



**Office of the Auditor General
Prince Edward Island**

Independent Assurance Report

After-Hours Premiums: Radiology

July 2025



Prince Edward Island

Office of the
Auditor General

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Honourable Speaker and
Members of the Legislative Assembly
Province of Prince Edward Island

I have the honour of presenting this Report – **After-Hours Premiums: Radiology** to the
Legislative Assembly.

Respectfully submitted,

Darren Noonan, CPA, CA
Auditor General

Charlottetown, Prince Edward Island
July 9, 2025

After-Hours Premiums: Radiology – Highlights

Why we did this audit

- Significant increases of after-hours premiums paid to radiologists for emergencies were noted when our Office was completing the audit of Health PEI's financial statements for the year ended March 31, 2021. It was determined that premiums were being applied to after-hour claims from radiologists, regardless of whether services were emergency in nature or not.
- Radiologists from outside the province are used by Health PEI for after-hours services and this group of radiologists received 98% of these premiums during fiscal 2024. We refer to these radiologists as teleradiologists.
- We have discussed this issue with Health PEI annually since fiscal 2021 and still have concerns with how these premiums are being applied.
- The only claims auditor position with Health PEI has been vacant for much of the past 5 years. There is no other role in Health PEI responsible for auditing physician claims.

Objective

To determine whether Health PEI had effective processes in place to ensure that after-hours premiums paid to radiologists were in accordance with applicable agreements and legislation.

Conclusion

Radiologists were being paid after-hours premiums without meeting all the criteria outlined in the applicable agreements. Although Health PEI had a policy to help ensure that after-hours premiums paid to radiologists were in accordance with applicable agreements, it was not being followed and not all employees responsible for issuing these payments were aware of the policy.

Audit Scope: April 1, 2023 – March 31, 2024

What we found

After-Hours Premiums Paid	<p>Health PEI did not gather information to be able to monitor claims from teleradiologists.</p> <p>RECOMMENDATION (paragraph 21)</p> <p>Radiologists received after-hours premiums they were not entitled to in 47% of cases we examined.</p> <p>RECOMMENDATIONS (paragraphs 27 and 29)</p>
Monitoring and Analysis of After-Hours Premiums	<ul style="list-style-type: none">○ Employees responsible for issuing physician payments were not always aware of the policy intended to ensure physicians were paid appropriately. <p>RECOMMENDATION (paragraph 41)</p> <ul style="list-style-type: none">○ After-hours premiums paid to radiologists were not being monitored or audited. Medicare employees were advised to pay after-hours premiums regardless of the timeframes in the teleradiology agreement. <p>RECOMMENDATION (paragraph 47)</p> <ul style="list-style-type: none">○ Advisory committees with jurisdiction over payments to radiologists were not actively engaged to examine issues with after-hours premiums paid. <p>RECOMMENDATIONS (paragraphs 56 and 57)</p> <ul style="list-style-type: none">○ Health PEI has been paying for backup on call radiology services without Treasury Board approval. <p>RECOMMENDATION (paragraph 60)</p>

After-Hours Premiums: Radiology

Why it's important

In many medical emergencies, it is crucial to have quick access to radiologists to get a diagnosis. A timely diagnosis will allow treatment to begin sooner and improve the patient's outcome.

Health PEI paid over \$450,000 in after-hours premiums to radiologists in fiscal 2024. Radiologists are entitled to these premiums when an emergency occurs outside of normal business hours and the radiology service, or reading, happens immediately. Radiologists from outside the province are used by Health PEI to perform diagnostic imaging services during these hours and received 98% of these premiums during fiscal 2024.

In fiscal 2021, our Office's financial audit of Health PEI found irregularities in after-hours premiums paid to radiologists. The following recommendation was made: "Health PEI should ensure that payments to physicians are paid in accordance with the Master Agreement and Treasury Board authorized guidelines." Health PEI has not addressed this recommendation as of the date of this report.

BACKGROUND

Radiology

1. Radiologists are medical doctors who specialize in diagnosing and treating diseases and injuries using medical imaging technology. They interpret and analyze images from X-rays, ultrasounds, CT scans, MRIs and other imaging procedures to identify abnormalities and guide treatment. These services include the diagnosis of cancer, strokes, trauma and other major causes of mortality.

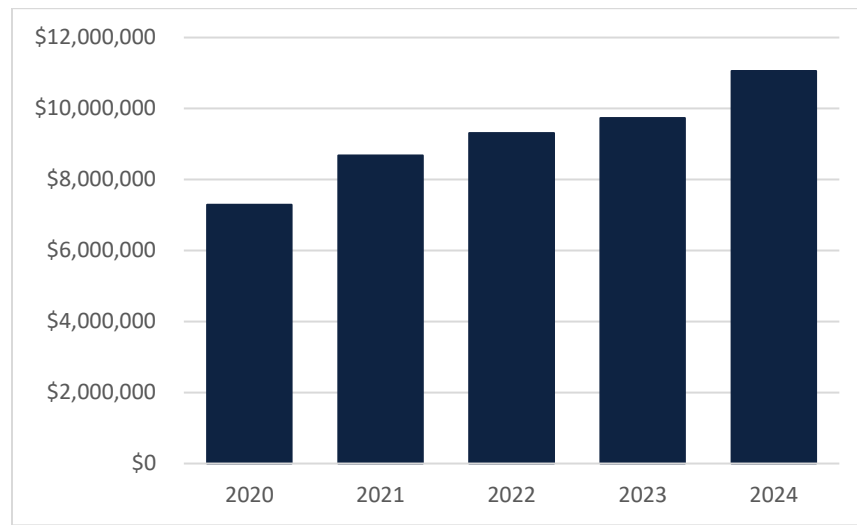


Compensation

2. As part of the *Health Services Act*, Health PEI is responsible for planning, organizing and delivering health services in Prince Edward Island. Physicians, including radiologists, fall under the Medical Affairs Division of Health PEI. Health PEI's Medicare employees, who are included within the Financial Services Division, are responsible for issuing payments to radiologists.

