



## **Auditor: Ministry of Health needs to do more to detect inappropriate payments to physicians and to investigate suspected overpayments**

**REGINA, Sask., June 6, 2017** – While the Ministry of Health takes some steps to check the validity of billings before paying physicians under a fee-for-service arrangement, it needs to do more, says Provincial Auditor Judy Ferguson in her *2017 Report – Volume 1*, tabled today.

Each year, the Ministry pays \$500 million to about 1,800 physicians under a fee-for-service arrangement for insured health services provided to Saskatchewan residents with valid health cards. The Ministry processes nearly 12 million physician billings each year using an inflexible IT system originally built 50 years ago.

Given the high volume of payments and the need to pay physicians in a timely manner, the Ministry cannot practically confirm the validity of all bills before paying. The Ministry recognizes, at times, physicians submit inaccurate bills because of misunderstandings, mistakes, or, on occasion, deliberate actions. To identify and adjust questionable billings before making payments, the Ministry uses automated but simple checks and labour-intensive manual assessments. About 10 Ministry staff manually assess about 8,200 billings every two weeks. In 2016, they reduced bills by \$9 million as a result of this work.

This labour-intensive process with tight payment deadlines increases the chance that questionable billings are paid. The audit identified 78 physicians with questionable billings. “The Ministry needs to better analyze physician billings and use a risk-based strategy to detect which billings are inappropriate,” says Ferguson. “A more robust IT system could help the Ministry more-effectively analyze billings and adjust inappropriate amounts before paying physicians.”

Provincial Auditor Judy Ferguson also notes the Ministry needs to do more when it suspects it has overpaid physicians. The Ministry does not have defined criteria to set out when a physician’s billing practices should be investigated. Having defined criteria would help to ensure that physician billings are assessed consistently, and physicians with the highest risk of inappropriate billing are investigated. In 2016-17, while the Ministry identified 15 physicians whose billing behavior exceeded their peers, only 9 were investigated. The audit found the number of investigations by the Joint Medical Professional Review Committee, responsible for physician billing investigations, was limited by how often the Committee met. “It is important for the Ministry to assess how more investigations into inappropriate physician billing practices can be conducted,” says Ferguson. “This will help to ensure the Ministry, and ultimately the taxpayers, only pay for eligible services.”

Additional issues highlighted in the Provincial Auditor’s Report include:

- › Regulating oil and gas pipelines at the Ministry of the Economy
- › Enforcing vehicle weight and dimension requirements at the Ministry of Highways and Infrastructure
- › Regulating commercial permittees’ on-table sale of liquor at Saskatchewan Liquor and Gaming Authority
- › Delivering childhood immunizations in Mamawetan Churchill River Regional Health Authority



- › Using MRI efficiently in Regina Qu'Appelle Regional Health Authority
- › Overseeing contracted special-care homes in Saskatoon Regional Health Authority
- › Engaging Grades 7 to 12 students in Living Sky School Division No. 202
- › Mitigating the effects of climate change at the Ministry of Environment

Further details regarding the key topics covered in Volume 1 of the 2017 Report can be found in the accompanying [Backgrounder](#). The full Provincial Auditor's 2017 Report – Volume 1 is available online at [www.auditor.sk.ca](http://www.auditor.sk.ca).

*The Provincial Auditor is an independent officer of the Legislative Assembly of Saskatchewan. The Office promotes accountability and better management by providing Legislators and the public with an independent assessment of the government's use of public resources.*

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