

4

ELIGIBILITY REVIEW ACTIVITIES 2007

The Community Services and Housing Committee recommends the adoption of the recommendation contained in the following report, March 13, 2008, from the Commissioner of Community and Health Services:

1. RECOMMENDATION

It is recommended that:

1. This report be received for information

2. PURPOSE

This report provides Council with information on the reviews conducted by the Community and Health Services Department concerning the eligibility of our clients for financial assistance, and on activities related to recovery of overpayments made to clients. These activities are essential due diligence functions and result in revenue recovery and cost avoidance for the Region.

3. BACKGROUND

3.1 Legislated Eligibility Review Program ensures accountability

The Eligibility Review Team was established in 1992 to deliver a provincially mandated audit and investigation function regarding eligibility of clients who received financial assistance under *The Ontario Works Act*. Since 2003, the Team's mandate has expanded to include the audit and investigation function for the Rent-Geared-to-Income (RGI - Housing) Assistance Program, and for the Child Care Fee Assistance Program.

The Eligibility Review Team has two Program Managers, eight Eligibility Review Officers, one Program Review Officer, two Accounting Clerks, and two Eligibility Review Clerks.

The Team's objectives are to:

- Audit department client files to ensure compliance with legislation and policy.
- Investigate suspected fraud.
- Recover money owing to York Region as a result of overpayments, assignments and restitution.
- Represent York Region at the Social Benefits Tribunal Appeal Hearings.

In addition to its investigative and collections roles, the Team acts as an expert program resource to staff, participates in both regional and provincial policy development and participates on Community and Health Services Department's program management committees and groups.

4. ANALYSIS AND OPTIONS

4.1 Review activities result from referrals

In 2007, the Team received 1,154 referrals. Referrals come from staff, information-sharing agreements with the provinces (e.g. automated data matches with Ontario Student Assistance Program and the Ministry of Community Safety and Correctional Services), the community and the provincial fraud hotline. Every complaint and referral is investigated by an Eligibility Review Officer. Investigations may be completed on both active clients and inactive clients (no longer in receipt of program benefits).

Acting on referrals, staff investigate a variety of situations; for example, evidence or allegations that clients have undeclared income or assets, or where there may have been a change in family size or circumstances.

The Eligibility Review Team completed 1,118 investigations consisting of 1,017 Ontario Works cases, 80 housing cases and 21 child care cases. In addition, 211 child care file reviews and 28 Ontario Works file reviews were completed.

Approximately 22% of York Region's Ontario Works case files were investigated in 2007 resulting in changes in financial assistance to approximately 3% of the total Ontario Works case files.

An analysis of Eligibility Review activities for all programs is noted in Table 1.

Table 1
Analysis of Investigations Completed—All Programs

Activity	2005	2006	2007
Assistance Terminated	162	148	127
Assistance Reduced	49	30	25
Insufficient Evidence	125	144	106
Allegation Untrue	99	26	23
Referred to Outside of Region	58	56	72
Overpayment Recorded	424	448	429
No Change to Entitlement	151	302	336
Investigations Completed	1,068	1,154	1,118
Client File Reviews	139	158	239

4.2 Restitution—referrals to police

Should an investigation indicate a probable intent to defraud, the Eligibility Review Officer prepares, and the Manager forwards, a detailed referral package of evidence (commonly called a Police Package) to York Regional Police. In turn, the police complete their investigation and lay charges if warranted. A summary of police referral activity is noted in Table 2.

Table 2
Analysis of Police Referrals

Activity	2005	2006	2007
Percentage of Investigations Referred to Police	1.8%	.9%	.9%
Referrals to Police	19	10	10

During 2007, disposition was made on 12 court cases. The disposition results are noted in Table 3. The cases resulted in 11 convictions, 1 withdrawal and 7 orders for restitution. Total restitution ordered was \$122,468 and in one other case repayment of \$9,540 was received prior to trial. Eight conditional discharges were received.

Table 3
Analysis of Disposition

Activity	2005	2006	2007
Total Dispositions	14	10	12
Restitution	10	5	7
Incarceration	0	0	1
Probation (Includes Community Service)	6	2	6
Conditional Discharge	1	0	8
Conditional/Suspended Sentence	4	5	2
Withdrawn by Crown	2	5	1
Total Restitution Ordered	\$182,119	\$57,184	\$122,468

4.3 Recoveries through assignments and reimbursements

To remain eligible for Ontario Works, recipients are required to assign their rights to York Region for any other monies that they may be entitled to receive during the time they receive assistance, and they are required to reimburse York Region for assistance paid to them through any other source (e.g. Employment Insurance, Workplace Safety & Insurance Board, and Canada Pension Plan).

In 2007, York Region recovered \$914,808 through assignments and reimbursements. Table 4 illustrates the Assignment and Reimbursement recoveries annually since 2005.

4.4 Recoveries from inactive cases reviewed for overpayment collection

Some clients leave our programs with a debt still owing to York Region. In 2007 the Team collected overpayments totalling \$184,688 from clients who have left the Ontario Works Program, the Child Care Fee Assistance Program, or where they were former tenants of Housing York Inc. Overpayment recoveries since 2005 are noted in Table 4.

Notably the Team negotiated more repayments in 2007 yet the average repayment amounts were less. In 2008 the Team will utilize the services of a collection agency to enhance these collection activities.

4.5 Savings through cost avoidance

There were 127 active cases terminated as a result of investigations in 2007. As a result, York Region realized savings of \$954,144 in 2007 based on a cost avoidance calculation of what assistance costs would have been had the 127 cases remained open for an additional 12 months. The Region saved an additional \$50,640 over 12 months through cost avoidance in cases where assistance was reduced.

5. FINANCIAL IMPLICATIONS

The Eligibility Review Team completed investigations on 1,118 cases in 2007 resulting in gross recoveries and savings of \$2,104,280. The majority of these recoveries, which included potential fraud situations and cost avoidance savings, would have been lost without the services of this Team. A summary analysis of activities is outlined in Table 4.

Table 4
Gross Recovery and Cost Avoidance

Activity	2005	2006	2007
Assignments and Reimbursements	\$ 584,471	\$ 834,391	\$ 914,808
Recoveries from Inactive Cases	253,543	277,025	184,688
Total Recoveries	838,014	1,111,416	1,099,496
Cost Avoidance - Reduced Assistance	142,032	91,728	50,640
Cost Avoidance - Terminated Cases	1,310,724	1,157,436	954,144
Total Recoveries and Savings	\$2,290,770	\$2,360,580	\$2,104,280

Eighty percent of recovered monies for Ontario Works and Child Care Fee Assistance are returned to the Province while 20% is retained by the Region. The Province provides less than 50% cost sharing for the costs (salaries, benefits, administration) of these collection activities. It should be noted that this investigation and collection function is legislatively required for Ontario Works and the Social Housing Programs. The Community and Health Services Department provides this function in our Child Care Fee Assistance Program area as a best practice.

6. LOCAL MUNICIPAL IMPACT

Lower regional costs associated with social assistance, child care and housing are a positive benefit for local municipalities. The Team assures program accountability and the proper use of regional funds.

7. CONCLUSION

The Eligibility Review Team performs a valuable and cost effective service for York Region. In addition to its investigative and collections roles, the Team acts as an expert program resource to staff and participates in policy development and program management committees.

For more information on this report, please contact Dennis Norton, Director, Business Operations and Support Services at Ext. 2088.

The Senior Management Group has reviewed this report.