3. All physicians in the province, including radiologists, are compensated using the fees set out in the Master Agreement—an agreement between the Government of Prince Edward Island, Health PEI and the Medical Society of Prince Edward Island. This agreement establishes the fee, or compensation, physicians are entitled to for each service they provide to Islanders.
4. Total fees paid to radiologists have increased by approximately \$4 million in the last five years as shown in **Exhibit 1**.

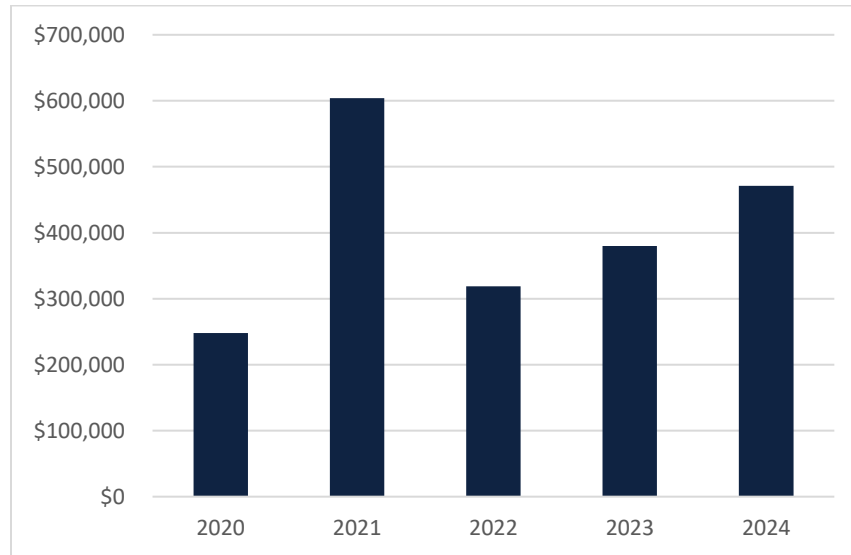
EXHIBIT 1
FEES PAID TO RADIOLOGISTS
FISCAL 2020-2024



Source: Health PEI, unaudited

5. These fees include after-hour premiums paid for emergency services outside of normal business hours. Radiologists outside of the province are paid based on the Master Agreement, however, to qualify for after-hours premiums they also must meet certain timeline requirements outlined in a separate agreement between Health PEI and a third-party company representing these radiologists. We will refer to the radiologists performing these services as teleradiologists.
6. **Exhibit 2** shows the after-hours premiums paid to radiologists since fiscal 2020.

EXHIBIT 2
AFTER-HOURS PREMIUMS PAID TO RADIOLOGISTS
FISCAL 2020-2024



Source: Health PEI, unaudited

AUDIT OBJECTIVE AND SCOPE

7. The objective of this audit was to determine whether Health PEI had effective processes in place to ensure that after-hours premiums paid to radiologists were in accordance with applicable agreements and legislation.
8. This report summarizes the results of our audit work on after-hours premiums paid to radiologists for the period of April 1, 2023 to March 31, 2024.
9. The report includes eight recommendations to Health PEI, which are listed in **Appendix A**. Details on the audit standards, objective, criteria and scope of our audit work are included in **Appendix B**. The following sections of our report provide information on the observations, related recommendations, and the conclusion from our audit.

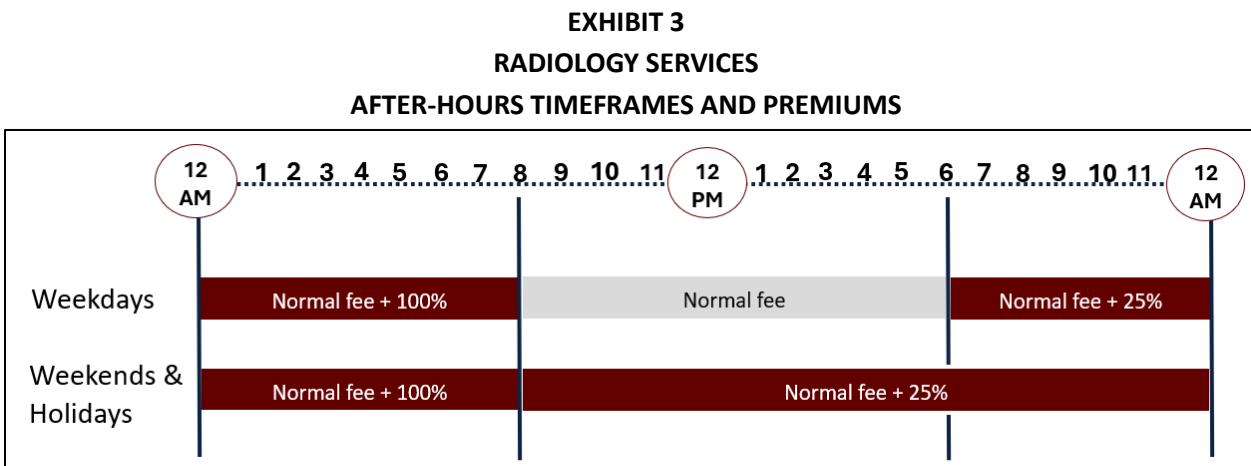
After-Hours Premiums Paid

Key findings

- 10. Health PEI did not gather information to be able to monitor teleradiology claims.
- 11. Radiologists were not entitled to after-hours premiums in 47% of the cases we examined.

