back did not indicate that the approximately \$14 million had been reallocated.

While the \$10 million deposit was refundable if Health Canada approval was not obtained, no time frame was specified in the purchase order for obtaining this approval, and Spartan continued to seek Health Canada approval.

As of September 30, 2020, the Ministry was waiting to see if Spartan could improve the test kits in order to receive Health Canada's approval before requesting the return of all funds. Subsequent to our audit fieldwork, Public Health Ontario cancelled the agreement with Spartan in a letter dated November 24, 2020 and was awaiting the return of the \$10 million deposit.

RECOMMENDATION 9

In the interest of value for money, we recommend that the Ministry of Health:

- recover from entities/agencies unspent funds related to COVID-19 initiatives that are significantly delayed or cancelled; and
- require that Public Health Ontario specify a time frame in the purchase agreement

for regulatory approval when acquiring an unproven technology, such that the province can recover funds if regulatory approval is not obtained in a timely manner.

MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the recommendations.

The Ministry of Health will recover from Public Health Ontario any unspent funds related to the Spartan COVID-19 test kits under the authority and requirements of the existing Transfer Payment Agreement.

The Ministry of Health will also require that Public Health Ontario specify a time frame in the purchase agreement for regulatory approval when acquiring an unproven technology, such that the province can recover funds if regulatory approval is not obtained in a timely manner. This requirement will be incorporated as part of the existing Transfer Payment Agreement with Public Health Ontario, if such a purchase is made, and provincial funding is approved for that purpose.

4.4.5 Delays in Signing Agreements with Entities Providing Services

It is important to have agreements in place with service providers and transfer payment recipients to establish the scope of the work to be performed, the timing and amount of payments, and reporting requirements. Completing significant work prior to signing an agreement increases the risk of misunderstanding of the scope of the work, untimely identification of issues and delays in taking corrective action.

- **Appendix 4.08** – As of September 30, 2020, the Ministry of Health had not amended its agreement with the Telehealth Ontario service provider to include the impact of COVID-19 on the services provided. The Ministry of Health had signed a one-year extension to the agreement

on March 31, 2020, but this did not include any provisions related to the impact of the COVID-19 pandemic.

- **Appendix 4.17** – Work began on the Health Data Platform initiative in May 2020 and as of June 30, 2020, transfer payment agreements had not been signed with the four entities developing the platform. Some functions of the Health Data Platform became operational as early as mid-July 2020.

RECOMMENDATION 10

We recommend that the Ministry of Health:

- finalize transfer payment agreements with the entities working on the Health Data Platform, and monitor the progress and performance of these entities to proactively identify and correct problems in areas where the project may not meet requirements or may fall behind schedule; and
- amend existing agreements with the Telehealth Ontario service provider to include the impact of the increased capacity requirements due to the volume of COVID-19 related calls.

MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the recommendation.

All transfer payment agreements with entities supporting the Health Data Platform are currently in progress.

The Ministry of Health is currently working with Telehealth to establish contract amendment provisions to address the increased call volume and programmatic impacts of the COVID-19 pandemic. It is expected that a contract will be finalized by March 31, 2021.

4.5 Three Initiatives Involved Sole-Sourced Contracts

Three initiatives involved sole-sourced contracts, meaning that the Ministry of Health did not solicit requests for proposal from other companies to provide the desired product or service competitively. The three initiatives were:

- **Appendix 4.05** – In June 2020, the Ministry entered into a sole-sourced contract with accounting firm KPMG to provide consulting services to support expanded and integrated COVID-19 laboratory testing to a maximum of \$3.99 million.
- **Appendix 4.12** – The Ministry of Health entered into a sole-sourced arrangement to acquire 130 million N95 masks through LDR Investments, a U.S.-based company, for \$1.2 billion. This contract was cancelled and the funds were returned to the province after the supplier missed the delivery deadlines in the agreement. Additional information on the acquisition of personal protective equipment is available in our upcoming report on personal protective equipment (see **Figure 1**).
- **Appendix 4.15** – In March 2020, the Ministry placed an order for 945,000 COVID-19 test kits with Ottawa-based Spartan Bioscience Inc. (Spartan) for \$80 million, pending Health Canada approval. The purchase was a sole-sourced procurement due to the urgency of COVID-19 and the fast turnaround time envisioned for these portable lab-test kits from a Canadian supplier. As of September 30, 2020, Health Canada approval had not been obtained.

Under the Ontario Public Service Procurement Directive, an open competitive procurement is generally required. An exception exists for unforeseen situations of urgency. Due to the unprecedented nature of the pandemic and the urgency to act quickly to mitigate the impacts of COVID-19, the Ministry departed from the normal competitive procurement process for a short

period. As Ontario moves past the initial stages of the pandemic, it would be reasonable to expect limited use of this exception.

RECOMMENDATION 11

As Ontario moves past the initial stages of the pandemic, so that the province receives the best price for quality goods and services, we recommend that the Ministry of Health return to the consistent use of open competitive procurements where more than one supplier can provide the required goods or services.

MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the recommendation.

Under normal circumstances, the Ministry of Health uses the Vendor of Record and competitive procurements when procuring the services of vendors. However, with the rise of the global pandemic and the urgent need to respond, the Ministry of Health did utilize sections 4.4.4.2 or 4.4.6 of the OPS Procurement Directives to obtain some urgent approvals to secure vendors that were required to support the pandemic.

4.6 Initiatives with Aggressive Expectations

Accurately projecting the uptake of each COVID-19 initiative is important for determining if the initiative will address identified COVID-19 challenges, and estimating the funding required. We found two initiatives that had aggressive expectations for uptake:

- **Appendix 4.03** – The Ministry of Health anticipated that 2,400 primary care physicians would use the virtual health care tools provided by the Ontario Telemedicine Network. As of June 30, 2020, only 246 physicians, including pre-existing and new physicians, were enrolled.

- **Appendix 4.09** – The Ministry of Long-Term Care anticipated that 1,560 additional beds could be made available in existing long-term-care homes at a cost of \$129.7 million. As of June 30, 2020, only \$1.2 million had been spent, as only 97 beds in total were made available in 69 long-term-care homes. Of the remaining amount, \$87.9 million was repurposed for pandemic pay for long-term-care homes. A further \$20 million was repurposed for the Ministry of Long-Term Care to compensate long-term-care homes after implementing a six-month deferral of the 1.9% increase to resident co-payments for private, semi-private and ward accommodations in long-term-care homes.

RECOMMENDATION 12

We recommend that the Ministry of Health and the Ministry of Long-Term Care obtain sufficient information to estimate the impact of proposed COVID-19 initiatives in order to provide better information for decision-making in addressing the response to the pandemic.

MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the recommendation.

The COVID-19 pandemic is a global event that has never been experienced before. Due to this reason, being able to accurately predict and model the estimated impacts for initiatives related to the pandemic response is extremely complex.

As the Ministry of Health's overall expertise and experience in dealing with the pandemic has increased, more accurate information has been able to be leveraged to develop initiatives to respond to the pandemic.

MINISTRY OF LONG-TERM CARE RESPONSE

The Ministry of Long-Term Care accepts the recommendation.

The COVID-19 pandemic is an unprecedented global event. As a result, accurately predicting and modeling the estimated impacts for initiatives to respond to the pandemic is extremely complex.

As the Ministry of Long-Term Care has gained expertise and experience in dealing with the pandemic, more accurate information has been able to be leveraged to develop initiatives to respond to the pandemic.

Appendix 1: Authorized COVID-19 Initiatives by Ministry, March–June 2020

Prepared by the Office of the Auditor General of Ontario

Date Approved	Audited by OAGO	Initiative Description	Amount Approved (\$ million)
Health			
Mar 16, 25, 29; Apr 2, 4; May 13	x	PPE (Health) ¹	1,190.4
Mar 16, 20	x	Public Health Ontario and public health unit extraordinary costs	100.0
Mar 16, 25	x	Hospital beds	341.0
Mar 16, 25		Provincial coverage by physician alternates	24.7
Mar 16, 25	x	Assessment centre billings	37.6
Mar 20	x	Emergency services	77.0
Mar 25	x	In-home oxygen therapy ³	6.0
Mar 25	x	OHIP three-month waiting period suspended	10.0
Mar 25	x	Telehealth Ontario	50.0
Mar 25	x	Virtual health care tools	10.0
Mar 25; May 21	x	Mental health services	26.0
Mar 25	x	Community capacity, hospital beds, virtual patient monitoring	120.0
Mar 25	x	Alternative drug supply ³	3.0
Mar 25; Apr 7		Other initiatives (2) ²	8.0
Mar 26; Apr 7	x	COVID-19 testing kits – Project Spartan	80.0
Mar 26; Apr 7	x	Ventilators	80.0
Apr 7	x	COVID-19 health data system	15.2
Apr 17	x	OHIP advance payments	485.7
Apr 24, 28; Jun 25	x	Pandemic pay – health care	755.7
May 1, 12	x	Ontario Drug Benefit co-pay suspended	70.0
Jun 4		Provincial COVID-19 case and contact management system	19.9
Jun 18	x	COVID-19 lab capacity	66.7
Finance			
Mar 25		Temporary Ontario Guaranteed Annual Income system top-up	75.0
Mar 25		Non-profit long-term-care home property tax exemption	3.9
Mar 25		Doubling the Employer Health Tax exemption	355.0
Mar 25		Proposed Regional Opportunities Investment Tax Credit	145.0
Mar 25		Five-month interest and penalty free period for provincially administered business tax ⁴	6,000.0
Mar 25		Six-month WSIB premium deferral ⁴	1,900.0
Apr 23		Small business and commercial property owner rent relief	241.2
Education			
Mar 20, 25; Jun 28		Other initiatives (2) ²	9.0
Mar 25		One-time financial support for parents	335.8
Mar 25		Health care and frontline worker emergency child care	180.0
Mar 25		One-time municipal education property tax deferral	1,800.0
Apr 30		Support for child care centres	161.0

Date Approved	Audited by OAGO	Initiative Description	Amount Approved (\$ million)
May 15		Expanding summer learning programs	57.1
Jun 9		Student computers and technology updates	25.1
Jun 11		Child care reopening plan	324.5
Children, Community and Social Services			
Mar 16, 25		Prevention and containment in residential facilities	40.0
Mar 20		Social services relief fund	52.0
Mar 25		Indigenous agency and community supports	10.0
Mar 25		Youth Justice, and Child and Parent Resource Institute	18.3
Apr 17		Canada Emergency Response Benefit social assistance treatment	132.7
Apr 22		Ontario Works and Ontario Disability Support Program emergency benefit	129.0
Apr 24, 28; Jun 25		Pandemic pay	145.0
May 21		Canada Emergency Response Benefit social assistance treatment – reduction of expenditures	(9.2)
Colleges and Universities			
Mar 20		Six-month Ontario Student Assistance Program pause	20.0
Mar 25		Support for research and innovation	20.0
Economic Development, Job Creation and Trade			
Mar 25		Regional Development Fund business grants and loans	70.0
May 21		Other initiatives (2) ²	13.8
Energy, Northern Development and Mines			
Mar 23; May 1, 28		Electricity rate reductions	468.0
Mar 25		Other initiatives (2) ²	17.0
Apr 30		Industrial and Commercial electricity charge Global Adjustment deferral	340.0
Environment, Conservation and Parks			
Mar 25; May 21		Other initiatives (4) ²	10.1
Government and Consumer Services			
Mar 25		Uninterrupted government service delivery funding	37.0
Apr 7		Other initiatives (3) ²	16.1
Apr 28	x	PPE (MGCS)	250.0
Indigenous Affairs			
Mar 16, 20, 25		Other initiatives (5) ²	16.4
May 21		Indigenous small- and medium-sized enterprise support	10.0
Infrastructure			
May 21		Municipal, housing and health care provider borrowing costs relief	1.0
Labour, Training and Skills Development			
Mar 25		Employment and training funding	100.0
Long-Term Care			
Mar 16, 25	x	Infection control, long-term-care homes	138.3
Mar 25, Apr 24, May 28	x	Long-term-care homes – emergency capacity ⁵	21.8
Apr 24, 28; Jun 25	x	Pandemic pay – long-term-care homes ⁵	346.6
May 28	x	Long-term-care co-pay increase deferred ⁵	20.0

Date Approved	Audited by OAGO	Initiative Description	Amount Approved (\$ million)
Municipal Affairs and Housing			
Mar 20, 23; Jun 30		Social Services relief fund	298.0
Apr 24, 28; Jun 25		Pandemic pay	28.3
Jun 4		Municipal COVID-19 support	250.0
Agriculture, Food and Rural Affairs			
Mar 25; May 12		Other initiatives (3) ²	0.5
Apr 28		AgriStability Program enhancements	39.5
May 21		Agri-Food Supply Chain Sustainability Fund	25.5
Jun 25		Production Insurance Program enhancement	13.0
Seniors and Accessibility			
Mar 16, 25	x	Infection control, retirement homes	20.0
Mar 25, 30		Seniors in retirement homes and active living centres support	10.0
Apr 24, 28; Jun 25	x	Pandemic pay – retirement homes	118.0
Solicitor General			
Mar 25	x	PPE (SolGen)	3.8
Mar 25		Correctional facilities labour disruption mitigation	83.0
Mar 25		Inmate phone services, medical and drug costs	12.5
Mar 25		Mitigate overcrowding in corrections	3.7
Apr 21		Additional year-end funding for correctional services	10.0
Apr 24, 28; Jun 25		Pandemic pay	27.7
Attorney General			
Mar 25		Other initiatives (3) ²	13.0
Transportation			
Mar 25; May 5		Other initiatives (2) ²	4.5
May 5		Refunds or deferrals for High-Occupancy Toll Lane permits	0.6
May 21		Connecting Links Program support for municipal bridge and roadway repair	20.0
May 21		Municipal transit enhanced cleaning	15.0
May 21		Metrolinx operating support	73.0
Jun 11		Driver, vehicle and carrier products and services fee increase cancellation	11.0
Treasury Board Secretariat			
May 21		Central Agencies Information and Information Technology Cluster support	50.0
Jun 25		Pandemic pay	130.1
Long-Term Care, Health, Infrastructure, Municipal Affairs and Housing, and Training and Skills Development			
Jun 30		Long-Term Care Accelerated Build Pilot Project	538.9
Transportation, and Energy, Northern Development and Mines			
May 21		Highway rehabilitation projects	25.0
Total			19,448.0

1. Treasury Board/Management Board of Cabinet (TB/MBC) approved a total of \$1,763.9 million in respect of this initiative. On May 13, 2020, \$573.5 million was rescinded, resulting in net approved funding of \$1,190.4 million.

2. Initiatives funded for less than \$10 million are grouped by ministry as “other initiatives,” with the number of initiatives (indicated).

3. This initiative is part of the Drugs and Assistive Devices program. The program has been split in this table into two initiatives to show different audit results for the two different programs in the initiative.

4. Initiatives that reflect provincial revenues that have been deferred. The overall impact on cashflows is limited to interest charges.

5. Treasury Board/Management Board of Cabinet approved \$129.7 million in respect of this initiative. On April 24, 2020, \$87.9 million was reallocated to the Pandemic pay – long-term-care homes initiative. On May 28, 2020, a further \$20 million was reallocated to the long-term-care co-pay increase deferred initiative. This resulted in net approved funding of \$21.8 million.

Appendix 2a: Authorization, Oversight and Payment of COVID-19 Related Funding for Select Initiatives, March–June 2020

Prepared by the Office of the Auditor General of Ontario

Initiative	Appendix Reference	Approved Amount (\$)	Amount Spent (\$)	Authority	Eligibility Criteria Aligned with Intended Use	Payments to Ineligible Recipients Prevented	Process to Prevent or Recover Overpayments	Strong Monitoring Process – Ministry	Reporting to Treasury Board/ Management Board of Cabinet	Use Meets Intended Purpose
Physician programs	4.01	37,600,000	5,008,610	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	4.02	485,700,000	424,700,000	No	Yes	Yes	Yes	No	No	Yes
	4.03	10,000,000	0	Yes	Process not developed	Process not developed	Process not developed	Process not developed	No	n/a ¹
Capacity increases										
	4.04	341,000,000	0	No	Process not developed	Yes	Process not developed	No	No	n/a ¹
	4.05	66,650,000	0	Yes	Yes	Process not developed	Process not developed	No	Yes	n/a ¹
	4.06	77,000,000	0	Yes	Process not developed	Yes	Process not developed	Yes	No	n/a ¹
	4.07	26,000,000	673,139	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Procurement	4.08	50,000,000	0	Yes	Yes	Yes	Process not developed	Yes	Yes	n/a ¹
	4.09	21,800,000	1,216,169	Yes	Yes	Yes	Yes	Yes	No	Yes
	4.10	6,000,000	Not tracked	Yes	Yes	No	No	No	Yes	Yes
	4.11	120,000,000	4,268,000	Yes	Yes	Yes	Yes	Yes	Yes	Yes
PPE (Health) ⁴	4.12	1,190,380,000	211,265,061	Yes	Yes	Yes	Yes	Yes	Yes	Yes
PPE (SolGen)	4.13	3,800,000	0	Yes	Yes	Yes	Yes	Yes	n/a ⁵	n/a ¹
PPE (MGCS)	4.14	250,000,000	127,014,466	Yes	Yes	Yes	Yes	Yes	Yes	Yes
COVID-19 testing kits (Project Spartan)	4.15	80,000,000	10,000,000	Yes	Yes	Yes	No	No	Yes	No

Initiative	Appendix Reference	Approved Amount (\$)	Amount Spent (\$)	Authority	Eligibility Criteria Aligned with Intended Use	Payments to Ineligible Recipients Prevented	Process to Prevent or Recover Overpayments	Strong Monitoring Process – Ministry	Reporting to Treasury Board/Management Board of Cabinet	Use Meets Intended Purpose
	4.16	80,000,000	8,000,000	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	4.10	3,000,000	20	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	4.17	15,170,000	0	Yes	Yes	Yes	Process not developed	Process not developed	Yes	n/a ¹
Pandemic pay	4.18	755,697,722	158,070,418	Yes	Yes	Process partially developed	Process partially developed	No	No	Yes
	4.19	346,600,000	240,872,400	Yes	Yes	Process partially developed	Process partially developed	No	Yes	Yes
	4.20	118,000,000	0	Yes	Yes	Process partially developed	Process partially developed	No	Yes	Yes
	4.21	70,000,000	22,210,493	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health-related program adjustments	4.22	10,000,000	376,103	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	4.23	20,042,000	0	Yes	Yes	Yes	Yes	Yes	n/a ⁵	Yes
Extraordinary and other costs	4.24	100,000,000	4,948,000	Yes	Process not developed	Yes	Process not developed	Yes	Yes	Yes
	4.25	138,300,000	80,813,200	Yes	Yes	Yes	Yes	Yes	No	Yes
	4.26	20,000,000	19,825,152	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total		4,442,739,722	1,319,261,231							

1. No amounts were expended prior to June 30, 2020.

2. Treasury Board/Management Board of Cabinet (TB/MBC) approved \$129,700,000 in respect of this initiative on March 25, 2020. On April 24, 2020, \$87,900,000 was reallocated to the Pandemic pay – long-term-care homes initiative. On May 28, 2020, a further \$20,000,000 was reallocated to the Long-term-care co-pay increase deferred initiative. This resulted in net approved funding of \$21,800,000.

3. This initiative is part of the Drugs and Assistive Devices program. The program has been split in this table into two initiatives to show different audit results for the two different programs in the initiative.

4. TB/MBC approved a total of \$1,763,860,000 in respect of this initiative. On May 13, 2020, \$573,480,000 was rescinded, resulting in net approved funding of \$1,190,380,000.

5. No report-backs were due under this initiative.

Appendix 2b: Estimated COVID-19 Related Expenditures for Select Initiatives up to December 31, 2020¹

Prepared by the Office of the Auditor General of Ontario using data from Treasury Board Secretariat, the Ministry of Health, Ministry of Long-Term Care, Ministry of Government and Consumer Services, Ministry for Seniors and Accessibility and the Ministry of the Solicitor General.

Initiative	Appendix Reference	Approved Amount (\$)	Estimated Amount Spent (\$)¹
Physician programs	Assessment centre billing ²	4.01	37,600,000
	OHIP billing advance payments ^{2,3}	4.02	485,700,000
	Virtual health care tools	4.03	10,000,000
Capacity increases	Hospital beds	4.04	984,800,000
	COVID-19 lab capacity	4.05	776,650,000
	Emergency services	4.06	77,000,000
	Mental health services	4.07	26,000,000
	Telehealth Ontario	4.08	50,000,000
	Long-term-care homes – emergency ⁴	4.09	21,800,000
	In-home oxygen therapy ⁵	4.10	6,000,000
	Community capacity (hospital beds, virtual patient monitoring)	4.11	120,000,000
			42,785,000
Procurement	PPE (Health) ⁶	4.12	1,396,380,000
	PPE (SolGen)	4.13	3,800,000
	PPE (MGCS)	4.14	350,000,000
	COVID-19 testing kits (Project Spartan)	4.15	80,000,000
	Ventilators	4.16	80,000,000
	Alternative drug supply ⁵	4.10	3,000,000
	COVID-19 health data system	4.17	15,170,000
Pandemic pay	Health care	4.18	755,700,000
	Long-term-care homes	4.19	346,600,000
	Retirement homes	4.20	118,000,000
Health-related program adjustments	Ontario Drug Benefit co-pay suspended	4.21	70,000,000
	OHIP 3-month waiting period suspended	4.22	10,000,000
	Long-term-care co-pay increase deferred ⁷	4.23	40,042,000
Extraordinary and other costs	Public Health Ontario and public health unit extraordinary costs	4.24	100,000,000
	Infection control, long-term-care homes	4.25	811,300,000
	Infection control, retirement homes	4.26	30,900,000
Total		6,806,442,000	4,369,542,000

1. Amounts approved and amounts spent to December 31, 2020 are unaudited.

2. The amounts spent exceeded the amounts approved by Treasury Board/Management Board of Cabinet (TB/MBC). At the time of our audit, the Ministry of Health had not sought approval for the excess spending.

