

Chapter 2

Section 2.01

Ministry of Health
 Ministry of Long-Term Care
 Ministry for Seniors and Accessibility
 Treasury Board Secretariat

Follow-Up on 2021 Value-for-Money Audit: Management of Health-Related COVID-19 Expenditures

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		Fully Implemented	In the Process of Being Implemented	Little or No Progress	Will Not Be Implemented	No Longer Applicable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	3	3				
Recommendation 2	1	0.5		0.5		
Recommendation 3	1					1
Recommendation 4	1	0.4	0.6			
Recommendation 5	1					1
Recommendation 6	1					1
Recommendation 7	2	2				
Recommendation 8	2					2
Recommendation 9	2	1				1
Recommendation 10	2	2				
Recommendation 11	1	1				
Recommendation 12	1					1
Total	18	9.9	0.6	0.5	0	7
%	100	55	3	3	0	39

Overall Conclusion

The Ministry of Health; Ministry of Long-Term Care; Ministry for Seniors and Accessibility; and the Treasury Board Secretariat, as of November 17, 2023, have fully implemented 55% of actions we recommended in our 2021 *Special Report*. In addition, the Ministry of Health and Ministry of Long-Term Care have made progress in implementing an additional 3% of the

recommended actions. However, the Ministry of Health has made little progress on 3% of the recommended actions.

As many of the time-limited COVID-19 initiatives addressed in our 2021 audit have concluded, or evolved and were integrated into broader ongoing operations, a further 39% of our recommendations are no longer applicable.

The Ministry of Health has fully implemented recommendations such as returning to the consistent

use of open competitive procurements; obtaining Treasury Board/Management Board of Cabinet (TB/MBC) approval prior to disbursing funds in excess of approved amounts; finalizing agreements with service providers and transfer-payment recipients; and amending these agreements to take into account the impact of the COVID-19 pandemic, where applicable. In addition, the Treasury Board Secretariat had fully implemented the recommendation that relates to developing a summary reporting template for standard status reporting on COVID-19 initiatives. Further, the Ministry for Seniors and Accessibility had fully implemented the recommendation to implement a process to identify and recover potential overpayments that may have arisen as a result of the initiative to provide eligible front-line workers with a temporary wage increase (pandemic pay).

Recommendations that are no longer applicable include developing and communicating criteria for time-limited COVID-19 initiatives that have concluded (Ministry of Health); separately tracking and reporting spending that resulted from the increased utilization of programs due to the COVID-19 pandemic, such as in-home oxygen therapy (Ministry of Health); and meeting announced COVID-19 commitments in a timely way (Ministry of Health, Ministry of Long-Term Care and Ministry for Seniors and Accessibility).

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

Background

This audit was one in a series of reports undertaken by our Office on the Province's response to the Coronavirus Disease 2019 (COVID-19), and looked at 26 health-related initiatives totalling over \$4.4 billion that were authorized by the Treasury Board/Management Board of Cabinet (TB/MBC) between March 16, 2020, and June 30, 2020.

Our work was conducted to obtain an understanding of how expenditures were being handled in the early stages of the pandemic, and focused on whether appropriate processes were in place for authorizations,

payment and oversight to manage announced COVID-19 expenditures. The responsibility for distributing and/or managing these funds was delegated to the following ministries: Health, Long-Term Care, Seniors and Accessibility, Solicitor General, and Government and Consumer Services (now the Ministry of Public and Business Service Delivery).

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

Some of our significant findings were:

- The Ministry of Health entered into a sole-sourced contract with a consulting firm to support expanded COVID-19 laboratory testing to a maximum of \$3.99 million. While sole-sourced arrangements are permitted in situations of unforeseen urgency, this arrangement was established before receiving approval from TB/MBC. Further, the contract with this vendor was not signed until six weeks after the work commenced.
- The Ministry of Health entered into a sole-sourced arrangement to acquire 130 million N95 masks through a US-based company for \$1.2 billion. This contract was later cancelled after the supplier missed the delivery deadlines.
- Public Health Ontario entered into a sole-sourced arrangement, making a \$10-million deposit to acquire 945,000 COVID-19 test kits from Spartan Bioscience Inc. (Spartan), prior to receiving approval from TB/MBC. While the \$10-million deposit was refundable if Health Canada approval was not obtained for the test, the Ministry of Health did not specify a time frame for obtaining this approval and the deposit was not returned to

