Chapter 1
Section
1.01

Ministry of Health

Assistive Devices Program

Follow-Up on VFM Section 3.01, *2018 Annual Report*

RECOMMENDATION STATUS OVERVIEW						
		Status of Actions Recommended				
	# of Actions Recommended	Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	4	2	2			
Recommendation 2	3	2	1			
Recommendation 3	1		1			
Recommendation 4	3	3				
Recommendation 5	1	1				
Recommendation 6	1	1				
Recommendation 7	1		1			
Recommendation 8	2	2				
Recommendation 9	1	1				
Recommendation 10	1	1				
Total	**18**	**13**	**5**	**0**	**0**	**0**
%	**100**	**72**	**28**	**0**	**0**	**0**

Overall Conclusion

As of October 5, 2020, the Ministry of Health (Ministry) has fully implemented 72% of actions we recommended in our *2018 Annual Report*. For example, it increased the work it does to monitor vendors' and authorizers' compliance with its policies and procedures; it provided mandatory relevant and comprehensive risk-management and fraud-related training to all Assistive Devices Program (Program) staff; it established a consistent pricing review model by taking current market prices, manufacturer costs and other factors (such as volume discounts and technological advances) into consideration when updating Program-approved prices; it regularly monitors the prices and fees charged by vendors to ensure compliance with Program policies; and it implemented controls or automatic checks in its information system to prevent paying claims with no unique serial number and to flag instances where a serial number has already been used.

The Ministry made progress in implementing 28% of the recommendations in the areas of conducting follow-up reviews of vendors with a history of non-compliance with policies until issues have been addressed and corrected; documenting and tracking oversight activities and the results of oversight activities; and requiring Program staff to regularly run reports that identify all instances of potential overpayments related to clients who have passed away and following up with all vendors related to these instances.

The status of actions taken on each of our recommendations is described in this report.

Background

The Assistive Devices Program (Program) of the Ministry of Health (Ministry), formerly a part of the Ministry of Health and Long-Term Care, provides devices to Ontarians with long-term physical disabilities, where a device is required for six months or longer, except home oxygen which is also provided for shorter-term needs.

The Program funds about 8,000 assistive devices in 19 categories such as mobility, hearing, and respiratory devices. Clients must have a medical specialist or physician confirm long-term disability before a device can be prescribed by a specialized health-care "authorizer."

In 2019/20, the Ministry paid about $520 million (about $514 million in 2017/18) through the Program to help purchase assistive devices and supplies for about 400,000 Ontarians (the same in 2017/18). The audit found that there had been an increase of about 48% in expenditures and clients over the previous 10 years.

We found that the Ministry had improved service delivery since our 2009 audit, but some aspects of oversight and device pricing needed improvement to ensure the Ministry was paying only eligible claims at Program-approved prices.

Among our findings:

- The Ministry had consistently overpaid vendors for ineligible claims. Only two compliance staff conducted post-payment reviews to identify and recover overpayments from 1,200 vendors submitting 400,000 claims a year. In eight years, these staff could review only 235 or about 19% of these vendors, recovering about $10 million in overpayments. If more resources were dedicated to these reviews, recoveries likely would have increased.
- The Ministry needed to be more proactive following up on and taking timely action against vendors suspected of abusing the Program. Without early action, there was a risk of difficulties in overpayment collection. For example, the Ministry had found 13 vendors that were abusing the Program from 2009 to the time of the audit, but could recover only $1,000 (or 0.02%) of the almost $5.5 million in ineligible claims paid to them.
- The Ministry did not regularly conduct follow-up reviews of vendors known to have submitted ineligible claims. For example, one such vendor repaid about $250,000 in 2015/16. However, the vendor continued to submit claims and had received a total of about $5.8 million in 2016/17 and 2017/18.
- Device pricing reviews were not conducted consistently and effectively. The Ministry reviewed prices for all models of a device to set the Ministry's Program-approved price for paying vendors. However, though the Ministry found that an approved model of a sleep apnea device had a retail price of under $400, it still kept the Program-approved price for all models at $860. This results in the Ministry paying more than it needs to for certain devices.
- Our review of a sample of manufacturer and vendor invoices found varying mark-ups, with some exceeding 200%. We also found instances where vendors charged clients up to $1,000 (or about 60%) more per hearing aid than what the Program policy allowed.

