

**MINISTRY OF HEALTH  
INFORMATION BRIEFING NOTE**

**Cliff #** 1080849

**PREPARED FOR:** Manjit Sidhu, Assistant Deputy Minister - **FOR INFORMATION**

**TITLE:** Outstanding Extra Billing Audits

**PURPOSE:** To outline the plan for completion of the outstanding extra billing audits.

**BACKGROUND:**

In 2008, the Medical Services Commission (MSC) referred seven extra billing clinic audits to the Audit and Inspection Committee (AIC). The AIC notified these clinics in 2008 and 2009 of their intent to audit. Since 2008, an additional five extra billing clinics were referred to the AIC. The first of these clinics to be audited was the Cambie Surgery Centre and the Specialist Referral Clinic. The audit report for these clinics was released in 2012, and resulted in legal action which is ongoing today.

In 2013, a letter was sent to the remaining ten clinics, stating that an audit of their clinic is still planned (Appendix A). To date there has been no further correspondence with the clinics. A list of the remaining extra billing audits, by priority, is included as Appendix B.

**DISCUSSION:**

Extra billing audits are significantly different from BIP's standard Medical Services Plan (MSP) audits. Each clinic has to be visited at least twice, first to gain an understanding of their business processes and to obtain the audit data from which samples can be selected and again to conduct the actual audit fieldwork. As a result, extra billing audits are more expensive to conduct and take longer to complete than the standard MSP audit. A detailed breakdown of estimated hours to complete an extra billing audit is provided under Appendix C.

There were 16 audits completed for fiscal 2016/17,<sup>s.13</sup>  
s.13

**FINANCIAL IMPLICATIONS:**

s.13



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Manjit Sidhu  
Assistant Deputy Minister

March 9, 2017

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Date Signed

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**Program ADM/Division:** Manjit Sidhu, Assistant Deputy Minister  
**Telephone:** 250 952-2066  
**Program Contact (for content):** Marie Thelisma, Executive Director  
**Drafter:** Evan Machin, Director  
**Date:** March 1, 2017

s.15

**1080849 – Appendix A – Sample of Letter to Extra Billing Clinics**



March 8, 2013

s.15

**Attention:** s.15

Dear s.15

On March 5, 2009, your clinic received a letter from the Audit and Inspection Committee of the Medical Services Commission advising you that the Commission had authorized an on-site audit of the billing and business practices of s.15. Shortly after that, you were contacted by the Billing Integrity Program of the Ministry of Health, informing you that the audit team would be contacting you to arrange dates and to discuss the audit process, documentation required and other matters related to the audit.

For a number of reasons unrelated to s.15, it has not yet been possible to schedule this audit. It is not yet clear when that audit will take place. The Commission still intends to have the Billing Integrity Program proceed with the audit as soon as possible. You should not interpret the absence of contact with you about the audit since the date of initial notice as in any way indicative of any intent not to proceed as originally advised.

Please contact Marie Thelisma, Director, Billing Integrity Program, at 250 952-1665 if you have any questions regarding the planned audit.

Sincerely,



Tom Vincent  
Chair  
Medical Services Commission

**1080849 – Appendix B – Outstanding Extra Billing Audits (by priority)**

<b>Clinic</b>	<b>AIC Approval Date</b>
s.15	March 5, 2009
	March 5, 2009
	March 5, 2009
	March 5, 2009
	June 4, 2008
	March 5, 2009
	March 5, 2009
	s.13,s.15
Pending	
Pending	

### Appendix C – Estimated Hours to Complete Extra Billing Audit

	Average Standard MSP Audit	Extra Billing Audit
Hours – Auditor:	s.13	
Costs:		Two visits
Medical Inspector	\$ 7,000	\$ 14,000
Travel	\$ 1,800	\$ 3,600
Overtime	\$ 1,200	\$ 2,500
<b>Total Costs</b>	<b>\$ 7,000</b>	<b>\$20,100</b>
s.13		

	Estimated Hours	Rationale
Pre Planning	s.13	Based on Audit Tracker had 146 hours recorded for False creek – estimate +100 hrs to complete planning
Onsite - Planning Fieldwork		One week w/ OT (42 hrs)+ 8 hours travel = 50 per auditor
Conducting Preparation		Sample Selection, documentation and organization of info from planning visit
Onsite - Conducting Fieldwork		One week w/ OT (42 hrs)+ 8 hours travel = 50 per auditor
Review & Organize On-site Data		Organization documentation, follow-up, conclusions
Report Writing		Including edits and revisions from BIP Mgmt.
Final Report – Review, Approval, Presentation		Will require approval and edits from AIB Mgmt, ADM, Legal, AIC / MSC
<b>Total</b>		

Page 6

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