3. The amount reported is net of the amounts recovered from physicians up to December 31, 2020.

4. TB/MBC approved \$129,700,000 in respect of this initiative on March 25, 2020. On April 24, 2020, \$87,900,000 was reallocated to the Pandemic pay – long-term-care homes initiative. On May 28, 2020, a further \$20,000,000 was reallocated to the long-term-care co-pay increase deferred initiative. This resulted in net approved funding of \$21,800,000.

5. This initiative is part of the Drugs and Assistive Devices program. The program has been split in this table into two initiatives to show different audit results for the two different programs in the initiative.

6. TB/MBC approved a total of \$1,969,860,000 in respect of this initiative to December 31 2020. On May 13, 2020, \$573,480,000 was rescinded, resulting in net approved funding of \$1,396,380,000.

7. On May 28, 2020, \$20,042,000 was approved for fiscal 2020/21. On November 24, 2020, a further \$10,000,000 was approved in respect of fiscal 2020/21 and \$10,000,000 was approved in respect of fiscal 2021/22.

Appendix 3: Audit Criteria

Prepared by the Office of the Auditor General of Ontario

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|----|--|
| 1. | Ministries and provincial entities have received Treasury Board/Management Board of Cabinet approval and authorization, and have been assigned responsibility to implement COVID-19 initiatives. |
| 2. | Ministries and provincial entities have implemented internal controls to effectively manage the COVID-19 measures and initiatives for which they are responsible. |
| 3. | Ministries and provincial entities have cost effective processes in place to monitor and report on whether funds are spent in accordance with their intended purpose. |

Appendix 4.01: OHIP – Physician Funding for Assessment Centres (Assessment centre billing)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2019/20	\$1 million (Mar 23, 2020)	\$5 million paid out as of Jun 30, 2020.	\$0.6 million from reallocated funding	Mar 12, 2020: Assessment centres were announced in a press release but not their costs or physician sessional fees. Published in the OHIP Bulletin on Mar 13 and Mar 21, 2020.
	\$0.6 million (Mar 25, 2020)	An additional \$11 million in billings but yet to be paid for services rendered to Jun 30, 2020.	\$26 million from new funding	
2020/21	\$10 million (Mar 23, 2020)	Physicians have up to six months to submit their claims.	\$11 million from within the existing approved allocation	
	\$26 million (Mar 25, 2020)			
Total to Jun 30, 2020	\$37.6 million	\$5.0 million		
Total Jul-Dec 2020 (unaudited)	—	\$44.0 million		
Total to Dec 31, 2020 (unaudited)	\$37.6 million	\$49.0 million		

Description

The Ministry of Health created a new sessional fee of \$170 per hour for physicians who provide insured services to patients screened at eligible COVID-19 assessment centres. The sessional fee increases to a premium rate of \$220 an hour for physicians who provide services at the assessment centres after-hours (5 p.m. to 7 a.m.) and on weekends and holidays.

Summary

Findings

Key controls were in place and operating effectively, funds were distributed on a timely basis, and the initiative was executed in accordance with the terms set out in the Treasury Board/Management Board of Cabinet (TB/MBC) minute and the Ministry assessment note.

Recipients

Anticipated #	All Ontario physicians providing services in eligible COVID-19 assessment centres. No anticipated number available.
Actual # to June 30, 2020	A total of 1,675 distinct physicians claimed for services rendered to Jun 30, 2020 (based on claims assessed to Jul 29, 2020) A total of 826 distinct physicians were paid as of Jun 30, 2020 (based on claims assessed to May 28, 2020)
Location	There were 142 designated COVID-19 assessment centres across the province.

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	X	

The Ministry of Health is accountable for the funds. The Ministry of Health received approval from the TB/MBC on March 25, 2020, for \$1.6 million in 2019/20, as well as \$36 million in 2020/21.

Controls	Yes	No
Controls implemented to effectively manage initiative	X	
Eligibility met for distribution	X	

Two new temporary sessional fee codes were established for physicians to bill for their work at eligible COVID-19 assessment centres – \$170 per hour for normal working hours and \$220 per hour for after-hours (5 p.m. to 7 a.m.), weekends and holidays. Payments to physicians are made through existing processes for OHIP-insured services and OHIP-funded programs. The Medical Claims Payment System has automated controls in place to ensure the validity of the data, eligibility of services provided and conformance to medical rules. Each claim that is submitted undergoes a number of basic edit checks to ensure it contains accurate and complete information. Once eligibility has been verified, the claim goes through the payment system and funds are distributed to physicians. Physicians have up to six months to submit their claims.

The two new temporary fee codes required time for system implementation. The work included designing, developing, testing and implementing the new fee codes, medical rules, creation of the assessment centre groups, and affiliation of the relevant physicians. The implementation went as planned on May 5, 2020, and enabled payment of services from March 14, 2020. We reviewed the parameters of the fee codes and noted no issues.

During the first four to six weeks of claims submissions, a significant number of claims had a portion rejected or were paid at \$0. In many cases, this resulted from providers' billing software not being updated for the two new fee codes. Normally, physicians would be required to submit adjustment requests for each claim; however, the Ministry chose to manually review these specific claims and reassess for payment where eligible. This was completed proactively for the vast majority of the affected claims. The Ministry found 2,145 claims in May, and 2,674 claims in June, which were initially submitted to be paid at \$0, and then adjusted and paid at the correct fee schedule rates. Of the 826 providers associated with at least one sessional fee claim assessed in May 2020, 305 (37%) had at least one claim manually adjusted.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds	x	

The Ministry produces a weekly report to monitor the billing of the two sessional fee codes by physicians for their work at the COVID-19 assessment centres. The report contains information on:

- the number of physicians billing the fee codes and the hours billed;
- the fees billed, fees approved and fees paid for the fee codes, as well as the top billing physicians; and
- the average claim by assessment centre and the assessment centres associated with the most claims.

The Ministry was required to report back to TB/MBC no later than June 30, 2020 with a business case report required under subsection 1.0.8(2) of the *Financial Administration Act*. This requirement was rescinded on April 7, 2020 via a TB/MBC minute.

The Ministry was also required to report back quarterly to TB/MBC on:

- implementation of the initiative,
- costs incurred and forecasted costs; and
- the initiative's effectiveness and results achieved.

The Ministry submitted its first quarterly 2020/21 OHIP report back (April 2020 to June 2020) on July 31, 2020. This quarterly report back was submitted on time. The Ministry noted that if the current COVID-19 conditions continue to the end of March 2021, it is expected that physician billings will exceed the funding for this initiative. The Ministry projected spending of \$60.7 million for fiscal 2020/21, which exceeds the \$37.6 million approved for this initiative.

Appendix 4.02: OHIP COVID-19 Advance Payment Program (OHIP advance payments)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
May-Jul 2020	\$235.7 million for May 2020 \$75 million to \$125 million for Jun and Jul 2020	\$424.7 million As of Jul 31, 2020, \$642 million was spent	All amounts are to be recovered through future OHIP-related billings. The recovery period was initially from Nov 2020-Mar 2021. On Jul 16, 2020, the Ministry adjusted the period to begin in Feb 2021. In Jan 2021, the period of recovery was again deferred to Apr-Sep 2021.	Posted in an OHIP Bulletin on Apr 12, 2020.
Total to Jun 30, 2020	\$485.7 million	\$424.7 million		
Total Jul-Dec 2020 (unaudited)	—	\$203.4 million		
Total to Dec 31, 2020 (unaudited)	\$485.7 million	\$628.1 million		

Description

The initiative is to provide interest-free advances to Ontario Health Insurance Program (OHIP) providers, such as physicians, other practitioners (optometrists, hospital-based dentists, chiropractors) and to Independent Health Facilities (IHF) to top up their monthly payments to 70% of their normal income to support paying employees, commercial rent and leasing of equipment.

Summary

Findings

Key controls were in place and operating effectively, and funds were distributed on a timely basis. However, the initiative was not executed in accordance with the terms set out in the Treasury Board/Management Board of Cabinet (TB/MBC) minute and the Ministry of Health assessment note:

- As of July 31, 2020, the Ministry had provided \$642 million in interest-free advance payments to health-care providers, which is \$156.3 million more than what was approved through the TB/MBC minute.
- As per the TB/MBC minute, the recovery period was to start as of November 2020 and continue for five months (up to March 2021). On July 16, 2020, the Ministry adjusted the recovery period to begin in February 2021 for six months. On January 8, 2021, the Ministry announced that it will further defer the recovery period to April–September 2021.
- The Ministry did not provide a monthly report back to TB/MBC as required in its TB/MBC minute.

Recipients

Anticipated #	26,600 OHIP providers (e.g., physicians, hospital-based dentists, optometrists and Independent Health Facilities)
Actual # to June 30, 2020	27,288 OHIP providers (e.g., physicians, hospital-based dentists, optometrists and Independent Health Facilities)
Location	OHIP-eligible providers all across Ontario

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet		x

The Ministry of Health is accountable for the funds. The Ministry of Health received approval from the TB/MBC for \$235.7 million for May 2020 and approximately \$75 million to \$125 million per month for June and July 2020, up to a total of \$485.7 million, to provide advance payments on future OHIP and OHIP-related billing. The amounts were expected to be recovered through future OHIP-related payments. The recovery was originally expected to begin in November 2020. On July 16, 2020, it was communicated by the Ministry that the recovery start date had been revised to February 2021 based on feedback received from various health-care provider recipients. On January 8, 2021, the Ministry announced that it will further defer the recovery period to April–September 2021.

The Ministry exceeded approved spending by \$156.3 million and did not request authorization to exceed the approved spending.

Controls	Yes	No
Controls implemented to effectively manage initiative	x	
Eligibility met for distribution	x	

The Ministry provided advance payments to OHIP providers to top up their monthly payments to 70% of their average monthly income, to support them in paying employees, commercial rent and leasing equipment. The payment controls in place did not change, as the payments are made through OHIP's claims payment system. However, the Ministry did implement changes to identify OHIP providers eligible for the advance payments and to process the payments and recoveries. The eligibility criteria established to determine who would receive a top-up to 70% of their average monthly income (generally based on billings over the last year) included the following:

- Providers must have received a payment in the last three months
- The provider has not requested to be excluded from the program
- Providers must be in an active-to-bill status (for example, have not been suspended by their professional regulatory college).

Top-up payments for each month were based on the difference between 70% of the physician's average monthly billings over the last year, and the actual amount billed from the prior month. (For example, a physician's May 2020 payment was based on actual billings from April 2020 compared to the physician's average monthly billings.)

We performed a walkthrough of the key controls and noted no issues. The payments are made through existing processes for OHIP-insured services and OHIP-funded programs.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds		X

The Ministry looked at the daily claim submissions of various providers and analyzed them to determine who would be eligible to receive income through this initiative.

We noted that the Ministry advanced more payments than what was approved in the TB/MBC minute. The following is a summary of the amount advanced in each month, which totalled approximately \$642 million:

- May 2020: \$223.1 million (in line with the direction of the minute)
- June 2020: \$201.6 million (funds advanced that exceeded the amount in the minute)
- July 2020: \$217.2 million (funds advanced that exceeded the amount in the minute)

The TB/MBC minute approved \$235.7 million in May 2020, and between \$75 million and \$125 million for June and July 2020, up to a total of \$485.7 million. Therefore, the Ministry provided \$156.3 million more in advance payments than what had been approved. The Ministry received no further approval from TB/MBC to advance the additional funds.

The funds advanced to various health-care providers under this initiative are interest-free to the providers, and are to be set off against their future claims for OHIP services provided. The Ministry anticipated that approximately \$300 million (roughly half) will be reimbursed as of March 31, 2020. The recovery period was later deferred to April–September 2021.

The advance payments were disbursed each month; therefore, the funds were distributed on a timely basis. The last advance payment was made to providers on July 15, 2020.

The Ministry did not report back monthly to TB/MBC on this initiative, as required in the TB/MBC minute. The TB/MBC minute required the Ministry to report back on costs to date, including the outcomes of these changes, updated provider payment data and forecasting, and details on other proposed actions. The TB/MBC minute also required a report back on the termination of the program, including the terms for the recovery of advances under the program. The Ministry submitted its first-quarter (April to June 2020) COVID-19 report back on July 31, 2020. This report back was submitted on time. The excess advance payment of \$156.3 million was indicated in this report back.

Appendix 4.03: Virtual Health Care Tools

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2019/20	\$1 million	\$0	\$1 million in reallocated funding \$9 million in new funding	Mar 25, 2020: Mentioned as “virtual care” in a bullet as part of a press release for Ontario’s Action Plan. No specific funding amount given.
2020/21	\$9 million			
Total to Jun 30, 2020	\$10.0 million	—		
Total Jul–Dec 2020 (unaudited)	—	\$1.3 million		
Total to Dec 31, 2020 (unaudited)	\$10.0 million	\$1.3 million		

Description

The Ministry of Health approved one-time funding to provide additional support to approximately 2,400 primary-care physicians for technology (primarily video) so that they could interact virtually with patients instead of consulting in person or by telephone. The funding was designed to provide technology for the physicians and to upgrade the network and infrastructure necessary to provide virtual care. The Ministry is conducting this initiative in collaboration with Ontario Health, which houses the Ontario Telemedicine Network (OTN) and the Ontario Medical Association.

OTN has been providing tools and technologies to physicians to deliver virtual care (primarily video) since 2006. It is at the physician’s discretion whether or not to participate in the OTN.

Summary

Findings

The Ministry had not provided Ontario Health with any funding as of June 30, 2020. Funding had previously been secured from Canada Health Infoway to support enrollment of up to 1,000 new physicians in Ontario Health’s Enhanced Access to Primary Care program. Funding under this initiative will only be provided once funding from Canada Health Infoway is fully spent. As of June 30, 2020, 246 physicians were enrolled but Ontario Health could not determine how many of these were newly enrolled.

The Ministry returned the 2019/20 funding of \$1 million to the province, as it was not spent.

The 2020/21 funding of \$9 million will be transferred through an amendment to an existing transfer payment agreement between the Ministry and Ontario Health. The amendment was awaiting the Minister of Health’s approval as of June 30, 2020. As of June 30, 2020, details of the report back and timing to monitor the use of funds were still in development.

Recipients

Anticipated #	Approximately 2,400 primary care physicians; and Ontario Health to upgrade network and infrastructure for the Ontario Telemedicine Network.
Actual # to June 30, 2020	0*
Location	Primary care physicians across Ontario.

* 246 primary care providers enrolled in the initiative from April 1 to June 30, 2020. This COVID funding is conditional in that it can only be used to cover eligible costs outlined in the agreement once enrolment exceeds 1,000 new physicians.

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	x	

The Ministry is responsible for providing the funding under this initiative to Ontario Health. The funding was allocated from the COVID-19 Health Sector Response fund. An approval of \$1 million was granted for the 2019/20 fiscal year and an approval of \$9 million was granted for fiscal 2020/21. The TB/MBC minute was signed on April 12, 2020. As of June 30, 2020, no funding related to this initiative had been transferred from the Ministry of Health to Ontario Health.

Controls	Yes	No	N/A
Controls implemented to effectively manage initiative		x – Not developed	x
Eligibility met for distribution		x – Not developed	x

Although there was approval and authorization to use \$10 million (\$1 million in 2019/20 and \$9 million in 2020/21) to increase the use of technology in primary care settings to deliver virtual care, none of the funding had been provided from the Ministry of Health to Ontario Health as of June 30, 2020. Ontario Health had previously secured funding from Canada Health Infoway to support enrollment of up to 1,000 new physicians in its Enhanced Access to Primary Care program. Funding under this initiative will only be provided once the funding from Canada Health Infoway has been fully spent. As of June 30, 2020, 246 physicians were enrolled. Ontario Health could not determine how many of these were newly enrolled physicians.

Funding under this initiative is to be transferred from the Ministry to Ontario Health in accordance with the amended transfer payment agreement, which was awaiting the Minister of Health's approval as of June 30, 2020. Any funding provided through the agreement would be subject to its terms and conditions (for example, performance requirements). No new controls or processes were developed for this funding.

The initiative is open only to primary care providers who have ongoing patient relationships. (Walk-in-clinic physicians are not eligible.) Physicians who hear about the initiative reach out directly to Ontario Health to sign up to participate by providing their full legal name, CPSO and billing number, practice location, email and phone number.

Under this initiative, the participating doctors are responsible for any costs related to hardware and peripherals (for example, video camera). Ontario Health covers the cost of the licence needed to access OTN's video service if the physician utilizes one of Ontario Health's approved technologies (Think Research and/or Novari Health). The licence cost will be covered during the term of the transfer payment agreement signed between the Ministry and Ontario Health. The relevant vendor (Think Research or Novari Health) verifies the physician information submitted with the College of Physician and Surgeons of Ontario's database. The vendor then invoices Ontario Health for the licence costs.

For fiscal 2020/21, the \$9 million in funding was broken down into two main components;

- \$2.8 million (network operation and infrastructure upgrade); and
- \$6.2 million (virtual visit remuneration, technology licences, and change management and adoption).

As of June 30, 2020, Ontario Health had spent \$342,192 from its existing resources for network operations and infrastructure updates (that is, costs that were eligible for the \$2.8 million in funding under this initiative). Ontario Health can only access the \$6.2 million for virtual visit remuneration, technology licences, and change management and adoption costs, if more than 1,000 physicians enroll to use the OTN. As of June 30, 2020, only 246 physicians (including pre-existing and new physicians) had enrolled.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds – Ministry		x – Not developed
Cost-effective processes in place to monitor use of funds – Treasury Board		x

No funds had been provided from the Ministry of Health to Ontario Health as of June 30, 2020.

Funding under this initiative is to be transferred from the Ministry of Health to Ontario Health in accordance with an amended transfer payment agreement, which was awaiting the Minister of Health's approval as of June 30, 2020. Any funding provided through the agreement would be subject to its terms and conditions (for example, performance requirements).

Since the amended agreement was awaiting the Minister of Health's approval as of June 30, 2020, the report back requirements applicable to Ontario Health had not yet come into force. As a result, as of June 30, 2020, the processes (including the report back process and timing) to monitor the use of funds were still under development.

The Ministry is required to report back to Treasury Board/Management Board of Cabinet (TB/MBC) as part of its quarterly reporting process. The report back must include implementation of the initiative, costs incurred to date and the effectiveness and results achieved. As of August 31, 2020, the Ministry had not yet reported back to TB/MBC and had not received an extension for the report back.

Appendix 4.04: Increasing Hospital Capacity (Hospital beds)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2020/21	\$100 million (Mar 16, 2020)	\$0	\$341 million in new funding	Mar 17: \$100 million announced for increased capacity in hospitals to assist with treatment of COVID-19 patients both in critical care and medicine beds.
	\$241 million (Mar 25, 2020)			Mar 25: \$241 million approved for additional capacity to assess and treat COVID-19 patients.
Total to Jun 30, 2020	\$341.0 million	—		
Total Jul–Dec 2020 (unaudited)	\$643.8 million	\$984.8 million		
Total to Dec 31, 2020 (unaudited)	\$984.0 million	\$984.8 million		

Description

Funding is for hospitals to assist with assessing and treating COVID-19 patients by adding approximately 500 critical care beds, 1,000 medicine or post-acute beds and 25 COVID-19 assessment centres at hospitals. The investments for beds included converting some medicine beds to critical care beds and opening hospital wards that were previously not being used.

On April 25, 2020, the Ministry of Health (Ministry) communicated to hospitals that funding would be provided to hospitals to address costs associated with managing COVID-19. A total of \$341 million in the 2020/21 fiscal year was approved to support hospital capacity initiatives that increase assessments and treatments.

Summary

Findings

We identified the following issues:

- Treasury Board/Management Board of Cabinet (TB/MBC) approved funding for the 2020/21 fiscal year of \$341 million to increase hospital capacity and open assessment centres up to June 30, 2020. The Ministry intends to use the approved funding to also cover expenses for March 2020 in the 2019/20 fiscal year. No separate approval has been obtained to cover these expenses. Expense claims submitted by hospitals for March 2020 (part of the 2019/20 fiscal year) totalled \$58.1 million. The Ministry had paid \$7.1 million for the operation of hospital Assessment Centres related to 2019/20, but had not yet determined how much of the remaining expenses would be reimbursed under this initiative.
- The Ministry has not yet developed a formal evaluation process or criteria for determining how much each hospital will be reimbursed related to the increasing hospital capacity initiative.

Findings

- All five Ontario Health Regions (West, East, Central, Toronto Central and North) were directed by the Ministry to review hospitals' monthly expense submissions and confirm their review and endorsement for reimbursement of the hospitals' expenses through signing an attestation report. The Ministry did not develop a standardized review process for the five health regions to follow, which may result in the Ministry duplicating work performed by the health regions when determining whether amounts claimed by the hospitals qualify for reimbursement under the Increasing Hospital Capacity initiative.
- During our walkthroughs performed of the five Ontario Health Region offices, we did not identify any significant inconsistencies or differences in the review procedures performed. However, two regions refused to sign the attestation and one added a disclaimer to their attestation, as they believed the review procedures performed were not sufficient to sign the attestation, especially since the regions had not received specific criteria from the ministry to assess eligibility for reimbursement.

