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## **Official Report of Debates (Hansard)**

**Wednesday 5 May 2010**

## **Journal des débats (Hansard)**

**Mercredi 5 mai 2010**

**Standing Committee on  
Public Accounts**

2009 Annual Report,  
Auditor General:  
Ministry of Community  
and Social Services

**Comité permanent des  
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Rapport annuel 2009,  
Vérificateur général :  
Ministère des Services sociaux  
et communautaires

Chair: Norman W. Sterling  
Clerk: Katch Koch

Président : Norman W. Sterling  
Greffier : Katch Koch

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

## COMITÉ PERMANENT DES COMPTES PUBLICS

Wednesday 5 May 2010

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*The committee met at 1234 in committee room 1, following a closed session.*

2009 ANNUAL REPORT,  
AUDITOR GENERAL

MINISTRY OF COMMUNITY  
AND SOCIAL SERVICES

Consideration of section 3.09, Ontario disability support program.

**The Chair (Mr. Norman W. Sterling):** Good afternoon. My name is Norm Sterling. I am the Chair of the public accounts committee. Today, we are considering section 3.09 of the 2009 Auditor General's report dealing with the Ontario disability support program.

Today we have with us the deputy minister, Marguerite Rappolt, of the Ministry of Community and Social Services. It's normal for us to ask for comments before—and if you would like to make some comments and perhaps introduce the two gentlemen who are sitting with you.

**Ms. Marguerite Rappolt:** Good afternoon, everyone. With me are my colleagues: to my left, Alex Bezzina, who is our assistant deputy minister, who oversees the operations division for ODSP; and to my right is David Carter-Whitney, who is our assistant deputy minister responsible for social policy development within the Ministry of Community and Social Services.

We're very happy to be here today to provide information to you on the ministry's response to section 3.09 of the 2009 AG's report regarding the Ontario disability support program, known as ODSP.

Let me start by acknowledging the Auditor General for his work and his team's work. The ministry welcomes the advice we've received on how we can strengthen delivery and oversight of this important program. As usual, he and his staff were thorough. Recommendations were very well considered. As well, as a deputy who came into this process partway in August 2009, I have to acknowledge my pleasure with the open and very co-operative relationship between the Auditor General's team and my ministry's staff. So I want to thank everyone for that. I think the public interest has been well served by that.

I also want to take a moment to thank all of our staff in ODSP offices throughout Ontario for their commitment in responding day to day to the real needs of the

ODSP clients, and their continuing co-operation and drive to make our system work better for the people who need it most.

I can't emphasize enough the ministry's strong commitment to addressing the recommendations in the auditor's report. You have received our summary. The ministry has developed an action plan associated with each recommendation, and it's something that I pay attention to, and each of my colleagues here does as well.

Before I talk about the steps the ministry is taking to address the auditor's concern, I'm going to begin with some brief context regarding the Ontario social assistance programs. As you know, Ontario has two major social assistance programs. Ontario Works, which is intended for those who demonstrate financial need, which is generally very responsive to the unemployment rate in Ontario—you will all know that in your local constituencies. Since the start of the economic downturn in October 2008, the Ontario Works caseload has in fact increased by 29%, adding 56,000 cases to our overall workload. And the ODSP provides financial assistance and employment supports to persons with disabilities and their families. The ODSP caseload is approximately 267,000 right now, representing about 370,000 individual beneficiaries. We've witnessed an annual increase to the ODSP caseload of between 5% and 6% over the last four years.

In order to qualify for ODSP income support, an individual of course must be 18 years of age, they must reside in Ontario and they must meet a twofold test. First, they must be deemed financially eligible with income and assets that don't exceed the program threshold. Secondly, individuals must be determined to be disabled as defined by the legislation. To meet the definition, a person must have a disease or a medical condition that causes substantial impairment of physical or mental functioning that is likely to last a year or more and that substantially restricts activities of daily living. All of those elements are very important. Approximately 38% of our caseload are individuals with mental health issues, another 18% are individuals with developmental disabilities, and the remaining 44% are individuals with a variety of other physical disabilities, diseases and medical conditions. Recipients may also include the non-disabled spouse, dependent adults and children.

**1240**

As noted earlier, the ODSP provides financial assistance and employment supports. Allow me just to spend a

little bit of time describing the financial assistance that is available to recipients. Recipients generally receive income support for basic needs and shelter. Currently, a single disabled person receives up to \$578 per month for basic needs and up to \$464 per month for shelter, depending on their rental or housing costs. The maximum income support, then, from these sources is \$1,042 per month. The amount of the income support can fluctuate month to month for various reasons, such as income derived from employment, changes in shelter costs or changes in the makeup of the family. In addition to basic income support, recipients also receive drug and dental coverage. They may also qualify for other supplemental health care benefits such as assistance with costs of vision care, medical transportation and so on. Recipients may also qualify for benefits to address specific needs or situations such as financial assistance to help them avoid eviction or having their utilities disconnected.

All of this is to demonstrate that the ODSP is designed to support the unique needs and circumstances of individuals with disabilities. Just as the program itself is responsive to meet the unique needs of clients, so must service delivery also be responsive and appropriate. Because of the disabilities many of our clients present with, specific needs must be accommodated through our front-line staff.

A program as broad and dynamic as this, as you can imagine, comes with administrative complexity. Staff in our ODSP offices work with clients to assist them to receive the maximum amount of benefits to which they are entitled, while at the same time ensuring that the policies and regulations associated with the various benefits are adhered to. As such, staff and managers in my ministry are continually balancing our two fundamental objectives of quality customer service and client service excellence as well as the adherence to rules of the program so as to ensure the integrity of the program.

When I've had the opportunity to visit our ODSP offices across Ontario, I've found staff who are fiercely proud to serve their customers and to work hard to ensure program integrity on behalf of taxpayers. But as the Auditor General has quite rightly pointed out, we need to continually improve our oversight and delivery of this important program.

Let me turn my attention now to the key contents of the Auditor General's report. My ministry is strongly committed to addressing all of the recommendations in the report, and there is a comprehensive action plan to do so. Progress has already been made on the execution of the work plan, as you've seen in your summary.

Let me start with the issue of financial eligibility. As I noted earlier, individuals who receive ODSP must financially qualify from an income and assets perspective. They must not only qualify at the point of application but also throughout the time that they are in receipt of assistance as ODSP clients. The process used by staff to determine ongoing financial eligibility is called the consolidated verification process, or CVP, as noted in the Auditor General's report. This constitutes a review of

income, assets and costs such as rent, as well as other changes in circumstances, to determine if the client's monthly payment needs to be adjusted.

We acknowledge that ODSP staff must do a better job of verifying income and asset information provided by clients by checking against third party sources. Staff can access information from a number of third party sources to verify income, such as Canada Revenue Agency tax data, employment insurance earnings, CPP earnings, and credit information, just to name a few. We're working to ensure that staff better understand how to interpret third party data to verify income, and we are putting processes in place to ensure that documentation of third party checks is entered into the files. Finally, we're developing a model to ensure that we use a risk-based approach to target our verification efforts. Through these efforts, we'll ensure that clients receive the appropriate income support and we can begin to address the issue of overpayments.

Let me speak for a minute now about the issue of overpayments. Most of our payments are not the result of clients doing the wrong thing. Overpayments may be assessed when it is determined after the fact that clients have had a change in income or a change in circumstances that affect their entitlement. For example, if a client generates income through work and they do not report it in a sufficiently timely manner, an overpayment is triggered. Another source of overpayments is variable rental cost. When a client moves to a new place where the rental costs are perhaps less, they aren't able to declare that in a timely manner and overpayment is triggered. While overpayments can occur due to these types of circumstances, they can also occur because clients have deliberately chosen to misrepresent their financial circumstances. I'll get to the issue of fraud in just a moment.

Overpayments due to lack of timely reporting of changes in income or circumstances can be difficult to recover from the client due to the financial circumstances and hardship of our clients. For example, if a client has an overpayment of \$100, it's difficult to deduct the whole amount from their next cheque as this may put the client in even more difficult circumstances. So only a portion of the overpayment is deducted on a monthly basis and sometimes clients exit the program before that overpayment is fully collected. This practice has been applied, as you know, over many years and across many thousands of clients who may have had overpayments resulting in the cumulative amount of overpayments already documented by the Auditor General in this finding, as well as in chapter 3.11 of his report. The \$663 million in ODSP overpayments identified by the auditor is the cumulative amount owed to the province, much of it accruing throughout the 1990s.

In 2004, the ministry established the overpayment recovery unit, which is specifically mandated to collect debts from individuals who are no longer in the program—what we call our inactive clients. The ministry established a protocol with the Canada Revenue

Agency's refund set-off program to support overpayment collection. Through the recovery unit, the ministry has collected more than \$25 million already in overpayments and other debt, and has made payment arrangements to collect an additional \$100 million.

Of course, we all know the best approach to dealing with overpayments is by not generating them in the first place. We have seen trends in the last four years that indicate that the total number of cases with overpayments has in fact declined. However, the amount of the overpayment per client has risen slightly, resulting in an increase in the total amount of overpayments. But the rate of accumulation is on a downward trend.

In light of this trend and given the recommendations regarding overpayments in the Auditor General's report, ministry staff are analyzing this issue to find root causes for overpayments and to determine how best to address them.

Let me turn to the issue of disability adjudication. As noted earlier, ODSP applicants must not only be eligible from a financial perspective but also from the perspective of a disability. As part of the application process, adjudicators review documentation prepared by health care professionals and by the applicant. The documentation includes information about the applicant's health status and their ability to undertake daily activities, as well as supporting medical information such as test reports, X-ray reports and so on.

It's not simply a matter of verifying that a disability is present. Adjudicators must apply the test for disability set out in legislation, which is a two-part test requiring two separate analyses. The first step is to determine whether the applicant has a substantial physical or mental impairment that is expected to last more than a year. There's a duration element here. The second step is to determine whether the impairment results in a substantial restriction in the applicant's daily activities. For some applicants, this determination is fairly straightforward, but in most cases the determination is quite complex. We must continually monitor both the timeliness and the quality of decision-making in our disability adjudication unit. The findings and recommendations of the Auditor General reinforce our need to be satisfied in the quality of decisions and the consistency of decision-making from one adjudicator to the next. To this end, we've instituted new processes for oversight and review, and invested in developing new resources and training for the more complex adjudication cases. Some of this is noted in the summary that we've provided.

