



## REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

# Follow-up to the Auditor General's Reports Regarding Management of the City's Employee Extended Health and Dental Benefits

**Date:** December 6, 2018

**To:** City Council

**From:** City Solicitor

**Wards:** All

### REASON FOR CONFIDENTIAL INFORMATION

---

This report is about potential litigation that affects the City of Toronto.

The attachment to this report contains advice or communications that are subject to solicitor-client and other privileges.

### SUMMARY

---

The purpose of this report is to obtain instructions regarding a resolution of certain matters set out in Council Decision AU8.4 and the accompanying Confidential Attachment.

### RECOMMENDATIONS

---

The City Solicitor recommends that:

1. City Council approve the confidential recommendations set out in Confidential Attachment 1;
2. City Council direct that the confidential recommendations and information contained in Confidential Attachment 1 remain confidential in its entirety, as it contains advice which is subject to solicitor-client and other privileges.

## FINANCIAL IMPACT

---

The financial impact is set out in Confidential Attachment 1.

## DECISION HISTORY

---

The Auditor General released two reports under the title "Management of the City's Employee Extended Health and Dental Benefits".

The first report, subtitled "Phase One: The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims", released October 24, 2016, addressed the administration of the employee drug plan.

<https://www.toronto.ca/legdocs/mmis/2016/au/bgrd/backgroundfile-97612.pdf>

A supplementary report, "The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims", was released June 13, 2017.

<https://www.toronto.ca/legdocs/mmis/2017/au/bgrd/backgroundfile-105243.pdf>

The second report, subtitled "Phase Two: Ineffective Controls and Plan Design Leaving the City Vulnerable to Potential Benefit Abuse", released March 20, 2017, addressed the administration of the extended health and dental plans.

<https://www.toronto.ca/legdocs/mmis/2017/au/bgrd/backgroundfile-102168.pdf>

Following release of those reports, Council directed City staff in a series of decisions to address the issues raised in the reports: \

2016.AU7.2 - Management of the City's Employee Extended Health and Dental Benefits, Phase One: The City Needs to Ensure Adequate Detection and Review of Potentially Excessive and Unusual Drug Claims

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.AU7.2>

2017.AU8.4 - Management of the City's Employee Extended Health and Dental Benefits, Phase Two: Ineffective Controls and Plan Design Leaving the City Vulnerable to Potential Benefit Abuse

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.AU8.4>

2017.AU9.10 - 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"

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.AU9.10>

Decision AU8.4 included a Confidential Attachment, containing confidential instructions to the City Solicitor.

Management of the City's Employee Extended Health and Dental Benefits

## COMMENTS

---

The confidential attachment contains recommendations and information relating to the confidential instructions to the City Solicitor from Decision AU8.4.

## CONTACT

---

Diana Dimmer, Director, Litigation, Legal Services, Tel: (416) 392-7229, Fax: (416) 397-5624, E-mail: [Diana.Dimmer@toronto.ca](mailto:Diana.Dimmer@toronto.ca)

Darragh Meagher, Director, Employment Law, Legal Services, Tel: (416) 392-8948, Fax: (416) 397-5624, E-mail: [Darragh.Meagher@toronto.ca](mailto:Darragh.Meagher@toronto.ca)

Michael Sims, Solicitor, Legal Services, Tel: (416) 397-5421, Fax: (416) 397-5624, E-mail: [Michael.Sims@toronto.ca](mailto:Michael.Sims@toronto.ca)

## SIGNATURE

---

---

Wendy Walberg  
City Solicitor

## ATTACHMENTS

---

Confidential Attachment 1 - Confidential Information