Recipients

Anticipated #	142 hospitals are eligible to submit incremental COVID-19 hospital expenses each month.
Actual # to June 30, 2020	As of June 30, 2020, there was no funding distributed to hospitals under this initiative.
Location	142 hospitals throughout Ontario.

Approvals/Authorization

	Yes	No
Treasury Board/Management Board of Cabinet		x

The Increasing Hospital Capacity initiative was approved by TB/MBC on March 16, 2020 in the amount of \$100 million. An additional \$241 million was approved by TB/MBC on March 25, 2020. The Ministry of Health is accountable for the funds.

The Ministry plans to use funding under this initiative, approved for 2020/21 spending to offset a portion of the \$58.1 million in hospital expense claim expenditures incurred in 2019/20. As of July 30, 2020, no payments for 2019/20 expenditures had occurred under this initiative. Subsequent to July 30, 2020, the Ministry paid \$7.1 million for the operation of hospital Assessment Centres related to 2019/20 but had not yet determined how much of the remaining expenses related to this initiative would be reimbursed.

The Ministry had not requested approval to offset expenses incurred in 2019/20 with funding under this initiative that were approved for 2020/21.

Controls

	Yes	No
Controls implemented to effectively manage initiative		x
Eligibility met for distribution		x

Hospitals are to submit incremental expenses due to COVID-19 to their respective Ontario Health Region on a monthly basis. As well, they are to submit an attestation that they have complied with the Ministry's requirements relating to tracking, reviewing and submitting COVID-19 expenses. In submitting these expenses, hospitals are expected to use a template provided by the Ministry and follow the COVID-19 Incremental Hospital Expenses Guidance documents that the Ministry sent on April 25, 2020 and May 26, 2020. Ontario Health Regions are to review these submissions and provide a signed attestation report to the Ministry confirming that they have reviewed the incremental expenses due to COVID-19 for the applicable month, and that they support the hospitals' request for reimbursement. The Ministry is to review the hospital's submitted expenses and the Region's attestation on a monthly basis, as part of its processes to review and approve eligible expenses for reimbursement to the hospitals. Funding to hospitals will flow through the fourteen Local Health Integration Networks (LHINs) as per their usual hospital funding process.

Hospitals' claims for the period to June 30, 2020 totaled \$742.8 million. As of July 30, 2020, no payments have occurred under this initiative. The Ministry had not yet determined how much of these expenses would be reimbursed under this initiative.

During our walkthroughs performed of the five Ontario Health Region offices, we did not identify any significant inconsistencies or differences in the review procedures performed. We noted that the review procedures performed by the Ontario Health Regions are primarily analytical in nature (that is, comparing expenditures of the hospitals within the region, tracking trends/patterns, identifying anomalies or unusual variances and performing inquiries with the hospitals) and include an administrative component to ensure the hospitals have completed the template in the correct format.

We identified differences in the sign-off of the attestation reports submitted to the Ministry by the Ontario Health Regions. The Central and West Regions CEOs did not sign off on the attestation reports for the periods of March to June 2020. They indicated the review procedures were not sufficient to sign an attestation that provided endorsement for reimbursing the hospitals, especially since they have not received specific criteria from the Ministry to assess eligibility for reimbursement. For similar reasons, the North Region CEO added a disclaimer on the attestation reports that their review does not constitute a full and comprehensive review. The Ontario Health East and Toronto Central regions signed off on the attestation reports with no added disclaimer.

The Ministry has not yet developed an evaluation process or criteria for determining how much each hospital should be reimbursed related to the increased hospital capacity initiative.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds		X

No payments had occurred as of July 30, 2020, to reimburse hospitals for eligible expenses associated with the initiative. On July 22, 2020, the Assistant Deputy Minister of Health forwarded a memo to all CEOs of Ontario public hospitals to inform them that incremental expense submissions for the months of March 2020, April 2020 and May 2020 had been received and the Ministry would begin assessing the incremental expenses for reimbursement in the coming weeks. As of July 30, 2020, the Ministry had not yet developed an evaluation process or criteria for determining how much each hospital should be reimbursed related to the increased hospital capacity initiative.

The Ministry was required to report back to TB/MBC no later than June 30, 2020. As of September 30, 2020, no report back was submitted.

Appendix 4.05: Increasing COVID-19 Testing (COVID-19 Lab capacity)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2020/21	\$66.65 million	\$0	Reallocation of funding	No public announcement was made
Total to Jun 30, 2020	\$66.65 million	—		
Total Jul-Dec 2020 (unaudited)	\$710.0 million	\$157.9 million		
Total to Dec 31, 2020 (unaudited)	\$776.65 million	\$157.9 million		

Description

The initiative is to maintain the ability to conduct up to 25,000 COVID-19 tests per day and enable expansion of testing capacity from 25,000 tests per day to 50,000 tests per day. This would include funding tests performed by community (private) laboratories, purchasing information technology and accelerating the production of specimen collection and laboratory testing supplies. The funding is also to transition leadership and support activities for the Provincial Lab Network from KPMG to Ontario Health. The Provincial Lab Network is an integrated laboratory system established in March 2020 to support COVID-19 lab testing; this network is managed by Ontario Health with support from KPMG and includes public health labs, hospital labs and community labs. As well, the funding is for Infrastructure Ontario to conduct research to identify and evaluate options for COVID-19 testing in private-sector workplaces.

Summary

Findings

- This initiative was approved by Treasury Board/Management Board of Cabinet (TB/MBC) on June 18, 2020. No funds under this initiative had been flowed up to June 30, 2020 and the processes to monitor the use of funds by the funding recipients were in development. As well, the controls to manage the initiative were in development.
- A sole-sourced agreement was signed with KPMG on July 14, 2020, retroactive to June 1, 2020, to continue its leadership and support of Ontario's laboratory network. Given the urgency of responding to the COVID-19 pandemic, the effective date was prior to TB/MBC's approval. KPMG's roles and responsibilities will be transferred to Ontario Health permanently under this initiative.
- The interim agreements between Ontario Health and community laboratories came into effect on August 1, 2020.

Recipients

Anticipated #	6 <ul style="list-style-type: none"> • 3 directly: Ontario Health, KPMG and Infrastructure Ontario; and • 3 through Ontario Health, which is to contract with three private laboratories (Alpha Laboratories Inc., Dynacare and LifeLabs).
Actual # to June 30, 2020	0
Location	The recipients are headquartered in the Greater Toronto Area.

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	X	

On June 18, 2020 TB/MBC approved the initiative.

A sole-sourced agreement was signed with KPMG on July 14, 2020, retroactive to June 1, 2020, to continue its leadership and support of Ontario's laboratory network. Given the urgency of responding to the COVID-19 pandemic, Deputy Minister approval was obtained to proceed prior to receiving TB/MBC approval.

Controls	Yes	No	N/A
Controls implemented to effectively manage initiative		X - Not developed	
Eligibility met for distribution			X

As of June 30, 2020, controls under this initiative were being developed. No payments had been made under this initiative as of June 30, 2020.

On July 14, 2020, the Ministry entered into a sole-sourced contract, effective June 1, 2020, with KPMG to lead this initiative, including implementing Ontario's laboratory capacity strategy and collating laboratory statistics daily until these responsibilities could be transferred to Ontario Health. The non-competitive procurement with KPMG was due to the urgency and significance of work required and concern that a competition would delay Ontario's COVID-19 response. This is an allowable exemption under Ontario's Public Service Procurement Directive. KPMG was selected for this sole-source contract because it had previously been sole sourced to provide input to increasing Ontario's laboratory testing capacity due to the COVID-19 pandemic. The contract specified the maximum fee that the Ministry will pay KPMG under the contract. For seven years after the expiration or termination of the contract, KPMG must maintain all necessary records to substantiate charges and deliverables, which may be subject to a Ministry audit. KPMG's roles and responsibilities will be transferred to Ontario Health permanently under this initiative.

Per the contract, KPMG must invoice the Ministry monthly for services completed according to the schedule of deliverables and rates in the contract. The invoice must include a description of the services delivered, staff hours worked and the total amount owing for the relevant month. The Ministry validates the invoices with Ontario Health for accuracy, as Ontario Health works directly with KPMG on the provincial lab network. This validation involves Ontario Health comparing deliverables provided by KPMG, the number of staff involved, and the rates paid to each staff with the details and rates specified in the contract to identify discrepancies. Following validation, invoices are sent to Ontario Shared Services and processed via the province's Integrated Financial Information System (IFIS). Validation for June and July invoices were provided to the Ministry by Ontario Health on September 12, 2020, and validation for the August invoice was provided on September 21, 2020. Payment for all three months was processed on October 8, 2020.

Controls between Ontario Health and community laboratories were established in interim agreements that came into effect on August 1, 2020. The agreements between Ontario Health and LifeLabs, Alpha Laboratories Inc. and Dynacare were signed on July 31, July 31 and August 7 respectively. Per the agreements, the vendors submit a report of daily testing volumes to Ontario Health's Regional Programs and Funding Unit team. The submitted reports are reviewed for accuracy; any sudden spikes in testing volumes are flagged

and investigated. Payments are approved by four persons at Ontario Health, and processed through its Workday system. The interim agreements specify a limit on the number of tests that will be reimbursed for each community laboratory, which can be adjusted with Ontario Health's written approval. These agreements were renewed and an additional vendor (Bio-Test Laboratory Inc.) was added for the month of September. More comprehensive transfer payment agreements were entered into with all four laboratories, effective from October 1, 2020 to March 31, 2021, and included a provision that allows Ontario Health, our Office, or independent audit professionals acting for either party to access each vendor's records for audit purposes.

Infrastructure Ontario conducted research to identify and evaluate options for private-sector workplace testing for COVID-19. This research was completed and the findings were summarized in an August 2020 report provided to the Ministry of Health.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds – Ministry		x
Cost-effective processes in place to monitor use of funds – TB/MBC	x	

No funds under this initiative had been flowed up to June 30, 2020 and the processes to monitor the use of funds by the funding recipients were in development.

The Ministry of Health was to report back to TB/MBC by the beginning of August 2020. In its July 24, 2020 report back, the Ministry of Health reported no spending related to this initiative as of June 30, 2020 and reported projected spending on community laboratory testing for the rest of the year to be \$48 million. The Ministry of Health was not asked to provide a more detailed submission related to this initiative.

Appendix 4.06: Ambulances and Related Dispatch Services (Emergency services)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2019/20	\$2 million (Mar 23, 2020)	\$0	\$2 million in reallocated funding	Mar 25, 2020 the government published <i>Ontario's Action Plan 2020: Responding to COVID-19</i> . Page 4 of the report included this sentence: "Approximately \$80 million for ambulance and paramedic services"
2020/21	\$75 million (Apr 7, 2020)		\$75 million in new funding	
Total to Jun 30, 2020	\$77.0 million	—		
Total Jul-Dec 2020 (unaudited)	—	—		
Total to Dec 31, 2020 (unaudited)	\$77.0 million	—		

Description

The funding is for municipalities, First Nations, central ambulance communications centres (which answers calls and dispatches ambulances) and base hospitals (larger regional hospitals that provide medical advice to paramedics) and Ornge air ambulance (eligible recipients) to assist with extraordinary costs incurred above and beyond regular ongoing operating costs for ambulance services including dispatch (often referred to as emergency health services), specifically related to COVID-19 preparation and response activities. Expenses eligible for reimbursement must be new expenses, specifically and exclusively related to COVID-19 and must not be expenses that would have otherwise been incurred.

Summary

Findings

Eligible recipients, including municipalities, initially submitted expense estimates to the Ministry of Health (Ministry) in April 2020 totalling \$97.4 million. These estimates included the March 2020 actual expenses and estimated expenses for the 2020/21 fiscal year. Since the funding requested by the eligible recipients exceeded the available funding by \$20.4 million, the Ministry requested eligible recipients to resubmit their expense estimates and provide additional information by June 22, 2020 in order to help the Ministry determine a fair and equitable distribution of funds and formulate a plan for a reimbursement strategy. Eligible recipients submitted revised estimates totalling \$90.6 million for this same time frame, which was still \$13.6 million more than the \$77 million approved under this initiative. Specifically,

- Expenses for March 2020 submitted by eligible recipients was \$5.6 million, which is \$3.6 million over the approved amount of \$2 million.
- Estimated expenses submitted by eligible recipients for the 2020/21 fiscal year was \$85 million, which is \$10 million over the approved amount of \$75 million. Funding reimbursement will be based on actual expenses when known.

The Ministry was in the process of determining how the limited funding will be allocated to eligible recipients. As a result, the process of reviewing the March 2020 actual expenditures submitted by eligible recipients had not yet started as of August 31, 2020.

Findings

The Ministry anticipated that funding would be disbursed to the eligible recipients in October or November 2020. This is six months after the municipalities submitted their first funding request in April 2020.

The Ministry had yet to flow funds to eligible recipients and had yet to fully establish key controls over the disbursement of funds. The number of ambulance trips decreased 13% from April 1, 2020 to June 30, 2020 (346,246 trips) compared with the prior year, April 1, 2019 to June 30, 2019 (397,293 trips). As a result of decreased trips, there may be overall savings for total ambulance funding; however, the Ministry does not know the amount of savings, if any, as of August 31, 2020. The year-end reconciliation process, which is expected to occur in fall 2021, will determine whether any savings exist.

Recipients

Anticipated #	80 Municipalities, First Nations and other recipients
Actual # to June 30, 2020	0
Location	Funding is intended for municipalities, First Nations, central ambulance communications centres (which receive calls and dispatch ambulances) and base hospitals throughout Ontario.

Approvals/Authorization

	Yes	No
Treasury Board/Management Board of Cabinet	x	

On March 23, 2020, Treasury Board/Management Board of Cabinet (TB/MBC) approved \$2 million in new funding for the 2019/20 fiscal year. On April 7, 2020, the TB/MBC approved an additional \$75 million in new funding for the 2020/21 fiscal year.

Controls

	Yes	No
Controls implemented to effectively manage initiative		x
Eligibility met for distribution		x – Not developed

As of August 31, 2020, the Ministry was determining a reimbursement strategy and how to allocate funding to the various eligible recipients. The Ministry had requested that eligible recipients submit supporting documents including invoice copies and staff overtime reports for their March 2020 expenses claimed. The Ministry was working on determining a process for reviewing the supporting documents including whether additional information would be requested and how expenses would be assessed for reasonableness.

As a result, a process had yet to be established and controls were not yet in place to ensure that the initiative was effectively managed. The Ministry anticipated distributing the funds in October or November 2020.

Expenses eligible for reimbursement must be new expenses, specifically and exclusively related to COVID-19 and must not be expenses that would have otherwise been incurred. Examples of expenses eligible for reimbursement included:

- Salaries, wages and benefits incurred for duties performed that were directly related to COVID-19.
- COVID-19 training, including development of training, back-fill for regular staff while on training, overtime for regular staff while on training and travel costs related to this training.
- Equipment, materials and supplies related to COVID-19 including the purchase of personal protective equipment, powered air purifying respirators with hood barriers and other medical equipment, medication and other supplies, and modifications to ambulances and work spaces.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds		x

As of August 31, 2020, a process had not yet been developed for monitoring the use of funds by the eligible recipients.

TB/MBC directed the Ministry to report back, as part of its regular quarterly reporting process, on the implementation of the initiative, costs incurred to date and forecast costs, and details of the proposed measures including the proposed approach for tracking and reporting the effectiveness of the proposed measures. As of August 31, 2020, the Ministry had yet to report back to TB/MBC. The Ministry did not receive an extension to its report back requirements.

Appendix 4.07: Mental Health Supports (Mental health services)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2019/20	\$0.5 million (Mar 25, 2020)	\$0.67 million	New funding	Apr 2 and May 5, 2020
2020/21	\$11.5 million (Mar 25, 2020)			
	\$14.0 million (Mar 25, 2020)			
Total to Jun 30, 2020	\$26.0 million	\$0.67 million		
Total Jul–Dec 2020 (unaudited)	—	\$13.12 million		
Total to Dec 31, 2020 (unaudited)	\$26.0 million	\$13.79 million		

Description

This initiative is to increase temporary mental health supports for Ontarians, including health-care workers and first responders, who are experiencing mental health problems due to the COVID-19 pandemic. The funding is for additional supports provided during the pandemic. The Ministry of Health (Ministry) indicated that Ontarians with ongoing mental health problems are at risk of increased anxiety during the pandemic. Without intervention, persons may experience more significant mental health needs and go to an emergency room, which could divert critical services away from the COVID-19 response.

Part of the initiative includes funding to BounceBack, a program managed by the Canadian Mental Health Association. It is a free, self-help, life-skills program for people aged 15 and older who are experiencing mild to moderate anxiety or depression. This initiative also supports other services, including internet Cognitive Behavioural Therapy (iCBT); telephone-based support such as the Kids Help Phone; and post-traumatic stress disorder supports. A small portion of this funding is to procure personal protective equipment (PPE) for homes for special care (including homes for special care, community homes for opportunity homes and homes provided by habitat services), which provide housing and supports for adults with serious mental illness and/or addiction issues.

Summary

Findings

The Ministry of Health (Ministry) was approved to spend \$26 million for additional mental health supports to respond to the COVID-19 pandemic. The funding spans two fiscal years: \$500,000 in 2019/20 and \$25.5 million in 2020/21.

Fiscal Year 2019/20

All of the \$500,000 was spent as directed by Treasury Board/Management Board of Cabinet (TB/MBC) directive. In response to the COVID-19 pandemic, amendments to the existing Transfer Payment Agreements (Agreements) related to the three programs—BounceBack; Internet Cognitive Behavioural Therapy (iCBT); and Kids Help Phone—funded under this initiative in 2019/20 were approved and authorized by the respective Assistant Deputy Minister. No new processes or controls were implemented for the transfer of the funding. No control issues or weaknesses were identified. The amended transfer payment agreements outlined the funds to be received, when they would be received and how they must be used by the service provider. As part of this initiative, the Ministry acquired an additional 450 iCBT licences in March 2020.

Fiscal Year 2020/21

Of the funding that was allocated for 2020/21, \$173,139 had been spent by the Ministry as of June 30, 2020. The funding spent was for Homes for Special Care, which was allocated \$0.2 million in total.

Homes for special care comprise 75 homes for special care, 28 community homes for opportunity and 45 homes provided by habitat services, which are home to about 2,300 residents in total. Prior to COVID-19, homes for special care did not use personal protective equipment (PPE). In March and April 2020, many homes reported the inability to procure PPE themselves as they did not have an existing vendor. As a result, the Ministry worked with the Ontario Homes for Special Needs Association to source and purchase PPE for these homes.

Agreements with the remaining six recipients under this initiative were not yet signed as of June 30, 2020.

Recipients

Anticipated #	<p>2019/20: 3</p> <ul style="list-style-type: none"> • iCBT (part of Ontario Health's Ontario Telemedicine Network) • BounceBack • Kids Help Phone <p>2020/21: 7</p> <ul style="list-style-type: none"> • iCBT and Big White Wall (subsequently renamed Togetherall) (part of Ontario Health's Ontario Telemedicine Network) • BounceBack • Centre for Addiction and Mental Health • Kids Help Phone • Local Health Integration Networks • Child and Youth Mental Health • Homes for Special Care
Actual # to June 30, 2020	<p>2019/20: 3</p> <ul style="list-style-type: none"> • iCBT (\$225,000) • BounceBack (\$125,000) • Kids Help Phone (\$150,000) <p>2020/21: 2</p> <p>Ontario Homes for Special Needs Association and Total Health Pharmacy (\$173,139)</p> <p>PPE was allocated to the eight hospitals and six community mental health agencies that distributed it to a total of 148 different types of homes for special needs.</p>
Location	Mental health and addictions support service providers and agencies located across the province.

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	x	

The Ministry of Health is responsible for flowing the funding to the service providers and/or agencies as outlined by their amended transfer payment agreements.

There were two TB/MBC approvals as follows:

- On March 25, 2020, TB/MBC authorized \$12 million, including \$0.5 million for 2019/20 and \$11.5 million for 2020/21.
- On May 21, 2020, TB/MBC authorized another \$14 million for 2020/21.

Controls	Yes	No
Controls implemented to effectively manage initiative	x	
Eligibility met for distribution	x	

2019/20

The Ministry selected three programs (iCBT, BounceBack and Kids Help Phone) to receive funding under this initiative in the 2019/20 fiscal year based on the increased demand for virtual services that these providers were experiencing as a result of the COVID-19 lockdowns and restrictions; and the ability of these providers to quickly increase service levels. Funding for these three programs was governed by amendments to their existing transfer payment agreements. The amendments to the transfer payment agreements were approved by the Assistant Deputy Minister and detailed the amount of funding, how it was to be used and the timing.

These amendments followed the controls and processes in the existing transfer payment agreements, so no new controls or processes were implemented. The Ministry checked that the programs spent the funding in accordance with their respective amended transfer payment agreements. In this regard, service providers had to submit documentation as outlined by the amended agreement. This included reports outlining activities undertaken to date, progress of activities, targets achieved to date and outcomes. They also had to submit an itemized signed financial report, including actual expenditures to March 31, 2020. These submissions were to be reviewed by the Ministry to determine whether the programs spent the funding in accordance with their respective amended transfer payment agreements as well as to review the performance of the program. Payments to the service providers are processed using the province's Integrated Financial Information System (IFIS).

The date of the amended transfer payment agreements and the date funding was flowed was as follows:

	Amended transfer payment agreement signed	Payment flowed
iCBT	Mar 31, 2020	April 16, 2020
BounceBack	Mar 31, 2020 and May 21, 2020	June 25, 2020
Kids Help Phone	Apr 28, 2020	June 1, 2020

In the instances where the transfer payment agreement was signed after the March 31, 2020 year end, the respective service providers used their existing resources and funding to manage the increase in their program activity/volume.