More Ministry compliance work was needed to ensure vendors were not taking advantage of clients.

- The Ministry required vendors of certain devices to include serial numbers on invoices to ensure it was not paying for used or returned devices. However, the Ministry's system was unable to confirm before paying a claim if a serial number had been entered on an invoice at all, or if the same number had already been used. We reviewed claims in 2017/18 and identified 7,500 that did not list serial numbers, and almost 2,300, worth about $1.5 million, with duplicate serial numbers, that were paid.
- The Ministry's eight-year-old information system could have been updated to accept claim submissions electronically. However, at the time of our audit, the Ministry was still accepting claims by mail only. The Ministry had begun work on system changes in 2018 that would allow electronic submissions. This work was scheduled to be fully completed this year.

We made 10 recommendations, consisting of 18 action items, to address our audit findings.

We received a commitment from the Ministry that it would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2020 and June 2020. We obtained written representation from the Ministry of Health that effective October 5, 2020, it has provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Insufficient Oversight of Vendors Results in Ministry Paying for Ineligible Claims—and Clients Overpaying or Receiving Devices They Don't Need

Recommendation 1

To identify ineligible claims and non-compliance issues and prevent their reoccurrence, we recommend that the Ministry of Health and Long-Term Care (Ministry):

- *increase its work to monitor vendors' and authorizers' compliance with the policies and procedures of the Assistive Devices Program (Program);*
  Status: Fully implemented.

Details

In our 2018 audit, we found that the Ministry reduced its staffing resources on oversight activities, even though 99% of all reviews of vendors in the previous eight years found instances of vendors not complying with Program policies. Vendors are registered with the Ministry to sell devices to clients based on what an authorizer has prescribed. An authorizer is a qualified health-care professional registered with the Ministry who performs an assessment and recommends a device that is appropriate for the client's needs.

In our follow-up, we found that the Ministry had increased its monitoring of vendors' and authorizers' compliance with the Program's policies and procedures through improved tools and reporting, which included the following:

- In May 2020, the Ministry transferred data reporting from its existing Assistive Devices Application Management system to its new Business Intelligence/Data Analytics platform. The Ministry said this will enable quicker, easier, streamlined and scheduled reports.
- In May 2020, the Ministry also improved its review, standardization and distribution of reports in support of audit and verification

activities. For example, a standardized Comparative Vendor Payment Report is being provided on an ongoing basis to staff performing verifications, as well as to a wider range of Program staff, enabling a broader and more comprehensive review of data.

The Ministry also plans to expand the Program's audit/verification function. In July 2020, the Ministry initiated recruitment (following approval) to further support verification activities. Further expansion will occur through assigning additional staff resources in December 2020.

- *conduct follow-up reviews of vendors with a history of non-compliance with the policies and submitting ineligible claims until issues have been addressed and corrected;*
  Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we noted that while the Ministry found instances of vendors submitting ineligible claims in almost all vendor reviews completed over the last eight years, it did not regularly perform follow-up reviews on these vendors to ensure that they corrected their issues and complied with Program policies. In most cases, these vendors continued to operate as registered vendors with the Ministry and submitted claims with high values.

In our follow-up, we found that in November 2019, the Ministry developed a Standard Operating Procedure for reviewing vendors registered with the Program. The Standard Operating Procedure describes how the Program will conduct audits and compliance reviews of registered vendors. The Standard Operating Procedure includes a requirement to follow up with vendors with a history of non-compliance with Program policies. The Program will continue to conduct follow-up reviews of those vendors until issues have been addressed and corrected. This will enhance the Program's ability to identify ineligible claims and non-compliance issues and prevent their reoccurrence. The Program will enhance its Annual Vendor Review Plan by December 2020 in order to capture a section dedicated to follow-up reviews of vendors with a history of non-compliance.

