

Intelligence MEMOS



From: Bob Bell
To: Ontarians Concerned about Health Costs
Date: November 8, 2019
Re: **INCREASED OVERSIGHT OF OHIP IS OVERDUE**

Ontario's Fall Economic Statement included an [ambitious plan](#) to improve oversight of the \$16 billion Ontario Health Insurance Plan (OHIP) with increased accountability and transparency of healthcare spending – especially related to physician billings.

This is important because Ontario citizens enjoy some of the [best healthcare outcomes](#) in the world. Ontarians know this is in large part due to the excellence of care provided by our physicians and want to compensate them fairly. Doctors are paid on an honour system, submitting their bills to OHIP and receiving full payment within weeks.

The Ford government deserves credit for recognizing that, although the vast majority of doctors bill appropriately, a very small number may take advantage of the honour system. The Auditor General [reported](#) that in 2016, nine specialists billed for services on more than 360 days per year, and one doctor billed for six times the average amount of services provided by similar specialists in a year.

Furthermore, the Auditor General's 2016 report on OHIP showed that the Ministry of Health had very weak authority to recover money that was improperly paid to physicians. The report identified inappropriate physician billings totalling millions of dollars that were not recovered.

The auditor's report describes the weakening of the ministry's inspection and audit capabilities following implementation of the Cory report in 2005. Justice Cory found at that time that the ministry's audit function had a negative impact on physicians, which could have tragic consequences – one physician committed suicide following a ministry audit.

However, the government did not enact the report's recommendations to grant the ministry inspection power to review medical records and recover inappropriate bills. The auditor urged reinstating an inspector in the ministry.

The Kaplan Arbitration Panel, which settled a long-standing compensation dispute between the Ontario Medical Association (OMA) and the ministry also recommended that the audit process should be streamlined and modernized.

In introducing legislation to protect OHIP against misuse, the government will ensure that OHIP only pays for appropriate, delivered services and will make it easier for the government to recover funds when billings are incorrect. Legislation will also reduce the risk of OHIP fraud by uninsured individuals by eliminating the old red and white OHIP cards.

The new legislation will increase transparency of health payments by requiring the ministry to publish payments made to OHIP practitioners. This is consistent with the OMA's position that any publication of physician payments should be enabled through legislation.

The proposed legislation will not impact the vast majority of Ontario physicians. The use of statistical analysis to identify unusual billing practices will likely identify far fewer than 1 percent of doctors as requiring practice inspection. However, this legislation, in concert with another initiative being addressed by the OMA and government, is essential to maintaining a sustainable publicly funded health system.

Responding to a recommendation of the Kaplan Panel, the OMA and government are [collaborating to identify](#) more than \$400 million of inappropriate OHIP services based on the finding of Choosing Wisely Canada (a physician-led group) that up to 30 percent of provided medical services are inappropriate.

If Ontario is going to enjoy a sustainable publicly funded health system, tough decisions must be made to ensure that public money is being spent wisely. The Ford government deserves credit for increasing oversight for OHIP billings. The OMA should also be congratulated for working with the government to ensure that inappropriate care is reduced so that we can afford innovative and better treatment in the future.

Bob Bell was Deputy Minister of Health and Long-Term Care for Ontario from 2014 to 2018. Prior to this role, he served as President and Chief Executive Officer of University Health Network for nine years.

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