Fiscal Year 2020/21

Homes for Special Care provide housing and supports for persons with serious mental illness. Many homes reported the inability to procure PPE themselves as they did not have an existing vendor.

Two larger homes for special care (Queenview Residence and Terrace View) within the Ontario Homes for Special Needs Association, were approved by the Ministry to source and procure Personal Protective Equipment (PPE) for the Association's homes. These two homes were selected because they had identified a source from which to acquire PPE quickly. Once the two homes purchased the PPE, they requested reimbursement from the Ministry. This involved the two homes submitting their purchase invoices, original receipts and a Ministry form with a description of what was purchased. Once approved by the Ministry, the payments were processed using the Ministry's standard claims-based process for flowing funds to Homes for Special Care.

The PPE was allocated among the homes for special care based on the results of a Ministry survey of the homes regarding their existing PPE and the number of persons residing in the homes. The following entities were responsible for distributing the PPE to the homes:

- 8 hospitals help distribute to the homes for special care
- 5 community mental health agencies distribute to the community homes for opportunity
- 1 community mental health agency distributes to the homes provided by habitat services

The Ministry also directly purchased PPE from Total Health Pharmacy (which is a company selling gowns, masks, gloves, etc.). The Ministry arranged for the vendor to deliver the PPE to the homes based on the quantities determined by the Ministry.

The funding breakdown for the \$173,000 spent to June 30, 2020 was as follows:

Organization	Amount (\$)
Total Health Pharmacy	74,511
Queenview Home for Special Care	15,301
Terrace View Home for Special Care	83,326
Total	173,139

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds	X	

For 2019/20, the report back requirements for the service providers were as follows:

- Kids Help Phone: June 30, 2020
- iCBT: June 30, 2020
- BounceBack: June 30, 2020

All report backs were received by the Ministry within these deadlines.

For 2020/21, other than submitting their purchase invoices, original receipts and a Ministry form with a description of what was purchased, there were no additional report back requirements related to the homes for special care funding.

The Ministry of Health must report back on this initiative to TB/MBC as part of its quarterly reporting process. The first quarter (April 2020 to June 2020) report back on this was included as part of the Ministry's COVID-19 Implementation Tracker, which was submitted on July 29, 2020.

Appendix 4.08: Boosting Telehealth Capacity (Telehealth Ontario)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2021/21	\$50 million	\$0	New funding	Mar 12: As part of general announcement on COVID-19 measures
				Mar 16: Specific announcement on Telehealth measures
				No funding amount was provided
Total to Jun 30, 2020	\$50 million	—		
Total Jul–Dec 2020 (unaudited)	—	\$8.7 million		
Total to Dec 31, 2020 (unaudited)	\$50 million	\$8.7 million		

Description

The purpose of this initiative is to manage the increased capacity and volume of COVID-19 related calls to Telehealth Ontario. Telehealth Ontario is a free, confidential service an individual can call to get health advice or information from a registered nurse or other health practitioners which is available 24/7.

Summary

Findings

As of September 30, 2020, the Ministry had not spent any of the funds under this initiative and had not yet finalized amendments to its agreement with the Telehealth Ontario service provider to reflect this initiative. Up to \$49.25 million in funding under this initiative is for COVID-19 related calls to the service provider in the 2020/21 fiscal year. The remaining \$0.75 million is for the service provider to add 3,600 phone lines of which 3,300 were added.

Since April 2020, the service provider has actively tracked COVID-19 versus non-COVID-19 related calls (retroactively tracked to January 2020), and responded to 128,416 COVID-19 related calls between April and June 2020. The service provider was expected to be paid for each COVID-19 related call. Payment for COVID-19 calls is part of the set amount the service provider receives for responding to up to 625,000 calls during the year. The service provider would also receive payment for COVID-19 and non-COVID-19 related calls over 625,000.

A one-year extension to the Ministry's agreement with the Telehealth Ontario service provider was signed on March 31, 2020. This extension did not include any provisions related to the COVID-19 pandemic or this initiative. As of September 30, 2020, the Ministry was still in the process of amending this agreement to include the COVID-19 impact and relevant terms associated with it. The amended agreement is expected to build on the existing agreement, which establishes the controls for payment of funds to the service provider including the timing and amount of payments and reporting requirements.

Recipients

Anticipated #	1 – Telehealth Ontario service provider (Sykes Assistance Group)
	No anticipated number of additional callers to Telehealth Ontario due to COVID-19.

Recipients	
Actual # to June 30, 2020	<p>0 – No funding under this initiative was provided to the Telehealth Ontario service provider to June 30, 2020.</p> <p>The service provider received 128,416 COVID-19 related calls between April 2020 and June 2020.</p>
Location	<p>Telehealth Ontario responds to callers from throughout Ontario.</p> <p>The service provider is based in London, Ontario, with call centers located throughout Ontario.</p>

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	x	

The initiative was approved by Treasury Board/Management Board of Cabinet (TB/MBC) on March 25, 2020. The Ministry of Health is responsible for flowing funds to the Telehealth Ontario service provider.

Controls	Yes	No
Controls implemented to effectively manage initiative		x – Not developed
Eligibility met for distribution	x	

A one-year extension to the Ministry's agreement with the Telehealth Ontario service provider was signed on March 31, 2020. This extension did not include any provisions related to the COVID-19 pandemic or this initiative. As of September 30, 2020, the Ministry was still in the process of amending this agreement to include the COVID-19 impact and relevant terms associated with it. The Ministry expects that the amended agreement will build on the existing agreement, which establishes the controls for payment of funds to the service provider including the timing and amount of payments and reporting requirements.

Since April 2020, the service provider has actively tracked COVID-19 versus non-COVID-19 related calls (retroactively tracked to January 2020). This distinction is recorded based on what the caller describes to the receptionist when the call is answered. If it is a COVID-19 call, a nurse who handles only COVID-19 calls talks to the caller and documents the call as a COVID-19 related call. The \$49.25 million portion of this initiative can only be used for COVID-19 related calls. (Non-COVID-19 calls are paid a set amount up to 625,000 calls, and then on a per-call basis thereafter.) The \$0.75 million in funding was for adding 3,600 additional phone lines; 3,300 lines were added. As of September 30, 2020, no funds have been provided to the service provider from the Ministry as part of this initiative.

The Ministry is planning on using its existing processes to pay the Telehealth Ontario service provider for eligible COVID-19 related calls. This involves the Ministry receiving monthly invoices from the service provider for registered (billable) calls and comparing it to a monthly report provided by the service provider. The Ministry relies on the service provider's annual audit, which includes the auditor's verification of the registered call volumes; and confirmation that the data reported to the ministry each month is accurate and accurately reflected in the billings to the Ministry. Payments to the service provider are processed monthly using the province's Integrated Financial Information System (IFIS).

The process to verify that calls are being correctly marked as COVID-19 and non-COVID-19 is supported by data quality checks that are completed by the service provider. These controls and processes are subject to an annual audit performed by external auditors. In addition, numerous call records are verified by

the service provider to ensure that they are correctly classified as COVID-19 calls. This monthly process involves a detailed review of a sample of call logs to verify that the conversation and advice provided to the caller is consistent to the type of call it was marked as.

As of June 30 2020, the ministry has not developed a projection of anticipated call volumes related to COVID-19; however, it was assessing call volumes to manage capacity and any future volume surges (for example, caused by a second wave of the pandemic). The number of COVID-19 and non-COVID-19 related calls registered by the service provider for April 2020 to June 2020 compared to April 2019 to June 2019 are as follows:

	Apr	May	Jun	Total
2020				
Non-COVID-19 Calls	21,615	29,638	30,938	82,191
COVID-19 Calls	55,380	55,681	17,355	128,416
Total	76,995	85,319	48,293	210,607
2019				
Non-COVID-19 Calls	39,993	40,493	37,479	117,965

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds	x	

The Telehealth service provider submits monthly usage and other performance data reports to the Ministry. These reports are verified annually by the service provider's external auditor.

The Ministry of Health must report back on this initiative to TB/MBC as part of its quarterly reporting process. The report back must include information on the implementation of the initiative, costs incurred to date and effectiveness and results achieved. The Ministry was required to provide a report back by July 7, 2020. The Ministry submitted the required report back by the deadline.

Appendix 4.09: Emergency Capacity in Long-Term-Care Homes for COVID-19 Containment and Treatment of Affected Residents (Long-term-care home – emergency)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Long-Term Care				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2020/21	\$129.7 million Note: \$87.9 million re-purposed to pandemic pay for LTC homes (Apr 24 and 28, 2020) – see Appendix 4.19 \$20 million re-purposed to co-payment increase for LTC homes (May 28, 2020) – see Appendix 4.23	\$1.2 million		Care bed availability announced in a news release
Total to Jun 30, 2020	\$21.8 million	\$1.2 million		
Total Jul-Dec 2020 (unaudited)	—	\$3.3 million		
Total to Dec 31, 2020 (unaudited)	\$21.8 million	\$4.5 million		

Description

The initiative was for an increase of approximately 1,560 beds in the long-term-care home sector. That was about a 2% increase in capacity. The purpose of the increased capacity was to assist in the prevention and treatment of COVID-19 through the following:

- provide more single-bed rooms to isolate infected residents at long-term-care homes; and
- allow patients in hospitals who qualify for long-term-care homes to be discharged to one in order to take pressure off hospitals.

The government expected the increased capacity would be needed for one year in total, with the number of beds at long-term-care homes rising over the first six months and an additional six months to transition back to regular bed capacity.

Summary

Findings

Our analysis of the initiative did not find anything unusual in the approval, authorization, processing of payments and use of funds.

Because the actual bed capacity available (97) at long-term-care homes (LTC homes) as of June 2020 was far less than initially expected (1,560), the Ministry repurposed the funding as follows:

- In April 2020, it repurposed \$87.9 million to COVID-19 emergency funding for a temporary wage increase for front-line LTC home staff (**Appendix 4.19**).
- In May 2020, it repurposed \$20 million to reimburse LTC homes for lost revenue as a result of deferring the 1.9% resident co-payment increase for six months from July 1, 2020 to January 1, 2021 (**Appendix 4.23**).

Recipients

Anticipated #	1,560 LTC beds (2% increase in capacity)
Actual # to June 30, 2020	69 LTC homes received Temporary Emergency Licences to operate 97 additional beds
Location	69 LTC homes across the province

Approvals/Authorization

	Yes	No
Treasury Board/Management Board of Cabinet	x	

We found no concerns with approvals and authorization processes. The Ministry of Long-Term Care is accountable and responsible for distributing funds to long-term-care homes through existing funding mechanisms. The funds were new money and not a reallocation of an existing budget.

On March 25, 2020, the Treasury Board/Management Board of Cabinet (TB/MBC) approved the Ministry's request of \$129.7 million in 2020/21 to provide funding for emergency new capacity in LTC homes to provide additional beds required to isolate long-term-care residents infected with COVID-19, and to provide additional capacity to reduce the burden on the hospital sector.

In April 2020, when the Ministry identified that the actual potential to add additional beds was far less than the number initially expected, it repurposed \$87.9 million of the \$129.7 million to COVID-19 emergency funding for a temporary wage increase for all long-term-care staff (pandemic pay for LTC homes) (**Appendix 4.19**).

In May 2020, it repurposed a further \$20 million to reimburse LTC homes for lost revenue as a result of an authorized deferral of a 1.9% resident co-payment increase for six months from July 1, 2020 to January 1, 2021 (**Appendix 4.23**).

Controls

	Yes	No
Controls implemented to effectively manage initiative	x	
Eligibility met for distribution	x	

Based on our walk-through of the payment process, we found no concerns with the implemented controls and licensing processes.

The funds are being distributed to long-term-care homes (LTC homes) that had capacity to add more beds. The Ministry of Long-Term Care (Ministry) contacted the Local Health Integration Networks (LHINs) and LTC homes to determine whether they had space to add beds. Based on this information, the Ministry

granted temporary emergency licences to 69 LTC homes for 97 beds. The temporary emergency licenses gave these LTC homes permission to accept additional residents and receive Ministry funding for the additional bed(s). These licences expire in one year, by March or April 2021. Each of the 69 LTC homes will receive an average of about \$4,000 per additional bed per month over a 12-month period.

The funding payment process for these temporary emergency beds is the same as the regular payment process that the Ministry uses to transfer monies to the homes. The “emergency surge capacity” initiative funds are flowed monthly to the LTC homes through the existing transfer-payment agreements with the LTC homes. These COVID-19 payments will be reviewed and reconciled together with other payments and be subject to Ministry review as part of the year-end annual reconciliation. Recovery/reimbursement will be determined based on the actual spending homes have incurred; however, the transfer-payment agreement does not specify how the reconciliation will be done, such as based on the actual occupancy rate. If the actual spending to make the additional beds available is lower than the funded amount, the LTC home is required to pay back the difference to the Ministry.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds		x

LTC homes are required to submit an annual report to the Ministry at year-end. This report is required to be audited by an independent accounting firm, hired by each home, before it is submitted to the Ministry. There is a line item in the annual report that relates to expenditures under the “emergency surge capacity” program. Under the Ministry’s transfer-payment agreement with the LTC homes, any unspent funds on the COVID-19 expenditures by the LTC homes is required to be returned to the Ministry at the time of the year-end reconciliation. If the actual spending to make the additional beds available is lower than the funded amount, the LTC home is required to pay back the difference to the Ministry. The transfer-payment agreement does not specify how the reconciliation will be done such as based on the actual occupancy rate.

The Ministry does not require LTC homes to report back on the COVID-19 spending until September 30, 2021 because it wants to reduce the administrative burden on LTC homes and avoid taking their resources away from other priorities such as resident care and prevention/containment of COVID-19. The report back that will cover calendar year 2020 will be due by September 30, 2021, which is the same date when the LTC homes submit their regular annual report to the Ministry.

The Ministry is required to report back to TB/MBC by June 30, 2020 regarding areas such as implementation plans, proposed measures and intended outcomes, and measures of effectiveness. The Ministry indicated it was preparing a report back with this information. Such a report back had not been completed as of the end of August 2020 and the Ministry had not received an extension from TB/MBC. The Ministry had submitted a first quarter (April to June 2020) report back on July 29, 2020, which focused mainly on actual versus projected spending, but it did not contain the other details it was required to report back on including proposed measures, intended outcomes and measures of effectiveness.

Appendix 4.10: Drugs and Assistive Devices Program

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
Assistive Devices Program:				
2019/20	\$1 million	The cost of home oxygen use due to COVID-19 was not tracked	\$1 million from reallocated funding	No press release
2020/21	\$5 million		\$5 million in new funding	
Alternative Drugs:				
2020/21	\$3 million	\$20	\$3 million in new funding	
Total to Jun 30, 2020	\$9 million	\$20		
Total Jul–Dec 2020 (unaudited)	—	\$2.18 million		
Total to Dec 31, 2020 (unaudited)	\$9 million	\$2.18 million		

Description

The initiative has two parts:

- Funding for alternative drugs if drug shortages arise and alternative drugs are needed; or
- Funding if there is an increase in the use of home oxygen therapy in the community or long-term-care homes. This would be by patients with COVID-19 and/or complications from it, and patients who might need home oxygen therapy after being moved out of hospitals to make room for COVID-19 patients.

Summary

Findings

For the alternative drugs initiative, no issues were identified with the approval, authorization and controls.

For the Assistive Devices Program (ADP) initiative, the Ministry of Health (Ministry) does not have fully effective systems and procedures in place to determine whether the additional funds approved for home oxygen are used effectively and efficiently to assist with the initiative undertaken by the Ministry of Health to combat COVID-19. The ADP does not track whether the increased use of home oxygen is a result of the province's initiative to combat COVID-19.

The ADP temporarily modified policies surrounding home oxygen eligibility criteria to make access less restrictive and maintain physical distancing during the pandemic. However, the ADP cannot track the use of funding for home oxygen to treat COVID-19 patients or patients who are using home oxygen because access to hospitals and other providers has been restricted during the pandemic. The ADP is unable to separate the additional funding for home oxygen related to COVID-19 versus routine requests. Due to temporarily modified eligibility criteria (such as waiving the requirement of a blood test to measure levels of oxygen and carbon dioxide), there is a risk that non-COVID-19 patients who are ineligible for home oxygen according to the regular policies become eligible under the modified criteria.

The Ontario Drug Benefits Program and the Assistive Devices Program report back on this initiative was submitted to the Treasury Board/Management Board of Cabinet (TB/MBC) on July 31, 2020, as part of the Ministry's April to June 2020 quarterly reporting process.

Recipients	
Anticipated #	<p>Given that the Alternative Drugs Program is based on shortfalls in available drugs, the Ministry is unable to anticipate which drugs will be in short supply.</p> <p>As home oxygen therapy is funded monthly at a set reimbursement rate, the increased expenditure of \$5 million for 2020/21 is the equivalent of providing approximately an additional 17,500 months of home oxygen to Ontarians.</p>
Actual # to June 30, 2020	<p>Two recipients received alternative drugs.</p> <p>The number of recipients for home oxygen therapy related to COVID-19 is not tracked.</p>
Location	<p>The funding of alternative drugs was for inhalers in St. Catharines and North York.</p> <p>The funding for home oxygen was for patients throughout Ontario.</p>

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	X	

The Ministry of Health is accountable for the funds. On March 25, 2020, TB/MBC approved \$9 million for these initiatives. TB/MBC approved \$1 million in fiscal 2019/20 for home oxygen to treat COVID-19; in 2020/21 it provided \$3 million for alternative drugs and \$5 million for home oxygen.

Controls	Yes	No
Alternative Drugs		
Controls implemented to effectively manage initiative	X	
Eligibility met for distribution	X	
Home Oxygen		
Controls implemented to effectively manage initiative		X
Eligibility met for distribution		X

Alternative Drugs: We found no issues with the implemented controls and eligibility criteria. The submission process, criteria for eligibility, adjudication and payment processes and all related controls have not changed as a result of the implementation of the initiative.

In general, pharmacies must submit their claims through the Health Network System to be reimbursed for dispensing drugs to a patient. The initiative uses this system to determine eligibility criteria and program controls for payments. There are multiple business rules in the Health Network System to check for duplicate claims. If the claim is found to be a duplicate, Health Network System will reject the claim and send the response code to the pharmacy. The Health Network System has a fixed drug benefit price for each product. If the pharmacy submits a greater amount than the allowed drug cost, the Health Network System will automatically adjust the cost to the fixed price. The Ministry approved a list of alternative drug products to be used in cases of drug shortages during the pandemic. Funds are paid to pharmacies through the usual payment process for claims with product identification numbers unique to each alternative drug product.

Home Oxygen Therapy: Home oxygen therapy is provided to eligible Ontario residents by service providers (vendors) whom the Assistive Devices Program has authorized to provide ADP-funded home oxygen therapy. Vendor payments for approved claims are made every two weeks, based on invoices that the ADP-registered vendor submits to the program. Each claim is assessed automatically against many logic controls that prevent overpayments, including duplicate payments.

The ADP modified its policies surrounding home oxygen eligibility criteria to make access less restrictive. The key changes include waiving the following requirements for:

- first-time clients' arterial blood gases measurements (a blood test), unless life expectancy is less than three months, when home oxygen is prescribed by a physician or nurse practitioner licensed to practice in Ontario;
- an independent exercise assessment for hospital in-patients who demonstrated exertional hypoxemia only;
- the prescriber to sign the ADP application form (the prescriber's prescription is still needed);
- the client, a family member or a care-giver to sign the proof of delivery form; and
- the prescriber to re-assess annually the ADP-funded client's continued need for home oxygen therapy for the duration of the pandemic.

There is no timeline to return to the original policies and any amendments to the modified policies will require government approval.

Monitoring of Spending	Yes	No
Alternative Drugs		
Cost-effective processes in place to monitor use of funds	x	
Home Oxygen		
Cost-effective processes in place to monitor use of funds – Ministry		x
Cost-effective processes in place to monitor use of funds – Treasury Board	x	

For both parts of the initiative, a report back to Treasury Board/Management Board of Cabinet is required as part of the Ministry's quarterly reporting process. The report back for the first quarter of 2020/21 (April 2020 to June, 2020) was submitted by the Ministry on July 31, 2020.

Alternative Drugs: This first part of the initiative was executed in accordance with the terms set out in the TB/MBC minute and Ministry assessment note. The Ministry monitors and tracks utilization during the pandemic through a list of product identification numbers unique to each alternative drug product approved for temporary funding. The funds were disbursed on a timely basis.

Home Oxygen Therapy: Funding for home oxygen therapy through the ADP already exists and is open-ended for all Ontarians who meet eligibility criteria. No new controls were created specifically to monitor home oxygen spending related to COVID-19. The Ministry indicated that, due to the pandemic, it paused the ADP post-payment verification processes, including no longer identifying and recovering overpayments made to vendors for deceased patients and no longer verifying vendors' proof of services to patients. The Ministry indicated that it paused these processes for all vendors as small vendors could face financial consequences, including permanent closure, if overpayments were recovered. As of August 31, 2020, the program area had not determined a date when it expected to resume post-payment verification activities, and had not yet developed a plan to verify the validity of vendor billings submitted during the pandemic period. The Ministry indicated that options to verify the validity of vendor billings during the pandemic may include activities such as sending letters to patients to confirm their receipt of home oxygen services and supplies.

The ADP paid \$22.6 million for invoiced home oxygen therapy from April to June 2020, compared with \$23.6 million over the same period in 2019. While the expenditures have decreased, due to the ADP reducing the monthly reimbursement rate by 17% effective August 1, 2019, the total number of service periods (months billed for all patients) increased 13% from 63,281 between April and June 2019, to 71,644 during the same period in 2020. The program is unable to provide a specific reason for the increased use of home oxygen therapy; however, the temporary measures for the COVID-19 pandemic may play a role.