#### 1250

There were also concerns raised about the rates of eligibility decisions overturned by the Social Benefits Tribunal. While there have been improvements in overturn rates over the past four years, we recognize that more can be done. We're currently analyzing the factors that may contribute to this and will be identifying potential strategies to address these issues.

I would say we've also recently successfully concluded a new memorandum of understanding between

our Social Benefits Tribunal and the ministry, which will serve us very well.

Let me spend a minute, if I may, on the special diet allowance, which is a subject that was addressed in the chapter we're dealing with today, but also addressed in chapter 3.11 of the auditor's report. The program, as it was originally set up, is intended to help with the extra costs of special diets for those on social assistance who have medically validated specific health conditions and also have medically recognized dietary costs. You're well aware of the sustainability issues we have run into with this program. Special diet allowance costs have increased substantially, from \$6 million in 2002 to more than \$200 million a year at the current time. The government has determined that these rapidly increasing costs are unsustainable.

The Auditor General last year flagged instances of misuse in this program, and called upon the government to review the program with a view to limiting its possible abuse. In addition, the ministry had a Human Rights Tribunal of Ontario decision that found that the special diet allowance discriminated against people with certain health conditions. The tribunal's findings raised policy, regulatory and fiscal issues for the ministry and for the government. These are the facts of the program as it stood at the end of this past fiscal year.

As you know, the government has decided to eliminate the special diet allowance and create a new nutritional supplement program for people with severe medical needs, which will be administered by the Ministry of Health and Long-Term Care.

Let me move on very briefly to the topic of fraud. Unfortunately, there are individuals who seek to take advantage of ODSP through purposeful misrepresentation of their financial or personal circumstances. As you may be aware, the ministry operates the welfare fraud control hotline, which receives tips from members of the public regarding potential fraud for either ODSP or Ontario Works. In 2009-10, the hotline received approximately 21,000 calls, faxes and emails.

All tips to the hotline are referred to the local ODSP or Ontario Works office for further investigation by a caseworker. If, after this initial review, there is continued reason for concern about the potential for fraud, the matter is referred to an eligibility review officer, who will conduct a rigorous review. If sufficient evidence exists that would suggest fraud, the case is then forwarded to the local police, who may lay charges against the individual. Since 2004, more than 2,200 cases have been referred to police, and over the same period, there have been about 1,600 convictions.

We acknowledge the findings of the Auditor General regarding the need to ensure timelier processing of fraud tips. We are currently reviewing business processes to identify best practice and determine areas of improvement.

I would like to note briefly that there are a number of other enhancements we're making to improve client service to our ODSP clients, and we may be able to get into those conversations shortly.

Through these introductory comments, I have attempted to highlight for you a high-level overview of the work we are undertaking to address the auditor's concerns, while also undertaking some initiatives to support longer term sustainable solutions. We welcome the auditor's observations and have seized the opportunity to strengthen the management of this program, so that the people of Ontario can continue to have confidence in the integrity of this critical service.

We would now be pleased to provide members of the committee with any additional information.

**The Chair (Mr. Norman W. Sterling):** Thank you very much.

I would invite any gentlemen who are wearing jackets to remove them at your leisure or pleasure. This room tends to get a little warm later.

Mr. Shurman.

**Mr. Peter Shurman:** Thank you very much for appearing before us, Deputy Minister and both gentlemen with you.

I'd like this to be a conversation, as opposed to an exercise in bureaucratic speak, and I mean no disrespect in saying that. Frankly, you three could run rings around me; that's your job. My job is to speak on behalf of people and hopefully get some answers that can be interpreted by them as answers to the following questions.

Are all the people in the province of Ontario who require OW or ODSP getting it in a timely fashion, and are all the people who shouldn't be receiving it not receiving it? That, to me, is the nub of what the auditor was getting at when he went to investigate this, not for the first time but, I believe, for the third time.

I have a question. You talked about your respect for what the auditor has done, you talked about developing an action plan, you talked about the fact that one of your colleagues has only been there for a relatively short time. My question is about six words long: Do you agree that the system is broken?

**Ms. Marguerite Rappolt:** Thank you very much for your question. I could have taken a sip of water before I took that question. I think I would start by saying that we, in the Ontario public service and in our program, are in the business of continuous improvement. I would say to you that I feel very well served, as the new member—these colleagues have been a little more long-standing—with the focus and attention of this ministry on continuous improvement within this complex program.

I think my answer, with respect, would be categorically that I do not think this program is broken. We have over 1,400 men and women who serve clients in over 40 spots throughout the province, who are engaged in responding to some of the most vulnerable Ontarians and do so finding that balance in getting financial assistance to them in a timely way, but also taking very seriously their responsibility for the integrity of this program and the eligibility issues that we know we all care a great deal about and that taxpayers care a great deal about.

When I talk about continuous improvement, I'm certainly talking about how we help those staff under-

stand their job. I think that in the summary I have provided to you with my team, we've given lots of examples, and my colleagues could provide more, of how we are needing and doing a better job in clarifying, building consistency, training, giving our staff the tools to help them provide excellent customer service, whether that be making good, timely decisions in initial financial eligibility or whether that be the reviews of eligibility that need to happen periodically.

I noted in my remarks the fact that we have a job to do—and we're in the middle of doing it—in helping our staff understand how to use credit data better. It's a very important element in the ongoing assessment of financial eligibility to not just look at that which our clients provide to us, but also find other data and information that adds value and verifies their financial situation. That's an example of the training and outreach we are doing to ensure we're providing excellent client service.

**Mr. Peter Shurman:** And it's a good example, because in the material this committee has received, and has read and absorbed, that would be one of a number of examples of things that were not being done to the maximum possible extent, resulting in a spillage, I think I'm being legitimate in saying, of hundreds of millions of dollars—indeed, maybe billions over time—in any given year. That's what I read. To me, if I were to encapsulate that, perhaps in a speech I would make in public about the state of affairs, I'd say that's broken, and that's why I ask the question in the way that I do.

**1300**

I don't doubt for a moment, by the way, that you believe every word that you're saying and that you are taking those steps. But if I'm going to go out and interpret this, to continue on that line of questioning, what I would say is you don't agree that it's broken, but there are steps that have to be taken. The way I'd say that would be that you're fixing it. Am I being fair?

**Ms. Marguerite Rappolt:** I'm going to say yes, you are being fair. It's a big, complex system. I would never want to be simplistic about my accountability or our accountability for what goes into fixing this program. Some people might say, and I would suggest that it may be a generous interpretation right now, that we're engaged in a way where we're fixing it all, but that is our goal.

**Mr. Peter Shurman:** But you're telling me that this is a work in progress, in fact?

**Ms. Marguerite Rappolt:** Absolutely.

**Mr. Peter Shurman:** There's no question that it's a work in progress; there's a question of believability. Nobody's suggesting that you're coming here and lying to the committee or misleading us in any way. However, you wouldn't be the first deputy minister to appear before a committee and say, "This is a work in progress. There are things that need to be fixed. We have to plug these holes," and so on and so forth. But this has happened several times.

I guess what I'm getting at is, why do we believe you today? What comfort can you give this committee that at

some given point in time, we're going to have a fairly reliable, fairly bulletproof system for handling the affairs of people who are in trouble in our province and for keeping the cheaters out?

**Ms. Marguerite Rappolt:** Thank you very much for your question. I would say, as I've noted in my remarks, there are a number of elements that go into preventing overpayments. I think this is what you are predominantly referring to when you talk about the fact that there is a large number of outstanding overpayments: \$663 million associated with our ODSF program. As I noted, and I think everyone acknowledges, that big number is the result of the cumulative effect of overpayments over a long period of time.

I have offered to you some of the things we're doing to make sure. We do two things: We prevent them from continuing to happen at the pace they have been happening, and secondly, as aggressively as we can, we have collection efforts under way with respect to existing overpayments.

**Mr. Peter Shurman:** So you're addressing the overpayment situation on one level.

Let me go to a couple of subheadings that also come into the auditor's report. Let's start with \$377 million spent for SDMT technology in 2002. Effectively, this is a sophisticated computer system that makes errors, according to what we hear. Either the computer makes errors or the access to people is too wide-ranging to allow for checks and balances. There are a lot of problems with this system. That's a lot of money to have put into a computer, on the one hand. On the other hand, we are talking about technology that's eight years out of date, and in the world of computers, I think we can all agree that that's forever. Where are we with SDMT or son of SDMT today?

**Ms. Marguerite Rappolt:** Again, I appreciate how you have framed the question in terms of the importance of this technology and its complexity and your acknowledgment that, by today's standards, it has been serving us for a fair period of time. I will make a few remarks, and then I am going to invite my colleague Mr. Bezzina to say a bit more about a couple of things.

We need to work on a couple of levels, and we have been. The first level is to make sure we are serving our social assistance clients the very best we can with our existing technology. You will know, of course, that the SDMT—the service delivery model technology, as it is called—has been the subject of a number, I think it's fair to say, of previous audits. I'm not going to address those findings.

In this audit, in 2009, our Auditor General colleagues, both in chapter 3.09 but also 3.11, talked about some ongoing concerns, as you said, about the generation of errors. I think there was some acknowledgement that there were some improvements with regard to security issues with respect to outside sources, but—

**Mr. Peter Shurman:** Let me just correct that. I don't mean to interrupt you. When I refer to security issues, in the discussion that we've had and a bit of further explora-

tion into this system, it would appear—and correct me if I'm wrong—that a caseworker with access could open up an account, follow it all the way through with access to every point, and close out the account, which means that there would be no oversight; there would not necessarily be a supervisory person who could go in and say, "Why did Shurman get that? Why didn't we cut him off?" If I'm right, that would have been an initial design flaw in the system that has been around for eight years, and goodness knows what that has cost. Is that correct or not?

**Ms. Marguerite Rappolt:** The point I made about security: I think I'm fair in representing the Auditor General's conclusions, as I was saying, with regard to external access from a secure point of view, and there have been improvements made in that regard.

To your point, Mr. Shurman: Absolutely, I share your interpretation of the Auditor General's findings that there were concerns identified with regard to the oversight of caseworkers' access.

So to my earlier comment, we are working on two levels. One of the levels is to improve client service/access, but also confidence, flexibility, reliability of our current SDMT system, knowing that it was planned for more than a decade ago, and it has been fully operational since 2002. Clearly, that is a great deal of work that we're engaging in with our IT experts.

