

CONFIDENTIAL ATTACHMENT # 1

Finance and Treasury High Priority Outstanding Auditor General Recommendations

The following advice concerns labour relations and should remain confidential.

CONFIDENTIAL INFORMATION OR ADVICE

The following provides a status update for each of the Finance and Treasury Services, Pension Payroll and Employee Services outstanding nine (9) high priority recommendations. The Auditor General October 10, 2019 report for Finance and Treasury Services can be viewed on line at:

<https://www.toronto.ca/legdocs/mmis/2019/au/bgrd/backgroundfile-138836.pdf>

Finance and Treasury Services Pension, Payroll and Employee Benefits 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 03/20/2017		
5*	City Council request the Treasurer to consider establishing a reasonable quantity limit for orthotics and orthopedic shoes benefits for dependents aged 18 or younger and for medical braces.	The Treasurer engaged an external consultant to review and provide recommendations. These recommendations will be considered during Collective Bargaining.
11*	City Council request the Treasurer to assess the reasonableness and appropriateness of the City's physiotherapy benefit provisions, taking into account the financial impact and the City's comparability to other jurisdictions.	The Treasurer engaged an external consultant to assess the reasonableness and appropriateness of the City's physiotherapy benefit provisions, taking into account the financial impact and the City's comparability to other jurisdictions. These recommendations will be considered during Collective Bargaining.

<p>Finance and Treasury Services Pension, Payroll and Employee Benefits 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” 03/13/2017</p>		
3*	<p>City Council request the Treasurer to clarify with the City's benefits plan administrator its practice of adjudicating erectile dysfunction drugs to identify anomalies such as excessive dosage, significant year-over-year increases, and obtaining multiple types of drugs at the same time.</p>	<p>The Treasurer engaged an external consultant to review and provide recommendations.</p> <p>These recommendations will be considered during Collective Bargaining.</p> <p>Additionally, PPEB has worked with GSC and will be developing various analytics report regarding usage and dosage by end of Q1 2020. GSC will share results from these reports with the City Quarterly during the Quarterly Claims Review starting in Q2 2020.</p>
<p>Finance and Treasury Services Pension, Payroll and Employee Benefits 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 10/24/2016</p>		
3*	<p>City Council request the Treasurer to undertake necessary steps to ensure the City’s benefits plans are cost-effective and follow industry standards and best practice, including but not be limited to:</p> <p>a. Consultation, on a regular basis, with industry experts and the new plan administrator to identify industry standards and acceptable practices for drug benefit coverage limits, particularly in areas where utilization by the City’s members is significantly higher than industry standards or benchmarks; and</p> <p>b. Recommending reasonable maximum plan coverages for the appropriate drugs with consideration for special circumstances.</p>	<p>The Director of Pension, Payroll and Employee Services engaged Mercer (In May 2018) to conduct an environmental market review of City benefits plans and identify opportunities for change for all employee groups.</p> <p>Reports for all employee groups have been received.</p> <p>These recommendations will be considered during Collective Bargaining</p>