

CANADIAN ASSISTIVE DEVICES ASSOCIATION

7 FEBRUARY 2011

David Schachow
Senior Manager
Assistive Devices Program

Thank you for the introduction, Mr Cranna.

Good morning.

This morning, I'm going to let you know what's new in the Assistive Devices Program.

I like to use the analogy of the ADP as a house. It's a fine old house. It was first built in 1982 as a small bungalow, with limited amenities, and that suited ADP at the time.

Since then, like many families, ADP has grown. Over the years since 1982, ADP has adopted several new family members, including most recently:

- APAPs in 2005
- Insulin pumps and supplies for children in 2006
- Insulin pumps and supplies for adults in 2008.

To accommodate these family members, some additions were cobbled onto the ADP house. Some of these additions are covered in aluminum siding, some have exposed-brick walls, others have moss and ivy growing on them.

There are some parts of the ADP house that don't align with others. There are some areas where there are clearly gaps that threaten its reliability and integrity.

Until now, no one has stepped back and considered what this house should look like. Nor have we really gone back to figure out what we need to do to fix up the original parts of the house.

And we have had some problems with the infrastructure in our house.

Let me start with this last point. A home's problems usually don't just appear suddenly. They're usually gradual. You may notice excess condensation on a pipe one day. A few weeks later, that has turned into a slow drip. A while later, the drip is much faster. Eventually, if left unchecked, a pipe or join may break.

ADP had a plumbing problem, and we set out to fix it.

Let me step back from the metaphor now. The most apparent problem the ADP has had recently was in processing claims.

Before I go any further, you should know that the number of claims adjudicated by the ADP has increased 62% over the 8-year period from fiscal year 2001/02 to fiscal 2009/10. During that time, we added more categories of devices that we cover, and demand for ADP-funded devices grew, but the number of permanent staff that we could have to data-enter the forms was unchanged.

My predecessors attempted to make the ADP house bigger.

Primarily, they brought in staff from temp agencies to data-enter claims whenever our cupboards started to overflow. These people would help around the house, but just for a limited period of time.

We weren't the only Ontario government program that was doing this. When the government was criticized for reliance on temp staff to get around hiring rules, we had to stop using them.

This was going to cause a problem. The allotted ADP staff would not be able to handle all of the claims. On a *quiet* day, we receive a thousand claims.

When I joined the ADP household, efforts were already underway to come up with a solution.

When you think of government decision making, what words come to mind? ...

Your perception is likely quite correct.

I won't go into the various details of what has happened between then and now. You don't want to hear the gory details of government rules and decision-making processes. Let me summarize by saying that it has taken a herculean effort by the senior leadership in ADP, including our Assistant Deputy Minister Patricia Li, and ADP's new Director who started in September, Susan Picarello, to get us where we are now.

Where is that?, I know you're asking.

At the peak of our plumbing problem, it was taking up to 25 weeks to data-enter claims in some categories. That's half a year after a claim arrived before its turn came up, and that was not acceptable – to you or to us.

We have hired professional data-entry staff on contract, and we have accessed some internal government resources. This has resulted in the timeframe coming down to a more comfortable five weeks. And we're aiming for even better.

The improvement has been remarkable. We process claims in the order we receive them, across all 26 categories that we fund. For mobility devices, for example, we're now data-entering within two weeks of receiving them – one-sixth of the time that it previously took. At the same time, we're also staying on top of the 25 other categories of devices that we fund.

If you're running water into your plumbing and there's a blockage, and you clear the blockage, what happens next? The back-up in your plumbing suddenly flows down the pipe.

At ADP, the second stage of claims processing is claims assessment. In most categories, claims that cannot be auto-approved for any reason require manual review by ADP staff after they have been data-entered. Their job is to:

- ∞ try to fix any errors identified at data entry;
- ∞ verify the status of the authorizing physician or health care professional;
- ∞ confirm an applicant's eligibility;
- ∞ ensure consistency between the medical diagnosis and the device prescribed; and
- ∞ confirm that the device and cost comply with Program policies and eligibility criteria.

We have been quicker at responding to this part of our plumbing problem. Now that data entry is under control, we have already shifted staff resources into manual claims assessment. Their job now is to assess those claims as quickly as possible.

We have also looked at our internal processes to determine whether there are any immediate fixes that could help.

As a result, driven by Joan Stevens, who is here with me today, we have had some successes. For example, we have reduced the numbers of claims returned due to vendor errors. And we have cross-trained our data entry and claims assessment staff on almost all categories, so that we can reallocate resources when needed.

This is a long way of telling you: we at ADP understand the difficulties that vendors faced as a result of the extended claims assessment timeframe, despite our best efforts to prevent them. For this, I am truly sorry that ADP did not meet the expectations of the vendors that we rely upon to deliver devices and supplies to eligible Ontarians across the province. Nor did we meet our own expectations.

I am confident that ADP's plumbing will not be falling apart like this again. Why? Because we have seen what happens when the pipes are allowed to burst, and no one wants that to happen again. Potential problems will get immediate attention.

I'm not promising that our claims processing timeline will never again exceed the total of six to eight weeks that we aim for. There are ebbs and flows. Some weeks, we receive 5,000 new claims across all categories, other weeks we top 6,000.

