

# Chapter 1

## Section 1.16

Ministry of Health

### Follow-Up on 2021 Value-for-Money Audit: Outpatient Surgeries

RECOMMENDATION STATUS OVERVIEW						
	# of Actions Recommended	Status of Actions Recommended				
		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable
Recommendation 1	2	2				
Recommendation 2	2		2			
Recommendation 3	3		3			
Recommendation 4	2		2			
Recommendation 5	2		2			
Recommendation 6	3	3				
Recommendation 7	3			3		
Recommendation 8	2	1	1			
Recommendation 9	2		2			
Recommendation 10	3	3				
Recommendation 11	3			3		
Recommendation 12	2		2			
Recommendation 13	2		2			
<b>Total</b>	<b>31</b>	<b>9</b>	<b>16</b>	<b>6</b>	<b>0</b>	<b>0</b>
<b>%</b>	<b>100</b>	<b>29</b>	<b>52</b>	<b>19</b>	<b>0</b>	<b>0</b>

### Overall Conclusion

The Ministry of Health (Ministry) and Ontario Health, as of October 30, 2023, have fully implemented 29% of actions we recommended in our *2021 Annual Report*, such as working with hospitals to facilitate regular communications and identify reasons for variations in wait times; allocating or reallocating future surgical volumes and funding to reduce wait times and bring

them to an equitable level; collecting information and data on a regular basis from hospitals that have used unique methods of delivering outpatient surgeries; and monitoring surgical billing data on a regular basis to identify red flags and risks that warrant further review.

The Ministry and Ontario Health have made progress in implementing an additional 52% of the recommended actions, such as working with public hospitals, private hospitals, independent health facilities and surgeons to track wait times by individual

surgeon; publicly reporting wait times by surgeon, similar to the practices in other jurisdictions, such as Alberta and British Columbia; working with hospitals and clinicians to determine the types of outpatient surgeries that would benefit most from establishment of a centralized intake or referral system to help reduce wait times; regularly collecting information on available capacity and resources across hospitals with unused or underused operating room time; identifying and implementing practices and methods that enable hospitals to perform more surgeries on an outpatient basis when it is safe and appropriate for the patient; working with service providers to develop and implement metrics to measure surgical quality of care and outcomes consistently and publicly report on those metrics; and implementing additional oversight mechanisms to protect patients against possible misleading sales practices and inconsistent policies.

However, the Ministry and Ontario Health have made little or no progress on 19% of the recommended actions, including conducting an evaluation of all outpatient surgery providers to determine clinical effectiveness and gaps in oversight; requiring that all service providers (including independent health facilities and private hospitals) report their wait times into the Wait Time Information System; revisiting the oversight and reporting structures to confirm that all outpatient surgery providers report relevant data and are overseen consistently; identifying tools that can be used to inform Ontarians about cataract surgeries and prevent inappropriate charges to patients; and taking disciplinary actions against physicians and organizations found to have misinformed, or failed to inform, patients of their right to a fully covered Ontario Health Insurance Plan (OHIP) surgery.

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

## Background

Outpatient surgery, sometimes referred to as “day surgery” or “ambulatory surgery,” is a surgery that does not require an overnight stay in a hospital. In Ontario, public hospitals, one private hospital and 10 independent health facilities (IHF) provide outpatient surgeries; the physicians and surgeons who perform those surgeries are compensated through billings made to the Ontario Health Insurance Plan (OHIP).

There is no separate funding mechanism for outpatient surgeries. According to data from Ontario Health, in 2020/21, public hospitals provided approximately 330,000 outpatient surgeries compared to approximately 440,000 to 455,000 outpatient surgeries in each of the previous four years. The Ministry of Health (Ministry) provided approximately \$13 million in funding in 2020/21 to the 10 IHFs operating in Ontario for providing about 16,400 outpatient surgeries. One private hospital (Don Mills Surgical Unit) received approximately \$2.6 million in funding for providing approximately 1,800 outpatient surgeries in 2020/21.

Based on our review of Ontario’s data on surgeries that are commonly performed on an outpatient basis—joint replacement (hip or knee) and cataract surgery—we noted that the percentages of patients treated within benchmark time frames had been steadily decreasing. All provinces have shown a similar trend in recent years, with about half of Canadian patients not receiving these surgeries within the recommended time frames in 2020 compared to one-third in 2019.

With respect to provincial oversight, we found some surgeons had significantly high or unreasonable billings related to outpatient surgeries. Further, there was no provincial oversight of surgery providers to protect patients from being misled about their right to receive the standard, publicly funded surgery rather than pay fees out of pocket. We also noted that providers of outpatient surgeries operated in silos, followed different reporting requirements, and were overseen by different

parties. For example, the Ministry and Ontario Health tracked wait times only for surgeries performed at public hospitals and at one IHF that reported into the Wait Time Information System, and did not have any insight into wait times at the nine remaining IHFs or the private hospital. As a result of the COVID-19 pandemic, access to surgeries, including outpatient surgeries, was taking longer, resulting in deterioration or complications related to patient health issues and surgery backlogs.