The ADP is unable to separate claims for home oxygen as related to increased home oxygen use during the pandemic versus routine requests. There is no system code for tracking claims for patients with needs related to COVID-19. On March 18, 2020, the Ministry requested that vendors check the “Other” box in the diagnosis section of the application form and write “COVID-19” in the associated “open text” box. The assistive device application management system cannot generate a list or count of applications with specified text in an open text box. Fields recorded manually by an individual (such as in the “Other” field) can be challenging to report because of the varied responses received in an “open text” box (e.g., COVID-19, Coronavirus and other variations). As noted in our follow-up of our 2018 ADP audit, the Ministry was enhancing this system to allow for the electronic submission of claims by vendors through its eSubmission project. No system changes have yet been requested related to tracking COVID-19 claims.

Appendix 4.11: Community Sector Capacity and Home Care (Community capacity – hospital beds and virtual patient monitoring)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2020/21	\$120 million	\$4.3 million	New funding	Mar 25, 2020
Total to Jun 30, 2020	\$120 million	\$4.3 million		
Total Jul–Dec 2020 (unaudited)	—	\$38.5 million		
Total to Dec 31, 2020 (unaudited)	\$120 million	\$42.8 million		

Description

The initiative has three parts:

- increasing the number of beds in the community, such as in retirement homes and assisted living, for non-COVID-19 patients to make hospital spaces available for COVID-19 patients;
- creating a new fee code in home-care service contracts so that existing home-care patients can be monitored virtually by secure video, text or telephone, when clinically appropriate, to limit in-person interactions; and
- virtual monitoring of suspected or confirmed COVID-19 patients.

Summary

Findings

Our analysis of this funding program did not find anything unusual in the approval, authorization, processing of payments, use of funds and oversight of the initiative. A significant portion of the funding had not been used as of June 30, 2020, and the Ministry of Health was waiting to see where the funding would be needed during the pandemic.

Recipients

Anticipated #	As of June 30, 2020, the anticipated number of recipients had not been determined.
Actual # to June 30, 2020	Two health service providers delivering services to the homeless population under the City of Toronto COVID-19 Shelter Initiative.
Location	The total funding is intended for recipients across Ontario.

Approvals/Authorization

	Yes	No
Treasury Board/Management Board of Cabinet	x	

On March 25, 2020 Treasury Board/Management Board of Cabinet (TB/MBC) approved \$120 million for this initiative.

We found no concerns with approvals and authorization. The Ministry of Health is accountable and responsible for delivering payments to the health service providers that receive funding through this initiative. These are new funds allocated from the COVID-19 Health Sector Response Fund.

Controls	Yes	No
Controls implemented to effectively manage initiative	X	
Eligibility met for distribution	X	

We found no concerns with the implemented controls and eligibility criteria. Controls were designed effectively to manage the initiative for the two health service providers that received funding.

The Ministry of Health has authority to spend the entire \$120 million under this initiative, but as of June 30, 2020, it had not yet determined the specific uses for the funding or finalized agreements for the majority of this funding. Specifically, for the \$20 million allotted for enhanced community capacity, \$10 million allotted for virtual home care and \$10 million allotted for COVID Home Care Plus, the Ministry was awaiting to finalize funding letters, transfer payment agreements and/or reporting requirements. The Ministry was in the process of finalizing how it would spend the \$67 million to address community capacity issues and where the funding would be directed.

Under the province's City of Toronto COVID-19 Shelter Initiative, the University Health Network (UHN) and Parkdale Queen West Community Health Centre (CHC) provide direct health-care services to Toronto's homeless population. Both health service providers signed a funding letter with the Ministry of Health that set out the terms of their funding and eligible expenditures under this initiative.

Once reviewed and approved by both the Toronto Central Local Health Integration Network (Toronto Central LHIN) and the Ministry of Health, payments to the two health service providers are processed through the province's pre-existing transfer payment process (the Integrated Financial Information System) by the Ministry of Health. Funding is to be used only for the City of Toronto COVID-19 Shelter Initiative to support the homeless in shelters. Any unspent funds or funds not spent for this purpose are to be returned to the Toronto Central LHIN.

University Health Network

To be eligible for funding, the UHN submits a budget, including a line-by-line item-costing of planned expenditures for pre-approval by the Toronto Central LHIN. Before the UHN receives funding, the Toronto Central LHIN determines whether the spending planned is in line with the funding letter requirements. The UHN submitted its initial budget proposal to the Toronto Central LHIN on March 24, 2020, and the Toronto Central LHIN approved the budget proposal on March 30, 2020. The budget was then sent to the Ministry of Health for review, as part of the funding request. The Ministry signed the funding letter on May 12, 2020, and provided funding of \$4,085,000 to the UHN on June 1, 2020, and another \$4 million as of July 10, 2020. The total approved funding for the UHN was \$8,085,000 for the 2020/21 fiscal year.

The UHN agreed to submit bi-monthly reports to the Toronto Central LHIN on the disbursement of the funding. The Toronto Central LHIN is to review whether funding is being used for the intended purposes (and not for UHN hospital operations, administration fees or existing overhead) by comparing the items listed in the UHN's bi-monthly report to the list of items covered in the terms and conditions of the funding letter. Our review of a bi-monthly report did not find anything unusual and indicated that funding was being spent as outlined in the funding letter.

Parkdale Queen West Community Health Centre

The Ministry of Health approved funding of \$610,000 for the Parkdale Queen West Community Health Centre (CHC) on April 24, 2020, for the 2020/21 fiscal year, based on a budget submitted by the CHC. Of this, \$183,000 was provided to the CHC from the Toronto Central LHIN on June 15, 2020, before any expenses were incurred, because of the rapidly evolving nature of the COVID-19 pandemic and uncertainty regarding its impact on the City of Toronto's homeless population. Toronto Central LHIN will provide the remainder of the funding after expenses have been incurred and after it verifies the CHC's total expenses and invoices for services.

The CHC agreed to submit bi-monthly reports regarding the disbursement of the funding. Beginning in June 2020, the Toronto Central LHIN was to approve and the Ministry make payments to the CHC only for services already rendered and expenses actually incurred after the Toronto Central LHIN's verification of the CHC's total expenses and invoices for services. As of June 30, 2020, the CHC had not yet provided any expense reporting or invoices to the Toronto Central LHIN, and no additional funds had been provided.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds	x	

We found no concerns with the monitoring of spending.

As of June 30, 2020, upon the Toronto Central LHIN's approval, the Ministry had provided \$4,085,000 to the University Health Network and the Toronto Central LHIN had provided \$183,000 to the Parkdale Queen West Community Health Centre (CHC). Under the funding agreement, the University Health Network is to submit bi-monthly reports to the Toronto Central LHIN regarding its expenditures under this initiative. The first bi-monthly report, covering the period March 24 to May 20, 2020, was due on May 20, 2020. The UHN submitted its first report on time, on May 20, 2020.

Under the funding agreement, the CHC is to submit financial information to the Toronto Central LHIN on a monthly basis, and performance reports (for example, how many patients were admitted and discharged) on a bi-weekly basis. A performance report was first due on May 20, 2020, and was submitted on time. All subsequent performance reports to June 30, 2020, were also submitted on time. The CHC is also to submit monthly reports on the disbursement of the funds. As of June 30, 2020, no expense reports had been received by the Toronto Central LHIN and no additional funds had been provided to the CHC. Any unspent funds or funds not used for the intended purposes are to be returned to the Toronto Central LHIN.

The Ministry of Health is required to provide a quarterly report back to the TB/MBC on the implementation of the initiative, costs incurred to date, forecasted costs and effectiveness and results achieved. The report for the first quarter (April to June 2020) was due and submitted on August 20, 2020.

Appendix 4.12: Personal Protective Equipment including N95 Masks and Other Critical Supplies (PPE Health)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
Part 1–Personal Protective Equipment (PPE) and Other Critical Supplies				
2020/21	\$50 million (Mar 16, 2020) \$25 million (Mar 25, 2020) \$100 million (Mar 29, 2020) Total: \$175 million	\$71.6 million	New funding	Mar 25: \$75 million was announced for PPE for front-line staff as part of <i>Ontario's Action Plan: Responding to COVID-19</i> .
Part 2–Personal Protective Equipment—N95 Masks				
2020/21	\$283 million (Apr 2, 2020) \$956 million (Apr 4, 2020) \$-573.5 million* (May 13, 2020) Total: \$665.5 million	\$0	New funding	
Part 3–Personal Protective Equipment				
2020/21	\$350 million	\$139.6 million	Reallocation of Part 2 funding	
Total to Jun 30, 2020	\$1,190.5 million	\$211.2 million		
Total Jul–Dec 2020 (unaudited)	\$205.9 million	\$513.9 million		
Total to Dec 31, 2020 (unaudited)	\$1,396.4 million	\$725.1 million		

* This amount was rescinded by Treasury Board/Management Board of Cabinet.

Description

This initiative consists of three parts:

Part 1

Part 1 of this initiative was for the Ministry of Health (Ministry), working with Ontario Health, to acquire personal protective equipment (PPE) and other medical supplies and equipment for front-line workers, such as nurses, doctors and paramedics through competitive and non-competitive selection processes.

Part 2:

Part 2 of the initiative was for the sole-source purchase of 130 million N95 masks. The N95 masks were to be purchased through LDR Investments in Washington, DC, as follows:

- \$283 million for 30 million N95 masks from New Jersey, California and Texas; and
- \$956 million for 100 million N95 masks from China.

Part 3:

Part 3 of this initiative was a reallocation of \$350 million in funding from Part 2, to acquire personal protective equipment and supplies for front-line workers as follows:

- up to \$239 million for emergency supplies such as masks, gloves, coveralls, beds, ventilators, thermometers and hand sanitizer; and
- up to \$111 million for the Ministry of Health to make urgent purchases of critical equipment and supplies as needed during the pandemic.

Summary**Findings**

Part 1: As of June 30, 2020, funding was being spent in accordance with the Treasury Board/Management Board of Cabinet (TB/MBC) minute. A report back date was not specifically stated for two out of the three TB/MBC approvals under Part 1 (only the March 25, 2020 TB/MBC minute had a report back date, which was June 2020). The Ministry reported back to TB/MBC on May 12, 2020 and provided an update on all three areas of Part 1 of this initiative.

Part 2: The procurement was not completed and the funding was recovered. The supplier missed the April 15, 2020 and April 17, 2020 delivery deadlines. On April 17, 2020 and April 18, 2020, the Ministry sent letters to recover the funds from the University Health Network, which was holding the funds in escrow. As of April 28, 2020, all funds had been returned to the province of Ontario.

Part 3: As of June 30, 2020, funding was being spent in accordance with the TB/MBC minute.

Recipients**Part 1 and Part 3**

Anticipated #	Not available
Actual # to June 30, 2020	2,734 recipients in total for both the Ministry of Government and Consumer Services and the Ministry of Health (no breakdown was available between the ministries). Health recipients included hospitals, long-term-care homes and primary care physicians.
Location	Centralized purchase of personal protective equipment and medical supplies to be distributed throughout the province.

Part 2

Anticipated #	0
Actual # to June 30, 2020	0
Location	n/a

Approvals/Authorization – Part 1, Part 2 and Part 3

	Yes	No
Treasury Board/Management Board of Cabinet	x	

Part 1

TB/MBC approved \$175 million (\$50 million on March 16, 2020; \$25 million on March 25, 2020; and \$100 million on March 29, 2020) for the Ministry of Health to procure personal protective equipment (PPE). The \$175 million was directed to the Toronto Central Local Health Integration Network (Toronto Central LHIN) for the University Health Network (UHN) for the emergency procurement of PPE and other critical medical supplies. The UHN provided only administrative services to assist the Ministry in the procurement process. To June 30, 2020, the UHN issued 46 purchase orders of behalf of the Ministry.

Part 2

On April 2, 2020, the Ministry requested and was approved by TB/MBC to spend \$282.9 million for the purchase of 30 million N95 masks. On April 3, 2020, \$282.9 million was provided to UHN for the procurement of the 30 million N95 masks. On April 4, 2020, the Ministry was approved by TB/MBC to spend \$955.98 million for the purchase of an additional 100 million N95 masks. The Ministry received another \$290.6 million for a total of \$573.5 million; the remaining amount approved was to be managed from within the Ministry's existing budget. On April 6, 2020, the Ministry transferred \$955.98 million to UHN for the procurement of the additional 100 million N95 masks. These procurements did not proceed and the funds were returned to the province. On May 13, 2020, TB/MBC rescinded its approval for \$573.5 million.

Part 3

After the procurements under Part 2 did not proceed, TB/MBC approved reallocating \$350 million from Part 2 to Part 3 on May 12, 2020. The \$350 million was directed to the Toronto Central LHIN for UHN's emergency procurement of PPE and other critical medical supplies. UHN provided only administrative services to assist the Ministry in the procurement process. To June 30, 2020, the UHN had issued 66 purchase orders on behalf of the Ministry.

Controls	Yes	No	N/A
Part 1 and Part 3			
Controls implemented to effectively manage initiative	x		
Eligibility met for distribution	x		
Part 2			
Controls implemented to effectively manage initiative			x
Eligibility met for distribution			x

There were no issues noted in either the controls implemented to manage the initiatives or the controls over the eligibility.

Part 1 and Part 3

A process was developed by the Ministry of Health to work with Ontario Health and the University Health Network (UHN), to streamline decisions and the approval process, as follows:

1. The Provincial Task Force (launched on March 19, 2020 including Ontario Health and hospitalbased procurement organizations) performs an assessment of sourcing opportunities for PPE and other critical supplies.
2. Ontario Health submits a briefing note to the Ministry for approval (appropriate Delegation of Authority). This includes Ontario Health's rationale for the emergency procurement and recommended purchases. Once received, Ontario Health communicates the Ministry's approval to UHN.

3. UHN issues the purchase order to the vendor; the vendor delivers products to a warehouse under contract with the Ministry; the goods are validated upon receipt (by the warehouse); the vendor issues an invoice to UHN and the warehouse notifies UHN of validated receipt, and UHN pays the vendor. A three-way matching (purchase order issued by UHN, validated receipt of goods at warehouse and vendor invoice) is to be done prior to processing the payment.
4. The Ministry of Health issues funds to UHN through the Toronto Central LHIN.

Part 2

This initiative was for a sole-source purchase of N95 masks through LDR Investments in Washington, DC. This type of procurement meant there was no request for proposals to allow other companies to compete to provide their product. LDR Investments was to arrange the following purchases:

- \$283 million for 30 million N95 masks in New Jersey, California and Texas; and
- \$956 million for 100 million N95 masks in China.

The Ministry noted that 30,000,000 model 8210 N95 masks for the \$283 million purchase were at a per mask cost of \$6.66 US (\$9.40 Cdn) and that N95 masks regularly sold for between \$0.36 and \$0.63 Cdn (for a total between \$10.8 million and \$18.9 million). Air Canada was to fly the masks to Toronto at cost. On April 3, 2020, and April 6, 2020, \$282.9 million and \$955.98 million were respectively deposited into the University Health Network's account for procuring the N95 masks.

None of the masks were delivered by the supplier by the delivery date. Due to the volatility in the global marketplace at that time, the Ministry decided to cancel the contract. As of April 28, 2020, all funds, which had been held in escrow, were returned to the Ministry of Health.

Monitoring of Spending	Yes	No	N/A
Part 1 and Part 3			
Cost-effective processes in place to monitor use of funds	x		
Part 2			
Cost-effective processes in place to monitor use of funds			x

There are cost-effective processes in place to monitor the overall Ministry spending on personal protective equipment. The Ministry has implemented processes to track all PPE transactions that were made.

Part 1 and Part 3

The Ministry and UHN each maintained documents to monitor and track purchase orders issued under Part 1 and 3 of this initiative. These two procurement trackers were reconciled on a weekly basis.

The Ministry tracker collects the following for each procurement activity:

- briefing notes (including the Ontario Health recommendation, quantity, unit price and total cost);
- internal Ministry approvals to proceed; and
- each approved purchase order that UHN issues is matched with the transfer payment agreement.

The UHN tracker records each purchase order, product receipt and invoice payment. Both trackers monitor cancellations, which the Ministry has the authority to make.

Part 2

The procurement was cancelled and the funding was recovered.

Report back to Treasury Board/Management Board of Cabinet

The following chart shows the TB/MBC report back requirement for each part of this funding initiative. The report backs were completed within the required deadlines, where deadlines were established.

Funding Amount	Date Approved	TB/MBC Report Back Requirement	Did the Ministry Report Back? When?
Part 1			
\$50 million	Mar 16, 2020	No report back mentioned	Yes – May 12, 2020
\$25 million	Mar 25, 2020	Report back by Jun 2020	Yes – May 12, 2020
\$100 million	Mar 29, 2020	Report back once the emergency situation of COVID-19 urgency is under control	Yes – May 12, 2020
Part 2			
\$282.9 million	Apr 2, 2020	Report back once the emergency situation of COVID-19 urgency is under control	Yes – May 12, 2020
\$955.9 million	Apr 4, 2020	Report back once the emergency situation of COVID-19 urgency is under control	Yes – May 12, 2020
Part 3			
\$350 million	May 12, 2020	Report back once the emergency situation of COVID-19 urgency is under control	Yes – May 12, 2020 Report back provided a breakdown of the planned procurements

Appendix 4.13: Front-Line Personal Protective Equipment at Ontario Provincial Police, Fire and Correctional Institutions – Ministry of the Solicitor General (PPE SolGen)

Responsible Ministry/Broader-Public-Sector Entity: Solicitor General				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2020/21	\$3.8 million	\$0	New funding	No public announcement was made
Total to Jun 30, 2020	\$3.8 million	—		
Total Jul-Dec 2020 (unaudited)	—	\$3.6 million		
Total to Dec 31, 2020 (unaudited)	\$3.8 million	\$3.6 million		

Description

The initiative was to provide personal protective equipment (PPE) to front-line staff at the Ontario Provincial Police (OPP), fire departments and correctional institutions. The breakdown for each was:

- **Correctional institutions:** an eight- to 12-week supply of sanitization products and medical masks for front-line officers, workers and nurses.
- **Fire departments:** a 12-plus week supply of PPE equipment, such as medical masks.
- **OPP:** a 12-plus week supply of PPE equipment, such as N95 masks, medical masks and sanitization products.

Summary

Findings

As of June 30, 2020, correctional institutions, and the OPP reported to the Ministry of the Solicitor General (Ministry) that they had spent \$2.4 million on PPE. Funding under this initiative will be provided only if PPE purchases exceed their budget. No funding for this initiative had been flowed as of June 30, 2020. If these programs are unable to manage within their budget, the Ministry must report back on the PPE spending and submit a request to the Treasury Board/Management Board of Cabinet (TB/MBC) for the release of the \$3.8 million. The Ministry currently anticipates that it will need to request this funding in the 2020/21 year.

Recipients

Anticipated #	OPP, Fire Services and Correctional Institutions
Actual # to June 30, 2020	0
Location	Programs within the Ministry of the Solicitor General (OPP, and Correctional Institutions), and fire services are located across Ontario.

Approvals/Authorization

	Yes	No
Treasury Board/Management Board of Cabinet	x	

On March 25, 2020, TB/MBC approved the allocation of \$3.8 million for the Ministry of the Solicitor General for the purchase of personal protective equipment for use by front-line workers in the justice sector. The funding is new money allocated as part of Ontario's COVID-19 response.

Controls	Yes	No	N/A
Controls implemented to effectively manage initiative	X		
Eligibility met for distribution			X

As of June 30, 2020, no funding had been released in relation to this initiative. The OPP and correctional institutions are making their own purchases of PPE and are expected to manage their spending in accordance with their approved budget allocations. The Ministry has implemented processes to track all PPE transactions made by these ministry program areas using a code set up to track COVID-19-related expenditures in the provinces' Integrated Financial Information System.

PPE was also procured for the OPP and correctional institutions via the Ministry of Government and Consumer Services (MGCS). All PPE procured for fire services was via MGCS. The amount to be paid to MGCS will be determined by March 31, 2021. For these PPE purchases, MGCS provides distribution reports to the Ministry on the PPE that was delivered to the OPP, correctional institutions and fire services.

The Ministry of the Solicitor General is required to follow the Ontario Public Service (OPS) payment prioritization process that was implemented on March 23, 2020. Under this process, the Ministry is required to assess the criticality and eligibility of PPE purchases by OPP and correctional institutions before sending them to Ontario Shared Services (OSS) for payment processing. These transactions are charged against the Ministry of the Solicitor General.

All invoice payments must have proper evidence of financial approval from an OPS email address in accordance with the Delegation of Financial Management Authority. The OPP and correctional institutions are to manage their PPE spending in accordance with the \$3.8 million set aside by TB/MBC. The COVID-19-related expenditures are centrally tracked by the Ministry's Corporate Services Division. The Ministry relies on the internal approval processes of the OPP and correctional institutions, and spending data from the province's Integrated Financial Information System to confirm that funds were spent on PPE.

Monitoring of Spending	Yes	No	N/A
Cost-effective processes in place to monitor use of funds – Ministry	X		
Cost-effective processes in place to monitor use of funds – TB/MBC			X

There are cost-effective processes in place to monitor overall Ministry spending on personal protective equipment. The Ministry has implemented processes to track all PPE transactions that were made by the OPP and correctional institutions.

The funds have not yet been requested by the Ministry. Report backs to TB/MBC are not required until the Ministry requests funds under this initiative.

