Legislative Assembly of Ontario

Assemblée législative de l'Ontario

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VALUE-FOR-MONEY AUDIT: OUTPATIENT SURGERIES

(2021 ANNUAL REPORT OF THE OFFICE OF THE AUDITOR GENERAL OF ONTARIO)

1st Session, 43rd Parliament
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The Honourable Ted Arnott, MPP
Speaker of the Legislative Assembly

Sir,

Your Standing Committee on Public Accounts has the honour to present its Report and commends it to the House.

Tom Rakocevic, MPP
Chair of the Committee

Queen's Park
December 2023

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1st Session, 43rd Parliament

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CONTENTS

INTRODUCTION

On February 27, 2023, the Standing Committee on Public Accounts held public hearings on the value-for-money audit of Outpatient Surgeries (*2021 Annual Report* of the Office of the Auditor General of Ontario), overseen by the Ministry of Health, and Ontario Health.

The Committee thanks the Auditor for her audit report. In this report, the Committee presents its own findings, views, and recommendations. The Committee requests that the Ministry of Health, and Ontario Health, provide the Clerk of the Committee with written responses to the recommendations within 120 calendar days of the tabling of this report with the Speaker of the Legislative Assembly, unless otherwise specified.

ACKNOWLEDGEMENTS

The Committee extends its appreciation to officials from the Ministry of Health and from Ontario Health. The Committee also acknowledges the assistance provided by the Office of the Auditor General, the Clerk of the Committee, and Legislative Research.

BACKGROUND

The Auditor General (Auditor) explains that outpatient surgery, enabling patients to return home within 24 hours, has various benefits for both patients and the health care system. For patients, benefits include reduced stress and lower risk of contracting viruses and infections associated with longer hospital stays. For the health care system, outpatient surgeries are more cost-effective and efficient since fewer hospital resources are required, and beds are more quickly available for other patients in need.

While some surgeries are most appropriately performed on an inpatient basis in hospitals, other surgeries may be done either on an inpatient or an outpatient basis. The Auditor notes that for those surgeries, “many factors, such as patient health and supports available at home, are considered when determining whether a surgery can be safely and appropriately provided on an outpatient basis.”

Oversight and Funding

The Ministry of Health (Ministry) is responsible for determining provincial initiatives and priorities related to surgeries, while Ontario Health (created under the *Connecting Care Act, 2019*) is the provincial agency responsible for integration and coordination of the healthcare system. The Ministry sets policy and direction, and Ontario Health implements that policy.

The Ministry funds three types of service providers (also called delivery organizations) that provide outpatient surgeries: public hospitals, ten integrated community health services centres—which were called independent health facilities (IHFs) at the time of the audit and the hearings—and one private hospital; and also compensates physicians and surgeons performing outpatient

surgery through Ontario Health Insurance Plan (OHIP) billings. While public and private hospitals have accountability agreements with Ontario Health, integrated community health services centres (ICHSCs) are accountable directly to the Ministry.

The Ministry and Ontario Health work together to allocate funding to, and collect data from, public hospitals that perform outpatient surgeries. Ontario Health also manages the Wait Time Information System that tracks wait times of surgeries performed at public hospitals and one surgical ICHSC.

Most outpatient surgeries in Ontario are provided by public hospitals. There were approximately 330,000 outpatient surgeries in 2020/21, about 100,000 fewer than in the period preceding the COVID-19 pandemic. There is currently no tracking of how much total funding hospitals use for outpatient versus inpatient surgeries.

In 2020/21, ICHSCs received approximately $13 million in Ministry funding to perform about 16,400 outpatient surgeries. The sole private hospital received approximately $2.6 million from the Ministry and performed approximately 1,800 outpatient surgeries in 2020/21.

2021 Audit Objective and Scope

The audit objective was to “assess whether the Ministry of Health (Ministry), in conjunction with Ontario Health, has effective oversight procedures and systems in place to ensure that:

- the quality of outpatient surgeries is monitored to achieve patient safety in accordance with applicable legislation, policies, standards and guidelines; and

- the results and effectiveness are measured, and publicly reported, and corrective action is taken when necessary.”

The audit also assessed whether providers of outpatient surgeries (public hospitals, one private hospital, and ten ICHSCs) in conjunction with the Ministry and Ontario Health, “have effective procedures and systems in place to ensure that:

- outpatient surgeries are provided and performed in an equitable, cost-effective and timely manner to meet Ontarians’ needs; and

- resources for outpatient surgeries are used and managed with due regard for economy and efficiency.”

The audit was conducted between December 2020 and June 2021.