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

- For in-home oxygen therapy, the Ministry of Health had not determined when it would reinstate the normal eligibility criteria (such as a test that measures the level of oxygen in a person's blood) and the verification process (including identifying and recovering overpayments made to vendors for deceased patients and verifying vendors' proof of services to patients), both of which had been waived in response to the COVID-19 pandemic. We also noted that the Ministry of Health was not able to track expenditures for in-home oxygen due to COVID-19 versus routine requests.
- The Ministry of Health had not determined when it would end temporarily waiving the standard Ontario Health Insurance Plan (OHIP) three-month waiting period for new OHIP recipients and for people returning to the province after an extended absence, who would normally be eligible for OHIP coverage.
- In April 2020, the Province announced that pandemic pay would begin to flow immediately; however, the ministries of Health, Long-Term Care, and for Seniors and Accessibility did not distribute funding for pandemic pay until June–July 2020. These ministries did not track when

eligible front-line workers received pandemic pay, and did not have plans in place to verify that only those eligible received pandemic pay. In addition, the Ministry of Health did not report back to TB/MBC by the deadline on the pandemic pay initiative.

We made 12 recommendations, consisting of 18 action items, to address our audit findings. We received commitment from the Ministry of Health; Ministry of Long-Term Care; Ministry for Seniors and Accessibility; and the Treasury Board Secretariat that they would take action to address our recommendations.

Status of Actions Taken on Recommendations

We conducted assurance work between April 2023 and October 2023. We obtained written representation from the Ministry of Health; Ministry of Long-Term Care; Ministry for Seniors and Accessibility; and the Treasury Board Secretariat that effective November 17, 2023, they have provided us with a complete update of the status of the recommendations we made in the original audit two years ago.

Funds for Almost All Initiatives Authorized and Approved Before Implementation

Recommendation 1

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

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

Status: Fully implemented.

Details

In our 2021 audit, we found that the Ministry of Health (Ministry) exceeded the approved limit for advances to eligible OHIP billers by \$156.3 million without obtaining prior approval from TB/MBC. In addition, the Ministry had not returned to TB/MBC to seek retroactive approval for exceeding the approved limit. We also found that the Ministry did not receive TB/MBC approval for its plans to use the 2020/21 approved funding, intended to increase hospital capacity and open assessment centres, to cover expenses of the prior fiscal year. In addition, we found that the Ministry exercised its ability to contract or engage with a vendor prior to receiving the approval of TB/MBC, as permitted in situations of unforeseen urgency.

In our follow-up, we found that, in September 2022, the Ministry issued a communication to its senior leadership reinforcing the importance of obtaining appropriate TB/MBC approval prior to disbursing funds, and for obtaining retroactive approval promptly should spending exceed approved amounts. This communication also reiterated the expectation that agreements should be finalized and executed prior to implementing the initiative or activity and disbursing funds.

Further, the Ministry advised us that there had been no instances of spending in excess of approved amounts without prior TB/MBC approval since the date of our audit report.

Eligibility Controls Not Always Rigorous

Recommendation 2

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

Status: In-home oxygen therapy – Fully implemented.

OHIP waiting period – Little or no progress.

Details

In our 2021 audit, we looked at 26 health-related initiatives totalling \$4.4 billion. Among these initiatives, we found two instances of eligibility requirements being modified or waived temporarily due to the COVID-19 pandemic.

In the first instance, we found that, during the pandemic, the Ministry of Health (Ministry) temporarily waived the normal eligibility criteria for in-home oxygen therapy (such as a test that measures the level of oxygen in a person's blood). While this decision made in-home oxygen therapy more accessible, it also increased the risk that the Province would be required to cover the costs for treatments, even if the treatments were not medically required. At the time of our audit, the Ministry had not established a time frame for reinstating the normal eligibility criteria.

In the second instance, we also found that, effective March 2020, the Ministry waived the three-month waiting period for new Ontario Health Insurance Plan (OHIP) recipients and for people returning to the province after an extended absence, who would normally be eligible for OHIP coverage. This initiative was intended as a temporary measure to help people access COVID-19 screening and treatment. Although the Ministry of Health stated its intention to reinstate the three-month waiting period, we found that it had not determined when it would be appropriate to end this waiver.

In our follow-up, we found that, in May 2021, the Ministry updated its policy with respect to the temporary waiver of eligibility requirements for in-home oxygen therapy. For in-home oxygen therapy initiated on or after September 1, 2021, first-time applicants are required to show that they meet the medical eligibility criteria.