- *document and track work performed on and the results of oversight activities (including vendor reviews and client verification letters sent and responded to);*
  Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we noted cases where correspondence and details in the files related to the vendor reviews were missing. Therefore, we were unable to trace all of the steps that were performed and determine when the Ministry made recoveries identified in these reviews.

As noted in the action item above, the Ministry developed a Standard Operating Procedure for reviewing vendors registered with the Program. The Standard Operating Procedure outlines a process to document and track work performed on and the results of oversight activities (including vendor reviews and client verification letters sent and responded to). The Ministry also developed a template for tracking client verification letters sent and responded. This will better enable the Program to identify ineligible claims and non-compliance issues. The Ministry expects that the Standard Operating Procedure will be fully implemented by December 2020.

- *provide mandatory relevant and comprehensive risk-management and fraud-related training to all Program staff on a regular basis.*
  Status: Fully implemented.

Details

In our 2018 audit, we found that front-line Program staff did not receive adequate training in detecting possible misconduct or fraud, even though the Ministry informed us it would provide such training following our 2009 audit of the same Program.

In our follow-up, we found that the Program consulted with the Enterprise Risk Management unit at the Treasury Board Secretariat, the Ontario Provincial Police (OPP), and the Ministry's Payment Accountability and Fraud Control Unit (PAFCU) to develop and provide relevant risk and fraud training that would be appropriate for Program staff in different roles.

Program staff received mandatory relevant and comprehensive risk-management and fraud-related training on a number of occasions in 2019/20. For example:

- On August 7, 2019, Enterprise Risk Management training materials were forwarded to all Program staff. The recipients were asked to review and confirm via reply email that they had reviewed the documentation included.
- On October 2, 2019, all Program staff attended a fraud detection training session held by the OPP.
- On September 24 and 26, 2019, the Program's managers, together with other managers at the Ministry Drugs and Devices Division, attended an Enterprise Risk Management Workshop led by the Treasury Board Secretariat.
- On October 18, 2019, the Program's Senior Program Co-ordinators, the Team Lead and management also attended an Enterprise Risk Management Workshop led by the Treasury Board Secretariat with the goal of creating awareness of risk monitoring and mitigation strategies.

In collaboration with the Treasury Board Secretariat, the Program developed a Risk Register, where risks to the Program were identified and assessed and mitigation plans were developed. The Program also standardized requirements for risk-management and fraud-related training on a regular basis for all Program staff as part of the documentation in the Risk Register.

The Program continues to consult with the PAFCU and participate in the Ministry's Fraud Control Working Group and Fraud Control Strategic Oversight Group to share experiences, best practices and successes with an aim to improve the Ministry and Programs' risk-management and fraud-related detection and deterrence.

Recommendation 2

To detect and deter potential misuses or abuses of funding from the Assistive Devices Program (Program), we recommend that the Ministry of Health and Long-Term Care:

- *closely monitor patterns and trends of claims to identify misconduct, including conflict of interest in the relationships between authorizers and vendors;*

  Status: Fully implemented.

Details

In our 2018 audit, we found a number of unusual claim patterns and trends that indicated potential misuses or abuses of the Program. However, the Ministry had not looked into these claim patterns even though we raised a similar concern in our 2009 audit of the same Program.

As mentioned in action item two of **Recommendation 1**, the Ministry developed a Standard Operating Procedure in November 2019 for reviewing vendors registered with the Program. The Standard Operating Procedure outlines the process of monitoring patterns and trends of claims to identify misconduct, including conflict of interest in the relationships between authorizers and vendors. The Program also has been working with the Ministry's Health Data Science Branch to develop a report to identify data and trends that will assist with determining conflict of interest between authorizers and vendors. This will enhance the Program's ability to detect potential misuses or abuses of funding related to conflicts of interests.

As well, the Program had undertaken a review of vendor registration policies and procedures to enhance its ability to detect and deter potential misuses or abuses of funding. The Program prepared a briefing note on the Vendor Registration

Review that summarized the findings of the review and included the steps required for implementation. The Program implemented these changes on August 28, 2020.