In addition, though, as we should in the Ontario government—and other levels of government, at the federal level, have recently addressed this issue—we should be looking in a forward-thinking way at the reliability and security of our most critical information technology platforms to serve clients well in the future. We are doing that—

**Mr. Peter Shurman:** Does that mean you're looking at a new system?

**Ms. Marguerite Rappolt:** We definitely are looking at a new system. We have proceeded with the development of a business case regarding the renewal and replacement of our SDMT system. I'm very pleased that, with other government partners, we are able to proceed and attend to this need. Obviously, this is a multi-year exercise, not something that we do in an unplanful way. Colleagues in my ministry are very engaged with people across the Ontario public service in ensuring that we proceed in a measured way, with many other partners, to begin the development of the replacement system.

**Mr. Peter Shurman:** This is a multi-year problem, though, and you've acknowledged that. This is not an easy fix; you've acknowledged that. At what point would we be able to, if we had a mind to, call you back here? Or at what point would the Auditor General be able to look into your system again and say, "You know, they've plugged their IT holes. That part is not an issue for us anymore"?

**Ms. Marguerite Rappolt:** I'm going to leave the timing of the Auditor General's priorities to the Auditor General—

**Mr. Peter Shurman:** As do I. But I'm asking you what your timing is.

**Ms. Marguerite Rappolt:** Our planning is set, and we are hopeful to be close to implementation, I believe, at the end of fiscal year 2012-13.

If I could, I would welcome my colleague just being able to mention some of the practical improvements we are making with regard to the responsiveness and flexibility of the current SDMT support.

**Mr. Alex Bezzina:** Just very briefly, there are almost 11,000 people who use the system, because it serves not only ODSP but OW at the municipal level, and about 800,000 people rely on that for benefits cheques to be cut and business processes to be maintained and case management to be done. Yes, there are issues with it, but for the most part we get the cheques out to all of those people in a timely way every month. The core of it works; there are things that need to be done to improve it.

**1310**

One of the things that you mentioned was that in part it's an IT issue and in part it's a supervisory oversight issue, which we are addressing through enhanced supervisory file review processes that we've recently implemented as a direct response to the Auditor General's report.

Other things that we've done over the years: For example, in order to have better oversight of the program, we've introduced audit trail history for direct bank deposits. Many of our clients have direct bank deposits, as opposed to receiving a cheque directly. We had not had a good audit trail in there previous to very recently, and we've implemented that. Again, it allows for better oversight.

We've made it easier for staff, once they go in there to make a change to a person's entitlement, to do it not only on a go-forward basis, but to address any arrears that may be required for the individual. Sometimes their circumstances change, which would allow them to get more, but they don't tell us. So when they do tell us, we have to go and do retroactive. We're able to do that and show it in the system more effectively.

Because it's a case management system, you're dealing with human beings. There are certain things you have to do in a notes section of the case management system; you're actually typing up case notes. We've introduced a search function into that area of the technology so that it's easier to find information when you have to go back, or if the worker changes at some point in time.

Finally, and this is just one last example that I'll use—there are a number of others—we have enhanced our flagging system within SDMT to ensure that for people whose cases should be reviewed in a more timely manner because of potentially changing financial circumstances, those flags come to the worker in a much more predictive type of way.

**Mr. Peter Shurman:** Thank you. I knew that the cheques were getting out on time, because when they don't, we see people in the front yard here.

We have about three minutes left in this round before we go on to my colleagues. I just want to switch quite radically to a subject that I flagged in reading. It looks to

me like the average sick days taken by your caseworkers run about 20 per year, compared to the public sector average of 12. I don't know; I don't take any sick days per year. Maybe I'm just lucky. But 20 days per year seems like a lot, and it suggests to me, without trying to draw the wrong conclusion, that there's a reason why people want to stay away. Is there? How do you interpret that particularly high average?

**Ms. Marguerite Rappolt:** Thank you very much for the question. I'll say a few comments and then Mr. Bezzina, who oversees this service, may say more.

Twenty days is high. You've noted what the Ontario public service average is. I would just say a couple of things. One is that the work on the front line for ODSP staff is tough work; it's complex work. I think if we looked at sick days for those in the Ontario public service—perhaps in other organizations as well—who deal with front-line human service interpretation on a day-to-day basis, we likely would find that their sick day average is well above the norm. So I think this pattern is not uncommon throughout other areas of our organization and other organizations.

Are we comfortable with this? Would we like to do better? We absolutely would, and one of the things that I think Alex can talk about is the fact that we have a service enhancement project going on right now for our Ontario disability support program. What that means is we've identified the fact that it was time to look at the structure of how we deliver front-line service. We are consolidating some of the functions, so we will in fact provide more of a one-window case management approach. We will collapse the number of kinds of workers into a more consolidated model.

**Mr. Peter Shurman:** And you think that will reduce this from 20 days? I note that the caseload has generally dropped about 35%. If the caseload has dropped 35%, that tension and pressure and hard front-line workload you're talking about would be somewhat mitigated. You're not telling me that this 20-day average we're looking at, which is not necessarily immediate but during the auditor's review period, has come down, has it?

**Ms. Marguerite Rappolt:** I would let Mr. Bezzina address that. I would be doubtful that it would come down in a period of four or five months from the time of the auditor's report. The reason I talk about our service enhancement project at the front-line level is because, first of all, it's our commitment in working with our bargaining agent toward an improved service model. It very much engages our staff in assisting in influencing what that model is. In that vein, we have been able to secure additional front-line staff. I would invite Alex just to say a little bit more about that improvement.

**Mr. Alex Bezzina:** The program, as it currently exists, has a number of different staff types and staff classifications. That is associated with a number of what I would call inefficient hand-offs within the program. It was designed that way initially, because it was designed more on a specialist type of approach to the work, where certain types of staff would do certain things with a case

and other types of staff would do other things with a case. Staff find it to be extraordinarily frustrating when there are lots of hand-offs, but more importantly, our clients and customers find that to be problematic as well.

Our plan at this point in time—and as the deputy mentioned, we're working very closely with staff groups as well as with our bargaining agent—is to develop and implement a new model that would provide end-to-end customer service through a single generalist case management model that we believe, based on input we hear from staff, will result in improved work satisfaction from their perspective and will allow us to address the fact that while we do have increases to our staffing as a result of this, we also have a program that grows every year by 5% to 6% and we don't necessarily have staffing increases that are associated with those caseload increases over the years.

**Mr. Peter Shurman:** Thank you very much.

**The Chair (Mr. Norman W. Sterling):** Ms. Sandals.

**Mrs. Liz Sandals:** I'll be sharing my time with Mr. Zimmer, but first of all I'd just like to ask a question for clarification. We got into a bit of a discussion this morning about what the rules are when people have employment. My understanding was that it's 50-50—a 50% clawback—and that that's more or less open-ended. Could one of you clarify what those rules currently are?

**Ms. Marguerite Rappolt:** Certainly, and I believe you do have it right. I'll ask my colleague David Carter-Whitney, who will perhaps be able to offer a little more about what the rules were and what they are now.

**Mr. David Carter-Whitney:** You're right. There is a 50% earnings exemption, as we refer to it. This was part of a broad set of changes that the government introduced in 2006, which sought to increase an employment focus in ODSP. Previously, the program was largely an income support program with some other activities, but the previous rules around exemptions were quite complicated. It was \$160 a month for a single recipient and \$235 for a couple. There was a reduction rate of 75%. So prior to the 2006 changes, every dollar beyond your exemption was reduced by 75%. Similarly, there was a complicated set of rules in Ontario Works.

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The changes in 2006 did a couple of things. They were intended to make it easier to understand, quite honestly. So 50% was more generous than the previous rules, and it replaced a hodgepodge of different exemption levels and different thresholds. It was also accompanied by some other changes that were made. We introduced a range of other supports that would encourage people to work. There was a \$100 work incentive that people who have earnings and ODSP would receive to try to encourage people to enter the workforce. There were some specific funding supports to help people find and obtain work. We changed—I'm maybe going longer than you want, but just to say there was a whole set of things we tried to focus on.

We also tried to change the way we incent the third parties who are intended to help people find jobs. Previ-

ously, they were service contracts that weren't particularly results-focused. Now we pay based on the service provider receiving money, and additional money, when a person is placed in and retains a job. We're trying to incent that.

We've also done some work with employers as well, recognizing that there's a certain amount that is the other side of this environment, everything from the broad work—the AODA is trying to make an environment that looks at employment standards and makes the whole environment for people with disabilities more accessible. More specifically, we've done work with Canadian manufacturers and exporters, trying to encourage support from an employer side and supports to other employers, and we've done some work around advertising to try to promote the idea of hiring people with disabilities.

**Mrs. Liz Sandals:** But basically, from the point of view of the recipient, they can work in an open-ended way or whenever their condition permits and it's going to be 50-50; they keep 50%, and 50% comes back as a reduction eventually.

**Mr. David Carter-Whitney:** Yes. The rationale behind that is that it's somewhat intended—there is no significant threshold where if you work to this point, suddenly you lose a large amount of money. Any additional amount you work, you are better off. There are no artificial thresholds caused by policy. It phases out, so to speak. These are meant to be last-resort programs, so we're trying to balance a principle of fairness and encouraging people. At some point, people are well enough off that they aren't on the program. How do you help people to make decisions that are in their interests in terms of working more? This replaced a system that had significant disincentives to work.

**Mrs. Liz Sandals:** Okay. Can we look at the whole area that the auditor identified around oversight and accountability? He identified a number of different areas where he questioned accountability, and there are two or three that I'd like you to talk about that stood out for me.

One gets the sense from the conversation, looking at the initial medical issues, that you have people who maybe understand medical issues. But on initial eligibility, there are questions being raised around looking at financial eligibility and whether that is being adequately checked.

There is an issue that the auditor is raising around ongoing financial eligibility, because people's financial circumstances can obviously change. Are adequate review procedures in place so that financial eligibility is periodically being reviewed?

Then, on the medical conditions, where the medical condition may be temporary and the file should have been flagged for medical review, is that medical review actually happening when the original eligibility was based on a periodic review?

I'm wondering if you could tell us—obviously the auditor has found some weaknesses in all those procedures—what you're doing to address those flaws and improve oversight and accountability.

**Ms. Marguerite Rappolt:** Thank you very much for the question. I understand it has three parts, the first and second dealing with the initial and then the periodic financial eligibility review, and the third part dealing with medical reviews.