However, the Ministry has not reinstated the three-month waiting period for new OHIP recipients and for people returning to the province after an extended absence, who would normally be eligible for OHIP coverage. The Ministry of Health is evaluating the impact of the permanent removal of the three-month waiting period. No decision has been made as of November 17, 2023.

Recommendation 3

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

Status: No longer applicable.

Details

Our 2021 audit found that, in March 2020, the Province committed up to \$100 million in funding to reimburse public health units and Public Health Ontario for one-time extraordinary costs for monitoring, detecting and containing COVID-19. We noted that the Ministry of Health (Ministry) did not communicate which incremental costs would be eligible for reimbursement to Public Health Ontario until July 2020, and to the 34 public health units until August 2020. At the time of our audit fieldwork, the Ministry was still determining the process for the review of reimbursement submissions for the disbursement of funds.

In our follow-up, we found that the Ministry provided additional guidance to public health units on the eligibility of COVID-19 extraordinary and incremental costs as the pandemic progressed, but did not clearly define all eligible and non-eligible costs. In an August 2020 communication to public health units, the Ministry provided five categories of eligible COVID-19 costs, at the same time indicating that other costs might also be eligible for reimbursement. In November 2021, the Ministry expanded its guidance to public health units to include examples of costs that are not eligible for reimbursement, such as lost revenues due to COVID-19 and costs reimbursable from other sources, but indicated that this list was not exhaustive.

The Minister of Health, in a memo dated September 29, 2022, announced the end of this initiative, effective December 31, 2023. As such, this recommendation is no longer applicable.

Our audit also found that the Province committed up to \$341 million in March 2020 to cover incremental costs incurred by hospitals in assessing and treating COVID-19 patients. At the time of our audit, the Ministry of Health had received almost \$743 million in claims for reimbursements from hospitals, but had not

developed an evaluation process or criteria for determining how much each hospital should be reimbursed. In fact, two of the five health regions refused to sign an attestation that they had reviewed and approved the expenses for reimbursement, on the basis that the Ministry did not provide specific criteria to assess eligibility for reimbursement. The absence of eligibility criteria increased the risk that the Ministry would reimburse ineligible expenses or incorrect amounts.

The Ministry, in a June 2022 communication to public hospitals across Ontario, announced the discontinuation of the claims-based reimbursement process for incremental COVID-19 costs incurred by hospitals, effective July 1, 2022. As the claims-based reimbursement process is no longer in effect, there is no longer a need to define the related eligibility criteria.

Recommendation 4

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

Status: Ambulance and related dispatch services – In the process of being implemented by March 2024.

In-home oxygen therapy – Fully implemented.

Pandemic pay (Ministry of Health) – In the process of being implemented by December 2024.

Pandemic pay (Ministry of Long-Term Care) – In the process of being implemented by early 2024.

Pandemic pay (Ministry for Seniors and Accessibility) – Fully implemented.

Details

In our 2021 audit, we found that for five of the 26 initiatives we examined, the ministries of Health, Long-Term Care, and for Seniors and Accessibility did not have robust eligibility controls in place to prevent ineligible payments, or to detect and recover overpayments.

For one initiative, we found that, in March 2020, \$77 million was approved by the Ministry of Health (Ministry) to fund extraordinary costs incurred for ambulances and related dispatch services, specifically

related to COVID-19 preparation and response activities. We found that eligible recipients submitted an estimated total of \$90.6 million in eligible costs for March 2020 and estimated expenses for the 2020/21 fiscal year, exceeding the approved funding by \$13.6 million. At the time of our audit fieldwork, the Ministry had determined that it would provide funding on a reimbursement basis, but had not yet developed a process for establishing how the approved funding would be allocated to eligible recipients or how overpayments would be identified and recovered.

In our follow-up, we found that the Ministry required that eligible recipients track and report eligible expenses, along with supporting documentation for expenses incurred. In January 2021, eligible costs were communicated to eligible recipients and included:

- salaries and wages for duties performed that were directly related to the COVID-19 pandemic;
- COVID-19-related training; and
- equipment, materials and supplies related to COVID-19, including personal protective equipment, powered air purifying respirators with hood barriers and other medical equipment, medication and other supplies, and specified modifications to ambulances and work spaces.

The claims-based reimbursement period for this initiative ended March 31, 2023. Any COVID-19-related expenses that arose after that date were considered as part of the Ministry of Health's ongoing operational expenditures (see **Recommendation 12**).

The Ministry is now in the process of identifying and recovering any related overpayments. To determine whether an overpayment occurred, the total funding provided is compared to the eligible expenses reported by recipients. If funding exceeds eligible costs, the Ministry will initiate a process to recover the excess amounts through the ongoing system of transfer payments. The Ministry expects to complete the process of identifying and recovering overpayments by March 31, 2024.