- *take appropriate and timely action against vendors and authorizers who breach Program policies (such as recovering overpayments from vendors and terminating vendors' and authorizers' registration status with the Ministry);*
  Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we found that while the Ministry had taken action in most cases to terminate its registration with vendors suspected of abusing the Program, it was not always able to make recoveries from these vendors for past non-compliant claims. As mentioned in action item two of **Recommendation 1**, the Ministry developed a Standard Operating Procedure in November 2019 for reviewing vendors registered with the Program. The Standard Operating Procedure outlines a process for taking appropriate and timely action against vendors and authorizers who breach Program policies. Corrective actions documented in the Standard Operating Procedure include recovering overpayments from vendors and terminating vendors' and authorizers' registration status with the Ministry. The Ministry expects that the Standard Operating Procedure will be fully implemented by December 2020.

- *conduct an annual review of the Central Equipment Pool for High Technology Wheelchairs (CEP) to examine claims submitted and services delivered by the vendor that operates the CEP, and identify and address any concerns.*
  Status: Fully implemented.

Details

In our 2018 audit, we found that the Ministry had not reviewed the current vendor contracted to operate the Central Equipment Pool for High Technology Wheelchairs (CEP), even though expenditures increased significantly since this vendor took over from the previous one, and authorizers expressed concerns about the quality of services provided.

In our follow-up, we found that the Program amended the agreement with the CEP service provider to ensure the appropriate oversight of the CEP. Beginning in 2019, the CEP service provider was required to provide the Program with an Annual Service Plan as well as multi-year and year-end reports. The Annual Service Plan outlines the anticipated and expected goals of the CEP program for the coming year, including but not limited to, performance metrics, training opportunities and risk mitigation. Both the agreement amendment and the 2019/20 Annual Service Plan had been completed. The 2019/20 CEP Annual Review took place in April 2020.The Program then met with the CEP's service provider on May 21, 2020, to discuss claims submitted and services provided in 2019/20 as well as options for service improvements. CEP's service provider has also provided its cost savings report to the Program.

In addition to providing reports outlined in the amended agreement, the CEP service provider will also enhance reporting that directly impacts program effectiveness going forward. For example, it will create a more accurate measure to identify the average time from a completed request to providing equipment. Furthermore, the CEP service provider will develop new measures of factors that may influence how long they take to complete a service.

Recommendation 3

To better ensure clients receive access to a choice of vendors, and to better ensure equity and fairness for home oxygen vendors, we recommend that the Ministry of Health and Long-Term Care conduct a review of its decision to allow joint ventures and preferred-vendor agreements to exist and determine whether any change is needed to protect the interests of both clients and vendors of the Assistive Devices Program.
Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we found that as a result of the profit-sharing structure of the joint ventures, each hospital had an incentive to refer its clients to the single home oxygen vendor that was part of its joint venture because it obtained a share of the profits earned. This could result in clients being referred to a specific vendor without being given the opportunity to determine which vendor would best meet their needs.

In our follow-up, we found that the Program had completed a review on joint ventures and preferred vendors for home oxygen therapy. The goal of the review was to assess whether changes were required to the Program policies to protect the interests of both clients and vendors.

As part of its review, the Ministry performed the following:

- reviewed the Program's data, including the 2015 Home Oxygen Therapy Client and Stakeholder Survey, Evaluation of Home Oxygen Therapy by the Ministry's Health Analytics and Insights Branch, vendor payments, and types of oxygen delivery systems provided to Program-funded clients; and
- consulted with stakeholders involved with the care and management of Ontario residents who need home oxygen therapy. Examples of stakeholders included the Ontario Thoracic Society, the Ontario Lung Association, the Ontario Hospital Association, the Ontario Long-Term Care Association, the College of Physicians and Surgeons, the College of Respiratory Therapists of Ontario, the College of Nurses of Ontario, Ontario Home Respiratory Services Association and ProResp Inc.

Based on the review, the Program proposed some changes to joint ventures and preferred-vendor agreements for home oxygen therapy. These changes are subject to government approval. The Program expects to finalize the changes by December 2020 after collecting feedback from various stakeholders.