After-Hours Premiums

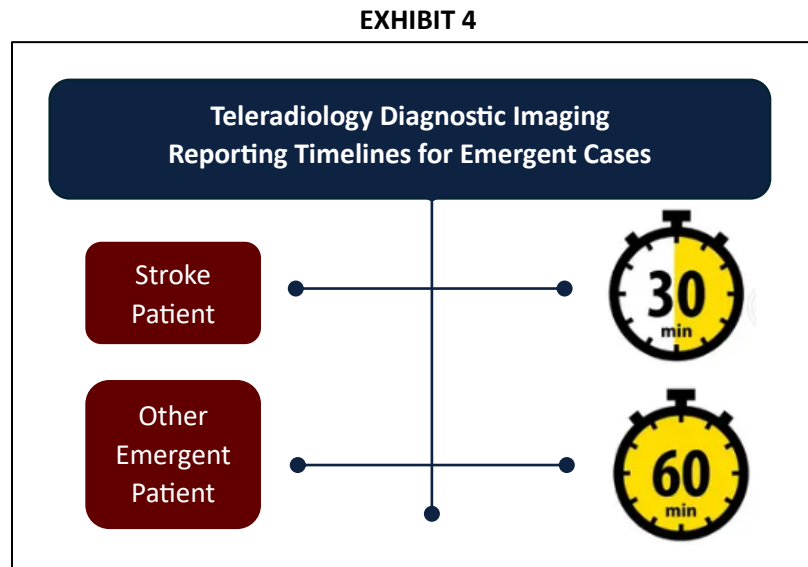
- 12. When a diagnostic image is required to be read after-hours for emergency situations, radiologists are entitled to receive either a 25% or 100% premium on the normal fee, depending on the time the image is read. For the premium to be paid, the Master Agreement requires that the image must be read at the time of emergency (ie – immediately). The premium is not to be applied if radiologists read the image after-hours because of convenience. **Exhibit 3** shows the after-hours timeframes and applicable premiums.



Source: April 1, 2019 – March 31, 2024, Master Agreement

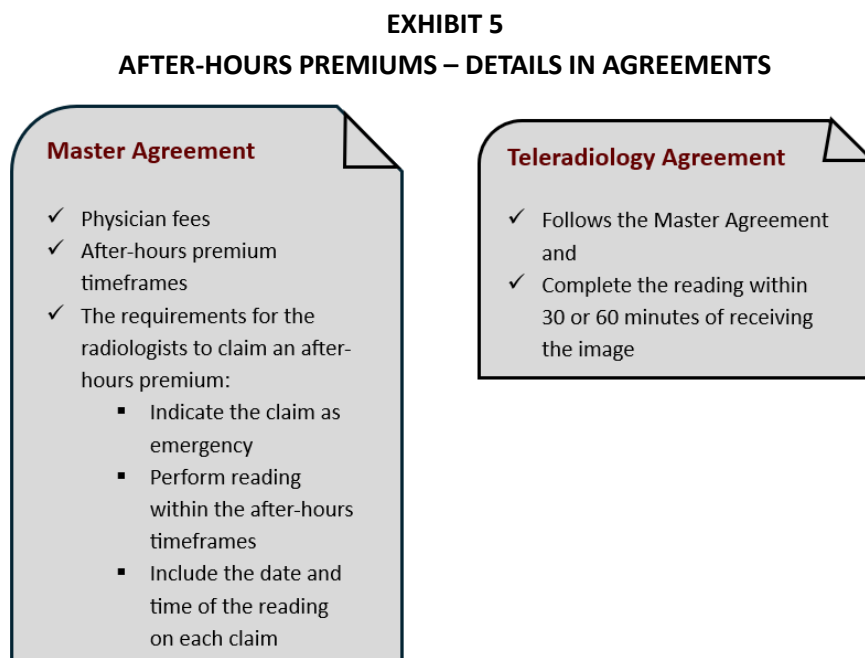
- 13. In September 2021, Health PEI entered into a teleradiology agreement with a third-party company to provide diagnostic radiology services to the Province’s hospitals. This agreement is primarily for teleradiologists to provide diagnostic services during the hours of 6 pm to 8 am Monday through Friday, and anytime during weekends or statutory holidays—the eligibility timeframes for after-hours premiums as per the Master Agreement.

14. Based on the teleradiology agreement, to be eligible for the after-hours premium, teleradiologists must perform a reading during the after-hours timeframes noted above and within 30 or 60 minutes of receipt of the image. The time period depends on the nature of the emergency, as shown in **Exhibit 4**.



Source: Teleradiology agreement

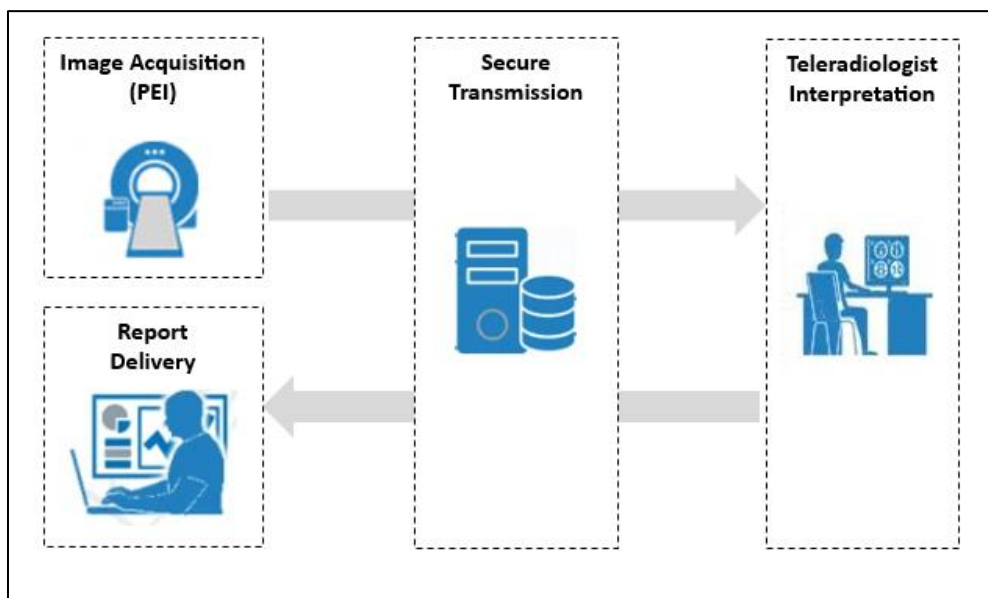
15. **Exhibit 5** summarizes the relevant points for after-hours premiums in the Master Agreement and the teleradiology agreement.



Source: Master Agreement and teleradiology agreement

16. As the teleradiologists are in a different province, Health PEI's imaging system electronically sends the images. The process for an image being taken at a PEI hospital, sent to the teleradiologist and then having the report returned to PEI is shown in **Exhibit 6**.