ISSUES RAISED IN THE AUDIT AND BEFORE THE COMMITTEE

The Committee heard that the Ministry is committed to implementing the Auditor General's recommendations, and to continuing to improve access and reducing wait times both for surgeries and for the diagnostic procedures and investigations that precede surgery.

The Ministry noted a number of changes to ICHSC oversight and service delivery that would occur under the new *Integrated Community Health Services Centres Act, 2023* (the ICHSC Act was subsequently passed on May 8, 2023). Among other things, the Act changed the name of independent health facilities (IHFs) to Integrated Community Health Services Centres (ICHSCs).

The Ministry noted that during the COVID-19 pandemic (which began in March 2020) and the subsequent provincial declaration of a state of emergency, Ontario's health sector took action to preserve the integrity of the healthcare system. The healthcare system faced a crisis in critical care as many thousands of patients were admitted with COVID-19. In response, the most urgent and critical surgeries were prioritized, and elective surgeries were ramped down. The result was a backlog of surgeries and longer waitlists.

The Committee heard that the COVID-19 pandemic led to a number of changes in healthcare, including establishing regional and sub-regional structures for hospitals and other care providers, and using a "load balancing" approach to determine whether to shift healthcare human resources, other resources, and patients, from one facility to another.

The Ministry explained that the integration of 22 separate health agencies (including the Local Health Integration Networks and other agencies) into Ontario Health provides the foundation for treating the provincial healthcare system as a single integrated and coordinated resource.

The Committee asked about current capacity in the publicly delivered health care system and planning for future capacity, including the number and role of private clinics. The Ministry explained that it has provided additional funding to both hospitals and ICHSCs to increase their capacity, but the biggest obstacle in this regard is health human resources staffing.

The Ministry noted that new partnerships with the College of Nurses have added more internationally educated nurses to the healthcare workforce.

The Ministry also noted that it routinely works with Ontario Health to survey ICHSCs for available capacity, and regularly adds one-time funding for additional low-acuity diagnostic and surgical procedures to be conducted at these facilities. The aim is to reduce wait-times and gain efficiency for hospitals by moving some low-acuity procedures to ICHSCs. At the same time, there is a push to better integrate ICHSCs into the healthcare system.

Wait Times

The Auditor reported that patients experience long wait times, which vary considerably by region. The Auditor notes that "significantly long wait times can lead to a decline in overall patient health and can result in complications and

additional health issues." Resulting surgery backlogs also increase the burden on the healthcare system. This trend of longer wait times has occurred across Canada.

COVID-19 worsened wait times for outpatient surgeries. Many outpatient surgeries were delayed or cancelled during the pandemic as hospitals had followed public health directives to limit non-essential and elective surgeries in order to preserve capacity for COVID-19 patients. The Ministry noted that over the past several months, the number of people on the waitlist has returned to pre-pandemic levels.

The Ministry explained that an $800M investment through the Ministry's surgical recovery strategy has allowed, among other things, extended surgical hours, and will bring the healthcare system close to achieving the goal of eliminating the pandemic-related surgical backlog by the end of 2023. Nearly 100% of high-priority surgeries, including cancer and cardiac procedures, are being completed within target wait times.

The Committee asked about the Auditor's finding that a third of hospitals did not meet the targeted number of hours for use of operating room space. The Ministry explained that it is addressing this issue through the Surgical Efficiency Targets Program (SETP). As well, an investment in the Ministry's Surgical Innovation Fund supports hospitals in implementing new care pathways, training staff, and purchasing equipment. One such care pathway is supporting hospitals to shift to outpatient care for joint replacement.

The Committee asked whether there are plans to make surgeon waitlist data more broadly available, and whether the Ministry is taking steps to enable enhanced transparency by publicly reporting individual surgeons' wait times. The Ministry responded that it is considering all the options to make surgeon-level waitlist data more broadly available to system planners.

The Ministry noted that while there is currently a centralized waitlist system in the province, it is mostly a retrospective system. The goal is to move towards providing real-time information for patients and providers on patient waitlists.

Currently, a centralized wait list management tool— the Health System Insights platform— allows hospitals to see waitlists of individual surgeons within their own hospital, to support load balancing of surgical cases and reduce wait times. The Ministry explained that investments in centralized waitlist management will enable surgeons, hospitals, and the health system to use Ontario Health's multiyear centralized waitlist data to expand surgical efficiency and operating room capacity.

The Committee asked what the Ministry is doing to address the Auditor's finding of significant regional variations in wait times that result in inequitable access to surgery for Ontarians across the province. The Ministry explained that factors contributing to this include health human resources, the remoteness of communities, and lack of primary care. The Committee heard that Ontario Health is addressing these issues by coordinating health services and resources at a broader regional level.

