

AUDIT AT A GLANCE

WHY THIS AUDIT MATTERS

Over the past five years the City spent more than a quarter billion dollars on employee drug benefits. Some drugs covered by the City including opioids, sedatives and stimulants have high tendencies for abuse and diversion. Due diligence is critical not just from a cost perspective, but also in light of the opioid crisis unfolding across the Province.

BACKGROUND

In October 2016 the Auditor General issued a Phase One audit report on the City's employee drug benefits. During the time of that audit, the Auditor General was not able to access claim files or information maintained by Manulife, the then City's benefits administrator, to fully review the excessive and unusual claims identified. Subsequent to issuance of the Phase One report, Manulife agreed to provide audit staff access to claim files and specific information for selected cases. No personal identifier information was obtained during the audit.

BY THE NUMBERS

- \$1.9 million – annual reimbursement cost for prescription opioids
- 15 non-cancer claimants were reimbursed fentanyl patches double the 200 mg morphine equivalent daily watchful dose
- Names of 14 physicians who prescribed at least 800 mg daily morphine equivalents of fentanyl patches to 9 claimants will be referred to the College
- \$1.9 million – benefits cost for erectile dysfunction drugs in 2015
- Less than 100 tablets a year – insurers' general standard for reimbursement of on-demand erectile dysfunction drugs
- 44 claimants obtained between 180 and 522 on-demand erectile dysfunction tablets within a year
- 10 claimants showed signs of double doctoring and potential benefits abuse for erectile dysfunction drugs; claim information has been provided to City management staff for follow up

Supplementary Report to the Auditor General's Phase One Report: "The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims"

What We Found

Potential Over Prescription of Opioids to City Claimants

- Fentanyl is a painkiller 100 times more potent than morphine and 750 times stronger than codeine. According to a recent Ontario report, one out of every eight people taking opioids for chronic pain develops an addiction.
- Our analyses were based on the watchful dose of 200 mg daily morphine equivalents recommended prior to May 2017. This has since been reduced to 90 mg, reflecting growing concerns about risks of opioid usage.
- In total 32 physicians appeared to have prescribed at least double the previously recommended 200 mg watchful dose of fentanyl or oxycodone to City's claimants.
- In particular, 14 physicians prescribed at least 800 mg daily morphine equivalents of fentanyl patches to 9 non-cancer claimants. This is at least 4 times the previously recommended watchful dose, or nearly 9 times the current recommended watchful dose.
- Manulife had reviewed some of the cases but had not reported any potential over-prescribing cases to the College of Physicians and Surgeons of Ontario.
- Going forward, we believe the City, as a leading public sector organization, should request its benefits plan administrator to monitor and consider reporting potential cases of over-prescription to the regulatory bodies.

Potential Waste or Abuse of Erectile Dysfunction Drug Benefits

- The City's benefits plan currently has no limit on the amount of erectile dysfunction drugs that can be claimed within a year.
- 10 claimants appeared to be "physician shopping" to obtain excessive quantities of on-demand erectile dysfunction drugs. For example:
 - In 2014 a claimant was reimbursed a total of 522 tablets of Cialis, Viagra, and Levitra obtained from 6 pharmacies using prescriptions from 9 different physicians. In 2015 the claimant obtained from 4 pharmacies a total of 420 tablets using prescriptions from 5 physicians. The claimant was reimbursed about \$13,500 over the two years.
 - In 2014 a claimant was reimbursed a total of 326 tablets of Teva-Sildenafil, Cialis, and Levitra from 1 pharmacy using prescriptions from 5 different physicians. The claimant also obtained 360 tablets from 1 pharmacy in 2015 using prescriptions from 2 physicians. The claimant was reimbursed nearly \$10,000 over the two years.
- 20 claimants with questionable claim patterns were observed. For example, an individual claimed 136 tablets of on-demand and 398 of once-a-day Cialis during 2015, despite the fact that the two types should not be taken on the same day.

How Recommendations Will Benefit the City

This report together with the Phase One report have provided a total of 25 recommendations to help improve oversight of the City's employee drug benefits program, reduce instances of waste and abuse, and identify cost savings opportunities.