For a second initiative, we found that, in March 2020, the Ministry paused the normal post-payment verification processes for the in-home oxygen program. For example, the Ministry paused the process for identifying and recovering overpayments made to vendors

for deceased patients and verifying vendors' proof of services to patients. At the time of our original audit fieldwork, the Ministry had not yet determined a date when it expected to resume post-payment verification activities.

In our follow-up, we found that, in October 2020, the Ministry resumed the process of identifying and recovering vendor overpayments.

The three remaining initiatives without robust eligibility controls related to pandemic pay. Our audit found that, in April and June 2020, the Province approved more than \$1.2 billion (combined) for a temporary wage increase for eligible front-line workers due to COVID-19 ("pandemic pay"). Eligible front-line workers included those in hospitals, paramedic services, public health units, home and community care, social services congregate care settings, mental health and addictions services, correctional services, long-term-care homes and retirement homes. These workers received a \$4-an-hour pay increase from April 24, 2020 to August 13, 2020.

In our audit, we found that the Ministry of Health advanced funds to hospitals, public health units and paramedics before determining how much pandemic pay was earned by eligible front-line workers. Similarly, the Ministry of Long-Term Care advanced funds to long-term-care homes before amounts earned by eligible employees were reported. Amounts advanced to these employers were based on preliminary estimates of pandemic pay that were determined using historical data. In comparison, the Ministry for Seniors and Accessibility used a reimbursement model, meaning that funds were only advanced to retirement homes after a summary of pandemic pay earned in the period was provided to the Ministry for Seniors and Accessibility. All three ministries required employers to prepare summaries of the pandemic pay earned using a pre-approved format. At the time of our audit fieldwork, the ministries had not determined the extent to which they would review pay records to verify that funding only went toward pandemic pay for eligible front-line workers, and had not identified and recovered overpayments, in accordance with the terms of this initiative.

In our follow-up, we found that the ministries of Health and Long-Term Care are in the process of

identifying and recovering overpayments. Eligible employers in the health-care sector and long-term-care homes are required to file a report with these ministries to demonstrate how pandemic pay expenditures were reconciled to pandemic pay funding and to identify potential overpayments. The ministries of Health and Long-Term Care are using existing funding relationships to recover overpayments. These ministries are expected to complete the process of identifying and recovering overpayments by December 2024 and early 2024, respectively.

The Ministry for Seniors and Accessibility reviewed all monthly pandemic pay submissions by retirement homes to determine whether there were any discrepancies, corrections or overpayments. Any overpayment identified during these reviews was recovered from a subsequent payment to the retirement home. The Ministry for Seniors and Accessibility confirmed that all related overpayments to retirement homes were recovered.

The Ministry for Seniors and Accessibility further identified 21 retirement homes that were at higher risk for inaccurate submissions. In these cases, the Ministry performed additional oversight procedures on the first submission by requesting that the retirement home provide documentation (for example, pay stubs) to demonstrate that eligible employees had received pandemic pay.

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

Recommendation 5

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

Status: No longer applicable.

Details

Our May 2021 audit found that, in April 2020, the Province announced that pandemic pay would flow to

eligible front-line health-care workers “immediately.” However, funding to employers of these workers did not begin to flow until June 15, 2020, and in some cases, not until July 9, 2020. While employers were responsible for providing pandemic pay to front-line workers, the delay of approximately two months between the date of the announcement and the dates that the ministries of Health, Long-Term Care, and for Seniors and Accessibility began to flow funds to employers had an impact on the timing of payments to eligible front-line workers.

In our follow-up, we found that the initiative to offer pandemic pay to eligible front-line health-care workers was not extended past the original end date of August 13, 2020, or subsequently renewed. As such, our recommendation is no longer applicable. Should there be similar payments in the future, we encourage the ministries of Health, Long-Term Care, and for Seniors and Accessibility to meet their commitments within the time frame announced.

Monitoring and Reporting Procedures on COVID-19 Expenditures Are Insufficient

Recommendation 6

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

Status: No longer applicable.

Details

In our May 2021 audit, we found that the Ministry of Health was not able to track in-home oxygen therapy expenditures that resulted from increased utilization of the program due to COVID-19, versus routine requests.