Some of our significant findings were:

- Significant regional variations in wait times made for inequitable access to surgery. We reviewed wait times across Ontario Health's five regions (West, Central, Toronto, East and North) and noted significant variations in wait times for outpatient surgeries. For example, our review of 2019/20 data noted that patients in the Toronto region who needed forefoot surgery had to wait 354 days, over three times longer than patients in the North region (111 days). As well, patients needing total knee joint replacement surgery in the West region had to wait 322 days, more than three times longer than the 98 days patients in the Toronto region waited for the same surgery.
- Substantial wait times had not been addressed and worsened in 2020/21. Between 2016/17 and 2019/20, though wait times for some surgeries decreased, wait times for many others increased. Most surgeries continued to have long wait times; for example, 100 days for gallbladder surgery and 259 days for forefoot surgery in 2019/20. Wait times increased even further in 2020/21 as a result of the COVID-19 pandemic and a public health directive, initially applicable from March 19 to May 26, 2020, that required all non-essential and elective surgeries be stopped or reduced to minimum levels to preserve hospital capacity to prioritize care for patients with COVID-19. So, by the end of 2020/21, wait times, for example, were 157 days for gallbladder surgery and 356 days for forefoot surgery, representing increases of 57% and 37% respectively from the previous year.
- The lack of centralized intake or referral could be contributing to longer wait times. There was no province-wide centralized intake or referral process for many surgeries. Co-ordination only existed on an ad hoc basis in some regions or for some types of surgery. The lack of a centralized intake or referral process has been a long-standing issue that our Office has raised in past value-for-money audits covering other areas of the health-care system, such as MRI and CT scans as well as cancer care.
- Ontario hospitals employed outpatient surgeries in an inconsistent manner. There were significant differences in the proportion of surgeries being performed on an outpatient basis across hospitals in Ontario. For example, although hospitals performed hernia surgeries in 2019/20 on an outpatient basis on average 95% of the time, one hospital did so only 72% of the time. However, some hospitals increased the proportion of outpatient surgeries performed during the pandemic. For example, one hospital performed 24% of its primary total knee replacement surgeries on an outpatient basis in 2019/20, but increased this proportion to 51% of cases in 2020/21.
- The Ministry did not adequately oversee and monitor outpatient surgery volumes and billings such that it could discern unusual billing patterns or trends. For example, four ophthalmologists each billed the Ministry from \$860,000 to almost \$1.1 million in 2019/20. Each of them performed more than 2,000 cataract surgeries that year with a maximum number of cataract surgeries in a single day ranging from 34 to 47. Subsequent to our audit work, the Ministry completed a broad review that included these four ophthalmologists. However, this review did not adequately address the unusual billings because it only looked at assessment codes

that were being billed on the same day as cataract surgery, and only resulted in education letters being sent to the ophthalmologists. The issue of unusual physician billings has been raised by our Office in our past value-for-money audits.

We made 13 recommendations, consisting of 31 action items, to address our audit findings. We received commitment from the Ministry of Health and Ontario Health that they would take action to address our recommendations.

## Status of Actions Taken on Recommendations

We conducted assurance work between April 2023 and August 2023. We obtained written representation from the Ministry of Health and Ontario Health that, effective October 30, 2023, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

### Continuously Long Wait Times to Access Outpatient Surgeries

#### Recommendation 1

*To provide more equitable access to outpatient surgeries across Ontario, we recommend that Ontario Health:*

- *work with hospitals at a regional level to facilitate regular communications and identify reasons for variations in wait times; and*
- *through consultation with regions, allocate or reallocate future surgical volumes and funding to reduce wait times and bring them to an equitable level.*

**Status:** Fully implemented.

#### Details

In our 2021 audit, we reviewed wait times across Ontario Health's five regions (West, Central, Toronto, East and North) and noted significant variations in wait times for outpatient surgeries. For example, our review of 2019/20 data noted that patients in the Toronto region needing forefoot surgery had to wait 354 days, over three times longer than patients in the North region (111 days). We also found that most surgeries continued to have long wait times; for example, 100 days for gallbladder surgery and 259 days for forefoot surgery in 2019/20. Wait times increased even further in 2020/21 as a result of the COVID-19 pandemic when all non-essential and elective surgeries were stopped or reduced to minimum levels to preserve hospital capacity to care for patients with COVID-19.

In our follow-up, we found that Ontario Health has worked and consulted with partners, including hospitals and the Ministry, to identify reasons for wait-time variations and provide more equitable access to outpatient surgeries across Ontario. For example,

- Ontario Health has done modelling work with regional partners to establish targets that specifically address patients who are furthest outside of clinically recommended wait times (known as long waiters). Ontario Health regions monitor surgical volume trends and long wait times weekly to identify hotspots and relocate services accordingly to manage local issues.
- Ontario Health, in partnership with the Ministry, has implemented new funding strategies that include medical procedures with the longest wait times that have not historically received funding in order to reduce wait times and bring funding for different procedures to an equitable level.
- Ontario Health is working to support the Ministry's strategy to expand surgical capacity outside of hospitals through potential partnerships and new licences with the integrated community health services centres (ICHSCs), formerly independent health facilities (IHF).

- Ontario Health has collaborated with the Ministry to provide input and support on Quality-Based Procedures funding documents and Wait Times Volume Management Instructions.

## Recommendation 2

*To provide greater transparency to patients regarding surgical wait times and to allow patients to make more informed decisions about their surgical care, we recommend that the Ministry of Health, in collaboration with Ontario Health:*

- *work with public hospitals, private hospitals, independent health facilities and surgeons to track individual surgeon's wait times; and*
- *publicly report wait times by surgeon similar to the practices in other jurisdictions, such as Alberta and British Columbia.*

**Status: In the process of being implemented by December 2024.**

## Details

We found in our 2021 audit that there was a lack of public reporting of wait times by surgeon. In Ontario, patients could access wait-time information published per hospital. However, surgeons working in the same hospital could have very different wait times. For example, we found that at one hospital, one ophthalmologist had an average wait time of 155 days, while another had an average wait time of 42 days—almost four months fewer. However, this information was not available to the public, so patients were unable to consider it when deciding which surgeon to work with. Our 2021 audit found that, unlike Ontario, Alberta publicly reported wait times by surgeon and provided a comparison of surgeon wait times with the provincial average for patient reference. British Columbia also allowed the public to go on its provincial surgery wait-times website and search by specific procedure (surgery) or by specialist.