Device Prices Not Appropriately Monitored and Updated

Recommendation 4

To better ensure that prices for the devices funded by the Assistive Devices Program (Program) are reasonable and keep pace with changes in the market, we recommend that the Ministry of Health and Long-Term Care:

- *establish a consistent pricing review model by taking current market prices, manufacturer costs and other factors (such as volume discounts and technological advances) into consideration when updating Program-approved prices;*
  Status: Fully implemented.

Details

In our 2018 audit, we found that not all pricing reviews were conducted consistently according to the Program's guideline. Most pricing reviews did not consider manufacturer costs, which would have provided the Ministry with better insight into the actual costs of the devices and the appropriate mark-ups to be factored into the Program-approved prices.

In our follow-up, we found that the Ministry developed a Pricing Review-Standard Operating Procedure in February 2020. This helps address the need to establish a consistent pricing review model by taking current market prices, manufacturer costs and other factors (such as volume discounts and technological advances) into consideration when updating Program-approved prices.

The Pricing Review-Standard Operating Procedure includes updating Program-approved device prices through the following steps:

- Gathering information through a jurisdictional scan, market investigation of off-the-shelf products available for purchase at retail locations, and research of vendor cost (including the manufacturer cost, manufacturer price and vendor mark-up) and/or expert advice.

- Assessing the information based on relevance, reliability, accuracy and completeness.
- Developing options based on the information.
- Assessing the impact of the options by identifying stakeholder risks, operational risks, financial risks and policy risks as well as developing corresponding mitigation and communication strategies.
- Making recommendations based on the assessment of pricing options and obtaining approval for implementing the recommendations.

The Ministry has been following the Pricing Review-Standard Operating Procedure in performing pricing reviews when updating Program-approved prices. The most recent example includes the price reduction for adult wheeled walkers and positive airway pressure systems, which will take effect on January 1, 2021.

- *collect and retain all documentation to support decisions made relating to device pricing;*
  Status: Fully implemented.

Details

In our 2018 audit, we found that supporting documents on the cost of some devices were missing for some pricing reviews. As a result, we were unable to verify whether the Ministry had determined and updated device prices appropriately.

As mentioned in the action item above, the Ministry developed a Pricing Review-Standard Operating Procedure in February 2020. This helps address the need to collect and retain documentation to support decisions made relating to device pricing.

The Pricing Review-Standard Operating Procedure includes the following process for documenting the pricing review:

- Saving all documents collected for pricing reviews in the Program's shared drive, including but not limited to, online sources from publicly available websites, correspondence received from ministry staff and manufacturers and vendors, and data from the Assistive Devices Application Management system.
- Saving all analysis based on raw data and information provided by the Program's co-ordinators in the shared drive, including but not limited to, pricing calculation spreadsheets, briefing notes for management and presentation decks.

The Program has been following the Pricing Review-Standard Operating Procedure in saving all documents collected for pricing review and all analyses based on raw data and information gathered. The most recent example includes the price reduction of adult wheeled walkers and positive airway pressure systems, which will take effect on January 1, 2021.

- *regularly monitor prices and fees (such as dispensing fees) charged by vendors to ensure compliance with Program policies, protect the interests of the Ministry and clients of the Program, and ensure that clients are treated consistently.*
  Status: Fully implemented.

Details

In our 2018 audit, our review of a sample of manufacturer and vendor invoices found varying mark-ups from vendor to vendor, with some vendors having mark-ups that exceeded 200%. For hearing aids, we found instances where vendors were charging clients up to $1,000 (or about 60%) more per hearing aid than the manufacturer cost even though Program policy requires hearing aids to be sold by vendors at the manufacturer cost. This resulted in clients paying more for devices than what Program policy allowed.

