

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf.
Your File/V/Réf.

DATE 25 May 1998

TO/DEST. Coordinator
Community Services Committee

FROM/EXP. Social Services Commissioner

SUBJECT/OBJET **ESSENTIAL HEALTH AND SOCIAL SUPPORTS
(RESPONSE TO MOTION CSC NO. 07(98))**

DEPARTMENTAL RECOMMENDATIONS

That Community Services Committee recommend Council:

- 1. Authorize and direct the Chair of the Community Services Committee to forward a letter to the Ministers of Health and Community and Social Services requesting their consideration of funding health related items and/or services formerly funded under the Special Assistance and Supplementary Aid Programs for non-social assistance clients under the Ministry of Health;**
- 2. Authorize and direct the Chair to extend an invitation to the Ministers to attend a meeting of the Community Services Committee to allow the Region the opportunity to formally express their concerns on these changes, and;**
- 3. Approve the continuation of the provision of items/services for non-social assistance clients using the Ontario Works Act, Asset and Income Level Guidelines, and for excess costs for assistive devices for social assistance recipients, for which cost-sharing has been discontinued by the Province at a cost of an additional \$450,750 net in 1998 (\$601,000 annualized).**

PURPOSE

This report provides information to the Community Services Committee on the impact of provincial changes to essential health and social supports on the working poor, the disabled and elderly people in Ottawa-Carleton, and makes recommendations to respond to the gap in services.

BACKGROUND

Beginning May 1, 1998, new regulations and policy directives were established for the Ontario Works Act governing social assistance programs in Ontario. Under these regulations, low-income people who do not receive social assistance will no longer be eligible to receive items of Special Assistance which the Province have named "Discretionary Benefits".

Excess costs above the Province's ceilings for items covered under the Assistive Devices Program will no longer be cost-shared for social assistance recipients (SAR's). The Department will continue to provide eligible SAR's on a cost-shared basis all other essential health and social supports for which the Department previously had blanket approval.

At the April 23, 1998 meeting of the Community Services Committee the following motion was passed in response to the change in regulations

"That a report be prepared regarding the effects to the working poor, the disabled and the elderly of the provincial changes to Discretionary Benefits and that this report include measures the RMOC can take or facilitate to deal with these gaps".

ESSENTIAL SUPPORTS FOR PEOPLE NOT RECEIVING SOCIAL ASSISTANCE

Previously, Special Assistance was available to a person in need in accordance with the General Welfare Assistance Act. The criteria of financial hardship (person in need) meant that Special Assistance was available to fully employed low income persons as well as general welfare recipients. Similarly, Supplementary Aid provided the same or similar benefits to recipients of a range of government benefits, including Old Age Security (OAS), Canada Pension Plan, Quebec Pension Plan, Blind Person's Allowance or Disabled Person's Allowance, Spouse's Allowance, Family Benefits, GAINS, and Vocational Rehabilitation Allowance.

Beginning May, 1998, the essential health and social supports provided under "discretionary benefits" will be granted only to persons in receipt of assistance under the Ontario Works Act and the Family Benefits Act. All other groups previously covered are now categorically ineligible.

Elderly and low-income people not in receipt of social assistance

Non-elderly low-income people who do not receive social assistance have been made categorically ineligible. This includes people who are fully employed or who are in receipt of another government benefit and who are not elderly. In 1997, the Departmental expenditures for essential health and social supports for this group were about \$50,000 (gross). The bulk of services provided were dental services.

Of those who are now categorically ineligible, the largest group is the low-income elderly not on social assistance. In 1997, 1,300 elderly were served by the Supplementary Aid/Special Assistance program, representing a gross expenditure of \$790,500. The following table identifies the items provided and the gross amount spent for each item for the elderly:

Table 1.

ESSENTIAL SUPPORTS PROVIDED/EXPENDITURES FOR THE ELDERLY
(1997)

Item	1997 \$000's
Dental services	125.7
Surgical supplies and dressings: incontinence and ostomy supplies, drainage bags, diapers, colostomy, ileostomy and urinary supplies, catheters, accessories (adhesives, skin barriers), and other surgical supplies as required	98.8
Prosthetic appliances: back braces, surgical stockings, artificial limbs, inhalators, wheelchairs, dentures, other	283.0
Vision care	29.3
Moving	6.2
Furniture and appliances	14.0
Funerals and burials	179.9
Other	53.6
Total	790.5

Impact on non social assistance recipients

The expenditures for the elderly are overwhelmingly related to health supports, including dental care, vision care, prosthetic appliances and surgical supplies and dressings. These items total \$536,800 and represent 2/3 of all expenditures on essential supports for the low-income elderly. Such supports help keep the elderly mobile, free from pain and infection, better able to see, and better able to eat and digest food, thus assisting in keeping the elderly out of hospital and other care facilities where costs quickly escalate. (Note: The estimated hospital stay cost for 1 week for 1 person was \$7,350, in 1996). Most of the remaining expenditures go for funerals and burials (see Section below). Less than 10% of expenditures go to moving expenses, furniture and appliances, and other supports.