In our follow-up, we found that the Ministry, in collaboration with Ontario Health, has worked with service providers of outpatient surgeries to track wait times by individual surgeon. In particular, as part of the Ministry's 2021/22 investments in the Centralized Waitlist Management initiative, Ontario Health has completed the development of a business intelligence tool, known as the Health System Insights (HSI) platform, that will allow hospitals to see the wait lists of individual surgeons within their own hospital, in order to help balance loads between surgeons and between hospitals. The rollout of the HSI platform to hospitals began in August 2022. Hospitals can log onto the HSI platform to see comprehensive details of the surgical wait lists at the region, facility, specialty, and surgeon levels based on daily data from Ontario Health's Wait Time Information System. This new enhanced visibility of wait lists and comparative performance is expected to highlight performance improvement opportunities and improve data quality. As of June 30, 2023, 94% of eligible hospitals had access to the HSI platform.

The Ministry and Ontario Health plan to explore opportunities to make surgeon-level wait-list data available to Ontario Health's regional planners through the HSI platform in the near-to-medium term. They expect to complete this work by December 2024. The Ministry and Ontario Health also plan to engage relevant stakeholders, including the Ontario Medical Association, to discuss and determine the requirements for publicly reporting wait times by surgeon.

## Limited and Slow Progress on Implementing Practices to Improve Wait Times for Outpatient Surgeries

### Recommendation 3

*To allow patients access to faster surgeries, we recommend that the Ministry of Health, in collaboration with Ontario Health:*

- *work with hospitals and clinicians to determine the types of outpatient surgeries that would benefit*

*most from establishment of a centralized intake or referral system to help reduce wait times and improve patient transparency;*

- *regularly engage hospitals and regions that have implemented centralized intake or referral for surgeries to identify best practices and weaknesses; and*
- *use best practices identified through this work and other relevant provincial initiatives related to centralized intake or referral to further expand the implementation of these practices and initiatives across the province within established timelines.*

**Status:** In the process of being implemented by December 2024.

### Details

We found in our 2021 audit that a lack of centralized intake or referral could contribute to longer wait times. There was no province-wide centralized intake or referral process for many surgeries. Co-ordination only existed on an ad hoc basis in some regions or for some types of surgery. For example, Women's College Hospital in the Toronto region implemented a central intake model for anorectal surgery. However, the centralized intake or referral process has not been expanded or widely adopted across the province on a consistent basis. Instead, some regions and surgical service areas took steps on their own to address long patient wait times. For example, in April 2021, the Waterloo region adopted a centralized cataract referral program that allowed patients to choose the earliest surgery date available, a specific location or a specific surgeon.

In our follow-up, we found that the Ministry has transferred the oversight of the provincial eServices program to Ontario Health in order to enable better-integrated planning on centralized intake and referral, given that a key focus of the eServices program is on deploying electronic referral systems (eReferral) across the province. The eServices program has begun implementing eReferral at existing central intakes and is

developing standardized eReferral forms that reflect clinical best practices.

As part of 2022/23 work on the provincial Centralized Waitlist Management initiative, Ontario Health issued a call for regional proposals on July 8, 2022, with a focus on projects that will advance uptake of single-entry models such as central intake. Following a review and evaluation process led by Ontario Health, 30 regional projects have been approved and implementation of these projects has begun.

As a complement to this work, Ontario Health has also established a Single-Entry Models Working Group. This Working Group includes an array of subject-matter experts with experience in the area of single-entry models, including representatives from the eServices program, regional representatives and clinicians. The group's activities include sharing lessons learned and best practices from the central intakes that have been launched to date in Ontario. As part of its contributions to the Working Group, the eServices program has developed a working inventory of all known central intakes in the province. This document will continue to be refined and updated over time. The Working Group has also developed a repeatable framework for launching single-entry models across the province by December 2024 and is working to identify which surgical pathways are best suited to central intake.

### Recommendation 4

*To efficiently and effectively offer outpatient surgeries, we recommend that Ontario Health:*

- *regularly collect information on available capacity and resources, such as staffing, across hospitals with unused or underused operating room time; and*
- *using the information collected, reallocate funding based on the availability of resources and unused operating rooms at hospitals to ensure patients*

*have more timely and equitable access to outpatient surgeries across the province.*

**Status:** In the process of being implemented by December 2023.

### Details

We found in our 2021 audit that hospital operating rooms remain underused. Each hospital independently decided how many hours its operating rooms were used (given its funding and staff resources). The provincial best practice target rate of operating room use is 90%. In 2019/20, approximately 34% of hospitals did not meet the 90% target, meaning that some operating room capacity was left unused. Ontario Health did not formally track reasons for underuse. Based on our discussions with providers of outpatient surgeries, we noted two possible reasons were inadequate planning for operating room use and insufficient resources (such as nurse staffing) to keep the operating rooms running for surgeries.

In our follow-up, we found that Ontario Health initiated Phase 1 of the Surgical Efficiency Targets Program (SETP) Reporting Expansion in the first quarter of 2022/23 to examine evening and weekend utilization of operating room resources for elective surgeries across all SETP reporting facilities in the province. So far, Ontario Health has identified the SETP data elements needed to measure available capacity and resources, has started developing the technical specifications for collecting the data, and has completed a privacy impact assessment. The surgical efficiency data set captures efficiency information about patient treatment throughout the peri-operative period—that is, before, during and after surgery.