I think we'll deal with the first two together, if I may. Again, what I think I'd like to do is start with referencing some information that has been made available, but invite my colleague Mr. Bezzina to say more about how we're working with our staff.

We know that having a system in place that is responsive to client needs, but also balances program integrity and accountability, is our goal.

The initial review is one that requires consistency of interpretation across our caseworkers, across the province, and it requires access to and appropriate interpretation and understanding of our rules and programs.

We are engaging in training all the time to better equip our front-line staff to make those decisions consistent with current guidelines and interpretations.

As I said, either in the first instance or for the periodic financial reviews, we are particularly focusing on encouraging better understanding of how to interpret third party audit or credit information.

I think that for most human service programs that are based on some thresholds and criteria that define entitlement, where income verification is involved, many programs in our own government and, I would say, across the country—because we do pay attention to what's happening, best practices in other jurisdictions. We are looking for ways to work with outside partners to help us do that job better in government.

Maybe I'll just stop. Alex will be able to say a bit more about the relationship we have—this was made known to the auditor, of course—with Equifax, which is a company that is expert in interpreting and dealing with credit information.

We are using Equifax to help build the right kind of risk model, because what we want to do is focus on the places where we have reason to believe there may be wrongdoing or misuse. Just like other entitlement and income support programs, we have come to understand that doing our reviews on a random, full-population basis does not serve us as well as understanding the profile and nature of our clientele, learning about triggers as to where risk exists and ensuring we develop an active risk framework and help train our staff to interpret that and respond.

Alex can say a little bit more about this.

**Mr. Alex Bezzina:** You quite rightly pointed out that there are two steps to looking at financial eligibility. The first is when a person comes to apply. Many of our applicants come to us through Ontario Works. But there are quite a number who are self-referrals, who are turning 18 at any given time or are about to turn 18, so there is a need to do work with respect to verification not only of income but of assets, and then to check against third party. We have current agreements with the Canada Revenue Agency to look at tax-related information. We

have agreements and file-sharing protocols with Employment Insurance and the WSIB, the Workplace Safety and Insurance Board, to look at receipt of income there. And we have file-sharing agreements with the Family Responsibility Office to look at support payments as well. Finally, as the deputy mentioned, we have access to credit information.

It's a matter of teaching our staff to interpret the information that they gain or garner from any of those sources and, in particular, how to interpret credit information. If you see that somebody has a lot of credit activity because of the Equifax documentation, how do you interpret that against income rules, asset rules and eligibility? We are working to teach staff how to do it.

In addition, the Auditor General said that if it is being done, it needs to be documented better and there needs to be more rigour associated with the documentation of the work that's being done. So we've also instituted, as I mentioned before, a much more enhanced supervisory file review approach to ensure not only that things are being done appropriately, but that when the Auditor General comes—he needs more than our word that we're doing it; he needs to see the documentation, and we understand that, so we're putting that in place.

**1330**

**Mrs. Liz Sandals:** What about on the medical review side, which I get the impression has been dormant for a long time? What happens there?

**Mr. Alex Bezzina:** As you may know, when a person comes and applies, at the initial adjudication they can have a date set for medical review—not everybody. There are conditions that we know are lifelong where the prognosis for improvement is not there, so they do not get a medical review date put on their file.

The Auditor General, quite rightly, has indicated in this audit, and in fact in previous audits, that we've not been following up on the medical review dates for those cases where we have flagged on the file that a medical review is required because there is some evidence from the health practitioner that the condition might improve over time. That's the only time that we put one of those flags. We're not going to review somebody, for example, who has a developmental disability. Those conditions are not going to improve, so we wouldn't put them through a medical review.

Not in this audit but in the audit previous, the other thing that the Auditor General found—and we actually received criticism as well, and significant criticism at that, from the Ombudsman—was that it was taking us far too long to do initial adjudication. We were spending upwards of eight and more months doing initial adjudication. That was a problem that we first attended to over the last several years, to improve our timeliness and accuracy of initial adjudication, and we've put perhaps too much effort there and not enough effort focusing on the medical review component.

We have subsequently, however, implemented medical review. We started last summer. We started slowly because this is something that, although clients have been

told it could happen, we hadn't been doing. We needed to apprise them of what we were going to do, what it meant, what work they would have to do with their health care practitioners, what documents we would require back and what processes would occur if they were found to be not eligible anymore and what their rights were at that point in time.

We had some training work to do, so started slowly. We started with 100 cases a month. It's not enough to get at the backlog issue that the Auditor General identified, but we wanted to start in a way that could have us examine our business process so that it was fair to clients while we were addressing this particular issue at the same time.

We are now at a point where we're almost a year into having started this work. We had indicated at the outset that after a year we would review, and we'll be doing that.

**Mrs. Liz Sandals:** Thank you. And I think Mr. Zimmer—

**The Chair (Mr. Norman W. Sterling):** Mr. Zimmer, you have about five minutes left on your time.

**Mr. David Zimmer:** Okay.

**The Chair (Mr. Norman W. Sterling):** We'll come back to you in the next round.

**Mr. David Zimmer:** I've got a question about IT, because it's the one everybody knows interests me. It's an issue that in the context of the auditor's report, to put it bluntly, just drives me crazy. I am just dumbstruck as to why we can't get our heads around it.

On page 1 of the auditor's report, he says at the bottom—I just want to set my question up: “The auditor noted that largely as a result of caseload growth, total ODSP benefits have risen to more than \$3 billion, a 42% increase since the time of the auditor's last audit in 2004.”

Then the auditor goes on at page 3, the penultimate bullet point there—just among other things—“The total amount of overpayments has increased substantially since the last audit (\$663 million in 2009; \$483 million in 2004).”

The last bullet point: “The ministry's computerized SDMT information system still lacks the key internal controls, and regional and local offices are not receiving information they need in an easily understandable format.”

Then, on page 15 of the report, under the heading “Service delivery model technology system”—and I just want to read this into the record—the auditor found that, as was the case in 2004, five years ago, “caseworkers still expressed considerable dissatisfaction with the SDMT system.” For example, ministry staff—these are your front-line workers—said that SDMT continues to make errors they cannot explain, including some that lead to overpayments. Regional and local offices are not receiving, in an easily understandable format, the information they need to effectively oversee program expenditures.

The auditor also said that the system lacks certain basic internal controls, including the fact that front-line

caseworkers have “considerable powers to act without management's knowledge.”

So, given the size of the operation, the orders of magnitude in terms of people served and money spent—it gets me all tied up—how can it happen that in 2004 that all these IT problems existed, the program grows exponentially by 42%—all the problems that permeate throughout the report—and we still have not got the basic IT Gordian knot cut? Airlines run on computer systems, banks run on computer systems, eBay runs on computer systems. I can call Ticketmaster—I can do all kinds of stuff on computer systems. But you've got this huge public expenditure, with an important clientele, and the words the auditor uses to describe the IT system are, “It lacks basic this. People don't understand it. It can't do the simple, basic functions. It's just dysfunctional.” How can that be today, especially after the warnings, the admonitions, of 2004? Untie the knot for me. Calm me down.

**Ms. Marguerite Rappolt:** Thank you very much for your question. I appreciate what I would say is your passion about our need in the Ontario public service to pay attention to the importance of our information technology platforms and do better.

I know that there have been a series of audits with very important findings. I believe that our ministry, working across government, has made good efforts—I hope I can say best efforts—within the platform that exists to make some improvements to the responsiveness, the flexibility and the reliability of this system.

**Mr. David Zimmer:** I understand all that. But tell me what has gone wrong since 2004. Why has the auditor still got the same fundamental core criticisms about the IT system: It doesn't do the basic job; people don't understand it. How on earth are you going to be able to deliver and manage these programs when we're still mucking around with, tinkering a little bit with, the IT system? Why can't you cut that Gordian knot?

**Ms. Marguerite Rappolt:** I appreciate the question. I noted earlier that there are limitations with regard to the flexibility of this platform.

So, there are improvements that we've made. Are they sufficient to address all of the Auditor General's concerns or our concerns? Likely not. I'm agreeing with you.

I also noted earlier that I'm very pleased that our ministry, along with other government ministries, is working toward the replacement and modernization of this technology.

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I did note earlier that we're working on two levels right now. The first level is to ensure that we are doing the very best we can in terms of working with the existing platform, making it responsive to our staff—who have very valid concerns—and flexible but, at the same time, acknowledging that the platform itself is outdated.

**Mr. David Zimmer:** Okay, if the platform is outdated, and you're dealing with this complex organization, why can't you quickly update the platform? I think I know the answer. If the banking system—and you

all use these banking machines—said, “The system is screwed right now, but we understand that,= and we’re working on a platform to get it up to date; give us five or six years. But we’ll handle your money as best we can,” what would you say to the bank?

**Ms. Marguerite Rappolt:** Well, I want excellent customer service from my bank just like I want excellent customer service for my ODSP clients. I would know that our banking institutions understand the importance of refreshing and renewing, using best practices, appropriate accountability and oversight, and their technology platforms in order to give you, me and everyone good customer service. What I’m pleased to be able to say is that our government is also understanding the importance of that and, therefore, has given us the green light to proceed with the planning and design of a new technology platform that will serve our ODSP clients well in the future.

**Mr. David Zimmer:** What is the end date for that?

**Ms. Marguerite Rappolt:** I did note earlier that it is a multi-year plan, as you can imagine. It’s very important. It’s very complex. Our end date right now is the end of fiscal year 2012-13.

**The Chair (Mr. Norman W. Sterling):** Can I just ask, because there have been several questions on the IT, have you looked at the IT used by other jurisdictions? Why don’t you just adopt a successful system?

**Ms. Marguerite Rappolt:** I would acknowledge that there will be many people, perhaps in this room, certainly outside this room, who understand the details of the software and so on better than I do, but I think I’m able to address your question. In the business case we took forward that has been adopted regarding the replacement of the SDMT, we did careful research—we needed to do that—internationally and in Canada. We are proceeding with a model and approach that does mirror case management systems for complex human service programs just like this that are being used in other jurisdictions.

The province of Alberta has adopted the CaseWare model, the software model case management system that we have engaged with. The province of Saskatchewan as well is using the same case management system.

So we have looked and, to your point, we are attempting to adopt international best practice and models in this field.

