

**Report to/Rapport au:  
Community and Protective Services Committee/  
Comité des services communautaires et de protection**

**and Council / et au Conseil**

**June 16, 2010 / le 16 juin, 2010**

**Submitted by/Soumis par:  
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CITY WIDE/À L'ÉCHELLE DE LA VILLE

Ref N°: 04-ACS2010-COS-CSS-0009

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**SUBJECT: CHANGES TO THE ELIGIBILITY CRITERIA FOR THE ESSENTIAL HEALTH AND SOCIAL SUPPORTS (EHSS) AND HOME SUPPORT SERVICES (HSS) PROGRAMS**

**OBJET : CHANGEMENTS APPORTES AUX CRITERES D'ADMISSIBILITE AUX SERVICES SOCIAUX ET DE SANTE ESSENTIELS (SSSE) ET AUX PROGRAMMES DES SERVICES D'APPUI A DOMICILE**

**REPORT RECOMMENDATIONS**

That the Community and Protective Services Committee recommend Council approve the following changes to the EHSS and HSS Program eligibility requirements as follows:

- 1) Approve the replacement of the current needs testing with income-testing using after tax Low Income Cut-Off (LICO), an established and accepted measure of poverty.
- 2) Expand the current EHSS and HSS asset policy definitions to mirror ODSP's policy definition of exempt assets (Appendix 1).
- 3) Implement these changes in 2011 subject to approval of the estimated additional costs as part of the 2011 budget process.

**RECOMMANDATIONS DU RAPPORT**

Que le Comité des services communautaires et de protection recommande au Conseil d'approuver les changements suivants aux conditions d'admissibilité du programme de Services d'appui à domicile et de Services sociaux et de santé essentiels (SSSE) :

- 1) **Approuver le remplacement de l'évaluation des besoins actuelle par l'évaluation des revenus à l'aide du seuil de faible revenu (SFR) après impôt, une mesure de la pauvreté bien établie et acceptée.**
- 2) **Élargir les définitions de la politique des SSSE et des Services d'appui à domicile concernant les avoirs pour qu'elles tiennent compte de la définition de la politique du Programme ontarien de soutien aux personnes handicapées (POSPH) sur les avoirs exemptés (Annexe 1).**
- 3) **Mettre en œuvre ces changements en 2011 sous réserve de l'approbation des coûts supplémentaires estimés dans le cadre du processus budgétaire de 2011.**

## BACKGROUND

The Essential Health and Social Supports (EHSS) program was established in 1998 to fill a gap created when the Province abolished the Special Assistance (cost shared 50/50) and Supplementary Aid Programs (cost shared 80/20) that assisted low income residents with essential health related items. The EHSS Program is 100% funded by the City of Ottawa, and approved by Council. Low-income residents are assisted with the purchase of items or services such as dental care, vision care, medical supplies such as prosthetic appliances, diabetic supplies, hearing aids, and bathroom aids, as well as essential appliances, funerals and burials. Many EHSS applicants have one-time requirements for the above-mentioned items or services, while others have longer-term needs that require ongoing case management by Social Services staff.

The Home Support Services (HSS) Program promotes quality of life for eligible residents of Ottawa by providing and purchasing home help services including housekeeping, instruction on preparing nutritious low-cost meals, respite child care and delivering workshops in the community on topics such as cooking, parenting and living on a low income. The program is 80% provincially funded subject to an annual subsidy allocation limit but open to review with the Province.

On April 12, 2006, Council approved a recommendation to increase the asset limits for both EHSS and HSS to those allowed under ODSP (an increase from \$3,000 to \$5,000 for single people). Although the ODSP asset limits were adopted, the asset exemption policies were not.

On June 2009, Councillor Cullen put forward a motion to explore increasing the asset limit for EHSS and HSS from the current \$5,000 to \$10,000 for non-cash items. Staff were directed to review this proposal including costing and implementation considerations.

On February 10, 2010 Council approved the Ottawa Poverty Reduction Strategy. Recommendation 2, which falls under the strategy to provide a service system that benefits people in need, relates to the EHSS and HSS Programs as follows:

*“Streamline the needs assessment of Essential Health and Social supports and Home Support Services for people in need”.*

This report will address the above recommendations.

## DISCUSSION

In order to assess the financial and administrative impacts of the recommendations, the following reviews were undertaken:

1. Inquiry with other cities about their delivery of similar programs.
2. Demographic review and comparison of income and asset levels of current EHSS and HSS program recipients.
3. Review of new EHSS and HSS applicants in order to assess the impact of the proposed recommendations.