As mentioned in action item one of **Recommendation 1**, the Ministry has increased its monitoring of vendors' and authorizers' compliance with the Program's policies and procedures through improved tools and reporting in May 2020. This includes review, standardization, and enhanced distribution of reports in support of audit and verification activities. The activities include vendor compliance with Program policies regarding

additional fees charged. The Ministry said this will enhance its ability to regularly monitor fees (such as maintenance, shipping, and administrative fees in the case of visual aids and communication aids) charged by vendors to ensure compliance with Program policies, protect the interests of the Ministry and clients of the Program, and ensure that clients are treated consistently.

Recommendation 5

To help ensure that funding for continuous positive airway pressure (CPAP) devices is provided to those individuals who need it the most, we recommend that the Ministry of Health and Long-Term Care analyze how other jurisdictions fund CPAP devices and assess the cost and benefit of providing full funding for the device only after a client has demonstrated compliance with CPAP therapy over a trial period.

Status: Fully implemented.

Details

In our 2018 audit, we found that the number of CPAP devices funded by the Program increased by about 50% between 2013/14 and 2017/18. A 2016 review by the Ministry noted that CPAP clients were better off financially than other Program clients and did not always use their devices as required. Despite these concerns, the Ministry had not changed its funding criteria. We also found that Manitoba and Saskatchewan changed their funding approaches in 2018 and 2017 respectively and required individuals to pay more out of pocket for CPAP devices than Ontario did.

In our follow-up, we found that the Program had completed a review on how other jurisdictions fund CPAP devices, completed a cost-benefit analysis of the potential options regarding funding model and eligibility criteria, and undertook a pricing review of the Positive Airway Pressure (PAP) device category, and submitted a proposal to lower the pricing for PAP devices as part of its 2020/21 multi-year plan.

As part of the cost/benefit analysis, the Program consulted with the Ontario Home Respiratory Services Association and ProResp Inc., reviewed relevant literature and research, and analyzed the Program's cost/financial risk of providing full funding for the device only after a client has demonstrated compliance with CPAP therapy over a trial period. The Program concluded that requiring compliance with CPAP therapy (such as the number of hours the user wears the device at night) as a requirement to receive funding for a CPAP device may not necessarily result in savings (or may actually result in additional net costs) due to additional vendor fees, uncertainty around compliance rates, and potential administrative costs associated with IT system changes and program oversight requirements. There could be an additional risk as a result of the delay of providing CPAP therapy to patients.

New Information System Not Fully Utilized

Recommendation 6

To better ensure that no duplicate payments are made by the Assistive Devices Program to vendors for used or returned devices, we recommend that the Ministry of Health and Long-Term Care implement controls or automatic checks in its information system to prevent claims from being paid unless a unique serial number has been provided (where required) and entered into the system, and to flag instances where a serial number has already been used.

Status: Fully implemented.

Details

In our 2018 audit, we found that although the Ministry's updated information system had a data field for serial numbers, it was not set up to check, before paying a claim, whether a required serial number had been entered, or whether a serial number had already been used in another claim. Our review of claim data for 2017/18 identified a number of cases where serial numbers were either missing or duplicated.

In our follow-up, we found that the Program worked with the Ministry's Health Services I&IT

Cluster to identify changes to the Assistive Devices Application Management (ADAM) system that will allow for automatic checks of device serial numbers. This system change will prevent claims from being paid for devices with no serial number in order to ensure that the Program will not make duplicate payments to vendors for used or returned devices.

In January 2019, the Program approved the ADAM Enhancement Requirements to incorporate serial number rules into the ADAM system. Specifically, the rules include making a serial number mandatory for applicable device categories, creating a new data field in the system to record a serial number, and putting an indicator (Yes/No) for each device. If the invoice has no serial number, the system will flag this and put the invoice on hold until a serial number is entered. In February 2019, these requirements were implemented, and in cases where a serial number was required, no payments have been made for invoices with no serial number.

Recommendation 7

To better ensure that the Assistive Devices Program (Program) identifies and recovers overpayments, we recommend that the Ministry of Health and Long-Term Care require Program staff to regularly run reports that identify all instances of potential overpayments related to clients who have passed away, and follow up with all vendors related to these instances in order to collect overpayments.

Status: In the process of being implemented by December 2020.

