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ELIGIBILITY REVIEW SERVICES 2009 ACTIVITY REPORT

The Community and Health Services Committee recommends the adoption of the recommendations contained in the following report dated February 25, 2010, from the Commissioner of Community and Health Services.

1. RECOMMENDATIONS

It is recommended that:

1. The Regional Chair write to the Minister of Community & Social Services requesting the Minister to review the provincial/municipal cost sharing formula for the administration of the Eligibility Review and Ontario Works programs in light of changing cost share for Ontario Works allowances and benefits.
2. The Regional Clerk circulate this report to the Association of Municipalities of Ontario and the Ontario Municipal Social Services Association.

2. PURPOSE

This report summarizes the activities of the Eligibility Review Team in 2009. The Eligibility Review Team is a unit within the Business Operations and Quality Assurance Branch of the Community and Health Services Department. The team conducts reviews and investigations concerning the eligibility of clients for financial assistance, and recovers monies owing to York Region. These activities are essential due diligence functions and result in revenue recovery and cost avoidance for the Region.

3. BACKGROUND

Eligibility Review is a legislated program that investigates client eligibility for financial assistance and collects monies owing to York Region

The Eligibility Review Team was established in 1992 to deliver a provincially mandated investigation function regarding eligibility of York Region clients who receive financial assistance under the *Ontario Works Act*. In 2003, the Team's mandate expanded to include the audit and investigation function for the Rent-Geared-to-Income (Housing) Assistance Program and for the Child Care Fee Assistance Program. In late 2009 the mandate expanded again to include the collection of overdue client accounts in the Long Term Care Program. The objectives of the Eligibility Review Team are to:

1. Investigate client files to ensure compliance with legislation and policy. Investigate suspected fraud.
2. Recover money owing to York Region as a result of overpayments, assignments and restitution.
3. 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

Staff review client cases as a result of referrals to the Team

In 2009, the Team received 1,109 referrals. Referrals come from 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 provincial fraud hotline; the community and staff.

Every complaint and referral is investigated by an Eligibility Review Officer. Investigations may be completed on both active clients and inactive clients (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 1,014 investigations consisting of 934 Ontario Works cases, 43 housing cases and 37 child care cases. In addition, 125 child care file reviews and 35 Ontario Works file reviews were completed.

Approximately 17% of York Region's Ontario Works case files were investigated in 2009 resulting in changes in financial assistance to approximately 7% of the total Ontario Works case files.

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

Table 1
Analysis of Investigations Completed – All Programs

Activity	2007	2008	2009
Assistance Terminated	127	94	88
Assistance Reduced	25	33	20
Insufficient Evidence	106	137	90
Allegation Untrue	23	40	20
Referred to Outside of Region	72	105	97
Overpayment Recorded	429	371	245
Investigations Completed	1,118	1,122	1,014
Client File Reviews	239	181	160

Eligibility Review Officers refer cases of suspected fraud to York Region Police

Should an investigation indicate a probable intent to defraud, the Eligibility Review Officer prepares a detailed referral package of evidence (commonly called a Police Package) for 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	2007	2008	2009
Percentage of Investigations Referred to Police	.9%	.6%	1.2%
Referrals to Police	10	7	12

During 2009, disposition was made on eight court cases. Disposition results are noted in Table 3. The cases resulted in five convictions and three withdrawals (one case repaid in full \$10,350 prior to court). The five convictions resulted in sentences including three restitution orders totaling \$56,514, three orders for probation, two conditional discharges and three conditional/suspended sentences.

Table 3
Analysis of Disposition

Activity	2007	2008	2009
Total Dispositions	12	6	8
Convictions with resultant sentences below:	11	4	5
Restitution	7	4	3
Incarceration	1	0	0
Probation (Includes Community Service)	6	3	3
Conditional Discharge	8	0	2
Conditional/Suspended Sentence	2	4	3
Withdrawn by Crown	1	2	3
Total Restitution Ordered	\$122,468	\$41,400	\$56,514

Almost 79% of recoveries are made through Ontario Works 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 2009 York Region experienced a 24% increase in Employment Insurance Assignments for OW Recipients. These 1,700 assignments resulted in recoveries of \$295,358 from the EI Program. Overall assignment revenues increased by 14.5% resulting in \$976,397 in revenue. These large recovery increases are in large part due to increased unemployment during these recessionary times. These Ontario Works recoveries are the largest source of the Team's recoveries. Further information on assignments and reimbursements is provided in Table 4.