EXHIBIT 6
TELERADIOLOGY PROCESS



Source: Discussions with Health PEI and the teleradiology company

Health PEI did not gather information to be able to monitor teleradiology claims

17. Health PEI informed us that during our audit scope period, their imaging system tracked when the image was transmitted, but it was not able to verify the time the teleradiologists received the image. They assumed this transmission happened quickly, with minimal delays, but had not confirmed this. The time the image is received is the starting point for determining whether the report is read within the required timelines in the teleradiology agreement. Without this information, Health PEI cannot accurately determine if the after-hours premiums should be paid.
18. The teleradiology company informed us that the images are received promptly after being taken and their system keeps an audit log which tracks when they received the image. However, audit logs are only maintained for one week so we could not confirm the time the teleradiologists received the images related to the after-hours premiums paid in our sample.
19. We examined a transmission, and it took approximately four minutes for the teleradiologist to receive the image once it had been taken. As a result, we allowed for a five-minute transmission time when evaluating our audit testing results.

20. Health PEI could have requested the audit logs from the teleradiology company. This would have allowed the timelines in the teleradiology agreement to be monitored, but it was not done.

Recommendation

- 21. Health PEI should obtain the required documentation to determine if teleradiologists are meeting the timelines required to earn after-hours premiums.**

Eligibility for after-hours premiums

22. Radiologists are expected to claim appropriate fees for services rendered to patients. To be eligible to be paid the after-hours premiums, radiologists must:
- complete the reading within 30 or 60 minutes of receiving the image, depending on the type of emergency (teleradiologists only),
 - indicate on the claim that it was an emergency,
 - perform the reading within the after-hours timeframes, and
 - include the date and time of the reading on each claim.
23. We selected a sample of 30 after-hours premiums paid to radiologists between April 1, 2023, and March 31, 2024. Twenty-nine of these 30 claims were paid to teleradiologists and one was paid to a non-teleradiologist. We looked to determine if the radiologists were eligible to receive the after-hours premiums paid.

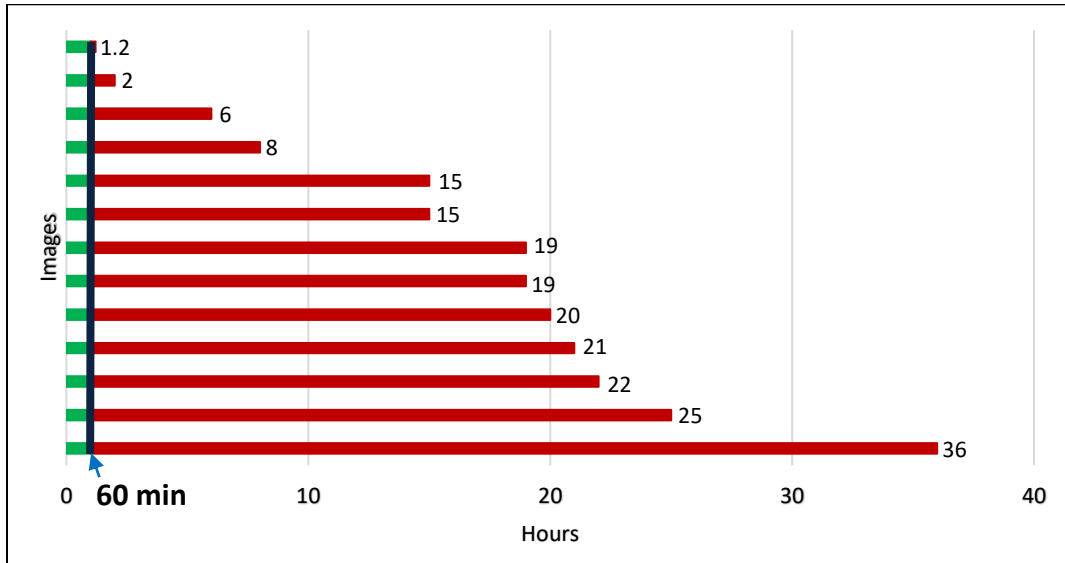
Radiologists not entitled to after-hours premiums in 47% of cases examined

24. Of these claims, 47% were not entitled to the after-hours premium according to the terms of both the Master Agreement and teleradiology agreement. In these cases, taxpayers paid more than they should have for these services.

Teleradiologists being paid premium even if they didn't meet required timelines

25. We found that teleradiologists are being paid the after-hours premium regardless of whether they met the required timelines in the teleradiology agreement. In 13 of the 29 after-hours premiums paid to teleradiologists, the diagnostic image was not read within the required timelines. All 13 of these claims indicated it was an emergency which required the image to be read within 60 minutes of receipt (i.e. none were for stroke patients). On average, it took the teleradiologist 16 hours to read these images. **Exhibit 7** shows how long it took the teleradiologist to read each of these 13 images.

EXHIBIT 7 IMAGES NOT READ WITHIN REQUIRED TIMELINES



Source: Audit testing results derived from information provided by Health PEI

26. For the remaining 16 premiums paid to teleradiologists that we examined, the images were read within the required timelines to receive the after-hours premiums. On average, it took the teleradiologist 35 minutes to read these images. **Appendix C** shows the details of our sample testing.

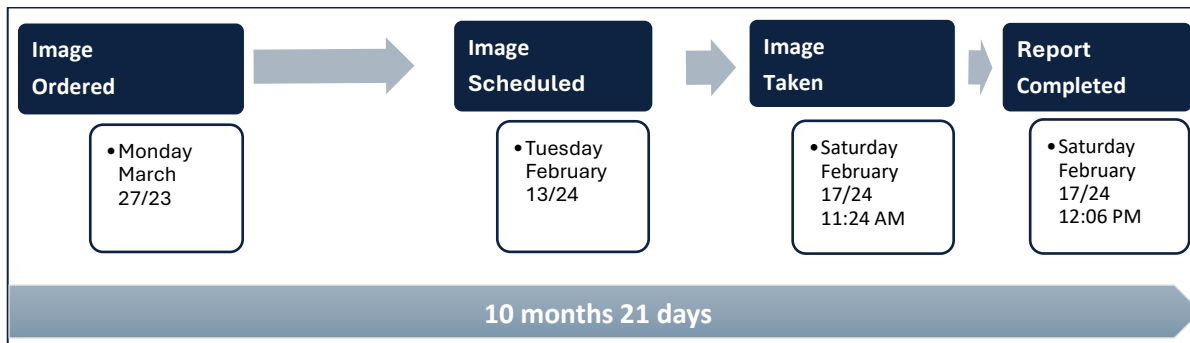
Recommendation

- 27. Health PEI should only pay teleradiologists after-hours premiums when the timelines required in the teleradiology agreement have been met.**

After-hours premium paid for non-emergency

28. For the one non-teleradiologist sample we examined, we found the image was ordered almost 11 months before it was scheduled. The non-teleradiologist received an after-hours premium for this reading. As the image did not need to be taken immediately, we questioned whether this was an emergency. **Exhibit 8** shows the timeline for this diagnostic image.