Appendix 4.14: COVID-19 Emergency Procurements for Sanitation Supplies and Personal Protective Equipment for the Ministry of Government and Consumer Services (PPE MGCS)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Government and Consumer Services				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2020/21	\$250.0 million	\$127.0 million	New funding	No public announcement was made
Total to Jun 30, 2020	\$250.0 million	\$127.0 million		
Total Jul-Dec 2020 (unaudited)	\$100.0 million	\$161.9 million		
Total to Dec 31, 2020 (unaudited)	\$350.0 million	\$288.9 million		

Description

The initiative was to provide the Ministry of Government and Consumer Services spending authority of \$250 million for centralized purchasing of sanitization supplies and personal protective equipment related to COVID-19. The authority would be under Section 15 of the *Financial Administration Act*.

The purchases included more than 107 million masks, 84 million gloves, 2.7 million face shields, cleaning supplies, and other equipment and supplies such as goggles, hand sanitizers and infrared thermometers.

Summary

Findings			
As of June 30, 2020, the approved funds had been spent in accordance with this initiative.			
Recipients			
Anticipated #	Not available		
Actual # to June 30, 2020	2,734 locations in total for both the Ministry of Government and Consumer Services and the Ministry of Health (no breakdown was available)		
Location	Funding was allocated for the centralized purchase of personal protective equipment and medical supplies to be distributed throughout the province.		
Approvals/Authorization		Yes	No
Treasury Board/Management Board of Cabinet		x	

The Ministry of Government and Consumer Services (Ministry) was approved on April 28, 2020 by the Treasury Board/Management Board of Cabinet (TB/MBC) for \$250 million to be used toward centrally procuring supplies and equipment related to COVID-19. The money is to be recovered from other ministries by the end of the 2020/21 fiscal year. As of June 30, 2020, \$127 million had been paid to suppliers. The funds were new money provided to the Ministry as part of Ontario's COVID-19 response.

Controls	Yes	No
Controls implemented to effectively manage initiative	X	
Eligibility met for distribution	X	

The Ministry created an internal guideline that outlined steps for procuring personal protective equipment. As part of the procurement process the Ministry:

- contacted the supplier to confirm and obtain order information; and
- obtained shipment and delivery information from the supplier.

The Ministry then evaluated whether the supplier was legitimate and capable of delivering goods within the established timelines. This process minimized the risk of procuring from potentially fraudulent vendors.

Some of the internal controls used to determine the validity of the supplier included:

- obtaining a quote from the supplier;
- requesting a Health Canada certification number for the product;
- validating the supplier through federal and provincial registrars or the Canada Revenue Agency business number search; and
- for procurements from international suppliers, requesting assistance from the Office of the Provincial Security Advisor.

On the finance side, approved procurements were executed through purchase orders in the province's Integrated Financial Information System (IFIS). All purchase orders were created in IFIS under the appropriate Delegation of Financial Management Authority. Payments were issued in IFIS using the three-way matching process (purchase order, invoice and receipt). If there was no match, the process was stopped and escalated to the procurement team to connect with the supplier.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds	X	

The Ministry, through its Ontario Shared Services program (a program responsible for providing ministries and employees with other services related to procurement, finance, human resources), maintained a procurement and payment tracker, which was used to track and reconcile all expenses using procurement approvals and purchase order commitments. As of June 30, 2020, the Ministry had entered into 162 procurement arrangements. These procurements were for \$247 million of personal protective equipment (PPE), out of which \$127 million had been paid out as of June 30, 2020.

The TB/MBC required that the Ministry report back in May 2020, with no day specified, covering procurements made from March to May 31, 2020. The Ministry reported back to TB/MBC on June 4, 2020. Although TB/MBC specifically directed the Ministry to work with other impacted ministries and report back with a schedule of payments and a recovery strategy, as well as any potential offsets for each impacted ministry, the Ministry provided a high-level overview of the types of PPE purchased and amounts spent. The June 4, 2020 report back did not comment on a recovery strategy.

Appendix 4.15: COVID-19 Testing Kits – Project Spartan

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health and Public Health Ontario				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
Apr 1, 2020 to Mar 31, 2021	\$80 million	\$10 million	New funding	No public announcement was made
Total to Jun 30, 2020	\$80.0 million	\$10.0 million		
Total Jul-Dec 2020 (unaudited)	—	—		
Total to Dec 31, 2020 (unaudited)	\$80.0 million	\$10.0 million		

Description

In March, the Ontario Agency for Health Protection and Promotion, operating as Public Health Ontario, placed an order for 945,000 COVID-19 test kits with Ottawa-based Spartan Bioscience Inc. (Spartan), pending Health Canada approval. The purchase was a sole-source procurement, which meant there was no request for proposals from other potential suppliers. The kits were to be delivered between April 2020 and March 2021. The kits (portable labs in a box that provide COVID-19 test results in only an hour) were easy to transport, which made them ideal for small communities in Northern Ontario, Indigenous communities and community health centres.

Health Canada announced its approval of the Spartan tests on April 13, 2020, but on May 3, it rescinded its approval after laboratory testing found the swabs the kits used made test results unreliable. Spartan recalled all kits pending further resolution.

Summary

Findings

As of June 15, 2020, \$24,188,314 had been transferred to Public Health Ontario for the acquisition of COVID-19 test kits from Spartan. Of this amount, \$10 million was paid on March 26, 2020, to Spartan as a deposit.

The procurement was put on pause when Health Canada rescinded its approval of the test kits for clinical use on May 3, 2020. As a result, Public Health Ontario had \$14,188,314 of the amount transferred, which it had not returned to the Ministry and, ultimately, the province as directed by Treasury Board on April 7, 2020. Public Health Ontario informed the Ministry that they had reallocated these funds to pay for other COVID-19 expenses while they were waiting for the Ministry to provide funding for these expenses. The Treasury Board/Management Board of Cabinet (TB/MBC) report-back did not indicate that the approximately \$14 million had been reallocated.

A 100% refund of the deposit was agreed to in the purchase order, which was signed by representatives from Public Health Ontario and Spartan. No separate contract was signed. The purchase order did not provide a time period within which Health Canada's approval must be obtained. In addition, there was no provision to reduce the order quantity if the province acquired other testing capacity due to delays in Health Canada's approval of Spartan test kits. As of September 24, 2020, Health Canada's approval had not yet been obtained.

Subsequent to our audit fieldwork, on November 24, 2020, Public Health Ontario cancelled the agreement with Spartan and was awaiting the return of the \$10 million deposit.

Recipients	
Anticipated #	945,000
Actual # to June 30, 2020	No test kits received. Deposit paid to Spartan by Public Health Ontario
Location	The testing kits were to be distributed across the province

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	x	

In urgent situations, the Ministry is permitted to authorize Public Health Ontario to enter into a contract without the prior approval of TB/MBC, provided the Ministry notifies TB/MBC of the emergency procurement. TB/MBC then approves the procurement.

Given the urgency of the situation, Public Health Ontario signed a \$78 million purchase order for the Spartan COVID-19 test kits on March 25, 2020, upon the receipt of the Deputy Minister's approval. Notwithstanding, TB/MBC approved in principle the non-competitive acquisition of the COVID-19 test kits the next day. TB/MBC reaffirmed funding for the procurement and provided its approval on April 7, 2020.

Controls	Yes	No
Controls implemented to effectively manage initiative	x	
Eligibility met for distribution	x	

Contracts exceeding \$10 million in value require the approval of Public Health Ontario's Board, Chief Executive Officer and Chief Legal Officer and Corporate Secretary.

The CEO of Public Health Ontario approved the purchase prior to procurement, and the legal staff reviewed the terms of the agreement.

The \$10 million deposit was paid to Spartan in accordance with the terms of the purchase order.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds – Ministry		x
Cost-effective processes in place to monitor use of funds – TB/MBC	x	

The initiative was halted when Health Canada rescinded its approval of the device for clinical use on May 3, 2020. In response, the Ministry halted its biweekly payments to Public Health Ontario effective June 16, 2020. A total of \$24,188,314 had been transferred to Public Health Ontario as of that date. Of the \$24,188,314, \$10 million had been paid to Spartan as a deposit. As of August 10, 2020, Public Health Ontario had not yet returned the funds as directed by TB/MBC. Public Health Ontario reallocated these funds to pay for other COVID-19 expenses while they were waiting for the Ministry to provide funding for these expenses.

The Ministry of Health was required to provide a report back to TB/MBC during its regular quarterly update. April to June 2020 was the first quarter required. The TB/MBC minute also advised that unspent funds were to be returned and not reallocated. The Ministry reported back to TB/MBC on July 29, 2020 as required. The report back did not indicate that the approximately \$14 million had been reallocated.

Appendix 4.16: Personal Protective Equipment – Ventilators (Ventilators)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2020/21	\$80 million	\$8 million	New funding	Apr 1, 2020: O-Two Medical Technologies Inc. announced on its website that it would manufacture 10,000 ventilators. A funding amount was not provided.
Total to Jun 30, 2020	\$80.0 million	\$8.0 million		
Total Jul-Dec 2020 (unaudited)	—	\$54.8 million		
Total to Dec 31, 2020 (unaudited)	\$80.0 million	\$62.8 million		

Description

The funding was to purchase 10,000 e700 ventilators from O-Two Medical Technologies Inc., based in Brampton, ON. The ventilators were initially expected to be delivered between May and July 2020. The signed contract between the Minister of Health and O-Two Medical Technologies Inc. projected delivery to be between July 2020 and January 2021.

Summary

Findings	
As of June 30, 2020, the only payment made under this initiative was a 10% deposit (\$8 million) to the vendor O-Two Medical Technologies Inc. This payment was made in accordance with the contract. No ventilators were received by the province prior to June 30, 2020.	
The Treasury Board/Management Board of Cabinet (TB/MBC) minute required quarterly reporting on this initiative. The Ministry reported back on May 4, 2020, explaining the procurement approach, including the rationale, the Ministry's due diligence and procurement details.	
Recipients	
Anticipated #	1
Actual # to June 30, 2020	1
Location	All ventilators acquired before Aug 31, 2020, are being stored at a warehouse leased by the Ministry of Health until distribution decisions are made.

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	x	

A total of \$80 million was approved by TB/MBC on March 26, 2020, to be allocated to the Ministry of Health for the purchase of 10,000 ventilators from O-Two Medical Technologies Inc.

Controls	Yes	No
Controls implemented to effectively manage initiative	X	
Eligibility met for distribution	X	

The Ministry entered into a contractual purchase agreement with O-Two Medical Technologies Inc. to purchase 10,000 ventilators for \$80 million. This contract contains the delivery schedule for the ventilators and the terms of payment.

The Ministry made the first payment of \$8 million to the vendor on June 23, 2020, which represented a 10% deposit on the amount of the contract. Subsequent payments are to be made when ventilators are received from the vendor.

As of July 31, 2020, three shipments of ventilators (150 ventilators on July 13, 2020; 150 on July 20, 2020, and another 150 on July 27, 2020) were received from the vendor in accordance with the contract's delivery schedule. The vendor invoices the Ministry \$8,000 for each ventilator it receives. The Ministry contractor matches the packing slip with the number of ventilators it picks up, and sends the packing slip to the Ministry. Once the Ministry matches the number of ventilators per the contract to the packing slip and the vendor invoice, the payment is submitted for approval and recorded in the province's Integrated Financial Information System (IFIS).

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds	X	

The payments are made in accordance with the delivery schedule; 30 days after the ventilators are received and the invoice and packing slip are matched. All transactions are recorded in the province's Integrated Financial Information System.

The first payment was the \$8 million deposit (10% of the contract value), as specified in the Ministry's contract with the vendor. As of June 30, 2020, no ventilators had been received by the Ministry so no other payments were made.

TB/MBC required the Ministry to submit a quarterly report back. The Ministry reported back on this initiative in early May 2020 by explaining the procurement approach, including the rationale, the Ministry's due diligence and procurement details.

Appendix 4.17: Health Data Platform (COVID-19 health data system)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2020/21	\$15.17 million	\$0	New funding	Apr 12, 2020: The Health Data Platform was announced but no funding amount was provided Jun 4, 2020: Appointment of special advisor was announced
Total to Jun 30, 2020	\$15.17 million	—		
Total Jul–Dec 2020 (unaudited)	—	\$0.25 million		
Total to Dec 31, 2020 (unaudited)	\$15.7 million	\$0.25 million		

Description

On April 12, 2020, the Ministry of Health announced that it would launch the Ontario Health Data Platform to better understand COVID-19 disease transmission, infection, spread and prevention. The Health Data Platform links large sets of health data that are held by various entities to enable data analysis. On June 4, 2020, the government announced that Dr. Jane Philpott had been appointed as the special advisor to provide advice on the Health Data Platform to the Minister of Health and the President of the Treasury Board. The non-paid position is for up to two years.

Summary

Findings

- No funding had been provided for the Health Data Platform as of June 30, 2020.
- The Ministry of Health (Ministry) planned on developing the Health Data Platform over a period of nine months from April 2020 to December 2020. As of June 30, 2020, the Ministry did not expect delays in the delivery time of the Health Data Platform.
- The Ministry planned to enter into transfer payment agreements with four entities to develop components of the Health Data Platform. As of June 30, 2020, the four transfer payment agreements were awaiting final approval by the Minister of Health.
- Work began on the Health Data Platform initiative in May 2020 and some functions of the Health Data Platform became operational as of July 15, 2020. While this initiative was designed as a priority, commencing work prior to signing the transfer payment agreements increases the risk of untimely follow-up and corrective action if the project experiences unexpected challenges or delays.

Recipients

Anticipated #	Four entities <ul style="list-style-type: none"> • Ontario Health • ICES (formerly the Institute for Clinical Evaluative Sciences) • Queen's University (Queen's) • University of Toronto (U of T)
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Recipients	
Actual # to June 30, 2020	Four entities (same as above)
Location	<ul style="list-style-type: none"> • Ontario Health – Toronto • ICES – Toronto • Queen’s University – Kingston • University of Toronto – Toronto

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	x	

This initiative was approved by Treasury Board/Management Board of Cabinet (TB/MBC) on April 7, 2020.

The Ministry is accountable for the funds, which represent new funding. The Ministry will enter into four transfer payment agreements with external organizations (Ontario Health, ICES, Queen’s University and the University of Toronto) specializing in advanced research computing. All four transfer payment agreements were awaiting final approval by the Minister as of June 30, 2020.

Queen’s University is responsible for co-ordinating with Compute Ontario to manage a phased-in implementation of the Health Data Platform. Total funding to Queen’s University for this initiative is expected to be \$8,925,000, of which \$1,145,000 has been allocated to Compute Ontario.

In addition to the province’s funding, the Ministry indicated that it was also seeking federal funding for the Health Data Platform initiative, as part of the funds available to support responses to the COVID-19 pandemic. No confirmation of federal funding had been received as of June 30, 2020.

Controls	Yes	No	N/A
Controls implemented to effectively manage initiative		x – Not developed	
Eligibility met for distribution			x

The Ministry drafted transfer payment agreements with the four entities to develop the components of the Health Data Platform. All the agreements were drafted based on the standard transfer payment process and were awaiting the Minister’s final approval as of June 30, 2020.

Work began on the Health Data Platform initiative in May 2020 and some functions of the Health Data Platform became operational as of July 15, 2020. There have been approximately 280 general data inquiries and over 80 research inquiries. While it was a priority to move this initiative ahead quickly, commencing work prior to signing contracts increases the risk of untimely corrective action if the project experiences unexpected challenges or delays.

As of June 30, 2020, the Ministry had not yet been billed by the four entities for work completed to date, and no payments had been made to these entities.

The draft transfer payment agreements specified controls for managing the Health Data Platform initiative. These controls included a payment schedule specifying milestones and deliverables for the three phases of the project. The agreements also specified the Ministry's responsibilities and funding recipient's accountabilities with respect to project management and governance, data management and technology operations.

The Ministry plans on developing the Health Data Platform over a period of nine months from April 2020 to December 2020. As of June 30, 2020, the Ministry expected no delays in the delivery time.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds – Ministry		x – Not developed
Cost-effective processes in place to monitor use of funds – TB/MBC	x	

As of June 30, 2020, no amount had been spent on the Health Data Platform initiative.

The Ministry must report back to TB/MBC through a quarterly reporting process on the progress and the status of the Health Data Platform initiative, and include details on:

- plans to offset any costs associated with legislative changes required to enable the initiative, if applicable.
- results of evaluations undertaken by the Ministry on the outcomes of the initiative.
- details on the amount of federal funding received and plan for offsetting any provincial funding requirements.

As of June 30, 2020, the processes (including the report back process and timing) to monitor the use of funds by the four entities were still in development. In May 2020, the Ministry submitted the preliminary report back, which indicated the April 2020 approval of funding by TB/MBC. The next report back required will cover the second quarter (July to September 2020), which is due 15 days after the end of the quarter (that is, October 15, 2020) and is required to include more detailed reporting documents and the status of the Health Data Platform initiative.

Appendix 4.18: Pandemic Pay – Hospitals, Emergency Medical Services, Public Health Units, Home and Community Care and Mental Health and Addictions (Pandemic pay – health care)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2020/21	\$724.7 million (Apr 24 and 28, 2020) \$31 million (Jun 25, 2020)	\$158 million	\$553.8 million in new federal funding \$196.5 million in new funding \$5.4 million from within existing approved allocation	Apr 25, 2020: Pandemic pay was announced but no funding amount was provided
Total to Jun 30, 2020	\$755.7 million	\$158.0 million		
Total Jul-Dec 2020 (unaudited)	—	\$382.4 million		
Total to Dec 31, 2020 (unaudited)	\$755.7 million	\$540.4 million		

Description

Under this initiative, eligible front-line workers were to receive a \$4-an-hour pay increase, plus \$250 per month up to a maximum of \$1,000 for working at least 100 hours per month. Pandemic pay was provided through the Ministry of Health to hospitals, paramedics, public health units, home and community care, mental health and addictions workers, and respiratory therapists. This was part of the larger pandemic pay initiative that included employees in long-term-care homes, retirement homes, social services congregate care settings and correctional services. The eligible period for pandemic pay was from April 24, 2020 to August 13, 2020.

Summary

Findings

On April 25, 2020, the government announced that pandemic pay would be provided to front-line workers immediately. No funds were sent from the Ministry of Health to the employers of the front-line workers before June 23, 2020. As of June 30, 2020, approximately 21% of the funding under this initiative had been paid to these employers. This amounts to a delay of approximately two months or more.

The Ministry did not track how many eligible front-line workers received pandemic pay from employers or when these front-line workers were paid.

The Ministry advanced funds to hospitals, ambulance services (paramedics) and public health units, for eligible front-line workers before determining how much pandemic pay was earned by these workers during the eligible period. The amounts advanced were estimates based on historical data maintained by the Ministry. These employers later provided summaries of the pandemic pay earned by front-line workers.

Payments to employers of home and community care providers, and mental health and addiction workers, were based on reports provided by the employers indicating how much pandemic pay was earned by eligible front-line workers. These reports were required before payments were made.

The Ministry has mechanisms in place that would allow it to verify that reports submitted by the employers are accurate and enable the Ministry to recover any excess funds. However, the Ministry had not yet determined the extent to which it will verify the reports it received in order to reduce the risk of payment to ineligible front-line workers.

Recipients	
Anticipated #	Approximately 248,000 persons in the health-care sector
Actual # to June 30, 2020	The Ministry did not track how many eligible front-line workers received pandemic pay up to June 30, 2020.
Location	Hospitals, paramedic services, public health units and home and community care settings, including community-based mental health and addictions services throughout the province.

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	x	

The Ministry of Health is accountable for these funds. The Ministry received approval from Treasury Board/Management Board of Cabinet (TB/MBC) on April 24, 2020 and April 28, 2020, for \$724.7 million for fiscal 2020-21, with \$196.5 million of funding from the COVID-19 Health Sector Response Fund and the remaining \$528.2 million received from federal funding.

On June 25, 2020, a further \$31 million for fiscal 2020-21 was approved by TB/MBC, including \$25.6 million of federal funding and \$5.4 million from within the Ministry's existing approved allocation.

Controls	Yes	No
Controls implemented to effectively manage initiative		x – Partially developed
Eligibility met for distribution		x – Partially developed

Front-line workers eligible for pandemic pay included registered and public health nurses, personal support workers, paramedics, auxiliary workers such as cooks and housekeeping, and attendant care workers. Management, physicians, physiotherapists, occupational therapists and midwives, among others, were not eligible.

Employers were given the responsibility of identifying front-line workers who were eligible for pandemic pay and making the appropriate payments. The Ministry provided funding for pandemic pay depending on the nature of its funding relationship with the employer.

- Funding for hospitals, public health units and paramedics was provided prior to the Ministry gathering information regarding the actual number of employees who were eligible and the actual number of hours worked during the eligibility period. The amount advanced was based on an estimate by the Ministry using historical data maintained by the Ministry. These employers were required to provide reports to the Ministry in September 2020 on the actual amounts earned by front-line workers using standard templates provided by the Ministry.
- Payments to employers of home and community care providers, and mental health and addiction workers were administered through the Local Health Integration Networks (LHINs). Employers were required to provide reports (using templates provided by the LHINs) to the applicable LHIN summarizing how much pandemic pay was earned by eligible front-line workers. These reports were required before payments were made.

The Ministry required all employers to attest that the amounts reported were accurate and in accordance with the eligibility requirements that it had set out. Employers were also required to agree to maintain pay records and make these records available to the Ministry upon request. Employers further agreed to return any funds that were unspent or were found to be used for ineligible purposes. These requirements provided a mechanism to allow the Ministry to identify and recover ineligible payments and to ensure that the funds were used for their intended purpose.

