

# Interprovincial and International Health Services

## 1.0 Summary

The Ministry of Health and Long-Term Care (Ministry) operates out-of-country and out-of-province Ontario Health Insurance Plan (OHIP) programs that provide coverage to Ontarians at either pre-established or pre-negotiated rates. It does so to comply with the portability principle of the *Canada Health Act*. This principle states that public health insurance must be provided to all Canadians even when they travel within Canada and internationally or move from one province to another.

In 2017/18, the Ministry paid a total of \$204 million for about 737,000 claims and applications under the out-of-country and out-of-province programs; over the past five years it has processed an average of about 836,000 claims and applications per year.

Ontario is a “provider” province—it provides more hospital in-patient services to patients from other provinces and territories than Ontarians use in other provinces and territories. We found that Ontario hospitals are providing some services to these patients at costs in excess of the amounts that they can bill back to the other provinces and territories. For example, Ontario hospitals can bill only a standard rate of \$359 to other provincial or territorial health insurance plans when providing a range of services to patients from other provinces

and territories that cost anywhere from \$154 to \$3,276. This in turn results in the Province in some cases subsidizing health-care costs for patients from other provinces and territories. The extent of this is not currently tracked by all Ontario hospitals.

We also found that the Ministry has not rejected a single claim from the out-of-province physicians who directly billed the Ministry for services rendered to Ontarians in the last five years.

In addition, we found that more public education is needed for Ontarians to ensure they know what financial coverage is provided to them when they travel outside the province. This would inform them that they may be financially responsible for any difference in coverage when they obtain health services outside of Ontario, both within Canada and outside of Canada.

Further, the Ministry does not fully utilize or accumulate data from its out-of-country and out-of-province programs to inform its decisions on program development. For example, the Ministry cannot easily identify the types of services that Ontarians are frequently receiving in other provinces. This could enable it to determine the reasoning behind Ontarians leaving the province to access these services.

We noted that the Ministry has recently taken some steps to improve Ontarians’ access to health services. For example, the Ministry entered into an agreement with Manitoba’s Health Ministry in May 2018 to provide funding for patient transport

to and from Manitoba health facilities. As well, it has increased the capacity in Ontario to provide services such as bariatric surgeries (to aid in weight loss) and some mental health services—in the past, the Ministry would have approved funding for these services to be delivered outside of the country.

The following are some of our other significant observations.

### Out-of-Country Travellers Program

- **Ontario patients who may require emergency health services while in other countries are covered by the Ministry at pre-established rates, which represent a small percentage of the costs.** Between 2013/14 and 2017/18, on average, for every dollar that an Ontarian is billed by a foreign physician or hospital, the Ministry reimbursed five cents under the out-of-country travellers program. While the Ministry has used its website to advise travellers to obtain additional private medical insurance, it is not yet using social media to further educate the public. The Ministry has also not focused its public education on travellers who drive across the border and who may not realize they are not covered for health care while in the United States.

### Referral of Ontarians for Out-of-Country Medical Services

- **The Ministry can do more in planning for health services within Ontario to meet the demand of Ontario patients who may otherwise require funding approval to obtain medical services in other countries.** Ontario patients may receive Ministry pre-approved health services from other jurisdictions. We found that while the Ministry has program information on what services are routinely requested to be received outside of Ontario, it relies on the medical community to identify opportunities to offer the same

services in Ontario. The Ministry also does not know whether the patients it has pre-approved to obtain health services in other provincial or foreign country facilities had good experiences with the providers and whether it should continue sending patients to these facilities for treatment. Some external medical experts who advise the Ministry on its pre-approval decisions indicated that having outcome information on patients who have gone to these foreign facilities can help them make better decisions in future cases.

### Out-of-Province Program

- **Ontario patients who need to receive health services while in other Canadian provinces and territories may pay higher fees for these services.** When reimbursing a resident who receives health services outside of the province, Ontario, similarly to other provinces and territories, covers only medically necessary, insured hospital and physician services; not other health services such as long-term care homes and ambulance services. Ontario patients receiving ambulance services in some other provinces pay a higher fee—up to \$732.95—than the \$240 that Ontario charges non-residents. As well, the Ministry does not sufficiently inform Ontarians that it covers out-of-province eligible physician services only up to the Ontario billing rate. As a result, Ontario patients may unexpectedly have to pay out-of-pocket for these charges.

### International Patients' Use of the Ontario Hospital System

- **The Ministry does not monitor foreign patients' financial impact on Ontario and their wait-time impact on Ontario patients.** In 2014, the Ministry directed hospitals to serve international patients only under specific conditions (such as for humanitarian

reasons), but it has not collected information on an ongoing basis to monitor hospitals' compliance with its requirements.

This report contains 13 recommendations, consisting of 24 actions, to address our audit findings.

## Overall Conclusion

Our audit concluded that the Ministry of Health and Long-Term Care (Ministry) has systems and procedures in place to administer most aspects of the out-of-country and out-of-province health insurance programs. However, the Ministry allows electronic submission of claims only in very limited circumstances, and it cannot readily extract information such as processing timelines and unusual patterns of claims from its databases to monitor the performance of the programs.

We also found that the interprovincial out-patient hospital rates that Ontario hospitals observe when billing other provinces and territories do not always fully cover the costs of providing these services. As a result, Ontario hospitals may not be fairly compensated for the services they provide to patients from the rest of Canada.

More public education is needed to ensure that Ontarians are aware that, while they may be able to receive the same level of care outside of Ontario that they would be entitled to while in the province, they may be financially responsible for any difference in coverage.

The Ministry does not measure and report periodically to the public on the results and effectiveness of the out-of-country and out-of-province programs in meeting their intended objectives.

While the Ministry has directed Ontario hospitals to observe several principles in serving international patients, it has not monitored whether hospitals are indeed meeting these requirements, and it does not ensure that international patients' use of hospital services in Ontario has not negatively affected Ontarians' timely access to health care.

## OVERALL MINISTRY RESPONSE

The Ministry of Health and Long-Term Care (Ministry) appreciates the effort the Office of the Auditor General has expended during its thorough audit of the Ministry's out-of-country and out-of-province prior approval, out-of-country travellers and out-of-province programs, as well as the review of the use of the Ontario health system by international patients. The Ministry is carefully reviewing all recommendations contained in the audit report to determine how to best implement them.

The Ontario Health Insurance Plan (OHIP) provides health coverage to approximately 14 million Ontarians. Every day, the province's dedicated and hard-working health-care providers provide quality care to Ontarians. At times, however, some of this care is delivered outside of the province. For example, the out-of-country prior approval program that the Ministry administers provides an important safety net that ensures Ontario residents have access to funding for medically necessary health services. These services include medically necessary cancer treatments and highly specialized surgical services.

The recommendations the Auditor General has made will help the Ministry modernize and improve program administration, implement program efficiencies, and ensure transparency and accountability for expenditures of Ontario's tax dollars. The program changes recommended by the Auditor General will ultimately help support the long-term sustainability of Ontario's health insurance program.

## 2.0 Background

### 2.1 Health Insurance Coverage for Ontarians While Not in Ontario

The Ministry of Health and Long-Term Care (Ministry) is responsible for administering and operating the Ontario Health Insurance Plan (OHIP). OHIP pays not only for insured health services provided to Ontario residents by physicians and other specified health-care providers and facilities while the residents are in the province, but also, under certain conditions, for medical and hospital care provided to Ontario residents in other provinces or territories and outside of Canada.

Ontarians may require health services in other jurisdictions for different reasons. One common reason is the unexpected need for health care while travelling, studying or working outside the province. Another is the need for a highly specialized, medically necessary procedure not yet available or not readily available in Ontario, but which is more readily available outside of Canada. One group of Ontario residents who are more likely than other Ontarians to use another jurisdiction's health services are those residing in communities that border another province or the United States.

The payment for these services is made in accordance with provincial legislative and regulatory requirements for publicly funded health care.

### 2.2 Legal Framework

Two overarching objectives for federal health-care policy are to ensure that every Canadian has timely access to all medically necessary health services regardless of his or her ability to pay for those services, and that no Canadian suffers undue financial hardship as a result of having to pay health-care bills.

In accordance with the *Canada Health Act*, the public health-care insurance plans of individual provinces and territories in Canada must provide coverage for insured services (including medically

necessary hospital and physician services) to all residents of the province or territory providing the plan even when they are temporarily absent from their home province or territory (such as when they travel within Canada and internationally or move from one province to another). This reflects the portability principle of the Act.

In Ontario, the *Health Insurance Act, 1990* and its regulations define those who are eligible to receive publicly funded health services under OHIP, what services are insured, and how payments are made under OHIP.

All provinces and territories in Canada place caps when they reimburse their residents for emergency out-of-country and out-of-province medical expenses. Canadian courts have ruled that this does not breach the *Canada Health Act* portability principle.

### 2.3 Out-of-Country and Out-of-Province Health Insurance Programs

The Ministry operates three distinct programs to cover the costs of Ontarians who obtain health services while in another jurisdiction, under specific situations defined by regulation. The other jurisdiction may be another Canadian province or territory, or a foreign country.

These three programs cover:

- emergency health services while an Ontarian is in another country (out-of-country travelers program);
- medically necessary physician and hospital services while an Ontarian is temporarily in or moving to another part of Canada (out-of-province program); and
- planned and pre-approved health services outside of Ontario within Canada and outside of Canada (out-of-province and out-of-country prior approval programs).

In 2017/18, the Ministry paid a total of \$204 million in claims under these programs, up 16% from \$176 million in 2013/14, as shown in

**Figure 1.** The Ministry estimated that it incurred costs of about \$7 million annually to administer these programs. In the last five years, the Ministry processed on average about 836,000 claims and applications a year through these programs.

**Appendix 1** provides details on the types of services that are covered by OHIP and the amounts of the claims that the Ministry covers under these three programs. **Appendix 2** summarizes the programs’ objectives as set out in the Ministry’s internal documents.

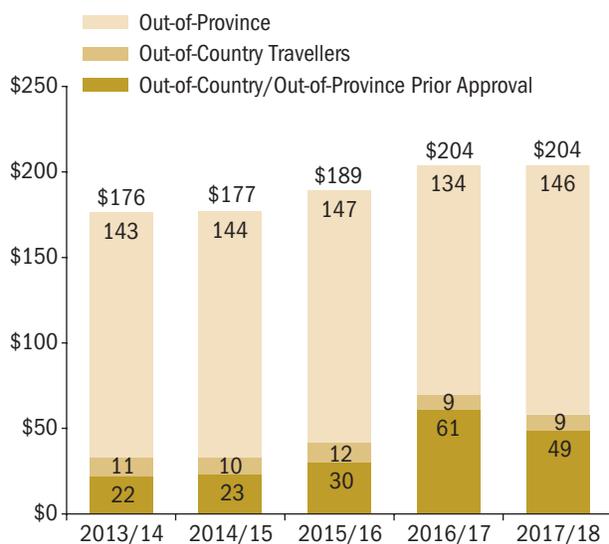
### 2.3.1 Out-of-Country Travellers Program

In 2017/18, through the out-of-country travellers program the Ministry paid out about \$9 million in claims. That year, 83% of the claims submitted to the Ministry under this program were for services provided in the United States. The Ministry does not track countries of origin for non-U.S. claims.

As shown in **Figure 2**, between 2013/14 and 2017/18, the Ministry processed on average about 88,000 out-of-country travellers claims per year, and paid an average of \$127 per claim.

**Figure 1: Total Claims Paid by the Ministry of Health and Long-Term Care under the Out-of-Country Travellers, Prior Approval and Out-of-Province Programs, 2013/14–2017/18 (\$ million)**

Source of data: Ministry of Health and Long-Term Care



### 2.3.2 Out-of-Province Program

In 2017/18, through the out-of-province program the Ministry paid out about \$146 million in claims. As shown in **Figure 3**, between 2013/14 and 2017/18, the Ministry processed on average about 747,000 out-of-province OHIP claims per year, and paid an average of \$195 per claim.