EXHIBIT 8
TIMING OF AFTER-HOURS PREMIUM PAID
NON-TELERADIOLOGY SAMPLE



Source: Audit testing results derived from information provided by Health PEI

Recommendation

29. Health PEI should only pay after-hours premiums to radiologists in actual emergency situations in accordance with the Master Agreement.

Other requirements to earn after-hours premiums met

30. All 30 claims we audited indicated the situation was an emergency because the radiologist, or designate, checked an emergency indicator field in their billing system.
31. For each after-hours premium that we audited, the reading was completed during a premium period and had the appropriate premium applied for the timeframe the reading occurred. All claims we examined also had notes from the radiologist commenting on the date and time of the emergency, as required by the Master Agreement. **Appendix C** shows the details of our sample testing.

MONITORING AND ANALYSIS OF AFTER-HOURS PREMIUMS

Key Findings

32. Employees responsible for issuing physician payments were not always aware of the *Practitioner Claims Monitoring, Compliance and Recovery Policy*.
 33. After-hours premiums paid to radiologists were not being audited or monitored by Health PEI in accordance with policy.
 34. No audits have occurred to identify any overbillings of after-hours premiums thus no recovery efforts have been made.
 35. Advisory committees intended to provide expertise in navigating complex situations were not actively engaged when issues with after-hours premiums were brought to Health PEI's attention.
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36. It is important to have controls and procedures in place to monitor the legitimacy and accuracy of physician claim payments, including after-hours premiums paid to radiologists. If monitoring and analyzing processes are not occurring, it is difficult for Health PEI to assess whether after-hours premium payments comply with the applicable agreements.
 37. Health PEI has a *Practitioner Claims Monitoring, Compliance and Recovery Policy* in place to “ensure an effective, efficient, consistent, and transparent approach to claims monitoring and auditing”. This policy has procedures to help to ensure that payments to all physicians and other health practitioners, including radiologists, are paid in accordance with the *Health Services Payment Act* and regulations, and other relevant legislation and government policies.
 38. The policy includes procedures for:
 - regular monitoring and analysis of claims,
 - comprehensive audits when anomalies or unusual patterns are identified, and
 - recovery of overbillings.

Employees not always aware of the policy

39. Medicare employees, responsible for issuing physician payments and routine monitoring and recovery of overbillings, were not always aware of the *Practitioner Claims Monitoring, Compliance and Recovery Policy*. We also noted that the Senior Fiscal Analyst, responsible for budgeting for physicians, was not aware of this policy.

40. Health PEI informed us that policies are available to all employees through their internal website, however there is no formal process to ensure all employees are required to review policies that may pertain to their role. If employees are unaware of this policy, the monitoring and analysis of physician payments may not occur, resulting in a risk of overbillings not being identified.

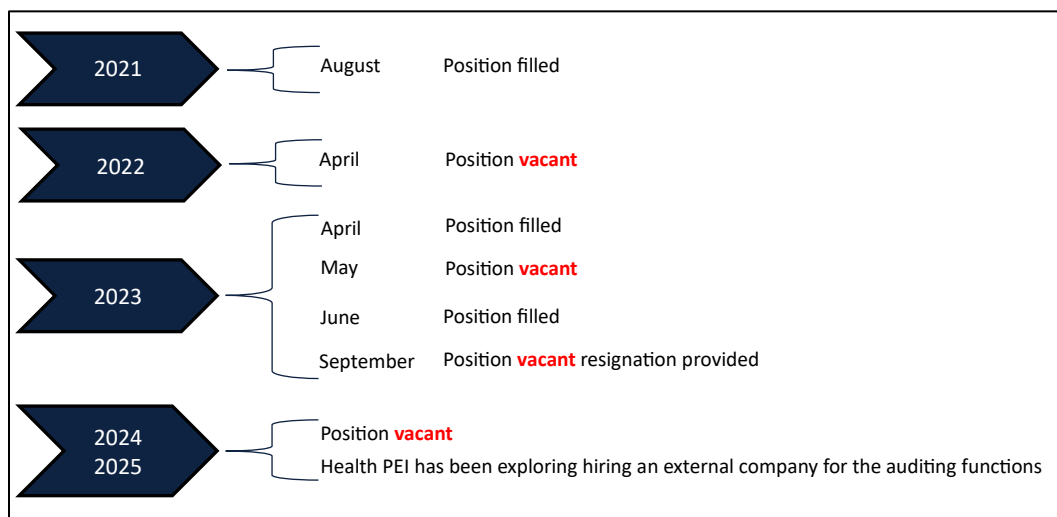
Recommendation

- 41. Health PEI should ensure that all employees responsible for after-hours premiums paid to radiologists are aware of all relevant policies, including the *Practitioner Claims Monitoring, Compliance and Recovery Policy*.**

After-hours premiums claimed by radiologists are not being audited

42. Under the policy, the Senior Claims Auditor is responsible for analysis and auditing of physician billings. This position has been mostly vacant from April 2022 to the date of this audit report as shown in **Exhibit 9**. Health PEI management and employees informed us that no other position was given responsibility for analysis and audits, and that no physician audits have been performed.

EXHIBIT 9 SENIOR CLAIMS AUDITOR POSITION



Source: Health PEI's PeopleSoft System

43. The absence of an audit function leaves Health PEI with no consistent process to confirm that after-hours premiums are only being paid when earned. Health PEI informed us that they will not be filling the auditor position as they plan to engage an external company for the monitoring and audit functions. We were first informed of this plan in August 2023 and as of the date of this audit report no external company has been hired.

