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PUBLICATION

Pharmacies Across Ontario To Face Increased Scrutiny

Date: March 07, 2019

A surprising number of pharmacies and pharmacists are fraudulently overbilling the Ontario Drug Benefit (ODB) Program for millions of dollars and they are largely getting away with it. This was the conclusion from an investigation jointly conducted by the Toronto Star and Global News. The report was published on February 25, 2019.

According to the report, the fraud is being carried out by pharmacists who are using patients who receive ODB assistance - such as children, the elderly and those on social assistance – as a cover for fraudulent charges. The dishonest pharmacists bill ODB for items that are never dispensed to the patients, with the proceeds going to the pharmacy. The investigation revealed that, despite the millions of dollars that are lost to these schemes, very few pharmacists are caught, and even fewer are charged and convicted.

On March 4, 2019, Global News released a follow-up article which reported that the Ontario Minister of Health and Long-Term Care, advised that she was aware of the investigation and suggested that action would be taken by the Ministry and/or by the Ontario College of Pharmacists (OCP). One of the suggested measures was to increase the number of pharmacy inspections.

In an era of ever-increasing healthcare costs, taxpayers in Ontario cannot afford to lose money to fraud. The call for improved scrutiny of pharmacy billings is a necessary first step towards rectifying this issue.

While an enhanced pharmacy inspection system will likely be targeted towards the relatively small number of pharmacies engaged in fraud, it will potentially have an impact on every Ontario pharmacy. An inspection can be disruptive to a pharmacy while it is happening, and inspectors may require the production of many records to comply with the inspection. Pharmacies that lack well-maintained recordkeeping systems may be subject to sanction and/or further audits and inspections.

To ensure that inspections are carried out smoothly and to minimize the chances of an issue being identified, pharmacists and pharmacies should review their practices to verify that all OCP and ODB recordkeeping policies and guidelines are complied with. If a pharmacy determines that its current recordkeeping practice is noncompliant, consideration should be made as to what measures should be taken to correct the issue and whether the issue should be reported. Pharmacies and pharmacists may want to seek legal advice in relation to this.

Additionally, if a pharmacy receives notice of an upcoming inspection, the pharmacy should consider seeking legal advice to prepare for the inspection.

The increased scrutiny of pharmacy billings will not only be helpful in finding fraud, but will also function as a wake-up call for all pharmacies and pharmacists to ensure that they are meeting all of their recordkeeping requirements.