**The Chair (Mr. Norman W. Sterling):** But why would you not just imitate identically another jurisdiction? Every jurisdiction has the same problems: They have a disabled community that has to be helped, and they have a community that are in immediate need, like our Ontario Works program. What’s the problem? Business adapts their business practices to some of their IT models, because they find that to have an IT model there is so essential to the delivery of the program that they make some alterations to their policy surrounding it. Why don’t we do that?

**Ms. Marguerite Rappolt:** What I would say is we are doing that to the degree we can. The qualifier, in my mind, is this: The software application that we will en-

gage with needs to work within our legislative policy and business practices that exist for our program.

I accept that the outcome of social assistance is the same across Canadian jurisdictions. The framework that we have in the form of two big pieces of legislation, two levels of delivery of social assistance between two levels of government in this jurisdiction, the range of rules and regulations, these are all things—and some may think this is a good thing; some may regret this—that tend to be fairly unique and specific to a provincial jurisdiction. We need our technology to work with and respond to our business practices.

We will commit to do what we can to incorporate customized off-the-shelf case management technology. That’s the approach. We just have to make sure it can adapt to our policies and regulations that exist.

**The Chair (Mr. Norman W. Sterling):** I think that the problem with this and the Family Responsibility Office is that you never approach the problem the other way, and that is, case management is so important to the delivery of the program, to get what’s done right, that maybe you should adapt the program and say, “How much of a difference does this make to our policy decisions? Should we alter our regulations and laws to fit the program rather than going the other way and trying to create new software?” Once you create new software, you create problems. Everybody knows that in business; everybody knows that in IT. Once you create a new piece of software, you’re in trouble.

Anyway, sorry. I go on and I shouldn’t be going on; I’m the Chair of the committee.

**Mrs. Liz Sandals:** Just as long as you don’t count it against our time.

**The Chair (Mr. Norman W. Sterling):** Mr. Prue.

**Mr. Michael Prue:** I don’t know, Mr. Chair; I was enjoying your questions.

Let’s stay with computers just for a few minutes here. Obviously, they’re a great deal of difficulty, and you pinpointed that the difficulty is because we, as legislators I guess, or perhaps government ministers more so, come up with regulations that are absolutely unique, to the point that computers can’t work.

How much of this has to be done by hand or input? How much of it has to be individually inputted? Every case, virtually, because every case would have some little fact that’s different?

**Ms. Marguerite Rappolt:** Thank you for your question. I think on this one, I’m going to turn to my colleague Alex Bezzina.

**Mr. Alex Bezzina:** The current computer technology has at its core an engine that calculates benefits. The work of the intake worker and the ongoing case manager is to ensure that the information inputted into the system is accurate, but the actual calculation of the benefit is done by the computer system that has that underlying engine in it. The by-hand piece that you’re talking about is the actual inputting of the data into the system.

Cases are unique because family makeup is different, rental costs are different or income might be different;

there are a variety of things that might change the actual amount that a client receives. In addition to the basics, there are all the supplementary program benefits that they can receive that will also change their monthly cheque. All of that has to be inputted and correctly interpreted.

There are some costs, I will say to you, that can change quite radically from month to month, and the one that I will make mention of is medical transportation costs. One of the programs that we do provide for is the costs associated with transportation to medical appointments. That can change simply because a person's medical appointment schedule can change from month to month. So that constantly has to be adjusted by our staff.

**Mr. Michael Prue:** The special diet allowance is being taken away from the ministry and is being given to the Ministry of Health. That's some \$200 million of funds. I would assume there's going to have to be a radical change to the computer system. First of all, you won't need it anymore, that whole section, and the Ministry of Health will have to develop a new and unique system. Is that pretty logical, what's going to happen?

**Ms. Marguerite Rappolt:** I'll first acknowledge: As you've noted, our 2010 Ontario budget did note the elimination of the special diet program and acknowledge that a new nutritional supplement program would be developed and would be administered by the Ministry of Health and Long-Term Care. There are many elements to that adjustment, as you can imagine, that we are engaged in with our colleagues in the Ministry of Health and Long-Term Care, and one of the elements is thinking about the changes that ending the special diet program will mean to our own service delivery.

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I would just confirm with you, as you noted, that that needs to be a part of our planning work from a program-operational point of view and, as you say, from a computer-technology point of view. These are all the kinds of changes that legislators, ministers and ministries make that require us to attend to what that means for our technology systems. It is early days, I dare say, but we are absolutely engaged in beginning to think about that.

In terms of our new nutritional supplement program that will be administered through the Ministry of Health and Long-Term Care, again I would say that it's early days. We are just at the stage with our colleagues from the Ministry of Health and Long-Term Care to be assessing various approaches. It would be premature—I'm certainly not in a position to comment on what the model might be or what the delivery mechanism will be, but these will be things that we will be thinking about and working hard on.

**Mr. Michael Prue:** Have you had an opportunity to sit down, if you haven't got the computer system worked out—and I understand that it's too early—and discuss with the Ministry of Health how many staff will be transferred from your ministry to theirs? Or will any be transferred?

**Ms. Marguerite Rappolt:** I appreciate your question; these are very important program questions. We are not

at that stage yet. No, we are not. We're beginning to work on approaches, considering different models or design options, but I appreciate your question. These are things that, over the course of the year, we must be mindful of.

**Mr. Michael Prue:** The reason I'm asking that is that I went down to the Human Rights Commission on the day that this was being debated, and I saw the affidavit of the ministry which was presented. I read it, and I don't have it in front of me, but as I remember it, it was approximately four months that it was going to take to wind down the special diet allowance. It was going to take another few months to ramp up the new diet allowance, or whatever it's going to be called, at the Ministry of Health. Surely you must be beyond a preliminary stage. That was more than a month ago. We have less than three months, if that affidavit is to be believed, until one program is gone and other one is ramped up.

**Ms. Marguerite Rappolt:** I won't speak specifically to the time frames in the affidavit, but I'm very much aware of them. I think the point would be that we know, given the number of clients who are recipients of the special diet allowance currently and given the importance we and the government will place on the design model and the implications of the new program, that it will take some planning and design time.

I agree with you that there were some time frames that are important, reflected in terms of what we expect to be our planning and implementation horizons, but I can't comment more right now with any more precision than you've noted about what we expect in that rollout.

**Mr. Michael Prue:** I'm curious, because I did read the auditor's report when he was talking about the number of staff within the ministry and how it has gone up, I believe, some 32%—excuse me, not the staff going up, but the decrease of 32% in the caseload per staff. I mean, since the caseload has gone up, I have to assume that the staff has gone up as well. How do we fare on a caseload basis per staff with other jurisdictions in Canada? It always appeared to me that our staff was hugely overworked.

The reason I'm asking this is because I used to be a civil servant before I did this. I worked in the immigration department, and every time they cut back staff, it had huge consequences: Enforcement went down, the number of claims that weren't being adjudicated went way up, and it was much easier to simply say "yes" to everything because you didn't have the time to actually look at what you were supposed to be doing.

I'm seeing the same kind of thing, I think, here. Could you comment on that? Is part of the problem when we don't have the staff to be able to do the enforcement and the other time-consuming activities that the auditors identify? Is that the real problem?

**Ms. Marguerite Rappolt:** Thank you very much. Earlier, we talked about a service enhancement project we have under way right now, working with our staff and working with our bargaining agents to redesign our work and our jobs in our offices to offer better client service.

Then I noted that we were fortunate: The auditor, of course, talking about caseloads and the work of our staff helps bring attention to the need to ensure that we are appropriately staffed. We had the benefit over the course of the last fiscal year and into this fiscal year to have more resources added at the front line in our ODSP program. So my colleague Alex was able to talk a bit about why and what we are doing in terms of redesigning to ensure that it is a better-staffed case management model, reducing the number of hand-offs between workers doing different things, creating a more open focus, a one-window focus, for the client. With that change that's in progress right now—we're working with our bargaining agent and our staff—we have been the beneficiary of additional resources. I think that's a reflection of our sense of priority and the government's sense of priority to ensure that we continue to do a better job at the front line.

**Mr. Michael Prue:** Okay, but you are going to lose some of those resources to the Ministry of Health, surely.

**Ms. Marguerite Rappolt:** I appreciate your question, and I'm hearing what you are saying. I can't address it right now, because we just haven't landed what the design model will be and so on—the issue of whether or not there are staff who will be shifting or what that circumstance will be.

**Mr. Michael Prue:** Again, part of the reason I'm asking this is that rejected applicants, according to the auditor's report, appeal to the Social Benefits Tribunal. It overturned many initial ministry rejection decisions—a huge number. I can speak only anecdotally from my own office. Very few people who are rejected come in to see us, but for those who do, I think we have a universal success rate of 100% in helping them to appeal—and they win. I look at it sometimes in complete disbelief. I think it's part of this whole thing, that it's really easy to say no, because you don't have to do any work to justify it or anything to write out to say why you think it should be allowed. It's much harder to allow something at the initial level, but this is time wasting; this is hugely time wasting. It must be for the bureaucracy; it is for my office; it is for the poor people who have the fortitude or, I guess, just the will to come in and seek some assistance, because mostly they are people who are on the margins. They get told no, and most of them walk away with their tail between their legs. That's the end, unfortunately.

Can you tell me why so many are refused, and why so many decisions are overturned? Again, is this a staff problem? Is this a problem because you have to do additional work to say yes?

**Ms. Marguerite Rappolt:** I think the issue of the role of the Social Benefits Tribunal—it's very important work. Being an independent point of review and appeal for our caseload, it's an important area for us to address, and something that the Auditor General turned his mind to. As you noted, there were some flags regarding the overturn rate of disability adjudication decisions. The report noted, in fact, that the actual number of cases which are being overturned has increased, but that's

partly as a result of caseload volume. The Auditor General went on to say, though, that the rate of overturn by the Social Benefits Tribunal of our caseload is going in the right direction. The overturn rate a number of years ago—let's say 2005-06—was significant. It was close to 75%—72%, to be exact. That rate has come down significantly.

**1400**

So I'm hearing your sentiment that some of our clients who seek assistance—which is their right, absolutely, to have their case reviewed through due process. Those cases may grow in number and they're proceeding through to the tribunal, but the tribunal's data are demonstrating that in fact the rate of overturn of our decisions is not what it was. That trend line is moving in the right direction.