No recovery efforts made due to lack of audits

44. The *Practitioner Claims Monitoring, Compliance and Recovery Policy* requires Health PEI's Medicare employees to monitor and recover any identified overbillings. As no audits occurred during our scope period, there were no after-hours premium overbillings identified as owing from radiologists. As a result, no recovery effort had been made for the collection of overbilled amounts.

After-hours premiums claimed by radiologists are not being monitored

45. Medicare employees are also responsible for such things as: reviewing and approving physician claims. Through their review procedures Medicare employees were aware of issues with after-hours premiums being paid to teleradiologists when the reading of the image did not occur in accordance with the timeframes of the teleradiology agreement. They identified situations where the diagnostic images were not read in the timeline required in the teleradiology agreement and the teleradiologist did not include the required notes in the system.
46. Medicare employees sought guidance on whether they should pay these claims, or if they should begin monitoring the claims more closely. They were advised to pay the premium if the claim indicated it was an emergency and it was read within the after-hours premium periods. They were instructed to disregard whether the teleradiologist read the image in the required timelines or included the required notes.

Recommendation

- 47. Health PEI should monitor and audit after-hours premiums paid to radiologists to identify and collect overbillings.**

Advisory Committees

48. We expected Health PEI to examine after-hours premiums paid to radiologists, as the issue was brought to its attention annually since our Office completed the audit of Health PEI's financial statements for fiscal 2021. There are two advisory committees we expected to be involved in this examination:
- The Health Services Payment Advisory Committee, and
 - The Audit Advisory Committee.

Health Services Payment Advisory Committee not engaged to review after-hours premiums

49. The *Health Services Payment Act* and regulations establishes the Health Services Payment Advisory Committee. The Minister of Health and Wellness appoints six members to the committee—three medical practitioners and three who have experience in health administration.

50. One function of the committee is to make recommendations to the Minister relating to the establishment, amendment and interpretation of fees paid to physicians, which includes radiologists.
51. We expected that Health PEI would have engaged the Health Services Payment Advisory Committee to determine if teleradiologists were entitled to after-hours premiums when they did not meet the timelines outlined in the teleradiology agreement.
52. We found that the current Chief Executive Officer of Health PEI was not aware of the Health Services Payment Advisory Committee and its function. Furthermore, the Department of Health and Wellness and the Medical Society of Prince Edward Island informed us that this committee has not met since prior to 2021.

No evidence of Audit Advisory Committee meeting

53. Health PEI has an internal Audit Advisory Committee which is responsible to provide advice to the Senior Claims Auditor in setting audit priorities and making recommendations from audit findings. This committee is comprised of:
 - Health PEI's Manager Physician Services and/or Manager Alt-Pay Specialists
 - Senior Internal Auditor (Senior Claims Auditor – position vacant)
 - Medical Consultant
 - Manager of Medicare Services
 - Fiscal Analyst
 - Physician Claims Education and Monitoring Specialist.
54. Health PEI was unable to provide any evidence that the Audit Advisory Committee has met since January 2022, and no meeting minutes were available since 2016. The last evidence of this committee meeting was an audit plan for the radiology group for fiscal 2022. The purpose of the audit plan was to gather insight into the rising fees being paid to radiologists. This audit plan was never completed as the Senior Claims Auditor Position was vacant. We were unable to determine if this committee has met since that time to discuss the issue of after-hours premiums paid.
55. These two advisory committees are valuable as they provide expertise and diverse perspectives which are intended to help Health PEI make better decisions and navigate complex situations. Health PEI has been aware of issues with after-hours premiums to radiologists for over four years, and these committees have not been actively engaged to fully examine this issue. There is also no evidence that these advisory committees were consulted when Medicare employees were instructed to pay these premiums regardless of whether timelines were met.

Recommendations

56. In situations that require fee interpretation, Health PEI should engage the Health Services Payment Advisory Committee in accordance with section 6(1) of the *Health Services Payment Act* regulations.

57. Health PEI's Audit Advisory Committee should meet at least annually and document meeting minutes.

Backup on call pay

58. In August 2021, when Treasury Board approved Health PEI to enter into the teleradiology agreement, they also approved additional pay for Island radiologists to be on call in case the teleradiology system was not available. This arrangement was approved for six months, at which time the need for this backup on call pay would be reassessed. Health PEI was to return to Treasury Board if they needed to continue this compensation.

Treasury Board Approval not received

59. Health PEI has continued to pay approximately \$40,000 annually for backup on call pay although we found no documentation to support that Health PEI returned to Treasury Board for approval as required.

Recommendation

60. Health PEI should obtain approval from Treasury Board to continue to pay the backup on call fee.

CONCLUSION

61. Radiologists were being paid after-hours premiums without meeting all the criteria outlined in the applicable agreements. Although Health PEI had a policy to help to ensure that after-hours premiums paid to radiologists were in accordance with applicable agreements it was not being followed, and not all employees responsible for issuing these payments were aware of the policy.

RECOMMENDATIONS*	MANAGEMENT RESPONSE
Recommendation 21 Health PEI should obtain the required documentation to determine if teleradiologists are meeting the timelines required to earn after-hours premiums.	<p>Health PEI appreciates and accepts the findings of the Auditor General regarding the capture of required documentation to determine if teleradiologists are meeting the timelines required to earn after-hours premiums.</p> <p>A process will be established to capture required documentation inclusive of receipt time of images by the teleradiologists to enable monitoring of the timelines within the teleradiology agreement.</p> <p><u>Timeline:</u> The process to receive logs of receipt time of images from teleradiology company will be established by August 2025.</p>
Recommendation 27 Health PEI should only pay teleradiologists after-hours premiums when the timelines required in the teleradiology agreement have been met.	<p>Health PEI appreciates and accepts the findings of the Auditor General.</p> <p>Health PEI agrees that teleradiologist after-hours premiums be paid only when the timelines required in the teleradiology agreement have been made.</p> <p>Health PEI recognizes the need to make improvements to claims monitoring, compliance and recovery processes to ensure payment of premiums in accordance with the teleradiology agreement.</p> <p>Health PEI recognizes the importance of this work and is engaging with external resources to provide temporary capacity to support and strengthen monitoring and audit functions and to provide future recommendations for Health PEI physician audit program.</p> <p><u>Timeline:</u> Enhanced physician audit functions will be introduced fall of 2025, dependent upon securing external resources.</p> <p>An annual physician audit plan will be initiated fall of 2025, dependent upon securing external resources.</p> <p>Recommendations for future development of the physician audit program will be finalized fall 2026, dependent upon securing external resources. Recommendations will be derived through review of current processes, best practices, emerging themes, and a jurisdictional scan of programs across Canada.</p>
Recommendation 29 Health PEI should only pay after-hours premiums to radiologists in actual emergency situations in accordance with the Master Agreement.	<p>Health PEI appreciates and accepts the findings of the Auditor General.</p> <p>Health PEI acknowledges that payment of after hours premiums to radiologists should be in keeping with the Master Agreement which outlines conditions for payment of the same.</p> <p>Health PEI recognizes the need to make improvements to claims monitoring, compliance and recovery processes to ensure payment in accordance with the Physician Services Agreement that came into effect April 1, 2025.</p>