In addition, Ontario Health has started to expand SETP reporting to include real-time surgical efficiency and capacity data from operating rooms. It expects to complete this work by December 2023. This will be a key output of the Ministry's Centralized Waitlist Management initiative, as discussed in **Recommendation 2**.

## Inconsistent Use of Outpatient Surgery and Oversight in Ontario

### Recommendation 5

*To increase the use of outpatient surgeries in a safe and cost-effective manner, we recommend that Ontario Health:*

- *work with hospitals on a regular basis to identify challenges and/or barriers to providing more surgeries on an outpatient basis; and*
- *identify and implement practices and methods within established timelines that enable hospitals to perform more surgeries on an outpatient basis when it is safe and appropriate for the patient.*

**Status:** In the process of being implemented by March 2025.

### Details

We found in our 2021 audit that Ontario hospitals employed outpatient surgeries in an inconsistent manner. There were significant differences in the proportion of surgeries being performed on an outpatient basis across hospitals in Ontario. For example, although hospitals performed hernia surgeries in 2019/20 on an outpatient basis on average 95% of the time, one hospital did so only 72% of the time. In another example, gallbladder surgeries were, on average, performed on an outpatient basis in approximately 95% of cases, but one hospital was performing this as an outpatient surgery in only 75% of cases.

In our follow-up, we found that Ontario Health has worked with hospitals on a regular basis to identify challenges or barriers to providing more surgeries on an outpatient basis. For example, Ontario Health has enhanced reporting to support system partners. Specifically, the current Health System Performance and Support surgery report now includes metrics to identify capacity barriers to surgery. The Health System Performance and Support surgery reporting continues to evolve to meet the needs of facilities in response to different system pressures.

The Ministry has also taken actions that will enable hospitals to perform more surgeries on an outpatient basis when it is safe and appropriate for patients. For example:

- In 2021/22, the Ministry provided \$30 million in funding to support 65 surgical innovation projects that will enable hospitals to address barriers to surgical output. These projects included health human resource training, staffing support models, new surgical equipment, renovations to operating room spaces, and process or patient flow improvements, and many of them were aimed at shifting patients from inpatient settings to outpatient surgical care models.
- In 2022/23, the Ministry provided \$7 million in funding to support two surgical innovation funding streams. These streams will enable hospitals to address a number of barriers to providing more surgeries on an outpatient basis and to focus on outpatient surgical care models.
- Planning is also under way to have outpatient arthroplasty procedures completed in community surgical centres in 2023/24. The Ministry anticipates this will increase the number of outpatient procedures that were previously inpatient, where clinically appropriate, by March 2025.

### Recommendation 6

*To modernize the delivery of outpatient surgeries in order to ensure these surgeries can be performed more effectively and cost-efficiently on a timely basis, we recommend that Ontario Health:*

- *collect information and data on a regular basis from hospitals that have used unique methods of delivering outpatient surgeries, such as using dedicated operating rooms;*
- *evaluate, with the assistance of clinical evaluation experts, the quality and cost-efficiency of delivering surgeries through these various methods; and*
- *work with hospitals to develop mechanisms or forums for regular communications and updates so as to facilitate continuous improvements and*

*identify opportunities to innovate the way outpatient surgeries are being delivered across the province.*

**Status: Fully implemented.**

### Details

We found in our 2021 audit that while hospitals made decisions about outpatient surgeries based on their local region and available resources, the Ministry and Ontario Health did not conduct any evaluations to identify which practices and methods were most effective and cost-efficient and whether they could be adopted across Ontario. We also found that best practices for delivering outpatient surgeries were not being reviewed or disseminated across Ontario. Hospitals in Ontario were performing outpatient surgeries in a variety of locations. Some provided surgery at their main hospital sites, some in areas designated as ambulatory hospitals, and some used surgical areas in separate buildings away from main hospital sites.

In our follow-up, we found that Ontario has worked with experts and hospitals to collect information on methods of delivering outpatient surgeries, evaluate the quality and cost-efficiency of these methods, and have regular communications with hospitals to facilitate continuous improvements. For example:

- Ontario Health has engaged with clinical advisory groups to inform, guide, and provide advice on implementing operational and strategic priorities. These groups have met regularly and include surgical and administrative experts, along with Ministry and Ontario Health leadership. Ontario Health and the Ministry leverage these clinical advisory groups to help identify effective models of care, cost-efficiency measures and best practices that can further improve the delivery of outpatient services.
- Ontario Health regions have had ongoing meetings with their health service providers on a regular basis. Moreover, Ontario Health's Recovery Reference Tables (made up of Ministry staff, clinical experts and system provider leadership) have met regularly to discuss surgery, access and flow, the Ministry's Centralized Waitlist Management initiative and pediatric care. These tables



are charged with marshalling a system response to care by monitoring provincial and regional data to balance access to care (including surgical and procedural care) as well as monitoring regional resource availability and supporting collaboration between hospitals, primary care, home and community care, rehabilitation, and other relevant care.

### Recommendation 7

*To offer more cost-effective and timely outpatient surgeries, we recommend that the Ministry of Health, in collaboration with Ontario Health and clinicians:*

- *conduct an evaluation of all outpatient surgery providers, including public hospitals, private hospitals, and independent health facilities, to determine clinical effectiveness and gaps in oversight;*

**Status: Little or no progress.**

### Details

We found in our 2021 audit that outpatient surgeries could be delivered by a variety of providers in Ontario, namely public hospitals, private hospitals, and independent health facilities. However, there was inconsistent oversight and co-ordination amongst these delivery organizations. They operated in silos, followed different reporting requirements, and were overseen by different parties.