**Mr. Michael Prue:** But they're still at 55%.

**Ms. Marguerite Rappolt:** Yes.

**Mr. Michael Prue:** I think back to my own days, working in the immigration department. If somebody was overturning 55% of every decision that I made and my colleagues made, we would do one of two things—well, probably what we would do is stop making those kinds of decisions, because you'd be beating your head against the wall for absolutely nothing. I don't understand how a bureaucracy can see 55%—even at that lower grade—of their decisions overturned and continue day after day after day to do the same thing that they know they're going to lose. I don't understand that.

Surely the ministry should turn around and say, "We're not going to win these cases. Let's not expend the energy on this. If we're going to lose them, allow them in the first place and don't put people through all this and the additional work, and concentrate on those areas where we know we're likely to be upheld." That's what I don't understand. Maybe you can explain to me why you would allow 72% or even 55% of cases to be overturned. There has to be something really wrong with this system.

**Ms. Marguerite Rappolt:** I'm going to comment on two things. I think one of the things that you're framing is our need to ensure that our adjudicators have the benefit of understanding trends and directions that our tribunal is going in so that we can be better informed. Similarly, we want our independent tribunal members to ensure that they have, very transparently and openly, all the materials we're offering to our staff regarding how decisions are made.

I think there were some observations about the need for ensuring respect for the roles of the parties and the independence of the tribunal, but a commitment to the appropriate exchange of information. We are doing some things to improve the knowledge exchange—let me say that—between the two parties. That's one thing I want to mention.

The second thing I want to mention is the question of what is a good overturn rate. That's a difficult question to answer. I would say that an important figure is that in fact 9%—that number has gone down as well in the last while, but right now it's 9%—of our disability adjudi-

cation unit decisions are overturned by our tribunal. Okay? Of all the decisions made at the adjudication level, we have 9% of all those decisions overturned.

So I take your point—what is the right number?—but that’s something we have to be mindful of in terms of the total work and outcomes of our disability adjudication unit.

**Mr. Michael Prue:** How much time—

**The Vice-Chair (Mr. Peter Shurman):** You’ve got five more.

**Mr. Michael Prue:** Five more minutes—then one last question, perhaps, on this. Are the adjudicators hired separately and apart? Are they a separate unit from the ministry? I don’t understand whether they’re appointed separately or whether they are part of the bureaucracy but simply hold a different function.

**Ms. Marguerite Rappolt:** Thank you very much for your question. I believe your question is not regarding our tribunal adjudicators, of course, but rather our own disability adjudication unit. That unit is part of, I will say, my colleague Alex’s branch. I’ll just let him talk about that unit and some of the changes that have evolved and progress we’ve made in staffing that unit.

**Mr. Alex Bezzina:** It is, just to be clear and responsive to your question, part of my organization; it’s part of the bureaucracy. About 10 or 11 years ago, we centralized the disability adjudication function from across the province. It used to happen at all the local offices and we centralized it, for a couple of reasons: first of all, for efficiency reasons, and secondly, to ensure that these adjudicators were learning from each other and creating a knowledge practice that could improve their adjudication decision-making.

We have about 48 or 50 adjudicators who work for us right now. They do have training. Many of them are medically trained from either an OT or a PT perspective. Some have mental health worker backgrounds etc. that assist them in their work.

They are overseen in two ways, one through a more generalist management position that ensures from a business practice and a business process perspective they are doing what they’re supposed to do. We also have medical oversight that works with management, and the auditor rightly pointed out that we needed to do better work on this. We have improved this, whereby there are regular file reviews by another person who is not employed by that unit, who comes into that unit reviewing the decisions made by staff, going over trend lines with management and ensuring appropriate feedback to the staff.

We’ve also implemented a process whereby staff themselves, who may not have had this information up until now, are receiving regular reports around their own—I’ll use the term “pass/fail rate,” so how many they are approving and how many they’re not approving, and comparing that to the overall average.

We recognize too that there are certain areas of adjudication—and we’re seeing increasing cases in this regard—that are more difficult to adjudicate. As I mentioned earlier in response to another question, when

somebody has a developmental disability from birth, that’s an easy adjudication. Of the adjudication that is done, there are two levels: one done at triage—and if it’s a clear-cut issue, it’s granted at triage. Twenty-five per cent of cases that come through the adjudication unit—there are about 38,000 or 40,000 that come in every year—are adjudicated at triage level.

But we need to ensure that our staff are trained on more complicated types of adjudications, such as adjudications of medical conditions where the documentation that’s able to be provided by medical practitioners is less clear: environmental sensitivity issues, chronic pain, mental health issues, issues that do not appear to have, based on objective medical tests, a lot of supporting evidence, and yet the individual seems to be experiencing some significant issues and limitations. That’s where we’re focusing a significant amount of our training right now, to support staff with those more difficult types of adjudication decisions.

**The Vice-Chair (Mr. Peter Shurman):** Time’s up. Thank you very much. Over to the PCs and Mr. Ouellette.

**Mr. Jerry J. Ouellette:** Some of us would know here that the process during fiscal initiatives within government is such that a directive comes down that in this particular station we’re looking at cost-recovery methods; it goes out to the bureaucracy and then recommendations come forward to the minister, which the minister then moves forward and acts upon. Why would it be that the special diet allowance would be one that would be considered for the process that it’s currently in?

**Ms. Marguerite Rappolt:** I will attempt to address the question, and you’ll kindly let me know whether I’ve got it or not. I think you’re asking why the government is proceeding to have announced the completion of the special diet program.

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**Mr. Jerry J. Ouellette:** I would imagine that the recommendation came forward from the bureaucracy to the minister as being, “Minister, we would have a minimal impact on our stakeholders at that time if this particular program was no longer in existence within our ministry.”

That advice normally comes from the bureaucracy to the minister, who then makes the announcement on behalf of the recommendations they received.

Why would this process come forward from the bureaucracy regarding this file?

**Ms. Marguerite Rappolt:** Thank you very much for your question. I’ll say the following: It’s my understanding that the special diet program is one, of course, that’s been in existence for some time. Certainly, as the auditor noted in his work and his team’s work with our staff and the staff in municipalities—I acknowledged earlier that chapter 3.11 of the auditor’s 2009 report dealt in a little more detail with the special diet program.

I think it’s fair to say that the trend lines regarding the special diet program, in terms of cost and usage, had been noted for a period of time. The Auditor General,

with his team, spoke with front-line staff, obtained data and offered recommendations—their own assessment—to government based on their sense of many “questionable payments”—I believe that was the phrase—and also some concerns about potential misuse.

I noted earlier in my remarks that we also have a human rights tribunal decision, which has identified that the current model of the program is discriminatory. Those are two important findings that I believe influenced the government and caused the Minister of Community and Social Services to be very thoughtful about this program. The result is, of course, that our government announced in the 2010 budget that the program as we know it, the special diet allowance, would be eliminated, but we are going to be introducing, as was noted, a nutritional supplement program to meet the needs of people with severe medical need, and that program would be administered through the Ministry of Health.

**Mr. Jerry J. Ouellette:** So what structural changes took place that would have a budget of \$6 million, in the period that it was reviewed, move to \$200 million? Why was there such a huge increase? What were the changes that came forward that allowed that huge change? Obviously, when you get changes like that, a government would review the file to say, “We’ve had huge increases in this and what is the reason is for that?” What would those reasons be, from your perspective?

**Ms. Marguerite Rappolt:** I think I’ll ask my colleague David Carter-Whitney to talk a little bit about how the program has evolved over the course of the last number of years.

**Mr. David Carter-Whitney:** Thank you. As the deputy minister has indicated, this is a program that’s been in existence for a long time and up until 2000-01, the budget was quite small. It was under \$10 million; it was \$6 million. What we saw was, in fact, a public campaign. There was an awareness and an effort to encourage people to access the special diet allowance as a means of increasing their amount of financial assistance.

The program had been fairly flexible in its origins, for various reasons, and we began to see an increase in expenditure. We were also approached in 2005 by, in fact, the Ontario Medical Association, which indicated to us that doctors were complaining, that they were feeling pressure around the application forms and the process by which people were coming to them.

You may be aware that the ministry implemented changes in 2005 to strengthen the integrity of the program. The application process was changed to make it more accountable; there was a new schedule that was created that moved from asking doctors to describe the diet required to asking doctors simply to confirm the medical diagnosis. Therefore, the accountability trigger was that the health care professional would identify the medical condition that required treatment. The older form simply indicated type of diet. We adjusted the amounts that were provided and changed certain conditions as well. What we saw at that point was, in fact, a bit of a decline for about a year and a half, and then the increased

trend lines continued, so there was a significant cost increase.

The Auditor General’s report also indicated that there are concerns around the number of conditions being identified, the prevalence of conditions and multiple family members with the same array of conditions. The result of some of those changes has meant a complex legal environment as well. So all those things combined, I think, to influence the government’s decision.

**Mr. Jerry J. Ouellette:** You mentioned some statistics regarding case review, and there were, I believe, 1,600 charges effectively laid. What is the average length of time for the review of a case?

**Ms. Marguerite Rappolt:** Just to clarify, is your question regarding the average length of time for a caseworker to make a decision regarding entitlement? Of course, there’s a financial element as well as the disability adjudication element. Is that the question, may I ask?

**Mr. Jerry J. Ouellette:** It’s a lead-in to the fact that you’ve got 27,000 complaints; 2,200 where charges were laid. How many of those 27,000 cases were actually reviewed? If you’re looking at half a day per case, that’s an extraordinary amount of person-hours of time to review 27,000 complaints to get 2,200, with only 1,600 charges laid.

**Ms. Marguerite Rappolt:** Thank you very much for that clarification. Your focus, then, is obviously on the caseload dealing with alleged fraudulent files. As you note, over a period of time—since 2004—more than 2,200 suspected fraud cases have been referred to the police, and that number of referrals has resulted, in the same period of time, in 1,600 convictions. Just so I understand, I think that’s what you’re asking us to comment on.

**Mr. Jerry J. Ouellette:** When you first mentioned it, you mentioned the figure 27,000; is that correct?

**Ms. Marguerite Rappolt:** If I have it right—

**Mr. Jerry J. Ouellette:** You mentioned during your opening remarks that there were 27,000 tips that came in.

**Ms. Marguerite Rappolt:** I take your numbers at face value. My note here says 21,000 calls or faxes received via the hotline—maybe that’s what we’re talking about—and emails—

**Mr. Jerry J. Ouellette:** And how many of those were actually acted upon in order to get to the 2,200 number?

**Ms. Marguerite Rappolt:** Thank you very much. I mentioned the process, at a very high level, in terms of how the tips to the hotline are referred to the local ODSP office, the assessment that is done at the local level, and then, where there is reason for concern, some validation of the concern, the fact that cases of potential fraud are then referred to an eligibility review officer. I would like to ask Alex to talk in a little more detail about that process.