In 2017/18, 73% of the value of claims that the Ministry paid were for hospital services and 27% were for physician services. Of the reimbursement amounts paid for patients who went to other parts of Canada to receive hospital services, 28% went to Manitoba, 19% went to Quebec, and another 16% went to British Columbia in 2017/18, the most recent year for which this information is available.

### 2.3.3 Prior Approval Programs

In 2017/18, excluding laboratory services approved under these programs (which we examined in our 2017 audit of Laboratory Services in the Health Sector), the Ministry paid out \$49 million under the out-of-country and out-of-province components of these programs.

That year, 89% of the payments made were for cases sent to other countries (and 96% of these went to the United States). As shown in **Figure 4**, between 2013/14 and 2017/18, the Ministry processed on average 762 prior approval applications per year where the patient (not specimens) travelled to another country, and paid an average of about \$74,000 per case. Depending on the service performed, the approved amounts of the claims ranged from about \$200 to over \$1 million for services paid from 2013/14 to 2017/18.

The remaining 11% of the approved payments, amounting to \$5 million, were for cases sent elsewhere in Canada.

A significant portion of the out-of-country payments relate to cancer care. In 2017/18, of the total funding made under the out-of-country portion of these programs, about 43%, representing 23% of total cases approved, related to cancer care. Such services include:

**Figure 2: Number and Value of Claims Submitted vs Paid, Out-of-Country Travellers Program, 2013/14–2017/18**

Source of data: Ministry of Health and Long-Term Care

	Submitted			Paid*		
	# of Claims	Total Value (\$ million)	Average Claim Value (\$)	# of Claims	Total Value (\$ million)	Average Claim Value (\$)
2013/14	95,687	209	2,187	89,128	11	124
2014/15	87,332	215	2,459	79,179	10	126
2015/16	94,401	250	2,651	84,881	12	138
2016/17	81,014	224	2,759	70,364	9	128
2017/18	83,069	216	2,604	71,387	9	121
<b>Average</b>	<b>88,301</b>	<b>223</b>	<b>2,532</b>	<b>78,991</b>	<b>10</b>	<b>127</b>

\* Claims paid may not correspond to the number of claims submitted during the same year because claims submitted one year may be paid in subsequent years.

**Figure 3: Number and Value of Claims Submitted vs Paid, Out-of-Province Program, 2013/14–2017/18**

Source of data: Ministry of Health and Long-Term Care

	Submitted			Paid <sup>1</sup>		
	# of Claims	Total Value (\$ million)	Average Claim Value (\$)	# of Claims	Total Value <sup>2</sup> (\$ million)	Average Claim Value (\$)
2013/14	782,995	147	188	780,260	144	184
2014/15	758,899	153	201	756,333	149	197
2015/16	831,158	143	172	828,394	139	167
2016/17	707,667	154	218	704,225	148	210
2017/18	653,903	143	219	651,644	140	214
<b>Average</b>	<b>746,924</b>	<b>148</b>	<b>200</b>	<b>744,171</b>	<b>144</b>	<b>195</b>

1. Claims paid may not correspond to the number of claims submitted during the same year because claims submitted one year may be paid in subsequent years.

2. Differs from amounts shown in Figure 1 due to accounting adjustments.

- stem cell transplants (including bone marrow transplants used to replace blood-forming cells damaged by cancer, radiation or chemotherapy with healthy stem cells);
- CAR T-cell immunotherapy (using the body's own immune system to fight cancer, based on the concept that immune cells or antibodies can recognize and kill cancer cells); and
- proton-beam therapy (a form of cancer treatment that uses protons to destroy cancer cells).

Of the applications received in 2017/18, the Ministry approved 59% and denied 21%, most commonly for requests for residential in-patient servi-

ces for mental health issues. In the remaining 20% of cases, the applicant (either the patient or his/her specialist) cancelled the request after submitting the applications, often either finding treatment in Ontario or visiting the foreign medical facility with no prior approval.

Because the out-of-country prior approval program helps ensure that Ontario residents have access to OHIP funding for medically necessary health services that cannot be obtained in Ontario, its patterns of claims and payments may highlight the need to increase or create new capacity in Ontario for services that it funds.

**Figure 4: Number of Applications Received and Claims Paid, and Amount Approved and Paid, Prior Approval Program Where the Patient Travels<sup>1</sup> to Another Country, 2013/14–2017/18**

Source of data: Ministry of Health and Long-Term Care

	Submitted				Paid <sup>2</sup>		
	# of Incoming Applications	% of Applications Approved by Ministry	Amount Approved by Ministry (\$ million)	Average Approved Amount per Application (\$)	# of Applications Paid	Total Value <sup>3</sup> (\$ million)	Average Value of Application Paid (\$)
2013/14	862	68	23	38,586	594	20	33,452
2014/15	844	70	27	44,920	602	21	35,000
2015/16	705	63	45	101,685	465	28	60,609
2016/17	714	62	61	138,030	428	59	136,919 <sup>4</sup>
2017/18	687	59	45	112,027	414	44	105,591
<b>Average</b>	<b>762</b>	<b>64</b>	<b>40</b>	<b>87,050</b>	<b>501</b>	<b>34</b>	<b>74,315</b>

1. Excludes cases where specimens travel, an issue that we looked at in a 2017 audit and is not part of this audit.
2. Claims paid may not correspond to the number of applications approved during the same year because some patients receive approved services in subsequent years.
3. In addition to claims paid for prior approval services performed in foreign countries, the Ministry also paid for prior approval services in other parts of Canada. The annual costs of these payments ranged from \$2 million to \$5 million over this five-year period.
4. Mainly attributed to increase in cancer care cases and costs in that year.

For example, in our 2017 audit of Laboratory Services in the Health Sector, we noted that the Ministry has not kept up with the investment in infrastructure and development of expertise in the area of genetic testing, resulting in out-of-country costs of over US\$120 million between 2011/12 and 2015/16. We noted as well that the Ministry spent \$34 million in 2016/17 relating to about 10,000 genetic tests performed outside of Canada.

The Ministry took a different approach with bariatric surgery. Between 2007/08 and 2010/11, the Ministry funded a total of about 4,500 cases of bariatric surgeries (reducing the size of the stomach with a gastric band or gastric bypass surgery in obese patients) to the United States. Since then, Ontario has built its own capacity for bariatric surgery, with the result that the Ministry needed to send only one case to the United States between 2011/12 and 2017/18.

## 2.4 International Patients' Use of Ontario Health Services

Tourists, visitors and those without OHIP-eligible citizenship or immigration statuses are not eligible for OHIP coverage. Nevertheless, patients from other countries may access health services in Ontario for a variety of reasons. These may be, for instance, international students who fall ill and require health care while studying in Ontario, or tourists who are injured while skiing or driving in the province; or they may be foreign workers not meeting OHIP eligibility criteria, refugee claimants awaiting to hear the decisions of their asylum claim, long-term visitors or others.

Some foreign patients come to Ontario specifically to receive health services. Such patients might be expectant mothers who wish to give birth in Ontario (all babies born in Ontario are Canadian citizens regardless of their parents' nationalities), or visitors from a foreign country who wish to receive specialized treatment that may not be available in their home country.

Ontario hospitals can charge foreign patients a fee not only to recover the cost of treatment, but also to generate additional hospital revenue, with no need for specific approval from the Ministry. These fees may be paid by the patient or by private insurance, foreign governments or charities. The Ministry does not, however, intend Ontario hospitals to use public dollars to care for international patients, nor to displace any Ontarian in favour of an international patient. It further expects hospitals to put any revenue generated from treating international patients into hospital services that benefit Ontarians.

The Ministry, through the Local Health Integration Networks (explained in **Section 2.5.2**), funds Ontario's 75 community health centres to provide health care and community programs and services to Ontarians, including those without OHIP or private health insurance coverage. In our 2017 audit of Community Health Centres, we noted that 4.2% of total clients served by these centres were not insured by OHIP, and were instead insured under other plans such as interim federal insurance or not insured at all.

## 2.5 Partners in Interprovincial and International Health Services Programs

### 2.5.1 Ministry of Health and Long-Term Care

A number of Ministry branches are involved in administering the three out-of-country and out-of-province OHIP programs described in **Section 2.3**. These branches perform the following functions:

- review prior approval applications and work with medical providers to identify opportunities to offer the same services in Ontario;
- review and process submissions made to the Ministry's internal review process for all three programs;
- represent the Ministry in Health Services Appeal and Review Board hearings (the

Board hears cases in all three programs, including applicants who are dissatisfied with the outcome of the Ministry's internal review process—see further details in **Section 2.5.4**);

- represent Ontario in an interprovincial committee and its various working groups (explained in **Section 2.5.5**);
- process program claims, including billing other provinces reciprocally for out-of-province health services; and
- prepare program expenditure forecasts and reports.

Multiple Ministry branches are responsible for developing policy and standards for Ontario's hospitals to enhance access and quality for patients and their families. One of these branches is responsible for providing oversight of international patients' use of health-care services in Ontario (as described in **Section 2.4**).

### 2.5.2 Local Health Integration Networks and Hospitals

The Province's 14 Local Health Integration Networks (LHINs) plan, integrate, fund and monitor their local health systems based on local needs. LHINs in parts of Ontario that border another province or the United States have unique opportunities and challenges in managing local residents' health needs, which may be obtained from neighbouring jurisdictions.

LHINs fund the 141 public hospital corporations in Ontario. Most hospitals provide in-patient and out-patient services to primarily Ontario patients, but some serve a higher proportion of out-of-province patients (usually in parts of Ontario close to another province's border) and international patients (usually in large urban centres). Significant, unplanned use of the Ontario health system by out-of-province or out-of-country patients could affect service delivery for Ontario patients.

According to 2016/17 interprovincial hospital services data, the top two LHINs that had their

residents leaving the province and requiring admission to a hospital elsewhere in Canada were the North West LHIN and the Champlain LHIN, which border Manitoba and Quebec, respectively. In comparison, the top two LHINs that saw the most out-of-province patients requiring admission to a hospital were the Champlain LHIN and the Toronto Central LHIN—these two LHINs combined account for 75% of all in-patient stays from other provinces and territories.

### 2.5.3 Insurance Companies

Because the Ministry reimburses Ontarians for only certain types of health services under the out-of-country travellers and out-of-province programs, and for out-of-country travellers claims it reimburses services at specified rates that are often lower than had the patient been receiving the care in Ontario, the Ministry through its website recommends that Ontarians obtain private travel health insurance before leaving Ontario to cover any uninsured services.

The Ministry has agreements with 30 insurers, making them “registered” third-party insurers. Under this arrangement, in the event of an out-of-country travellers claim, the insurance company first pays the patient or the medical provider directly, and then recoups any OHIP-insured portion directly from the Ministry. In these cases, with the patient’s consent, the patient does not need to have any contact with the Ministry.

### 2.5.4 Health Services Appeal and Review Board

The Health Services Appeal and Review Board is an independent quasi-judicial tribunal that has a mandate to hear appeals under several different statutes, including the *Health Insurance Act, 1990*. Such appeals may be filed by residents whose claims were denied or partially reimbursed, or whose prior approvals were denied, by the Ministry. The Board hears and provides a decision on about

one-third of the appeals made by residents. In the remaining two-thirds of the appeals, either the Ministry approves the appeal at an earlier stage of the process or the applicant withdraws or abandons the application.