Committee Recommendations

The Standing Committee on Public Accounts recommends that:

1. The Ministry of Health work with Ontario Health to:

    a) develop centralized waitlist management that provides real-time information by individual surgeon and is accessible to system planners as well as to individual hospitals and other healthcare providers; and

    b) consider making the individual surgeon waitlist available online to patients (as has been done in some other Canadian jurisdictions, and subject to ensuring there are no direct or indirect disclosures of private medical or other information).

2. The Ministry of Health consider tracking waitlists for outpatient surgery and inpatient surgery and making this information accessible to system planners as well as to individual hospitals and other healthcare providers.

3. The Ministry of Health work with Ontario Health to address the significant regional variations in wait times and ensure equitable access to outpatient surgeries for Ontarians across the province.

4. The Ministry of Health should collect information on the availability of infrastructure and capacity for surgical procedures by providers and use that information for system planning.

Province-wide Coordination of Outpatient Surgeries

The Auditor reported that there is no centralized province-wide intake or referral process for many surgeries.

When fully in use across the province, Ontario Health's centralized wait list management tool will accelerate implementation of central intake models for surgical care pathways. At the same time, Ontario Health is working with health sector experts to identify best practices learned from similar initiatives.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

5. The Ministry of Health work with Ontario Health to establish a centralized referral and assessment process for outpatient surgeries within each region and consider scaling this province-wide.

Quality of Outpatient Versus Inpatient Surgery

The Auditor reported that outpatient surgery quality is not adequately and consistently monitored in Ontario. There is no centralized method to measure surgery quality and outcomes, and hospitals typically do not monitor quality and outcomes for inpatient and outpatient surgeries separately, to compare outcomes.

The Auditor reported that although outpatient surgeries can be delivered by public hospitals, private hospitals, or ICHSCs, these different types of institutions operate in silos; they have different reporting requirements and are overseen by different parties. The Auditor found that the Ministry and Ontario Health had not yet evaluated the cost-effectiveness of outpatient surgeries in these different settings.

The Committee asked how the Ministry ensures that the safety standards at ICHSCs are aligned with the standards at hospitals. The Ministry explained that it partners with the College of Physicians and Surgeons of Ontario (CPSO), and the CPSO inspects facilities to ensure that services are provided at the highest level of quality. There is an established protocol for alerting the Ministry and the CPSO to a critical incident as well as a robust complaints process.

The Ministry explained that the CPSO is the government's quality assurance and inspection body, responsible for overseeing physicians, including physicians at out-of-hospital premises.

The Committee heard that in order to evaluate clinical effectiveness and gaps in oversight, the Ministry is working with Ontario Health on an evaluation framework for outpatient surgery that will include public hospitals, private hospitals, or ICHSCs. This will involve reviewing oversight structures, taking into consideration differences in operations, legislative requirements, and existing governance structures for the different types of institutions.

The Ministry noted that the ICHSC Act provides for new and expanded quality assurance programs for the integrated community health services centres, to better align with quality standards used in hospitals.

Committee Recommendations

The Standing Committee on Public Accounts recommends that:

6. The Ministry of Health work with Ontario Health to ensure the alignment of quality insurance standards and programs for outpatient surgeries whether conducted in hospitals, integrated community health services centres, or private hospitals.

7. The Ministry of Health work with Ontario Health to regularly assess and compare the quality of outpatient and inpatient surgery whether conducted in hospitals, integrated community health services centres, or private hospitals.

8. The Ministry of Health work with Ontario Health to measure and report on the relative cost-effectiveness of outpatient and inpatient surgery whether conducted in hospitals, integrated community health services centres, or private hospitals, based on complexity.

Funding Rates and Billings

The Auditor reported that the lack of regular tracking of cost information has resulted in no updates to funding for outpatient surgeries for years. The Auditor also found that the Ministry has no oversight mechanism to prevent patients from being charged inappropriately for publicly-funded surgeries.

The Committee heard that in 2019, legislative amendments were made that strengthened the Ministry's authority over the recovery of inappropriate payments to OHIP-funded providers. There was an 18-month transition period until May 2021 when the Ministry began to exercise that new legislative authority in investigations and potential recovery of any inappropriate billing. The Ministry noted that it is now working through the cases that have been identified under the new legislative framework.

The Ministry explained that it has a long-established audit program that uses analytical tools to monitor billings, select claims for review, correct inappropriate billing behavior, and recover overpayments. The Ministry has taken steps to prohibit extra billing and user charges for insured health care services through a dedicated program where the Ministry reviews all possible violations of the *Commitment to the Future of Medicare Act, 2004.*

Committee Recommendations

The Standing Committee on Public Accounts recommends that:

9. The Ministry of Health take steps to regularly track cost information in order to update funding levels for outpatient surgeries.