REINVESTMENT IN ESSENTIAL SUPPORTS FOR NON SOCIAL ASSISTANCE RECIPIENTS

Funerals and burials

The cost of a funeral and burial is a discretionary benefit for which only social assistance recipients are now eligible. The Ontario Works Act and Regulations place no responsibility on delivery agents for the burial of needy persons or unclaimed bodies. The responsibility is contained in the Public Hospitals Act and the Anatomy Act. The RMOC will have no choice other than to cover these costs. The cost of a funeral or burial for non recipients of assistance will not be cost shared. However, if the deceased person would have been eligible for assistance under the Ontario Works at the date of death had an application been made, assistance for the funeral or burial may be provided as has usually been the case.

In 1997, the Department and the Province cost shared the burial of 90 elderly people not on social assistance, with a gross expenditure of \$179,900 (see Table 1). Non-elderly people not on social assistance for whom burial costs were incurred were generally made eligible.

Net Savings/Budgetary Shortfall

The introduction of categorical ineligibility of elderly non social assistance recipients for cost shared essential supports frees up net dollars of \$158,000, based on 1997 expenditures. Funerals and burials must be covered by 100% municipal dollars. Costs of funerals and burials (\$180,000 minimum) slightly exceed these net dollars. Once the net dollars have been exhausted, there is a total shortfall remaining of \$632,000 to cover all items provided to elderly non-social assistance recipients.

Similarly, based on 1997 expenditures, there are net savings of approximately \$10,000 created by the categorical ineligibility of non elderly non SAR's. Once net savings have been exhausted, there is a shortfall of approximately \$40,000 to cover items provided to the non-elderly who are not on social assistance.

ASSISTIVE DEVICES PROGRAM

The changes to cost-sharing of prosthetic appliances which are covered by the Ministry of Health's Assistive Devices Program (ADP) will primarily affect disabled social assistance recipients and those who are older or in poor health. (Prosthetic appliances not covered by ADP are covered under "Discretionary benefits" on an 80/20 cost-shared basis with the Province).

In 1997, Assistive Devices Program provided 75% of the costs of a range of items for low-income people up to ADP cost ceilings; consumers were required to pay a 25% deductible. The Special Assistance and Supplementary Aid Program assisted low-income people by providing coverage of this deductible. As of June 1, 1998, the Ministry of Health will begin providing the consumer co-payment of 25% for people on social assistance requiring prosthetic appliances covered under the Assistive Devices Program. Those items not covered will continue to be provided under "discretionary benefits", cost-shared with the Province on an 80/20 basis.

However, it is important to note that ADP cost ceilings are often lower than the real cost of many items, including wheelchairs, prostheses, other prosthetics, braces and ortho shoes. Previously the Special Assistance and Supplementary Aid Program provided coverage of this difference for people in need. Beginning June 1, 1998, amounts above the ADP allowable maximum are not eligible for coverage, with the exception of wheelchairs.

Impact on Social Assistance Recipients who are disabled, older or in poor health

Given that social assistance benefit levels are set based on basic need requirements only (food and shelter), it is expected that additional expenses for prosthetic appliances would represent a hardship for social assistance recipients. Prosthetic appliances contribute to mobility, help people remain independent, and assist people to heal. These factors help keep people healthier and out of hospital and other care facilities where costs quickly escalate.

Net Savings/Budgetary Shortfall

In 1997, the gross expenditures for co-payments on ADP-related items was \$207,150 (\$41,430 net).

In 1997, the gross expenditures to cover excess costs for ADP-related items was \$108,750. The Department will continue to have gross expenditures of \$75,000 (\$15,000 net) to cover costs in excess of ADP ceilings for wheelchairs. It is estimated that an additional \$33,750 (100% RMOC dollars) would be required to continue to assist social assistance recipients with costs in excess of ADP ceilings for items other than wheelchairs.

SUMMARY

The following table summarizes the elimination of essential supports for various target groups, the resulting net savings, and the amount of 100% RMOB dollars that would be required to continue to provide these items.

Target Group	Changes to Essential Supports	Gross Expenditures 1998 (\$000's)	Net Savings (\$000's)	100% RMOB \$ required to cover eliminated benefits (\$000's)
Elderly	cost-sharing of essential health and social supports eliminated	790.5	158.1	790.5*
Non Social Assistance Recipients (other than elderly)	cost-sharing of essential health and social supports eliminated	50.0 (approximate)	10.0 (approximate)	50.0 (approximate)
Social Assistance Recipients	Assistive Devices Program: 25% deductible now covered by province; elimination of cost-sharing for costs in excess of provincial ceilings (except wheelchairs**)	Deductible: 207.1 Excess Costs: 108.7	Deductible: 41.4 Excess Costs 6.7	Deductible: not required Excess Costs 33.7
Total		1,156.3	216.2	874.2

The difference between net savings and amount of RMOB \$ required to continue all essential supports is an estimated \$601,000 annually. For 1998, the shortfall is about \$450,750 (due to introduction of the changes after the first quarter).

*RMOB must pay 100% of funerals and burials at \$180,000 net.

**Excess costs for wheelchairs continue to be funded under "Discretionary Benefits" (\$75,000 gross expenditures in 1997, \$15,000 net).

Approved by Dick Stewart

CP