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ELIGIBILITY REVIEW ACTIVITIES 2005

The Community Services and Housing Committee recommends adoption of the recommendation contained in the following report, May 4, 2006, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATION

It is recommended that:

1. This report be received for information.

2. PURPOSE

The purpose of this report is to provide Council with information concerning the reviews conducted by the Community Services and Housing Department on the eligibility of our clients for financial assistance, and on our 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

The Eligibility Review Team is part of the Community Services and Housing Department Quality Assurance unit and 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 Team has two Program Managers, nine Eligibility Review Officers (EROs), one Program Review Officer, one Accounting Clerk, and 1.5 Eligibility Review Clerks.

The Team's objectives are to:

- Audit department case 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 (SBT) 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 is

part of the Community Services and Housing Department's program management committees.

In 2005, the Team:

- Completed development of a centralized Eligibility Review statistics database.
- Showcased the enhanced Revenue Recovery Management System (RRMS) at the 2005 spring OMSSA Conference and to four municipalities. (One municipality has now purchased a license). RRMS was developed in-house and replaces the previous system known as the Recovery and Assignment Database (RAD).
- Made presentations to Ontario Works (OW) staff on the role of eligibility review, collections, audit function and the now centralized SBT appeals function.
- Led the review of department program collection activities to recommend the direction for future collection processes and development of a consistent department policy.

4. ANALYSIS AND OPTIONS

In 2005, the Team received 956 new referrals. Referrals come from staff, the community and the provincial fraud hotline. Every complaint and referral is investigated by an ERO. Staff are asked to investigate a variety of situations – e.g. evidence or allegations that participants have undeclared income or assets, or where there may have been a change in family size or circumstances.

The Eligibility Review Team completed 1,068 investigations consisting of 920 OW cases, 105 housing cases and 43 child care cases. A total of 34 child care file reviews were also completed. Investigations may be completed on both active clients and inactive clients (no longer in receipt of program benefits). The team also concentrated on completing investigations on aged referrals which resulted in a 27% increase in closed investigations in 2005.

Approximately 20% of York Region's OW case files were investigated in 2005. There were changes in financial assistance to approximately 12% of the total OW case files. An analysis of Eligibility Review activities for all programs is noted in Table 1.

Table 1
Analysis of Activities – All Programs

Activity	2003	2004	2005
New Referrals	873	861	956
Investigations Completed	810	841	1,068
Assistance Terminated	112	131	162
Assistance Reduced	35	45	49
Insufficient Evidence	130	162	125
Allegation Untrue	66	52	99
Referred to Outside of Region	30	38	58
Overpayment Recorded	396	372	424
Client File Reviews	40	86	139

4.1 Restitution – Referrals to Police

Should an investigation indicate a probable intent to defraud, the ERO 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	2003	2004	2005
Percentage of Investigations Referred to Police	.9%	1.3%	1.8%
Referrals to Police	7	11	19
Court Orders and Dispositions	13	10	14

During 2005, disposition was made on 14 outstanding court cases. The disposition results are noted in Table 3. The court cases resulted in 10 convictions and 10 orders for restitution. Total restitution ordered was \$182,119. Two cases were withdrawn and additionally, the police did not proceed with one case. One of the cases withdrawn resulted in a repayment to the Region of \$22,500.

Table 3
Analysis of Disposition

Activity	2003	2004	2005
Total Dispositions	13	10	14
Restitution	9	8	10
Incarceration	0	1	0
Probation (Includes Community Service)	9	7	6
Conditional Discharge	0	1	1
Conditional/Suspended Sentence	4	1	4
Dismissed/Withdrawn	4	1	2
Total Restitution Ordered	\$139,117	\$175,741	\$182,119