The Ministry had not developed specific plans to identify and recover ineligible payments and ensure that the funding was used for the specified purpose.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds		X

Funds were not disbursed on a timely basis. A government announcement on April 25, 2020, stated that pandemic pay would be provided immediately. Payments to employers in the health-care sector did not begin until June 2020.

All employers in the health-care sectors were required to report how much pandemic pay was earned by front-line workers in their organization in a specified format. Information obtained by the Ministry included the total number of eligible front-line workers who earned pandemic pay during the reporting period. However, the Ministry did not request or receive information on when front-line workers received the payments.

The Ministry was required to report back to TB/MBC through the quarterly reporting process. The first quarter report (April to June 2020) was due August 20, 2020. The Ministry did not submit the report before the deadline and no extension was granted.

Appendix 4.19: Pandemic Pay – Long-Term-Care Homes

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Long-Term Care				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2020/21	\$324.1 million (Apr 24 and 28, 2020) \$22.5 million (Jun 25, 2020)	\$240.9 million	\$254.8 million in new federal funding \$87.9 million reallocated from unused Emergency Capacity in Long-Term- Care Homes funding (Appendix 4.09) \$3.9 million from within existing approved allocation	Apr 25, 2020: Pandemic pay was announced but no funding amount was provided
Total to Jun 30, 2020	\$346.6 million	\$240.9 million		
Total Jul–Dec 2020 (unaudited)	—	\$80.3 million		
Total to Dec 31, 2020 (unaudited)	\$346.6 million	\$321.2 million		

Description

Under this initiative, eligible front-line workers were to receive a \$4-an-hour pay increase, plus \$250 per month up to a maximum of \$1,000 for working at least 100 hours per month. The premium paid to long-term-care homes was part of the larger pandemic pay initiative that included front-line workers in retirement homes, home and community care, social services congregate care settings, hospitals, ambulance services (paramedics), mental health and addictions services and correctional services. The period for pandemic pay was from April 24, 2020 to August 13, 2020.

Summary

Findings

On April 25, 2020, the government announced that pandemic pay would be provided to front-line workers immediately. Funds were sent from the Ministry of Long-Term Care to long-term-care (LTC) homes commencing June 15, 2020. This amounts to a delay of almost two months after the announcement. As of June 30, 2020, approximately 70% of the funding under this initiative had been paid to LTC homes.

The Ministry did not track how many LTC home workers received pandemic pay or when these front-line workers were paid.

The Ministry advanced funds to LTC homes before determining how much pandemic pay was earned by eligible front-line workers during the period. The amounts advanced were estimates based on historical data maintained by the Ministry. The LTC homes did later provide summaries of the pandemic pay earned by long-term-care workers.

The Ministry has mechanisms in place that would allow them to verify that reports submitted by the employers are accurate and enable the Ministry to recover any excess funds. However, the Ministry had not yet determined the extent to which it will verify the reports it received in order to reduce the risk of payment to ineligible long-term-care workers.

Recipients	
Anticipated #	A total of 101,652 front-line workers in 613 licensed long-term-care homes
Actual # to June 30, 2020	Funding was provided to the 613 long-term-care homes in June 2020. There is no information available regarding the number of eligible front-line workers who received pandemic pay.
Location	All 613 licensed long-term-care homes throughout the province.

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	x	

The Ministry of Long-Term Care is accountable for the funds. The Ministry received approval from Treasury Board/Management Board of Cabinet (TB/MBC) for \$324.1 million on April 24 and 28, 2020. Of this amount, \$236.2 million was provided by the federal government and \$87.9 million was repurposed from the unused funds set aside for emergency capacity in long-term-care homes initiative (**Appendix 4.09**).

On June 25, 2020, a further \$22.5 million was approved by TB/MBC. Of this amount, \$18.7 million was funded by the federal government and \$3.8 million was funded from within the Ministry's existing approved allocation.

Controls	Yes	No
Controls implemented to effectively manage initiative		x - Partially developed
Eligibility met for distribution		x - Partially developed

Front-line workers eligible for pandemic pay included nurses, personal support workers and support staff in services such as dietary and housekeeping. Management was not eligible for pandemic pay.

The Ministry provided funding for LTC homes prior to receiving information from the homes on the number of persons that would qualify for pandemic pay and the number of hours worked during the eligibility period. The amount provided to each LTC home was \$996 per bed per month. This amount represented an estimated average cost of this initiative per bed, based on historical data for LTC home staff counts and hours worked. In addition, small LTC homes (those with fewer than 97 beds) received an additional lump sum of \$40,000. The Ministry provided this additional funding because of cash flow issues faced by smaller homes.

LTC homes were responsible for paying out the pandemic pay to front-line workers. All LTC homes were required to submit two reports that detailed the number of eligible persons during the period and the number of hours worked. The first report covered the pay period from April 24 to June 18, 2020, and was due by July 17, 2020. The final report covered the period from June 19 to August 13, 2020, and was due by September 11, 2020. An extension was provided to October 9, 2020 for the 389 LTC homes that did not meet the September deadline.

The process of advancing funds based on estimates can result in under- or overfunding to LTC homes. According to the Ministry's funding policy, the amount of overfunding, if any, is to be determined and recovered via existing funding relationships based on each LTC home's final report. The Ministry expected to recover overpayments by February 2021. As well, LTC homes will be required to report pandemic pay paid

as part of the annual reconciliation process for April 2020 to March 2021. This report is due in September 2021 and is subject to an audit by an external auditor. At that point, any additional funding identified as received by the homes in excess of what was paid to eligible staff is to be returned to the Ministry.

The Ministry did not require the LTC homes to report the dates that they paid the pandemic pay to eligible persons or to submit proof that front-line workers were paid. The Ministry required the LTC homes to sign an attestation that pandemic pay would be paid only to those who were eligible and further required them to agree that any funding received in excess of the amount of eligible pandemic payments would be returned to the Ministry. The LTC homes also agreed to maintain records (for example, pay statements) of the pandemic pay paid to front-line workers for each pay period, to be made available at the request of the Ministry. The Ministry has not yet determined the extent to which it will verify these records to ensure that pandemic pay was received only by eligible front-line workers in accordance with eligibility criteria.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds – Ministry		x
Cost-effective processes in place to monitor use of funds – Treasury Board	x	

Funds were not disbursed on a timely basis. A government announcement on April 25, 2020, stated that pandemic pay would be provided immediately. Payments to LTC homes did not begin until June 15, 2020.

All LTC homes were required to report on their organization's use of pandemic pay in a specified format. Information obtained included the total number of eligible front-line workers that earned pandemic pay during the reporting period. However, the Ministry did not track when the eligible front-line workers actually received the payments.

The Ministry was required to report to TB/MBC in May 2020 on the details of a planned approach to implement this initiative. The Ministry submitted this on May 11, 2020. The Ministry is further required to provide a report back on the status of implementation, which was due on September 2, 2020.

Appendix 4.20: Pandemic Pay – Retirement Homes

Responsible Ministry/Broader-Public-Sector Entity: Ministry for Seniors and Accessibility				
Funding Period	Amount Approved to	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2020/21	\$99.6 million (Apr 24 and Apr 28, 2020) \$18.4 million (Jun 25, 2020) Total: \$118 million	\$0	\$72.6 million in new federal funding \$45.4 million in reallocated funding	Apr 25, 2020: Pandemic pay was announced but no funding amount was provided
Total to Jun 30, 2020	\$118.0 million	—		
Total Jul-Dec 2020 (unaudited)	—	\$85.2 million		
Total to Dec 31, 2020 (unaudited)	\$118.0 million	\$85.2 million		

Description

Under this initiative, eligible front-line workers were to receive a \$4-an-hour increase in pay, plus \$250 per month up to a maximum of \$1,000 for working at least 100 hours per month. Pandemic pay to retirement homes is part of the larger pandemic pay initiative that includes employees in long-term-care homes, home and community care, social services congregate care settings, hospitals, ambulance services (paramedics), mental health and addiction services and correctional services. The period for the pandemic pay ran from April 24, 2020 to August 13, 2020.

Summary

Findings

On April 25, 2020, the government announced that pandemic pay would be provided to front-line workers immediately. No funds were flowed from the Ministry for Seniors and Accessibility (Ministry) to the retirement homes until July 2020, over two months after the announcement.

The Ministry did not track how many retirement home workers received pandemic pay or when these front-line workers were paid.

The Ministry made payments to retirement homes based on reports provided by these homes indicating how much pandemic pay was earned by eligible front-line workers. These reports were required before payments were made.

The Ministry has mechanisms in place that would allow them to verify that reports submitted by the employers are accurate and enable the Ministry to recover any excess funds. However, the Ministry had not yet determined the extent to which it will verify the reports it received in order to reduce the risk of payment to ineligible workers.

Recipients

Anticipated #	26,500 front-line workers in 770 retirement homes
Actual # to June 30, 2020	No retirement homes received payment prior to June 30, 2020. The Ministry did not track how many eligible front-line workers received pandemic pay from the retirement homes.
Location	771 licensed retirement homes throughout the province

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	x	

The Ministry for Seniors and Accessibility is accountable for the funds. The Ministry received approval from Treasury Board/Management Board of Cabinet (TB/MBC) on April 24, 2020, which was reaffirmed on April 28, 2020 for \$99.6 million. A further \$18.4 million was approved on June 25, 2020, for a total of \$118 million. Of this total, \$72.6 million was funded by the federal government and \$45.4 million was funded provincially.

Controls	Yes	No
Controls implemented to effectively manage initiative		x – Partially developed
Eligibility met for distribution		x – Partially developed

Front-line workers in retirement homes eligible for the pandemic pay included nurses, aides providing dietary, laundry and housekeeping services, personal support workers, attendants and contracted staff. Workers were eligible whether they provided care to residents or not. Management was not eligible for pandemic pay. Pandemic pay was divided into four eligible pay periods, as follows:

- April 24, 2020 to May 21, 2020
- May 22, 2020 to June 18, 2020
- June 19, 2020 to July 16, 2020
- July 17, 2020 to August 13, 2020

To receive funding from the Ministry for pandemic pay, retirement homes were required to complete a Temporary Pandemic Pay Intake Form, which was accessible online on June 19, 2020. The Form required the retirement homes to submit background information including their Retirement Home Regulatory Authority licence number, address and contact information. It also outlined the terms and conditions of the funding, including eligibility requirements. Retirement homes were required to digitally sign a statement that they would comply with the terms and conditions prior to receiving funding from the Ministry. Retirement homes were also required to submit a report to the Ministry providing details of the pandemic pay earned by front-line workers for each of the four eligible pay periods and attest to their accuracy. This report included regular and overtime hours worked and the occupational category of each worker. The Ministry required retirement homes to agree to maintain pay records and make these records available to the Ministry for inspection within 24 hours of the Ministry's request.

The Ministry reviews the submission forms using a standardized checklist to determine whether the forms were completed in accordance with instructions. Once the submission was approved, payments to retirement homes were made.

Retirement homes were not required to show proof that the pandemic pay premium was paid out to front-line workers prior to receiving funding. To partially mitigate the risk that the funds would be misused, the Ministry identified 19 retirement homes determined to be at higher risk; these retirement homes were asked to provide additional documentation or proof of payment, such as employee pay stubs, before the Ministry agreed to provide funding for the next eligible pay period.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds – Ministry		x
Cost-effective processes in place to monitor use of funds – Treasury Board	x	

Funds were not disbursed on a timely basis. A government announcement on April 25, 2020 stated that pandemic pay would be flowed immediately. However, payments to retirement homes did not begin until July 2020.

All retirement homes are required to report on their organization's use of pandemic pay in a specified format. Information obtained includes the total number of eligible front-line workers that earned pandemic pay during the reporting period. However, the Ministry did not track when the eligible front-line workers actually received the payments.

The Ministry was required to report to the Chair of TB/MBC by May 2020 on the details of a planned approach for implementing this initiative. The Ministry received permission from Treasury Board Secretariat to submit this information in June as the ministries involved in the overall pandemic pay initiative had not finalized their implementation plans by May 2020. The Ministry was further required to report back through the quarterly reporting process on the status of implementation, including the amount of pandemic premium pay funding flowed, program effectiveness and outcomes, number of staff who received funding by relevant occupations and groupings and number of staff who were hired following the introduction of the pandemic premium pay. The due date for the report back for the first quarter (April 2020 to June 2020) was due August 20, 2020. This information was provided before the deadline.

Appendix 4.21: Ontario Drug Benefit Cost-Sharing (Ontario Drug Benefit co-pay suspended)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
Ontario Drug Benefit (ODB) program				
May 13, 2020– Jun 15, 2020	\$37.5 million (May 1, 2020) \$17.5 million (May 12, 2020) Total: \$55 million	\$22 million	\$37.5 million in new funding \$17.5 million from within existing approved allocation	May 13, 2020: The initiative was announced in a notice published on the Ministry of Health's website but the cost was not provided. Jun 11, 2020: The end of co-payment cost-sharing was announced in a notice published on the Ministry of Health's website effective Jun 15, 2020. The cost of the initiative was not mentioned.
Trillium Drug Program (TDP)				
Income reassessment applications for the fourth quarter of the 2019/20 benefit year will be accepted until Oct 31, 2020	\$15 million	\$10,493	\$15 million in new funding	
Total to Jun 30, 2020	\$70.0 million	\$22.0 million		
Total Jul–Dec 2020 (unaudited)	—	\$0.4 million		
Total to Dec 31, 2020 (unaudited)	\$22.4 million	\$22.4 million		

Description

In March 2020, the Ministry of Health recommended pharmacies dispense no more than a 30-day supply of prescription medications in order to prevent a shortage of drugs. To reduce the cost to Ontario Drug Benefit (ODB) recipients, starting May 13, 2020, the co-payment was reduced to \$0 for all prescriptions where a medication prescribed for more than 30 days was being dispensed in 30-day instalments. Instead, the government covered the cost of all co-payments while the recommended supply limit was in place. The recommended supply limit ended effective June 15, 2020, and the co-payment went back in place.

This approach replaced the original plan, approved by the Treasury Board/Management Board of Cabinet (TB/MBC) on May 1, 2020, to have the recipient pay the first dispensing fee, the government pay the second fee and the pharmacist cover the third fee. The plan was found to be too costly for pharmacists to administer and to track whether each dispensing event was the first, second or third.

Trillium Drug Program (TDP) recipients are required to pay an annual deductible before accessing Ontario Drug Program benefits. The benefit year runs from August 1 to July 31. For the 2019/20 benefit year, the deductibles were based on 2018 income, and Ontario Regulation 201/96 allowed for an in-year reassessment only if there was a change in income of 10% or more during the 2019 taxation year. The COVID-19 initiative allows for a reassessment of the deductible, starting in the last quarter of the 2019/20 benefit year (May 1 to July 31, 2020), taking into account anticipated income for 2020. Applications for deductible reassessments in the fourth quarter of the 2019/20 benefit year (May 1 to July 31, 2020) were being accepted until October 31, 2020.

Summary

Findings	
<p>ODB Co-payments: Key controls were in place and operating effectively, funds were distributed on a timely basis, and the initiative was executed in accordance with the terms set out in the TB/MBC minute and the assessment note.</p> <p>Trillium Drug Program Income Reassessment: Key controls were in place and operating effectively and the initiative was being executed in accordance with the terms set out in the TB/MBC minute and the assessment note.</p>	
Recipients	
Anticipated #	<p>ODB: When the Ministry estimated the fiscal impact of the co-payment initiative, it was assumed that approximately 7.5 million claims per month would be affected by the 30-day supply limit recommendation.</p> <p>TDP: The number of households estimated to be eligible for TDP deductible reassessment was 25-50% of TDP eligible households (about 15,000-30,000 households).</p>
Actual # to June 30, 2020	<p>ODB: A total of 4.4 million claims (from 1.3 million ODB recipients)</p> <p>TDP: Sixty-two requests were received from households asking to use their 2020 income for deductible reassessment, of which 14 had been approved, 43 were in process, and five did not meet the requirements.</p>
Location	<p>ODB: The amount was given to pharmacies through the usual payment process to provide the benefit to 1.3 million ODB recipients. Claims were submitted and paid across Ontario.</p> <p>TDP: The amount was paid to pharmacies throughout Ontario through the normal claims submission and payment process.</p>

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	X	

On May 1, 2020, the TB/MBC approved \$52.5 million in new funding for both initiatives through the newly created Health Sector Response Fund (\$10.37 million) and the People and Jobs Fund (\$42.13 million). On May 12, 2020, the TB/MBC approved an additional \$17.5 million for the ODB co-payment initiative, which was to be offset within the Ontario Public Drug Programs' existing allocation.

Controls	Yes	No
Controls implemented to effectively manage initiative	x	
Eligibility met for distribution	x	

ODB controls: This initiative uses the existing information technology system to determine eligibility criteria and program controls for payments. The Ministry's Health Network System is a province-wide 24/7/365 system providing real-time claims adjudication through more than 4,500 Ontario pharmacies for publicly funded drugs and pharmacy services. Once a claim has been submitted, tracking and payment is conducted through the Health Network System and does not change with this initiative.

To implement this initiative, changes to the information technology system were made to enable pharmacists to bill the province for the co-payment that ODB recipients would otherwise pay. The Ministry provided clarification to pharmacists on how to correctly bill the province for each claim.

TDP controls: To implement this initiative, a change was made to the benefit program client services application management system (part of the Health Network System, used for determining TDP eligibility and receipts processing), adding a new drop-down menu option to allow system operators to reassess TDP households' deductibles based on their financial situation in 2020. Once eligibility is determined, claims submission, tracking and payment is conducted through the Health Network System and does not change with this initiative.

ODB eligibility: The eligibility criteria for the ODB program did not change. The ODB co-payment initiative reduced co-payments to \$0 for ODB recipients who received prescriptions for more than a 30-day supply but were dispensed in instalments according to the Ministry's supply limit recommendation.

TDP eligibility: The eligibility criteria for the TDP program did not change. The regulatory amendments made in May 2020 permit in-year deductible reassessments if household income drops by 10% or more in 2020. For a household that requests a reassessment, the re-calculated deductible will be applied to the fourth quarter (May 1 to July 31, 2020) of the current 2019/20 benefit year.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds	x	

The Ministry was required to report to TB/MBC quarterly as part of the in-year expenditure management and reporting process. For the first quarter of fiscal 2020/21 (April 1, 2020 to June 30, 2020), the Ministry reported back to TB/MBC on July 31, 2020. The first-quarter 2020/21 Ontario Drug Benefit Program report back included an update on COVID-19 initiatives, including an update on the reassessment of the TDP deductible and the reduction of the ODB co-payment to account for more frequent dispensing.

Appendix 4.22: Revoking the Three-Month Waiting Period for OHIP Coverage during COVID-19 (OHIP 3-month waiting period suspended)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
Commenced Mar 19, 2020. End date not yet established.	\$10 million	\$0.4 million spent \$0.4 million yet to be paid for claims for services rendered to Jun 30, 2020.	\$0.5 million in reallocated funding \$9.5 million from within existing approved allocation	Mar 20, 2020: The press release did not mention the funding.
Total to Jun 30, 2020	\$10.0 million	\$0.4 million		
Total Jul-Dec 2020 (unaudited)	—	\$6.3 million		
Total to Dec 31, 2020 (unaudited)	\$10.0 million	\$6.7 million		

Description

On March 19, 2020, the Ontario Health Insurance Plan (OHIP) three-month waiting period was waived for new recipients and for people returning to the province who were eligible for OHIP coverage. This is a temporary measure and the province plans to reinstate the three-month waiting period at a future date. The initiative was intended to help people access COVID-19 screening and treatment as needed. An end date for this temporary measure had not been determined as of September 30, 2020.

Summary

Findings		
Key controls were in place and operating effectively, funds were distributed on a timely basis, and the initiative was executed in accordance with the terms set out in the Treasury Board/Management Board of Cabinet (TB/MBC) minute and the Ministry assessment note. The Ministry of Health did not establish an end date or milestone for this initiative.		
Recipients		
Anticipated #	20,000 individuals expected to be eligible	
Actual # to June 30, 2020	3,515 individuals received insured health services under this initiative to June 30, 2020.	
Location	All across Ontario	
Approvals/Authorization		
		Yes No
Treasury Board/Management Board of Cabinet		X

The Ministry of Health is accountable for the funds. On March 25, 2020, TB/MBC approved \$500,000 for fiscal 2019/20 and \$9.5 million for fiscal 2020/21 for a total of \$10 million.

Controls	Yes	No
Controls implemented to effectively manage initiative	x	
Eligibility met for distribution	x	

To implement the initiative, the Ministry used information within its OHIP system as of March 19, 2020, to identify all persons who were completing their three-month wait period. It then applied two OHIP codes to each person's OHIP record to indicate that the person had a "waiting-period exemption" (an existing code) due to the "public health emergency" (a new code for tracking the impact of this initiative). Effective March 19, 2020, these persons were eligible for OHIP services. For persons who apply for OHIP after March 19, 2020, the two codes are applied to the person's OHIP record after a customer service representative at ServiceOntario determines eligibility using their usual OHIP eligibility processes. We found that the eligibility codes successfully exempted the three-month wait time for OHIP services.

Payments to OHIP providers for services to people who had their three-month waiting period waived are made through existing processes for OHIP-insured services. Payments are processed through the medical claims payment system, which has automated controls in place to determine the validity of the data, including that OHIP providers bill for insured services provided only to OHIP-eligible persons. Once eligibility has been verified, the claim is processed for payment to the providers.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds	x	

The use of funds is in line with the directions in the TB/MBC minute. We found that claims were processed and paid on a timely basis.