Details

In our 2018 audit, we found that while the Ministry's information system allowed Program staff to run a report that identifies all instances where a payment was made after a client died, Program staff did not regularly run this report and follow up on all instances to identify and recover overpayments. Doing so could result in significant recoveries.

As noted in action item two of **Recommendation 1**, the Ministry developed a Standard Operating Procedure in November 2019 for reviewing vendors registered with the Program. The Standard Operating Procedure outlines steps for running reports that identify all instances of potential overpayments related to clients who have passed away, and steps regarding following up with vendors in order to collect overpayments.

The Standard Operating Procedure also include transfer of data reporting from the existing system, Assistive Devices Application Management (ADAM), to the new Ministry's platform, called Business Intelligence/Data Analytics (BIDA) platform. The Program has reviewed internal data reports and developed new reporting processes related to overpayment verification. The Program has made an IT change request related to the overpayments verification report to support the review and recovery of overpayments made to clients who have passed away.

The overpayment report, which identifies all instances of potential overpayments relating to clients who have passed away, is available and ready for distribution to a wider range of Program staff for review on a regular basis. The Ministry expects to distribute the report to Program staff for regular review by December 2020.

Recommendation 8

To improve the operational efficiency of the Assistive Devices Program (Program), we recommend that the Ministry of Health and Long-Term Care:

- *assess the feasibility of requiring vendors and authorizers to separately submit claims and supporting documentation electronically to enhance compliance with Program policies and procedures;*

  Status: Fully implemented.

Details

In our 2018 audit, we found that there were further areas of possible improvement the Ministry did not include in its implementation plan. For example, the Ministry required a vendor to submit a claim form on behalf of a client and an authorizer even

though electronic claim submission would provide an opportunity for the Ministry to collect more reliable claim details by requiring authorizers and vendors to independently submit their respective claim details to the Ministry electronically.

In our follow-up, we found that the Program had assessed the feasibility of requiring vendors and authorizers to separately submit claims and supporting documentation electronically to enhance compliance with Program policies and procedures. The Program assessed the use of eReferral and other Digital Health solutions under the Ministry's Digital First for Health Strategy.

The Program met with the Ministry's Health Services I&IT Cluster and the Digital Health Program to discuss the Program's system needs and additional functionality, allowing for a digital approval of a claim by a health professional or authorizer and an electronic submission of associated documents. Based on the discussion, the Ministry determined that in order to avoid duplication, it will not pursue a one-off solution for the Program, but will consider digital solutions already being used or planned in the broader health-care system.

Upon reviewing existing digital solutions, the Ministry decided that no appropriate solution is currently available across the province that could be adopted for the Program. For example, a digital solution called eReferral was identified as a potential solution, but it has not been scaled up across all regions of the province and so was determined not to be suitable for the electronic forms-based process required by the Program for claims. As part of the Digital First for Health Strategy, the Ministry has started developing an eServices program that will integrate eReferral and eConsult programs for expansion across the province. These are tools focused on supporting health-care providers to improve clinical workflows, improve access to specialists, decrease wait times, and improve overall patient experience. Over time, other eServices, such as eForms, eOrdering, and ePrescribing, will be incorporated. As the Ministry's Digital First for Health Strategy projects proceed over the next few years, the Program will be notified if any new potential provincial solutions have been identified that can be adopted or aligned with the Program's needs and prioritized for implementation.

In summary, the Ministry continues to enhance the existing Program's database to support the electronic submission of claims by vendors through its eSubmission project. However, the Ministry has determined that it is not feasible at this time to enable full digital integration of the Program's claim process until a province-wide appropriate electronic solution is identified in alignment with the Digital Health Strategy.

- *monitor the status of its project to implement electronic claim submissions to ensure implementation meets the schedule without delay.*
  Status: Fully implemented.

Details

In our 2018 audit, we found that the Ministry's information system, which was implemented almost eight years ago, could be upgraded to allow Program staff to accept claims electronically. However, the Ministry still only accepted hardcopy (paper) claims delivered by mail or courier. While the Ministry began work in 2018 on changes to its computer system to allow vendors to submit claims electronically, this work was not scheduled to be fully completed until mid-2020, about nine years after the system was put in place.

