
Update on Prior Years' Report Items

Action Taken

The Authority indicated that with the creation of the new Western Regional Integrated Health Authority efforts are being made to identify the funds necessary to staff a compliance auditor position. This position would have a focus on the review of home support, as well as other expenditures, to ensure expenditures are assessed, approved, and documented in accordance with policy.

2003 Recommendation

The Board should ensure policies and procedures for all areas of operations are documented, updated periodically and monitored for compliance.

Action Taken

The Authority indicated that policies and procedures for the former Western Regional Health and Community Services Board's areas of operations are documented, updated and monitored for compliances. A Home Support Review Report has been implemented. Criteria for the level of service to receive home support have been implemented.

3.2.16 Medical Care Plan Beneficiary Registration System (2003 Annual Report, Part 2.21)

Introduction

In 2003, we completed a review of the Medical Care Plan Beneficiary Registration System at the Department of Health and Community Services. The objectives of our review were to determine whether the Department had adequate systems and controls to ensure that only eligible residents become beneficiaries under the Medical Care Plan and that the information recorded in the Medical Care Plan Beneficiary Registration System was complete and accurate so that payments were made only on behalf of eligible beneficiaries of the Medical Care Plan.

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Conclusions from our 2003 review

As a result of our review, we concluded that due to weaknesses in controls over beneficiary registration, the lack of security features contained in beneficiary cards, and weaknesses over monitoring claims paid, there could be significant cost to the Province associated with the payment of ineligible claims. Specifically:

- Controls over the Medical Care Plan registration process require improvement in that the Department currently accepts photocopies of original documents which can be easily altered or falsified. In addition, information on applications processed relating to newborns is not validated with provincial vital statistics registries to ensure applicants are eligible to receive coverage under the plan.
- The beneficiary card required improvements in that it only contained the beneficiary name and number, and did not provide adequate safeguards to identify the user in order to ensure that only eligible beneficiaries receive medical services. The card did not have any security features unique to the user such as a picture or description and does not contain an expiry date. As well, the Province had never re-registered beneficiaries and the cards that were issued in 1969 when the Plan was introduced were still valid at the time of our review. As a result, the Department could not ensure that only eligible beneficiaries received medical services.
- At December 2002, there were 81,350 more beneficiary numbers issued than there were residents in the Province. Although some of the difference may be accounted for by various factors including deceased card holders whose deaths have not been reported to the Department, and former residents who have left the Province, the Department did not have the information necessary to determine this. It is possible for medical services to be obtained and payments made relating to these 81,350 beneficiary cards. The Department could not determine how much, if any, has been paid on behalf of ineligible beneficiaries.
- In 2003, \$320,000 and in 2002, \$318,000 were paid for out-of-province medical care services related to terminated or invalid beneficiary numbers because the Department is required under reciprocal billing arrangements to pay for these medical services. Under reciprocal agreements with other provinces and territories the Department pays for medical services provided to both terminated and invalid (i.e. number not in Registration System) beneficiary numbers used in other provinces and territories.

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At December 2002, there were 371,144 cards that had been designated as terminated in the Registration System and which could be used in any other province or territory of Canada. This highlighted the need for the Department to institute stronger controls over its cards by the use of expiry dates, unique identifiers and periodic re-registration.

The Department was not adequately investigating why payments were made for out-of-province medical services for individuals who are not eligible for coverage under the Province's Medical Care Plan. Although monthly reports were produced which were designed to determine beneficiary eligibility relating to out-of-province payments, at the time of our review the Department had only contacted beneficiaries listed in its May 2002 report and no work has been started on the monthly reports generated since then.

Update

In October 2005, we contacted the Department of Health and Community Services requesting an update as to the progress on the comments and recommendations included in our 2003 report. The information provided by the Department in response to our request is outlined below.

2003 Recommendation

The Department should strengthen controls over the registration process by requiring applicants to provide original documents and by validating birth information on applications with provincial vital statistics registries.

Action Taken

The Department indicated that while it recognizes the potential for photocopies of original documents to be altered or falsified, there has never been any indication that this is indeed happening. The following explains why the decision was made to accept photocopies:

- Clients in the St. John's and Grand Falls - Windsor areas can visit the MCP offices in person and present original documents to be photocopied by staff and the originals returned immediately to the client. All other clients would have to send documents such as Birth Certificates and SIN cards through the mail and if lost in the mail they could be costly to replace.

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- It is convenient for clients to copy their original documents and submit with their applications. If for some reason they are not received by MCP, they can take another copy and re-submit.
- If original documents were received by MCP and did not get returned, the Department would likely have to cover the cost of replacement.
- Birth certificates are available at Government Service Centres in the larger communities; however, clients living outside these areas would have to apply through the mail, a process that could take 6-8 weeks.

The Department indicated that with the implementation of the UPI/Client Registry, regular death reports are now being received by MCP. This will provide the information to terminate deceased residents from the system.

If MCP were to validate birth information with provincial statistics registries, the cooperation of the Vital Statistics Division would be necessary. While the Department recognizes the potential to register newborns with invalid information, there is no evidence that this is happening.

The Department indicated that there are scenarios surrounding the birth of a child that could create confusion if MCP was to try to validate its information against Vital Statistics. For example, when the birth of a newborn is recorded, the information generally shows the child's sex, date of birth and the mother's name. Quite often the mother may not have taken the father's surname but will want the child to use the father's surname or even a combination of both surnames. If MCP were to check with Vital Statistics in a case like this, it would be difficult, if not impossible, to match.

However, in light of the observations and recommendations in the report, the Department indicated it will review this matter with Vital Statistics over the coming year and advise on the outcome.

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2003 Recommendation

The Department should improve the security features of the beneficiary card to include such design features as a picture and an expiry date.

Action Taken

The Department indicated it had been funded in the amount of \$900,000 for re-registration of clients in 2004-05. Unfortunately, the project was halted pending the conclusion of the provincial branding initiative and funding was carried over to the 2005-06 fiscal year. In November 2005, the Department received approval to proceed with the project on its own since the branding initiative was still not complete. Re-registration of the population is now scheduled to commence in the Spring 2006. While the card will not feature a picture, each card will include; gender, birth date, effective date and expiry date. Also, in the future the card will include all given names.

2003 Recommendation

The Department should require beneficiaries to re-register within a fixed interval.

Action Taken

The Department reports that all residents of the Province will be issued new MCP cards over the next 15 months. The cards will have expiry dates ranging from 1-5 years initially with a 5 year expiry thereafter.

2003 Recommendation

The Department should increase its efforts to follow-up on the monitoring reports it produces.

Action Taken

The Department reports that some work has been done in this area but more is left to do. Efforts to date have reduced the number of “eligible beneficiaries” from 612,945 at the time of the report in 2003 to 547,828, which still exceeds the population of Newfoundland and Labrador of approximately 515,000. Re-registration will bring the Department's master file more in line with the actual population.