In our follow-up, we found that, effective September 1, 2021, the Ministry of Health (Ministry) eliminated the requirement to indicate a COVID-19 diagnosis on the application for in-home oxygen therapy. As a result, the Ministry is not able to identify and track in-home oxygen therapy expenditures

attributable to a COVID-19 diagnosis. However, given the progression of the pandemic since our 2021 audit report, utilization of in-home oxygen therapy due to COVID-19 may no longer be a significant cost consideration. According to statistics provided by the Ministry of Health, intensive care unit admissions in Ontario due to COVID-19 fell over 95% between May 2021 and August 2023, from 4.44 admissions per 100,000 people to 0.18 admissions per 100,000 people. This provides a strong indication that the severity of the COVID-19 virus has declined since the time of our audit report, which would signal a corresponding decrease in intensive medical treatments such as in-home oxygen therapy.

Recommendation 7

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

- *TB/MBC develop a summary reporting template that can be used for standard status reporting on COVID-19 initiatives;*

Status: Fully implemented.

Details

At the time of our audit fieldwork, the Ministry of Health did not have a standard summary template for reporting back to TB/MBC on COVID-19-related initiatives.

In our follow-up, we found that TB/MBC developed and implemented a summary template for standard status reporting on COVID-19 initiatives that includes key details, such as: amounts approved; amounts spent; funding recipient details; and controls and monitoring measures implemented to ensure that payments are being made appropriately and cost-effectively.

- *the Ministry of Health and Ministry of Long-Term Care report required information before reporting deadlines.*

Status: Fully implemented.

Details

In our May 2021 audit, we found that in seven instances, the Ministry of Health and Ministry of Long-Term

Care missed at least one deadline to report back to TB/MBC and no extension to the deadline had been granted. Timely and complete reporting to TB/MBC is important to provide good information for decision-making.

In our follow-up, we found that the Ministry of Health and Ministry of Long-Term Care implemented a process to identify potential delays in reporting prior to the deadline. As part of this process, if a potential delay is identified, the ministries would send a request to the Chair of TB/MBC asking for a deferral, along with a proposed revised deadline and a rationale for the delay.

Recommendation 8

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

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

Status: No longer applicable.

Details

At the time of our audit fieldwork, we found that the Ministry of Health and Ministry of Long-Term Care generally did not report actual spending as required by TB/MBC. The amounts reported to TB/MBC did not differentiate between what was spent and what was committed for future spending. Actual spending shows that an initiative with expected benefits to Ontarians is underway at a point in time, while a commitment to spend by itself may show little to no actual progress. As the pandemic unfolded, it was important to ensure that amounts spent were presented accurately to assist elected officials in interpreting information and making good decisions.

In our follow-up, we found that, as the COVID-19 pandemic evolved, ongoing COVID-19-related activities, such as testing and vaccination, were integrated into routine operational spending and no longer reported separately for budgeting purposes. At the time of our follow-up, the Province determined that there was no longer a need to track and report spending and commitments for COVID-19 initiatives separately. If the Province encounters another major outbreak or event that involves the dedication of significant financial resources, all ministries and TB/MBC should consider establishing processes to separately track and report amounts committed and spent.

Recommendation 9

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

- *recover from entities/agencies unspent funds related to COVID-19 initiatives that are significantly delayed or cancelled;*

Status: No longer applicable.

Details

Our 2021 audit found that the Province transferred over \$24 million to Public Health Ontario for the acquisition of COVID-19 test kits from Spartan Bioscience Inc. (Spartan). Of this amount, \$10 million was paid to Spartan as a deposit in March 2020. The procurement was paused when Health Canada rescinded its approval of the test kits for clinical use in May 2020. Subsequent to our audit fieldwork, Public Health Ontario cancelled the agreement with Spartan in a letter dated November 24, 2020, and requested the return of the \$10-million deposit.

In our follow-up, we found that Spartan did not refund the \$10-million deposit. On April 5, 2021, Spartan declared insolvency and, subsequently, on June 20, 2021, made an application to continue proceedings under the federal *Companies' Creditors Arrangement Act* (CCAA). A court-supervised sale of Spartan's assets was approved on September 3, 2021. The bankruptcy of Spartan took place three months later, on December 1, 2021. A preliminary report by

Spartan's trustees, dated December 17, 2021, shows that Spartan had no remaining assets or operations. While Public Health Ontario took legal action to recover the deposit by submitting a proof of claim for evaluation by the trustee in bankruptcy on March 1, 2022, there remains little chance of recovery.

- *require that the Ontario Agency for Health Protection and Promotion (Public Health Ontario) specify a time frame in the purchase agreement for regulatory approval when acquiring an unproven technology, such that the province can recover funds if regulatory approval is not obtained in a timely manner.*

Status: Fully implemented.