Staff recover monies from former clients (inactive cases)

Some clients leave our programs with a debt still owing to York Region. In 2009, the Team collected overpayments totaling \$259,462 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 2007 are noted in Table 4.

Earlier this year the Team initiated "enhanced" collections through the use of third party collection agencies for delinquent Housing York Inc. and Ontario Works accounts in an effort to exhaust all recovery options.

The Team also realizes savings to York Region through cost avoidance

There were 88 active cases terminated as a result of investigations in 2009. As a result, York Region realized savings of \$653,568 in 2009 based on a cost avoidance calculation of what assistance costs would have been incurred had the 88 cases remained open for an additional 12 months. The Region saved an additional \$55,140 over 12 months through cost avoidance in cases where assistance was reduced.

Current recession has increased workload

In 2009 the Team experienced an increased workload, mainly due to a 24% increase in Employment Insurance assignments and this trend is expected to continue. In 2010 the Team continues to monitor the workload impacts due to the increasing Ontario Works caseload.

5. FINANCIAL IMPLICATIONS

The Eligibility Review Team completed investigations on 1,014 cases resulting in gross recoveries and savings of \$1,944,567. 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 recoveries and savings is outlined in Table 4.

Table 4
Gross Recoveries and Savings

Activity	2007	2008	2009
Assignments and Reimbursements	\$ 914,808	\$ 851,941	\$ 976,397
Recoveries from Inactive Cases	184,688	265,921	259,462
Total Recoveries	1,099,496	1,117,862	1,235,859
Cost Avoidance - Reduced Assistance	50,640	84,648	55,140
Cost Avoidance - Terminated Cases	954,144	774,360	653,568
Total Recoveries and Savings	\$2,104,280	\$1,976,870	\$1,944,567
Total Regional Recovery (20%)	\$420,856	\$395,374	\$388,913
Total Provincial Recovery (80%)	\$1,683,424	\$1,581,496	\$1,555,654

Of recovered monies for Ontario Works and Child Care Fee Assistance, 80% is returned to the Province while 20% is retained by the Region. It should be noted that although the investigation and collection function for Ontario Works and the Social Housing Program is legislatively required, the Child Care Fee Assistance Program in the Social Services Branch of the Community and Health Services Department provides this function as a

best practice. The collection activities initiated in the Long Term Care Program in 2009 will be reported in the annual Activity Report for 2010.

Provincial uploading of Ontario Works program costs means that our municipal staff will return all recoveries to the Province

By 2018, the province will have uploaded 100% of the Ontario Works allowance and benefit costs. However, there is no direction to change the provincial/municipal cost share formula for staffing and other administrative costs. The current cost share formula is 50/50. In practice, the Region cost shares approximately 70% of administration costs.

The result will be a service where regionally paid staff will be recovering and returning provincial monies. Although the Region must remain fiscally accountable and display due diligence in the management of tax dollars, at the same time, this situation should warrant a review of provincial/municipal cost sharing of our administration costs.

This report recommends that the Regional Chair request the Minister of Community and Social Services to review the cost sharing formulae for administrative costs in the Eligibility Review and Ontario Works programs.

6. LOCAL MUNICIPAL IMPACT

Lower regional costs associated with social assistance, child care and housing are a positive benefit for local municipalities. The Eligibility Review Team ensures program integrity and applies fair and consistent collection practices in the Ontario Works Program, the Rent-Geared-To-Income (Housing) Assistance Program and the Child Care Fee Assistance Program.

7. CONCLUSION

The Eligibility Review Team performs a fiscally accountable 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, Managing Director, Business Operations and Quality Assurance at Ext. 2088.

The Senior Management Group has reviewed this report.