**Mr. Alex Bezzina:** The deputy’s data of 21,000 refers to this past fiscal year, which is a different fiscal year than the one the Auditor General’s number of 27,000 refers to, but you can see the magnitude of types of calls

and faxes that come in to the welfare hotline. Many of those calls are dealt with immediately. People don't understand, for example, that somebody who is on social assistance is allowed to have a vehicle; it is one of the things they are allowed to have. They also work, which people don't understand. Many of the calls that come in are dealt with through provision of information, or receipt of information, but there's no further need to move on because they're calling to report that somebody has a car—

**Mr. Jerry J. Ouellette:** So how many, then? The point is that we had roughly 2,200 cases. What percentage is that a success rate of for complete reviews? Is that 10%? What percentage did you act upon? Or is it 100%: We only acted on 2,200, and we got 2,200 individuals that we found were abusing the system?

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**Mr. Alex Bezzina:** Your question is a good question. The point the Auditor General made in his report was that the fraud tips were not being acted on in a timely enough way, not that we weren't acting on them. They just weren't happening in a timely enough way. Again, I think in some cases that this is a volume question—

**Mr. Jerry J. Ouellette:** You don't have an answer?

**Mr. Alex Bezzina:** Well, I could get to an answer.

**Mr. Jerry J. Ouellette:** Okay.

**Mr. Alex Bezzina:** All the cases are referred to the local office to determine; all the tips that come in are referred to the local office. An initial review is done to see if there is anything of concern. If there is something that requires further work, it goes to an eligibility review officer—

**Mr. Jerry J. Ouellette:** And what is that number?

**Mr. Alex Bezzina:** I don't have that number off the top of my head.

**Mr. Jerry J. Ouellette:** Thank you. Okay. The next question, then: What percentage of the budget goes toward administration costs, and what actually goes toward client payout?

**Ms. Marguerite Rappolt:** Just allow me to get to my numbers sheet.

I think the number \$3 billion was mentioned earlier—I'm going to deal with the 2009-10 fiscal year, this past fiscal year. The ODSP financial assistance program: We allocated \$3.3 billion to that effect. In addition, employment assistance, which is another critical element: \$42 million was allocated in fiscal 2009-10 for employment assistance to ODSP clients.

I will offer to you that financial employment support direct operating expenditures were to the effect of \$238.9 million in fiscal 2009-10. I hope that answers your question. If there's further information that we can bring forward as a follow-up, I'm very happy to do that.

**Mr. Jerry J. Ouellette:** Mr. Shurman has some questions.

**The Chair (Mr. Norman W. Sterling):** Mr. Shurman.

**Mr. Peter Shurman:** Thank you. I want to go back to some other subjects, notably to one of the key findings in

the auditor's report that appeared to suggest that the ministry was disregarding—I would even say flouting—the legislation in terms of medical reassessments. What it found was that you just don't do any, or at least you didn't do any from 2002 on—that would be as of the issuance of the auditor's report.

What are you doing now? Have there been any medical reassessments done at all? If not, why not? If so, how are you handling the backlog?

**Ms. Marguerite Rappolt:** Thank you very much for the question on the subject of required medical reviews. I think my colleague Mr. Bezzina talked about this to some degree earlier, and I'll note a couple of things.

Previous reports done by our auditor and other reports done by the Ombudsman as well focused on the timeliness of the reviews. I think it has been noted—the auditor noted—that we've made notable progress. We have attended to ensuring that the medical review process is done in a more timely and appropriate fashion.

**Mr. Peter Shurman:** Have you done any reassessments, Deputy Minister?

**Ms. Marguerite Rappolt:** Yes. Your question, though, is, have we done the required follow-ups and reassessments? I'll let Alex say it again in a little more detail, but we absolutely acknowledge that this is not something we have attended to in the way we should have over the past number of years. But in this last year, we have reinitiated our medical review processes, we have targets, we have a plan in place and we are proceeding with medical reviews.

I'll ask Alex to just say a bit more.

**Mr. Alex Bezzina:** We did start last May with issuing 100 requests per month for individual clients to resubmit medical information; what we call the disability determination package, or DDP, needs to be redone. We started this on a pilot basis, as I mentioned earlier. I acknowledge we hadn't been doing it, so clients may have been told at the outset that they had a medical review coming up, but they've not experienced one. So we wanted to make sure that clients understood what they were going to have to do, what the implications were of a decision that would indicate that they were no longer qualified for the program and what rights they had after the fact.

We've started slow. We have issued, as of this past April 1, about 1,200 DDPs—disability packages—and we have received 62% back, and of the cases adjudicated we have found that approximately 60% are individuals who continue to have a disability—

**Mr. Peter Shurman:** Sorry. That percentage again?

**Mr. Alex Bezzina:** Sixty of the ones that we've adjudicated—

**Mr. Peter Shurman:** Of the 62%, 60% continue—

**Mr. Alex Bezzina:** Sixty per cent continue to have an ongoing disability as per the act. Another 18% have been found not to be disabled from the perspective of the definition that's in the legislation. For the remaining approximately 20% or 22%, there was more medical information required in order to do a full adjudication of

that particular case, so additional information has been asked.

**Mr. Peter Shurman:** And approximately what's the number, if you could snap your fingers and have everything completed today, that are outstanding for DDP?

**Mr. Alex Bezzina:** When we use the term "outstanding," we're talking about those individuals who have review dates that are in the past.

**Mr. Peter Shurman:** Yes; bringing things up to today.

**Mr. Alex Bezzina:** Right. It's about 15,000 that have overdue review dates.

**Mr. Peter Shurman:** Do you have a target?

**Mr. Alex Bezzina:** At this point in time, our target was to do 100 per month—we did not put additional staffing on this; we've added it to the work of the existing adjudicators—and to conduct a review after a year of implementation. That year is now coming up because we started at the end of last May. We'll do a review of the process to see whether we can ramp up further, whether we have staff become more comfortable in doing this work and whether we can tighten up the business processes so that we can get more done.

**Mr. Peter Shurman:** Okay. So we've taken a look at the fact that you had no medical reassessments or, as you call it, DDPs. You've now gotten that process started. You have some achievement and some optimism for the future. We'll take that at face value.

I'll ask a question which is again going over some territory that has been explored, and that is supervisory reviews, which have been essentially non-existent for a period of time. A lot of that has to do with the discussion we've had about computer availability and the fact that access has not been the way you'd like it to be and there's some readjustment. Are you doing supervisory reviews and are you satisfied at this point that there has been any progress made there at all?

**Ms. Marguerite Rappolt:** I will ask Mr. Bezzina to respond.

**Mr. Alex Bezzina:** We have indeed started supervisory file reviews again. The expectation had been there, but there were not consistent business processes associated with it in all 45 of our ODSP offices across the province.

We have now developed a consistent approach and methodology. We've documented that. We've put it in a training guide for our managers, and in the middle of April, just about three weeks ago, we brought our managers in for a training session and walked them through what the requirements are, not only for conducting the supervisory file reviews but also for documenting and ensuring that I'm receiving the reports that I need—

**Mr. Peter Shurman:** I've got to interrupt you. I listen to that answer and I've got to tell you, I'm flabbergasted. You've got a new training guide and you brought them in three weeks ago to tell them what to do, and these are supervisory personnel who, I'm sure, have been around,

in some cases, for years. What were they doing until you did this?

**Mr. Alex Bezzina:** They were primarily using the reports that come out of the SDMT system to flag issues. They were not consistently—and that's the term I will focus on—undertaking file reviews in a business practice that looked exactly the same in all 45 offices. I've changed that—we've changed that—and the training that we did was to ensure that everybody understood the new process, the new requirements and the documentation requirements associated with that.

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**Mr. Peter Shurman:** Okay. Average wait time: I'd like to deal with that for a second. This was flagged. If I'm reading my notes correctly, the average wait time was reduced but the delivery times were significantly increased, so what you had was 53 days versus a legislated limit of 21 days. Why would that happen? It seems to me that if you had the facility to do a review of need and approved that on a more expedited basis, the need, once identified, would really put somebody in dire straits if they had to wait 53 days for the first cheque.

**Ms. Marguerite Rappolt:** I may ask Alex to say more, but I think you've highlighted two important pieces of data. One is the finding of the Auditor General with regard to the timelines associated with disability adjudication decisions. That's where, due to a focus over the last number of years, we've come in, reducing the time it takes, and that's the 53 days, in association with that process.

I believe your second point is with respect to the target we have of 21 days for an ODSP client to receive their payment.

**Mr. Peter Shurman:** Okay, so where are we? Bring me up to date on the figures as they would stand, say, today and where you want to go.

**Ms. Marguerite Rappolt:** Perfect. I appreciate that. I think the first one is alive and well. That is about exactly where we're at for the adjudication time frames.

**Mr. Peter Shurman:** Twenty-one?

**Ms. Marguerite Rappolt:** The 53; the adjudication time frames.

**Mr. Peter Shurman:** Okay.

**Ms. Marguerite Rappolt:** But with regard to the timing with respect to the release, having the ODSP payment go out, I believe that's the 21 days.

I'm going to suggest that Alex give you the update on that.

**Mr. Alex Bezzina:** When an individual applies for ODSP, as I mentioned earlier, a good number of them might come from Ontario Works initially, and then another good number of them might come from an independent self-referral.

If an individual is in financial straits when they apply and they are not on Ontario Works when they apply, they are referred to Ontario Works for more immediate financial support. I just wanted to make that clear, that while the adjudication of disability takes place, they are

referred to OW and receive Ontario Works payment while waiting.

You are correct, however, in noting that we need to do better at follow-up after adjudication. Once an adjudication is made, we're not getting the cheque out in a timely enough fashion—the 21-day legislated time frame. We do have a plan in place for improving that particular metric.

I will point one thing out, though. Even if we are late at that 21 days, the payment for ODSP is retroactive to the decision date—I should say to the eligibility date.

**Mr. Peter Shurman:** That makes it all better, then. I'm sorry; I couldn't help but be facetious.

**Mr. Alex Bezzina:** It doesn't make it better, but I wanted to assure you that people are not being left in financial straits. We are supporting them financially through the OW program. But it doesn't make it better, and I acknowledge that.