RECOMMENDATIONS*	MANAGEMENT RESPONSE
Recommendation 29 (continued...)	<p>Health PEI recognizes the importance of this work and is engaging with external resources to provide temporary capacity to support and strengthen monitoring and audit functions and to provide future recommendations for Health PEI physician audit program.</p> <p>Health PEI recognizes that any strategies to address lengthy medical imaging wait lists and improve access that consider after-hours and flexible work arrangements would benefit from development of a compensation framework/approval process inclusive of radiologists.</p> <p><u>Timeline:</u> Enhanced physician audit functions will be introduced fall of 2025, dependent upon securing external resources.</p> <p>An annual physician audit plan will be initiated fall of 2025, dependent upon securing external resources.</p> <p>Recommendations for future development of the physician audit program will be finalized fall 2026, dependent upon securing external resources. Recommendations will be derived through review of current processes, best practices, emerging themes, and a jurisdictional scan of programs across Canada.</p> <p>A Jurisdictional scan will be completed and compensation framework for non-emergent radiology work taking place outside regular work hours to address access drafted for consideration - fall 2026.</p>
Recommendation 41 Health PEI should ensure that all employees responsible for after-hours premiums paid to radiologists are aware of all relevant policies, including the <i>Practitioner Claims Monitoring, Compliance and Recover Policy</i> .	<p>Health PEI appreciates and accepts the findings and recommendation of the Auditor General that all employees responsible for after-hours premiums paid to radiologists are aware of all relevant policies, including the <i>Practitioner Claims Monitoring, Compliance and Recovery Policy</i>.</p> <p>Health PEI notes that this area has experienced significant staffing vacancies and turnover. The <i>Practitioner Claims, Monitoring, Compliance and Recovery Policy</i> will be re-circulated to all current employees responsible for after-hours premiums payment.</p> <p>Additionally, modifications to orientation and onboarding for staff responsible for physician billings analysis and audit will be introduced to support new staff to enable them to have information necessary for their roles. This will include mechanisms to ensure staff are:</p> <ul style="list-style-type: none"> • Introduced to policy document management system. • Introduced to policies and standard operating procedures applicable for their role. • Required to attest to receiving orientation to relevant policies and the document management system. <p><u>Timeline:</u> August 2025</p>

RECOMMENDATIONS*	MANAGEMENT RESPONSE
<p>Recommendation 47 Health PEI should monitor and audit after-hours premiums paid to radiologists to identify and collect overbillings.</p>	<p>Health PEI appreciates and agrees with the Auditor General findings that we should monitor, and audit after-hour premiums paid to radiologists to identify and collect overbillings.</p> <p>Health PEI is committed to enhancing monitoring and auditing of after-hours premiums to identify and collect overbillings.</p> <p>Although, radiologist billings are monitored and reviewed internally within Finance, comprehensive audits have not been completed recently and we recognize the need to make improvements to claims monitoring, compliance and recovery processes to identify and collect overbillings.</p> <p>Health PEI recognizes the importance of this work and is engaging with external resources to provide temporary capacity to support and strengthen monitoring and audit functions and to provide future recommendations for Health PEI physician audit program. Through this work, we expect to see improvements in the identification and collection of overbillings.</p> <p><u>Timeline:</u> Fall 2025 - initiate enhanced audit processes and procedures, dependent upon securing external resources.</p>
<p>Recommendation 56 In situations that require fee interpretation, Health PEI should engage the Health Services Payment Advisory Committee in accordance with section 6(1) of the <i>Health Services Payment Act</i> regulations.</p>	<p>Health PEI appreciates and accepts the finding of the Auditor General that in situations that require fee code interpretation, Health PEI engages the Health Services Payment Advisory Committee.</p> <p>Health PEI will establish mechanisms to ensure that situations requiring fee interpretation are identified and that engagement with the Health Services Payment Advisory Committee in accordance with section 6(1) of the <i>Health Services Payment Act</i> regulations is undertaken.</p> <p>Planned enhancements to physician audit processes and procedures through external resources will integrate this process.</p> <p><u>Timeline:</u> Fall 2025 - initiate enhanced audit processes and procedures, dependent upon securing external resources.</p>

RECOMMENDATIONS*	MANAGEMENT RESPONSE
Recommendation 57 Health PEI's Audit Advisory Committee should meet at least annually and document meeting minutes.	Health PEI appreciates and agrees with the findings of the Auditor General that Health PEI's Audit Advisory Committee meet at least annually and document meeting minutes. <u>Timeline:</u> Health PEI's Audit Advisory Committee will be re-established and meet annually commencing September 2025.
Recommendation 60 Health PEI should obtain approval from Treasury Board to continue to pay the backup on call fee.	Health PEI appreciates the Auditor General recommendation of obtaining approval from Treasury Board to continue to pay the backup on call fee. HPEI will request approval from Treasury Board and include the request for funding through the 2025/26 Management Plan Submission. <u>Timeline:</u> Approval request to be submitted for consideration - August 2025.

*Recommendation numbers refer to paragraph numbers.