Details

Our May 2021 audit found that while the Public Health Ontario agreement with Spartan stated that the \$10-million deposit was refundable if Health Canada approval was not obtained, no time frame was specified in the purchase order for obtaining this approval, and Spartan continued to seek Health Canada approval. Public Health Ontario did not cancel the agreement until November 2020 and requested the return of the \$10-million deposit.

In our follow-up, we found that, on April 1, 2021, the Ministry of Health amended the funding agreement with Public Health Ontario to require that Public Health Ontario specify a time frame in purchase agreements for obtaining regulatory approval, when acquiring an unproven technology.

Recommendation 10

We recommend that the Ministry of Health:

- *finalize transfer payment agreements with the entities working on the Health Data Platform, and monitor the progress and performance of these entities to proactively identify and correct problems in areas where the project may not meet requirements or may fall behind schedule;*

Status: Fully implemented.

Details

Our 2021 audit found that there were delays in signing agreements with entities providing services related to the Health Data Platform, a data system designed to better understand COVID-19 disease transmission, infection, spread and prevention. The Health Data Platform links large sets of health data that are held by various entities to enable data analysis. At the time of our audit fieldwork, transfer-payment agreements had not been signed with the four external organizations involved in developing the Health Data Platform, even though some functions of the platform became operational as early as July 2020. Completing significant work prior to signing an agreement increases the risks of misunderstanding the scope of the work, untimely identification of issues and delays in taking corrective action.

In our follow-up, we found that the Ministry of Health signed transfer payment agreements with the four entities involved in developing the platform. Agreements with the University of Toronto, Queen's University, Ontario Health and ICES (formerly the Institute for Clinical Evaluative Sciences) were signed between September 2020 and March 2021. These four entities also delivered technical and financial reports to the Ministry of Health on the progress of the Health Data Platform.

- *amend existing agreements with the Telehealth Ontario service provider to include the impact of the increased capacity requirements due to the volume of COVID-19 related calls.*

Status: Fully implemented.

Details

Our 2021 audit found that the Ministry of Health (Ministry) had not amended its agreement with the Telehealth Ontario service provider to include the impact of COVID-19 on the services provided.

In our follow-up, we found that the Ministry signed an amended agreement with the Telehealth Ontario service provider, effective March 31, 2021, that included provisions, specifically relating to capacity requirements due to the volume of COVID-19-related calls.

Three Initiatives Involved Sole-Sourced Contracts

Recommendation 11

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

Status: Fully implemented.

Details

Our 2021 audit found three initiatives involving sole-sourced contracts, meaning that the Ministry of Health (Ministry) did not solicit requests for proposal from other companies to provide the desired product or service competitively. The total value under contract for these initiatives exceeded \$1.2 billion.

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

In our follow-up, we found that the Ministry has returned to the consistent use of open competitive procurements. The Ministry confirmed there were no non-competitive emergency procurements during the fiscal year ended March 31, 2023.

Initiatives with Aggressive Expectations

Recommendation 12

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

Status: No longer applicable.

Details

In our 2021 audit, we found that the Ministry of Health and the Ministry of Long-Term Care set aggressive expectations for the uptake of certain COVID-19 initiatives. Accurate projection of the uptake of a COVID-19 initiative is instrumental for determining whether an initiative will address identified COVID-19 challenges, and estimating the funding required.

We noted that the Ministry of Health expected 2,400 primary care physicians would use the virtual health-care tools provided by the Ontario Telemedicine Network. At the time of our audit, only 246 physicians, including pre-existing and new physicians, were enrolled.

Likewise, the Ministry of Long-Term Care anticipated that 1,560 additional beds could be made available in existing long-term-care homes. At the

time of our audit, only 97 beds in total were made available. The majority of the \$129.7-million funding from the Ministry earmarked for funding additional beds was redirected toward pandemic pay and compensating long-term-care homes that had implemented a six-month deferral of the 1.9% increase to resident co-payments.

In our follow-up, we found that, starting with the 2023/24 fiscal year, the Province no longer specifically identifies COVID-19 time-limited initiatives. While certain programs that were identified as COVID-19 initiatives in the past, such as testing and vaccination, continue into the 2023/24 fiscal year, they are no longer identified separately as COVID-19 initiatives for budgeting and reporting purposes. Instead, these programs have become integrated into routine operational spending and do not undergo a separate impact assessment (see the second action item in **Recommendation 8**).