As noted in the action item above, the Ministry continues to enhance the existing Program's database to support the electronic submission of claims by vendors through its eSubmission project. The Ministry has been monitoring the status of its eSubmission project to ensure the implementation meets the schedule without delay through conducting monthly information technology meetings and updates to senior management on the status of the project. As of February 19, 2020, an electronic solution was implemented to allow the vendors registered with the Program to submit their invoices electronically. Additional functionalities will

be implemented as part of the continuous system enhancement efforts to better support the Program. The Ministry will continue to monitor the progress of these enhancements.

Measurement and Reporting of Program Performance Needs Improvement

Recommendation 9

To improve claim processing times of the Assistive Devices Program (Program), we recommend that the Ministry of Health and Long-Term Care review the Program's claim approval, invoicing and payment processes to identify ways of simplifying and modernizing its current manual process (such as introducing an electronic online claim application and invoicing system).

Status: Fully implemented.

Details

In our 2018 audit, we found that the Ministry still accepted only hardcopy claims from vendors, resulting in unnecessary delays for clients and potential errors. Our review of 2017/18 claim data found that approximately 46% of claims took longer than the Ministry's eight-week target for processing claims and the average claim processing time varied significantly by device category.

In our follow-up, we found that the Ministry reviewed the Program's claim approval, invoicing and payment processes to identify ways of simplifying and modernizing its current manual process.

As mentioned in the first action item of **Recommendation 8**, the Ministry continues its efforts to support secure electronic submission of claims and invoices for devices funded through the Program. As of February 19, 2020, an electronic solution was implemented to allow vendors registered with the Program to submit their invoices electronically. This was supported with the release of an electronic submissions process to vendors called the Technical Specification for Electronic Invoice Submissions. This has replaced the former manual process. The Ministry said this has helped reduce processing times with clients, who will receive their devices faster, lower vendors' administrative costs and improve the quality and security of data. As part of the continuous system enhancement efforts, additional functionalities will be implemented to better support the Program.

In October 2019, the Ministry also started implementing mandatory Electronic Funds Transfer for grant recipients of the Program to minimize costs to the Ministry on administering cheques. The Ministry said this change allows clients to receive their funding quickly, securely and conveniently.

Recommendation 10

To better ensure that the results of client satisfaction surveys accurately measure the performance of the Assistive Devices Program (Program) and provide value to the Program, we recommend that the Ministry of Health and Long-Term Care review the survey methodology used and make necessary changes to improve the representativeness of survey results (such as by increasing the sample size of clients being surveyed and selecting a representative number of clients to participate in the survey based on the volume and value of claims by device category).

Status: Fully implemented.

Details

In our 2018 audit, we found that the results of Program satisfaction surveys might not have been representative due to shortcomings in the survey method. For example, the number of surveys sent did not reflect the claim volume or value of each device category. Even though mobility devices accounted for almost 12 times more clients and 40 times higher claim payments than those in visual aids, the same number of surveys (about 150) was sent to clients in each of these categories. We also noted that the survey was sent to approximately 2,500 clients, with 850 clients responding, representing only about 0.2% of all clients in 2017/18.

In our follow-up, we found that the Program had completed a review of methodology and client

representativeness of its Client Satisfaction Survey and proposed changes to improve the representativeness of survey results.

As part of the review, the Program analyzed options to enhance the survey methodology in order to improve survey representativeness while considering value-for-money of conducting the survey.

Based on the review of the survey methodology, the Program developed a business case to proceed with the option of extending survey frequency to every three years and modifying survey methodology to make survey results more representative and increase sample size. This will allow the Program to increase its sample size from 2,500 clients to approximately 3,700 clients in its 2020 survey. The Program will use its original survey methodology to determine the survey sample based on volume and value of claims by device category as recommended by our 2018 audit. Modifying the survey methodology will be contingent upon approval of the approach and receiving the necessary funding to conduct the next Client Satisfaction Survey.