4.2 Recoveries – Assignments and Reimbursements

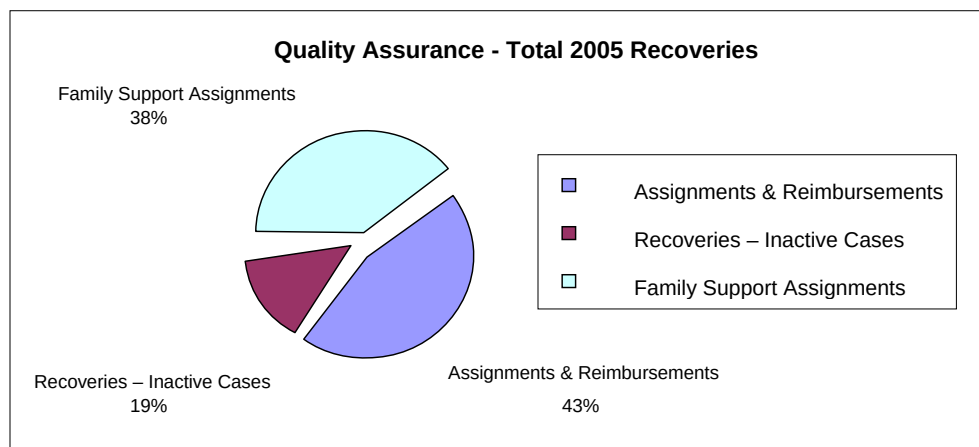
To remain eligible for OW, recipients are required to assign their rights to York Region for any other monies that they may be entitled to receive during the time they receive assistance, and they are required to reimburse York Region for assistance paid to them through any other source (e.g. Employment Insurance, Workplace Safety & Insurance Board, and Canada Pension Plan). In 2005, York Region recovered \$584,471 through assignments and reimbursements. Table 4 illustrates the Assignment and Reimbursement recoveries annually since 2003.

4.3 Recoveries – Inactive Cases Reviewed for Overpayment Collection

In addition to completing investigations; the Team collected overpayments totalling \$253,543 from clients who have left the OW Program, the Child Care Fee Assistance Program, or where they were former tenants of Housing York Inc., with a debt still remaining to York Region. Recoveries include restitution paid to York Region as well as overpayment recoveries annually since 2003 are noted in Table 4.

Table 4
Analysis of Recoveries

Activity	2003	2004	2005
Assignments and Reimbursements	\$454,819	\$432,790	\$584,471
Overpayments from Inactive Clients	187,771	136,356	253,543
Total Recoveries	\$642,590	\$569,146	\$838,014



* Revenue from Family Support Assignments are reported by the Family Support Team.

4.4 Savings – Cost Avoidance

There were 162 active cases terminated as a result of investigations in 2005. As a result, York Region realized savings of \$1,310,724 in 2005 based on a cost avoidance calculation that took into account what assistance costs would be had the 162 cases

remained open for an additional 12 months. The Region saved an additional \$142,032 over 12 months through cost avoidance in cases where assistance was reduced.

5. FINANCIAL IMPLICATIONS

York Region, through the efforts of the Eligibility Review Team, investigated 1,068 cases in 2005, collected recoveries totalling \$838,014 and cost avoidance savings of \$1,452,756. The majority of these recoveries, potential fraud situations and cost avoidance savings would not have been found without the services of the Team. A summary analysis of activities is outlined in Table 5.

Table 5
Summary Analysis of Activities

Activity	2003	2004	2005
Assignments and Reimbursements	\$454,819	\$432,790	\$584,471
Recoveries – Inactive Cases	187,771	136,356	253,543
Total Recoveries	\$642,590	\$569,146	\$838,014
Reduced Assistance	117,756	161,460	142,032
Cost Avoidance – Terminated Cases	815,760	1,040,988	1,310,724
Total Recoveries and Savings	\$1,576,106	\$1,771,594	\$2,290,770

Further to the information noted above, as a result of effective and efficient work, there was a 29% increase in total recoveries and savings from the Eligibility Review Team in 2005 over results in 2004. This is mainly attributed to an increase in Canada Pension Plan and Employment Insurance assignment recoveries and increased automation in RRMS to obtain client repayments.

Eighty percent (80%) of recovered monies for OW and Child Care Fee Assistance are returned to the Province while 20% is retained by the Region. It should be noted that this investigation and collection function is legislatively required for OW, and the Social Housing Program. The Community Services and Housing Department provides this function in our Child Care Fee Assistance Program area as a best practice.

6. LOCAL MUNICIPAL IMPACT

There is no direct local municipal impact, however 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 participate on policy development and program management committees.

In 2005, the Team concentrated efforts on completing aged investigations, showcased the RRMS as a best practise for other municipalities and enhanced its Eligibility Review database to streamline the reporting of investigation and review activities. Customer service and liaison were enhanced by providing presentations to Social Assistance staff to highlight the services which the Eligibility Review Team provides.

In 2006, the Team will provide presentations to the other Community Services and Housing Department program areas. The team will also lead the development of a Department Collections Policy which reflects due diligence and a consistent but fair approach to the collection of overdue accounts from former program clients.

The Senior Management Group has reviewed this report.