Between 2015/16 and 2017/18, the Board received on average about 74 appeals a year in the out-of-country travellers program and about 37 appeals a year in the prior approvals programs. Since 2015, of the total number of appeals received, the Board has fully overturned 5% and partially overturned 4% of Ministry decisions appealed by residents.

### 2.5.5 Interprovincial Health Insurance Agreements Co-ordinating Committee

The Interprovincial Health Insurance Agreements Co-ordinating Committee is a federal-provincial committee that supports the administration of payments between jurisdictions and addresses interprovincial health coverage issues. It oversees the application of two types of interprovincial health insurance agreements—one on physician services and the other on hospital services—and determines reciprocal billing rates. The Committee has representation from all provinces and territories, with Health Canada performing central administrative or general secretary duties.

## 3.0 Audit Objective and Scope

Our audit objective was to assess whether the Ministry of Health and Long-Term Care (Ministry) had effective systems and procedures in place to:

- administer out-of-country and out-of-province health insurance programs (Programs) to support eligible Ontario residents’ access to Ontario Health Insurance Plan (OHIP) funding for health services while not in Ontario in accordance with agreements, policies, and relevant federal and provincial

legislation and regulations, with due regard to economy and efficiency;

- measure and publicly report periodically on the results and effectiveness of the Programs in meeting their intended objectives; and
- oversee international patients' use of the Ontario health system and ensure that Ontarians' access to health services is not negatively impacted.

Before starting our work, we identified the audit criteria we would use to address our audit objective. These criteria were established based on a review of applicable legislation and agreements, policies and procedures, internal and external studies, and best practices we compiled from our audits of similar programs. Senior management at the Ministry reviewed and agreed with the suitability of our audit objective and related criteria, as listed in **Appendix 3**.

Our audit focused on the following OHIP programs: the out-of-country travellers program, prior approval programs, and out-of-province program. We also examined how international patients use Ontario's health system, primarily hospital services. We did not examine prior approval of laboratory services for patients who needed to have their specimens tested outside of Ontario, as we recently commented on this in our 2017 audit of Laboratory Services in the Health Sector.

We focused on activities of the Programs in the three-year period ending March 31, 2018, and considered relevant data in the last five years. We conducted our audit from January to June 2018, and obtained written representation from the Ministry that effective November 8, 2018, it has provided us with all the information it was aware of that could significantly affect the findings or the conclusion of this report.

In conducting our work, we met with staff at relevant branches within the Ministry, located in Kingston, London, Oshawa, Ottawa, Thunder Bay and Toronto, and examined data and documentation they provided. Where claims are processed, we observed how claims documentation is secured

after hours at the Ministry's Kingston, London and Ottawa offices. We also analyzed data from the Ministry's internal review process and the Health Services Appeal and Review Board to identify historical trends in their overturning of Ministry decisions.

To better understand patterns of use of their regions' health services by non-Ontarians, and how Ontarians living in their regions use other jurisdictions' services, we met or spoke with representatives from five of Ontario's 14 Local Health Integration Networks (LHINs). These LHINs (Champlain, North West, Erie St. Clair, Toronto Central and Central West) either border on another province or state or provide relatively high levels of health services to international patients. We also met with representatives from or obtained data from eight select hospitals in Ontario (Children's Hospital of Eastern Ontario, Hawkesbury and District General Hospital, Mount Sinai Hospital, Sunnybrook Health Sciences Centre, North York General Hospital, the Hospital for Sick Children, William Osler Health System, and University Health Network) to determine the impact that non-Ontarians have on frontline service delivery.

We researched how other provinces and territories operate their out-of-country and out-of-province health insurance programs to identify areas for improvement in Ontario.

We met with industry stakeholders, including the Travel Health Insurance Association of Canada and the Registered Nurses' Association of Ontario, to obtain their perspectives on how the Ontario Programs operate.

To better understand their involvement in the prior approval programs, we met with the Ministry's external medical experts, including Cancer Care Ontario, the Ontario Health Technology Advisory Committee of Health Quality Ontario, the Centre for Addiction and Mental Health, the Ontario Pediatric Specialized Services Advisory Committee and the Toronto General Hospital Program for Eating Disorders.

We obtained aggregate patient flow data for interprovincial health services from the Canadian

Institute for Health Information (CIHI). The analyses, conclusions, opinions and statements expressed in this report are those of our Office and not necessarily those of CIHI.

In determining the scope and extent of our audit work, we reviewed relevant audit reports issued by the Ontario Internal Audit Division and complaints data received by the Ontario Ombudsman in the last three years.

Finally, we considered the relevant issues reported in the out-of-country claims section of our 1998 audit of the Ontario Health Insurance Plan and incorporated these into our audit work.

We engaged an independent advisor with expertise in the field of health care to assist us on this audit.

We conducted our work and reported on the results of our examination in accordance with the applicable Canadian Standards on Assurance Engagements—Direct Engagements issued by the Auditing and Assurance Standards Board of the Chartered Professional Accountants of Canada. This included obtaining a reasonable level of assurance.

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

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

## 4.0 Detailed Audit Observations

### 4.1 Out-of-Country Travellers Program

#### 4.1.1 Public Education to Ontarians Regarding OHIP Coverage When Travelling Abroad Limited to Website Advisory

While the Ministry through its main webpage on out-of-country travellers advises Ontarians to purchase private health insurance when leaving Ontario, we still found a significant number of claims that did not go through private health insurance companies. That many Ontarians appear to be travelling without obtaining travel insurance is a concern because in the five-year period between 2013/14 and 2017/18, the Ministry reimbursed just five cents for every dollar claimed by Ontario travellers when they made submissions to it. Not having private health insurance to supplement what the Ministry covers can significantly affect an Ontarian's finances, especially in cases where the patient has needed extensive emergency health care.

As discussed in **Section 2.3** and **Appendix 1**, when Ontario residents unexpectedly have to obtain emergency services from hospitals while travelling out of country, the Ministry covers only emergency health services at very limited rates. Facility fees are reimbursed at \$50 per day for out-patient services and \$200 or \$400 per day for in-patient services depending on the level of care obtained. Physician fees are reimbursed at the amount paid or the Ontario rate, whichever is less. Medical emergencies outside of Canada can arise unexpectedly, leaving individuals with significant medical bills. Consider the following illustrative examples:

- Tony had a heart attack during his stay in Florida. OHIP will pay up to \$400 per day for his stay in hospital and will pay his physician fees at Ontario rates. If Tony had purchased private insurance before he travelled, his

private insurer may cover the difference between the actual cost of these services and the amount paid by OHIP.

- Mary decided to drive to Buffalo to do some weekend shopping. She did not purchase travel insurance. While in Buffalo, Mary got into a car accident. She came back to Ontario with a \$10,000 hospital bill and \$3,000 in physician fees. After making her claim to OHIP, Mary was reimbursed \$400 for her two days in hospital and \$1,000 for physician fees. She is \$11,600 out of pocket.

Ontarians can purchase private health insurance for health expenses they incur while travelling that OHIP does not cover. In general, travellers specifically have to purchase travel health insurance for the following reasons:

- Not everyone has coverage through employer-funded extended health-care benefits, and not all such plans cover out-of-country health services. A workforce study conducted in 2016 indicated that 20% to 30% of Canadian workers are working as on-demand workers, freelancers, independent contractors and consultants, and 85% of the companies surveyed indicated that they expected that this “agile workforce” will increase by 2025. Companies are less likely to offer employer-funded extended health-care benefits to these workers.
- Although some people have travel health insurance through their credit cards, not all credit cards provide this coverage. As well, credit card companies may impose certain conditions, such as providing travel health insurance coverage only when the cardholder uses the card to pay for the trip.

Many Ontarians drive across the Canada–United States border. According to the United States Department of Transportation, in 2017, about 27 million people entered the United States from Ontario through border crossings in Minnesota, New York and Michigan. (This figure includes non-Ontario drivers, but it still gives a rough estimate

of the number of visits that Ontarians make to the United States each year by car alone.) As soon as they cross into the United States, these people are in the same position as any other out-of-country travellers when it comes to the Ministry’s limited coverage of their emergency medical care.

People who book their travel with air carriers are likely to be prompted by the airline to purchase travel insurance. Even so, not everyone purchases it, and many are left uninsured.

The Ministry’s own efforts to inform Ontarians of the risks they may face are limited—even though this program’s low level of coverage suggests that the government would want to push Ontarians firmly in the direction of buying travel insurance. The Ministry informs Ontarians on its main webpage on out-of-country travellers: “If you plan to travel outside of Ontario, it is strongly recommended that you obtain additional private medical insurance and fully understand what your policy covers.” It has not used other public education methods beyond this statement, however. We found no evidence that between August 1, 2017, and July 31, 2018, the Ministry informed Ontarians through its social media accounts of the need to purchase travel insurance because of the limited rates the Ministry pays and services it covers.

In addition, the Ministry does not analyze data to identify whether some people are less likely than others to purchase travel insurance so that it can better target its public education. We obtained claims data in the period between 2013/14 and 2017/18, and identified almost 37,000 claims that patients submitted directly to the Ministry, compared to about 402,000 claims that insurance companies submitted to the Ministry on behalf of patients. The Ministry does not have information on how many of the 37,000 claims were paid to patients who subsequently recouped additional funds from private insurance plans, if purchased.

### RECOMMENDATION 1

To better educate the public on the limited rates that are publicly funded for emergency health care obtained outside of the country and the need to purchase private health insurance to supplement any residual amounts not reimbursable from the provincial government, we recommend that the Ministry of Health and Long-Term Care improve and expand its public education to Ontarians travelling outside of the country (such as communicating through social media), targeting those groups who are most likely to not purchase travel insurance.

### MINISTRY RESPONSE

The Ministry supports recommendations to increase public education on OHIP coverage for out-of-country travel emergency health services and the need to purchase private travel insurance.

The Ministry will explore various communication vehicles to improve and expand public education.

#### 4.1.2 Cost of Administering Out-of-Country Travellers Program High in Comparison with Payments Made under the Program

The Ministry spends about \$2.8 million a year to administer the out-of-country travellers program, which pays out about \$9 million in claims annually. In comparison, the Ministry spends about \$4.2 million a year to administer the out-of-province and prior approval programs, which combined pay almost \$200 million a year.

The Ministry processes close to 90,000 traveller claims annually. Ministry staff need to assess these claims to determine the appropriate payment rate—the relevant Ontario billing rate for physician services, \$50 for out-patient services, and either \$200 or \$400 per day for in-patient care, depending on the nature of the care. We noted that while Ontario has two rates for in-patient services, most

other provinces and territories have one common rate, as shown in **Figure 5**. Further complicating the task is the fact that staff manually process these claims, which are predominately paper-based. (We further discuss processing inefficiencies in **Section 4.4.1**.)

As well, claims in this program make up the largest percentage of all out-of-country and out-of-province claims that are heard by the Health Services Appeal and Review Board, resulting in further costs to the government.

Ministry records from 2012 and 2015 indicated that the Ministry was looking to make changes to the program, including revising the existing payment levels (\$50, \$200 or \$400) to a standard rate of \$100 per day for in-patient services; the proposal would eliminate coverage for out-patient care altogether. The Ministry indicated that such changes would align the coverage in Ontario with the coverage provided in other provinces and territories. These changes had not been made when we completed the audit.

**Figure 5: Provincial Comparison of Out-of-Country Travellers Reimbursement Rates for Hospital Services, 2018**

Source of data: Provincial and territorial ministries of health

Province	In-Patient Rate (\$/day)	Out-Patient Rate (\$/day)
Ontario	200 or 400	50
British Columbia	75	0
Alberta	100	50
Saskatchewan	100	50
Manitoba	280–570	100
Quebec	100	50
New Brunswick	100	50
Nova Scotia	525	0
Prince Edward Island*	1,423	359
Newfoundland and Labrador	465	62
Yukon*	2,642	359
Northwest Territories*	2,724	359
Nunavut*	2,638	359

\* These governments' websites indicate that out-of-country services are reimbursed at the provincial/territorial rate.