In our follow-up, we found that the Ministry has not started implementing this recommended action. The Ministry informed us that it will work on developing options to conduct an evaluation of all outpatient surgery providers, including public hospitals, private hospitals, and independent health facilities, to determine clinical effectiveness and gaps in oversight. It expects this work to be completed by December 2026.

- *require that all service providers (including independent health facilities and private hospitals) report their wait times into the Wait Time Information System;*

**Status: Little or no progress.**

### Details

We found in our 2021 audit that the Wait Time Information System managed by Ontario Health only tracked wait times of surgeries performed at public hospitals and one independent health facility (IHF). As a result, the Ministry and Ontario Health did not have insight into wait times for the other surgeries provided by the remaining nine surgical IHFs and the one private hospital that provided publicly funded outpatient surgeries. These organizations provided a combined total of approximately 7,000 publicly funded outpatient surgeries in 2019/20 (before being affected by COVID-19). We noted that wait times do exist for most surgeries at these providers, but many of them did not formally track surgical wait times for reporting purposes.

In our follow-up, we found that the Ministry has not started implementing this recommended action. The Ministry informed us that it is exploring opportunities with Ontario Health to have the independent health facilities, two private surgical hospitals, and any remaining public hospitals that are not yet reporting their wait-time data to be connected to the Wait Time Information System. It expects to complete this work by December 2026. The Ministry also indicated that it will take into consideration the costs and benefits of these integrations given the time and resources required and the relative surgical output of the facility. Currently, the independent health facilities and private hospitals represent less than 3% of the annual surgical output in the province.

- *revisit the oversight and reporting structures to confirm that all outpatient surgery providers report relevant data and are overseen consistently, and make changes as needed.*

**Status: Little or no progress.**

### Details

We found in our 2021 audit that Ontario Health had accountability agreements with public and private hospitals, and that independent health facilities were directly accountable to the Ministry. Because of this

inconsistency in the way they oversee the various service providers, neither the Ministry nor Ontario Health had a full picture of outpatient surgeries across the province. A similar concern was also previously raised by Health Quality Ontario (now under Ontario Health) in 2015/16.

In our follow-up, we found that the Ministry has not started implementing this recommended action. The Ministry informed us that it will work with Ontario Health to review oversight and reporting structures and make changes as needed. It expects to complete this work by December 2026.

## Inadequate and Inconsistent Monitoring of Quality of Outpatient Surgeries Across Ontario

### Recommendation 8

*To sufficiently monitor and publicly report on the quality of outpatient surgeries, we recommend that Ontario Health:*

- *assess whether the number of hospitals currently participating in programs such as the Ontario Surgical Quality Improvement Network is adequate and whether there are benefits to requiring more hospitals to participate;*

**Status: Fully implemented.**

### Details

We found in our 2021 audit that the Province did not have a centralized way to measure surgical quality and outcomes for all surgeries. Instead, information on aspects of surgical quality and outcomes was being monitored through programs such as the American College of Surgeons' National Surgical Quality Improvement Program (NSQIP), which provided a standardized approach and online platform for capturing surgical clinical outcome data. At the time of our audit, 45 Ontario hospitals were participating in NSQIP on a voluntary basis and were periodically benchmarked against more than 700 hospitals internationally to assess their performance against 14 key

post-surgical outcome indicators. In 2015, the Ontario Surgical Quality Improvement Network (ON-SQIN) was developed to allow hospitals participating in NSQIP to come together to identify opportunities for improving surgical care using clinical data collected from each participating hospital.

In our follow-up, we found that Ontario Health completed an assessment and recommended that large-volume surgical centres participate in both NSQIP and ON-SQIN. Ontario Health recommends participation by hospitals with elective surgical volumes greater than 5,000 cases. This would result in onboarding 10 additional sites for a total estimate of 89% of patients in Ontario having surgery in an ON-SQIN hospital. This recommendation would require additional funding to hospitals to help facilities with local start-up costs and sustain the program's ongoing costs going forward.

- *work with service providers to develop and implement metrics to measure surgical quality of care and outcomes consistently and publicly report on those metrics.*

**Status: In the process of being implemented by September 2025.**

### Details

We found in our 2021 audit that surgical quality and outcomes were not typically monitored separately for inpatient and outpatient surgeries. However, some hospitals did use different methods to compare inpatient and outpatient surgeries, and found positive results. For example, one hospital looked at data on readmission and emergency department visits and noted that only 3% of patients were readmitted to hospital within 15 days following their outpatient surgery. Another hospital performed patient satisfaction surveys and noted an 85% patient satisfaction rate with their outpatient surgery.

In our follow-up, we found that Ontario Health has begun to work with service providers to develop and implement metrics to measure surgical quality of care and outcomes consistently and publicly report on those metrics. In partnership with hospitals participating in the Ontario Surgical Quality Improvement

Network (ON-SQIN), discussed in the first action item of **Recommendation 8**, Ontario Health is developing a data-sharing strategy for the National Surgical Quality Improvement Program (NSQIP) to ensure that data on patient outcomes is available to members of the ON-SQIN.

Ontario Health is also taking a micro-collaborative approach to provide a forum for surgical specialty groups to share their specific NSQIP data results with each other on a voluntary basis. It has begun with neurosurgery in the first quarter of 2023/24 and will expand this to other surgical specialties in subsequent quarters. Ontario Health expects this will be completed by September 2025.

