

Health PEI  
One Island Health System

Henderson

8.04.16

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April 8, 2016

Ms. B. Jane MacAdam, CPA, CA  
Auditor General  
Office of the Auditor General  
PO Box 2000  
Charlottetown PE C1A 7N8

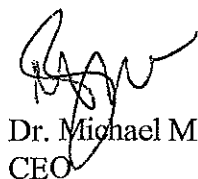
Dear Ms. MacAdam:

Enclosed is Health PEI's response to your report on Health PEI payments to Private Nursing Homes, January 2016.

We have discussed the contents of your report and have identified a number of measures that we will undertake to strengthen our policies, processes, reviews and audit procedures. We have already put measures in place in response to several of your recommendations and will continue working to address the remaining concerns in accordance with the timelines noted in the attachment.

On behalf of Health PEI, I would like to thank-you and your staff for identifying opportunities for Health PEI to strengthen processes and improve compliance with the *Long Term Care Subsidization Act and Regulations*.

Sincerely,



Dr. Michael Mayne  
CEO

/mmd

Attachments

c: Honorable Robert Henderson, Minister of Health and Wellness  
Phyllis Horne, Chair, Health PEI Board

**AG Report on Payments to Private Nursing Homes  
Recommendations and Response Summary  
April 6, 2016**

	Auditor General's Recommendation	Health PEI Response	Completion Date
1	Health PEI should establish clearly defined review procedures for monthly claims submitted by private nursing homes; take appropriate action to ensure the review procedures are consistently applied; and obtain sufficient documentation to support the amounts claimed.	Health PEI agrees with this recommendation and will develop/implement written standardized procedures for reviewing and authorizing payment for monthly claims submitted by PNH's by October 1, 2016. Health PEI will also review the current responsibility assignments with the goal of not only consolidating the review process to one designated individual, but also ensuring that review procedures are consistently applied.	October 1, 2016
2	Health PEI should only reimburse PNH's for exceptional health costs which have been authorized by the Exceptional Health Care Costs Review Committee.	Health PEI agrees with this recommendation and, effective February 1, 2016, Health PEI will ensure that all exceptional health care claims are reviewed and authorized by the Exceptional Health Care Costs Review Committee in accordance with policy.	February 1, 2016
3	Health PEI should pay transportation expenses for subsidized residents in accordance with policy	Health PEI will be reviewing the medical travel policy with the goal of either confirming or amending as appropriate. Upon completion of this review, Health PEI will ensure that transportation expenses for all subsidized residents are paid in accordance with the medical travel policy. Health PEI plans to have the policy review completed by June 30, 2016.	June 30, 2016

4	Health PEI should periodically review the trust accounts of subsidized residents at private nursing homes and maintain documentation supporting the review.	Health PEI agrees with this recommendation and will develop a review process and schedule. Staff will be assigned to conduct reviews by October 1, 2016.	October 1, 2016
	<b>Auditor General's Recommendation</b>	<b>Health PEI Response</b>	<b>Completion Date</b>
5	Health PEI should maintain adequate documentation to support that each applicant's income was verified in accordance with <i>the Long-Term Care Subsidization Act Regulations</i> .	Health PEI agrees with this recommendation. Long Term Care Subsidization staff are now printing a copy of the e-Notice of Assessment from CRA and including it in our client files effective February 1, 2016. Health PEI will also work more closely with families and with the CRA in an effort to obtain each applicant's Income Tax and Benefit Return to support documentation requirements.	February 1, 2016
6	Health PEI should conduct annual file reviews on all subsidized residents to comply with the <i>Long-Term Care Subsidization Act Regulations</i> .	In February 2016, the Department of Health and Wellness and Health PEI struck a committee to improve efficiencies in the administration of Long-Term Care Admissions, including the Administration of <i>the Long-Term Care Subsidization Act</i> . It is expected that the committee will provide recommendations that will support Health PEI in being fully compliant with the Long Term Care Subsidization Act Regulations.	November 1, 2016
7	Health PEI should conduct, document, and report on case audits in accordance with the <i>Long-Term Care Subsidization Act</i>	Health PEI agrees with this recommendation and will develop an auditing process and schedule. Staff will be assigned to conduct reviews by October 1, 2016 and reports on the conduct and results of the audit will be reported to the Minister in accordance with the <i>Long Term Care Subsidization Act</i>	October 1, 2016
8	Health PEI should report annually on the administration of the Long-Term Care Subsidization Program in accordance with the <i>Long-Term Care Subsidization Act Regulations</i> .	Health PEI has drafted a report on the administration of the Long-Term Care Subsidization Program for the 2014-2015 fiscal year and will provide it to the Minister to table in the House.	April, 2016