## RECOMMENDATION 2

To simplify the administration of the out-of-country travellers program, we recommend that the Ministry of Health and Long-Term Care revisit opportunities to reduce administrative costs, for example, through adopting a single reimbursement rate (similar to other provinces) for all emergency in-patient health services obtained out of country.

## MINISTRY RESPONSE

The Ministry supports this recommendation and will work toward simplifying the administration of the out-of-country travellers program.

## 4.2 Prior Approval Programs

### 4.2.1 Ministry Relies on the Medical Community to Drive Process to Develop Capacity to Repatriate Services Back to Ontario

The Ministry relies on the medical community (such as the specialists within the province) to identify areas where capacity could be developed in Ontario to make health care more accessible to Ontarians within the province instead of having to send patients outside its borders.

Because the out-of-country prior approval program helps ensure that Ontario residents have access to OHIP funding for medically necessary health services that are not performed in Ontario or are performed but not available without medically significant delay, its patterns of claims and payments may highlight the need to increase or create new capacity in Ontario for services that it funds.

Some hospitals that we spoke to indicated that they expect the Ministry to be regularly analyzing prior approval data and engaging the medical community to repatriate services—that is, to offer them in Ontario—but they do not feel the Ministry has been doing that.

The Ministry uses some prior approval information to identify trends and potential areas of capacity building, but could do more in building capacity to meet existing and anticipated demands for services that are requested for prior approval.

While the Ministry has made progress in building additional capacity to offer more treatment options inside the province for services such as bariatric surgery, cancer treatment, and residential treatment for adolescents with severe eating disorders and for others with severe obsessive compulsive disorders, the increased in-province capacity does not always meet the demand of Ontario patients. We found significant volumes of patients sent out of province and expenditures in 2017/18 that the Ministry paid primarily to U.S. hospitals through funding for patient services under the prior approval program. These payments include:

- \$220,000 for each case of cancer treatment;
- \$205,000 for each case of vascular procedure;
- \$99,000 for each case of cardiac care; and
- \$80,000 for each case of residential in-patient service (for such diagnoses as severe eating disorder, substance abuse, borderline personality disorder and obsessive compulsive disorder).

### Province in Process of Building Capacity in Ontario for Cancer Treatment

In our 2017 audit of Cancer Treatment Services, we noted that the average cost for each patient who needed stem cell transplants from the United States was \$660,000, and that Ontario capacity for stem cell transplants was inadequate to meet demand. At that time, we recommended that the Ministry work with Cancer Care Ontario and hospitals to expedite the review and approval processes for capital funding to expand capacity for stem cell transplants in Ontario.

At the time of this audit, according to the Ministry and Cancer Care Ontario, the Province is exploring the feasibility of introducing proton beam therapy in Ontario. It is anticipated that if

the Province moves forward with building a proton beam facility, it will be five to seven years before in-province services are available. In the meantime, the Ministry, together with Cancer Care Ontario, facilitates referrals to out-of-country providers to provide patients access to proton beam therapy.

### RECOMMENDATION 3

To help Ontarians better access insured health services within the province and to identify priority areas to build in-province capacity, we recommend that the Ministry of Health and Long-Term Care review on an ongoing basis statistics on requests and approvals for health care outside of Ontario, and where needed, initiate work with the medical community to build or increase capacity for health services routinely funded through the prior approval programs.

### MINISTRY RESPONSE

The Ministry supports this recommendation. While the Ministry has had success in building in-province capacity where there was out-of-country demand for services, the Ministry also recognizes that there are opportunities to work more closely with health-care experts to anticipate future demands.

#### 4.2.2 Ministry Did Not Establish Preferred Provider Agreements with Foreign Medical Facilities That Have Been Providing Certain Medical Services to Ontarians Year after Year

A regulation of the *Health Insurance Act, 1990* allows the Minister to enter into “preferred provider arrangements” with hospitals, health facilities or physicians outside of Ontario to provide a number of specified treatments and procedures at pre-negotiated rates. As of March 2018, the Ministry had agreements with 27 foreign health facilities and hospitals, all in the United States. The Ministry has not made preferred provider agreements with other out-of-country health facilities, however,

even though increasingly more Ontarians are receiving services from these facilities. As a result, the Ministry may be missing out on opportunities to minimize health-care costs under the prior approval programs, and to be more efficient in its review of applications, as it is already familiar with the services offered by preferred providers with whom it has already negotiated billing rates.

In 2017/18, of the cases that the Ministry approved in the out-of-country prior approval program, 3% of the prior approved funding was for preferred providers. (This 3% of costs originated from 25% of patient applicants.) These facilities individually provide health services that include residential treatment for eating disorders and obsessive compulsive disorder, and a chemotherapy/surgery combination for a specific type of cancer. We explain preferred providers in further detail in **Appendix 1**. The remaining 97% of the approved costs went to other health facilities.

We analyzed prior approval data and identified four U.S. facilities that do not have a preferred provider agreement with the Ministry, yet they each treated an average of 10 Ontario patients a year between 2015/16 and 2017/18. Collectively, these four facilities—providing services including sight devices and procedures, types of cancer treatment, and sex reassignment surgeries—have received about \$35 million in Ministry funding over these three years, representing 35% of total funding under the out-of-country prior approval program during that period. The Ministry could potentially achieve considerable cost savings if it negotiates standard billing rates with these facilities, given the high cost of health services in the United States.

We asked the Ministry why it did not establish preferred provider agreements with these four facilities. The Ministry indicated that it was already realizing operational efficiency through the relationships established with these facilities and felt it was already benefiting from pre-negotiated costs outside established agreements.

## RECOMMENDATION 4

To obtain the best value for money for the health services costs it pays to foreign medical facilities that provide pre-approved health services to Ontarians, and to help improve its efficiency in assessing Ontarians' applications through the prior approval programs, we recommend that the Ministry of Health and Long-Term Care establish agreements with foreign providers that do not yet have preferred provider agreements with the Ministry in cases where the benefits of these agreements are shown to outweigh their costs.

## MINISTRY RESPONSE

The Ministry supports the recommendation to consider preferred provider arrangements where appropriate.

### 4.2.3 External Medical Experts Noted that Case Files Did Not Always Contain Complete Information

The Ministry obtains medical advice when reviewing applications requesting funding for health services outside of Ontario. Two of the external medical expert groups with which the Ministry contracts to help recommend approval or denial of prior approval applications found that the files the Ministry sends them do not always contain complete information. This may affect the outcome of the assessment and lead to unnecessary delays in the assessment process.

Overall, the Ministry relies for advice on in-house physician employees, on formal external medical expert groups each specializing in an area, or on individual medical experts who are normally part of large medical organizations or educational institutions (such as the Sunnybrook Health Sciences Centre and McMaster University's Division of Pediatric Neurology).

The Ministry uses external medical expert groups in four areas—mental health care, cancer

care, pediatric care, and eating disorders—as outlined in **Appendix 4**. It used these panels in 58% of cases between 2016/17 and 2017/18.

Individual external experts assist in cases such as mental health and pediatric cases for cerebral palsy, where the Ministry does not have an established expert group. The Ministry used individual experts in 6% of cases between 2016/17 and 2017/18.

In making their evaluations, the medical experts review specific patient cases according to criteria set out in the regulatory requirements: they consider whether a treatment is experimental, whether the treatment is already offered in Ontario, whether receiving the treatment in Ontario results in medically significant delay, and whether a proposed treatment is within the standard of care in Ontario.

To assist them with their evaluations, the Ministry provides each expert or expert group with a questionnaire to complete when assessing patient cases. The questionnaire helps the medical experts document any conflict of interest as well as their conclusions on the criteria set out in the regulatory requirements. We reviewed a sample of prior approval case files and saw that decisions were appropriately documented. However, as noted, two of the external medical expert groups we spoke to indicated that sometimes patient files do not contain all necessary information, such as the patient's body mass index, to help them make expedient recommendations on cases. The Ministry indicated that case documents are prepared by the patient's referring physician and, when requested, it would obtain additional information from the Ontario physician and provide it to the expert.

### 4.2.4 Lack of Evaluation of Foreign Facilities Providing Services under Prior Approval Program

The Ministry does not assess whether the facilities that provide pre-approved health services to Ontarians provide good care to Ontarians. Post-service follow-up on patients through the Ontario referring physician, for example, could help the Ministry and

the external medical experts who provide recommendations to the Ministry on approval or denial confirm that they should continue sending or recommending patients to these facilities, especially the Ministry's designated preferred providers.

The Ministry does not request feedback from patients or referring specialists regarding the health-care facilities where treatment was provided. The Ministry informed us that its role is to fund eligible services, and it considers it the patient's referring specialist's role to direct patient care and inquire about patient outcomes. As a result, the Ministry does not collect or analyze outcome data for patients who have undergone treatment at these facilities. Most of the external medical expert groups that assist the Ministry in recommending approval or denial of applications informed us that they would like to see the outcomes of patients they assess under the prior approval program, to improve their assessment process and inform their future decisions on similar cases.

At a minimum, the Ministry could collect information on whether patients generally had a positive or a negative experience with facilities outside of Ontario, and possibly also obtain such outcome information as post-operation infection rates, but it does not do so.

## RECOMMENDATION 5

To help it make better informed decisions on applications for pre-approved health services outside of Ontario, we recommend that the Ministry of Health and Long-Term Care:

- develop a checklist for all documents and information that it needs to provide to external medical experts; and
- develop a mechanism to collect data on patient experience and other outcomes from patients who have received health services under the prior approval programs, and share the results with the external medical expert groups that assist it in making recommendations.

## MINISTRY RESPONSE

The Ministry will work collaboratively with referring physicians and external medical experts to develop checklists on requirements.

The Ministry will also investigate the development of a mechanism to collect and use data on patient experience and other outcomes, and how that information could be shared to assist in decision-making.

### 4.2.5 Ontarians May Not Afford Travel Costs Associated with Medical Treatments Outside of Ontario

Even when an Ontarian obtains approval from the Ministry to access funding for health care outside of Ontario, the patient must still travel to that destination. As a result, those who can afford to travel to obtain health care outside of Ontario can access the same care that others may find cost-prohibitive. These people would then face extended wait times for services offered within Ontario or not be able to access that care at all. The Ministry does not collect information on cases where patients have chosen not to obtain pre-approved health services from outside of Ontario because they could not afford the cost of travel.

The Ministry provides a health travel grant for eligible patients in Northern Ontario, who may use the grant to subsidize travel costs when they are required to travel long distances to obtain health care in Manitoba or within the province. However, overall, OHIP does not cover travel costs associated with prior approval services.

We researched whether travel expenses are covered by other provincial public health insurance plans, and found that seven provinces and territories in Canada—Manitoba, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Yukon, and Nunavut—offer varying travel subsidy programs for out-of-country and out-of-province prior approval care. Prince Edward Island's travel subsidy program has eligibility requirements,

including one based on net household income. Like Ontario, British Columbia, Alberta and Quebec do not subsidize travel costs associated with prior approval services.

## RECOMMENDATION 6

To help ensure that Ontarians can equitably access timely health services that the Ministry of Health and Long-Term Care (Ministry) has pre-approved to be provided outside of Ontario, we recommend that the Ministry review assistance that other provinces and territories provide with travel costs to the destination jurisdiction that offers health services under their prior approval programs and assess whether similar assistance is applicable in Ontario, considering eligibility factors such as household income level.

## MINISTRY RESPONSE

The Ministry will review the assistance provided by other provinces and territories for travel costs in order to assess whether it would be feasible to provide similar assistance to Ontarians.