In addition, Ontario Health produces an annual document that summarizes results on selected surgical quality indicators (for example, surgical site infection, urinary tract infection, pneumonia, venous thromboembolism, return to operating room) from participating ON-SQIN hospitals. This document also includes percentage changes from previous years to show whether those indicators are improving or worsening. Within the ON-SQIN, participating hospitals receive a risk-adjusted collaborative performance report on surgical quality indicators.

## No Regular Review and Monitoring of Funding and Billings for Outpatient Surgeries

### Recommendation 9

*To better align funding with the actual cost of providing outpatient surgeries, we recommend that the Ministry of Health:*

- *work with clinical experts to determine accurate ways to capture the costs of providing outpatient surgeries in different settings with regular updates as appropriate in order to avoid over- or underfunding certain types of surgeries;*

**Status:** In the process of being implemented by December 2023.

### Details

We found in our 2021 audit that the Ministry did not adequately track any information on the costs of providing surgeries. The Ministry had implemented the Ontario Case Costing Initiative (OCCI) that tracked the costs of care provided by hospitals (including acute inpatient, day surgery, and ambulatory care cases), but we noted issues with it that prevented reasonable costing analysis.

In our follow-up, we found that the Ministry is reviewing the funding rates for Quality-Based Procedures (including many outpatient surgeries) each year based on changes to the Case Mix Index, which reflects the level of acuity of patients served.

The Ministry also plans to work with Ontario Health and other system stakeholders to determine whether there are more accurate ways to capture data on outpatient surgery costs. As part of this work, the Ministry aims to determine whether the costs associated with collecting such data outweigh the benefits. Currently, only a few small hospitals have implemented OCCI because of the considerable technology and staff resources required to implement it. The Ministry expects to complete this work by December 2023.

- *conduct regular reviews (such as every five years) of costing information submitted by different providers of outpatient surgeries to determine the need to adjust funding to identify potential efficiencies and savings.*

**Status:** In the process of being implemented by December 2023.

### Details

In our 2021 audit, we noted issues that prevented reasonable costing review and analysis from being done at a provincial level. For example, reporting information to OCCI was not mandatory and fewer than half of the hospitals in Ontario reported into it. We also reviewed surgical funding provided to independent health facilities and noted that the Ministry did not perform any costing analysis to determine whether the historical

funding aligns with the current costs of offering outpatient surgeries at these facilities.

In our follow-up, we found that the Ministry has updated funding annually for outpatient non-quality-based procedures via the Ministry's Growth and Efficiency Model. To encourage efficiencies and savings, several procedures are funded using a blended rate that includes both inpatient and outpatient procedures; this encourages providers to shift to more cost-efficient outpatient settings where clinically appropriate.

In addition to reviewing funding rates for quality-based procedures (QBP) based on changes to the Case Mix Index (as discussed in the first action item of **Recommendation 9**), the Ministry has also established a process to conduct regular reviews of the base rates (that is, the provincial average cost per weighted case) for all QBPs. The results will be brought forward to the Hospital Advisory Committee Funding Methodologies Advisory Sub-committee for its review and feedback. The sub-committee will then bring the recommendation (for example, the selected option and timeline for implementation) to the Hospital Advisory Committee for endorsement. These reviews will be conducted every five years.

The Ministry has transferred the OCCI to Ontario Health. Ontario Health will work with other system stakeholders to determine whether there are more accurate ways to capture data on outpatient surgery costs. As part of this work, the Ministry aims to determine whether the costs associated with collecting such data outweigh the benefits. Currently, only a few small hospitals have implemented OCCI because of the considerable technology and staff resources required to implement it. The Ministry expects to complete this work by December 2023.

### Recommendation 10

*To prevent and deter inappropriate billing for outpatient surgeries, we recommend that the Ministry of Health:*

- *monitor surgical billing data on a regular basis to identify red flags and risks that warrant further reviews;*

- *conduct timely reviews when unreasonable or unusual trends are noted;*

**Status: Fully implemented.**

### Details

We found in our 2021 audit that the Ministry did not sufficiently review unusual billing patterns of physicians providing publicly funded outpatient surgeries. For example, four ophthalmologists each billed the Ministry from \$860,000 to almost \$1.1 million in 2019/20. Each of them performed more than 2,000 cataract surgeries that year with a maximum number of cataract surgeries in a single day ranging from 34 to 47. Subsequent to our audit work, the Ministry completed a broad review that included these four ophthalmologists. However, we noted that the review only looked at their billing of cataract surgery on the same day (and did not look at payments for other insured services such as assessments and testing), and only resulted in education letters being sent to the ophthalmologists clarifying when this billing is eligible.

In our follow-up, we found that the Ministry has used analytical tools to monitor surgical billings on a regular basis to identify red flags and risks, and select claims for reviews. Apart from using analytical tools, the Ministry also identified billing concerns through tips or complaints from the public, health-care employees, other physicians, government program areas or regulatory bodies, including the College of Physicians and Surgeons of Ontario (College). The Ministry completed 46 post-payment audits in 2022/23. As part of its commitment to continuous improvement, the Ministry will continue to explore new analytical software to streamline monitoring now and in the future.

When billing concerns were noted, we found that the Ministry conducted reviews based on the information provided on a timely basis. If a concern was raised after payment was already made, the Ministry opened an audit to investigate the historical billings. However, it did not continuously monitor one specific type of billing data to flag potential future issues. Generally, the entire audit process takes less than 12 months to complete. Based on our review of the 46 post-payment audits in 2022/23, all of them were completed within

12 months, with almost 90% (41 audits) completed within six months.