10. The Ministry of Health establish an oversight mechanism to prevent patients from being charged inappropriately for publicly-funded surgeries.

Patient Protection Against Inappropriate Charges

The Committee asked about the Auditor's finding that patients have no protection from being misinformed or inappropriately charged for optional add-ons (known as "upselling") to publicly funded procedures such as cataract surgeries. The Ministry responded that there have been challenges regarding how best and most appropriately to address instances where uninsured services are being sold to patients. The Committee heard that the Ministry is exploring the feasibility of collecting data on prices and fees that some surgeons are charging patients for uninsured services that are performed in conjunction with the insured service.

The Committee heard that the ICHSC Act includes a number of provisions to protect patients. These include a requirement that integrated community health services centres must provide patients information and obtain patient consent in connection with any uninsured services. The new legislation also requires each integrated community health service centre to have a formal complaints process.

The Ministry also explained that accountability mechanisms will be included in transfer payment agreement contracts with ICHSC licensees. The Committee asked whether these accountability mechanisms will be made public. The Ministry explained that the information in contractual agreements will be embedded in the ICHSC Act.

The Committee raised concerns that a complaint-driven mechanism may not always be effective, especially for seniors. The Ministry acknowledged this challenge, noting that it routinely works with Health Canada to address concerns about upselling. Health Canada employs a mystery-shopper approach (i.e., posing as a patient) to assess suspected instances of inappropriate upselling. The Ministry emphasized that patient protection from inappropriate charges as well as a complaints process—both formerly existing solely within contractual arrangements—have now been elevated in the ICHSC Act.

Committee Recommendations

The Standing Committee on Public Accounts recommends that:

11. The Ministry of Health and Ontario Health establish a requirement that patients be fully informed and provide consent to any optional uninsured services and procedures that are offered in conjunction with insured services and procedures.

12. The Ministry of Health and Ontario Health develop an accountability mechanism that does not rely solely on patient complaints to ensure that patients are not misinformed or inappropriately charged for uninsured optional add-ons offered in conjunction with insured services and procedures.

13. The Ministry of Health consider whether it is necessary to work with healthcare regulatory bodies to establish an enforcement mechanism for healthcare professionals found to have overcharged patients.

14. The Ministry of Health should collect data on prices and fees charged to patients for uninsured services performed in conjunction with insured services.

CONSOLIDATED LIST OF COMMITTEE RECOMMENDATIONS

The Standing Committee on Public Accounts recommends that:

1. The Ministry of Health work with Ontario Health to

    a) develop centralized waitlist management that provides real-time information by individual surgeon and is accessible to system planners as well as to individual hospitals and other healthcare providers; and

    b) consider making the individual surgeon waitlist available online to patients (as has been done in some other Canadian jurisdictions, and subject to ensuring there are no direct or indirect disclosures of private medical or other information).

2. The Ministry of Health consider tracking waitlists for outpatient surgery and inpatient surgery and making this information accessible to system planners as well as to individual hospitals and other healthcare providers.

3. The Ministry of Health work with Ontario Health to address the significant regional variations in wait times and ensure equitable access to outpatient surgeries for Ontarians across the province.

4. The Ministry of Health should collect information on the availability of infrastructure and capacity for surgical procedures by providers and use that information for system planning.

5. The Ministry of Health work with Ontario Health to establish a centralized referral and assessment process for outpatient surgeries within each region and consider scaling this province-wide.

6. The Ministry of Health work with Ontario Health to ensure the alignment of quality insurance standards and programs for outpatient surgeries whether conducted in hospitals, integrated community health services centres, or private hospitals.

7. The Ministry of Health work with Ontario Health to regularly assess and compare the quality of outpatient and inpatient surgery whether conducted in hospitals, integrated community health services centres, or private hospitals.

8. The Ministry of Health work with Ontario Health to measure and report on the relative cost-effectiveness of outpatient and inpatient surgery whether conducted in hospitals, integrated community health services centres, or private hospitals, based on complexity.

9. The Ministry of Health take steps to regularly track cost information in order to update funding levels for outpatient surgeries.

10. The Ministry of Health establish an oversight mechanism to prevent patients from being charged inappropriately for publicly-funded surgeries.

11. The Ministry of Health and Ontario Health establish a requirement that patients be fully informed and provide consent to any optional uninsured services and procedures that are offered in conjunction with insured services and procedures.

12. The Ministry of Health and Ontario Health develop an accountability mechanism that does not rely solely on patient complaints to ensure that patients are not misinformed or inappropriately charged for uninsured optional add-ons offered in conjunction with insured services and procedures.

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