## 4.3 Out-of-Province Program

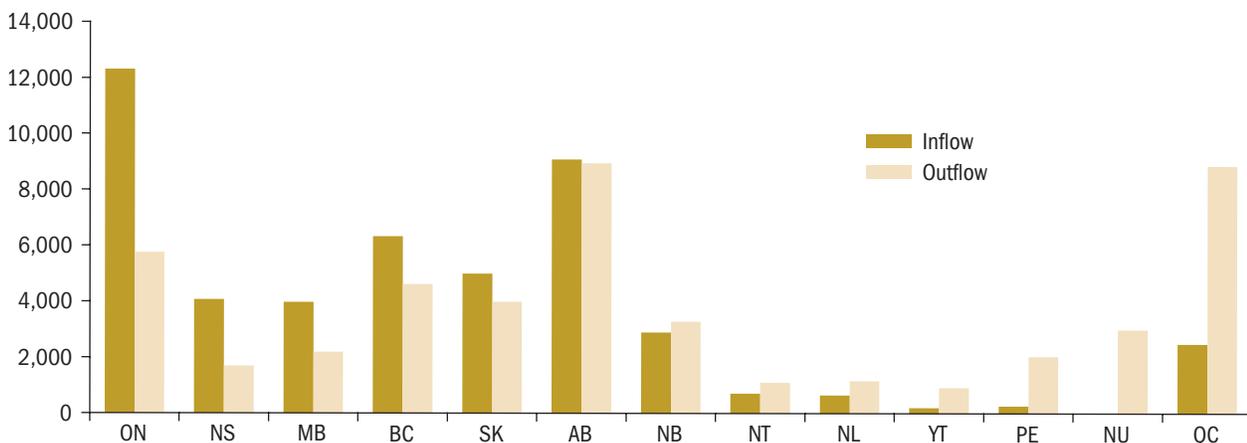
In looking at how the portability principle of the *Canada Health Act* is put into effect (see **Section 2.2**), Ontario is said to be one of Canada’s “provider provinces.” As shown in **Figure 6**, in 2016/17, the most recent year that data is available, people from other provinces and territories had more in-patient stays in Ontario’s hospitals than Ontarians had in those jurisdictions’ hospitals. In the same year, Nova Scotia, Manitoba, Saskatchewan, Alberta and British Columbia had similar experiences to Ontario, where residents of other jurisdictions had more in-patient stays in their hospitals than the number of in-patient stays their own residents had in hospitals elsewhere in Canada.

The Ministry indicated that it does not track the reasons why Ontarians use health care in other parts of Canada. But it believed that Ontario hospitals attract people from other provinces and territories for reasons that could include Ontario having several hospitals that specialize in certain procedures, and its position as the most populous province—Canadian visitors with family in Ontario may find themselves in need of health care once here.

We noted that over the 10-year period between 2007/08 and 2016/17, the number of in-patient

**Figure 6: Number of Hospitalizations of Out-of-Province Patients across Canada, by Net Inflow/Outflow, 2016/17**

Source of data: Canadian Institute for Health Information



Note: “Inflow” refers to number of in-patient stays by people from other provinces and territories treated in the named province. “Outflow” refers to number of in-patient stays by people from the named province treated in other provinces and territories.

stays by Ontarians in other provinces' and territories' hospitals dropped, while the number of in-patient stays in Ontario's hospitals by people from other provinces and territories increased.

In 2016/17, there were 5,757 reported in-patient stays by Ontario patients in other provinces' hospitals, a 25% reduction from 7,701 in 2007/08. About two-thirds of these stays in 2016/17 were in Manitoba, Quebec or British Columbia.

In comparison, in 2016/17, patients from other parts of Canada had 12,305 in-patient stays in Ontario hospitals, representing a 21% increase from 10,200 in 2007/08. Of this, 61% were from Quebec and 9% were from Alberta.

### Steps Taken to Improve Ontarians' Access to Health Services in Other Parts of Canada

We found that the Ministry has recently taken some positive steps to help improve Ontarians' access to health services in other parts of Canada. To help Ontarians living in the North West Local Health Integration Network (LHIN) access health services in Manitoba—which they were not always able to do—the Ministry, working with the LHIN, entered into an agreement with Manitoba's health ministry in May 2018 to provide up to \$4.8 million a year to facilitate patient transport to and from Manitoba facilities and to supplement funding for specified hospital services under the interprovincial billing agreement. In 2016/17, of the in-patient hospital stays by Ontarians in other provinces and territories, 28% of these stays were by people who resided in the North West LHIN, and 95% of those were in Manitoba hospitals.

Also in May 2018, the Ministry proposed regulatory changes that would allow it to begin providing home-care and palliative-care coverage to Ontarians temporarily visiting other parts of Canada (Ontarians are covered for these services while at home) and to other Canadians just arriving in Ontario without being subject to the existing legislated interprovincial waiting period. The proposed amendment was up for public comment at the completion of the audit.

### 4.3.1 Full Range of Health-Care Services Not Entirely Portable in Other Parts of Canada

Similarly to other provincial and territorial governments, the Ontario Ministry covers physician services (such as consultation services at a walk-in clinic) and hospital services (for example, emergency, diagnostic or laboratory) that Ontarians use while travelling in other parts of Canada. But this coverage does not extend to other publicly funded services such as ambulance services, home care and community mental health services provided in non-hospital settings—services that the Ministry either partially or fully covers for eligible Ontarians while they are in Ontario. This is because the *Canada Health Act* requires provinces and territories to extend only medically necessary physician and hospital coverage to their residents during temporary absences (a term not defined in the Act) from the home province or territory.

Ontario, like many provinces and territories, provides its residents while they are in their home province not only the physician and hospital services required under the *Canada Health Act*, but also additional health-care services. In the case of Ontario, these include prescription drugs in a non-hospital setting for eligible individuals under the Ontario Drug Benefit program, home care for eligible Ontarians needing supportive living at home, and many more services.

In contrast, when Ontarians are in other provinces or territories for reasons such as travel, study and employment, and for those residing in border communities such as Kenora in northwestern Ontario who use health services in a neighbouring province (at a facility that could be closer to the patient than the nearest facility in Ontario), the Ministry reimburses only physician and hospital services (including certain surgical-dental services) under this program, because this is all that the *Canada Health Act* requires.

### Ontarians Pay More for Ambulance Services in Some Provinces Than What Ontario Charges Other Provinces' and Territories' Residents

The Ministry either partially or fully funds certain non-hospital and non-physician services for Ontarians, such as ambulance services and most blood tests done at laboratories outside of hospitals, when these are provided in-province, but not when Ontarians obtain these services elsewhere in Canada, as shown in **Figure 7**.

We examined the differences in the billing rate for certain health services that the Ministry does not cover when an Ontarian is in another province or territory. Because we do not have complete information on what health services Ontarians receive out-of-province and the Ministry's data is not readily available on which health services are most commonly received (since the Ministry's claims data represents only claims submitted by the patients, who may not have submitted all their health claims either because they know that the Ministry does not reimburse them or they have private insurance coverage), we have selected ambulance services as possibly a health service that a Canadian would commonly have to pay for out-of-pocket when travelling in other parts of Canada.

We found that Ontarians were billed more for ambulance services when in other parts of Canada than the amount Ontario billed residents from other provinces and territories. For example, at the time of our audit, Ontario charged visitors from other parts of Canada \$240 per use of a land ambulance. In contrast, five other provinces charged more for Ontarians and other Canadian non-residents when they use their land ambulance services—Nova Scotia charged \$732.95, New Brunswick charged \$650, Prince Edward Island charged \$600, British Columbia charged \$530, and Quebec charged \$400 plus a kilometre charge. In comparison, an Ontarian typically has to pay only a \$45 fee as a co-payment when using land ambulance services in Ontario. Ontario has no reciprocal agreements with any other province or territory for ambulance services.

In 2016, the interprovincial committee (explained in **Section 2.5.5**) established a working group consisting of a select number of provincial representatives to review interprovincial coverage gaps, including ambulance services. The interprovincial committee had not made any recommendations when we completed our audit.

**Figure 7: Health Services the Ministry of Health and Long-Term Care (Ministry) Covers for Ontarians in and outside of Ontario**

Source of data: Ministry of Health and Long-Term Care

In Ontario	Outside of Ontario but within Canada <sup>1</sup>
<p><b>Partial or complete coverage:</b></p> <ul style="list-style-type: none"> <li>• physician services<sup>2</sup></li> <li>• hospital services<sup>2</sup></li> <li>• ambulance services</li> <li>• home-care services</li> <li>• palliative care</li> <li>• drugs given outside a hospital (e.g., seniors' drug program)</li> <li>• community laboratory services</li> <li>• mental health facility costs</li> <li>• assistive devices (e.g., prosthetics)</li> </ul>	<ul style="list-style-type: none"> <li>• physician services<sup>2</sup></li> <li>• hospital services<sup>2</sup></li> </ul>

1. The Ministry may also cover other health services outside of Ontario but within Canada through its prior approval program. See **Appendix 1** for further details.

2. Medically necessary and insured services.

### 4.3.2 Public Education to Ontarians Regarding OHIP Coverage When Travelling Elsewhere in Canada Limited to Website Advisory

Through its main webpage on out-of-province health coverage, the Ministry provides examples of health services that are and are not covered when an Ontarian travels to other parts of Canada, with the following advisory message: “We recommend that you buy private health insurance before leaving Ontario to cover any uninsured services you may need.” As discussed in **Section 4.1.1**, the Ministry has not used social media to promote public awareness of health coverage on the part of Ontarians travelling outside of the province.

In comparison, other provinces’ and territories’ main webpages on out-of-province health coverage provide stronger and more detailed messages regarding the need to purchase private health insurance. For instance, Newfoundland and Labrador advises residents to purchase additional travel/health insurance from a private insurer, even if leaving for only one day. Quebec informs its residents that the government does not reimburse the full cost of health-care services received outside the province, and does not cover certain services at all. Yukon similarly warns its residents that its health insurance plan does not provide coverage for ambulance services and to purchase private health insurance even if making a day trip to the United States or another province.

Travelling Ontarians who are not well informed of the need to purchase private health insurance are at risk of out-of-pocket expenses for certain health services they receive in other parts of Canada.

### 4.3.3 No Agreement between Ontario and Quebec to Simplify Process of Physician Billing from Quebec

The Ministry has not helped reduce the administrative burden on Ontarians who receive physician services in Quebec. Because Quebec does not par-

ticipate in the interprovincial billing agreement for physician services, Ontarians who receive physician services in Quebec typically have to pay the bill at the time they receive the service and then submit the invoice for reimbursement from OHIP. In comparison, when an Ontarian receives physician services in other parts of Canada, the experience is more seamless, as those physicians generally bill the services first to their provincial insurance plan, which then bills OHIP for reimbursement. As a result, Ontarians who use physician services in Quebec have to go through extra steps to be reimbursed compared to Ontarians who acquire the same services in other parts of Canada.

The Ministry has had an agreement in place with a region in western Quebec since 1988 to help those Quebec residents receive emergency services and specialized medical services that are not available in that region from physicians in the Ottawa region, without needing to pay out-of-pocket. Yet this agreement benefits only Quebec patients and does not apply to Ontario patients going to Quebec. In 2017/18, of the \$11 million that was billed to OHIP outside of interprovincial billing agreements Ontarians requested in reimbursement from OHIP for out-of-province physician services, 74% was for physician services provided in Quebec.