- *collaborate with the College of Physicians and Surgeons of Ontario to evaluate the clinical quality of surgeries and care being provided by surgeons with unreasonable patient activity and billings, and identify and initiate the appropriate actions required.*

**Status:** Fully implemented.

### Details

We found in our 2021 audit that the College of Physicians and Surgeons of Ontario (College) had neither the mandate nor the information to use physician activity or billings as a basis for selecting physicians for a review. Even though the College has a legislated mandate to ensure quality care is provided by physicians, it was often not informed of billing concerns until after the Ministry had already selected a physician for an audit, or until a complaint or tip was submitted directly to the College. The Ministry did not proactively identify possible wrongdoing using unusual patient visit and billing patterns and share this information with the College.

In our follow-up, we found that the Ministry has referred physicians to the College if it has suspected issues regarding patient safety or standards of practice. The Ministry has also further collaborated with the College on any follow-up questions regarding the referral. In 2022/23, the Ministry referred 15 physicians to the College for further investigations.

## No Provincial Oversight to Protect Patients Against Inappropriate Charges for Publicly Funded Surgeries

### Recommendation 11

*To prevent and deter inappropriate patient charges while protecting the Province's commitment to funding medically necessary surgeries, we recommend that the Ministry of Health:*

- *assess and evaluate the feasibility of collecting data on the prices of fees that some surgeons are charging to patients on top of OHIP-covered surgeries as well as on collecting data on patients that are being charged these fees;*

**Status:** Little or no progress.

### Details

During our 2021 audit, to gain further insight and assess the extent of misleading sales practices and price discrepancies between providers, we engaged a professional research firm to carry out “mystery shopping” by making 80 phone calls to a total of 25 providers and clinics offering outpatient surgeries, especially cataract surgery. We noted that it was very difficult for the average consumer to obtain complete pricing information. Almost all clinics that the mystery shoppers contacted said that no pricing lists could be shared without undergoing a consultation.

In our follow-up, we found that the Ministry has not started implementing this recommended action. The Ministry is beginning to explore the feasibility of collecting data on the fees that some surgeons are charging to patients for uninsured services performed in conjunction with OHIP-insured surgeries, as well as data on patients that are being charged these fees, as permitted in accordance with any relevant privacy legislation. The Ministry indicated that it will continue to review what is within the Ministry's purview and authority with respect to this recommendation and determine what would be appropriate action.

- *identify tools that can be used to inform Ontarians about cataract surgeries and prevent inappropriate charges to patients;*

**Status:** Little or no progress.

### Details

We found in our 2021 audit that while medically necessary outpatient surgeries were entirely covered through OHIP, add-ons for some surgeries were commonly available to patients for an added fee. Cataract surgery was the specialty area with the highest risk of misleading sales practices. Specifically, our review

of patient complaints submitted to Ontario's Patient Ombudsman and to the Ministry found that patients often complained about being charged after receiving a publicly funded cataract surgery because they were misinformed of their right to receive standard surgery free of charge through OHIP without any add-ons.

In our follow-up, we found that the Ministry has not started implementing this recommended action. The Ministry is working to identify tools that may be used to inform Ontarians about cataract surgery and inappropriate charges related to insured cataract surgical services. Specifically, the Ministry is reviewing communication materials to determine whether updates are needed. The Ministry indicated that it will continue to review what is within the Ministry's purview and authority with respect to this recommendation and determine what would be the appropriate actions.

- *in collaboration with the College of Physicians and Surgeons of Ontario, take disciplinary action against physicians and organizations found to have misinformed, or failed to inform, patients of their right to a fully covered OHIP surgery.*

**Status:** Little or no progress.

### Details

We found in our 2021 audit that the Ministry did not proactively monitor the practices of surgeons and clinics to confirm that patients were being adequately informed about their right to receive a fully covered surgery without the need to pay out of pocket. Instead, the Ministry typically relied on the patient complaints it received to identify inappropriate practices by surgical clinics, but this method was reactive and ineffective in protecting patients who are unaware that they could receive an OHIP-covered surgery without the need for paying any out-of-pocket costs.

In our follow-up, we found that the Ministry has not started implementing this recommended action. The Ministry informed us that it supports encouraging the College of Physicians and Surgeons of Ontario (College) to consider whether it is appropriate under its mandate to take action against physicians and organizations that have been found to have

misinformed, or failed to inform, patients of their right to a fully covered OHIP surgery. The Ministry is preparing to engage with the College with respect to insured cataract surgery. The Ministry indicated that it will continue to review what is within the Ministry's purview and authority with respect to this recommendation and determine what would be the appropriate actions.

### Recommendation 12

*If actions continue to be taken to expand the use of for-profit private clinics in the performance of cataract surgeries, we recommend that the Ministry of Health:*

- *engage with health-care providers and key stakeholders to determine the risks and benefits of the current call for applications process;*

**Status:** In the process of being implemented by December 2024.

### Details

We found in our 2021 audit that the Ministry issued a call for applications in 2000 for cataract surgery providers, with a plan to increase the volume of cataract surgeries funded. We found that while there were benefits to providing more outpatient surgeries in the community (such as through independent health facilities) rather than in a hospital, there were also concerns and risks about the use of more for-profit cataract surgery centres. More specifically, there was a higher risk that privately owned organizations may prioritize profits by charging patients for add-ons, and those charges would not be adequately monitored and scrutinized by the Ministry because they did not affect public funding, resulting in no protection of patients' interests.

In our follow-up, we found that the Ministry has engaged Ontario Health throughout the call for applications (CFA) process for cataract surgeries. Ontario Health has undertaken broader engagement with its network of health-care providers in providing feedback and information to the Ministry at each stage of the process. The Ministry will continue engagement with key partners through to December 2024.