AUDIT STANDARDS, OBJECTIVE, AND SCOPE

STANDARDS

This independent assurance report was prepared by the Office of the Auditor General of Prince Edward Island. Our responsibility was to provide objective information and independently conclude on whether Health PEI had effective processes in place to ensure that after-hours premiums paid to radiologists were in accordance with applicable agreements and legislation.

Work conducted for this audit was performed to a reasonable level of assurance in accordance with the Canadian Standards on Assurance Engagements (CSAE) 3001 – Direct Engagements set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook – Assurance.

The Office of the Auditor General of Prince Edward Island applies the Canadian Standard on Quality Management 1 (CSQM 1), which requires our Office to design, implement, and operate a system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we have complied with independence and other ethical requirements of the Rules of Professional Conduct of the Chartered Professional Accountants of Prince Edward Island and the Code of Conduct of the Office of the Auditor General of Prince Edward Island. Both the Rules of Professional Conduct and our Office's Code of Conduct are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

OBJECTIVE AND CRITERIA

Objective: To determine whether Health PEI had effective processes in place to ensure that after-hours premiums paid to radiologists were in accordance with applicable agreements and legislation.

Criteria:

- 1.1 Health PEI had documented policies for after-hours premiums paid to radiologists.
- 1.2 After-hour premiums paid to radiologists were in accordance with applicable agreements and legislation.
- 1.3 Health PEI had processes to regularly monitor after-hours premiums paid to radiologists to ensure compliance with applicable agreements.
- 1.4 Health PEI recovered overbilling of after-hours premiums paid to radiologists in accordance with applicable agreements and legislation.

Audit criteria for this engagement were developed primarily from legislation, policies, and agreements. In accordance with our regular audit process, we obtained the following from management:

- confirmation of management's responsibility for the subject matter;
- acknowledgment of the suitability of the criteria used in the audit;
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided; and
- confirmation that the audit report is factually accurate.

SCOPE AND APPROACH

The scope of our audit included analysis and testing of records for the period April 1, 2023 – March 31, 2024. We examined documentation outside of that period as necessary.

Our approach included:

- interviews and correspondence with Health PEI management and employees, the Medical Society of Prince Edward Island and the third-party company providing diagnostic radiology services;
- review of the *Health Services Payment Act* and regulations, Master Agreement, Teleradiology Services Agreement, and relevant Health PEI policies;
- a sample of 30 after-hours premiums claimed and paid to radiologists, selected from a total of 19,715 radiology claims with after-hours emergency premiums; and
- analysis and detailed testing of radiology claims to patient files and system reports.

We only assessed whether the situation constitutes an emergency using the criteria in the applicable agreements. We did not assess whether the medical situation for which a scan was ordered was considered an emergency and required immediate medical attention.

Effective April 1, 2025, after the scope period of our audit, the Master Agreement was replaced with the Physician Services Agreement. There were no changes to the eligibility requirement for radiology after-hours premiums.

It is important to note our observations and conclusions relate only to the practices of Health PEI and consequently, our comments and conclusions do not pertain to the practices or performance of any third parties.

DATE OF REPORT

We obtained sufficient and appropriate audit evidence on which to base our conclusions on July 8, 2025, in Charlottetown, Prince Edward Island.

AUDIT TEAM

Auditor General	Darren Noonan
Assistant Auditor Generals:	Jennifer Bowness
	Sheri Griffin
Director:	Sarah Taylor
Manager:	Tim Cook
Auditor:	Ryan Carr

AUDIT TESTING RESULTS

Sample #	Included on Claim		Premium %	Date Report Completed	Time Report was completed	Length of time to read image hours:minutes
	Emergency Indicator	Date and Time Comment				
1	✓	✓	25%	Friday, August 25, 2023	9:09 PM	0:16
2	✓	✓	25%	Monday, May 22, 2023	11:26 AM	0:33
3	✓	✓	25%	Sunday, June 18, 2023	4:01 PM	1:14
4	✓	✓	25%	Monday, September 4, 2023	10:27 PM	35:58
5	✓	✓	25%	Sunday, September 10, 2023	11:04 AM	15:10
6	✓	✓	25%	Sunday, December 31, 2023	9:38 AM	19:59
7	✓	✓	25%	Sunday, May 7, 2023	9:19 AM	0:26
8	✓	✓	23%	Thursday, March 28, 2024	11:59 PM	0:19
9	✓	✓	25%	Saturday, January 20, 2024	9:55 PM	24:50
10	✓	✓	25%	Wednesday, August 2, 2023	9:25 PM	0:11
11*	✓	✓	25%	Saturday, February 17, 2024	12:06 PM	0:17
12	✓	✓	25%	Saturday, February 17, 2024	10:28 AM	15:27
13	✓	✓	25%	Saturday, March 30, 2024	9:26 AM	7:39
14	✓	✓	100%	Saturday, December 16, 2023	1:36 AM	1:05
15	✓	✓	100%	Saturday, November 25, 2023	5:09 AM	0:38
16	✓	✓	100%	Sunday, March 17, 2024	6:35 AM	5:57
17	✓	✓	25%	Saturday, September 23, 2023	9:39 PM	0:59
18	✓	✓	25%	Sunday, May 14, 2023	8:10 AM	22:03
19	✓	✓	25%	Sunday, December 31, 2023	1:07 PM	0:58
20	✓	✓	25%	Friday, September 8, 2023	11:45 PM	0:38
21	✓	✓	25%	Sunday, September 3, 2023	8:47 AM	19:11
22	✓	✓	25%	Saturday, March 2, 2024	4:51 PM	21:23
23	✓	✓	25%	Sunday, June 18, 2023	8:54 AM	19:00
24	✓	✓	25%	Sunday, November 12, 2023	3:43 PM	0:42
25	✓	✓	100%	Tuesday, April 4, 2023	12:32 AM	0:14
26	✓	✓	25%	Sunday, August 6, 2023	11:57 AM	1:01
27	✓	✓	25%	Sunday, May 14, 2023	10:57 AM	0:07
28	✓	✓	100%	Saturday, December 2, 2023	7:55 AM	0:08
29	✓	✓	25%	Tuesday, August 8, 2023	9:54 PM	1:41
30	✓	✓	100%	Sunday, October 22, 2023	6:58 PM	0:46

*This sample was not a teleradiology sample

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