### 4.3.4 No Protection for Ontarians Who Are Charged for Physician Services at Rates Higher Than the Ontario Rate

While the *Commitment to the Future of Medicare Act* protects Ontarians from being charged more than the amount payable under the Ontario Schedule of Benefits (the fixed amount that OHIP will pay an Ontario physician per medical procedure) when seeking insured health services from Ontario physicians, the protection does not extend to protecting Ontarians when they seek health services from a physician in another province or territory. Thus, when Ontario patients are asked to pay for health services elsewhere in Canada and then recover the amount paid from OHIP upon their return, they

may not be able to recoup the full amount paid. This usually applies to physicians in Quebec, but it could also apply in other parts of Canada, as physicians have the right to bill patients directly at point-of-care in lieu of billing their provincial health plan (which in turn recovers the amount from Ontario) under the existing interprovincial billing agreement.

We examined claims data and found examples where physicians in other provinces billed Ontario patients at higher rates than the Ontario rate. For instance, an Alberta physician billed an Ontario patient \$166 for out-patient psychotherapy, but OHIP reimbursed only \$80.30 according to the Ontario Schedule of Benefits. Similarly, an Alberta physician billed an Ontario patient \$40 for an extensive examination service, but OHIP reimbursed only \$33.70.

The Ministry indicates on its main webpage on out-of-province health coverage that Ontarians are covered for physician services elsewhere in Canada, but does not specify that the reimbursement would be capped at the Ontario rate when a patient pays the physician up front and then requests reimbursement from the Ministry. In comparison, both Quebec and the Yukon on their websites advise their residents that out-of-province physician services are reimbursable only up to the provincial rate.

### RECOMMENDATION 7

To help reduce the financial and administrative impact on Ontarians who may require health services while travelling to other parts of Canada, we recommend that the Ministry of Health and Long-Term Care:

- work with other provinces to establish more consistent rates for common out-of-province services not required to be covered in the *Canada Health Act* (such as ambulance services) for Canadians while travelling in other parts of the country;
- explore options to streamline the reimbursement process for Ontarians acquiring phys-

ician services from Quebec in the absence of an interprovincial agreement on physician services with that province; and

- enhance its public communication to Ontarians on interprovincial health coverage, such as prominently stating that physician services obtained out of province, when billed at point of service, are paid only up to the Ontario rate.

### MINISTRY RESPONSE

The Ministry will work with other provinces and territories to review funding for common out-of-province health services that are currently not covered by provincial health insurance plans.

The Ministry agrees a more streamlined reimbursement process would benefit Ontarians accessing physician services in Quebec. The Ministry will endeavour to make the reimbursement process more efficient.

The Ministry will enhance its current public communication to Ontarians on interprovincial health coverage.

### 4.3.5 Ministry Is Able to Detect Errors in Other Provinces' and Territories' Hospitals' Billings; It Can Do More to Detect Inappropriate Billings Submitted by Other Provinces' and Territories' Physicians

The interprovincial billing systems for physician services and hospital services at the Ministry allow physicians and hospitals in other parts of Canada, through their provincial health insurance programs, to bill the Ontario Ministry for health services provided to Ontarians.

We found that the Ministry has put in place controls in the billing system for hospital services to detect errors such as missing or invalid data on claim submissions, incorrect application of billing rules and rates, or duplicate in-patient/out-patient claims. Between 2013/14 and 2017/18, the Ministry processed on average about \$100 million

worth of out-of-province hospital claims each year and has detected errors in and received adjustments for about 165 in-patient claims and 2,700 out-patient claims every year.

However, the Ministry does not have similar controls in the billing system for physician services. It does not verify that the fees it pays to other provinces' physicians are for services provided to Ontarians who had valid health numbers. The Ministry processed on average about \$30 million worth of claims from other provinces' and territories' physicians each year between 2013/14 and 2017/18, and has never rejected any claims. However, we found by running an application on health numbers and out-of-province claims that between 2015/16 and 2017/18, the Ministry paid about \$43,000 in good faith to physicians in other provinces who submitted and received payments for about 750 claims where the Ontario health numbers submitted for payment were invalid.

### RECOMMENDATION 8

To help reduce the risk of financial loss to the Province's health insurance program, we recommend that the Ministry of Health and Long-Term Care run an application annually to detect anomalies in claims, such as services purportedly rendered to Ontarians with valid health numbers, submitted by physicians from other parts of Canada.

### MINISTRY RESPONSE

The Ministry supports the recommendation to further improve the efficiency of out-of-province physician claims processing. The Ministry will conduct a feasibility assessment to inform possible course(s) of action to support analysis of available data sources for anomalous results.

### 4.3.6 Negotiated Interprovincial Out-patient Hospital Rates Do Not Reflect Actual Costs Incurred

A rate review working group within the Interprovincial Health Insurance Agreements Co-ordinating Committee (Committee—explained in **Section 2.5.5**) has a mandate to review, develop and recommend various methodologies to calculate billing rates for the provision of interprovincial health services. The working group consists of representatives from each province and territory. Once the Committee approves a methodology, the Canadian Institute for Health Information then calculates the rates and reports these rates back to the Committee for approval.

According to the interprovincial billing rules that this working group established, hospitals can charge only one out-patient rate per day (the highest rate from among the services provided that day), regardless of how many services are provided that one day. As a result, hospitals that provide multiple out-patient services to out-of-province patients would need to forgo the cost of some services entirely.

For example, in the case of a patient needing laboratory services and a day surgery on the same day, if the patient were an Ontarian, the hospital would be funded for all aspects of the hospital services. But if the patient were from elsewhere in Canada, the hospital could bill for only one service per day (the service with the highest value if multiple services were provided on the same day) according to the interprovincial billing rules approved by the Committee. One hospital advised us that it would rather forgo billing other services provided to out-of-province patients than make these patients return to the hospital day after day, as it wants to minimize the patients' need to travel to the hospital multiple times.

We found that several reasons contributed to the out-patient hospital rates being unrepresentative of the actual out-patient service costs incurred:

- Unlike the in-patient rates that are hospital-specific, out-patient rates are common across Canada, based on about 7 million patient records obtained from about 60 hospitals from Ontario, Alberta and Nova Scotia. (These are among the provinces or territories that provide the most services to out-of-province patients.) These records are grouped by out-patient service categories, and an average rate is determined for each category. These rates are then applied across all hospitals in Canada regardless of the actual costs incurred by each hospital.
- Out-patient services at hospitals are grouped into 13 categories. These 13 categories were developed in the 1980s and have undergone minimal changes since. However, with advances in medicine and technology, some services that were formerly delivered in an in-patient setting are now deliverable in an out-patient setting, but would require their own rates in order to be fairly compensated (for example, some types of joint replacement).
- Hospitals are reimbursed \$359 per visit for services provided under a category called “standard out-patient visits,” but the category incorporates services with a wide range of costs, from relatively low-cost services like fixing a dislocated limb at an average cost of \$154 per visit, to a high-cost service such as peritoneal dialysis for patients with kidney disorders (done within the body as opposed to through an external dialyzer) at an average cost of \$3,276 per visit.
- Interprovincial out-patient rates have only been adjusted for inflation since 2015, when the rates were last updated based on case costing data.

### Concerns Relating to Interprovincial Health Coverage Pending Interprovincial Committee Decisions

In addition to the review noted in **Section 4.3.1** that the Committee was still in the process of completing, we were informed that the Committee was also still investigating a concern that arose during its rate-negotiation process—Committee members became aware that some physicians and hospitals were double-billing for the same out-patient hospital service provided to patients from out-of-province, as provinces and territories pay their physicians differently.

In these cases, the Committee had been reviewing the situations for several years. While the Committee has representation from each province and territory, there are no established criteria for who serves as a representative on the Committee. This has resulted in inconsistent representation with respect to area of expertise (such as health policy versus claims processing) and decision-making authority of officials at the table, with some members often needing to consult with senior officials before decisions can be made.

## RECOMMENDATION 9

To help support discussions with other provinces and territories regarding matters of interprovincial health coverage and to best represent the interest of all parties involved, we recommend that the Ministry of Health and Long-Term Care:

- work with other provinces and territories in the Interprovincial Health Insurance Agreements Co-ordinating Committee (Committee) to update the categories and rates for out-patient services; and
- discuss the mandate of the Committee, including a review of the level and expertise of staff represented at the Committee, with other provincial and territorial members.

## MINISTRY RESPONSE

The Ministry agrees with the Auditor General that the existing interprovincial rate-setting model and methodology is problematic. The Ministry will explore options to improve this situation, including an analysis of financial gains or losses experienced by Ontario hospitals that provide health care to residents from other provinces.

The Ministry supports the recommendation to discuss the mandate of the Committee. Each province and territory is responsible for assigning representatives and staff to the Committee and ensuring members have the necessary level of expertise.

### 4.4 Claims Not Efficiently Administered

The Ministry processes a significant volume of out-of-country and out-of-province claims each year. The public expects the Ministry to process claims accurately and efficiently and maintain the confidentiality of the data to prevent potential loss and compromise of sensitive information.

We examined whether the Ministry had processes in place to ensure that claims information is secured and found that it has put in place security measures for this purpose. Specifically, at the time of our audit, the Ministry was establishing a new process for transferring data related to out-of-country travellers' claims, in response to the Ministry's internal audit conducted in 2016 that noted that the Ministry did not encrypt data transferred between the claims assessment department and the payment system. As well, we observed that paper files were appropriately secured at the Ministry's three processing offices—paper files were cleared from the staff's desks and filing rooms were locked after hours. Furthermore, the Ministry indicated that it has drafted user access management procedures and established a new process to help ensure that only authorized users can access systems and data-

bases that support OHIP claims. We also noted that Ministry staff store electronic files on the server and have unique usernames and passwords.

In addition, we examined the process that the Ministry uses to detect claims fraud. The Ministry indicated that following up with suspected cases by asking for more information on the claim has generally resulted in the claimant abandoning the claim.

We also examined whether the Ministry processed claims efficiently and accurately. We found that the Ministry has not fully realized the benefits of electronic claims submission and of a quality review process it undertook to improve accuracy of claims.

We look at these issues in detail in the following subsections.

#### 4.4.1 Claims Processed are Primarily Paper-Based

Most out-of-country and out-of-province claims are submitted to the Ministry in paper format. Processing paper documents creates an administrative burden: Ministry staff have to open mail, enter data multiple times into different systems, scan paper documents for electronic storage, and ultimately store the documents for seven years as required by the retention policy. Their use can also lead to personal health information being lost in the mail or compromised.

In contrast, the private health insurance industry accepts electronic submission of certain claims. According to Ministry staff, electronic claims submission significantly reduces processing and data inputting time.

We noted the following with regard to the continued use of paper documents:

- The Ministry requires all claims submitted directly by patients to be on paper. These claims can arise from all three out-of-country and out-of-province programs.
- For the out-of-province program, where provinces reciprocally bill each other for health services provided to other provinces'

residents, six provinces and territories submit paper hospital claims to the Ministry, and all three territories submit paper physician claims. The other provinces and territories submit these claims to Ontario electronically. Further, only Newfoundland and Labrador allows electronic funds transfers, whereas all other provinces and territories require payment by cheque.

In September 2017, the Ministry began arranging for only one insurance company of the 30 with which it contracts (we explained this in **Section 2.5.3**) to submit electronic out-of-country travellers claims. In June 2018, it offered other insurance companies the opportunity to submit these claims, and six of these companies planned to begin the new process in the fall of 2018.

### RECOMMENDATION 10

To improve the efficiency of claims processing, we recommend that the Ministry of Health and Long-Term Care:

- develop a mechanism to allow patients and other provinces and territories to submit claims electronically; and
- arrange with all provinces and territories to allow electronic funds transfers of reciprocal provincial billings.

### MINISTRY RESPONSE

The Ministry supports this recommendation.

The Ministry is actively seeking support from other provinces and territories to move to electronic claims submission in Ontario. The Ministry will analyze options to determine if submission of patient claims is feasible.