The CFA process for cataract surgeries has been completed. The government announced the outcomes of the process as part of the Premier's announcement on January 16, 2023, regarding Ontario reducing wait times for surgeries and procedures.

To protect patients, the CFA process for cataract surgeries required applicants to demonstrate how insured persons will be made aware of what cataract surgeries are available, fees for uninsured optional services, and how applicants intend to obtain consent for any charges for uninsured services. These requirements are included in transfer payment agreements for any new licences.

- *implement additional oversight mechanisms to protect patients against possible misleading sales practices and inconsistent policies.*

**Status:** In the process of being implemented by December 2024.

### Details

We found in our 2021 audit that there continued to be concerns about patients being charged for unnecessary services without being adequately informed of their right to receive OHIP-covered surgery, and about surgeons billing for unnecessary procedures. While these issues were not specific to independent health facilities, the Ministry was putting patients at greater financial risk by allowing more private organizations to provide publicly funded surgeries while also allowing them to charge patients directly for additional uninsured services and make a profit without appropriate oversight mechanisms in place.

In our follow-up, we found that the Ministry has started implementing additional oversight mechanisms to protect patients against possible misleading sales practices and inconsistent policies. In particular, the Ministry is working with Ontario Health and other health sector partners on protecting patients who receive services from community surgical and diagnostic centres. In May 2023, *Your Health Act, 2023*, was passed and is awaiting proclamation. Once proclaimed into force, this legislation would repeal the *Independent Health Facilities Act* and replace it with new

legislation, the *Integrated Community Health Services Centres Act, 2023*, which is intended to support a more integrated health system to deliver more connected and convenient care. The legislation and regulations, once enacted, will require licensed facilities to post prescribed information. An application for a licence will also require an applicant to provide a detailed description of the processes for providing information and obtaining patient consent in connection with any charges for uninsured services.

The Ministry will continue to engage with key partners as the legislation is implemented and potential calls for applications are issued. It expects to complete this work by December 2024.

## COVID-19 Continues to Impact Outpatient Surgeries

### Recommendation 13

*To efficiently and effectively clear the backlog of outpatient surgeries, we recommend that the Ministry of Health:*

- *collect information on a regular basis from the existing outpatient surgery providers, including public hospitals, independent health facilities, and private hospitals to determine unused capacity without the need for additional public funding for capital costs;*

**Status:** In the process of being implemented by December 2025.

### Details

We found in our 2021 audit that though the Ministry started taking steps to address the surgical backlog by providing \$216 million in one-time funding to extend operating room hours at public hospitals and perform up to an additional 67,000 surgeries, there continued to be unused or underused capacity across different types of outpatient surgery providers. For example, cataract operations at Kensington Eye Institute (an independent health facility) in 2019 were at approximately 50% capacity due to funding limits.

In our follow-up, we found that Ontario Health's Surgical Efficiency Targets Program has collected data from hospitals on key surgical efficiency metrics, including the degree to which hospitals are leveraging operating room time. Information on available surgical capacity and resources in hospitals has also been collected and discussed at Ontario Health's five regional Surgical Recovery Tables.

The Ministry will work to collect information on a regular basis from other outpatient surgery providers (the independent health facilities and the one private hospital that does provides outpatient surgeries). Expansion of real-time surgical efficiency and operating room capacity reporting will be a key output of the multi-year Centralized Waitlist Management initiative between 2022 and 2025. Therefore, the Ministry expects to complete this recommended action by December 2025.

- *allocate any additional surgical volumes and associated funding to providers using a multiyear funding agreement to clear the surgical backlog with established timelines.*

**Status: In the process of being implemented by December 2025.**

### Details

We found in our 2021 audit that available health-care system capacity was not being fully used to help clear surgery backlogs. While some providers of outpatient surgeries continued to have unused capacity available, they were not able to provide additional surgeries. This was often due to constraints around funding and resources (that is, staffing) and/or predetermined surgical volumes that limited the number of insured surgeries a provider could perform. We also heard that there was a lack of clarity around future funding. For example, one provider indicated that it could provide additional capacity, but in order to do so, it would have to incur capital costs that would not be reimbursed by the Ministry. Incurring these capital costs without any guarantee of future funding makes it too risky for providers to provide additional capacity.

In our follow-up, we found that the Ministry has pursued multi-year funding to enable health system providers to address key health-care recovery challenges. The Ministry has also allocated additional surgical volumes and funding in various aspects of the surgical system in 2020/21, 2021/22 and 2022/23 to increase surgical output, address the wait-time challenges, and improve health outcomes for Ontarians. Specifically:

- In 2020/21, \$283.7 million was allocated to support surgical and diagnostic imaging recovery, which allowed hospitals to conduct over 450,000 scheduled surgeries in fully equipped operating rooms as the Province dealt with pandemic waves.
- In 2021/22, the Ministry invested an additional \$324 million to enable Ontario's hospitals and the community health sector to perform more surgeries, MRI and CT scans, and procedures. The Ministry's 2021/22 investments have supported the training of up to 600 operating room and post-anesthesia-care nurses, as well as upgraded equipment for 84 operating and procedures rooms to increase throughput and efficiencies moving forward.
- In 2022/23, the Ministry invested \$300 million as part of the Province's Surgical Recovery Strategy to increase capacity and to build a strong and resilient health-care system. The investments included funding to increase surgical and diagnostic output, train surgical staff, and establish new and innovative initiatives that will increase surgical capacity across the province.

The Ministry plans to provide additional investments in 2023/24 to further support surgical recovery. It expects to fully implement this recommended action by December 2025.