**Mr. Peter Shurman:** Thank you very much.

**The Chair (Mr. Norman W. Sterling):** Ms. Van Bommel?

**Mrs. Maria Van Bommel:** I want to go to the part of the auditor's report that deals with overpayment. In an earlier response, Deputy Minister, you quoted the number of \$663 million that you said had sort of accumulated over a long period of time. To start this conversation, could you just tell me what you mean by "long period of time"?

**Ms. Marguerite Rappolt:** The \$663 million was the amount noted by the auditor with regard to the cumulative overpayments for our ODSP program.

I will just note: We're all aware that references were made, of course, to a larger number, which was the total amount of overpayments. It's well over a billion dollars when one looks at Ontario Works overpayment as well.

Of the \$663 million, I noted earlier that about two thirds, 63% of that outstanding ODSP payment, was generated more than five years ago, suggesting that the triggers for overpayment—which are, as I've noted, work, changes in living arrangements, decreases in rental fees and so on—are common. This is a program which I describe as being very dynamic. Every month, it is regularly expected that clients report changes. When you have that dynamic program over a long period of time, it lends itself to accumulating this amount of overpayment.

So to answer your question, around two thirds of it was generated at least five years ago and over 60% of the current debt, the \$663 million, is from cases that are now inactive. We have two categories of caseload associated with the overpayment amount: those resulting from cases that are in the system right now, and those that our overpayment recovery unit is particularly charged with addressing—and those are what we call the inactive cases, those cases who are no longer clients of the ODSP system.

**Mrs. Maria Van Bommel:** When you say 63% are over five years old and you carry that forward, that implies that they are somehow collectible. But when I look at the auditor's report, he cited two particular in-

cidents where—and I understand why you can't recover a large sum of money in a field where people don't have the money. Basically, the money they have is what you're giving them to begin with.

So when he cited situations where it would take 650 years to collect the outstanding amount, and in another situation where he cites 147 years to collect, to the average taxpayer, when we say that that's out there, that's seen as an "accounts receivable," in the business term, as taxpayers would understand, which is an asset. In the average business, people would at some point consider something to be a bad debt. So my question to you is, where do you determine that the overpayment is no longer recoverable and that you need to write it off?

**Ms. Marguerite Rappolt:** I appreciate the question very much, and behind it is likely quite a complicated answer—

**Mrs. Maria Van Bommel:** It tends to be.

**Ms. Marguerite Rappolt:** Yes, because we need to consider the issues, I suppose, of writeoff—not forgiveness of debt, but writeoff of debt—with regard to our broad caseload. There is a process in place for active cases and then there are considerations regarding writeoff for the so-called inactive cases, the money associated with debt, not associated with our current caseload; past caseload.

I would just say there are protocols and practices in place for our staff who sit in our 40-some locations throughout the province as to how they report on this through their verification, reviews and assessments. We also work with respect to the inactive caseload in considering when and to what degree all avenues have been exhausted with regard to collection efforts. We work with other parties in government assessing controllership models and so on as to when that debt can be considered debt that should be written off. These are all matters that we take into consideration.

**Mrs. Maria Van Bommel:** So in a situation where we have 650 years to collect this back, there has to be a saw-off somewhere in that, because it's not realistic to think that the descendants of this person are going to somehow pay this debt. How do you calculate that, then?

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**Ms. Marguerite Rappolt:** I'm going to let my colleague Mr. Bezzina carry on with the answer.

For active cases, we noted earlier that of course we always take into consideration ability to pay debt. And we have a policy of recovering 5% per month.

I think Alex can say more.

**Mr. Jim McCarter:** Maybe I could just jump in very quickly. I think what you're getting at is, have we really got a good asset here on the accounts, and should there be a reserve and allowance? The Ministry of Finance, when they're doing the consolidated public accounts, basically would have quite a substantial reserve against those accounts receivable, along with a number of other accounts receivable in the government where they're set up and they feel a significant portion may not be collectible. They would be reserved against, so they don't show up as a bona fide asset of the province.

**Mrs. Maria Van Bommel:** That's what my concern was. I was thinking, do the taxpayers somehow have the impression that this is an asset that will be collected and that the government has this money as an outstanding accounts receivable—

**Mr. Jim McCarter:** The other thing, too, as you know, is the Ministry of Finance actually has to get involved and give their approval before it can be formally written off. So it's a dual ministry process.

**Mr. Alex Bezzina:** I'll just make a couple of additional comments on that.

Where possible, we focus our efforts and energy on collecting overpayments, recognizing that there are situations where that's not going to be possible.

For the inactive cases, one of the processes that we've set up is our overpayment recovery unit. And through an agreement with the Canada Revenue Agency, we actually have an agreement through their refund set-off program, where, if an inactive client is eligible to receive a refund from CRA at a federal level, it comes to us, as opposed to going to the client. So we have instituted that. We're making some progress with respect to that.

But there does come a time when we have to look at writeoff. Our current practice is to write off when the client is deceased or when there has been a declaration of bankruptcy. We have not paid as much attention—and the Auditor General noted this in one of his recommendations—to developing a really robust writeoff strategy for outstanding debt, to have that correct determination as to when it is no longer worth the effort of pursuing. So long as a person is on social assistance, however, or so long as there's the capacity to collect, we will try to continue to do that. Where we can't collect, for various reasons, we need a more robust writeoff strategy. We're working on that as we speak. But as Jim indicated quite correctly, we have to make sure our processes are in keeping with the rules set out by the Ministry of Finance.

**Mrs. Maria Van Bommel:** Can you tell me a little bit about the overpayment recovery unit—

**The Chair (Mr. Norman W. Sterling):** Ms. Van Bommel, did Mr. Ramsay have some questions? Because we're going to draw to a close here.

**Mrs. Maria Van Bommel:** Just a quick question about the overpayment recovery unit: When did that start, and how does it proceed?

**Ms. Marguerite Rappolt:** I'll ask Alex to quickly address the question.

**Mr. Alex Bezzina:** We established it in 2004. We put staff in place who will work with inactive cases where there is a debt owing. They contact them or they find ways of contacting them; they initiate payment schedules with individuals; they work with Canada Revenue Agency for the refund set-off process; they see if there are other ways in which the client may want to reduce their debt, and they come up with a voluntary payment program. It's perhaps relative to the total amount owing to the crown, but we've had good success, in that over the last several years we have collected over \$25 million through the efforts of this relatively small group of staff,

but more importantly, we have voluntary payment agreements in place for an additional \$100 million.

**Mrs. Maria Van Bommel:** Thank you very much, and thank you to the Auditor General for the clarification as well.

**The Chair (Mr. Norman W. Sterling):** Mr. Ramsay.

**Mr. David Ramsay:** David, you gave us a chronology on the special diet allowance. I guess it fascinates all of us because of the exponential increase of that over seven years—\$6 million to \$200 million. It's really quite something. I was wondering if you had any more details there, observed year by year, and when did it start to trigger? Because as you said, we did make an adjustment; it went down a little bit, and then it started to escalate again. As you do that, what normally would trigger alarms on anything you're looking at within the system that something abnormal is happening there?

**Ms. Marguerite Rappolt:** I'll ask David to address that.

**Mr. David Carter-Whitney:** No, I don't have the year-by-year numbers right with me. I could provide them later. It's a fairly dramatic graph with a little swing down and up.

**Mr. David Ramsay:** I bet.

**Mr. David Carter-Whitney:** This is a fairly unusual circumstance, quite honestly. It's a program, as I said, that had existed for some time. I wasn't in the ministry at the time. I think there was an awareness of it; there were some decision points that had to be made, and I think it was with some consultation that the changes in 2005 were made. I think we've been watching since then.

We appreciated the insights from the Auditor General; we have looked at options, and this was the decision the government made. I'm not sure what else I can say to you except that this is a fairly unusual circumstance, I would say, in terms of the way this program has evolved and been utilized.

**Mr. David Ramsay:** Would we have processes now in place that would jump on this type of escalating cost more quickly, so that this could not happen again? Are those safeguards in place, that it would be noticed and acted upon in a more timely manner?

**Ms. Marguerite Rappolt:** I'll attempt to respond to the question. With the Auditor General's findings of his questionable-practices concerns, we did undertake a number of measures to support clients and our staff in attempting to shore up our confidence in the integrity of the program. So I think this begins to address your question of what steps we were taking once we assessed the trend lines regarding the use of the program. Certainly we took it upon ourselves to require clients to declare their own accountability with respect to the allowance they received by actually signing a declaration. Our auditor had a number of suggestions regarding how to guarantee further integrity, and this was one measure that we took, following the auditor's advice.

In addition, we supported our field staff—both our own ODSP staff as well as our Ontario Works municipal service providers out there who also administer this—with more information about their role in ensuring the

viability and integrity of the applications they receive. So as the government was considering its direction in this important program, we made sure that we began to take some measures. We also had a referral to the College of Physicians and Surgeons—and the minister has made note of that—regarding a particular concern. So we took a number of steps to make sure we were exercising the oversight with respect to this program that the auditor noted and we felt was warranted. Then, it was the case just over a month ago that the government did offer direction that we were going to be proceeding with the elimination of this program and reintroducing another program to be administered by the Ministry of Health and Long-Term Care.

**Mr. David Ramsay:** I know that you and the Ministry of Health and Long-Term Care are still working on the new program. Is it the idea that they're going to work on the policy and then maybe the administration of that but then you would deliver whatever the outcome is of that to your client? Is that, in a big-picture sense, what the idea is?

**Ms. Marguerite Rappolt:** I would say that this has been a very important program for Ontarians, for social assistance recipients. It deserves, and we are therefore giving it, very careful attention as to what the new picture will be. We have received the policy direction from the government in terms of the new program being a supplement program to address severe medical need. Beyond that—I'm being very forthright—we are in the early stages of design and thinking and policy work, so I likely could not, with any confidence, predetermine what the administrative vehicle would be and what the program design would be. Careful attention is being given and we're working apace, but I think we will await to hear direction as the government proceeds in its decisions in this regard.

**The Chair (Mr. Norman W. Sterling):** Thank you very much for appearing today.

I'll ask members of the committee to stay back a few minutes after the delegation leaves so we can talk to our researcher about what we would include in the report.

*The committee continued in closed session at 1450.*





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