But I am confident that we are ready to bring in the plumber as soon as we see notice a trickle.

To return to my analogy, we're also modernizing the ADP house.

Remember that it was just over 13 months ago, in December 2009, that the Auditor General issued his report on his review of ADP.

He gave us nine recommendations about what renovations are required. We were already aware of some of the issues he identified, and changes to address them were already underway.

For example, ADP was already in the process of updating many of our business processes to make them more streamlined and effective, and to make us more responsive to the market place. This is an area of continuous improvement. I don't anticipate ever being able to announce one day that we are 100% perfect. Any organization, whether public sector or private, that claims it is the best it can be, that says it cannot improve and enhance its service delivery, needs to open its doors and windows and let fresh air in.

Advances in technology and process design have not yet reached their end point. Until that impossible date happens, organizations, including ADP, can continue to improve how we serve our clients, vendors and other stakeholders.

A key element in improving claims processing is our IT system. Our current system is severely outdated, and I can't chew gum fast enough to produce all that's required to hold the old computer together.

Phase 1 of our new IT system will be going live this year, and it will reflect the modern, standardized, re-engineered business processes that we have been developing. It will be more efficient than our current system, and process changes will eliminate the time-consuming manual assessment stage for many more claims.

The application process and forms are also being redesigned to make them more client- and vendor-friendly. This will both facilitate access to ADP funding assistance while improving the Program's ability to ensure that funding is only going to eligible individuals.

All of ADP's authorizers and vendors will be hearing from us shortly about engagement in training for the new IT system.

The Auditor General's report recommended that we look at the factors that are included in how we set our prices.

PricewaterhouseCoopers has recently been hired to conduct an overarching pricing and funding restructuring review that will cover all device categories, but will take a detailed look at those that represent the highest amount of program spending, including Mobility Devices.

The review will look for opportunities that will allow ADP to take advantage of our position as the largest funder by volume in Ontario for some categories of assistive devices. For example, ADP negotiates with manufacturers directly the prices that are charged to the program's clients for insulin pumps.

The pricing and funding restructuring review is also looking at the current supply chain model for ADP-funded devices, in which ADP has a limited or, for the most part, no role in the purchase of devices. We are looking at how to drive efficiencies in the supply chain.

At the same time, the restructuring review will ensure that individuals with long-term physical disabilities continue to have appropriate access to the products and services they need wherever they live in the province.

The pricing restructuring must therefore also take into account the need for vendors across all regions of Ontario and ensure they are compensated fairly for their services to avoid economic consequences that might reduce access for Ontarians.

In his report, the Auditor General encourages the ADP to initiate a recycling program for manual wheelchairs, citing programs in Alberta and Quebec.

To this end, we are currently negotiating with a community agency to have them conduct a manual wheelchair recycling pilot project.

In 2011, ADP will improve how we monitor client satisfaction with the services delivered by vendors and funded by ADP. We will be conducting a survey of clients across the Program, similar to the survey conducted in 2008 and previous years.

We are undertaking a comprehensive review of our policies. Where do we have gaps? What policies need to be updated? Are there some that we can do away with?

The first manifestation of this is our enhanced conflict of interest policy. Designed to increase accountability, the updated policy provides clear definitions and current examples of conflict of interest.

As companions to the conflict of interest policy, we have developed guidelines for ADP staff on managing breach of authorizer agreements and vendor contracts. These guidelines outline the steps that ADP will take if an authorizer or vendor is found to be in breach of any ADP policy. Our goal here is to be transparent, so that stakeholders know what to expect from us.

For similar reasons, we are developing a clear claims review policy, that will govern how we detect abnormal claims patterns and other irregularities, investigate them, and correct them where appropriate. This will give anyone watching our program the confidence that we are monitoring and safeguarding taxpayer dollars.

We are looking at what advice we need to be receiving, and from whom. Right now, we list individual devices based on manufacturers' requests. We develop policies with application across the Program and to specific sectors. We have Standing Committees and we have review committees. We are taking a look at these sources to ensure that the advice and input we receive represents all affected interests, including clients.

So where does all of this leave the ADP house now? It's still a strong, solid program that serves some of Ontario's most vulnerable people.

It works in partnership with the service providers in the community – physicians, vendors, authorizers and others – to help people live with dignity and independence.

As we renovate and modern the Assistive Devices Program, we plan to continue to talk to leaders and to front-line deliverers of services, asking for their input and counsel.

Our biggest challenge is this: If I were to ask you to take out a piece of paper and a pencil, and draw the perfect house, you could probably come up with a reasonable picture in a short period of time.

If I collected all of the pictures that everyone in this room drew, I would have a problem in trying to build a house that looks just like all of them. A perfect house to me might look to you like an ugly monstrosity.

So we in the ADP are taking the best architectural plans, the best ideas, to help us bring about our quiet little Program into the 21st century.

We're working on improving the ADP. It takes some time. It takes determination. And it takes support and commitment from above. We certainly have that.

As I said earlier, improvement should be a continuing activity, not one with an end date.

I'm excited about the possibilities for ADP.

I'm very proud of the work that the ADP staff do, day in and day out. I'm very proud of the calibre and commitment of the people who work there and their ongoing dedication to renovating our ADP home.

Thank you for inviting me here today to let you know what's happening right now in the Assistive Devices Program 'house'.