### **Similar programs in other cities**

A telephone survey of five similar sized municipalities was conducted in the fall of 2009. Survey findings are summarized as follows:

- All five municipalities reported having programs similar to Ottawa's EHSS, 100% municipally funded program.
- Most municipalities use some form of needs or income test and all allowed discretion when looking at income and assets on a case by case basis.
- The majority of municipalities use the ODSP asset limits in their determination of eligibility.
- In terms of items or services provided, Ottawa provides a broader range of items to clients.
- Most municipalities provide the same type of benefits to low income clients as are provided to social assistance recipients.
- Most municipalities have a 'mail in' application process with flexibility of onsite or offsite appointments

### **Demographic Review of Low-Income residents in receipt of EHSS or HSS\* (based on June 2009 caseload)**

*\*Approximately 80% of all HSS clients are in receipt of either Ontario Works or ODSP benefits. They were excluded from this review as the objective was to compile information related to low income residents (ie. income other than social assistance) who are recipients of either EHSS or HSS.*

- **Gender:** There were more females (66%) than males (34%).
- **Family Type:** Most recipients were single (76%), followed by married (13%), single parent (6%), and families (5%).
- **Age:** The majority of clients were seniors (65+) at 73% (see Appendix 2 for further detail on age comparison with overall City of Ottawa population).
- **Income Levels**
  - To assess the impact of using LICO for determining eligibility, average client income by family size, was compared to LICO amounts. In all family size categories, the average income of existing cases was under the LICO amounts (Appendix 3).

- **Asset Levels**

- The average asset amounts were equal to approximately 20% of current allowable asset levels.
- Average asset levels did not necessarily parallel family size with the highest level of assets recorded for families of two at \$1,495 and the lowest for families of 5 at \$707.
- Bank accounts were the most commonly declared assets, followed by life insurance policies.

## **Review of New Applicants to the EHSS/HSS Programs (January-February 2010)**

To assist in assessing the potential impact of changes to the EHSS/HSS eligibility criteria, data was analyzed for 356 new applicants during January and February 2010. Applicants to EHSS/HSS programs were asked a series of questions involving basic demographics, as well as income and asset information. This information was used to determine eligibility for the programs using both the needs testing (current method) and the LICO testing (proposed method), as well as determining whether changes to the asset limits or definitions would have a significant impact.

- **Demographics:** The majority of demographic traits were similar for both the ongoing caseload and the new applicants, with the exception of age. The applicant group tended to be younger than the ongoing caseload with fewer seniors (41% senior applicants compared with 73% seniors comprising the ongoing caseload).
- **Income:** The majority of applicants claimed some type of income such as: pensions (38%), earnings (30%), OSAP (7%), and Employment Insurance (5%).
- **Assets:** Slightly more than 50% of the applicants declared assets, with 44% declaring a bank account, 5% with other assets such as life insurance and a second property and 3% claimed RRSPs. Asset amounts and types were found to be similar to those claimed by the ongoing caseload.
- **Eligibility - Using LICO and adopting the ODSP asset exemption policies:**
  - Based on the preliminary information provided by new applicants during their telephone screening, it is estimated that 84% of the new applicants in January and February 2010 would have qualified for EHSS/HSS benefits under the proposed changes, compared to 72% using the current needs test method (see Appendix 4). This provides for a net increase of 12% of applicants being eligible under the proposed changes.
  - Adopting the ODSP asset exemption policies would be beneficial to a small number. Only two additional applicants during the two month review (or an estimated 12 cases per year) would have qualified; both were seniors with cash surrender values on their life insurance policies. Currently, cash surrender values are counted as assets, however, under the recommended change, they would be exempt
  - Of further benefit to seniors, with respect to the recommendation of adopting the ODSP asset exemption policies, is that there would be a streamlining of the EHSS/HSS eligibility requirements allowing seniors to move from ODSP to EHSS, when they no longer qualify for ODSP at the age of 65, but remain in need of essential health items.

- **Eligibility – Increasing the asset limit from \$5,000 to \$10,000 for non-cash items:**
  - Based upon the January and February 2010 applicant sample, only one additional applicant (or an estimated six per year) would have been eligible for EHSS or HSS services.

In addition to an increase in the number of clients who will qualify if the eligibility changes are implemented, it is anticipated that there will be a streamlining of the application process associated with a move from the current needs test to the recommended income based testing. The current needs based testing requires clients to provide multiple documents showing proof of expenses such as heat, hydro and rent. These documents and expenses must be verified by staff. The income based testing (LICO) would significantly reduce the number of verification documents and would result in a less intrusive list of questions posed to applicants. Administrative efficiencies may also be attained resulting from staff having to spend less time on reviewing and filing documents.

This streamlined application process would also provide an opportunity to create an on-line eligibility calculator. This would allow potential applicants to pre-screen themselves prior to contacting Social Services.

## **Conclusion**

Implementing the recommendations to move to a LICO income test and adopt the ODSP asset exemption policies will help an increased number of people and streamline the application and verification requirements so that vulnerable residents face a less intrusive process.