The Ministry will contact the provinces and territories currently receiving payment via cheque to request that they consider enrolment in electronic funds transfer for their reciprocal billing payments.

### 4.4.2 Benefits of Quality Assurance Review of Claims Not Fully Realized

In October 2017, the Ministry started putting into practice a quality assurance review initiative to ensure that all claims-processing staff comply with operating procedures. The goal of the initiative is to identify errors in claims processing and their root causes, and to reduce future errors. While this initiative is a step in the right direction, we noted the following concerns:

- Ministry staff acting as reviewers in this initiative do not consistently follow a formal checklist when reviewing a file, so the consistency and completeness of the review cannot be ensured.
- At the time of our audit, the reviewers only assessed claims under the out-of-country travellers program. The Ministry indicated that it intends to expand the initiative to the prior approval and out-of-province programs, but had no timelines for the work.
- While the reviewers have summarized the errors detected through this initiative and informed us that only a few would have resulted in a change in payment (the amounts overpaid were nominal), they have not fully assessed the errors identified for trends or underlying causes, even though these actions are part of the goal of the initiative. The result is a missed opportunity for identifying ways to reduce the chance that the same errors will occur in the future.

### RECOMMENDATION 11

To further improve the processing of claims in the out-of-country travellers, out-of-province and prior approval programs, we recommend that the Ministry of Health and Long-Term Care:

- monitor that all staff follow the standard checklist for its quality assurance review initiative;
- extend the initiative to all out-of-country and out-of-province programs; and

- analyze the results of its reviews to identify opportunities to minimize the occurrence of similar identified errors in the future.

### MINISTRY RESPONSE

The Ministry supports this recommendation.

The Ministry will develop a mechanism to monitor the use of the standard checklist by staff when reviewing claims through its quality assurance review initiative. The Ministry will also analyze the information collected to identify opportunities to reduce the number of re-occurring errors, and will develop a plan, including timelines, to roll out this initiative to all out-of-country and out-of-province claims processing programs.

## 4.5 Lack of Data and Reporting Capabilities Limit Ministry Analysis of Program Performance

Overall, we found that the Ministry does not measure and report periodically to the public on the results and effectiveness of the out-of-country and out-of-province programs in meeting their intended objectives, which are noted in **Appendix 2**. As well, the Ministry does not maintain good data for all its programs, and its systems cannot produce useful reports to help it monitor its performance on operating the out-of-country and out-of-province programs. We noted the following concerns:

- The Ministry advised us that it has a 20-day service standard for processing claims. While it tracks the number of days it actually takes to process claims, it does not analyze the information to understand typical processing times for the different programs or measure actual processing times against its internal standard. Because of the limited reporting capability of its current information systems, the Ministry cannot produce data on processing time or the time needed to pay processed claims. The Ministry also does not publicly report on its actual processing times, but informs claimants

in the claim form to expect their claims to be processed and paid in six to eight weeks.

- For the out-of-country travellers program, while the Ministry has data on the country of the health-care providers, it does not extract system data to analyze this information to detect, for instance, whether certain Ontario travellers frequently obtain emergency health services from specific foreign health-care providers.
- Information from the three systems that the Ministry uses to track and pay claims under the out-of-province program lacks detail, thereby limiting the Ministry's ability to efficiently manage the program. For example, the Ministry cannot easily identify areas where Ontarians need to be better informed—such as cases where Ontarians are billed for amounts that exceed amounts reimbursable and the types of claims that are consistently rejected. The Ministry also cannot easily identify the types of services that Ontarians are frequently receiving in other provinces to determine the reasoning behind Ontarians leaving the province for these services.

### RECOMMENDATION 12

To improve its oversight of the out-of-country and out-of-province programs, we recommend that the Ministry of Health and Long-Term Care:

- develop performance measures and explore an approach to enhance its information systems to collect, monitor and analyze data to evaluate the programs; and
- report publicly on the results.

### MINISTRY RESPONSE

The Ministry welcomes the Auditor General's recommendation and will explore the potential, including costs, of enhancing its information systems in order to collect better data that allows for better program evaluation and public reporting.

## 4.6 International Patients' Use of the Ontario Hospital System

“Medical tourism” describes foreign patients seeking health care in another country because they perceive the care to be superior, more accessible and more affordable than in their home country. Research shows that medical tourism may shift public health care to profit-driven privatized care and that it goes against the principle of health equity.

Ontario hospitals serve patients who are primarily local residents, but they may also be visited by people from foreign countries.

### 4.6.1 Ministry Has Identified Providing Hospital Services to International Patients as a Concern

In the early 2010s, the Ministry became aware of some Ontario hospitals earning money by providing health-care services to international patients. In 2012, the then-Deputy Minister of Health and Long-Term Care sent a letter to Ontario hospitals, detailing Ministry expectations that this money would be reinvested in health care for Ontarians and that hospitals ensure that public funding would be used in a manner that demonstrates accountability for public funds.

In 2014, the Registered Nurses' Association of Ontario reported to the Ministry that it had been informed that Ontario patients were having surgeries cancelled so that doctors could treat international patients. This sparked another Ministry response. The Minister at that time issued another letter to Ontario hospitals, along with a public statement with a similar message. In that statement, the then-Minister made it clear that hospitals were not to market to, solicit or treat international patients (with the exception of activities related to a hospital's existing international consulting contracts), and that:

- hospitals cannot use public dollars to care for international patients;

- any revenue generated from international patient activities must be put back into hospital services that benefit Ontarians; and
- services to international patients must not displace any Ontarian in favour of international patients.

During our audit, we obtained data from four Ontario hospitals that provide services to international patients. These services include complex births, cardiac care, neurosurgery, transplants and orthopedics. Two of these hospitals have formal programs that were established prior to the 2014 direction and have therefore been allowed to continue operating the programs. They informed us that these programs have humanitarian purposes and that they typically arrange them directly with foreign country governments, private insurers, patients or their families, or with charitable organizations that pay for the services. Together, the four hospitals collectively served 3,123 foreign patients in 2017/18 (3,578 in 2016/17), generating over \$9 million of revenue per year.

### No Provincial Framework to Guide Hospital Services to International Patients

The Ministry has never finalized its work on a framework to guide hospitals in their services to international patients. As a result, some hospitals have developed their own policies for the treatment of international patients, based on their interpretation of the Minister's statement. Such a lack of consistent standards and definitions leaves hospitals free to interpret the Ministry's requirements as they choose, including determining their own eligibility criteria for determining a humanitarian case, which could ultimately affect Ontarians' access to hospital services.

When the then-Minister released the statement in 2014, he indicated that the Ministry would work with Ontario hospitals to develop a framework to ensure compliance with the principles contained in the statement. The Ministry held meetings in late 2014 with Ontario hospitals that provide in-patient

services to people who come to Ontario to receive international patient services, and it developed a draft framework, although it never finalized its work.

In the absence of a provincial framework, some hospitals have developed local policies to guide their work with international patients. Of the five hospitals we visited, all reported having developed their own internal policy for the treatment of international patients.

The Minister's statement noted that hospitals could still undertake work in the areas of charitably funded and humanitarian care. While the Ministry's draft provincial framework defined various levels of humanitarian circumstances, only two of the five hospitals included references of, and had defined, this term in their internal policy. Even so, the definition varied. While both hospitals included the factor "patient cannot reasonably receive care in their country-of-origin" in their definition, one hospital also included "patient cannot medically return to their country-of-origin for care." Another hospital we visited indicated that the Ministry needs to provide better guidance in this area.

#### **Ministry and LHINs Have No Current Information to Confirm Hospitals' Compliance with 2014 Minister's Requirements**

The Ministry does not collect current information or analyze data to ensure that hospitals are in fact adhering to the Minister's requirements on international patient programs. Such information and data could include:

- hospital policies on how pre-planned international patient services are triaged in the Ontario system;
- country of origin of international patients receiving treatment in Ontario;
- revenue generated from the treatment of international patients; and
- assertions made by hospital management that they have complied with the requirements (this was done only in 2012 but has not been done since).

The last time the Ministry collected information on these programs for pre-planned care was a survey conducted in 2014. According to the 2014 survey results, 10 hospitals provided 461 cases of pre-planned health services to international patients in 2013/2014, and 80% of these were provided by only two Ontario hospitals. These 461 cases represented 8% of all non-Canadians admitted to Ontario hospitals in that year.

Similarly, Local Health Integration Networks (LHINs) that have a responsibility to monitor hospitals and other health-care organizations that they fund also do not confirm whether hospitals in their regions have complied with these requirements.

Of the five LHINs that we spoke to, none reported collecting information or statistics on international patient services from hospitals in their region. One LHIN we spoke to informed us that shortly after the Minister's statement outlining the Ministry's requirements, it requested hospitals in its region to complete a declaration of compliance with the requirement that public funds are not to be used for the care of international patients; however, it has not since repeated this one-time request.

#### **4.6.2 75 Babies Born to Non-resident Mothers in Ontario in 2016**

The Ministry does not monitor statistics on births to non-residents in Ontario over time. Even though current volumes of births to non-resident mothers are not significant, any sudden increases could have a potential impact in displacing Ontario mothers.

Since 1947, all babies born on Canadian soil have had birthright citizenship—meaning they are automatically granted Canadian citizenship—unless they are children of foreign diplomats. While some births by non-residents may have routine explanations (for example, mothers on work permits, mothers who have just moved to Ontario and are waiting the required three months to qualify for OHIP), some non-resident mothers may be engaging in "birth tourism." Birth tourism refers to the situation when expectant mothers

intentionally come to Canada to give birth, in order to give the baby Canadian citizenship and all the rights and benefits it involves. While some hospitals reported turning away foreign mothers seeking routine prenatal care if they are in the early stages of pregnancy, if a foreign mother shows up in the emergency department in labour, hospitals would take the ethical step of providing maternity care to the mother.

Overall, births to foreign mothers do not represent a significant percentage of Ontario births. According to Statistics Canada, in 2016, only 313 babies were born in Canada to foreign mothers out of more than 383,415 births across the country. In that same year, of the 141,925 births in Ontario, 75 (0.05%) were to mothers whose place of residence was outside of Canada, approximating the average of 81 births per year between 2014 and 2016. Residency information is self-reported, and not all of these births may be related to birth tourism. At the hospitals we visited for this audit that provide maternity services, less than 1% of births were to non-resident mothers.

We identified several local companies offering services to foreign mothers looking to give birth in Ontario. Their “birth packages” include services such as accommodation, transportation, administrative help, and support connecting mothers with Ontario doctors and specialists, all with prices attached. The existence of these companies may encourage more foreign mothers to come to Ontario, eventually reaching levels where foreign births may create barriers to access for Ontarians. One hospital in British Columbia was reported in the media as having delivered over 20 times the number of babies to non-residents in 2016/17 as in 2010.

## RECOMMENDATION 13

To help ensure Ontario hospitals meet the 2014 Minister’s requirement that they do not use public dollars to provide pre-arranged care for international patients, put any revenue generated from treating international patients into hospital services that benefit Ontarians, and do not displace any Ontarian in favour of international patients, we recommend that the Ministry of Health and Long-Term Care, working with Local Health Integration Networks where appropriate:

- re-examine the draft framework to define principles, guidelines and reporting expectations for hospitals that provide pre-arranged health services to international patients;
- develop mechanisms to monitor hospitals’ compliance with the Minister’s requirement around pre-planned health services for international patients;
- identify information that hospitals need to report on regarding services to international patients and collect this information; and
- obtain and monitor statistics on pre-arranged births to non-residents in Ontario over time.

