

Background

As part of the 2020 budget process, a budget reduction was approved by Council to reduce the Municipal allocation for the discretionary budget in Social Services by \$175,000. This change was recommended due to the high service level that is provided through the discretionary budget when compared with other municipalities in several categories. Discretionary items, which are outside of the regular mandatory benefits, include items such as; household appliances, beds, dentures, and moving expenses.

A report was brought forward to the Community Services Committee on January 15, 2018 with recommendations to implement changes to the Discretionary Policy that resulted in a municipal budget increase of \$350,000. Social Services staff have since been monitoring the service levels and individual needs, as well as working with a third-party dental adjudicator, to assist with determining the immediate needs of Ontario Works (OW) clients based on the social determinants of health.

Currently, the discretionary benefit provided is 100% provincially funded up to a maximum-capped amount. The capped amount of \$1,212,000 (2019) fluctuates based on the Provincial formula with the main cost driver being OW and Ontario Disability Support Program (ODSP) caseloads. Any spending over the capped amount is the responsibility of the Municipality. It is important to note that the discretionary rate chart applies to both OW and provincially funded ODSP recipients.

Service Standard

In order to reduce discretionary spending to meet the approved municipal allocation of \$175,000, Social Services staff have reviewed and identified the following discretionary items as areas for reduction:

- Funeral rates
- Frequency of denture replacements

Funerals and Burials

Currently, the Funeral Policy rate for Ontario Works is a maximum amount of \$6,290.17. The estimated amount spent on funerals in 2019 is approximately \$185,000 (awaiting final reconciliations for year-end). This is the total for recipients of Ontario Works, Ontario Disability Support Program (ODSP), and low-income individuals within the City of Greater Sudbury.

A review of other municipalities' policies indicates that Greater Sudbury has the highest reimbursement rates for funeral coverage with averages ranging from \$2,034 up to \$5,804.67. Other Municipalities' policies have been linked more closely to the Canada Pension Plan (CPP) death benefit of \$2,500 and the Ontario Works Directives Guidelines of \$2,250 as benchmarks for funeral rates.

Based on the estimated 2019 expenditures, the Social Services Division is recommending that the maximum benefit for a funeral be capped at \$2,500 plus the burial costs, which would result in approximate savings of \$75,000 to \$125,000 depending on future cremation rates.

The maximum fee of \$2,500 funeral includes as follows:

- "transportation of body, professional services, funeral services, casket, memorial cards, facilities, death and registration, newspaper obituary and cremation".

Dentures

The Discretionary benefit also covers denture appliances for clients. This is another area where changes are being recommended based on the input of the Social Services Division's third party dental adjudicator.

The adjudicator has provided suggestions to amend the Denture Policy in regards to replacement frequency and realignments. It has been recommended that the 4-year replacement frequency be increased to every 6 years. Denture realignment would continue to be covered during the 6-year period, as needed, based on staff discretion while following the guidelines outlined by the adjudicator. The Director of Social Services would continue to have discretion in exceptional circumstances where denture replacement is needed. It is difficult to predict the actual savings that would be produced under this change given that the frequency change would have a larger impact in future years. In total, Social Services covered approximately \$265,000 in denture appliances in 2019.

Previous Frequency Changes

Previous changes to the rate chart effective March 2018 should produce savings in future years as clients experience a longer frequency rate for household items. Clients that have already accessed services prior to the change will therefore not be eligible until the new frequency time has been met thus incurring future year savings. Although short-term pressure has been experienced due to an influx in immigration cases of large families, this has stabilized in recent months. These previous changes should provide the remainder of savings in future years.

Dental Fee Guide

Social Services provides emergency dental coverage for OW adult recipients (18+) and ODSP Dependent Adults that require dental care. Currently, Ontario Works reimburses costs based on a 2009 Dental Fee Guide for services at a dentist office, which is much lower than the 2020 Dental Fee Guide. Clients have reported having difficulties in finding dental care with these low rates, as some providers would opt not to provide services based on the outdated reimbursement rate. Third party adjudicator has confirmed that it will be increasingly difficult to procure dental services if the Dental Fee Guide remains unchanged. It is recommended that the dental fee services be

increased to 2020 rates over the next 3 years and remain at a 2 year lag to the current year ODA rate. This will have a minor impact on the overall discretionary budget and a positive impact on the health and well-being of clients.

Next Steps

Upon approval by City Council, Social Services will revise the Funeral Policy and the Discretionary Rate chart and ODA fee guide to reflect the changes effective March 1, 2020.

Social Services staff will continue to monitor the Discretionary Benefits budget on a monthly basis to ensure that the expenditures remain in line with the Provincial formula and the 2020 budget approved by Council.

References

Report to Community Services Committee on January 15, 2018

<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1258&itemid=14239&lang=en>

Appendix A – Discretionary Rate Chart – March 1, 2018