The Ministry tracks the cost of the three-month waiting period waiver on a weekly basis, as well as related demographics (age, sex, region of province and citizenship status) for informational purposes.

The Ministry must report back to TB/MBC on this initiative as part of its quarterly reporting process. The Ministry submitted its reporting for the first quarter (April 2020 to June 2020) on time on July 31, 2020.

Appendix 4.23: Deferral of Annual Long-Term Care Resident Co-payment Increase (Long-term-care co-pay increase deferred)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Long-Term Care				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
Jul 1, 2020– Dec 31, 2020	\$20,042,000	\$0	\$20,042,000 reallocated from unused Emergency Capacity in Long- Term-Care Homes funding (Appendix 4.09)	There was no specific announcement made to the public; however, long-term- care homes were notified on Jun 1, 2020 via a web portal and a corresponding email. On Jul 24, 2020, the Ministry of Long-Term Care issued memos to the long-term-care operators notifying them that the Ministry would be deferring resident co-payment increases for six months.
Total to Jun 30, 2020	\$20.0 million	—		
Total Jul–Dec 2020 (unaudited ¹)	\$20.0 million	\$20.0 million		
Total to Dec 31, 2020 (unaudited)	\$40.0 million	\$20.0 million		

1. On May 28, 2020, \$20,042,000 was approved for fiscal 2020/21. On November 24, 2020, a further \$10,000,000 was approved in respect of fiscal 2020/21 and \$10,000,000 was approved in respect of fiscal 2021/22.

Description

This initiative is to compensate long-term-care homes (LTC homes) for the deferral of the scheduled 1.9% increase to their residents' co-payments, for six months from July 1, 2020 to January 1, 2021. The one-time delay of six months was to provide temporary financial relief to long-term-care home residents and their families, as they may be experiencing financial difficulties due to the COVID-19 pandemic.

Summary

Findings

The Ministry repurposed \$20 million in COVID-19 emergency funding, initially approved for emergency capacity increases at LTC homes, to be used to compensate LTC homes for the loss of revenue arising from the decision to defer the scheduled 1.9% increase to the LTC home residents' co-payments for six months from July 1, 2020 to January 1, 2021. Over the six months, this initiative saves a long-term-care resident in basic accommodation a total of \$215.35 (or \$1.18 per day); in semi-private accommodation a total of \$259.15 (or \$1.42 per day); and in private accommodation a total of \$308.43 (or \$1.69 per day).

The Ministry has been paying LTC homes for the residents' co-payment increase since the initiative started July 1, 2020. Due to the COVID-19 pandemic, restrictions on new resident admissions into the LTC homes were imposed. As such, the LTC homes would receive the co-payment increase for all beds, regardless of whether or not they were occupied.

Recipients

Anticipated #	613 LTC homes
Actual # to June 30, 2020	None
Location	LTC homes throughout Ontario

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	x	

The Ministry of Long-Term Care is accountable for the funds. On May 28, 2020, Treasury Board/Management Board of Cabinet (TB/MBC) approved \$20,042,000 for this initiative. This amount was repurposed from unused funds set aside for emergency capacity in long-term-care homes initiative (**Appendix 4.09**).

Controls	Yes	No
Controls implemented to effectively manage initiative	x	
Eligibility met for distribution	x	

All 613 LTC homes are eligible for this program. Due to the pandemic, LTC homes would receive the co-payment increase for all beds, regardless of whether or not they were occupied.

The Ministry establishes a daily rate to compensate LTC homes based on the number of beds occupied by residents and the level-of-care needs of those residents. Residents make a co-payment toward this rate for their room and board, based on their room type (ward, semi-private or private). The residents' co-payment increases annually on July 1 based on the change in the Consumer Price Index (CPI) from the previous year, as per Regulation 79/10 under the *Long-Term Care Homes Act, 2007*.

Effective April 1, 2020, the LTC home daily rate increased. Similar to the prior year, the Ministry covered the full increase, with the expectation that the increase would be shared with residents once their co-payment increased in July 2020. When the increase in the resident co-payment was delayed to January 1, 2021, the Ministry continued to pay the full increase in the daily rate. These payments are processed using the Ministry's regular payment processes through the province's Integrated Financial Information System (IFIS).

If the number of the beds at a LTC home changes over the six months beginning July 1, 2020, adjustments may need to be made to the amount paid by the Ministry to the LTC homes for the deferred co-payment. Any adjustments needed will be determined when the Ministry completes its mid-year review, which uses data that the LTC homes are required to submit to the Ministry by September 30, 2020. There will also be a final annual review process, based on data expected to be received from the LTC homes in September 2021, at which time any additional adjustments to payments to the LTC homes will be made.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds	x	

As this initiative is to pay the LTC homes for lost revenues due to delaying the increase in the residents' co-payments, there is no requirement nor further monitoring to ensure whether these funds are spent in a specific manner by the LTC homes.

The Ministry is required to report back to TB/MBC through the quarterly reporting process, beginning in the second quarter (July 2020 to September 2020), on:

- the implementation status of the deferral of the increase;
- any resulting funding pressures; and
- the amount of funding flowed to date.

As of September 29, 2020, the due date for the Ministry to submit the second quarter reporting package had not yet been established.

Appendix 4.24: Public Health Ontario and Public Health Unit COVID-19 Extraordinary Costs (Public Health Ontario and public health unit costs)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Health				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2019/20	\$15 million	\$4.9 million	\$15 million in reallocated funding \$45 million in new funding \$40 million from within existing approved allocation	Mar 25, 2020, as part of the release of <i>Ontario's Action Plan: Responding to COVID-19</i> (March 2020 Economic Statement and Fiscal Update)
2020/21	\$85 million			
Total to Jun 30, 2020	\$100 million	\$4.9 million		
Total Jul-Dec 2020 (unaudited)	—	\$2.0 million		
Total to Dec 31, 2020 (unaudited)	\$100 million	\$6.9 million		

Description

The funding was for the Ministry of Health to reimburse public health units and Public Health Ontario for one-time extraordinary costs associated with monitoring, detecting and containing COVID-19 in the province. These additional costs include expanding and managing testing in public health laboratories, as coordinated by Public Health Ontario, as well as support for case management and contact tracing activities.

Summary

Findings

Public Health Ontario received \$4.9 million to acquire COVID-19 testing swabs. Other than this funding, Public Health Ontario and the public health units had not received any funds under this initiative as of June 30, 2020. Public Health Ontario and the public health units were managing COVID-19 related expenses within their budgeted allocations for the year; for example, by redeploying staff as COVID-19 case investigators and contact tracers.

Public Health Ontario reported total expenses of \$37.6 million between April and June 2019, but its total expenses were \$59.8 million between April and June 2020. The almost 60% increase in expenses during this three-month period demonstrates the significant costs arising from COVID-19.

The Ministry of Health (Ministry) did not communicate which costs would be eligible for reimbursement to public health units until August 21, 2020 and to Public Health Ontario until July 13, 2020. The Ministry was still in the process of determining the process for the review of reimbursement submissions for the disbursement of funds.

Recipients

Anticipated #	35 (Public Health Ontario + 34 public health units)
Actual # to June 30, 2020	1 (Public Health Ontario)
Location	Funding is for public health initiatives across the province

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	x	

On March 23, 2020, Treasury Board/Management Board of Cabinet (TB/MBC) approved \$100 million. Of this total, \$15 million was approved for 2019/20 and \$85 million for 2020/21.

Funds will be distributed by the Ministry of Health (Ministry) to Public Health Ontario (PHO) and the public health units as reimbursement for COVID-19-related extraordinary costs that are above and beyond their operating budget allocation.

Controls	Yes	No
Controls implemented to effectively manage initiative		x - Not developed
Eligibility met for distribution		x - Not developed

The Ministry of Health (Ministry) did not communicate which costs would be eligible for reimbursement to Public Health Ontario until July 13, 2020 and to public health units until August 21, 2020. The Ministry was still in the process of determining the process for reviewing reimbursement submissions for the disbursement of funds.

This initiative included the following two components:

Ministry of Health Payment to Public Health Ontario for Emergency Nasopharyngeal Swab Kits

On April 24, 2020, the Ministry issued a funding letter to Public Health Ontario (PHO) approving one-time funding to procure laboratory testing supplies, including swab kits from a vendor named ESBE Scientific.

Before approving the funds, the Ministry discussed with PHO their expenditure forecast for procuring reliable access to COVID-19 laboratory supplies and equipment (including swab kits from ESBE Scientific). The Ministry also reviewed a price quotation from the vendor which was approximately \$7.9 million.

PHO informed us that it did not contract with ESBE Scientific due to quality issues with the swabs. At the time, given global shortages, swabs were procured from several different vendors. The Ministry stated that it was being updated daily on the status of swabs and it provided verbal confirmation to PHO that it could use the funding to procure reliable access to COVID-19 laboratory testing supplies from other vendors.

All Other Public Health Ontario and Public Health Units' Extraordinary Expenditures Related to COVID-19

PHO and public health units were required to submit to the Ministry all costs incurred and expected to be incurred related to COVID-19 for the period January 1, 2020 to March 31, 2021 (PHO), and January 1, 2020 to December 31, 2020 (public health units). PHO and the public health units were also required to segregate the expenses between what is manageable from within their approved operating budget allocation and the amounts incurred beyond budget—COVID-19 extraordinary costs requested for reimbursement.

The Ministry received PHO's COVID-19 reimbursement submission on August 21, 2020 and the public health units' submissions on September 18, 2020. At the time of our audit, the Ministry indicated that payments will be made after it completes its review and approval process for the submissions, including any follow-up required with PHO and public health units to verify the submissions. The Ministry was still in the process of determining when payments will be made.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds	x	

According to the transfer payment agreements with the Ministry, Public Health Ontario must submit monthly and quarterly financial reports and the 34 public health units must submit quarterly financial reports. The Ministry communicated to Public Health Ontario and the public health units that the Ministry did not require submission of these regular financial reports between April 1, 2020 and September 30, 2020, to allow them to focus on their response to COVID-19, including reporting information for Ministry decision-making, such as the daily number of COVID-19 tests performed. The Ministry required Public Health Ontario and the public health units to restart their regular financial reporting for the third quarter (October to December 2020). In accordance with the respective transfer payment agreements, Public Health Ontario and the public health units are to report on any funding approved by the Ministry, including funding approved for COVID-19 costs, as part of their regular financial reporting, including year-end audited financial reports. The Ministry plans to recover any surplus reported by Public Health Ontario and/or public health units.

The Ministry is required to report back quarterly to TB/MBC on this initiative. The report back must include the implementation status of the initiative, costs incurred to date and effectiveness measures and results achieved. The Ministry's first quarterly report (April to June 2020) was due July 23, 2020. The Ministry was granted an extension to July 29, 2020, and submitted the report by the extended deadline.

Appendix 4.25: Prevention and Containment of COVID-19 in Long-Term-Care Homes (Infection control, long-term-care homes)

Responsible Ministry/Broader-Public-Sector Entity: Ministry of Long-Term Care				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2019/20	\$25 million (Mar 16, 2020)	\$80.8 million	New funding	Mar 24: the first \$50 million announced under Quick Facts at the end of a three-page press release.
2020/21	\$25 million (Mar 16, 2020)			
	\$88.3 million (Mar 25, 2020)			
Total to Jun 30, 2020	\$138.3 million	\$80.8 million		
Total Jul-Dec 2020 (unaudited)	\$673.0 million	\$281.2 million		
Total to Dec 31, 2020 (unaudited)	\$811.3 million	\$362.0 million		

Description

The initiative was to cover the immediate and extraordinary operating costs for COVID-19 screening, staffing and equipment in Ontario's 613 long-term-care homes (LTC homes). This included funding to support incremental expenses in providing 24/7 COVID-19 screening of staff and visitors to prevent anyone ill from entering the long-term-care home; to screen residents on an on-going basis to provide containment of any new infections; for more staff on all shifts to replace sick staff; and for supplies related to nursing, personal care, housekeeping and laundry.

Summary

Findings

We did not find anything unusual in the approval, authorization, processing of payments, use of funds and oversight of this initiative.

Between March 2020 and June 2020, \$80,813,200 out of the total approved \$138.3 million was paid to the LTC homes. The remaining \$57,486,800 was paid in July and September 2020.

- The first \$50 million was approved to fund the 613 LTC homes in Ontario, including \$25 million in each of 2019/20 and 2020/21. Each home received \$37,500 in March 2020, for total payments of \$22,987,500. Each home received another \$37,500 in April 2020, with payments totaling \$22,987,500. The remaining \$2,012,500 was distributed to LTC homes in September 2020.
- For the \$88.3 million of funding, each LTC home received \$12,200, with the remainder of the funds allocated based on factors such as the number of beds at each LTC home, size of the home, and whether a home had COVID-19 infections or not. In May and June 2020, a total of \$34,838,200 was flowed to the homes.

Recipients

Anticipated #	613 Long-term-care homes
Actual # to June 30, 2020	613 Long-term-care homes
Location	613 Long-term-care homes throughout Ontario

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	x	

There were two Treasury Board/Management Board of Cabinet (TB/MBC) approvals as follows:

- On March 16, 2020, TB/MBC authorized the Ministry of Long-Term Care to implement a strategy to support preventing and containing COVID-19 in long-term-care homes, at a total cost of \$50 million, including \$25 million in each of 2019/20 and 2020/21.
- On March 25, 2020, TB/MBC authorized another \$88.3 million for the Prevention and Containment of COVID-19 in Long-Term Care Homes initiative, to be held centrally in the COVID-19 Health Sector Response Fund.

We found no concerns with the approvals and authorization processes. The Ministry of Long-Term Care (Ministry) is accountable and responsible for distributing funds to the long-term-care homes through existing funding mechanisms. The funds were new money and not a reallocation of an existing budget.

Controls	Yes	No
Controls implemented to effectively manage initiative	x	
Eligibility met for distribution	x	

Based on our walk-through of the payment process, we found no concerns with the implemented controls and the process used by the Ministry to allocate the funding among the 613 homes. The funding was allocated based on a mix of a base allocation as well as other criteria such as the number of beds and size of each home. The COVID-19 funding payment process is the same as the regular payment process that the Ministry uses to transfer monies to the homes. The Prevention and Containment program funds are flowed to the long-term-care homes through the existing transfer-payment agreement. These COVID-19 payments will be reviewed and reconciled together with other payments to ensure that inputs in the payment system match with the amounts approved. These payments will also be subjected to Ministry review as part of the year-end annual reconciliation, and recovery/reimbursement will be determined based on the actual spending homes have incurred. Between March and June 2020, \$80,813,200 out of the total approved \$138,340,000 was paid to the homes. The remaining \$57,486,800 was paid in June and September 2020.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds – Ministry	x	
Cost-effective processes in place to monitor use of funds – Treasury Board		x

We found no concerns with the monitoring of spending.

LTC homes are required to submit an annual report to the Ministry at year-end. This report is required to be audited by an independent accounting firm, hired by each home, before it is submitted to the Ministry. There is a line item in the annual report that relates to expenditures under the Prevention and Containment program. Under the Ministry's transfer-payment agreement with the LTC homes, any unspent funds on the COVID-19 expenditures by the LTC homes are required to be returned to the Ministry at the time of the year-end reconciliation.

The Ministry required LTC homes to report back on the calendar year 2020 by September 30, 2021, which is the same date when the regular reconciliation process will be conducted for the LTC homes.

The Ministry was required to report back to the TB/MBC by June 30, 2020 regarding areas such as implementation plans, intended outcomes and measures of effectiveness. The Ministry indicated it was preparing a report back with this information. Such a report back had not been completed as of the end of August 2020. However, the Ministry had not received an extension to its reporting deadline. The Ministry had submitted a first-quarter (April to June 2020) report back on July 29, 2020, which focused mainly on actual versus projected spending, but it did not contain other details it was required to report back on, including proposed measures, intended outcomes and measures of effectiveness.

Appendix 4.26: Prevention and Containment of Infectious Disease in Retirement Homes (Infection control, retirement homes)

Responsible Ministry/ Broader-Public-Sector Entity: Ministry for Seniors and Accessibility				
Funding Period	Amount Approved	Amount Spent	New Funding/ Reallocation of Funding	Date of Public Announcement
2019/20	\$10 million (Mar 25, 2020)	\$19.8 million	\$10 million in new funding	Apr 3: Press release states \$20 million would be spent. No details given.
2020/21	\$5 million (Mar 16, 2020)		\$10 million in reallocated funding	
	\$5 million (Mar 25, 2020)			
Total to Jun 30, 2020	\$20.0 million	\$19.8 million		
Total Jul-Dec 2020 (unaudited)	\$10.9 million	\$1.1 million		
Total to Dec 31, 2020 (unaudited)	\$30.9 million	\$20.9 million		

Description

Retirement homes were directed to increase controls to prevent infectious diseases and to immediately start stringent screening of visitors and services, such as personal support workers. The initiative included ensuring that homes had the necessary health and housekeeping supplies and encouraging homes to practise infection control procedures such as increased cleaning and disinfecting.

Summary

Findings

We did not find anything unusual in the approval, authorization, processing of payments, use of funds and oversight of the initiative. All licensed retirement homes are eligible for funding under this initiative if they submit an attestation form indicating that they will provide accurate and complete reporting on how the funds were spent. The Ministry for Seniors and Accessibility may audit the homes' use of the funds.

As of June 30, 2020, 10 of the 771 retirement homes in Ontario had not submitted an attestation form and received funding. These homes have until October 31, 2020 to submit the attestation form in order to be eligible for funding under this initiative.

Recipients

Anticipated #	771 licensed retirement homes
Actual # to June 30, 2020	761 licensed retirement homes
Location	All licensed retirement homes across Ontario

Approvals/Authorization	Yes	No
Treasury Board/Management Board of Cabinet	X	

On March 16, 2020, Treasury Board/Management Board of Cabinet (TB/MBC) approved \$5 million for fiscal 2020/21 and on March 25, 2020, TB/MBC approved \$10 million for 2019/20 and an additional \$5 million for 2020/21.

Controls	Yes	No
Controls implemented to effectively manage initiative	X	
Eligibility met for distribution	X	

The Ministry for Seniors and Accessibility (Ministry) and the Ontario Retirement Communities Association (Association) entered into an agreement on March 30, 2020 to provide funding to 771 licensed retirement homes under this initiative. The total number of retirement homes agrees with the number maintained at the Retirement Homes Regulatory Authority.

The Association is accountable and responsible for delivering payments under this initiative to all licensed retirement homes in Ontario. The Association is a non-profit organization that represents operators of retirement residences in Ontario.

The Ministry flowed two payments of \$10 million each to the Association (\$10 million on March 31, 2020 and \$10 million on April 15, 2020). The Association had flowed \$19,825,152 to the retirement homes up to June 30, 2020. The outstanding amount of \$48,000 was in administration charges by the Association (\$24,000 in each of 2019/20 and 2020/21). In addition, for both 2019/20 and 2020/21, a total of \$126,848 was unspent to 10 remaining retirement homes that did not return a signed attestation form to the Association. These homes had until October 31, 2020 to submit the attestation form in order to be eligible for funding under this initiative. If this money is not flowed to the remaining 10 retirement homes, the Association must return it to the Ministry.

All licensed retirement homes were eligible for funding under this initiative as long as they submitted an attestation form indicating that they will provide accurate and complete reporting on how the funds were spent. The attestation form also states the reporting requirements and deadlines for reporting back. Once the Association received the signed attestation form, the funding was provided by cheque to the retirement home. Retirement homes received funding for fixed costs, such as thermometers, and variable costs, such as staffing and personal protective equipment, under this initiative. The fixed cost amount is the same for every retirement home: 25% of the total funding was split equally among all homes. The variable amount is based on the number of suites at each home; 75% of total funding, less administrative fees totalling \$48,000 kept by the Association, was split based on the number of suites.

Monitoring of Spending	Yes	No
Cost-effective processes in place to monitor use of funds	x	

All licensed retirement homes that receive funding from this initiative sign an attestation form agreeing to accurately report back to the Ontario Retirement Communities Association, using specific reporting requirements, on how funds were spent. As listed in the agreement, all recipients are required to report back the amount of funding used for the following eligible expenses:

- active screening expenses;
- cleaning expenses and additional cleaning staff;
- staffing expenses;
- personal protective equipment expenses; and
- other infection prevention and control expenses.

The Association indicated that all homes that received funding under this initiative had spent their entire funding amount by June 30, 2020. All retirement homes are required to report back to the Association on what COVID-19-related expenses they spent their funding on. The first report back for retirement homes was on August 17, 2020. Our review of a report back from retirement homes to the Association did not find any unusual expenditures; funding was spent on eligible expenses. The Association collects and monitors the reporting data received from the retirement homes and this helps facilitate the Association's reporting to the Ministry for Seniors and Accessibility. The Ministry may also review or audit the homes' use of the funds provided.

The Association was required to provide the Ministry with a fiscal year-end report for the period ending March 31, 2020, due August 31, 2020. We reviewed this report and did not find anything unusual.

The Association also has to submit a report outlining the status and progress of the program, whether objectives are being met, and performance measures such as the number of licensed retirement homes funded, the number of retirement home residents found to have COVID-19 and number of residents tested for COVID-19 for the period ending September 30, 2020. This report is due December 31, 2020. An audited financial statement of the expenditures is due June 30, 2021.

The Ministry is required to report back to TB/MBC quarterly on the implementation of the initiative, costs incurred to date and forecast costs, measures of effectiveness and results achieved. The first quarterly report (for April to June 2020) was due and submitted on August 5, 2020.



Office of the Auditor General of Ontario

20 Dundas Street West, Suite 1530
Toronto, Ontario
M5G 2C2

www.auditor.on.ca