## MINISTRY RESPONSE

The Ministry will work with its health-care partners, including hospitals and Local Health Integration Networks, to develop a framework to define principles, guidelines, requirements and reporting expectations (information reported to and collected by the Ministry) for hospitals for pre-arranged health services to international patients in light of the current government’s direction and strategic priorities. The framework will also include a mechanism for monitoring hospital compliance. The Ministry will also conduct further analysis on pre-arranged births to non-residents in Ontario.

## Appendix 1: Details of Coverage under the Out-of-Country Travellers Program, the Out-of-Province Program and the Prior Approval Program

Prepared by the Office of the Auditor General of Ontario

OHIP Program	Coverage
Out-of-Country Travellers Program	<p>The Ministry reimburses limited costs when a patient, while out of Canada, acquires emergency health services to treat an illness or condition that is acute and unexpected, arises outside of Canada and requires immediate treatment. The reimbursable rates are:</p> <ul style="list-style-type: none"> <li>• For physician services: the lesser of the actual amount billed by the out-of-country physicians or the fee allowed in OHIP’s Schedule of Benefits for Physician Services, which includes over 7,000 fee codes.</li> <li>• For out-patient services (such as imaging): the amount billed by the out-of-country hospital, up to a maximum of \$50 per day.</li> <li>• For in-patient services (i.e., overnight hospital stays): up to \$400 per day for services provided in an operating room, a cardiac intensive care unit, an intensive care unit (ICU), or a neonatal or pediatric special care unit, and \$200 per day for other levels of care.</li> </ul>
Out-of-Province Program	<p>The Ministry covers medically necessary, insured hospital (including surgical-dental) and physician services that insured residents obtain in another province or territory during temporary absences from the home province or territory, to meet the portability provision in the <i>Canada Health Act</i>. Separate interprovincial billing agreements are in place with each jurisdiction for physician services and hospital services.</p> <p>Physician services: The interprovincial billing agreements were put in place between 1988 and 1999 between Ontario and various provinces and territories, except for Quebec, which does not have a billing agreement for physician services with Ontario or with any other province or territory. Under these agreements, the Ministry covers services provided to Ontarians who acquire physician services from another province or territory at the following rates:</p> <ul style="list-style-type: none"> <li>• the physician’s own province’s rate if the physician bills his or her own province’s health plan first, which then bills OHIP; or</li> <li>• up to the Ontario Schedule of Benefits rate if the other province’s physician bills the Ontario patient or OHIP directly.</li> </ul> <p>Hospital services: The interprovincial billing agreements were put in place between 1981 and 1999 between Ontario and all provinces and territories. The rates at which hospital services are paid are determined by an interprovincial committee (explained in <b>Section 2.5.5</b>):</p> <ul style="list-style-type: none"> <li>• The rate for in-patient services represents a hospital-specific per diem rate based on data reported annually by hospitals across Canada. For instance, Children’s Hospital of Eastern Ontario in Ottawa can charge \$2,068 for ward services and \$4,617 for ICU services per day for an out-of-province patient; Thunder Bay Regional Health Sciences Centre can charge \$1,197 per day; and the University Health Network can charge \$1,849 for ward services and \$4,637 for ICU services per day (rates as of April 1, 2018).</li> <li>• Out-patient services are broken down into multiple service categories. The rate for each service category represents the average cost of service for 60 hospitals across Canada, based on 2013/2014 case costing data in 2015. For instance, the interprovincial rate that is applicable to all hospitals in Canada is \$749 for an MRI scan and \$359 for an emergency room visit (rates as of April 1, 2018).</li> <li>• Rates are established separately for certain high-cost procedures such as solid organ and bone marrow/stem cell transplants. For instance, all hospitals in Canada can charge the patient’s home jurisdiction per event (regardless of the length of stay) \$141,582 for a liver transplant and up to \$192,678 for up to 25 days of hospitalization for bone marrow/stem cell transplants given to certain pediatric patients (rates as of April 1, 2018).</li> </ul>

## OHIP Program

## Coverage

Prior Approval Program (Out-of-Country and Out-of-Province)

Covers costs that the Ministry has approved for coverage, before services are rendered, billed by the out-of-country or out-of-province provider organization, including organizations that have preferred provider agreements with the Ministry. In these cases, the preferred providers bill the Ministry at pre-established rates for specified medical services as set out in the agreements they have with the Ministry. If an agreement exists with a preferred provider for the service approved, the patient must go to the specified provider.

The Ministry uses the following criteria to determine whether it would approve health services to be provided outside of Ontario:

- the service is not experimental or for research;
- the service is generally accepted in Ontario as appropriate for a person in the same medical circumstances as the insured person;
- the service either is not performed in Ontario by an identical or equivalent procedure, or is performed in Ontario but the insured person must receive the service outside of the country to avoid a delay that would result in death or medically significant irreversible tissue damage;\*
- an appropriate Ontario specialist has provided written confirmation;\* and
- written prior approval has been received from the Ministry before the service is rendered (except in emergency circumstances).\*

In addition, the service requested to be performed in a foreign country under the prior approval program must not:

- facilitate queue-jumping;
- provide access to “world expertise” when appropriate expertise exists in Ontario;
- provide access to out-of-country treatment when appropriate treatment (according to Ontario medical opinion from the patient’s specialist) is available in Ontario;
- provide access to health services that are not the Ontario standard of care; and
- provide access to new or emerging services or technology whose effectiveness, safety or necessity has not yet been scientifically established (for instance, the irreversible electroporation [NanoKnife] treatment for cancer is not recognized in Ontario as a standard of care, but is recognized in Europe; therefore, at the time of this audit, OHIP does not provide prior approval to obtain this surgery in other countries).

Examples of services for which the Ministry has provided prior approvals include:

**Out-of-country:** cancer treatment, vascular procedures, selective dorsal rhizotomy (to treat children with cerebral palsy), sex reassignment surgery

**Out-of-province:** breast reduction, back surgeries, emergency dental work

\* These do not apply to the out-of-province prior approval program.

## Appendix 2: Objectives of the Out-of-Country and Out-of-Province Programs and Related Provincial and Federal Objectives Regarding Health Care

Prepared by the Office of the Auditor General of Ontario

### Objectives of the Three Out-of-Country and Out-of-Province OHIP Programs

- Out-of-country travellers program: to provide limited reimbursement for travellers requiring emergency health services out-of-country.
- Out-of-province program: to provide coverage for insured health services while eligible Canadians are temporarily absent from their home province or territory, or moving to another province or territory, as outlined in the portability principle of the *Canada Health Act* (see summary in following section).
- Prior approval program: to provide full funding for Ontarians to receive medically necessary services outside of Ontario when the services are not available in Ontario, or not available without medically significant delay.

### Four Key Objectives of Ontario's Plan to Improve Its Health System<sup>1</sup>

- **Access:** Improve access—providing faster access to the right care.
- **Connect:** Connect services—delivering better co-ordinated and integrated care in the community, closer to home.
- **Inform:** Support people and patients—providing the education, information and transparency they need to make the right decisions about their health.
- **Protect:** Protect our universal public health-care system—making evidence-based decisions on value and quality, to sustain the system for generations to come.

### Canadian Health-Care Policy<sup>2</sup>

Primary objective of Canadian health-care policy: “to protect, promote and restore the physical and mental well-being of residents of Canada and to facilitate reasonable access to health services without financial or other barriers.”

Each province's health-care insurance plan must meet the following five criteria:

- **Public administration:** It must be administered and operated on a non-profit basis by a public authority appointed or designated by the government of the province.
- **Comprehensiveness:** It must insure all insured health services provided by hospitals, medical practitioners or dentists, and where the law of the province permits, similar or additional services rendered by other health-care practitioners.
- **Universality:** It must entitle 100% of the insured persons of the province to the insured health services provided for by the plan on uniform terms and conditions.

1. As per the Ministry of Health and Long-Term Care's *Patients First: Action Plan for Health Care* (2015).

2. As per the *Canada Health Act*.

- **Portability:** When insured persons are temporarily outside of the province, it must provide for the payment of the cost of insured health services (1) within Canada at the rate of the provincial or territorial plan where the services are provided, or at a rate agreed on by the provinces concerned, or (2) outside of Canada at a rate based on the provincial rate for similar services, taking into account, for hospital services, the size of the hospital, standards of service and other relevant factors. It must not impose any minimum period of residence in the province longer than three months before residents are eligible for insured services; and it must continue to cover health services for formerly insured persons who have moved to another province or territory until they have passed the waiting period for health coverage in their new province or territory.
- **Accessibility:** It must provide for insured health services on uniform terms and conditions, and may not limit reasonable access to insured health services. It must provide for reasonable compensation for all insured health services rendered by medical practitioners or dentists (such as for dental surgeries in hospital), and must provide for the payment of the costs of insured health services to hospitals.

## Appendix 3: Audit Criteria

Prepared by the Office of the Auditor General of Ontario

1. Programs are aligned with relevant federal and provincial legislation and regulations.
2. Adjudication decisions are founded on consistent and well-defined standards, including program guidelines, contractual requirements and expert advice.
3. Analysis and research are performed periodically to identify more cost-effective means to administer the Programs, including areas where new or increased capacity for services in Ontario is needed.
4. Rates for services reimbursed under the out-of-province and out-of-country travellers programs are equitable, established according to evidence-based methodology and reviewed periodically.
5. Program information is clearly and effectively communicated to stakeholder groups, physicians and patients.
6. Accurate and timely payments are made to eligible recipients for eligible services in accordance with legislative, regulatory and contractual requirements.
7. Timely, accurate and complete information is available to assist with decision-making, program planning and public reporting. Processes are in place to protect data confidentiality while processing claims under these Programs.
8. Performance measures and targets are established, monitored and compared against actual results to ensure that the intended outcomes are achieved and that corrective actions are taken on a timely basis when issues are identified.
9. Processes are in place to monitor hospitals' compliance with Ministry of Health and Long-Term Care requirements and directives regarding services to international patients.

## Appendix 4: Expert Panels and Advisors for the Prior Approval Program

Prepared by the Office of the Auditor General of Ontario

Organization	Composition	Area of Expertise
Cancer Care Ontario (CCO)	<p>Three expert standing committees assess prior approval applications for the following treatments: stem cell, CAR T-cell and proton beam.</p> <p>Each standing committee is composed of three expert members who review each case.</p> <p>For all other cancer treatments, CCO has a roster of 128 professionals with whom it consults.</p>	<p>CCO assists with assessing complex cancer cases requiring treatment in another country. The majority of decisions are for the following three treatments:</p> <ul style="list-style-type: none"> <li>• stem cell transplant to replace damaged cells in a number of diseases and conditions</li> <li>• CAR T-cell immunotherapy to modify a patient's immune cells to identify and attack cancer cells</li> <li>• proton beam therapy to treat cancer using external beam radiation with fewer long-term side effects than conventional photon radiation.</li> </ul>
Centre for Addiction and Mental Health (CAMH)	A number of psychiatrists individually assess files.	<p>Mental health-care practitioners evaluate individual applications for out-of-country mental health services.</p> <p>CAMH reports to the Ministry of Health and Long-Term Care (Ministry) with professional opinions on matters such as obsessive compulsive disorder.</p>
Ontario Pediatric Specialized Services Advisory Committee (OPSSAC)	Consists of five panel members, each from a separate pediatric hospital in Ontario.	Committee provides advice on specialized pediatric health services for patients under the age of 18 seeking out-of-country treatment.
Eating Disorders Panel	Three experts (from two Ontario hospitals and the University of Toronto) on this panel collaborate on each case.	<p>Each case is sent to the three experts separately, who independently assess patients with eating disorders and then collaborate before reporting back to the Ministry.</p> <p>Currently, there are no formal agreements with this panel; however, the Ministry plans to establish agreements with the two Ontario hospitals and the University of Toronto to assess cases.</p>