It is recommended that the above changes be implemented effective 2011. The estimated additional costs will create a budget pressure as follows:

- **EHSS 100% City: \$166K gross and net**
  - Calculation is based upon EHSS costs for 2009: the average cost per EHSS item was \$307 and each client required an average of 2.9 items.
  - A projected increase 186 new applicants (174 due to LICO changes and 12 related to asset rule changes) would cost approximately \$166K.
- **HSS: \$205K gross and \$41K net**
  - Calculation is based upon a projected increase of 60 additional applicants per year who would be eligible using the new criteria, at an average cost of \$3,400/client/year. This is based on the assumption that these new clients would receive services for a full year. Cost sharing of HSS is subject to an annual allocation limit, but this limit is open to review with the Province. Assuming the City is reimbursed by the Province for 80% of this cost, the increase to the City would be estimated at \$41,000.

The above projections do not take into account additional factors that could impact the EHSS and HSS programs, including: the ageing Ottawa population and possible increased need for EHSS and HSS, the impact of the HST on overall costs, as well as economic or social policy changes at the municipal, provincial or federal levels.

## RURAL IMPLICATIONS

There are no rural implications with this report.

## CONSULTATION

Summary information from this report was presented to the Poverty Issues Advisory Committee (PIAC) on May 11, 2010. PIAC members indicated that they were supportive of the report recommendations.

## COMMENTS BY THE WARD COUNCILLOR(S)

Not applicable as this is a city wide report.

## LEGAL/RISK MANAGEMENT IMPLICATIONS:

There are no legal/risk management impediments to implementing the recommendation in this report.

## CITY STRATEGIC PLAN

The proposed recommendation addresses Recommendation 2 as outlined in the Ottawa Poverty Reduction Strategy. The Poverty Reduction Strategy was approved by Council on February 10, 2010 and is supported within the Corporate Strategic Plan.

## TECHNICAL IMPLICATIONS

The proposed recommendation would require minor changes to the existing business application.

## FINANCIAL IMPLICATIONS

The estimated additional costs will be included as a pressure in the 2011 budget process. The additional EHSS cost is estimated at \$166K gross and net. The additional HSS cost is estimated at \$205K gross and \$41K net assuming that the Department can negotiate an increased subsidy allocation with the Province to accommodate the additional costs.

## DISPOSITION

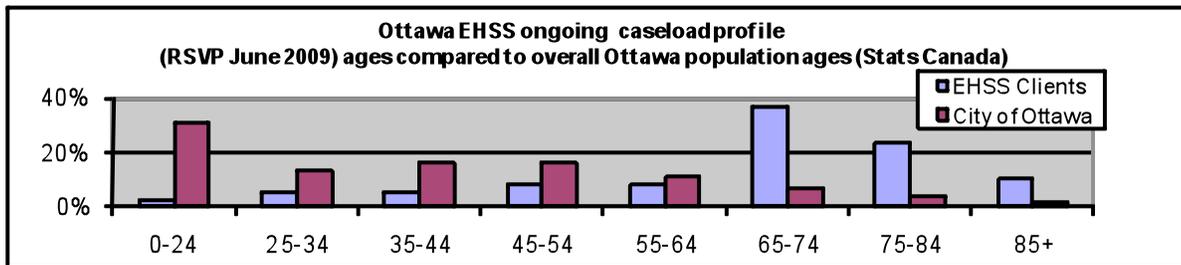
City Operations staff will implement any direction received as part of consideration of this report.

SUPPORTING DOCUMENTATIONS

APPENDIX 1 - ODSP exempt assets that are recommended for EHSS/HSS

- Cash surrender value of life insurance policies exempt up to \$100,000 per year.
- Compensation payment and awards for pain and suffering exempt up to \$100,000.
- One motor vehicle owned by a member of the family unit is exempt regardless of value.
- Second motor vehicle is exempt provided net value is less than \$15,000 and required to permit dependant of the applicant /recipient to maintain employment outside the home.

APPENDIX 2 – EHSS Caseload Ages compared to City of Ottawa population



APPENDIX 3 - EHSS/HSS Client Income June 2009 compared to LICO rates

Client Income in relation to LICO 2008		EHSS recipients < 65 yrs		EHSS recipients ≥ 65 years	
Family Size	LICO Rates	Avg. Income June 2009	Percentage to LICO	Avg. Income June 2009	Percentage to LICO
1	\$1,531	\$1,037	67.73%	\$1,288	84.13%
2	\$1,863	\$1,612	86.53%	\$1,808	97.05%
3	\$2,320	\$1,729	74.53%	\$1,682	72.50%
4	\$2,895	\$1,819	62.83%	\$2,330	80.48%
5	\$3,296	\$1,971	59.80%	\$1,297	39.35%
6	\$3,656	\$1,768	48.36%	\$1,392	38.07%
7 or more	\$4,015	\$2,940	73.23%	-	-

APPENDIX 4 - Comparison of EHSS/HSS Applicants using Current Needs Test vs LICO

ASU Survey Sample (n=247 as those who chose to withdraw were removed from the overall sample of 356)	Applicants Who Qualified Under Current Eligibility Test	Applicants Who Qualified Under Proposed LICO Test
Eligible	178 (72%)	207 (84%)
Not Eligible	69 (28%)	40 (16%)
Total	247 (100%)	247 (100%)